



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended
June 30, 2025



150 City Park Way
Brentwood, CA 94513



For Fiscal Year Ended June 30, 2025

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December 9, 2025

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, 2025. 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, 2025.

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, 2025, the City had an estimated population of 65,747.

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

The U.S. economy remains resilient but has entered a moderated phase of expansion. Real GDP growth is expected to slow into 2026 following stronger gains in prior years. Inflationary pressures have receded from their pandemic peaks but remain elevated above the Federal Reserve's long-term target, continuing to place cost pressures on service delivery and infrastructure investment. Higher borrowing costs, ongoing policy uncertainty, and trade tensions further complicate the outlook.



Although a full recession is not the baseline projection, the probability of one occurring within the next 12–18 months remains elevated. This risk underscores the importance of maintaining fiscal discipline, protecting reserves, and planning with conservative assumptions. Adding to this uncertainty, the State continues to enact regulatory requirements without accompanying funding. Compliance costs in areas such as solid waste organics processing have already affected the City's budget, while new mandates for electric vehicle fleet conversion 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 2024/25 resulted in a surplus, with revenues exceeding expenses and amounts set aside for reserves by \$1.3 million. Included in these results are \$1.1 million in one-time investment fair market value gains. Pursuant to City Council policy and as part of the City's long-term fiscal sustainability strategy, half of this surplus will be used to reduce unfunded pension obligations.

Property taxes, the General Fund's top revenue source, have risen by an average of approximately 6% per year over the past five years, helping to offset some inflationary cost pressures. However, property tax revenue growth has recently slowed and is expected to average just 3%-4% 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, which are now at historically low levels. Sales tax, the General Fund's second-largest revenue source, has stagnated in recent years, although revenues are expected to grow modestly in future fiscal years as a result of a major new retailer that opened in March 2025.

On the expenditure side, City operational and infrastructure costs have increased significantly over the past several years, and while inflation appears to have largely abated, the higher cost structure is likely to persist. The City anticipates intermediate-term pension cost increases as CalPERS requires higher annual payments toward the City's unfunded pension obligation. These increases would have a greater impact on the City's fiscal health were it not for the proactive approach of 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 excess reserves are available. In the past seven fiscal years, the City has made pension prepayments totaling \$3.9 million under this policy, helping to mitigate future rate impacts. The City has also made significant annual pre-funding contributions toward pension obligations, totaling \$23.1 million over this time period.

The City's Water, Wastewater, and Solid Waste Enterprise Funds are also managing higher costs stemming from inflationary pressures and increasingly stringent, unfunded regulatory mandates from the State of California. To address these impacts, a five-year rate study was approved by City Council in FY 2022/23, setting rates for all three utilities through FY 2027/28. The rate studies incorporated updated assumptions for new organics regulations affecting both the Solid Waste and Wastewater enterprises, as well as higher operating and capital cost expectations. The rate structure took effect July 1, 2023, with the most recent adjustment implemented July 1, 2025. Each year, the City evaluates whether the approved rate increases must be fully implemented. In June 2025 the City Council reduced, from 6.5% to 4.0%, the previously approved July 1, 2025 Water rate increase. As of FY 2024/25, each of the City's utility enterprises met the 30 percent cash reserve policy goal.

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. A new Strategic Plan is anticipated to be approved during FY 2025/26.

Although forecasts indicate that the City can maintain its strong financial position, caution is warranted as fiscal conditions continue to evolve. The City will remain vigilant in preserving its long-term fiscal health through conservative budgeting, active management of unfunded obligations, and disciplined reserve policies. Through prudent financial management and adherence to the City Council's adopted fiscal policies, Brentwood is well positioned to sustain essential services and strategic investments amid changing economic conditions.

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, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

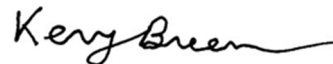
ACKNOWLEDGEMENTS

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

Respectfully submitted,



G. Harold Duffey
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, 2024

Christopher P. Morill

Executive Director/CEO



City Council as of June 30, 2025

Susannah Meyer Mayor
Pa'tanisha Pierson Vice Mayor
Faye Maloney Council Member
Jovita Mendoza Council Member
Tony Oerlemans Council Member

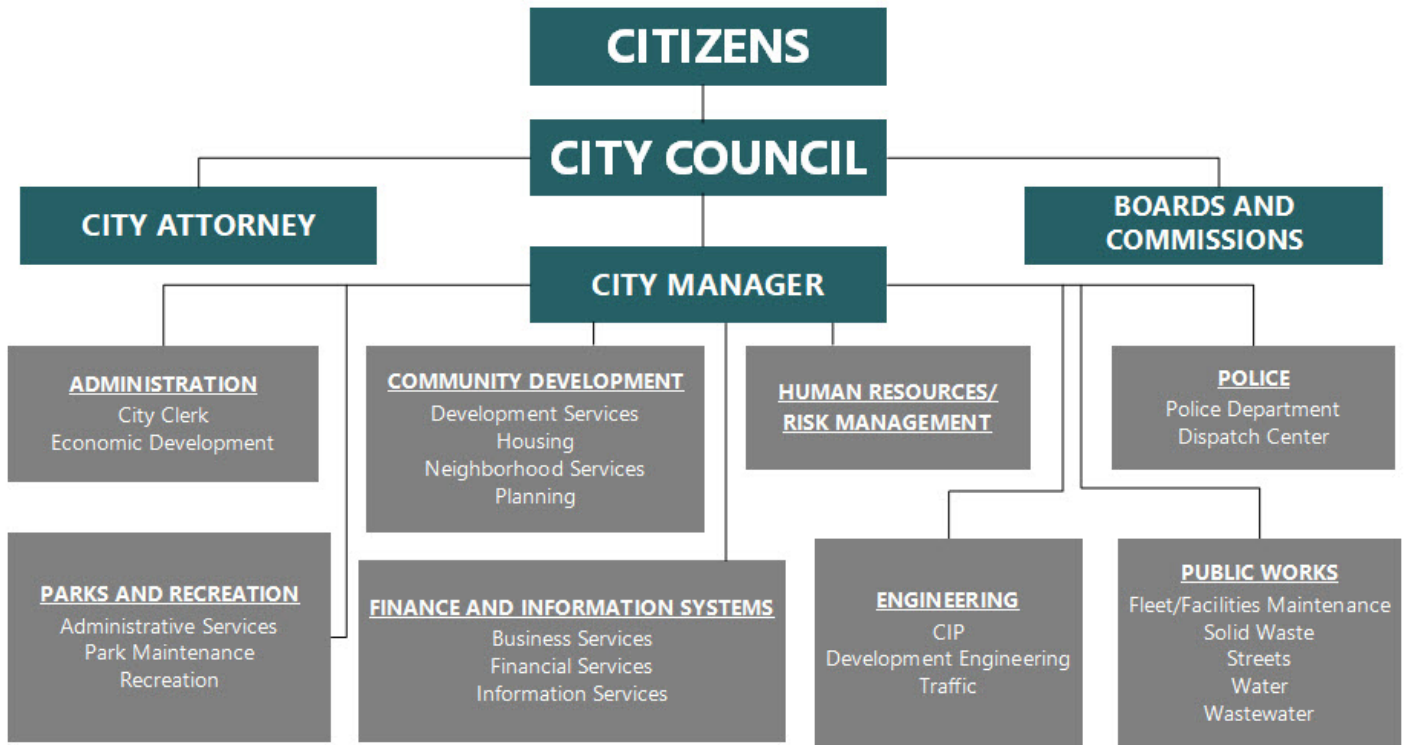
Executive Team as of June 30, 2025

Darin Gale Interim City Manager
Katherine Wisinski City Attorney
Sukari Beshears Interim Assistant City Manager
Allen Baquilar Director of Engineering/City Engineer
Kerry Breen City Treasurer/Director of Finance and Information Systems
Teresa Fairbanks Acting Director of Human Resources/Risk Manager
Tim Herbert Police Chief
Alexis Morris Director of Community Development
Vatsal Patel Acting Director of Parks and Recreation
Casey Wichert Director of Public Works

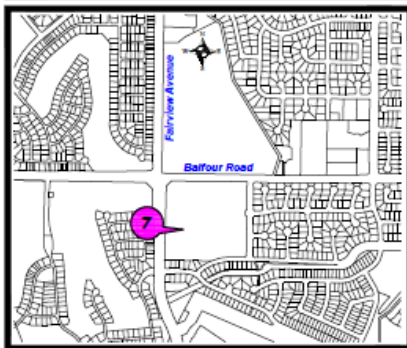
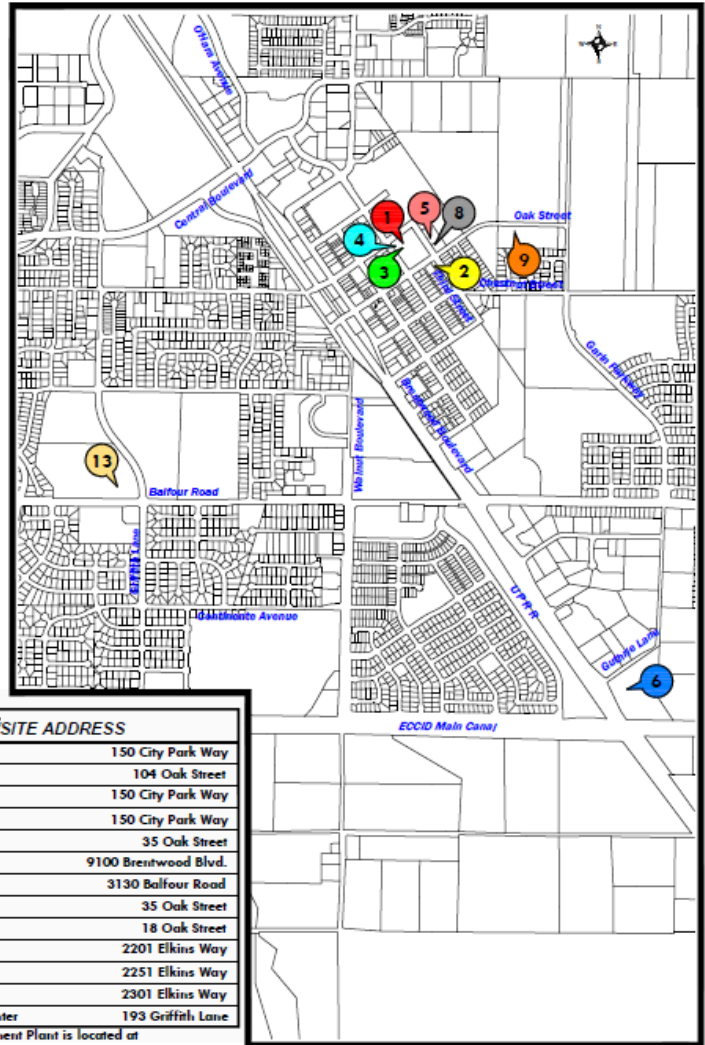
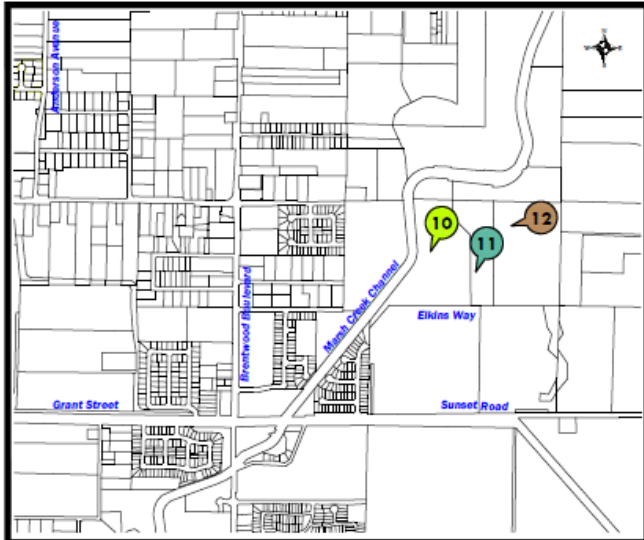
Executive Team as of December 9, 2025

G. Harold Duffey City Manager
Katherine Wisinski City Attorney
Darin Gale Assistant City Manager
E. Harith Aleem Jr. Director of Parks and Recreation
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
Alexis Morris Director of Community Development
Walter O'Grodnick Interim Police Chief
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 2024.

The City received the following 2024 Best of Brentwood Awards from ThePress.net:

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

The City received the following 2024 California Park and Recreation Society District 3 Awards:

- **Outstanding Non-Profit Organization** – Be Exceptional
- **Justice, Equity, Diversity and Inclusion Impact Award (JEDI)** – Juneteenth Celebration 2024
- **Installation as CPRS District 3 President** – Stacey Dempsey (Recreation Supervisor, City of Brentwood)

The City received the GFOA award for the following:

- **“Certificate of Achievement for Excellence in Financial Reporting Fiscal Year 2023/24”**
- **“Distinguished Budget Presentation Award”** for the two-year Operating Budget beginning July 1, 2024

The City received the CSMFO award for the following:

- **“Capital Budget Excellence Award Fiscal Year 2024/25”**
- **“Operating Budget Excellence Award, Fiscal Years 2024/25 – 2025/26”**



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, 2025, 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, 2025, 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.

Change in Accounting Principle

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, which became effective during the year ended June 30, 2025 and required the restatement of net position as discussed in Note 15 to the financial statements.

The change in accounting principle does not constitute a modification to our opinions.

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mane & Associates

Pleasant Hill, California
November 21, 2025

This discussion and analysis provides an overview of the City of Brentwood's financial performance for the fiscal year ended June 30, 2025. It should be read in conjunction with the Letter of Transmittal, the Basic Financial Statements and the accompanying Notes to the Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$1,031.5 million at year-end. Of this amount, \$156.4 million is available to meet ongoing obligations to citizens and creditors.
- The City's total net position increased by \$27.6 million during FY 2024/25, including \$15.0 million from governmental activities and \$12.6 million from business-type activities.
- Governmental activities:
 - *Capital Investment:* Net investment in capital assets rose \$9.4 million, reflecting \$22.0 million in asset additions and payments on related long-term debt; and a decrease of capital-related accounts payable of \$0.9 million; offset by depreciation, amortization and disposals of \$13.2 million and an increase in subscription liabilities of \$0.3 million. Total asset additions of \$17.5 million included \$2.9 million in developer contributions.
 - *Restricted Funds:* Restricted net position for capital projects increased \$3.0 million, primarily due to a \$3.9 million increase in the Parks and Trails Improvements Capital Project Fund reflecting funding transfers that exceeded construction expenditures for the Sand Creek Sports Complex.
- Business-type activities:
 - *Operating Performance:* Unrestricted net position grew \$13.7 million in preparation for increased capital and operating costs associated with new facilities and compliance with State solid waste mandates.
 - *Capital Investment:* Net investment in capital assets decreased \$2.3 million largely due to \$8.1 million in depreciation, amortization and disposals, \$5.6 million in new Wastewater Fund capital projects loans; \$3.6 million in increased capital-related accounts payable; and a \$3.3 million reduction in deferred amount on refunding related to the 2024 Water Revenue Refunding Bonds ("Water Bond Refunding"). These declines were partially offset by \$12.6 million in new capital additions; \$5.2 million in reduced long-term liabilities from the Water Bond Refunding; and \$0.4 million in other principal payments.
- The City's governmental funds reported a combined ending fund balance of \$137.0 million, an increase of \$1.7 million (1.2%), from the prior year.
- Enterprise Funds reported a combined net position of \$396.6 million, an increase of \$11.9 million (3.0%), primarily in the Wastewater (\$4.4 million), Solid Waste (\$1.7 million) and Water (\$6.1 million) Enterprise Funds, from higher operational income following rate adjustments.
- The City's long-term obligations decreased by \$9.2 million driven by annual debt principal payments (\$6.0 million); reduced bond debt from the Water Bond Refunding (\$5.2 million); and declines in pension (\$2.3 million) and OPEB liabilities (\$1.6 million). These reductions were partially offset by a \$5.2 million increase in State Water Resources (SWR) loans for Wastewater capital projects.
- Internal Service Funds ended the year with a net position of \$84.8 million at year-end, up \$6.4 million. The increase reflects continued funding for future equipment and facility replacements of \$2.9 million in the Vehicle and Equipment Replacement Fund; \$1.4 million in the Facilities

Replacement Fund; and \$1.1 million in the Parks and Landscape and Lighting Assessment District (LLAD) Replacement Fund. The Pension/OPEB Obligation Fund net position decreased \$0.2 million. This decrease was due to a \$3.2 million additional discretionary payment toward long-term pension liabilities; offset by \$1.0 million of fair share transfers from the Enterprise and Internal Service Funds; a \$1.3 million transfer from the General Fund for fund balance in excess of the 30% of operating appropriations reserve required by budget policy; and \$0.7 million investment income.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements provide a comprehensive view of the City's financial position using the economic resources measurement focus and accrual basis of accounting. They present governmental activities and business-type activities separately; and include all assets, including infrastructure, and all liabilities, including long-term debt. In addition, certain interfund balances and transactions are eliminated.

Governmental Activities encompass most of the City's core services - General Government, Public Safety, Community Development, Engineering, Streets, Community Services and Parks and Recreation, funded primarily through property and sales taxes, user fees, interest earnings, franchise fees and intergovernmental revenue.

Business-Type Activities, such as Wastewater, Solid Waste, Water, and Housing are financed primarily through user charges designed to recover the cost of providing services.

The **Statement of Net Position** and the **Statement of Activities and Changes in Net Position** report the City's overall financial health and include the current year's net position and change from the prior year. These statements include all revenues and expenses, regardless of when cash is received or paid and provide an indication of whether the City's financial position is improving or deteriorating over time. Other indications to consider are changes in the City's property tax and sales tax base and the condition of the City's roads. The Government-Wide Financial Statements are presented on pages 34 – 35.

Fund Financial Statements provide more detailed information on the City's most significant funds. Some are required to be established by State law or by bond covenants, while others are established by management for regulatory or legal accountability or budgetary control.

The City's Fund Financial Statements fall into three categories – Governmental Funds, Proprietary Funds and Fiduciary Funds. 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 - Corebridge Financial ("Corebridge"), formerly Variable Annuity Life Insurance Company – (VALIC),

which includes assets and activities of the City's single-employer deferred compensation plan held by a third-party administrator. The Fund Financial Statements can be found on pages 36 – 44.

Most of the City's core services are reported in **Governmental Funds**, which focus on short-term inflows and outflows and available financial resources. The Governmental Fund statements provide a detailed, short-term view of the City's general government operations and the core services provided. Governmental Fund information helps determine whether financial resources to finance the City's programs have increased or decreased. Reconciliations explain the differences between results in the Governmental Fund Financial Statements and the Government-Wide Financial Statements. The Governmental Fund Financial Statements can be found on pages 36 – 39.

When the City charges customers for ongoing services it provides, whether to outside customers or other units of the City, these revenues are generally reported in **Proprietary Funds**. The City maintains two different types of Proprietary Funds – Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the Government-Wide Financial Statements. Examples of Enterprise Funds include the Water and Solid Waste Funds. Internal Service Funds are used to report activities which provide supplies and services for the City's other programs and activities. Two examples are the Information Systems Replacement Fund and the Fleet Maintenance Services Fund. Internal Service Funds are reported with governmental activities in the Government-Wide Financial Statements, found on pages 34 - 35.

Proprietary Fund Financial Statements provide a more detailed version of the information provided in the Government-Wide Financial Statements. Cash flows for the Enterprise Funds and the Internal Service Funds are provided, as well as combining statements for the individual Internal Service Funds. The Proprietary Fund Financial Statements can be found on pages 40 - 42.

The City has monies held by trustees for certain amounts held on behalf of developers, property owners, governmental agencies, City employees and others. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. These activities are excluded from the Government-Wide Financial Statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in the **Fiduciary Funds** are used for their intended purposes. The Fiduciary Fund Financial Statements can be found on pages 43 – 44.

The **Notes to the Basic Financial Statements** provide additional information essential to understanding the Government-Wide and Fund Financial Statements. The Notes to the Basic Financial Statements can be found on pages 45 – 113.

In addition to the basic financial statements, and accompanying notes, **Required Supplementary Information** includes budgetary comparison schedules for the General Fund and other Major Funds and data related to the City's pension and OPEB liabilities. Required Supplementary Information can be found on pages 114 – 126.

Combining and Individual Fund Statements and Schedules for the Non-Major Governmental Funds and Internal Service Funds are presented on pages 127 – 153.



GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's overall net position increased by \$24.0 million (2.4%), from \$1,007.5 million at June 30, 2024 to \$1,031.5 million at June 30, 2025. This growth reflects activity summarized in the Statement of Activities and reported in the Statement of Net Position. Net investment in capital assets and capacity rights rose \$7.1 million, reaching \$724.5 million at year-end. While investment in capital assets and capacity rights is reported net of related debt, repayment of the debt must come from other resources, as the assets themselves are not available for liquidation.

Restricted net position totaled \$150.6 million and increased by \$2.3 million from the prior year. The growth was primarily due to an increase in balances restricted for capital projects (\$3.0 million); an increase in amounts for LLAD's (\$1.6 million); and an increase in amounts for the Citywide Park Assessment District (\$1.0 million). These gains were partially offset by lower development-related balances (\$1.9 million) used to fund development-related capital projects and a \$1.3 million reduction in amounts restricted for debt service.

Unrestricted net position totaled \$156.4 million and remains available to meet the City's ongoing obligations to residents and creditors.

| | Governmental Activities | | Business-Type Activities | | Totals | |
|------------------------------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-------------------------|-------------------------|
| | 2025 | 2024 ⁽¹⁾ | 2025 | 2024 ⁽¹⁾ | 2025 | 2024 ⁽¹⁾ |
| Current Assets | \$ 208,576,363 | \$ 203,480,874 | \$ 162,018,663 | \$ 147,882,575 | \$ 370,595,026 | \$ 351,363,449 |
| Capital Assets | 519,207,963 | 514,982,781 | 354,226,085 | 349,721,215 | 873,434,048 | 864,703,996 |
| Other Non-Current Assets | 16,801,315 | 18,126,052 | 719,661 | 747,338 | 17,520,976 | 18,873,390 |
| Total Assets | 744,585,641 | 736,589,707 | 516,964,409 | 498,351,128 | 1,261,550,050 | 1,234,940,835 |
| Deferred Outflows of Resources | 27,267,983 | 32,844,416 | 8,755,682 | 13,932,130 | 36,023,665 | 46,776,546 |
| Total Deferred Outflows of Resources | 27,267,983 | 32,844,416 | 8,755,682 | 13,932,130 | 36,023,665 | 46,776,546 |
| Current Liabilities | 20,467,196 | 18,790,169 | 14,177,582 | 11,938,729 | 34,644,778 | 30,728,898 |
| Long-Term Liabilities Outstanding | 109,828,016 | 118,903,670 | 113,307,813 | 113,401,285 | 223,135,829 | 232,304,955 |
| Total Liabilities | 130,295,212 | 137,693,839 | 127,485,395 | 125,340,014 | 257,780,607 | 263,033,853 |
| Deferred Inflows of Resources | 6,618,516 | 8,963,108 | 1,626,283 | 2,214,025 | 8,244,799 | 11,177,133 |
| Total Deferred Inflows of Resources | 6,618,516 | 8,963,108 | 1,626,283 | 2,214,025 | 8,244,799 | 11,177,133 |
| Net Investment in Capital Assets and Capacity Rights | 467,649,257 | 458,294,923 | 256,856,263 | 259,130,097 | 724,505,520 | 717,425,020 |
| Restricted | 110,278,418 | 108,401,964 | 40,306,407 | 39,844,327 | 150,584,825 | 148,246,291 |
| Unrestricted | 57,012,221 | 56,080,289 | 99,445,743 | 85,754,795 | 156,457,964 | 141,835,084 |
| Total Net Position | \$ 634,939,896 | \$ 622,777,176 | \$ 396,608,413 | \$ 384,729,219 | \$ 1,031,548,309 | \$ 1,007,506,395 |

⁽¹⁾ Not adjusted for the effects of the implementation of GASB Statement No. 101 discussed in Note 1.D.xvi.

Governmental Activities

Governmental activities increased the City's net position by \$15.0 million (2.0%), from \$619.9 million (adjusted for the implementation of GASB 101 discussed in Notes 1.D.xvi and 15) to \$634.9 million. As discussed above, the increase in net investment in capital assets reflected major capital investments, construction activity and payments on related long-term liabilities. Restricted balances also rose modestly, mainly in the Parks and Trails Improvements Capital Project Fund for the Sand Creek Sports Complex and in the LLAD Special Revenue Fund to support future operating costs.

The City issued 51 single-family building permits during the fiscal year. Property tax revenue grew \$0.7 million (3.5%), reflecting higher assessed values despite slow property sales activity. Sales taxes increased \$0.2 million (2.2%), largely from higher allocations of online sales from the County pool, while other sources remained consistent with the prior year.

Charges for services rose by \$3.0 million, driven by increased citation revenue; higher administrative reimbursements from other funds; and an increase in development-related permit fees following the adoption of an updated fee study. Operating grants and contributions increased by \$1.6 million, primarily from increases in LLAD assessments and community development program grants. Capital grants and contributions grew \$1.7 million, reflecting higher development-related fees and contributions of \$3.1 million, offset by lower funding of \$1.3 million from the East Contra Costa Regional Fee and Financing Authority for the Sand Creek Road Extension. Investment income increased \$1.2 million due to favorable year-end fair value adjustments.

Expenses rose by \$2.6 million (2.7%) over the prior year reflecting higher personnel costs from recent labor agreements, which resulted in cost of living and other benefit cost increases. In addition, there were inflation-related increases in materials, supplies and services.

Business-Type Activities

Business-Type activities increased the City's net position by \$11.9 million (3.1%) driven mainly by growth in unrestricted net position. As discussed in detail above, net investment in capital assets declined slightly from the prior year.

Charges for Services rose \$4.8 million (7.4%), reflecting scheduled utility rate adjustments across the Enterprise Funds. Capital Grants and Contributions increased \$2.3 million, mainly from development fees and infrastructure contributions. Investment income was \$1.5 million higher than the prior year, benefitting from favorable year-end fair value adjustments.

Expenses increased by \$9.3 million (16.2%), largely due to higher materials, supplies and services (\$4.4) million, including increased water supply and solid waste disposal expenses. Personnel costs grew \$2.7 million following recently concluded labor negotiations and one-time capital asset disposal losses added \$1.4 million. At year-end, unrestricted net position for business-type activities was \$99.4 million.



Management's Discussion and Analysis

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|-----------------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|--------------------------|-------------------------|
| | 2025 | 2024 ⁽¹⁾ | 2025 | 2024 ⁽¹⁾ | 2025 | 2024 ⁽¹⁾ |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 20,099,353 | \$ 17,061,340 | \$ 69,601,220 | \$ 64,812,445 | \$ 89,700,573 | \$ 81,873,785 |
| Operating Grants and Contributions | 30,481,262 | 28,903,481 | - | 431,354 | 30,481,262 | 29,334,835 |
| Capital Grants and Contributions | 10,211,508 | 8,474,201 | 4,214,927 | 1,944,270 | 14,426,435 | 10,418,471 |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes | 20,875,449 | 20,169,793 | - | - | 20,875,449 | 20,169,793 |
| Sales Tax | 11,410,844 | 11,162,609 | - | - | 11,410,844 | 11,162,609 |
| Franchise Fees | 1,711,396 | 1,645,223 | - | - | 1,711,396 | 1,645,223 |
| Real Property Transfer Tax | 415,668 | 460,558 | - | - | 415,668 | 460,558 |
| Transient Occupancy Tax | 577,462 | 604,525 | - | - | 577,462 | 604,525 |
| Motor Vehicle Taxes | 6,582,011 | 6,310,048 | - | - | 6,582,011 | 6,310,048 |
| Investment Earnings | 10,055,319 | 8,806,561 | 7,908,367 | 6,367,600 | 17,963,686 | 15,174,161 |
| Gain on Disposal of Real Property | 127,842 | 196,343 | 4,136 | - | 131,978 | 196,343 |
| Miscellaneous | 559,201 | 397,503 | - | - | 559,201 | 397,503 |
| Total Revenues | 113,107,315 | 104,192,185 | 81,728,650 | 73,555,669 | 194,835,965 | 177,747,854 |
| Expenses: | | | | | | |
| General Government | 17,259,090 | 15,501,108 | - | - | 17,259,090 | 15,501,108 |
| Public Safety | 33,185,827 | 32,577,720 | - | - | 33,185,827 | 32,577,720 |
| Community Development | 6,392,709 | 6,715,451 | - | - | 6,392,709 | 6,715,451 |
| Engineering | 3,526,184 | 3,762,120 | - | - | 3,526,184 | 3,762,120 |
| Public Works | 9,043,702 | 9,410,141 | - | - | 9,043,702 | 9,410,141 |
| Parks and Recreation | 19,438,356 | 18,967,380 | - | - | 19,438,356 | 18,967,380 |
| Community Services | 9,785,221 | 8,967,495 | - | - | 9,785,221 | 8,967,495 |
| Interest on Long-Term Debt | 1,629,729 | 1,717,740 | - | - | 1,629,729 | 1,717,740 |
| Wastewater | - | - | 16,966,631 | 14,340,756 | 16,966,631 | 14,340,756 |
| Solid Waste | - | - | 18,507,916 | 16,125,176 | 18,507,916 | 16,125,176 |
| Water | - | - | 30,460,860 | 26,311,556 | 30,460,860 | 26,311,556 |
| Housing | - | - | 1,044,794 | 886,236 | 1,044,794 | 886,236 |
| Total Expenses | 100,260,818 | 97,619,155 | 66,980,201 | 57,663,724 | 167,241,019 | 155,282,879 |
| Change in Net Position Before Transfers | 12,846,497 | 6,573,030 | 14,748,449 | 15,891,945 | 27,594,946 | 22,464,975 |
| Transfers | 2,184,286 | 1,039,521 | (2,184,286) | (1,039,521) | - | - |
| Change in Net Position | 15,030,783 | 7,612,551 | 12,564,163 | 14,852,424 | 27,594,946 | 22,464,975 |
| Net Position 7/1 ⁽²⁾ | 619,909,113 | 615,164,625 | 384,044,250 | 369,876,795 | 1,003,953,363 | 985,041,420 |
| Net Position 6/30 | \$ 634,939,896 | \$ 622,777,176 | \$ 396,608,413 | \$ 384,729,219 | \$ 1,031,548,309 | \$ 1,007,506,395 |

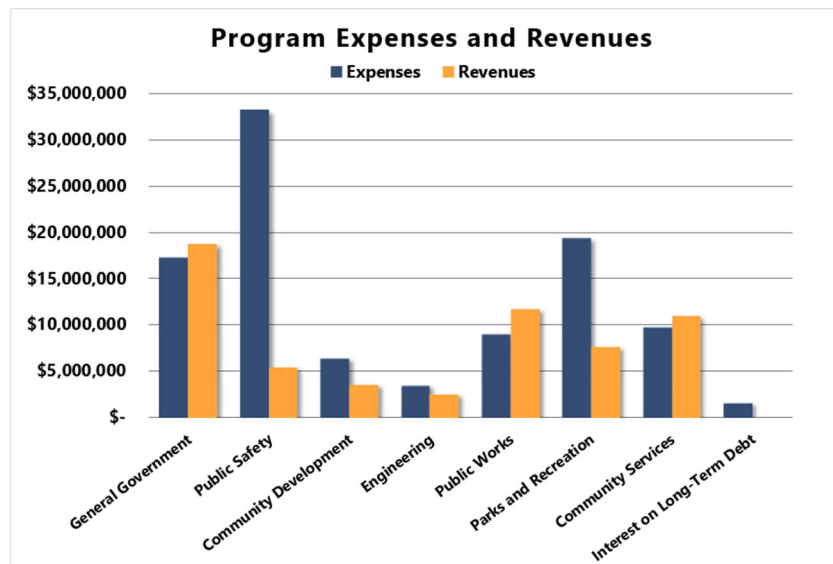
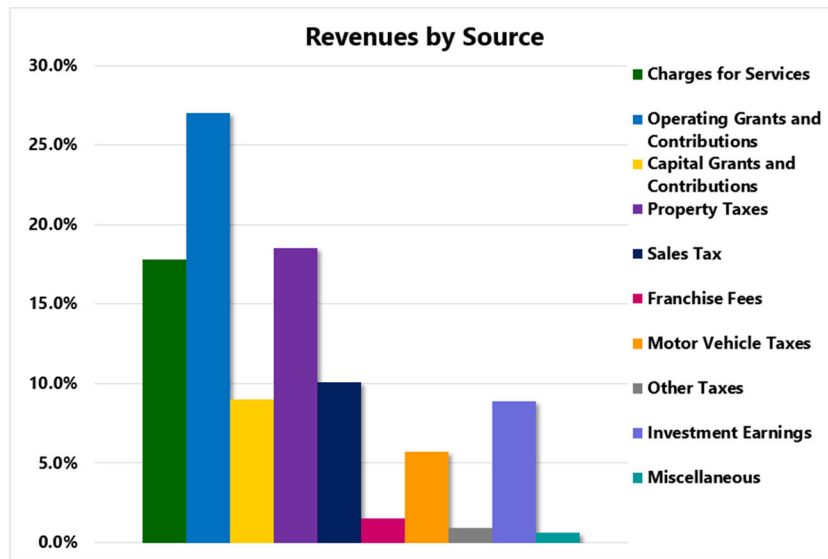
⁽¹⁾ Not adjusted for the effects of the implementation of GASB Statement No. 101 discussed in Note 1.D.xvi.

⁽²⁾ July 1, 2024 adjusted for the effects of the implementation of GASB Statement No. 101 discussed in Notes 1.D.xvi and 15.

Governmental Activities

Governmental activities cost \$100.3 million in FY 2024/25. Net expenses, as shown in the Statement of Activities and Changes in Net Position found on page 35, were \$39.5 million. The cost for these activities were partially funded by those who directly benefited from the programs (\$20.1 million), by other governments and organizations through operating grants and contributions (\$30.5 million), and capital grants and contributions (\$10.2 million), for total program revenues of \$60.8 million.

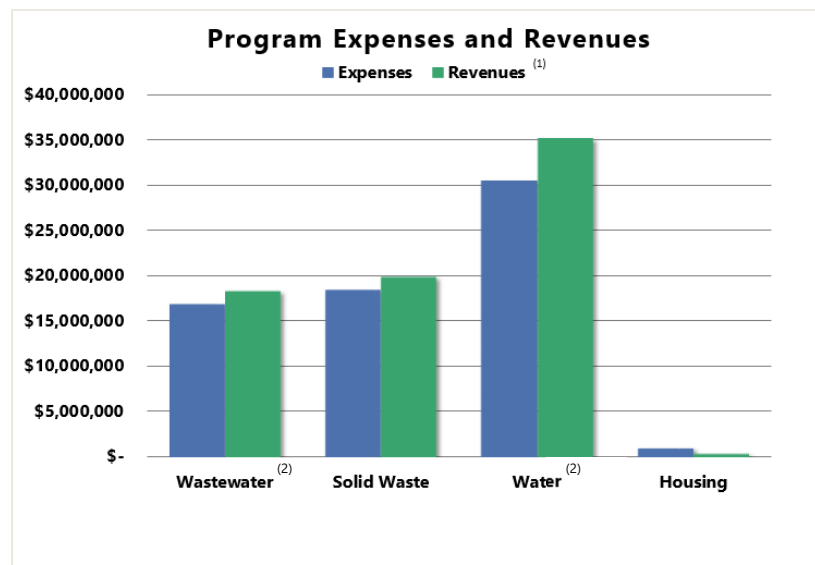
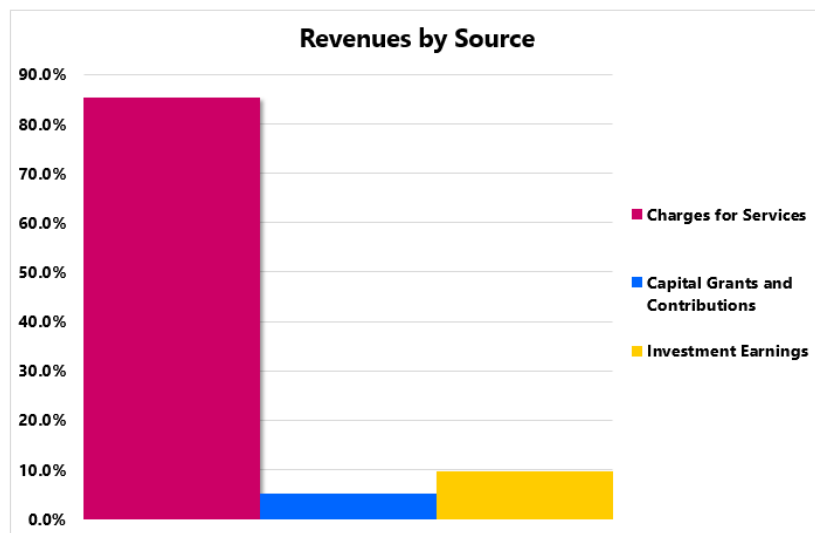
Total resources available to finance governmental operations were \$735.2 million consisting of beginning net position (\$619.9 million), program revenues (\$60.8 million) and general revenues and transfers (\$54.5 million). After total expenses of \$100.3 million, net position increased by \$15.0 million. The change in net position includes a reduction of \$2.9 million to beginning net position to reflect implementation of GASB Statement No. 101, Compensated Absences, and year-end net position was \$634.9 million.



Business-Type Activities

Business-Type activities cost \$67.0 million in FY 2024/25. As shown in the Statement of Activities and Changes in Net Position, found on page 35, charges for services generated \$69.6 million, while capital grants and contributions totaled \$4.2 million and investment earnings added \$7.9 million.

Total resources available to finance Business-Type activities were \$465.7 million, including beginning net position of \$384.0 million, charges for services (\$69.6 million), capital grants and contributions (\$4.2 million) and investment earnings (\$7.9 million). After total costs and net transfers of \$69.1 million, net position increased by \$12.6 million. The change in net position includes a \$0.7 million reduction in beginning net position for implementation of GASB Statement No. 101, Compensated Absences, and year-end net position was \$396.6 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 General Fund ended the year with a balance of \$29.4 million, unchanged from the prior year. This balance reflects a \$1.3 million year-end transfer to the Pension/OPEB Obligation fund, representing unassigned reserves above the 30% minimum reserve of annual operating appropriations and transfers established by budget policy. The City's two largest revenue sources, property tax and sales tax, increased 3.5% and 2.2%, respectively. Property tax revenues benefited from a 2% CPI adjustment applied to all classes of property, combined with valuation gains from new development and property transfers. General Fund expenditures rose 4.7% from the prior year, largely due to higher personnel costs from recent labor agreements and inflationary increases in supplies and services.

The LLAD Fund, a Special Revenue Fund, increased its fund balance by \$1.6 million, a combination of increases in operating reserves of \$0.3 million and expenditure savings from budget of \$1.3 million. The majority of the savings occurred in the arterial roads and Grant Street Trail district funds and any savings realized in a given fiscal year will be used to reduce future LLAD assessments.

The Citywide Park Assessment District Fund, a Special Revenue Fund, increased its fund balance by \$1.0 million, as assessment revenue and transfers from LLADs exceeded expenditures, allowing for continued growth in reserves and replacement set-asides.

The Roadway Development Impact Fee Fund, a Special Revenue Fund, decreased its fund balance by \$3.3 million, reflecting transfers to support the Lone Tree Way Roadway Improvements and Sand Creek Road Extension.

The Parks and Trails Development Impact Fee Fund, a Special Revenue Fund, decreased its fund balance by \$1.7 million, primarily due to transfers for funding construction of the Sand Creek Sports Complex.

The Roadway Improvements Fund, a Capital Project Fund, increased its fund balance by \$0.9 million, as project funding transfers exceeded expenditures for Brentwood Boulevard Widening North - Phase I and Lone Tree Way Roadway Improvements.

The Parks and Trails Improvements Fund, a Capital Project Fund, increased its fund balance by \$3.9 million, reflecting transfers for funding the Sand Creek Sports Complex.

The Capital Infrastructure Fund, a Capital Project Fund, decreased its fund balance by \$1.7 million due to transfers supporting the Sand Creek Sports Complex.

The City's three largest Enterprise Funds—Wastewater, Solid Waste, and Water—each reported increases in net position for the fiscal year.

- The Wastewater Fund, increased \$4.6 million, reflecting higher operational income from rate adjustments designed to address future operational and debt related cost increases associated with the treatment plant expansion. Investment income also contributed \$3.6 million, driven by higher interest rates and favorable year-end fair value adjustments.
- The Solid Waste Fund increased \$1.9 million, primarily due to rate adjustments implemented to prepare for higher costs under new State organic waste disposal regulations. The Fund also earned

\$1.2 million in investment income, supported by higher interest rates and positive year-end fair value adjustments.

- The Water Fund increased \$6.3 million, largely as a result of operational income from rate adjustments to offset rising water treatment and conveyance costs. Investment income added \$2.8 million, reflecting higher interest rates and favorable year-end fair value adjustments.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final FY 2024/25 budget totaled \$82,727,828 in expenditures and transfers out, an increase of \$2,459,365 from the original budget of \$80,268,463, adopted in June 2024. The reasons for the \$2.5 million increase in the budget are summarized below.

Total revenues, other financing sources and transfers in were \$75,047,648, or \$2,665,405 below budget. Expenditures and transfers out totaled \$75,047,283, or \$7,680,545 under budget. Total expenditures and transfers out include a \$1,313,029 transfer to the Pension/OPEB Obligation Fund, representing the portion of General Fund balance that exceeded the 30% minimum reserve required by budget policy. From an operational standpoint, General Fund expenses and certain transfers out totaled \$72,438,813, or \$7,614,782 less than budget.

Revenues and transfers in were below budget by \$2.7 million, reflecting a \$2.0 million positive variance in total revenues, offset by a \$4.7 million shortfall in other financing sources. Total revenues exceeded expectations primarily due to higher investment income, including a \$0.9 million favorable year-end fair value adjustment and \$0.8 million more in citation and fine revenue than budgeted.

The \$4.7 million shortfall in other financing sources was largely due to budgeted transfers from the from the Pension/OPEB Obligation Fund (\$4.3 million), that were ultimately unnecessary, as the General Fund generated a \$1.3 million surplus.

Operational costs were \$7.6 million below budget, primarily due to personnel savings from position vacancies. Despite inflationary pressures on supplies and services, the City continued to operate efficiently, achieving moderate savings across departments.

Supplemental budget adjustments during FY 2024/25 included:

- \$2,002,763 increase in personnel costs from negotiated labor cost increases, increases in benefit costs and the authorization of additional staff; partially offset by a \$246,103 reduction in the cost for annual unfunded pension obligation payments.
- \$376,020 increase in the Police Department and Dispatch budget for contractual services and vehicle maintenance.
- \$301,485 increase in the Parks and Recreation budget for expanded programs and citywide events, higher utility and trail maintenance costs, and storm damage related repairs.
- \$25,200 increase in the Engineering Department budget for participation in the Contra Costa Clean Water program.

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets

At June 30, 2025, the City's capital assets, net of accumulated amortization and depreciation, totaled \$519.2 million for Governmental Activities and \$354.2 million for Business-Type Activities. Depreciation and amortization on capital assets are recorded in the Government-Wide financial statements. Additional details are provided in Note #5 of this report. 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 | \$ 1,940,323 | \$ 4,317,833 |
| Land | 38,801,779 | - | 38,801,779 |
| Buildings | 72,197,665 | 18,483,422 | 53,714,243 |
| Infrastructure | 521,436,168 | 158,063,625 | 363,372,543 |
| Machinery and Equipment | 14,733,308 | 9,139,122 | 5,594,186 |
| Vehicles | 26,440,225 | 13,031,867 | 13,408,358 |
| Land Improvements | 37,340,021 | 10,789,225 | 26,550,796 |
| Subscription Assets | 1,429,008 | 355,076 | 1,073,932 |
| Work in Progress – CIP and Infrastructure | 12,374,293 | - | 12,374,293 |
| Total Capital Assets – Governmental | \$ 731,010,623 | \$ 211,802,660 | \$ 519,207,963 |
| Capital Assets – Business-Type: | | | |
| Intangible Assets | \$ 18,950,632 | \$ 6,637,167 | \$ 12,313,465 |
| Land | 2,661,597 | - | 2,661,597 |
| Buildings | 30,831,987 | 11,311,991 | 19,519,996 |
| Infrastructure | 305,958,352 | 82,863,976 | 223,094,376 |
| Machinery and Equipment | 9,931,176 | 4,118,931 | 5,812,245 |
| Land Improvements | 11,046,659 | 4,359,021 | 6,687,638 |
| Work in Progress – CIP and Infrastructure | 84,136,768 | - | 84,136,768 |
| Total Capital Assets – Business-Type | \$ 463,517,171 | \$ 109,291,086 | \$ 354,226,085 |

Long-Term Obligations

Long-term obligations for Governmental Activities decreased \$9.9 million during the year. The reduction included a \$5.9 million decline in bonds and notes payable from scheduled debt service; a \$2.5 million decrease in net pension liability due to employer contributions; a \$1.2 million decline in net OPEB liability due to employer contributions; and a \$0.3 million decrease in accumulated compensated absences.

Obligations of Business-Type Activities decreased by \$0.2 million. Reductions included \$2.7 million in annual debt service payments and a \$2.9 million decrease from the Water Bond Refunding, offset by an increase of \$5.6 million from increases in the SWR loans for the Wastewater Treatment Plant Expansion – Phase II project. The net OPEB liability declined \$0.4 million, while the net pension liability increased \$0.2 million. Per capita debt outstanding, excluding pension, OPEB and accumulated compensated absences, decreased from \$2,367 to \$2,226 compared with the prior year.

Additional information on the City's long-term obligations can be found in Note #6 in this report.



| | Balance July 1, 2024 (as adjusted) ⁽⁴⁾ | Incurred or Issued | Satisfied or Matured | Balance June 30, 2025 |
|---------------------------------------|------------------------------------------------------------------|-------------------------------|---------------------------------|----------------------------------|
| Governmental Activities: | | | | |
| Bonds Payable | \$ 53,398,588 | \$ 257,055 ⁽¹⁾ | \$ 4,517,216 | \$ 49,138,427 |
| Notes Payable | 2,504,276 | - | 1,679,948 | 824,328 |
| Net OPEB Liability | 24,360,634 | 1,436,635 | 2,646,508 | 23,150,761 ⁽²⁾ |
| Net Pension Liability | 43,023,325 | 5,780,085 | 8,296,803 | 40,506,607 |
| Accumulated Compensated Absences | 5,080,661 | - | 265,862 ⁽³⁾ | 4,814,799 |
| Subscription Liabilities | 885,208 | 294,507 | 266,831 | 912,884 |
| Total Governmental Activities | \$ 129,252,692 | \$ 7,768,282 | \$ 17,673,168 | \$ 119,347,806 |
| Business-Type Activities: | | | | |
| Bonds Payable | \$ 33,854,294 | \$ 31,121,691 | \$ 36,344,324 | \$ 28,631,661 |
| Notes Payable and Other | 61,643,838 | 5,634,906 | 434,480 | 66,844,264 |
| Net OPEB Liability | 9,480,434 | 531,897 | 895,393 | 9,116,938 |
| Net Pension Liability | 10,752,869 | 2,447,377 | 2,260,611 | 10,939,635 |
| Accumulated Compensated Absences | 1,345,794 | 1,927 ⁽³⁾ | - | 1,347,721 |
| Total Business-Type Activities | \$ 117,077,229 | \$ 39,737,798 | \$ 39,934,808 | \$ 116,880,219 |

(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

(3) Net change

(4) Adjusted for the implementation of GASB 101 discussed in Note 1.D.xvi

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The FY 2025/26 budget reflects continued economic moderation following several years of strong revenue growth. The key assumptions used in the forecast of **General Fund revenues** are as follows:

- *Development Activity:* Residential development is expected to remain slow, with 100 single-family and 100 multi-family building permits budgeted. Commercial development is projected at a slow pace, with approximately 50,000 square feet anticipated.
- *Property Tax:* Assessed valuations were projected to increase by 3.9% consistent with the County Assessor's recently announced valuation, resulting in no material variance from budget.
- *Sales Tax:* Sales tax revenues were projected to increase 16.2%, reflecting the opening of a major new retailer in March 2025, offset by softer other consumer spending due to inflation and economic uncertainty. These assumption are supported by the City's sales tax consultant projections.
- *Interest Income:* Interest rates are expected to decline modestly in the coming year, consistent with forecasts that the Federal Reserve may implement one to two rate cuts later this year.

Over the past decade, the City experienced strong property tax growth as development regularly exceeded expectations. However, high interest rates and persistently high inflation rates in the past few years have slowed the housing market, resulting in more moderate growth assumptions for FY 2025/26. Sales tax

revenues are expected to increase in FY 2025/26 from the effect of a major new retailer, but then produce relatively flat growth in future years as inflation continues to temper consumer demand.

Population growth is projected at less than 1% annually over the next several years, reflecting the City's approach of buildout and higher housing costs and mortgage rates that limit new home demand.

The FY 2025/26 expenditure budget incorporated several key factors:

- *Labor Agreements:* Three-year contracts for all City labor bargaining units were approved in June 2025. The budget includes all costs associated with these agreements, including annual 3% cost of living adjustments for the next two fiscal years and classification and compensation study results.
- *On-Going City Council-approved Programs:* Funding continues for previously approved initiatives such as Adaptive Recreation and part-time salaries for special community events.
- *Inflationary Cost Adjustments:* Budgeted expenditures account for general inflation, as well as higher than average cost increases for services such as County provided animal services and credit card processing fees.
- *Retiree Benefits and Pension:* The budget continues the City's pre-funding strategy for OPEB, in contributing 85% of the Actuarial Determined Contribution (ADC) annually, before converting to a level percentage of payroll funding to achieve 100% funding. An additional discretionary payment to CalPERS is included to reduce unfunded pension liabilities.
- *Reserves:* The budget maintains the required 30% General Fund reserve for operating expenditures and transfers.

Over the intermediate-term, personnel-related costs are expected to continue rising. The City has implemented several strategies to mitigate these increases, including multi-tier benefit structures for pension and retiree medical benefits, a pension pay down policy and the policy to pre-fund OPEB obligations. However, additional pension and OPEB contributions will be required in the intermediate-term to maintain funding progress.

The City's Ten-Year General Fund Fiscal Model ("Fiscal Model") incorporates increases in labor, pension, and OPEB costs expected in the intermediate-term. Other cost increases included in the City's long-term forecast are short-term inflation impacts on supplies, services and capital outlay; and increased capital replacement needs as the City's facilities and infrastructure age. The model also reflects projected operating costs for future amenities such as the Sand Creek Sports Complex, which is currently under construction.

Although population growth has slowed compared with the previous decade, sustained inflation and prior rapid expansion continue to place upward pressure on service costs. To meet increased service demand, the City has added twenty-seven new *General Fund* positions over the past seven years. These new positions by department include:

- City Attorney
 - 1 Assistant City Attorney
 - 1 Deputy City Attorney
- City Manager
 - 1 Assistant City Clerk

- Community Development
 - 1 Administrative Assistant II
 - 2 Building Inspectors II,
 - 1 Code Enforcement Officer
 - 1 Senior Planner
- Finance and Information Systems
 - 1 Accounting Specialist
- Human Resources
 - 1 Equity Analyst
 - 1 Management Analyst
- Parks and Recreation
 - 1 Project Services Specialist
 - 2 Recreation Coordinators
 - 1 Recreation Supervisor
- Police Department
 - 3 Community Service Officers
 - 2 Police Dispatchers
 - 5 Police Officers
 - 1 Police Public Information Officer
- Public Works
 - 1 Administrative Assistant II

While a widely anticipated economic slowdown has not yet materialized, current indicators suggest a governmental recessionary period is increasingly possible. Rising costs for goods, construction, and labor continue to challenge local governments. However, the City's strong fiscal policies—including the 30% General Fund reserve and significant balances in the Pension/OPEB Obligation Fund—place Brentwood in a solid position to meet future financial challenges. Ongoing fiscal discipline, guided by the City Council's leadership and commitment to long-term sustainability, will help ensure the City remains financially resilient. The City will continue to update its Fiscal Model as new information becomes available and report the results to the City Council on a regular basis.

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, 2025

| | PRIMARY GOVERNMENT | | |
|------------------------------------------------------------------|----------------------------|-----------------------------|-------------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Investments | \$ 196,586,955 | \$ 146,021,725 | \$ 342,608,680 |
| Restricted Cash and Investments | 3,398,852 | 2,369,053 | 5,767,905 |
| Receivables, Net of Allowance for Doubtful Accounts | 5,223,649 | 12,342,380 | 17,566,029 |
| Leases Receivable | 1,870,092 | - | 1,870,092 |
| Inventories | 79,139 | - | 79,139 |
| Prepays | 997,676 | 1,285,505 | 2,283,181 |
| Land Held for Resale | 420,000 | - | 420,000 |
| Total Current Assets | 208,576,363 | 162,018,663 | 370,595,026 |
| Non-Current Assets: | | | |
| Long-Term Notes and Loans Receivable | 16,801,315 | 719,661 | 17,520,976 |
| Capital Assets: | | | |
| Land and Work In Progress | 51,176,072 | 86,798,365 | 137,974,437 |
| Depreciable, Net of Accumulated Depreciation and Amortization | 468,031,891 | 267,427,720 | 735,459,611 |
| Total Non-Current Assets | 536,009,278 | 354,945,746 | 890,955,024 |
| Total Assets | 744,585,641 | 516,964,409 | 1,261,550,050 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Amount on Refunding | - | 1,693,814 | 1,693,814 |
| Related to OPEB | 7,176,036 | 2,448,758 | 9,624,794 |
| Related to Pensions | 20,091,947 | 4,613,110 | 24,705,057 |
| Total Deferred Outflows of Resources | 27,267,983 | 8,755,682 | 36,023,665 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable and Accrued Liabilities | 6,744,202 | 10,500,860 | 17,245,062 |
| Unearned Revenue | 696,770 | - | 696,770 |
| Deposits Held | 3,506,434 | 104,316 | 3,610,750 |
| Long-Term Liabilities Due Within One Year | 9,519,790 | 3,572,406 | 13,092,196 |
| Total Current Liabilities | 20,467,196 | 14,177,582 | 34,644,778 |
| Non-Current Liabilities Due in More Than One Year: | | | |
| Bonds Payable | 44,721,756 | 26,651,661 | 71,373,417 |
| Notes Payable | - | 66,405,439 | 66,405,439 |
| Net OPEB Liability | 23,150,761 | 9,116,938 | 32,267,699 |
| Net Pension Liability | 40,506,607 | 10,939,635 | 51,446,242 |
| Subscription Liability | 645,888 | - | 645,888 |
| Compensated Absences Payable | 803,004 | 194,140 | 997,144 |
| Total Non-Current Liabilities | 109,828,016 | 113,307,813 | 223,135,829 |
| Total Liabilities | 130,295,212 | 127,485,395 | 257,780,607 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Related to OPEB | 4,156,113 | 1,448,796 | 5,604,909 |
| Related to Pensions | 791,292 | 177,487 | 968,779 |
| Related to Leases | 1,671,111 | - | 1,671,111 |
| Total Deferred Inflows of Resources | 6,618,516 | 1,626,283 | 8,244,799 |
| NET POSITION | | | |
| Net Investment in Capital Assets and Capacity Rights | 467,649,257 | 256,856,263 | 724,505,520 |
| Restricted for: | | | |
| Nonexpendable - Riparian Site Mitigation Endowment | 80,000 | - | 80,000 |
| Expendable: | | | |
| Capital Projects | 55,979,599 | 30,076,276 | 86,055,875 |
| Debt Service | 18,532,146 | 14,145 | 18,546,291 |
| Housing | 436,917 | 5,617,394 | 6,054,311 |
| Streets and Roadways | 6,958,700 | - | 6,958,700 |
| Landscape and Lighting Assessment Districts | 11,906,780 | - | 11,906,780 |
| Citywide Parks Assessment District | 4,941,002 | - | 4,941,002 |
| Agricultural/Farmland Mitigation | 4,813,123 | - | 4,813,123 |
| Public Art | 4,077,224 | - | 4,077,224 |
| Development Impact Fee Program | 50,632 | 4,590,081 | 4,640,713 |
| Other Restricted Purposes | 2,502,295 | 8,511 | 2,510,806 |
| Unrestricted | 57,012,221 | 99,445,743 | 156,457,964 |
| Total Net Position | \$ 634,939,896 | \$ 396,608,413 | \$ 1,031,548,309 |

City of Brentwood

Statement of Activities and Changes in Net Position
For Year Ended June 30, 2025

| 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 | Governmental Activities | Business-Type Activities | Total |
| Primary Government: | | | | | | | | |
| Governmental Activities | | | | | | | | |
| General Government | \$ 17,259,090 | \$ 12,148,365 | \$ 4,493,385 | \$ 2,080,582 | \$ 18,722,332 | \$ 1,463,242 | \$ - | \$ 1,463,242 |
| Public Safety | 33,185,827 | 525,278 | 4,576,241 | 317,599 | 5,419,118 | (27,766,709) | - | (27,766,709) |
| Community Development | 6,392,709 | 2,849,412 | 421,195 | 355,136 | 3,625,743 | (2,766,966) | - | (2,766,966) |
| Engineering | 3,526,184 | 2,554,270 | - | - | 2,554,270 | (971,914) | - | (971,914) |
| Public Works | 9,043,702 | - | 5,952,817 | 5,773,876 | 11,726,693 | 2,682,991 | - | 2,682,991 |
| Parks and Recreation | 19,438,356 | 2,022,028 | 3,991,261 | 1,684,315 | 7,697,604 | (11,740,752) | - | (11,740,752) |
| Community Services | 9,785,221 | - | 11,046,363 | - | 11,046,363 | 1,261,142 | - | 1,261,142 |
| Interest on Long-Term Debt | 1,629,729 | - | - | - | - | (1,629,729) | - | (1,629,729) |
| Total Governmental Activities | 100,260,818 | 20,099,353 | 30,481,262 | 10,211,508 | 60,792,123 | (39,468,695) | - | (39,468,695) |
| Business-Type Activities | | | | | | | | |
| Wastewater | 16,966,631 | 17,120,796 | - | 1,183,256 | 18,304,052 | - | 1,337,421 | 1,337,421 |
| Solid Waste | 18,507,916 | 19,877,033 | - | - | 19,877,033 | - | 1,369,117 | 1,369,117 |
| Water | 30,460,860 | 32,209,343 | - | 3,031,671 | 35,241,014 | - | 4,780,154 | 4,780,154 |
| Housing | 1,044,794 | 394,048 | - | - | 394,048 | - | (650,746) | (650,746) |
| Total Business-Type Activities | 66,980,201 | 69,601,220 | - | 4,214,927 | 73,816,147 | - | 6,835,946 | 6,835,946 |
| Total Primary Government | \$ 167,241,019 | \$ 89,700,573 | \$ 30,481,262 | \$ 14,426,435 | \$ 134,608,270 | \$ (39,468,695) | \$ 6,835,946 | \$ (32,632,749) |
| General Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property Taxes | | | | | | \$ 20,875,449 | \$ - | \$ 20,875,449 |
| Sales Tax | | | | | | 11,410,844 | - | 11,410,844 |
| Franchise Fees | | | | | | 1,711,396 | - | 1,711,396 |
| Real Property Transfer Tax | | | | | | 415,668 | - | 415,668 |
| Transient Occupancy Tax | | | | | | 577,462 | - | 577,462 |
| Motor Vehicle Taxes, In-Lieu, Unrestricted | | | | | | 6,582,011 | - | 6,582,011 |
| Gain on Sale of Real Property | | | | | | 127,842 | 4,136 | 131,978 |
| Investment Earnings | | | | | | 10,055,319 | 7,908,367 | 17,963,686 |
| Miscellaneous | | | | | | 559,201 | - | 559,201 |
| Transfers | | | | | | 2,184,286 | (2,184,286) | - |
| Total General Revenues and Transfers | | | | | | 54,499,478 | 5,728,217 | 60,227,695 |
| Change in Net Position | | | | | | 15,030,783 | 12,564,163 | 27,594,946 |
| Net Position - Beginning of Year, as previously reported | | | | | | 622,777,176 | 384,729,219 | 1,007,506,395 |
| Adjustments | | | | | | | | |
| Change in Accounting Principle | | | | | | (2,868,063) | (684,969) | (3,553,032) |
| Net Position - Beginning of Year, as adjusted | | | | | | 619,909,113 | 384,044,250 | 1,003,953,363 |
| Net Position - End of Year | | | | | | \$ 634,939,896 | \$ 396,608,413 | \$ 1,031,548,309 |

City of Brentwood

Balance Sheet

Governmental Funds

June 30, 2025

| | <u>Special Revenue Fund</u> | | | Total Governmental Funds |
|-------------------------------------------------------------------------------|-----------------------------|------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| | General Fund | Landscape and Lighting Assessment Districts | Other Governmental Funds | |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Investments | \$ 32,965,853 | \$ 13,434,345 | \$ 76,703,319 | \$ 123,103,517 |
| Restricted Cash and Investments | - | - | 3,398,852 | 3,398,852 |
| Receivables | 3,868,288 | 2,940 | 18,648,414 | 22,519,642 |
| Prepays | 120,443 | - | 2,862 | 123,305 |
| Leases Receivable | 1,870,092 | - | - | 1,870,092 |
| Due from Other Funds | - | - | 3,246,039 | 3,246,039 |
| Land Held for Resale | - | - | 420,000 | 420,000 |
| Total Assets | \$ 38,824,676 | \$ 13,437,285 | \$ 102,419,486 | \$ 154,681,447 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts Payable and Accrued Liabilities | \$ 3,018,095 | \$ 1,024,772 | \$ 2,000,531 | \$ 6,043,398 |
| Due to Other Funds | - | - | 3,246,039 | 3,246,039 |
| Unearned Revenue | 696,770 | - | - | 696,770 |
| Deposits Held | 3,506,434 | - | - | 3,506,434 |
| Interfund Advance Payable | - | 72,248 | 289,681 | 361,929 |
| Total Current Liabilities | 7,221,299 | 1,097,020 | 5,536,251 | 13,854,570 |
| Non-Current Liabilities Due in More Than One Year: | | | | |
| Interfund Advance Payable | - | 433,485 | 1,157,685 | 1,591,170 |
| Total Non-Current Liabilities | - | 433,485 | 1,157,685 | 1,591,170 |
| Total Liabilities | 7,221,299 | 1,530,505 | 6,693,936 | 15,445,740 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue - Accounts Receivable Related to Leases | 520,322 1,671,111 | - - | - - | 520,322 1,671,111 |
| Total Deferred Inflows of Resources | 2,191,433 | - | - | 2,191,433 |
| FUND BALANCES | | | | |
| Nonspendable | 319,424 | - | 82,862 | 402,286 |
| Restricted | - | 11,906,780 | 97,604,594 | 109,511,374 |
| Committed | 4,963,138 | - | 2,227,470 | 7,190,608 |
| Unassigned | 24,129,382 | - | (4,189,376) | 19,940,006 |
| Total Fund Balances | 29,411,944 | 11,906,780 | 95,725,550 | 137,044,274 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 38,824,676 | \$ 13,437,285 | \$ 102,419,486 | \$ 154,681,447 |

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

June 30, 2025

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Total Fund Balances - Total Governmental Funds | \$ 137,044,274 |
| 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. | 505,154,746 |
| 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. | 84,781,492 |
| 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. | (3,739,872) |
| 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 | (45,398,555) |
| Notes Payable | (824,328) |
| Net OPEB Liabilities | (20,308,484) |
| Deferred Outflows of Resources Related to OPEB | 6,504,119 |
| Deferred Inflows of Resources Related to OPEB | (3,729,392) |
| Net Pension Liabilities | (37,483,156) |
| Deferred Outflows of Resources Related to Pensions | 18,819,842 |
| Deferred Inflows of Resources Related to Pensions | (742,239) |
| Subscription Liabilities | (679,647) |
| Compensated Absences | (4,390,406) |
| Accrued Liabilities | (68,498) |
| Total Net Position of Governmental Activities | <u>\$ 634,939,896</u> |

City of Brentwood

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For Year Ended June 30, 2025

| | Special Revenue Fund | | Capital Project Fund | Other Governmental Funds | Total Governmental Funds |
|----------------------------------------------------------------|----------------------|---------------------------------------------|-----------------------------------------------|--------------------------|--------------------------|
| | General Fund | Landscape and Lighting Assessment Districts | (formerly major fund) Roadway Improvements | | |
| REVENUES | | | | | |
| Taxes | \$ 32,505,326 | \$ - | \$ - | \$ 9,396,086 | \$ 41,901,412 |
| Licenses | 851,011 | - | - | 212,753 | 1,063,764 |
| Permits and Fines | 6,568,238 | - | - | - | 6,568,238 |
| Uses of Money and Property | 2,366,544 | 531,461 | - | 3,420,814 | 6,318,819 |
| Intergovernmental | 6,728,825 | - | - | 8,299,672 | 15,028,497 |
| Franchises | 1,711,396 | - | - | - | 1,711,396 |
| Charges for Other Services | 264,101 | - | - | - | 264,101 |
| Charges to Other Funds | 9,834,459 | - | - | - | 9,834,459 |
| Fees and Other Revenues | 2,628,509 | 11,046,363 | - | 9,474,798 | 23,149,670 |
| Total Revenues | 63,458,409 | 11,577,824 | - | 30,804,123 | 105,840,356 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General Government | 9,639,451 | - | - | 5,030,223 | 14,669,674 |
| Public Safety | 32,272,789 | - | - | 197,744 | 32,470,533 |
| Community Development | 6,763,813 | - | - | 290,113 | 7,053,926 |
| Engineering | 3,978,922 | - | - | - | 3,978,922 |
| Public Works | 4,431,701 | - | - | - | 4,431,701 |
| Parks and Recreation | 9,041,080 | - | - | 7,643,652 | 16,684,732 |
| Community Services | 1,273,540 | 8,541,306 | - | 32,140 | 9,846,986 |
| Capital Outlay | 27 | - | - | 8,248,768 | 8,248,795 |
| Debt Service: | | | | | |
| Principal | 1,885,509 | - | - | 4,267,891 | 6,153,400 |
| Interest and Fiscal Charges | 43,733 | - | - | 1,580,507 | 1,624,240 |
| Total Expenditures | 69,330,565 | 8,541,306 | - | 27,291,038 | 105,162,909 |
| REVENUES OVER (UNDER) EXPENDITURES | (5,872,156) | 3,036,518 | - | 3,513,085 | 677,447 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 11,589,239 | 2,377,220 | - | 25,399,560 | 39,366,019 |
| Transfers Out | (5,716,718) | (3,800,631) | - | (28,863,500) | (38,380,849) |
| Total Other Financing Sources (Uses) | 5,872,521 | (1,423,411) | - | (3,463,940) | 985,170 |
| Net Change in Fund Balances | 365 | 1,613,107 | - | 49,145 | 1,662,617 |
| Fund Balance, Beginning of Year, as previously reported | 29,411,579 | 10,293,673 | 16,479,342 | 79,197,063 | 135,381,657 |
| Adjustment - change from major fund to nonmajor fund | - | - | (16,479,342) | 16,479,342 | - |
| Fund Balance, Beginning of Year, as adjusted | 29,411,579 | 10,293,673 | - | 95,676,405 | 135,381,657 |
| Fund Balance, End of Year | \$ 29,411,944 | \$ 11,906,780 | \$ - | \$ 95,725,550 | \$ 137,044,274 |

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, 2025

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ | 1,662,617 |
| <p>Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position are different because:</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. | | 8,248,795 |
| 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. | | (11,157,134) |
| The net effect of various miscellaneous transactions involving Capital Assets (e.g. sales, trade-ins and contributions) is to increase net position. | | 3,066,609 |
| To record the net change in compensated absences in the Statement of Activities and Changes in Net Position. | | 157,588 |
| <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 | | 6,153,400 |
| This amount represents the increase in accrued liabilities | | (7,174) |
| This amount represents the decrease in Net OPEB Liability | | 1,093,478 |
| This amount represents the decrease in Deferred Outflows related to OPEB | | (1,803,580) |
| This amount represents the decrease in Deferred Inflows related to OPEB | | 1,113,043 |
| This amount represents the decrease in Net Pension Liability | | 2,398,455 |
| This amount represents the decrease in Deferred Outflows related to Pensions | | (3,135,835) |
| This amount represents the decrease in Deferred Inflows related to Pensions | | 555,297 |
| This amount represents accreted interest | | (257,055) |
| This amount represents amortized bond premiums | | 249,325 |
| Internal Service Funds are used by management to charge the costs of certain activities, such as data processing and fleet management, to individual funds. The net revenue of the Internal Service Funds is reported with Governmental Activities. | | 6,692,954 |
| Change in Net Position of Governmental Activities | \$ | 15,030,783 |

City of Brentwood

Statement of Net Position

Proprietary Funds

June 30, 2025

| | Business-Type Activities - Enterprise Funds | | | | Totals | Governmental Activities - Internal Service Funds |
|---------------------------------------------------------------------------|---------------------------------------------|---------------|----------------|---------------|----------------|--------------------------------------------------------|
| | Wastewater | Solid Waste | Water | Housing | | |
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Cash and Investments | \$ 64,688,868 | \$ 22,650,461 | \$ 51,465,276 | \$ 7,217,120 | \$ 146,021,725 | \$ 73,483,438 |
| Restricted Cash and Investments | 2,354,908 | - | 14,145 | - | 2,369,053 | - |
| Receivables, Net of Allowance for Doubtful Accounts | 5,676,875 | 2,525,413 | 4,103,941 | 36,151 | 12,342,380 | 25,644 |
| Inventories | - | - | - | - | - | 79,139 |
| Prepays | 29,312 | 32,411 | 1,221,314 | 2,468 | 1,285,505 | 874,371 |
| Interfund Advance Receivable | - | - | - | - | - | 361,929 |
| Total Current Assets | 72,749,963 | 25,208,285 | 56,804,676 | 7,255,739 | 162,018,663 | 74,824,521 |
| Non-Current Assets: | | | | | | |
| Long-Term Notes Receivable | - | - | - | 719,661 | 719,661 | - |
| Interfund Advance Receivable | - | - | - | - | - | 1,591,170 |
| Capital Assets: | | | | | | |
| Land and Work In Progress | 75,138,715 | 254,571 | 9,536,083 | 1,868,996 | 86,798,365 | - |
| Depreciable | 133,354,946 | 15,860,677 | 225,151,512 | 2,351,671 | 376,718,806 | 29,784,186 |
| Less: Accumulated Depreciation and Amortization | (37,336,419) | (3,580,280) | (67,630,853) | (743,534) | (109,291,086) | (15,730,969) |
| Total Capital Assets, Net of Accumulated Depreciation and Amortization | 171,157,242 | 12,534,968 | 167,056,742 | 3,477,133 | 354,226,085 | 14,053,217 |
| Total Non-Current Assets | 171,157,242 | 12,534,968 | 167,056,742 | 4,196,794 | 354,945,746 | 15,644,387 |
| Total Assets | 243,907,205 | 37,743,253 | 223,861,418 | 11,452,533 | 516,964,409 | 90,468,908 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred Amount on Refunding | - | - | 1,693,814 | - | 1,693,814 | - |
| Related to OPEB | 722,845 | 837,055 | 833,099 | 55,759 | 2,448,758 | 671,917 |
| Related to Pensions | 1,455,679 | 1,455,354 | 1,535,614 | 166,463 | 4,613,110 | 1,272,105 |
| Total Deferred Outflows of Resources | 2,178,524 | 2,292,409 | 4,062,527 | 222,222 | 8,755,682 | 1,944,022 |
| LIABILITIES | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts Payable and Accrued Liabilities | 7,187,874 | 602,119 | 2,698,849 | 12,018 | 10,500,860 | 630,375 |
| Interest Payable | - | - | - | - | - | 1,931 |
| Deposits Held | - | 8,511 | 60,000 | 35,805 | 104,316 | - |
| Long-Term Debt Due Within One Year | 438,825 | - | 1,980,000 | - | 2,418,825 | 51,280 |
| Compensated Absences Payable | 412,478 | 318,557 | 392,782 | 29,764 | 1,153,581 | 366,372 |
| Total Current Liabilities | 8,039,177 | 929,187 | 5,131,631 | 77,587 | 14,177,582 | 1,049,958 |
| Non-Current Liabilities Due in More Than One Year: | | | | | | |
| Bonds Payable | - | - | 26,651,661 | - | 26,651,661 | - |
| Notes Payable | 66,405,439 | - | - | - | 66,405,439 | - |
| Net OPEB Liability | 2,384,247 | 3,204,482 | 3,285,208 | 243,001 | 9,116,938 | 2,842,277 |
| Net Pension Liability | 3,429,238 | 3,445,869 | 3,665,393 | 399,135 | 10,939,635 | 3,023,451 |
| Subscription Liability | - | - | - | - | - | 181,957 |
| Compensated Absences Payable | 68,575 | 52,396 | 68,739 | 4,430 | 194,140 | 58,021 |
| Total Non-Current Liabilities | 72,287,499 | 6,702,747 | 33,671,001 | 646,566 | 113,307,813 | 6,105,706 |
| Total Liabilities | 80,326,676 | 7,631,934 | 38,802,632 | 724,153 | 127,485,395 | 7,155,664 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Related to OPEB | 405,530 | 501,775 | 512,841 | 28,650 | 1,448,796 | 426,721 |
| Related to Pensions | 55,637 | 55,906 | 59,468 | 6,476 | 177,487 | 49,053 |
| Total Deferred Inflows of Resources | 461,167 | 557,681 | 572,309 | 35,126 | 1,626,283 | 475,774 |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets and Capacity Rights | 101,033,468 | 12,534,968 | 139,810,694 | 3,477,133 | 256,856,263 | 13,819,980 |
| Restricted for: | | | | | | |
| Capital Projects | 18,824,198 | - | 11,252,078 | - | 30,076,276 | - |
| Debt Service | - | - | 14,145 | - | 14,145 | - |
| Special Projects and Programs | 4,590,081 | 8,511 | - | 5,617,394 | 10,215,986 | - |
| Unrestricted | 40,850,139 | 19,302,568 | 37,472,087 | 1,820,949 | 99,445,743 | 70,961,512 |
| Total Net Position | \$ 165,297,886 | \$ 31,846,047 | \$ 188,549,004 | \$ 10,915,476 | \$ 396,608,413 | \$ 84,781,492 |

City of Brentwood

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For Year Ended June 30, 2025

| | Business-Type Activities - Enterprise Funds | | | | | Governmental |
|----------------------------------------------------------------|---------------------------------------------|----------------------|-----------------------|----------------------|-----------------------|-------------------------------------|
| | Wastewater | Solid Waste | Water | Housing | Totals | Activities - Internal Service Funds |
| Operating Revenues: | | | | | | |
| Charges for Services | \$ 17,046,748 | \$ 19,756,303 | \$ 32,144,925 | \$ 394,048 | \$ 69,342,024 | \$ 23,041,309 |
| Other Income | 74,048 | 120,730 | 64,418 | - | 259,196 | 264,559 |
| Total Operating Revenues | 17,120,796 | 19,877,033 | 32,209,343 | 394,048 | 69,601,220 | 23,305,868 |
| Operating Expenses: | | | | | | |
| Personnel Services | 5,711,933 | 5,595,799 | 5,769,818 | 596,100 | 17,673,650 | 10,623,260 |
| Repairs and Maintenance | 325,598 | 1,788,877 | 1,147,949 | 105,719 | 3,368,143 | 666,122 |
| Materials, Supplies and Services | 7,663,420 | 10,158,439 | 17,724,800 | 295,942 | 35,842,601 | 8,405,405 |
| Depreciation and Amortization | 2,228,254 | 299,497 | 3,950,599 | 47,033 | 6,525,383 | 2,051,103 |
| Total Operating Expenses | 15,929,205 | 17,842,612 | 28,593,166 | 1,044,794 | 63,409,777 | 21,745,890 |
| Operating Income (Loss) | 1,191,591 | 2,034,421 | 3,616,177 | (650,746) | 6,191,443 | 1,559,978 |
| Non-Operating Revenues (Expenses): | | | | | | |
| Interest Income | 3,556,575 | 1,180,227 | 2,759,709 | 411,856 | 7,908,367 | 3,974,184 |
| Interest Expense | (745,626) | - | (951,115) | - | (1,696,741) | (1,931) |
| Bond Issuance Costs | - | - | (424,502) | - | (424,502) | - |
| Gain or (Loss) on Disposal of Capital Assets | (291,800) | (665,304) | (487,941) | - | (1,445,045) | 188,775 |
| Total Non-Operating Revenues (Expenses) | 2,519,149 | 514,923 | 896,151 | 411,856 | 4,342,079 | 4,161,028 |
| Income (Loss) Before Contributions and Transfers | 3,710,740 | 2,549,344 | 4,512,328 | (238,890) | 10,533,522 | 5,721,006 |
| Contributions - Impact Fees and Credits | 894,856 | - | 1,917,391 | - | 2,812,247 | - |
| Capital Asset Contributions | 288,400 | - | 1,114,280 | - | 1,402,680 | - |
| Capital Assets Contributed from (to) Governmental Activities | 108 | 151 | 133 | - | 392 | (227,560) |
| Transfers In | 1,150,245 | 51,800 | 1,009,673 | - | 2,211,718 | 3,569,335 |
| Transfers Out | (1,486,711) | (682,382) | (2,227,303) | - | (4,396,396) | (2,369,827) |
| Change in Net Position | 4,557,638 | 1,918,913 | 6,326,502 | (238,890) | 12,564,163 | 6,692,954 |
| Net Position, Beginning of Year, as previously reported | 160,926,920 | 30,140,401 | 182,493,186 | 11,168,712 | 384,729,219 | 78,380,157 |
| Adjustments - change in accounting principle | (186,672) | (213,267) | (270,684) | (14,346) | (684,969) | (291,619) |
| Net Position, Beginning of Year, as adjusted | 160,740,248 | 29,927,134 | 182,222,502 | 11,154,366 | 384,044,250 | 78,088,538 |
| Net Position, End of Year | \$ 165,297,886 | \$ 31,846,047 | \$ 188,549,004 | \$ 10,915,476 | \$ 396,608,413 | \$ 84,781,492 |

City of Brentwood

Statement of Cash Flows

**Proprietary Funds
For Year Ended June 30, 2025**

| | Business-Type Activities - Enterprise Funds | | | | | Governmental |
|----------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------|----------------------|---------------------|-----------------------|-------------------------------------|
| | Wastewater | Solid Waste | Water | Housing | Totals | Activities - Internal Service Funds |
| Cash Flows from Operating Activities | | | | | | |
| Cash Received from Customers/Other Funds | \$ 17,008,288 | \$ 19,733,794 | \$ 31,209,413 | \$ 422,732 | \$ 68,374,227 | \$ 23,189,701 |
| Cash Received from Interfund Services | - | - | - | - | - | - |
| Cash Payments to Suppliers of Goods and Services | (6,453,746) | (9,971,971) | (19,543,007) | (309,739) | (36,278,463) | (9,199,455) |
| Cash Payments to Employees for Services | (5,112,035) | (5,454,215) | (5,396,062) | (553,961) | (16,516,273) | (10,500,571) |
| Cash Payments for Interfund Services | (1,421,439) | (2,547,715) | (1,448,014) | (87,833) | (5,505,001) | (549,432) |
| Other Receipts | 74,048 | 120,730 | 64,418 | - | 259,196 | 264,559 |
| Net Cash Provided By (Used for) Operating Activities | 4,095,116 | 1,880,623 | 4,886,748 | (528,801) | 10,333,686 | 3,204,802 |
| Cash Flows from Non-Capital Financing Activities | | | | | | |
| Transfers Received | 859,999 | 51,800 | 1,009,673 | - | 1,921,472 | 3,569,335 |
| Transfers Paid | (1,486,711) | (582,003) | (2,037,569) | - | (4,106,283) | (2,369,827) |
| Interfund Advance Receivable | - | - | - | - | - | 354,086 |
| Net Cash Provided By (Used for) Non-Capital Financing Activities | (626,712) | (530,203) | (1,027,896) | - | (2,184,811) | 1,553,594 |
| Cash Flows from Capital and Related Financing Activities | | | | | | |
| Proceeds from Notes and Bonds Payable | 5,017,773 | - | 26,855,000 | - | 31,872,773 | - |
| Contributions - Impact Fees and Credits | 894,856 | - | 1,917,391 | - | 2,812,247 | - |
| Interest Paid on Debt | (139,595) | - | (951,115) | - | (1,090,710) | - |
| Principal Paid on Debt | (434,480) | - | (2,270,000) | - | (2,704,480) | - |
| Bond Premium | - | - | 4,266,691 | - | 4,266,691 | - |
| Bond Issuance Costs | - | - | (424,502) | - | (424,502) | - |
| Payments to Refunded Bond Escrow | - | - | (30,687,085) | - | (30,687,085) | - |
| Principal Paid on Subscription Liability | - | - | - | - | - | (61,269) |
| Capital Assets Purchased and Contributed to Governmental Funds | - | - | - | - | - | (227,560) |
| Proceeds from Sale of Capital Assets | - | - | 4,136 | - | 4,136 | 188,775 |
| Acquisition and Construction of Capital Assets | (6,278,527) | (66,950) | (1,119,503) | - | (7,464,980) | (5,716,296) |
| Net Cash Provided By (Used for) Capital and Related Financing Activities | (939,973) | (66,950) | (2,408,987) | - | (3,415,910) | (5,816,350) |
| Cash Flows from Investing Activities | | | | | | |
| Interest on Investments | 3,556,259 | 1,180,094 | 2,759,457 | 411,859 | 7,907,669 | 3,973,975 |
| Net Cash Provided By Investing Activities | 3,556,259 | 1,180,094 | 2,759,457 | 411,859 | 7,907,669 | 3,973,975 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 6,084,690 | 2,463,564 | 4,209,322 | (116,942) | 12,640,634 | 2,916,021 |
| Cash and Cash Equivalents - Beginning of Year | 60,959,086 | 20,186,897 | 47,270,099 | 7,334,062 | 135,750,144 | 70,567,417 |
| Cash and Cash Equivalents - End of Year | \$ 67,043,776 | \$ 22,650,461 | \$ 51,479,421 | \$ 7,217,120 | \$ 148,390,778 | \$ 73,483,438 |
| Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities: | | | | | | |
| Operating Income (Loss) | \$ 1,191,591 | \$ 2,034,421 | \$ 3,616,177 | \$ (650,746) | \$ 6,191,443 | \$ 1,559,978 |
| Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities: | | | | | | |
| Depreciation and Amortization | 2,228,254 | 299,497 | 3,950,599 | 47,033 | 6,525,383 | 2,051,103 |
| Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources: | | | | | | |
| Receivables | (41,601) | (24,677) | (249,423) | 27,677 | (288,024) | (22,125) |
| Prepaid Items | 3,760 | 3,413 | (684,763) | 4,565 | (673,025) | 153,588 |
| Accounts Payable and Other Payables | 113,831 | (571,323) | (2,100,771) | 4,089 | (2,554,174) | (677,360) |
| Net OPEB Liability and Deferred Outflows/Inflows of Resources related to OPEB | (52,767) | (56,236) | (51,189) | (4,074) | (164,266) | (40,732) |
| Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions | 553,597 | 253,082 | 462,224 | 48,032 | 1,316,935 | 288,624 |
| Compensated Absences Payable | 99,774 | (55,187) | (37,283) | (5,377) | 1,927 | (108,274) |
| Deposits | (1,323) | (2,367) | (18,823) | - | (22,513) | - |
| Net Cash Provided By (Used for) Operating Activities | \$ 4,095,116 | \$ 1,880,623 | \$ 4,886,748 | \$ (528,801) | \$ 10,333,686 | \$ 3,204,802 |
| Noncash Capital Activities: | | | | | | |
| Capital Asset Contributions | \$ 288,400 | \$ - | \$ 1,114,280 | \$ - | \$ 1,402,680 | \$ - |
| Capital Asset Contributions from (to) Governmental Activities | 108 | 151 | 133 | - | 392 | (227,560) |
| Assets Received (Contributed) from (to) Other Funds | 290,246 | (100,379) | (189,867) | - | - | - |
| Retirement of Capital Assets | (291,800) | (665,304) | (492,077) | - | (1,449,181) | - |
| Issuance of Subscription Liability | - | - | - | - | - | (294,507) |
| Subscription Assets | - | - | - | - | - | 294,507 |

City of Brentwood

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2025

| | Other Employee Benefit Trust Fund - Corebridge Financial | Private-Purpose Trust Fund - Successor Agency | Custodial Funds |
|----------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------|------------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Investments | \$ - | \$ 2,350,697 | \$ 11,848,967 |
| Restricted Cash and Investments | - | - | 3,473,500 |
| Restricted Investments - Mutual Funds | 10,407,347 | - | - |
| Interest Receivable | - | 247 | 2,366 |
| Accounts Receivable | - | 16,203 | - |
| Total Current Assets | <u>10,407,347</u> | <u>2,367,147</u> | <u>15,324,833</u> |
| Non-Current Assets: | | | |
| Nondepreciable Capital Assets | - | 1,327,129 | - |
| Total Non-Current Assets | <u>-</u> | <u>1,327,129</u> | <u>-</u> |
| Total Assets | <u>10,407,347</u> | <u>3,694,276</u> | <u>15,324,833</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable and Accrued Liabilities | - | - | 7,217 |
| Due to Local Governments | - | - | 187,927 |
| Long-Term Liabilities Due Within One Year | - | 1,391,842 | - |
| Total Current Liabilities | <u>-</u> | <u>1,391,842</u> | <u>195,144</u> |
| Non-Current Liabilities Due in More Than One Year: | | | |
| Long-Term Liabilities | - | 15,409,473 | - |
| Total Non-Current Liabilities | <u>-</u> | <u>15,409,473</u> | <u>-</u> |
| Total Liabilities | <u>-</u> | <u>16,801,315</u> | <u>195,144</u> |
| NET POSITION (DEFICIT) | | | |
| Restricted for: | | | |
| Employee Benefits | 10,407,347 | - | - |
| Individuals and Organizations | - | - | 15,108,598 |
| Other Governments | - | (13,107,039) | 21,091 |
| Total Net Position (Deficit) | <u>\$ 10,407,347</u> | <u>\$ (13,107,039)</u> | <u>\$ 15,129,689</u> |

City of Brentwood

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For Year Ended June 30, 2025

| | Other Employee Benefit Trust Fund - Corebridge Financial | Private-Purpose Trust Fund - Successor Agency | Custodial Funds |
|---------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------|------------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| Property Taxes | \$ - | \$ 2,560,926 | \$ - |
| Assessments | - | - | 12,962,904 |
| Private Contributions | - | - | 3,570,886 |
| Employer Contributions | 51,728 | - | - |
| Employee Contributions | 330,380 | - | - |
| Other | - | 73,220 | - |
| Total Contributions | 382,108 | 2,634,146 | 16,533,790 |
| Net Investment Earnings | 1,526,613 | 58,587 | 474,230 |
| Total Additions | 1,908,721 | 2,692,733 | 17,008,020 |
| DEDUCTIONS | | | |
| Administrative Expenses | 9,831 | 256,500 | 311,709 |
| Payments to Bondholders | - | 1,106,300 | 12,560,952 |
| Other Employee Benefit Payments | 603,078 | - | - |
| Recipient Payments | - | - | 4,261,125 |
| Total Deductions | 612,909 | 1,362,800 | 17,133,786 |
| Net Increase (Decrease) in Fiduciary Net Position | 1,295,812 | 1,329,933 | (125,766) |
| Net Position (Deficit) - Beginning of Year | 9,111,535 | (14,436,972) | 15,255,455 |
| Net Position (Deficit) - End of Year | \$ 10,407,347 | \$ (13,107,039) | \$ 15,129,689 |



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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 and no additional actions have been taken since.

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 used to account for assets held by the City for special assessment districts and on behalf of other agencies. 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 2024/25, the General Fund and Landscape and Lighting Assessment Districts (LLAD), a Special Revenue fund, are major governmental funds. Specific descriptions of the City's funds are as follows:

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

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.
- 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 agricultural land preservation and agricultural enterprise programs.
- Agriculture Land Acquisition – This fund accounts for 80% of the Agriculture Preservation fees collected from development. The monies are used for agricultural land preservation and agricultural enterprise programs.
- 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 2024/25, 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.
- 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. This fund was closed in FY 2024/25.
- Civic Center Capital Improvement Financing Program – This fund accounts for savings from refinanced City Capital Improvement Financing Program (CIFP) bonds and their use to finance a portion of the Civic Center project.
- City Capital Improvement Financing Program – This fund accounts for savings from refinanced bonds and their use to acquire and construct certain capital facilities and infrastructure.
- Capital Infrastructure – This fund accounts for funds to be used for non-residential development related infrastructure projects with a focus on projects that may promote economic development.
- Vineyards Projects – This fund accounts for transactions related to proceeds from assessment bonds and other resources along with their use to finance infrastructure improvements within the Vineyards development area.

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

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.
- 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 Systems – 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.
- 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.

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

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 – Corebridge Financial (“Corebridge”, formerly Variable Annuity Life Insurance Company – 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.
- Custodial Funds - Funds used to report other fiduciary activities.
 - 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.

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, 2025.

iii. Cash and Cash Equivalents

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

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

iv. Prepaid Items and Land Held for Resale

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

v. Capital Assets

The City's assets are capitalized using either historical cost or estimated historical cost, 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 |

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 9 to 28 vacation days
- Up to 120 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

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

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.

vii. Property Tax

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

viii. Motor Vehicle Taxes

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

ix. New Funds, Closed Funds and Renamed Funds

In FY 2024/25, the Capital Improvement Financing Program 2005-1 Fund was closed.

The VALIC Other Post Employee Benefit Trust Fund was renamed to the Corebridge Financial Other Employee Benefit Trust Fund.

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 reports 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

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

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 which qualify for reporting in this category: Deferred Inflows of Resources Related to OPEB, Deferred Inflows of Resources Related to Pensions and Deferred Inflows of Resources Related to Leases. The elements of Deferred Inflows of Resources Related to Leases are deferred and amortized and will be recognized as a component of lease revenue in subsequent fiscal years. The elements of Deferred Inflows of Resources Related to OPEB are deferred and amortized and will be recognized as a component of OPEB expense in subsequent fiscal years. The elements of Deferred Inflows of Resources Related to Pensions are deferred and amortized and will be recognized as a component of pension expense in subsequent fiscal years.

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

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.

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

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.

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:

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

- 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.

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

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

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

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

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

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:

- 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. 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

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

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 implemented GASB Statement No. 101 for the presentation of the FY 2024/25 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 implemented GASB Statement No. 102, but it did not have an effect on the FY 2024/25 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.

In September 2024, GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. 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. 104 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.

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

Capital Project Funds

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

Debt Service Funds

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

B. DEFICIT FUND BALANCE OR NET POSITION

Following is a list of funds that have either a deficit fund balance or net position balance as of June 30, 2025.

Special Revenue Funds:

| | |
|---------------------------------------------|--------------|
| Parks and Trails Development Impact Fee | \$ 2,989,165 |
| Community Facilities Development Impact Fee | 256,555 |

Capital Project Fund:

| | |
|--------------------------------------------|------------|
| City Capital Improvement Financing Program | \$ 943,656 |
|--------------------------------------------|------------|

Internal Service Funds:

| | |
|---------------------|------------|
| Information Systems | \$ 482,253 |
|---------------------|------------|

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, 2025, is shown on the following page. 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.



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

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 | \$ 256,555 |
| Parks and Trails Improvements Capital Project Fund | Parks and Trails Development Impact Fee Special Revenue Fund | 2,989,484 |
| | Total | \$ 3,246,039 |

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, initiated in FY 2023/24, 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 | \$ 505,733 |
| Pension/Other Post-Employment Benefits Obligation Internal Service Fund | City Capital Improvement Financing Program Capital Projects Fund | 1,447,366 |
| | Total | \$ 1,953,099 |

Interfund Transfers

| Fund Description | Landscape and Lighting Assessment Districts | | Non-Major Governmental Funds | Internal Service Funds | Wastewater Enterprise | Solid Waste Enterprise | Water Enterprise | Total Transfers In |
|---------------------------------------------|---------------------------------------------|---------------------|------------------------------|------------------------|-----------------------|------------------------|---------------------|----------------------|
| | General Fund | Districts | | | | | | |
| General Fund | \$ - | \$ - | \$ 11,589,239 | \$ - | \$ - | \$ - | \$ - | \$ 11,589,239 |
| Landscape and Lighting Assessment Districts | 1,897,652 | - | 5,516 | 474,052 | - | - | - | 2,377,220 |
| Non-Major Governmental Funds | 2,134,349 | 3,800,631 | 17,241,007 | 1,895,775 | 70,243 | 70,242 | 187,313 | 25,399,560 |
| Internal Service Funds | 1,684,717 | - | 27,738 | - | 354,995 | 511,761 | 990,124 | 3,569,335 |
| Wastewater Enterprise | - | - | - | - | - | 100,379 | 1,049,866 | 1,150,245 |
| Solid Waste Enterprise | - | - | - | - | 51,800 | - | - | 51,800 |
| Water Enterprise | - | - | - | - | 1,009,673 | - | - | 1,009,673 |
| Total Transfers Out | \$ 5,716,718 | \$ 3,800,631 | \$ 28,863,500 | \$ 2,369,827 | \$ 1,486,711 | \$ 682,382 | \$ 2,227,303 | \$ 45,147,072 |



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

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

| Transfer To | Amount | Purpose |
|--------------------|---------------|---------------------------------------------------------------------------------------------------------------------------|
| General Fund | \$ 8,268,140 | Provide a subsidy to cover a portion of the costs for Public Safety Services |
| Capital Project | \$ 4,853,454 | Provide funding to cover a portion of the costs for the Sand Creek Sports Complex project |
| Capital Project | \$ 4,149,164 | Provide funding to cover a portion of the costs for the Lone Tree Way Roadway Improvements project |
| General Fund | \$ 3,262,861 | Gas Tax and Measure J revenue to subsidize the Street Maintenance Division |
| Internal Service | \$ 1,313,029 | Transfer of unassigned General Fund balance in excess of reserve requirement |
| Capital Project | \$ 678,000 | Provide funding to cover a portion of the costs for the Brentwood Boulevard Widening North - Phase I project |
| Capital Project | \$ 507,358 | Provide funding to cover a portion of the costs for the City Facility Audiovisual System Upgrade project |
| Capital Project | \$ 433,931 | Provide funding to cover a portion of the costs for the Aquatic Complex Mechanical Room Improvements project |
| Capital Project | \$ 424,700 | Provide funding to cover a portion of the costs for the Sand Creek Road Extension project |
| Capital Project | \$ 395,600 | Provide funding to cover a portion of the costs for the Basketball Court Lighting - Homecoming and Windsor Parks projects |
| Capital Project | \$ 362,535 | Provide funding to cover a portion of the costs for the Egret Park Playgroud Replacement project |

In addition, governmental activities transferred capital assets of \$108, \$151 and \$133 to the Wastewater, Solid Waste and Water Enterprise Funds, respectively.

D. MINIMUM FUND BALANCE POLICIES

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

E. FUND BALANCES

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



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

The City considers restricted amounts to have been spent, prior to unrestricted amounts, when expenditure is incurred for purposes for which both are available. Committed, assigned and unassigned amounts, in this order, are considered spent when expenditure is incurred for purposes for which either is available. Detailed classifications of the City's Governmental Fund Balances, as of June 30, 2025, are shown below:

| | General Fund | Special Revenue Fund | | Other Governmental Funds | Total |
|---------------------------------------------|----------------------|---------------------------------------------|-------------|--------------------------|-----------------------|
| | | Landscape and Lighting Assessment Districts | | | |
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Prepays | \$ 120,443 | \$ - | \$ - | \$ 2,862 | \$ 123,305 |
| Leases | 198,981 | - | - | - | 198,981 |
| Riparian Site Mitigation Endowment | - | - | - | 80,000 | 80,000 |
| Total Nonspendable Fund Balances | 319,424 | - | - | 82,862 | 402,286 |
| Restricted for: | | | | | |
| Debt Service | - | - | - | 18,532,146 | 18,532,146 |
| Community Facilities Projects | - | - | - | 12,526,758 | 12,526,758 |
| Parks and Trails Projects | - | - | - | 22,564,349 | 22,564,349 |
| Low Income Housing | - | - | - | 436,917 | 436,917 |
| Vineyards Development Projects | - | - | - | 584,868 | 584,868 |
| Infrastructure Projects | - | - | - | 537,114 | 537,114 |
| Streets and Roadways | - | - | - | 22,732,991 | 22,732,991 |
| CIFP Projects | - | - | - | 1,867,909 | 1,867,909 |
| Landscape and Lighting Assessment Districts | - | 11,906,780 | - | - | 11,906,780 |
| Off Street Parking Facilities in Downtown | - | - | - | 469 | 469 |
| Agricultural/Farmland Mitigation | - | - | - | 4,813,123 | 4,813,123 |
| Public Art | - | - | - | 4,077,224 | 4,077,224 |
| Development Impact Fee Program | - | - | - | 1,611,203 | 1,611,203 |
| Drug Prevention Programs | - | - | - | 23,453 | 23,453 |
| Public Safety | - | - | - | 456,562 | 456,562 |
| Disability Access and Education | - | - | - | 181,549 | 181,549 |
| Abandoned Vehicle Abatement | - | - | - | 191,947 | 191,947 |
| Grants | - | - | - | 868,874 | 868,874 |
| PEG Media | - | - | - | 654,388 | 654,388 |
| Parks Maintenance | - | - | - | 4,941,002 | 4,941,002 |
| Riparian Mitigation Site Maintenance | - | - | - | 1,748 | 1,748 |
| Total Restricted Fund Balances | - | 11,906,780 | - | 97,604,594 | 109,511,374 |
| Committed to: | | | | | |
| Public Safety | - | - | - | 2,227,470 | 2,227,470 |
| Successor Agency Payment Plan | 687,303 | - | - | - | 687,303 |
| Future Strategic Initiatives | 2,728,235 | - | - | - | 2,728,235 |
| General Plan Update | 622,600 | - | - | - | 622,600 |
| Future Capital Projects | 800,000 | - | - | - | 800,000 |
| City Council Redistricting | 125,000 | - | - | - | 125,000 |
| Total Committed Fund Balances | 4,963,138 | - | - | 2,227,470 | 7,190,608 |
| Unassigned: | | | | | |
| General Fund | 24,129,382 | - | - | - | 24,129,382 |
| Other Fund Deficit | - | - | - | (4,189,376) | (4,189,376) |
| Total Unassigned Fund Balances | 24,129,382 | - | - | (4,189,376) | 19,940,006 |
| Total Fund Balances | \$ 29,411,944 | \$ 11,906,780 | \$ - | \$ 95,725,550 | \$ 137,044,274 |



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 \$1,557,115 at June 30, 2025. The bank balance, before reconciling items, was \$3,958,010. 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 | \$ 1,557,115 |
| Petty Cash | 12,550 |
| Investments | <u>357,593,588</u> |
| | <u>359,163,253</u> |
| Held by Trustee: | |
| Investments | <u>6,886,496</u> |
| Trust Deposits: | |
| Investments | <u>10,407,347</u> |
| Total Cash and Investments | <u><u>\$ 376,457,096</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% |
| 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 |
| Local Government Investment Pools | None | N/A | N/A | N/A |
| Medium-Term Notes | A | 5 years | 30% | 5% ⁽²⁾ |
| Money Market Funds | Top Rating Category | N/A | 15% | 5% |
| Mutual Funds ⁽³⁾ | 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% |
| State of California's Local Agency Investment Fund | None | N/A | \$75M/Account | \$75M/Account |
| Supranationals ⁽⁴⁾ | AA | 5 years | 30% | 5% |
| Time Deposits | None | 5 years | 25% | 5% |
| U.S. Agency Mortgage Pass-Through Securities | AA | 5 years | 20% | None |
| U.S. Agency Obligations | None | 5 years | None | None |
| U.S. Government Guaranteed Obligations ⁽⁵⁾ | None | None | None | None |
| U.S. Treasuries | None | 5 years | None | None |

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

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

(3) Allowed under the Corebridge Financial Deferred Compensation Plan

(4) 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).

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

Credit Risk

The City's portfolio is comprised of the highest quality government and corporate securities. Consistent with City policy, 78.65% 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, 2025, 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 | \$ 17,005,489 | A | 7.90 |
| Medium-Term Notes | 5,090,993 | A- | 2.36 |
| Medium-Term Notes | 21,304,349 | A+ | 9.89 |
| Medium-Term Notes | 9,181,369 | AA- | 4.26 |
| Medium-Term Notes | 2,389,954 | AA | 1.11 |
| Medium-Term Notes | 501,168 | AAA | 0.23 |
| U.S. Agency Notes | 8,561,892 | AA+ | 3.98 |
| California State, Local Agency and Other State Obligations | 1,610,064 | AA | 0.75 |
| Negotiable Certificates of Deposit | 2,586,911 | A1 | 1.20 |
| U.S. Agency Collateralized Mortgage Obligations | 7,700,915 | AA+ | 3.58 |
| Asset-Backed Securities | 20,442,742 | AAA | 9.49 |
| California Asset Management Program | 56,310,451 | AAAm | 26.15 |
| California Cooperative Liquid Assets Securities System | 56,954,464 | AAAm | 26.44 |
| Money Market Funds | 5,729,968 | AAAm | 2.66 |
| Total Rated Investments | 215,370,729 | | 100.00 |
| U.S. Treasury Notes | 140,824,398 | Exempt | |
| U.S. Treasury Bill | 1,381,631 | Exempt | |
| Local Agency Investment Fund | 2,268,738 | Not Rated | |
| Money Market Funds | 2,354,908 | Not Rated | |
| Asset-Backed Securities | 2,279,680 | Not Rated ⁽¹⁾ | |
| Mutual Funds (Corebridge Financial) | 10,407,347 | Not Rated | |
| Total Unrated Investments | 159,516,702 | | |
| Total Investments | \$ 374,887,431 | | |

(1) Credit ratings listed above are based on ratings provided by S&P Global. Asset-Backed Securities listed as "Not Rated" above have no rating per S&P Global, 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%. The City does not have an investment 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.

NOTE #3 – CASH AND INVESTMENTS (Continued)

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, 67.85% of the investment portfolio is concentrated in the zero to two-year maturity range.

Investment Maturities

| | <u>Fair Value</u> ⁽¹⁾ | <u>0-6 months</u> | <u>6-12 months</u> | <u>1-2 years</u> | <u>2-3 years</u> | <u>3-5 years</u> | <u>% of Portfolio</u> |
|------------------------------------------------------------|----------------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| U.S. Treasury Notes | \$ 140,824,398 | \$ 19,284,633 | \$ 25,678,935 | \$ 28,301,667 | \$ 51,310,183 | \$ 16,248,980 | 37.56 |
| Medium-Term Notes | 55,473,322 | 4,460,064 | 4,974,045 | 23,078,425 | 21,818,012 | 1,142,776 | 14.80 |
| U.S. Agency Notes (2) | 8,561,892 | 8,561,892 | - | - | - | - | 2.28 |
| U.S. Treasury Bill | 1,381,631 | 1,381,631 | - | - | - | - | 0.37 |
| Government Obligations | - | - | - | - | - | - | - |
| California State, Local Agency and Other State Obligations | 1,610,064 | 1,610,064 | - | - | - | - | 0.43 |
| Negotiable Certificates of Deposit | 2,586,911 | - | - | 2,586,911 | - | - | 0.69 |
| Local Agency Investment Fund | 2,268,738 | 2,268,738 | - | - | - | - | 0.61 |
| Asset-Backed Securities | 22,722,422 | - | - | - | 4,632,535 | 18,089,887 | 6.06 |
| U. S. Agency Collateralized Mortgage Obligations | 7,700,915 | - | - | - | - | 7,700,915 | 2.05 |
| California Asset Management Program | 56,310,451 | 56,310,451 | - | - | - | - | 15.02 |
| California Cooperative Liquid Assets Securities System | 56,954,464 | 56,954,464 | - | - | - | - | 15.19 |
| Money Market Funds | 8,084,876 | 8,084,876 | - | - | - | - | 2.16 |
| Mutual Funds (Corebridge Financial) | 10,407,347 | 10,407,347 | - | - | - | - | 2.78 |
| Totals | \$ 374,887,431 | \$ 169,324,160 | \$ 30,652,980 | \$ 53,967,003 | \$ 77,760,730 | \$ 43,182,558 | |
| % of Portfolio | | 45.17 | 8.18 | 14.40 | 20.74 | 11.51 | 100.00 |

(1) Fair Value includes accrued interest.

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

Custodial Credit Risk for Investments

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

Fair Value Hierarchy

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



NOTE #3 – CASH AND INVESTMENTS (Continued)

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2025:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Total</u> |
|------------------------------------------------------------|-----------------------|-----------------------|-----------------------|
| Investments Measured by Fair Value Level: | | | |
| U.S. Treasury Notes | \$ 140,824,398 | \$ - | \$ 140,824,398 |
| Medium-Term Notes | - | 55,473,322 | 55,473,322 |
| U.S. Agency Notes | - | 8,561,892 | 8,561,892 |
| U.S. Treasury Bill | 1,381,631 | - | 1,381,631 |
| California State, Local Agency and Other State Obligations | - | 1,610,064 | 1,610,064 |
| Negotiable Certificates of Deposit | - | 2,586,911 | 2,586,911 |
| Asset-Backed Securities | - | 22,722,422 | 22,722,422 |
| U. S. Agency Collateralized Mortgage Obligations | - | 7,700,915 | 7,700,915 |
| Mutual Funds (Corebridge Financial) | - | 10,407,347 | 10,407,347 |
| Subtotal | <u>\$ 142,206,029</u> | <u>\$ 109,062,873</u> | 251,268,902 |
| Investments Measured at Net Asset Value per Share: | | | |
| Held by Trustee: | | | |
| California Asset Management Program | | | 56,310,451 |
| California Cooperative Liquid Assets Securities System | | | 56,954,464 |
| Investments Measured at Amortized Cost: | | | |
| Held by Trustee: | | | |
| Money Market Funds | | | 8,084,876 |
| Investments Not Subject to Fair Value Hierarchy | | | |
| Local Agency Investment Fund | | | <u>2,268,738</u> |
| Total Investments | | | <u>\$ 374,887,431</u> |

Investments classified in Level 1 of the fair value hierarchy of \$142,206,029 are valued using unadjusted quoted prices in an active market for identical assets at the measurement date. Level 2 investments totaling \$109,062,873 are valued using inputs other than quoted prices that are observable for the asset either directly or indirectly on the measurement date. Examples of Level 2 inputs include matrix pricing, market corroborated pricing and inputs such as yield curves and indices. These prices are obtained from various pricing sources by our custodian bank or fiscal agent. There are no securities classified in Level 3. Fair value is defined as the quoted fair value on the last trading day of the period.

C. INVESTMENT IN POOLS

State Treasurer’s Pool

The California Local Agency Investment Fund (LAIF) is an external investment program sponsored by the State 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, 2025, the

NOTE #3 – CASH AND INVESTMENTS (Continued)

amortized cost of the pool was \$178,938,897,012 and the fair value was \$179,153,321,241. 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. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. On June 30, 2025, these investments matured in an average of 248 days.

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, 2025, these investments matured in an average of 40 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, 2025, the fair value approximated the City's cost.

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

NOTE #3 – CASH AND INVESTMENTS (Continued)

CAMP, which is the same as the value of the pool share in accordance with GASB 79 requirements. At June 30, 2025, the fair value approximated the City's cost. At June 30, 2025, these investments have an average maturity of 41 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, Corebridge Financial, 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, 2025 were comprised of the following:

| | <u>Taxes</u> | <u>Accounts</u> | <u>Inter-Governmental</u> | <u>Interest</u> | <u>Utilities</u> | <u>Leases</u> | <u>Notes and Loans</u> | <u>Total Receivables</u> |
|---------------------------------------|---------------------|--------------------------|---------------------------|------------------|---------------------|---------------------|---------------------------|--------------------------|
| Governmental Activities: | | | | | | | | |
| General Fund | \$ 2,043,122 | \$ 1,678,589 | \$ 144,398 | \$ 2,179 | \$ - | \$ 1,870,092 | \$ - | \$ 5,738,380 |
| Landscape and Lighting | - | - | - | 2,940 | - | - | - | 2,940 |
| Assessment Districts | - | - | - | - | - | - | - | - |
| Non-Major Funds: | | | | | | | | |
| Internal Service | - | 22,125 | - | 3,519 | - | - | - | 25,644 |
| Special Revenue | - | - | 468,617 | 2,764 | - | - | - | 471,381 |
| Permanent Fund | - | - | - | 20 | - | - | - | 20 |
| Debt Service | - | - | - | 119 | - | - | 16,801,315 ⁽¹⁾ | 16,801,434 |
| Capital Projects | - | - | 1,372,011 | 3,568 | - | - | - | 1,375,579 |
| Subtotal Governmental Activities | 2,043,122 | 1,700,714 | 1,985,026 | 15,109 | - | 1,870,092 | 16,801,315 | 24,415,378 |
| Less: Allowance | - | (520,322) ⁽²⁾ | - | - | - | - | - | (520,322) |
| Total Governmental Activities | \$ 2,043,122 | \$ 1,180,392 | \$ 1,985,026 | \$ 15,109 | \$ - | \$ 1,870,092 | \$ 16,801,315 | \$ 23,895,056 |
| Business-Type Activities: | | | | | | | | |
| Wastewater | \$ - | \$ 11,951 | \$ 3,287,665 | \$ 3,220 | \$ 2,374,039 | \$ - | \$ - | \$ 5,676,875 |
| Solid Waste | - | 75 | - | 1,098 | 2,524,240 | - | - | 2,525,413 |
| Water | - | 40,948 | - | 2,469 | 4,060,524 | - | - | 4,103,941 |
| Housing | - | 35,804 | - | 347 | - | - | 719,661 ⁽³⁾ | 755,812 |
| Total Business-Type Activities | \$ - | \$ 88,778 | \$ 3,287,665 | \$ 7,134 | \$ 8,958,803 | \$ - | \$ 719,661 | \$ 13,062,041 |

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

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

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

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

Leases Receivable

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 \$2,773 as of June 2025 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 \$3,526 as of June 2025 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 \$2,827 as of June 2025 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. During FY 2024/25, this agreement was terminated and the outstanding lease receivable balance of \$442,478 was removed from the financial statements, along with the associated deferred inflow of resources.

The City recognized \$119,294 in lease revenue and \$53,514 in interest revenue during FY 2024/25 related to leases. As of June 30, 2025, the leases receivable balance was \$1,870,092 and the deferred inflows of resources to be recognized over future lease terms was \$1,671,111.

At June 30, 2025, the City does not have any lease liabilities that met the threshold recognition of 1% of fund assets.



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

Notes and Loans Receivable

Notes and Loans Receivable at June 30, 2025 were comprised of the following:

| | |
|----------------------------------------------------------|-----------------------------|
| Governmental Activities: | |
| Amounts Due from Successor Agency | \$ 16,801,315 |
| Loans under City Low Income Housing (including interest) | <u>5,235,578</u> |
| Subtotal Governmental Funds | 22,036,893 |
| Less: Reservation for Loans Expected to be Forgiven | <u>(5,235,578)</u> |
| Notes and Loans Receivable, Net | <u>\$ 16,801,315</u> |
| Business-Type Activities: | |
| Down Payment Assistance and Gap Assistance Program Loans | \$ 719,661 |
| Loans under Affordable Housing (including interest) | <u>7,863,370</u> |
| Subtotal Business-Type Activities | 8,583,031 |
| Less: Reservation for Loans Expected to be Forgiven | <u>(7,863,370)</u> |
| Notes and Loans Receivable, Net | <u>\$ 719,661</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, 2025 the City is owed \$719,661, including interest, under the DAP and GAP loan programs.

Amounts Due from Successor Agency

The Successor Agency to the former Brentwood Redevelopment Agency (see discussion of the Brentwood Redevelopment Agency Dissolution in Note #13) has long-term obligations for the funding of its portion of the Capital Improvement Revenue Refunding Bonds Series 2012 and the 2019 Civic Center Project Lease Revenue Bonds. The Successor Agency has pledged future tax revenues for the repayment of its portion of the bonds and the California State Department of Finance (“DOF”) has deemed the pledge an enforceable obligation of the Successor Agency. The City has recorded a receivable for the debt obligations due from the Successor Agency. The balance of the receivables at June 30, 2025 was \$16,801,315. The long-term debt obligations are discussed in further detail in both Note #6 and Note #13.



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

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

The City and the former Brentwood Redevelopment Agency entered into loan programs to improve the quality and availability of affordable housing. Loans under the programs provide for the eventual forgiveness of the loan balances if the borrower complies with all the terms of the loan over its full term. The loans, accounted for as conditional grants in the Government-Wide financial statements, include a reserve for their eventual forgiveness. However, with the dissolution of the Brentwood Redevelopment Agency, the City agreed to become the successor to the Brentwood Redevelopment Agency’s housing activities. Therefore, as of February 1, 2012, the City Low Income Housing Fund assumed the loans receivable of the former Brentwood Redevelopment Agency’s Low and Moderate Income Housing Fund as discussed in Note #13. At June 30, 2025, 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 | 1,247,749 |
| Eden Housing | 160,125 |
| Mercy Housing | 2,177,000 |
| Brentwood Senior Commons | 400,000 |
| Brentwood Green Valley | 936,154 |
| Subtotal Loans under City Low Income Housing | 5,235,578 |
| Less: Reservation for Loans Expected to be Forgiven | (5,235,578) |
| Net Notes and Loans Receivable | \$ - |
| Business-Type Activities: | |
| Eden Housing | \$ 1,435,000 |
| Mercy Housing | 933,000 |
| Meta Housing | 5,495,370 |
| Subtotal Loans under Affordable Housing | 7,863,370 |
| Less: Reservation for Loans Expected to be Forgiven | (7,863,370) |
| Net Notes and Loans Receivable | \$ - |

Brentwood/202 Senior Housing

In April 1996, the Brentwood Redevelopment Agency loaned Brentwood/202 Senior Housing, Inc., a California non-profit public benefit corporation, \$314,550 to assist in the financing of the construction of a 40-unit senior housing project. The principal sum of the note does not bear interest. The outstanding principal due under this note is due and payable in full, either forty years from the date of recording the Deed of Trust or upon an event of default. In the event there has been no event of default that has not been cured, the Housing Successor shall forgive the outstanding principal balance due on the maturity date. The balance at June 30, 2025 was \$314,550.

Christian Church Homes/Sycamore II

In June 2003, the Brentwood Redevelopment Agency entered into a note with Christian Church Homes of Northern California for \$530,722, to construct 40 units of very low-income senior rental housing. The note is a 3% per annum simple interest, 55-year loan. In July 2004, a note was executed with

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

Sycamore Place II Senior Housing Corporation that amended, superseded and replaced in its entirety the original note of \$530,722. This note for \$755,722 is secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing. The principal sum of this note bears 3% per annum, simple interest. All principal, and all accrued and unpaid interest, shall be due and payable in full no later than either June 27, 2058 or upon default. As of June 30, 2025, principal and accrued interest total \$1,247,749. 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, 2025, principal and accrued interest for both notes total \$1,595,125. 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, 2025, the principal and accrued interest due for both notes total \$3,110,000. There is a reasonable expectation these notes will be forgiven upon successful completion of the terms and conditions of the notes and, as such, a reservation for forgiveness of the notes has been included in these financial statements.

Brentwood Senior Commons

In November 2010, the Brentwood Redevelopment Agency entered into a Loan Agreement with Brentwood Senior Commons, L.P. for \$400,000 to provide funding for a portion of elevator improvements within the Brentwood Senior Commons project. This note shall bear 0% interest unless there is a default in the conditions of the note. So long as Brentwood Senior Commons owns and operates the project in compliance with the Affordable Housing Covenant, no payments shall be due and the entire outstanding principal and interest, if any due to default, shall be due and payable in full on January 25, 2060. On the maturity date, at its discretion, the City, as Housing Successor may forgive the repayment of all or part of the Loan. As of June 30, 2025, the principal due totaled \$400,000. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.

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

Brentwood Green Valley

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

In addition, all accrued but unpaid interest is forgiven so long as the note is not in default. As of June 30, 2025, the principal due for the note, before the forgiveness, totaled \$959,066. Per the terms of the note, \$22,912 of the principal balance was forgiven at June 30, 2025. The remaining principal balance at June 30, 2025 totaled \$936,154. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.

Meta Housing

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

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

So long as Meta Housing owns and operates the project in compliance with the Affordable Housing Covenant, no payments shall be due and the entire outstanding unpaid principal and interest shall be due and payable on June 20, 2067. As of June 30, 2025, principal and accrued interest total \$5,495,370. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.



NOTE #5 – CAPITAL ASSETS

The City reports all capital assets, including infrastructure, in the Government-Wide Statement of Net Position. Capital assets of the primary government, as of June 30, 2025, are as follows:

| | Balance July 1, 2024 | Increases | Decreases | Transfers | Balance June 30, 2025 |
|------------------------------------------------------------|-------------------------|---------------------|-----------------------|---------------------|--------------------------|
| Governmental Activities: | | | | | |
| Capital Assets, Not Being Depreciated or Amortized: | | | | | |
| Land | \$ 38,801,779 | \$ - | \$ - | \$ - | \$ 38,801,779 |
| Work in Progress - CIP | 18,376,789 | 8,093,292 | - | (14,095,788) | 12,374,293 |
| Total Capital Assets, Not Being Depreciated or Amortized | <u>57,178,568</u> | <u>8,093,292</u> | <u>-</u> | <u>(14,095,788)</u> | <u>51,176,072</u> |
| Capital Assets, Being Depreciated and Amortized: | | | | | |
| Intangible Assets | 6,258,156 | - | - | - | 6,258,156 |
| Buildings | 72,197,665 | - | - | - | 72,197,665 |
| Infrastructure | 506,055,296 | 2,260,184 | (100,000) | 13,220,688 | 521,436,168 |
| Machinery and Equipment | 14,401,169 | 454,600 | (122,461) | - | 14,733,308 |
| Vehicles | 22,269,260 | 5,727,972 | (1,557,007) | - | 26,440,225 |
| Land Improvements | 35,801,124 | 664,189 | - | 874,708 | 37,340,021 |
| Subscription Assets | 1,134,501 | 294,507 | - | - | 1,429,008 |
| Total Capital Assets Being Depreciated and Amortized | <u>658,117,171</u> | <u>9,401,452</u> | <u>(1,779,468)</u> | <u>14,095,396</u> | <u>679,834,551</u> |
| Less Accumulated Depreciation and Amortization for: | | | | | |
| Intangible Assets | 1,844,044 | 96,279 | - | - | 1,940,323 |
| Buildings | 17,097,820 | 1,385,602 | - | - | 18,483,422 |
| Infrastructure | 150,303,167 | 7,799,525 | (39,067) | - | 158,063,625 |
| Machinery and Equipment | 8,273,203 | 988,380 | (122,461) | - | 9,139,122 |
| Vehicles | 12,699,422 | 1,889,452 | (1,557,007) | - | 13,031,867 |
| Land Improvements | 9,981,852 | 807,373 | - | - | 10,789,225 |
| Subscription Assets | 113,450 | 241,626 | - | - | 355,076 |
| Total Accumulated Depreciation and Amortization | <u>200,312,958</u> | <u>13,208,237</u> | <u>(1,718,535)</u> | <u>-</u> | <u>211,802,660</u> |
| Total Capital Assets, Being Depreciated and Amortized, Net | <u>457,804,213</u> | <u>(3,806,785)</u> | <u>(60,933)</u> | <u>14,095,396</u> | <u>468,031,891</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 514,982,781</u> | <u>\$ 4,286,507</u> | <u>\$ (60,933)</u> | <u>\$ (392)</u> | <u>\$ 519,207,963</u> |
| | | | | | |
| | Balance July 1, 2024 | Increases | Decreases | Transfers | Balance June 30, 2025 |
| Business-Type Activities: | | | | | |
| Capital Assets, Not Being Depreciated or Amortized: | | | | | |
| Land | \$ 2,661,597 | \$ - | \$ - | \$ - | \$ 2,661,597 |
| Work in Progress - CIP | 74,908,145 | 10,733,340 | (1,449,181) | (55,536) | 84,136,768 |
| Total Capital Assets, Not Being Depreciated or Amortized | <u>77,569,742</u> | <u>10,733,340</u> | <u>(1,449,181)</u> | <u>(55,536)</u> | <u>86,798,365</u> |
| Capital Assets, Being Depreciated and Amortized: | | | | | |
| Intangible Assets | 18,950,632 | - | - | - | 18,950,632 |
| Buildings | 30,763,464 | 12,595 | - | 55,928 | 30,831,987 |
| Infrastructure | 304,555,672 | 1,402,680 | - | - | 305,958,352 |
| Machinery and Equipment | 9,490,576 | 458,359 | (17,759) | - | 9,931,176 |
| Land Improvements | 11,046,659 | - | - | - | 11,046,659 |
| Total Capital Assets Being Depreciated and Amortized | <u>374,807,003</u> | <u>1,873,634</u> | <u>(17,759)</u> | <u>55,928</u> | <u>376,718,806</u> |
| Less: Accumulated Depreciation and Amortization for: | | | | | |
| Intangible Assets | 6,249,465 | 387,702 | - | - | 6,637,167 |
| Buildings | 10,693,861 | 618,130 | - | - | 11,311,991 |
| Infrastructure | 78,080,114 | 4,783,862 | - | - | 82,863,976 |
| Machinery and Equipment | 3,473,630 | 663,060 | (17,759) | - | 4,118,931 |
| Land Improvements | 4,158,460 | 200,561 | - | - | 4,359,021 |
| Total Accumulated Depreciation and Amortization | <u>102,655,530</u> | <u>6,653,315</u> | <u>(17,759)</u> | <u>-</u> | <u>109,291,086</u> |
| Total Capital Assets, Being Depreciated and Amortized, Net | <u>272,151,473</u> | <u>(4,779,681)</u> | <u>-</u> | <u>55,928</u> | <u>267,427,720</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 349,721,215</u> | <u>\$ 5,953,659</u> | <u>\$ (1,449,181)</u> | <u>\$ 392</u> | <u>\$ 354,226,085</u> |

NOTE #5 – CAPITAL ASSETS (Continued)

For the year ending June 30, 2025, depreciation and amortization expense on capital assets was charged as follows:

| | |
|----------------------------------------------------|----------------------|
| Governmental Activities: | |
| General Government | \$ 3,597,620 |
| Public Safety | 641,521 |
| Community Development | 181 |
| Public Works | 5,138,773 |
| Parks and Recreation | 1,779,039 |
| Internal Service | 2,051,103 |
| | 2,051,103 |
| Total Depreciation and Amortization Expense | \$ 13,208,237 |
| Business-Type Activities: | |
| Wastewater | \$ 2,228,254 |
| Solid Waste | 299,497 |
| Water | 4,078,531 |
| Housing | 47,033 |
| | 47,033 |
| Total Depreciation and Amortization Expense | \$ 6,653,315 |

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, 2024 (as adjusted) | Additions | Payments/ Adjustments | Balance June 30, 2025 | Amounts Due Within One Year |
|---------------------------------------------------------------|------------------------------------------|---------------------------|----------------------------|--------------------------|--------------------------------|
| Bonds | | | | | |
| General Obligation Bonds Series 2002 | \$ 4,472,464 | \$ 257,055 ⁽¹⁾ | \$ (690,000) | \$ 4,039,519 | \$ 725,000 |
| 2019 Civic Center Project Lease Revenue Refunding Bonds | 25,750,000 | - | (1,475,000) | 24,275,000 | 1,550,000 |
| Bond Premium | 3,989,197 | - | (249,325) | 3,739,872 | - |
| Private Placement Bonds | | | | | |
| 2015 Lease Financing | 7,820,000 | - | (545,000) | 7,275,000 | 560,000 |
| Direct Purchase Bonds | | | | | |
| Capital Improvement Revenue Refunding Bonds Series 2021 A & B | 11,366,927 | - | (1,557,891) | 9,809,036 | 1,581,671 |
| Total Bonds | 53,398,588 | 257,055 | (4,517,216) | 49,138,427 | 4,416,671 |
| Notes Payable | | | | | |
| Successor Agency Payment Plan | 2,504,276 | - | (1,679,948) | 824,328 | 824,328 |
| Total Notes Payable | 2,504,276 | - | (1,679,948) | 824,328 | 824,328 |
| Other | | | | | |
| Net OPEB Liability | 24,360,634 | 1,436,635 | (2,646,508) ⁽²⁾ | 23,150,761 | - |
| Net Pension Liability | 43,023,325 | 5,780,085 | (8,296,803) ⁽²⁾ | 40,506,607 | - |
| Accumulated Compensated Absences | 5,080,661 | - | (265,862) ⁽³⁾ | 4,814,799 | 4,011,795 |
| Subscription Liabilities | | | | | |
| Public Safety | 885,208 | - | (205,561) | 679,647 | 215,716 |
| Computerized Maintenance Management System | - | 294,507 | (61,270) | 233,237 | 51,280 |
| Total Other | 73,349,828 | 7,511,227 | (11,476,004) | 69,385,051 | 4,278,791 |
| Total Governmental Activities Long-Term Obligations | \$ 129,252,692 | \$ 7,768,282 | \$ (17,673,168) | \$ 119,347,806 | \$ 9,519,790 |

(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 Systems Fund

(3) Net Change

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> |
|-------------------------------|---------------------|---------------------|
| 2026 | \$ 725,000 | \$ 725,000 |
| 2027 | 760,000 | 760,000 |
| 2028 | 800,000 | 800,000 |
| 2029 | 840,000 | 840,000 |
| 2030 | 880,000 | 880,000 |
| 2031 | <u>925,000</u> | <u>925,000</u> |
| Subtotal | 4,930,000 | <u>\$ 4,930,000</u> |
| Future Accretion | <u>(890,481)</u> | |
| Total | <u>\$ 4,039,519</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 CIPF 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, 2025, 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, 2026.

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 |
| 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 | 1,890,000 | 773,150 | 2,663,150 |
| 2031-2035 | 8,315,000 | 2,567,125 | 10,882,125 |
| 2036-2040 | 7,370,000 | 692,875 | 8,062,875 |
| Total | \$ 24,275,000 | \$ 8,006,000 | \$ 32,281,000 |

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 |
| 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 | 635,000 | 149,581 | 784,581 |
| 2031-2035 | 3,515,000 | 418,031 | 3,933,031 |
| 2036 | 770,000 | 12,512 | 782,512 |
| Total | \$ 7,275,000 | \$ 1,375,807 | \$ 8,650,807 |

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 \$9,447,625 remaining share of debt service on the bonds, as of June 30, 2025, which is scheduled to occur in 2032. For FY 2024/25, gross tax revenue available to be distributed to the Successor Agency totaled \$10,923,183, which represented coverage of 8.08 times \$1,352,000 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 |
|--------------------------------|---------------------|-------------------|----------------------|
| 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 | 1,323,203 | 45,365 | 1,368,568 |
| 2031-2032 | 2,698,744 | 36,538 | 2,735,282 |
| Total | \$ 9,809,036 | \$ 447,622 | \$ 10,256,658 |

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.

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

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 |
|------------------------|-------------------|-------------|-------------------|
| 2026 | \$ 824,328 | \$ - | \$ 824,328 |
| Total | \$ 824,328 | \$ - | \$ 824,328 |

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, 2025 were:

| | |
|---------------|-----------|
| Governmental | \$803,004 |
| Business-Type | \$194,140 |



NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

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 FY 2023/24. As of June 30, 2025, the balance of the subscription liability was \$679,647 and interest payable was \$13,794. 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 \$340,350.

In April 2025, the City entered into a five-year SBITA for the use of cloud services related to computerized maintenance management systems. An initial subscription liability was recorded in the amount of \$294,507 during the current fiscal year. As of June 30, 2025, the balance of the subscription liability was \$233,237 and interest payable was \$1,931. The City is required to make annual principal and interest payments ranging from \$61,270 to \$68,959. 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 \$294,507 and had accumulated amortization of \$14,725.

The future principal and interest subscription liability payments as of June 30, 2025, are as follows:

| Year Ending | | | | |
|--------------------|-------------------|------------------|---------------------|--|
| June 30 | Principal | Interest | Total | |
| 2026 | \$ 266,996 | \$ 45,406 | \$ 312,402 | |
| 2027 | 282,148 | 32,147 | 314,295 | |
| 2028 | 298,109 | 18,135 | 316,244 | |
| 2029 | 65,631 | 3,328 | 68,959 | |
| Total | \$ 912,884 | \$ 99,016 | \$ 1,011,900 | |

B. BUSINESS-TYPE ACTIVITIES

| | Balance | | | Balance | Amounts Due |
|-------------------------------------------------------------|-----------------------|----------------------|------------------------|-----------------------|------------------------|
| | July 1, 2024 | Additions | Payments | June 30, 2025 | Within One Year |
| | (as adjusted) | | Adjustments | | |
| Bonds | | | | | |
| Water Revenue Refunding Bonds Series 2014 | \$ 30,325,000 | \$ - | \$ (30,325,000) | \$ - | \$ - |
| Water Revenue Refunding Bonds Series 2024 | - | 26,855,000 | (2,270,000) | 24,585,000 | 1,980,000 |
| Net Bond Premium | 3,529,294 | 4,266,691 | (3,749,324) | 4,046,661 | - |
| Total Bonds | 33,854,294 | 31,121,691 | (36,344,324) | 28,631,661 | 1,980,000 |
| Notes Payable (Direct Placement) | | | | | |
| State Water Resources Loan (Recycled Water Projects) | 13,959,450 | - | (434,480) | 13,524,970 | 438,825 |
| State Water Resources Loan (WWTP Expansion Ph. II) | 47,684,388 | 5,634,906 | - | 53,319,294 | - |
| Total Notes Payable | 61,643,838 | 5,634,906 | (434,480) | 66,844,264 | 438,825 |
| Other | | | | | |
| Net OPEB Liability | 9,480,434 | 531,897 | (895,393) | 9,116,938 | - |
| Net Pension Liability | 10,752,869 | 2,447,377 | (2,260,611) | 10,939,635 | - |
| Accumulated Compensated Absences | 1,345,794 | 1,927 ⁽¹⁾ | - | 1,347,721 | 1,153,581 |
| Total Other | 21,579,097 | 2,981,201 | (3,156,004) | 21,404,294 | 1,153,581 |
| Total Business-Type Activities Long-Term Obligations | \$ 117,077,229 | \$ 39,737,798 | \$ (39,934,808) | \$ 116,880,219 | \$ 3,572,406 |

⁽¹⁾ Net change

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

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. On October 2, 2024, the Authority issued Water Revenue Refunding Bonds Series 2024 (see below) which refunded and defeased the outstanding 2014 Water Bonds maturing after July 1, 2024 in the aggregate principal amount of \$30,325,000. The 2014 Water Bonds were called on January 13, 2025.

Water Revenue Refunding Bonds Series 2024

On October 2, 2024, the Authority issued \$26,855,000 in Water Revenue Refunding Bonds Series 2024 ("2024 Water Bonds") to 1) refund all of the Authority's outstanding 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, including interest at a rate of 5%, range from \$2,546,250 to \$3,221,115. 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 |
|--------------------------------|----------------------|---------------------|----------------------|
| 2026 | \$ 1,980,000 | \$ 1,229,250 | \$ 3,209,250 |
| 2027 | 1,420,000 | 1,130,250 | 2,550,250 |
| 2028 | 1,495,000 | 1,059,250 | 2,554,250 |
| 2029 | 1,570,000 | 984,500 | 2,554,500 |
| 2030 | 1,645,000 | 906,000 | 2,551,000 |
| 2031-2035 | 9,535,000 | 3,211,750 | 12,746,750 |
| 2036-2038 | 6,940,000 | 705,250 | 7,645,250 |
| Total | \$ 24,585,000 | \$ 9,226,250 | \$ 33,811,250 |

The Authority has pledged future, water customer revenues, net of specified operating expenses, through 2038 to repay the 2024 Water Bonds. The bond coverage requirement is 1) the Adjusted Annual Net Water Revenues equal to at least 125% of the annual principal and interest payments on the bonds and 2) the Net Operating Revenues equal at least 100% of all parity obligations secured by Net Water Revenues. Adjusted Annual Net Water Revenues is defined as Water income and revenue less maintenance and operation costs adjusted by certain non-cash adjustments and 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 2024/25, the Water Fund's principal and interest paid was \$3,221,115, Net Operating Revenues were \$9,232,518 and Adjusted Annual Net Water Revenues were \$11,149,909 meeting bond covenant debt-coverage requirements.

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

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, 2025, the City’s gross repayment obligation was \$13,524,970. During FY 2024/25, the Wastewater Fund’s principal and interest paid on this loan was \$574,075.

| Year Ending | Principal | Interest | Total |
|----------------|----------------------|---------------------|----------------------|
| <u>June 30</u> | | | |
| 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 | 456,643 | 117,432 | 574,075 |
| 2031-2035 | 2,352,631 | 517,741 | 2,870,372 |
| 2036-2040 | 2,472,639 | 397,734 | 2,870,373 |
| 2041-2045 | 2,598,768 | 271,604 | 2,870,372 |
| 2046-2050 | 2,731,331 | 139,040 | 2,870,371 |
| 2051-2052 | 1,131,153 | 16,996 | 1,148,149 |
| Total | \$ 13,524,970 | \$ 1,975,042 | \$ 15,500,012 |

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. Construction on the project began in September 2020. Certain terms of the agreement were amended in April 2021 and in November 2024, under which the City is to have construction completed by December 31, 2025. The loan bears annual interest of 1.3%, which begins accruing with each financing disbursement. Beginning one year after completion of construction, repayment



NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

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. However, the City may not prepay any portion of the principal or interest due under the loan agreement without written consent of the Deputy Director of the State Water Resources Control Board.

As of June 30, 2025, the City has incurred \$55,654,611 of eligible project costs and financing disbursement requests have been submitted to the State. Through June 30, 2025 accrued construction period interest, in the amount of \$1,520,683, was recorded as principal, resulting in total principal due to the State of \$57,175,294. 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 \$53,319,294.

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 | \$ 520,000 |
| 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 | \$ 4,915,000 |
| 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 | \$ 36,860,000 |
| 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 | \$ 24,185,000 |
| Total Assessment District Debt | \$ 66,480,000 |

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.

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 shown on the following page:

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

| | | | | | | | |
|-------------------------|--------------------------------------------------------------------------------------------------------------------|-------------|---------------------|-------------------------------|----------------|--------|--|
| 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 ⁽³⁾ | Safety ⁽³⁾ | Misc | Safety | |
| | 2024 | Kaiser Dual | 1,326.63 | 1,500.00 | \$154 | | |
| 2025 + ⁽²⁾ | Kaiser Dual | 1,326.63 | 1,500.00 | 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 PEPPRA employees.

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

(3) Not less than Kaiser single premium.

(4) PEMHCA Minimum is \$158 for 2025.

Employees Covered by Benefit Terms

Membership in the plan consisted of the following at the most recent actuarial valuation 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 |

B. NET OPEB LIABILITY

Actuarial Methods and Assumptions

The City's Net OPEB Liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation dated June 30, 2023, rolled forward to June 30, 2024 using standard update procedures, based on the following actuarial methods and assumptions:

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

| Actuarial Assumption | June 30, 2024 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, 2024 |
| | 6.00% at June 30, 2023 |
| 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 generational with Scale MP-2020 |
| Salary Increases | Aggregate - 2.80% annually |
| | Merit - CalPERS Nov 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 | 3.50% 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)

| Commodities | Target Allocation ⁽¹⁾ | 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% |

⁽¹⁾ The long-term rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return net of investment expense 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 rates of return by the target allocation percentage.

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.

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, 2024 (Measurement date June 30, 2023) | \$ 59,777,162 | \$ 25,936,094 | \$ 33,841,068 |
| Changes for the year: | | | |
| Service Cost | 1,226,953 | - | 1,226,953 |
| Interest | 3,581,621 | - | 3,581,621 |
| Changes of benefit terms | - | - | - |
| Difference between actual and expected experience | - | - | - |
| Assumption changes | - | - | - |
| Contributions - employer | - | 3,541,901 | (3,541,901) |
| Contributions - employee | - | - | - |
| Net investment income | - | 2,848,499 | (2,848,499) |
| Benefit payments and refunds ⁽¹⁾ | (2,659,613) | (2,659,613) | - |
| Administrative Expenses | - | (8,457) | 8,457 |
| Net Changes | 2,148,961 | 3,722,330 | (1,573,369) |
| Balances at June 30, 2025 (Measurement date June 30, 2024) | \$ 61,926,123 | \$ 29,658,424 | \$ 32,267,699 |

⁽¹⁾ Based on explicit benefit payment of \$2,121,712 and estimated implicit benefit payment of \$537,901 for 2023/24

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

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued plan financial report that may be obtained from CERBT, an agent multiple-employer plan administered by CalPERS, consisting of an aggregation of single-employer plans. 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 | \$ 40,500,681 | \$ 32,267,699 | \$ 25,476,873 |

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 | \$ 24,613,749 | \$ 32,267,699 | \$ 41,777,975 |

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$2,747,823. At June 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

| | June 30, 2025 | |
|-------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ - | \$ (4,760,981) |
| Changes of assumptions | 6,076,455 | (843,928) |
| Net difference between projected and actual earning on plan investments | 192,577 | - |
| Employer contributions made subsequent to the measurement date ⁽¹⁾ | 3,355,762 | - |
| Total | \$ 9,624,794 | \$ (5,604,909) |

⁽¹⁾ Includes implicit subsidy benefit payment

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

For the year ended June 30, 2025, the City reported \$3,355,762 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, 2026. 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:

| <u>Year ended June 30</u> | <u>Annual Amortization</u> |
|----------------------------|----------------------------|
| 2026 | \$ (585,741) |
| 2027 | 235,179 |
| 2028 | (231,521) |
| 2029 | 124,926 |
| 2030 | 806,674 |
| Total All Years Thereafter | 314,606 |

NOTE #10 – DEFINED BENEFIT PENSION PLANS

A. PLAN DESCRIPTIONS

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

B. MISCELLANEOUS PLAN

i. General Information About the Miscellaneous Plan

a. Benefits Provided

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

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

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

The Miscellaneous Plan’s provisions and benefits in effect at June 30, 2025 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) | 11.690% | 11.690% | 11.690% |
| 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 \$1,969,492.

b. Employees Covered

At the June 30, 2024 measurement date, the most recent valuation available, the following plan participants were covered by the benefit terms:

| | Miscellaneous Plan | | | |
|------------------------------------------------------------------|---------------------------|---------------|---------------|--------------|
| | Tier 1 | Tier 2 | Tier 3 | Total |
| Active Employees | 65 | 48 | 140 | 253 |
| Inactive Employees or Beneficiaries Currently Receiving Benefits | | | | 232 |
| Inactive Employees Entitled to but not yet Receiving Benefits | | | | 207 |
| | | | Total | 692 |

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, 2025, the contributions to the Miscellaneous Plan were \$7,656,662 for the employer paid contributions.

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

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, 2024, using an annual actuarial valuation as of June 30, 2023, 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.

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, 2023 | \$ 193,462,436 | \$ 158,976,005 | \$ 34,486,431 |
| Changes recognized for the measurement period | | | |
| Service Cost | \$ 4,838,452 | \$ - | \$ 4,838,452 |
| Interest on the Total Pension Liability | 13,573,045 | - | 13,573,045 |
| Changes in Assumptions | - | - | - |
| Differences Between Actual and Expected Experience | 4,830,051 | - | 4,830,051 |
| Changes in Benefit Terms | - | - | - |
| Net Plan to Plan Resource Movement | - | 221 | (221) |
| Contribution - Employer | - | 7,195,997 | (7,195,997) |
| Contribution - Employees | - | 2,044,828 | (2,044,828) |
| Net Investment Income | - | 15,355,011 | (15,355,011) |
| Benefit Payments, Including Refunds of Employee Contributions | (8,001,855) | (8,001,855) | - |
| Other Misc Income/(Expense) | - | - | - |
| Administrative Expense | - | (129,359) | 129,359 |
| Net Changes | <u>15,239,693</u> | <u>16,464,843</u> | <u>(1,225,150)</u> |
| Balance at June 30, 2024 | <u>\$ 208,702,129</u> | <u>\$ 175,440,848</u> | <u>\$ 33,261,281</u> |

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

The table below presents the Net Pension Liability, calculated using the discount rate of 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 | \$ 63,272,732 | \$ 33,261,281 | \$ 8,628,803 |

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

b. Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2025, the City recognized pension expense for the Miscellaneous Plan of \$8,226,759. At June 30, 2025, the Miscellaneous Plan has Deferred Outflows and Deferred Inflows of Resources related to the pension plan as follows:

| | <u>Miscellaneous Plan</u> | |
|-------------------------------------------------------|---------------------------------------|--------------------------------------|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Pension Contributions Subsequent to Measurement Date | \$ 7,656,662 | \$ - |
| Differences Between Actual and Expected Experience | 5,133,491 | (539,639) |
| Changes in Assumptions | 1,327,451 | - |
| Net Differences Between Projected and Actual Earnings | | |
| on Plan Investments | 2,418,550 | - |
| Total | <u>\$ 16,536,154</u> | <u>\$ (539,639)</u> |

Deferred Outflows of Resources related to contributions subsequent to the measurement date of \$7,656,662 will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2026. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized as pension expense below:

| <u>Miscellaneous Plan</u> | |
|----------------------------------|----------------------------|
| <u>Fiscal Year Ended June 30</u> | <u>Annual Amortization</u> |
| 2026 | \$ 2,142,317 |
| 2027 | 5,907,728 |
| 2028 | 720,954 |
| 2029 | (431,146) |

v. Payable to the Miscellaneous Plan

The City reported a payable of \$239,427 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

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

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

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, 2025, are summarized below:

| | Safety Plan | | |
|---------------------------------------------------|-------------------------------|--------------------------|----------------------------|
| | Tier 1 | Tier 2 | Tier 3 |
| | Prior to September 1, 2012 | After August 31, 2012 | After December 31, 2012 |
| Hire Date | | | |
| 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 | 3.0% | 2.4-3.0% | 2.0-2.7% |
| Required Employee Contribution Rates | 9.00% | 9.00% | 13.75% |
| Required Employer Contribution Rates | 28.52% | 23.00% | 13.76% |
| COLA | 5.00% | 2.00% | 2.00% |
| Final Average Compensation Period | One Year | Three Years | Three Years |
| Unfunded Accrued Liability Annual Payment | \$ 1,157,943 | \$ 19,410 | \$ 45,807 |

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 was \$1,223,160, in FY 2024/25.

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

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

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 necessary 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, 2025, the contributions to the Safety Plan were \$ 4,144,802 for the employer paid contributions.

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

As of June 30, 2025, the City reported a Net Pension Liability for its proportionate share of the Net Pension Liability of the Safety Plan of \$18,184,961.

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, 2024, 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, 2023 rolled forward to June 30, 2024 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, 2023 and 2024 was as follows:

| <u>Proportionate Share of Net Pension Liability</u> | <u>Safety Plan</u> |
|---------------------------------------------------------|--------------------|
| Proportion - June 30, 2023 | 0.25806% |
| Proportion - June 30, 2024 | <u>0.24942%</u> |
| Change - Increase (Decrease) | (0.00864%) |



NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

For the year ended June 30, 2025, the City recognized pension expense of \$5,362,348 for the Safety Plan. At June 30, 2025, the Safety Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Safety Plan | |
|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Pension Contributions Subsequent to Measurement Date | \$ 4,144,802 | \$ - |
| Differences Between Actual and Expected Experience | 1,484,054 | (48,253) |
| Changes in Assumptions | 448,040 | - |
| Change in the Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions | 1,213,029 | (380,887) |
| Net Differences Between Projected and Actual Earnings on Plan Investments | 878,978 | - |
| Total | <u>\$ 8,168,903</u> | <u>\$ (429,140)</u> |

Deferred outflows of resources related to contributions subsequent to the measurement date of \$4,144,802 will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2026. Other amounts, reported as Deferred outflows/inflows of resources related to pensions, will be recognized as pension expense, as summarized as follows:

| Safety Plan | |
|----------------------------------|----------------------------|
| <u>Fiscal Year Ended June 30</u> | <u>Annual Amortization</u> |
| 2026 | \$ 1,697,866 |
| 2027 | 2,195,799 |
| 2028 | 2,043 |
| 2029 | (300,747) |

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 | | |
|-----------------------|----------------------------|-----------------------------|----------------------------|
| | <u>5.90% (1% Decrease)</u> | <u>6.90% (Current Rate)</u> | <u>7.90% (1% Increase)</u> |
| Net Pension Liability | \$ 34,289,405 | \$ 18,184,961 | \$ 5,013,790 |

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 Annual Comprehensive Financial Report closing and final reconciled reserves.

iii. Payable to the Safety Plan

The City reported a payable of \$144,549 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

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, 2025, the City reported Net Pension Liabilities for the Miscellaneous and Safety Plans combined of \$51,446,242 and recognized combined pension expenses for the Miscellaneous and Safety Plans of \$13,589,107.

At June 30, 2025, 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 | \$ 11,801,464 | \$ - |
| Differences Between Actual and Expected Experience | 6,617,545 | (587,892) |
| Changes in Assumptions | 1,775,491 | - |
| Change in the Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions | 1,213,029 | (380,887) |
| Net Differences Between Projected and Actual Earnings on Plan Investments | 3,297,528 | - |
| Total | \$ 24,705,057 | \$ (968,779) |

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

ii. Actuarial Assumptions

The June 30, 2024 total pension liabilities were based on the following actuarial methods and assumptions:

| | <u>Miscellaneous and Safety Plans</u> |
|------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Valuation Date | June 30, 2023 |
| Measurement Date | June 30, 2024 |
| 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.

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.

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

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% | -0.59% |
| Total | <u>100%</u> | |

(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 (“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 Corebridge Financial (formerly VALIC). Benefit provisions under the Plans are established by City resolution.

The City has no liability for any losses incurred by the Plans and does not participate in any gains, but does have the duty of due care that would be required of an ordinary prudent investor. The City has contracts with each of the three administrators to manage and invest the assets of the respective Plans. The administrators of the Mission Square Retirement and CalPERS Plans pool the assets of the respective Plans with those of other participants and does not make separate investments for the City. The administrator of the Corebridge Financial 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.

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

(Continued)

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 Corebridge Financial 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 - Corebridge Financial. 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 2024/25 was \$348,774. At June 30, 2025, the City does not have any outstanding contributions payable 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 July 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 2024/25 was \$316,600. At June 30, 2025, the City does not have a payable due for outstanding contributions to the retiree health savings plan.

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

NOTE #12 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; natural disaster; errors and omissions; injuries to employees and unemployment claims. The City, along with other Contra Costa County cities, belongs to the Municipal Pooling Authority of Northern California (MPA). MPA is a public entity risk pool currently operating as a common risk management and insurance program for the members. The City pays an annual premium to MPA for the following: Liability (\$29 million coverage, \$10,000 deductible); Employer's Resource Management Association (ERMA) (\$2 million coverage, \$50,000 deductible on employment claims); All Risk Fire and Property (\$1 billion coverage, \$25,000 deductible for all risk, \$5,000 for fine arts, \$150,000 deductible for water claims); Flood (\$25 million coverage, \$100,000 to \$500,000 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 annual aggregate coverage, \$500,000 per occurrence,

NOTE #12 – RISK MANAGEMENT (Continued)

\$250,000 deductible); Boiler and Machinery (\$75 million coverage, \$10,000 deductible), Deadly Weapons Response (\$2.5 million annual coverage, \$10,000 deductible) and Workers Compensation (coverage up to 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, 2025 were the cities of Antioch; Brentwood; Clayton; El Cerrito; Gilroy; Hercules; Lafayette; Manteca; Martinez; Mountain House; 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 P.O. Box 67, Walnut Creek, CA 94597, as well as on the agency’s website at www.mpa-nc.com.

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

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

A. REDEVELOPMENT AGENCY DISSOLUTION

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

ABX1 26 required the establishment of an Oversight Board to oversee the activities of the Successor Agency. The Brentwood Oversight Board served in this capacity from April 11, 2012 until June 30, 2018.

Effective July 1, 2018, a new Countywide Oversight Board was established pursuant to the dissolution law. The activities of the Successor Agency are subject to review and approval of the Oversight Board.

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



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

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, 2025, 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, 2025.

B. CAPITAL ASSETS

Capital assets of the Successor Agency, as of June 30, 2025, 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, 2025.

| | <u>Balance</u> <u>July 1, 2024</u> | <u>Payments</u> <u>Adjustments</u> | <u>Balance</u> <u>June 30, 2025</u> | <u>Amounts Due</u> <u>Within One Year</u> |
|---------------------------------------------------------|---------------------------------------|---------------------------------------|----------------------------------------|----------------------------------------------|
| Capital Improvement Revenue Refunding Bonds Series 2012 | \$ 8,905,000 | \$ (930,000) | \$ 7,975,000 | \$ 980,000 |
| 2009 Civic Center Project Lease Revenue Bonds | 9,221,052 | (394,737) | 8,826,315 | 411,842 |
| Total | <u>\$ 18,126,052</u> | <u>\$ (1,324,737)</u> | <u>\$ 16,801,315</u> | <u>\$ 1,391,842</u> |

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

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, 2026. 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 \$9,447,625 remaining share of debt service on the bonds, which is scheduled to occur in 2032.

2009 Civic Center Project Lease Revenue Bonds

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

The Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. Following the dissolution of the Brentwood Redevelopment Agency, the Successor Agency is allocated funds for payment of obligations listed on the Successor Agency's ROPS and approved by the DOF. The Successor Agency listed this debt obligation on its ROPS and the DOF has approved its inclusion for each applicable ROPS period through June 30, 2026. 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 \$14,477,483 remaining share of debt service on the bonds. The repayment of the debt is scheduled to occur in 2040.

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

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

| Year Ending <u>June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------|----------------------|---------------------|----------------------|
| 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 | 1,688,684 | 677,041 | 2,365,725 |
| 2031-2035 | 5,442,894 | 2,106,311 | 7,549,205 |
| 2036-2040 | 3,673,684 | 729,685 | 4,403,369 |
| Total Payments Due | \$ 16,801,315 | \$ 7,123,793 | \$ 23,925,108 |

D. PLEGGED REVENUES

As discussed above, the Successor Agency has pledged all future tax-increment revenues for the repayment of its share of the Capital Improvement Revenue Refunding Bonds Series 2012 and the 2009 Civic Center Project Lease Revenue Bonds. The pledge of all future tax-increment revenues ends upon repayment of \$23,925,108 remaining debt service on the bonds, which is scheduled to occur in 2040. With the dissolution of the Brentwood Redevelopment Agency discussed above, tax increment is no longer distributed. Instead, the Successor Agency receives payments from Contra Costa County's Redevelopment Property Tax Trust Fund that are to be used to fund debt service on the bonds, with no distinction between housing and non-housing revenues. For FY 2024/25, gross tax increment available to be distributed to the Successor Agency was \$10,923,183, which represents coverage of 449% of the FY 2024/25 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

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

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, 2025, which is likely to have a material adverse effect on the financial position of the City.

B. STATE AND FEDERAL GRANTS

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

C. DEVELOPER IMPACT FEE CREDITS

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

Any unused credits may be used by the developers on other projects located elsewhere in the City. The value of the credits, as of June 30, 2025, was \$618,208, after a total of \$614,770 was used as credits or expired during FY 2024/25. 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.

NOTE #14 – CONTINGENT LIABILITIES (Continued)

D. CONSTRUCTION COMMITMENTS

As of June 30, 2025, the City had several commitments with respect to unfinished capital projects. Outstanding commitments with respect to unfinished major capital projects are as follows:

| <u>Project Name</u> | <u>Outstanding Commitments</u> |
|-------------------------------------------------|------------------------------------|
| City Facility Audiovisual System Upgrade | \$ 1,086,042 |
| Innovation Center @ Brentwood Infrastructure | 172,594 |
| Lone Tree Way Roadway Improvements | 521,601 |
| Sand Creek Sports Complex | 20,130,019 |
| Sensus AMR System Upgrade | 521,571 |
| Wastewater Treatment Plant Expansion - Phase II | 12,677,485 |
| Water and Wastewater SCADA System Upgrade | 1,729,894 |
| Total | \$ 36,839,206 |

E. SOLAR POWER PURCHASE AGREEMENTS

On December 9, 2014, the City executed three Solar Power Purchase agreements with SolarCity Corporation. The terms of the agreements required SolarCity to construct solar power systems, to be owned and maintained by SolarCity, at three City sites, the Police Department, Wastewater Treatment Plant and Brentwood Family Aquatic Complex. These systems are expected to generate approximately 2.14 million kilowatt hours (kWh) of power per year. The terms of the agreements require the City to purchase all of the electric power generated by the system for a term of 20 years, and up to two additional optional terms of five years each, at a contract price of \$0.0100 to \$0.2718 per kWh, depending on the site. The systems at the Police Department site, Wastewater Treatment Plant site and Brentwood Family Aquatic Complex became operational July 2015, September 2016 and November 2016, respectively. The agreements include options for the City to purchase the systems at the end of the 6th, 10th and 20th year, as well as at the end of the additional optional five-year terms at a price equal to the fair value of the systems. The City has not taken, nor anticipates taking, the option to purchase any of the systems as of the end of the 6th or 10th year. Early termination of any of the contracts by the City would result in termination payments ranging from \$6.4 million in year one to \$0.3 million in the twentieth year of the contracts. Early termination by SolarCity would result in payments to the City for the net present value of the excess energy costs that would be incurred over the remaining contract term.



NOTE #15 – NET POSITION AND FUND BALANCE RESTATEMENTS OR ADJUSTMENTS

During FY 2024/25, the City reported a change within the financial reporting entity resulting in a fund balance adjustment. The Roadway Improvements Capital Project Fund was a Major Fund in FY 2023/24 and is a Non-Major Fund in FY 2024/25.

The City also implemented the provisions of GASB Statement No. 101, Compensated Absences, during FY 2024/25. This resulted in a change in accounting principle beginning fund balance adjustment. The City's June 30, 2024 fund balance adjustments are as follows:

| | June 30, 2024 As Previously Reported | Change within the Financial Reporting Entity (Major Funds) | Change in Accounting Principle (GASB 101) | June 30, 2024 As Adjusted |
|------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------|
| Government-Wide | | | | |
| Governmental Activities | \$ 622,777,176 | \$ - | \$ (2,868,063) | \$ 619,909,113 |
| Business-Type Activities | 384,729,219 | - | (684,969) | 384,044,250 |
| Total Primary Government | <u>\$ 1,007,506,395</u> | <u>\$ -</u> | <u>\$ (3,553,032)</u> | <u>\$ 1,003,953,363</u> |
| Governmental Funds | | | | |
| Major Funds: | | | | |
| General Fund | \$ 29,411,579 | \$ - | \$ - | \$ 29,411,579 |
| Landscape and Lighting Assessment Districts | 10,293,673 | - | - | 10,293,673 |
| Roadway Improvements | 16,479,342 | (16,479,342) | - | - |
| Non-Major Funds | 79,197,063 | 16,479,342 | - | 95,676,405 |
| Total Governmental Funds | <u>\$ 135,381,657</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 135,381,657</u> |
| Proprietary Funds | | | | |
| Wastewater | \$ 160,926,920 | \$ - | \$ (186,672) | \$ 160,740,248 |
| Solid Waste | 30,140,401 | - | (213,267) | 29,927,134 |
| Water | 182,493,186 | - | (270,684) | 182,222,502 |
| Housing | 11,168,712 | - | (14,346) | 11,154,366 |
| Internal Service | 78,380,157 | - | (291,619) | 78,088,538 |
| Total Proprietary Funds | <u>\$ 463,109,376</u> | <u>\$ -</u> | <u>\$ (976,588)</u> | <u>\$ 462,132,788</u> |



Budgetary Comparison Schedule, General Fund
For Year Ended June 30, 2025

| | Budget Amounts | | Actual | Variance |
|---------------------------------------------|-----------------------|-----------------------|----------------------|---------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 32,548,327 | \$ 32,475,060 | \$ 32,505,326 | \$ 30,266 |
| Licenses | 815,450 | 785,757 | 851,011 | 65,254 |
| Permits and Fines | 5,811,837 | 5,815,869 | 6,568,238 | 752,369 |
| Uses of Money and Property | 1,453,457 | 1,467,819 | 2,366,544 | 898,725 |
| Intergovernmental | 6,523,105 | 6,645,893 | 6,728,825 | 82,932 |
| Franchises | 1,747,121 | 1,747,121 | 1,711,396 | (35,725) |
| Charges for Other Services | 183,614 | 183,614 | 264,101 | 80,487 |
| Charges to Other Funds | 9,686,460 | 9,832,454 | 9,834,459 | 2,005 |
| Fees and Other Revenues | 2,425,392 | 2,460,392 | 2,628,509 | 168,117 |
| Total Revenues | 61,194,763 | 61,413,979 | 63,458,409 | 2,044,430 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 11,257,487 | 11,425,199 | 9,639,451 | 1,785,748 |
| Public Safety | 33,252,761 | 34,451,229 | 32,272,789 | 2,178,440 |
| Community Development | 8,066,848 | 8,258,679 | 6,763,813 | 1,494,866 |
| Engineering | 4,289,056 | 4,395,999 | 3,978,922 | 417,077 |
| Public Works | 5,060,859 | 5,127,838 | 4,431,701 | 696,137 |
| Parks and Recreation | 9,537,096 | 10,058,940 | 9,041,080 | 1,017,860 |
| Community Services | 1,298,193 | 1,298,193 | 1,273,540 | 24,653 |
| Capital Outlay | - | 27 | 27 | - |
| Debt Service: | | | | |
| Principal | 1,679,949 | 1,885,510 | 1,885,509 | 1 |
| Interest and Fiscal Charges | 43,733 | 43,733 | 43,733 | - |
| Total Expenditures | 74,485,982 | 76,945,347 | 69,330,565 | 7,614,782 |
| REVENUES OVER (UNDER) EXPENDITURES | (13,291,219) | (15,531,368) | (5,872,156) | 9,659,212 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 16,170,747 | 16,299,074 | 11,589,239 | (4,709,835) |
| Transfers Out | (5,782,481) | (5,782,481) | (5,716,718) | 65,763 |
| Total Other Financing Sources (Uses) | 10,388,266 | 10,516,593 | 5,872,521 | (4,644,072) |
| Net Change in Fund Balances | \$ (2,902,953) | \$ (5,014,775) | 365 | \$ 5,015,140 |
| Fund Balance, Beginning of Year | | | 29,411,579 | |
| Fund Balance, End of Year | | | \$ 29,411,944 | |

See Accompanying Note to the Required Supplementary Information



Budgetary Comparison Schedule, Landscape and Lighting Assessment Districts
For Year Ended June 30, 2025

| | Budget Amounts | | Actual | Variance |
|---------------------------------------------|--------------------|--------------------|----------------------|---------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Uses of Money and Property | \$ 337,702 | \$ 337,702 | \$ 531,461 | \$ 193,759 |
| Fees and Other Revenues | 11,028,736 | 11,028,736 | 11,046,363 | 17,627 |
| Total Revenues | 11,366,438 | 11,366,438 | 11,577,824 | 211,386 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community Services | 9,756,385 | 9,807,580 | 8,541,306 | 1,266,274 |
| Capital Outlay | - | - | - | - |
| Total Expenditures | 9,756,385 | 9,807,580 | 8,541,306 | 1,266,274 |
| REVENUES OVER (UNDER) EXPENDITURES | 1,610,053 | 1,558,858 | 3,036,518 | 1,477,660 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 2,377,221 | 2,377,221 | 2,377,220 | (1) |
| Transfers Out | (3,872,879) | (3,872,879) | (3,800,631) | 72,248 |
| Total Other Financing Sources (Uses) | (1,495,658) | (1,495,658) | (1,423,411) | 72,247 |
| Net Change in Fund Balances | \$ 114,395 | \$ 63,200 | 1,613,107 | \$ 1,549,907 |
| Fund Balance, Beginning of Year | | | 10,293,673 | |
| Fund Balance, End of Year | | | \$ 11,906,780 | |

See Accompanying Note to the Required Supplementary Information

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 | <u>2017/18</u> | <u>2018/19</u> | <u>2019/20</u> | <u>2020/21</u> |
|--------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Measurement Date | <u>6/30/2017</u> | <u>6/30/2018</u> | <u>6/30/2019</u> | <u>6/30/2020</u> |
| Changes in Total OPEB Liability | | | | |
| Service Cost | \$ 1,629,000 | \$ 1,679,380 | \$ 1,640,302 | \$ 1,481,221 |
| Contributions - employee | - | - | - | - |
| Interest | 3,050,000 | 3,253,745 | 3,462,146 | 3,385,324 |
| Difference between actual and expected experience | - | - | (3,639,364) | - |
| Assumption changes | - | - | (537,151) | (880,615) |
| Other changes | - | - | - | - |
| Benefit payments including refunds | (1,653,000) | (1,759,490) | (1,853,760) | (1,956,140) |
| Changes of benefit terms | - | - | - | - |
| Net Changes | <u>3,026,000</u> | <u>3,173,635</u> | <u>(927,827)</u> | <u>2,029,790</u> |
| Total OPEB Liability (beginning of year) | <u>44,378,000</u> | <u>47,404,000</u> | <u>50,577,635</u> | <u>49,649,808</u> |
| Total OPEB Liability (end of year) | <u>\$ 47,404,000</u> | <u>\$ 50,577,635</u> | <u>\$ 49,649,808</u> | <u>\$ 51,679,598</u> |
| Changes in Plan Fiduciary Net Position | | | | |
| Contributions - employer | \$ 5,708,000 | \$ 4,510,871 | \$ 4,136,357 | \$ 4,221,000 |
| Net investment income | 632,000 | 717,022 | 784,122 | 569,190 |
| Benefit payments and refunds | (1,653,000) | (1,759,490) | (1,853,760) | (1,956,140) |
| Administrative expenses | (3,000) | (17,072) | (7,076) | (12,945) |
| Net Changes | <u>4,684,000</u> | <u>3,451,331</u> | <u>3,059,643</u> | <u>2,821,105</u> |
| Plan Fiduciary Net Position (beginning of year) | <u>4,495,000</u> | <u>9,179,000</u> | <u>12,630,331</u> | <u>15,689,974</u> |
| Plan Fiduciary Net Position (end of year) | <u>\$ 9,179,000</u> | <u>\$ 12,630,331</u> | <u>\$ 15,689,974</u> | <u>\$ 18,511,079</u> |
| Net OPEB Liability/(Asset) | <u>\$ 38,225,000</u> | <u>\$ 37,947,304</u> | <u>\$ 33,959,834</u> | <u>\$ 33,168,519</u> |
| Fiduciary Net Position as a percentage of the Total OPEB Liability | 19.4% | 25.0% | 31.6% | 35.8% |
| Covered employee payroll ⁽²⁾⁽³⁾ | \$ 29,051,000 | \$ 31,002,370 | \$ 32,173,000 | \$ 34,648,422 |
| Net OPEB Liability as a percentage of covered employee payroll ⁽³⁾ | 132.0% | 122.4% | 105.6% | 95.7% |

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

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

(3) OPEB contributions are not based on pay.



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

| Fiscal Year | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|--------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Measurement Date | 6/30/2021 | 6/30/2022 | 6/30/2023 | 6/30/2024 |
| Changes in Total OPEB Liability | | | | |
| Service Cost | \$ 1,414,509 | \$ 1,367,377 | \$ 1,533,022 | \$ 1,226,953 |
| Contributions - employee | - | - | - | - |
| Interest | 3,513,643 | 3,086,023 | 3,234,999 | 3,581,621 |
| Difference between actual and expected experience | (4,554,116) | - | (2,369,845) | - |
| Assumption changes | (872,892) | - | 8,331,169 | - |
| Other changes | - | - | - | - |
| Benefit payments including refunds | (2,080,270) | (2,182,984) | (2,323,071) | (2,659,613) |
| Changes of benefit terms | - | - | - | - |
| Net Changes | <u>(2,579,126)</u> | <u>2,270,416</u> | <u>8,406,274</u> | <u>2,148,961</u> |
| Total OPEB Liability (beginning of year) | <u>51,679,598</u> | <u>49,100,472</u> | <u>51,370,888</u> | <u>59,777,162</u> |
| Total OPEB Liability (end of year) | <u>\$ 49,100,472</u> | <u>\$ 51,370,888</u> | <u>\$ 59,777,162</u> | <u>\$ 61,926,123</u> |
| Changes in Plan Fiduciary Net Position | | | | |
| Contributions - employer | \$ 3,657,000 | \$ 3,740,048 | \$ 3,423,711 | \$ 3,541,901 |
| Net investment income | 5,091,636 | (3,369,528) | 1,499,060 | 2,848,499 |
| Benefit payments and refunds | (2,080,270) | (2,182,984) | (2,323,071) | (2,659,613) |
| Administrative expenses | (12,037) | (11,768) | (6,782) | (8,457) |
| Net Changes | <u>6,656,329</u> | <u>(1,824,232)</u> | <u>2,592,918</u> | <u>3,722,330</u> |
| Plan Fiduciary Net Position (beginning of year) | <u>18,511,079</u> | <u>25,167,408</u> | <u>23,343,176</u> | <u>25,936,094</u> |
| Plan Fiduciary Net Position (end of year) | <u>\$ 25,167,408</u> | <u>\$ 23,343,176</u> | <u>\$ 25,936,094</u> | <u>\$ 29,658,424</u> |
| Net OPEB Liability/(Asset) | <u>\$ 23,933,064</u> | <u>\$ 28,027,712</u> | <u>\$ 33,841,068</u> | <u>\$ 32,267,699</u> |
| Fiduciary Net Position as a percentage of the Total OPEB Liability | 51.3% | 45.4% | 43.4% | 47.9% |
| Covered employee payroll ⁽²⁾⁽³⁾ | \$ 35,282,755 | \$ 37,146,694 | \$ 39,260,865 | \$ 40,125,765 |
| Net OPEB Liability as a percentage of covered employee payroll ⁽³⁾ | 67.8% | 75.5% | 86.2% | 80.4% |

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

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

(2) OPEB contributions are not based on pay.

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

| Valuation Date | 6/30/2015 | 6/30/2017 | 6/30/2017 | 6/30/2019 |
|-------------------------------|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| ADC for Fiscal Year | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| Actuarial Cost Method | Entry Age Normal, Level Percentage of Payroll | Entry Age Normal, Level Percentage of Payroll | Entry Age Normal, Level Percentage of Payroll | Entry Age Normal, Level Percentage of Payroll |
| Amortization Method | Level percentage of payroll | Level percentage of payroll | Level percentage of payroll | Level percentage of payroll |
| Remaining Amortization Period | 18 years remaining as of June 30, 2017 | Approximately 17-year fixed period for 2018/19 | Approximately 16-year fixed period for 2019/20 | Approximately 15-year fixed period for 2020/21 |
| Asset Valuation Method | Investment gains and losses spread over 5-year rolling period | Investment gains and losses spread over 5-year rolling period | Investment gains and losses spread over 5-year rolling period | Investment gains and losses spread over 5-year rolling period |
| Discount Rate | 7.25% | 6.75% | 6.75% | 6.75% |
| General Inflation | 3.00% | 2.75% | 2.75% | 2.75% |
| Medical Trend | Non-Medicare – 7% for 2017, decreasing to an ultimate rate of 5.0% in 2021 and later years | 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 |
| 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 |
| | Mortality projected fully generational with Scale MP-2014 modified to converge to ultimate rates in 2022 | Projected fully generational with Scale MP-2017 | Projected fully generational with Scale MP-2017 | Projected fully generational with Scale MP-2019 |



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

| Fiscal Year | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|----------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| Actuarially Determined Contribution (ADC) | \$ 4,398,000 | \$ 4,035,000 | \$ 4,072,000 | \$ 3,947,955 |
| Contributions in relation to the actuarially determined contribution | 3,740,048 | 3,431,313 | 3,541,901 | 3,355,762 |
| Contribution deficiency/(excess) | \$ 657,952 | \$ 603,687 | \$ 530,099 | \$ 592,193 |
| Covered employee payroll ⁽²⁾ | \$ 37,146,694 | \$ 39,260,865 | \$ 40,125,765 | \$ 43,427,824 |
| Contributions as a percentage of covered employee payroll | 10.1% | 8.7% | 8.8% | 7.7% |

(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 | 6/30/2019 | 6/30/2021 | 6/30/2023 | 6/30/2023 |
|-------------------------------|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| ADC for Fiscal Year | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| Actuarial Cost Method | Entry Age Normal, Level Percentage of Payroll | Entry Age Normal, Level Percentage of Payroll | Entry Age Normal, Level Percentage of Payroll | Entry Age Normal, Level Percentage of Payroll |
| Amortization Method | Level percentage of payroll | Level percentage of payroll | Level percentage of payroll | Level percentage of payroll |
| Remaining Amortization Period | Approximately 14-year fixed period for 2021/22 | Approximately 13-year fixed period for 2022/23 | Approximately 12-year fixed period for 2023/24 | Approximately 12-year fixed period for 2024/25 |
| Asset Valuation Method | Investment gains and losses spread over 5-year rolling period | Investment gains and losses spread over 5-year rolling period | Investment gains and losses spread over 5-year rolling period | Investment gains and losses spread over 5-year rolling period |
| Discount Rate | 6.75% | 6.25% | 6.00% | 6.00% |
| General Inflation | 2.75% | 2.50% | 2.50% | 2.50% |
| | 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 - 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 |
| Medical Trend | 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 5.84% for 2024, both decreasing to ultimate rate of 4.00% in 2076 | Medicare - Kaiser 4.75% for 2022. Non-Kaiser 6.16% for 2025, both decreasing to ultimate rate of 4.00% in 2076 |
| Mortality Improvement | Projected fully generational with Scale MP-2019 | Projected fully generational with Scale MP-2020 | Projected fully generationally using 80% of MP-2020 mortality scale | Projected fully generationally 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 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|----------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Measurement date | 6/30/2015 | 6/30/2016 | 6/30/2017 | 6/30/2018 | 6/30/2019 |
| Total Pension Liability | | | | | |
| Service Cost | \$ 3,211,232 | \$ 3,290,164 | \$ 3,661,191 | \$ 3,825,866 | \$ 4,046,384 |
| Interest on Total Pension Liability | 7,308,678 | 7,977,448 | 8,667,128 | 8,960,855 | 9,726,556 |
| Differences Between Expected and Actual Experience | (304,364) | 1,001,785 | 450,022 | 211,977 | 1,771,866 |
| Changes in Assumptions | (2,079,150) | - | 8,261,128 | (4,921,247) | - |
| Changes in Benefits | - | - | - | - | - |
| Benefit Payments, Including Refunds of Employee Contributions | (2,590,999) | (3,047,166) | (3,404,988) | (3,781,586) | (4,137,884) |
| Net Change in Total Pension Liability | 5,545,397 | 9,222,231 | 17,634,481 | 4,295,865 | 11,406,922 |
| Total Pension Liability - Beginning | 97,611,669 | 103,157,066 | 112,379,297 | 130,013,778 | 134,309,643 |
| Total Pension Liability - Ending (a) | <u>\$ 103,157,066</u> | <u>\$ 112,379,297</u> | <u>\$ 130,013,778</u> | <u>\$ 134,309,643</u> | <u>\$ 145,716,565</u> |
| Plan Fiduciary Net Position | | | | | |
| Contributions - Employer ⁽¹⁾ | \$ 2,781,741 | \$ 3,437,164 | \$ 3,478,686 | \$ 3,754,584 | \$ 13,725,567 |
| Contributions - Employee | 1,314,854 | 1,370,153 | 1,462,634 | 1,582,087 | 1,703,581 |
| Net Investment Income ⁽²⁾ | 1,744,327 | 437,912 | 9,349,273 | 7,974,015 | 7,502,561 |
| Benefit Payments | (2,590,999) | (3,047,166) | (3,404,988) | (3,781,586) | (4,137,884) |
| Plan to Plan Resource Movement | (32,597) | - | - | (238) | - |
| Administrative Expense | (91,288) | (49,416) | (122,886) | (146,469) | (73,573) |
| Other Misc Income/Expense ⁽³⁾ | - | - | - | (278,147) | 238 |
| Net Change in Plan Fiduciary Net Position | 3,126,038 | 2,148,647 | 10,762,719 | 9,104,246 | 18,720,490 |
| Plan Fiduciary Net Position - Beginning | 77,956,726 | 81,082,764 | 83,231,411 | 93,994,130 | 103,098,376 |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 81,082,764</u> | <u>\$ 83,231,411</u> | <u>\$ 93,994,130</u> | <u>\$ 103,098,376</u> | <u>\$ 121,818,866</u> |
| Net Pension Liability - Ending (a)-(b) | <u>\$ 22,074,302</u> | <u>\$ 29,147,886</u> | <u>\$ 36,019,648</u> | <u>\$ 31,211,267</u> | <u>\$ 23,897,699</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 78.60% | 74.06% | 72.30% | 76.76% | 83.60% |
| Covered Payroll | \$ 16,773,838 | \$ 17,716,086 | \$ 19,133,306 | \$ 20,640,271 | \$ 22,031,330 |
| Net Pension Liability as Percentage of Covered Payroll | 131.60% | 164.53% | 188.26% | 151.22% | 108.47% |

(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 (Continued)
Schedule of Changes in the Net Pension Liability and Related Ratios
During the Measurement Period
Last 10 Years

| Fiscal Year | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|----------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Measurement date | 6/30/2020 | 6/30/2021 | 6/30/2022 | 6/30/2023 | 6/30/2024 |
| Total Pension Liability | | | | | |
| Service Cost | \$ 4,215,396 | \$ 4,367,103 | \$ 4,703,437 | \$ 4,920,885 | \$ 4,838,452 |
| Interest on Total Pension Liability | 10,557,564 | 11,225,313 | 11,688,826 | 12,550,956 | 13,573,045 |
| Differences Between Expected and Actual Experience | 2,185,887 | (535,203) | (1,506,901) | 2,522,123 | 4,830,051 |
| Changes in Assumptions | - | - | 3,982,352 | - | - |
| Changes in Benefits | - | - | - | 126,031 | - |
| Benefit Payments, Including Refunds of Employee Contributions | (4,703,813) | (5,245,106) | (6,415,230) | (6,893,749) | (8,001,855) |
| Net Change in Total Pension Liability | 12,255,034 | 9,812,107 | 12,452,484 | 13,226,246 | 15,239,693 |
| Total Pension Liability - Beginning | 145,716,565 | 157,971,599 | 167,783,706 | 180,236,190 | 193,462,436 |
| Total Pension Liability - Ending (a) | <u>\$ 157,971,599</u> | <u>\$ 167,783,706</u> | <u>\$ 180,236,190</u> | <u>\$ 193,462,436</u> | <u>\$ 208,702,129</u> |
| Plan Fiduciary Net Position | | | | | |
| Contributions - Employer ⁽¹⁾ | \$ 4,002,159 | \$ 4,261,353 | \$ 7,013,046 | \$ 5,968,325 | \$ 7,195,997 |
| Contributions - Employee | 1,780,994 | 1,756,084 | 1,834,110 | 1,899,177 | 2,044,828 |
| Net Investment Income ⁽²⁾ | 6,075,887 | 29,239,540 | (12,134,596) | 9,230,992 | 15,355,011 |
| Benefit Payments | (4,703,813) | (5,245,106) | (6,415,230) | (6,893,749) | (8,001,855) |
| Plan to Plan Resource Movement | (3,307) | - | - | - | 221 |
| Administrative Expense | (171,735) | (128,662) | (98,850) | (109,480) | (129,359) |
| Other Misc Income/Expense ⁽³⁾ | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | 6,980,185 | 29,883,209 | (9,801,520) | 10,095,265 | 16,464,843 |
| Plan Fiduciary Net Position - Beginning | 121,818,866 | 128,799,051 | 158,682,260 | 148,880,740 | 158,976,005 |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 128,799,051</u> | <u>\$ 158,682,260</u> | <u>\$ 148,880,740</u> | <u>\$ 158,976,005</u> | <u>\$ 175,440,848</u> |
| Net Pension Liability - Ending (a)-(b) | <u>\$ 29,172,548</u> | <u>\$ 9,101,446</u> | <u>\$ 31,355,450</u> | <u>\$ 34,486,431</u> | <u>\$ 33,261,281</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 81.53% | 94.58% | 82.60% | 82.17% | 84.06% |
| Covered Payroll | \$ 23,890,915 | \$ 23,704,081 | \$ 25,083,145 | \$ 26,224,528 | \$ 27,167,142 |
| Net Pension Liability as Percentage of Covered Payroll | 122.11% | 38.40% | 125.01% | 131.50% | 122.43% |

(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 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|-----------------------------------------------------------------------|---------------|---------------|---------------|----------------|---------------|
| Actuarially Determined Contribution (ADC) | \$ 3,061,100 | \$ 3,478,686 | \$ 3,754,584 | \$ 4,214,219 | \$ 4,002,159 |
| Contributions in Relation to the Actuarially Determined Contributions | (3,061,100) | (3,478,686) | (3,754,584) | (13,725,567) | (4,002,159) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ (9,511,348) | \$ - |
| Covered Payroll | \$ 17,716,086 | \$ 19,133,306 | \$ 20,640,271 | \$ 22,031,330 | \$ 23,890,915 |
| Contributions as a Percentage of Covered Payroll | 17.28% | 18.18% | 18.19% | 19.13% | 16.75% |

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

| Valuation Date | 6/30/2013 | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ADC for Fiscal Year | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| 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% | 2.750% | 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 | 7.375%, 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 2014 CalPERS Experience Study for the period from 1997 to 2011. | The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. | The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. | The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. |
| 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 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries. | The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries. | The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries. | The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries. |



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

| Fiscal Year | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|-----------------------------------------------------------------------|---------------|----------------|----------------|----------------|----------------|
| Actuarially Determined Contribution (ADC) | \$ 4,261,353 | \$ 4,859,274 | \$ 4,842,290 | \$ 4,611,015 | \$ 5,122,879 |
| Contributions in Relation to the Actuarially Determined Contributions | (4,261,353) | (7,014,058) | (7,191,438) | (7,191,438) | (7,656,662) |
| Contribution Deficiency (Excess) | \$ - | \$ (2,154,784) | \$ (2,349,148) | \$ (2,580,423) | \$ (2,533,783) |
| Covered Payroll | \$ 23,704,081 | \$ 25,083,145 | \$ 26,224,528 | \$ 27,167,142 | \$ 28,940,593 |
| Contributions as a Percentage of Covered Payroll | 17.98% | 19.37% | 18.46% | 16.97% | 17.70% |

Methods and assumptions used to determine contribution rates:

| Valuation Date | 6/30/2018 | 6/30/2019 | 6/30/2020 | 6/30/2021 | 6/30/2022 |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ADC for Fiscal Year | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| 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 | 2.625% | 2.500% | 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 | 2.875% | 2.750% | 2.750% | 2.800% | 2.800% |
| Investment Rate of Return | 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 | 7.00%, net of investment and administrative expenses, including inflation |
| Retirement Age | 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. | 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 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. | 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 | <u>2015/16</u> | <u>2016/17</u> | <u>2017/18</u> | <u>2018/19</u> | <u>2019/20</u> |
|-------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Measurement Date | 6/30/2015 | 6/30/2016 | 6/30/2017 | 6/30/2018 | 6/30/2019 |
| Safety Plan | | | | | |
| Proportion of the Net Pension Liability | 0.2513% | 0.2646% | 0.2687% | 0.2766% | 0.2352% |
| Proportionate Share of the Net Pension Liability | \$ 10,355,885 | \$ 13,706,745 | \$ 16,054,650 | \$ 16,230,478 | \$ 14,684,347 |
| Covered Payroll | \$ 5,577,559 | \$ 5,274,445 | \$ 7,585,314 | \$ 8,033,945 | \$ 8,269,499 |
| Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 185.67% | 259.87% | 211.65% | 202.02% | 177.57% |
| Plan's Fiduciary Net Position | \$ 44,008,978 | \$ 45,031,490 | \$ 46,175,307 | \$ 56,350,461 | \$ 64,421,577 |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 78.40% | 74.06% | 73.31% | 75.26% | 75.26% |
| | | | | | |
| Fiscal Year | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> | <u>2023/24</u> | <u>2024/25</u> |
| Measurement Date | 6/30/2020 | 6/30/2021 | 6/30/2022 | 6/30/2023 | 6/30/2024 |
| Safety Plan | | | | | |
| Proportion of the Net Pension Liability | 0.2344% | 0.1515% | 0.2595% | 0.2581% | 0.2494% |
| Proportionate Share of the Net Pension Liability | \$ 15,618,436 | \$ 5,315,829 | \$ 17,831,496 | \$ 19,289,763 | \$ 18,184,961 |
| Covered Payroll | \$ 8,457,701 | \$ 8,929,257 | \$ 9,447,663 | \$ 9,831,954 | \$ 9,795,728 |
| Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 184.67% | 59.53% | 188.74% | 196.19% | 185.64% |
| Plan's Fiduciary Net Position | \$ 68,981,562 | \$ 84,077,184 | \$ 78,581,752 | \$ 86,838,625 | \$ 99,710,773 |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 75.10% | 88.29% | 76.68% | 76.21% | 78.08% |



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

| Fiscal Year | <u>2015/16</u> | <u>2016/17</u> | <u>2017/18</u> | <u>2018/19</u> | <u>2019/20</u> |
|-----------------------------------------------------------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Safety Plan | | | | | |
| Actuarially Determined Contribution (ADC) | \$ 1,777,004 | \$ 1,915,780 | \$ 2,126,779 | \$ 2,395,452 | \$ 2,462,412 |
| Contributions in Relation to the Actuarially Determined Contributions | <u>(1,777,004)</u> | <u>(1,915,780)</u> | <u>(2,126,779)</u> | <u>(5,493,690)</u> | <u>(3,573,095)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (3,098,238)</u> | <u>\$ (1,110,683)</u> |
| Covered Payroll | <u>\$ 5,274,445</u> | <u>\$ 7,585,314</u> | <u>\$ 8,033,945</u> | <u>\$ 8,269,499</u> | <u>\$ 8,457,701</u> |
| Contributions as a Percentage of Covered Payroll | 33.69% | 25.26% | 26.47% | 28.97% | 29.11% |
| | | | | | |
| Fiscal Year | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> | <u>2023/24</u> | <u>2024/25</u> |
| Safety Plan | | | | | |
| Actuarially Determined Contribution (ADC) | \$ 2,640,402 | \$ 2,976,724 | \$ 3,003,438 | \$ 2,880,685 | \$ 3,410,976 |
| Contributions in Relation to the Actuarially Determined Contributions | <u>(2,640,402)</u> | <u>(5,262,936)</u> | <u>(4,503,438)</u> | <u>(3,365,976)</u> | <u>(4,144,802)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ (2,286,212)</u> | <u>\$ (1,500,000)</u> | <u>\$ (485,291)</u> | <u>\$ (733,826)</u> |
| Covered Payroll | <u>\$ 8,929,257</u> | <u>\$ 9,447,663</u> | <u>\$ 9,831,954</u> | <u>\$ 9,795,728</u> | <u>\$ 10,865,513</u> |
| Contributions as a Percentage of Covered Payroll | 29.57% | 31.51% | 30.55% | 29.41% | 31.39% |

City of Brentwood

**Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2025**

Special Revenue Funds

| | Gas Tax | Disability Access and Education | Police Grants | Grants | Economic Development Grant | Citywide Park Assessment District | Community Facilities Districts |
|-------------------------------------------------------------------------------|---------------------|--------------------------------------------|----------------------|-------------------|-------------------------------------------|--------------------------------------------------|-------------------------------------------|
| ASSETS | | | | | | | |
| Current Assets: | | | | | | | |
| Cash and Investments | \$ 3,045,384 | \$ 182,398 | \$ 427,930 | \$ 407,383 | \$ 377,053 | \$ 5,369,922 | \$ 2,227,973 |
| Restricted Cash and Investments | - | - | - | - | - | - | - |
| Receivables | 302,920 | 39 | 34,481 | 121,649 | 79 | 286 | 94 |
| Prepays | - | - | - | - | - | 2,862 | - |
| Due from Other Funds | - | - | - | - | - | - | - |
| Land Held for Resale | - | - | - | - | - | - | - |
| Total Assets | \$ 3,348,304 | \$ 182,437 | \$ 462,411 | \$ 529,032 | \$ 377,132 | \$ 5,373,070 | \$ 2,228,067 |
| LIABILITIES | | | | | | | |
| Current Liabilities: | | | | | | | |
| Accounts Payable and Accrued Liabilities | \$ - | \$ 888 | \$ 5,849 | \$ - | \$ 37,290 | \$ 429,206 | \$ 597 |
| Due to Other Funds | - | - | - | - | - | - | - |
| Interfund Advance Payable | - | - | - | - | - | - | - |
| Total Current Liabilities | - | 888 | 5,849 | - | 37,290 | 429,206 | 597 |
| Non-Current Liabilities Due in More Than One Year: | | | | | | | |
| Interfund Advance Payable | - | - | - | - | - | - | - |
| Total Non-Current Liabilities | - | - | - | - | - | - | - |
| Total Liabilities | - | 888 | 5,849 | - | 37,290 | 429,206 | 597 |
| FUND BALANCES | | | | | | | |
| Nonspendable | - | - | - | - | - | 2,862 | - |
| Restricted | 3,348,304 | 181,549 | 456,562 | 529,032 | 339,842 | 4,941,002 | - |
| Committed | - | - | - | - | - | - | 2,227,470 |
| Unassigned | - | - | - | - | - | - | - |
| Total Fund Balances | 3,348,304 | 181,549 | 456,562 | 529,032 | 339,842 | 4,943,864 | 2,227,470 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 3,348,304 | \$ 182,437 | \$ 462,411 | \$ 529,032 | \$ 377,132 | \$ 5,373,070 | \$ 2,228,067 |

Continued

City of Brentwood

**Combining Balance Sheet
Non-Major Governmental Funds (Continued)
June 30, 2025**

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 | \$ 1,577,486 | \$ - | \$ - | \$ 50,629 | \$ 874,054 | \$ 3,938,843 | \$ 1,024,960 | \$ 3,052,615 |
| Restricted Cash and Investments | - | - | - | - | - | - | - | - |
| Receivables | 558 | 319 | - | 3 | 41 | 185 | 54 | 163 |
| Prepays | - | - | - | - | - | - | - | - |
| Due from Other Funds | - | - | - | - | - | - | - | - |
| Land Held for Resale | - | - | - | - | - | - | - | - |
| Total Assets | \$ 1,578,044 | \$ 319 | \$ - | \$ 50,632 | \$ 874,095 | \$ 3,939,028 | \$ 1,025,014 | \$ 3,052,778 |
| LIABILITIES | | | | | | | | |
| Current Liabilities: | | | | | | | | |
| Accounts Payable and Accrued Liabilities | \$ 17,473 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 568 |
| Due to Other Funds | - | 2,989,484 | 256,555 | - | - | - | - | - |
| Interfund Advance Payable | - | - | - | - | - | - | - | - |
| Total Current Liabilities | 17,473 | 2,989,484 | 256,555 | - | - | - | - | 568 |
| Non-Current Liabilities Due in More Than One Year: | | | | | | | | |
| Interfund Advance Payable | - | - | - | - | - | - | - | - |
| Total Non-Current Liabilities | - | - | - | - | - | - | - | - |
| Total Liabilities | 17,473 | 2,989,484 | 256,555 | - | - | - | - | 568 |
| FUND BALANCES | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - |
| Restricted | 1,560,571 | - | - | 50,632 | 874,095 | 3,939,028 | 1,025,014 | 3,052,210 |
| Committed | - | - | - | - | - | - | - | - |
| Unassigned | - | (2,989,165) | (256,555) | - | - | - | - | - |
| Total Fund Balances | 1,560,571 | (2,989,165) | (256,555) | 50,632 | 874,095 | 3,939,028 | 1,025,014 | 3,052,210 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 1,578,044 | \$ 319 | \$ - | \$ 50,632 | \$ 874,095 | \$ 3,939,028 | \$ 1,025,014 | \$ 3,052,778 |

Continued

City of Brentwood

**Combining Balance Sheet
Non-Major Governmental Funds (Continued)
June 30, 2025**

| | 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 | \$ 469 | \$ 23,453 | \$ 181,566 | \$ 654,357 | \$ 2,049,727 | \$ 16,917 | \$ 81,728 |
| Restricted Cash and Investments | - | - | - | - | - | - | - |
| Receivables | - | - | 10,381 | 31 | 98 | - | 20 |
| Prepays | - | - | - | - | - | - | - |
| Due from Other Funds | - | - | - | - | - | - | - |
| Land Held for Resale | - | - | - | - | - | 420,000 | - |
| Total Assets | <u>\$ 469</u> | <u>\$ 23,453</u> | <u>\$ 191,947</u> | <u>\$ 654,388</u> | <u>\$ 2,049,825</u> | <u>\$ 436,917</u> | <u>\$ 81,748</u> |
| LIABILITIES | | | | | | | |
| Current Liabilities: | | | | | | | |
| Accounts Payable and Accrued Liabilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to Other Funds | - | - | - | - | - | - | - |
| Interfund Advance Payable | - | - | - | - | - | - | - |
| Total Current Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Non-Current Liabilities Due in More Than One Year: | | | | | | | |
| Interfund Advance Payable | - | - | - | - | - | - | - |
| Total Non-Current Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | | | |
| Nonspendable | - | - | - | - | - | - | 80,000 |
| Restricted | 469 | 23,453 | 191,947 | 654,388 | 2,049,825 | 436,917 | 1,748 |
| Committed | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - |
| Total Fund Balances | <u>469</u> | <u>23,453</u> | <u>191,947</u> | <u>654,388</u> | <u>2,049,825</u> | <u>436,917</u> | <u>81,748</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 469</u> | <u>\$ 23,453</u> | <u>\$ 191,947</u> | <u>\$ 654,388</u> | <u>\$ 2,049,825</u> | <u>\$ 436,917</u> | <u>\$ 81,748</u> |

Continued

City of Brentwood

**Combining Balance Sheet
Non-Major Governmental Funds (Continued)
June 30, 2025**

| | Debt Service Funds | | | | Capital Project Funds | | | |
|---------------------------------------------------------------------------|-------------------------------------|--------------------------------------|---------------------------------|----------------------|-----------------------|----------------------|-------------------------------|--------------------------|
| | Capital Improvement | General Obligation Bonds Series 2002 | 2019 Civic Center Project Lease | | Roadway Improvements | Community Facilities | Parks and Trails Improvements | Capital Improvement |
| | Revenue Refunding Bonds Series 2021 | | Revenue Refunding Bonds | 2015 Lease Financing | | Improvements | | Financing Program 2006-1 |
| | A & B | | | | | | | |
| ASSETS | | | | | | | | |
| Current Assets: | | | | | | | | |
| Cash and Investments | \$ 69,759 | \$ 59,536 | \$ 17,358 | \$ - | \$ 17,121,122 | \$ 12,279,284 | \$ 19,914,908 | \$ - |
| Restricted Cash and Investments | 1,571,825 | - | 13,499 | - | - | - | - | 1,813,528 |
| Receivables | 7,975,010 | 109 | 8,826,315 | - | 1,372,011 | - | - | - |
| Prepays | - | - | - | - | - | - | - | - |
| Due from Other Funds | - | - | - | - | - | 256,555 | 2,989,484 | - |
| Land Held for Resale | - | - | - | - | - | - | - | - |
| Total Assets | \$ 9,616,594 | \$ 59,645 | \$ 8,857,172 | \$ - | \$ 18,493,133 | \$ 12,535,839 | \$ 22,904,392 | \$ 1,813,528 |
| LIABILITIES | | | | | | | | |
| Current Liabilities: | | | | | | | | |
| Accounts Payable and Accrued Liabilities | \$ - | \$ 1,265 | \$ - | \$ - | \$ 1,158,271 | \$ 9,081 | \$ 340,043 | \$ - |
| Due to Other Funds | - | - | - | - | - | - | - | - |
| Interfund Advance Payable | - | - | - | - | - | - | - | - |
| Total Current Liabilities | - | 1,265 | - | - | 1,158,271 | 9,081 | 340,043 | - |
| Non-Current Liabilities Due in More Than One Year: | | | | | | | | |
| Interfund Advance Payable | - | - | - | - | - | - | - | - |
| Total Non-Current Liabilities | - | - | - | - | - | - | - | - |
| Total Liabilities | - | 1,265 | - | - | 1,158,271 | 9,081 | 340,043 | - |
| FUND BALANCES | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - |
| Restricted | 9,616,594 | 58,380 | 8,857,172 | - | 17,334,862 | 12,526,758 | 22,564,349 | 1,813,528 |
| Committed | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - |
| Total Fund Balances | 9,616,594 | 58,380 | 8,857,172 | - | 17,334,862 | 12,526,758 | 22,564,349 | 1,813,528 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 9,616,594 | \$ 59,645 | \$ 8,857,172 | \$ - | \$ 18,493,133 | \$ 12,535,839 | \$ 22,904,392 | \$ 1,813,528 |

Continued

City of Brentwood

**Combining Balance Sheet
Non-Major Governmental Funds (Continued)
June 30, 2025**

Capital Project Funds (Continued)

| | Capital Improvement Financing Program 2005-1 | Civic Center Capital Improvement Financing Program | City Capital Improvement Financing Program | Capital Infrastructure | Vineyards Projects | Total Non-Major Governmental Funds |
|-------------------------------------------------------------------------------|-----------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------|---------------------------|---------------------------------------------------|
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Cash and Investments | \$ - | \$ 54,378 | \$ 503,570 | \$ 535,649 | \$ 582,908 | \$ 76,703,319 |
| Restricted Cash and Investments | - | - | - | - | - | 3,398,852 |
| Receivables | - | 3 | 140 | 1,465 | 1,960 | 18,648,414 |
| Prepays | - | - | - | - | - | 2,862 |
| Due from Other Funds | - | - | - | - | - | 3,246,039 |
| Land Held for Resale | - | - | - | - | - | 420,000 |
| Total Assets | \$ - | \$ 54,381 | \$ 503,710 | \$ 537,114 | \$ 584,868 | \$ 102,419,486 |
| LIABILITIES | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts Payable and Accrued Liabilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,000,531 |
| Due to Other Funds | - | - | - | - | - | 3,246,039 |
| Interfund Advance Payable | - | - | 289,681 | - | - | 289,681 |
| Total Current Liabilities | - | - | 289,681 | - | - | 5,536,251 |
| Non-Current Liabilities Due in More Than One Year: | | | | | | |
| Interfund Advance Payable | - | - | 1,157,685 | - | - | 1,157,685 |
| Total Non-Current Liabilities | - | - | 1,157,685 | - | - | 1,157,685 |
| Total Liabilities | - | - | 1,447,366 | - | - | 6,693,936 |
| FUND BALANCES | | | | | | |
| Nonspendable | - | - | - | - | - | 82,862 |
| Restricted | - | 54,381 | - | 537,114 | 584,868 | 97,604,594 |
| Committed | - | - | - | - | - | 2,227,470 |
| Unassigned | - | - | (943,656) | - | - | (4,189,376) |
| Total Fund Balances | - | 54,381 | (943,656) | 537,114 | 584,868 | 95,725,550 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ - | \$ 54,381 | \$ 503,710 | \$ 537,114 | \$ 584,868 | \$ 102,419,486 |

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For Year Ended June 30, 2025**

Special Revenue Funds

| | Gas Tax | Disability Access and Education | Police Grants | Grants | Economic Development Grant | Citywide Park Assessment District | Community Facilities Districts |
|----------------------------------------------------------------|---------------------|--------------------------------------------|----------------------|-------------------|-------------------------------------------|--------------------------------------------------|-----------------------------------------------|
| REVENUES | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,728,726 |
| Licenses | - | - | - | - | 212,753 | - | - |
| Uses of Money and Property | 227,231 | 7,920 | 21,571 | 20,793 | 16,223 | 254,802 | 79,203 |
| Intergovernmental | 3,571,211 | - | 317,599 | 657,245 | - | - | - |
| Fees and Other Revenues | - | 24,311 | - | - | - | 3,997,808 | - |
| Total Revenues | 3,798,442 | 32,231 | 339,170 | 678,038 | 228,976 | 4,252,610 | 8,807,929 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General Government | 1,568 | - | - | 49,252 | - | - | - |
| Public Safety | - | - | 197,507 | - | - | - | - |
| Community Development | - | 1,230 | - | - | 207,900 | - | - |
| Parks and Recreation | - | - | - | - | - | 7,064,421 | - |
| Community Services | - | - | - | - | - | - | 32,140 |
| Capital Outlay | - | - | 33,927 | 121,550 | - | - | - |
| Debt Service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest and Fiscal Charges | - | - | - | - | - | - | - |
| Total Expenditures | 1,568 | 1,230 | 231,434 | 170,802 | 207,900 | 7,064,421 | 32,140 |
| REVENUES OVER (UNDER) EXPENDITURES | 3,796,874 | 31,001 | 107,736 | 507,236 | 21,076 | (2,811,811) | 8,775,789 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers In | 615,996 | - | - | - | - | 3,800,631 | 754,082 |
| Transfers Out | (3,703,341) | - | - | (311,245) | - | - | (9,436,248) |
| Total Other Financing Sources (Uses) | (3,087,345) | - | - | (311,245) | - | 3,800,631 | (8,682,166) |
| Net Change in Fund Balances | 709,529 | 31,001 | 107,736 | 195,991 | 21,076 | 988,820 | 93,623 |
| Fund Balance, Beginning of Year, as previously reported | 2,638,775 | 150,548 | 348,826 | 333,041 | 318,766 | 3,955,044 | 2,133,847 |
| Adjustment - change from major fund to nonmajor fund | - | - | - | - | - | - | - |
| Fund Balance, Beginning of Year, as adjusted | 2,638,775 | 150,548 | 348,826 | 333,041 | 318,766 | 3,955,044 | 2,133,847 |
| Fund Balance, End of Year | \$ 3,348,304 | \$ 181,549 | \$ 456,562 | \$ 529,032 | \$ 339,842 | \$ 4,943,864 | \$ 2,227,470 |

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2025**

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 | 682,412 | 365,485 | - | 6,251 | 46,767 | 205,380 | 59,120 | 182,948 |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Fees and Other Revenues | 2,014,764 | 967,657 | 46,441 | 121,885 | 71,027 | 284,109 | 28,767 | 115,070 |
| Total Revenues | 2,697,176 | 1,333,142 | 46,441 | 128,136 | 117,794 | 489,489 | 87,887 | 298,018 |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General Government | 1,010,259 | - | 26,966 | 250,114 | 63,732 | 3,251 | 937 | 22,361 |
| Public Safety | - | - | - | - | - | - | - | - |
| Community Development | - | - | - | - | - | - | - | - |
| Parks and Recreation | - | 579,231 | - | - | - | - | - | - |
| Community Services | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - |
| Debt Service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest and Fiscal Charges | - | - | - | - | - | - | - | - |
| Total Expenditures | 1,010,259 | 579,231 | 26,966 | 250,114 | 63,732 | 3,251 | 937 | 22,361 |
| REVENUES OVER (UNDER) EXPENDITURES | 1,686,917 | 753,911 | 19,475 | (121,978) | 54,062 | 486,238 | 86,950 | 275,657 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | 641 | - | - | - | - | - | - |
| Transfers Out | (4,982,604) | (2,500,000) | (140,484) | - | - | - | (57,277) | (297,581) |
| Total Other Financing Sources (Uses) | (4,982,604) | (2,499,359) | (140,484) | - | - | - | (57,277) | (297,581) |
| Net Change in Fund Balances | (3,295,687) | (1,745,448) | (121,009) | (121,978) | 54,062 | 486,238 | 29,673 | (21,924) |
| Fund Balance, Beginning of Year, as previously reported | 4,856,258 | (1,243,717) | (135,546) | 172,610 | 820,033 | 3,452,790 | 995,341 | 3,074,134 |
| Adjustment - change from major fund to nonmajor fund | - | - | - | - | - | - | - | - |
| Fund Balance, Beginning of Year, as adjusted | 4,856,258 | (1,243,717) | (135,546) | 172,610 | 820,033 | 3,452,790 | 995,341 | 3,074,134 |
| Fund Balance, End of Year | \$ 1,560,571 | \$ (2,989,165) | \$ (256,555) | \$ 50,632 | \$ 874,095 | \$ 3,939,028 | \$ 1,025,014 | \$ 3,052,210 |

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2025**

| | Special Revenue Funds (Continued) | | | | | Permanent |
|----------------------------------------------------------------|-----------------------------------|------------------|-----------------------------|-------------------|-------------------------|--------------------------------------|
| | Parking In-Lieu | Asset Forfeiture | Abandoned Vehicle Abatement | PEG Media | Measure J | Fund |
| | | | | | City Low Income Housing | Riparian Mitigation Site Maintenance |
| REVENUES | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses | - | - | - | - | - | - |
| Uses of Money and Property | 24 | 703 | 7,734 | 35,009 | 96,159 | 607 |
| Intergovernmental | - | - | - | - | 1,275,306 | - |
| Fees and Other Revenues | - | 8,065 | 44,640 | - | - | - |
| Total Revenues | <u>24</u> | <u>8,768</u> | <u>52,374</u> | <u>35,009</u> | <u>1,371,465</u> | <u>607</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | - | - | - | 555 | 11,460 | - |
| Public Safety | - | 237 | - | - | - | - |
| Community Development | - | - | - | - | - | - |
| Parks and Recreation | - | - | - | - | - | - |
| Community Services | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - |
| Debt Service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest and Fiscal Charges | - | - | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>237</u> | <u>-</u> | <u>555</u> | <u>11,460</u> | <u>-</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>24</u> | <u>8,531</u> | <u>52,374</u> | <u>34,454</u> | <u>1,360,005</u> | <u>607</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers In | - | - | - | - | - | - |
| Transfers Out | - | - | - | - | (1,400,000) | (5,516) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,400,000)</u> | <u>(5,516)</u> |
| Net Change in Fund Balances | <u>24</u> | <u>8,531</u> | <u>52,374</u> | <u>34,454</u> | <u>(39,995)</u> | <u>607</u> |
| Fund Balance, Beginning of Year, as previously reported | <u>445</u> | <u>14,922</u> | <u>139,573</u> | <u>619,934</u> | <u>2,089,820</u> | <u>436,310</u> |
| Adjustment - change from major fund to nonmajor fund | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, Beginning of Year, as adjusted | <u>445</u> | <u>14,922</u> | <u>139,573</u> | <u>619,934</u> | <u>2,089,820</u> | <u>436,310</u> |
| Fund Balance, End of Year | <u>\$ 469</u> | <u>\$ 23,453</u> | <u>\$ 191,947</u> | <u>\$ 654,388</u> | <u>\$ 2,049,825</u> | <u>\$ 436,917</u> |

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2025**

| | 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 | Roadway Improvements | Community Facilities Improvements | Parks and Trails Improvements | Capital Improvement Financing Program 2006-1 |
| REVENUES | | | | | | | | |
| Taxes | \$ - | \$ 667,360 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses | - | - | - | - | - | - | - | - |
| Uses of Money and Property | 84,084 | 13,641 | 6,294 | - | - | - | - | 51,291 |
| Intergovernmental | 422,000 | - | 684,300 | - | 1,372,011 | - | - | - |
| Fees and Other Revenues | - | - | - | - | - | - | - | - |
| Total Revenues | <u>506,084</u> | <u>681,001</u> | <u>690,594</u> | <u>-</u> | <u>1,372,011</u> | <u>-</u> | <u>-</u> | <u>51,291</u> |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General Government | - | - | - | - | 2,721,873 | 167,202 | - | - |
| Public Safety | - | - | - | - | - | - | - | - |
| Community Development | 65,517 | 5,265 | 10,201 | - | - | - | - | - |
| Parks and Recreation | - | - | - | - | - | - | - | - |
| Community Services | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | 5,331,562 | 166,642 | 2,595,087 | - |
| Debt Service: | | | | | | | | |
| Principal | 1,557,891 | 690,000 | 1,475,000 | 545,000 | - | - | - | - |
| Interest and Fiscal Charges | 142,938 | - | 1,192,275 | 245,294 | - | - | - | - |
| Total Expenditures | <u>1,766,346</u> | <u>695,265</u> | <u>2,677,476</u> | <u>790,294</u> | <u>8,053,435</u> | <u>333,844</u> | <u>2,595,087</u> | <u>-</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>(1,260,262)</u> | <u>(14,264)</u> | <u>(1,986,882)</u> | <u>(790,294)</u> | <u>(6,681,424)</u> | <u>(333,844)</u> | <u>(2,595,087)</u> | <u>51,291</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | 615,181 | - | 2,352,520 | 790,294 | 8,152,940 | 1,206,241 | 6,534,971 | - |
| Transfers Out | (289,680) | - | (754,082) | - | (615,996) | (301,504) | (69,623) | - |
| Total Other Financing Sources (Uses) | <u>325,501</u> | <u>-</u> | <u>1,598,438</u> | <u>790,294</u> | <u>7,536,944</u> | <u>904,737</u> | <u>6,465,348</u> | <u>-</u> |
| Net Change in Fund Balances | <u>(934,761)</u> | <u>(14,264)</u> | <u>(388,444)</u> | <u>-</u> | <u>855,520</u> | <u>570,893</u> | <u>3,870,261</u> | <u>51,291</u> |
| Fund Balance, Beginning of Year, as previously reported | 10,551,355 | 72,644 | 9,245,616 | - | - | 11,955,865 | 18,694,088 | 1,762,237 |
| Adjustment - change from major fund to nonmajor fund | - | - | - | - | 16,479,342 | - | - | - |
| Fund Balance, Beginning of Year, as adjusted | <u>10,551,355</u> | <u>72,644</u> | <u>9,245,616</u> | <u>-</u> | <u>16,479,342</u> | <u>11,955,865</u> | <u>18,694,088</u> | <u>1,762,237</u> |
| Fund Balance, End of Year | <u>\$ 9,616,594</u> | <u>\$ 58,380</u> | <u>\$ 8,857,172</u> | <u>\$ -</u> | <u>\$ 17,334,862</u> | <u>\$ 12,526,758</u> | <u>\$ 22,564,349</u> | <u>\$ 1,813,528</u> |

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2025**

| | Capital Project Funds (Continued) | | | | | Total Non-Major Governmental Funds |
|----------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------|-------------------------------|---------------------------|-------------------------------------------|
| | Capital Improvement Financing Program 2005-1 | Civic Center Capital Improvement Financing Program | City Capital Improvement Financing Program | Capital Infrastructure | Vineyards Projects | |
| REVENUES | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,396,086 |
| Licenses | - | - | - | - | - | 212,753 |
| Uses of Money and Property | 16,381 | 5,391 | 145,520 | 345,579 | 432,195 | 3,420,814 |
| Intergovernmental | - | - | - | - | - | 8,299,672 |
| Fees and Other Revenues | - | 1,184,808 | 565,446 | - | - | 9,474,798 |
| Total Revenues | <u>16,381</u> | <u>1,190,199</u> | <u>710,966</u> | <u>345,579</u> | <u>432,195</u> | <u>30,804,123</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | 698,350 | 78 | 2,265 | - | - | 5,030,223 |
| Public Safety | - | - | - | - | - | 197,744 |
| Community Development | - | - | - | - | - | 290,113 |
| Parks and Recreation | - | - | - | - | - | 7,643,652 |
| Community Services | - | - | - | - | - | 32,140 |
| Capital Outlay | - | - | - | - | - | 8,248,768 |
| Debt Service: | | | | | | |
| Principal | - | - | - | - | - | 4,267,891 |
| Interest and Fiscal Charges | - | - | - | - | - | 1,580,507 |
| Total Expenditures | <u>698,350</u> | <u>78</u> | <u>2,265</u> | <u>-</u> | <u>-</u> | <u>27,291,038</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>(681,969)</u> | <u>1,190,121</u> | <u>708,701</u> | <u>345,579</u> | <u>432,195</u> | <u>3,513,085</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers In | - | - | 289,680 | 286,383 | - | 25,399,560 |
| Transfers Out | - | (1,184,412) | (528,453) | (2,285,454) | - | (28,863,500) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(1,184,412)</u> | <u>(238,773)</u> | <u>(1,999,071)</u> | <u>-</u> | <u>(3,463,940)</u> |
| Net Change in Fund Balances | <u>(681,969)</u> | <u>5,709</u> | <u>469,928</u> | <u>(1,653,492)</u> | <u>432,195</u> | <u>49,145</u> |
| Fund Balance, Beginning of Year, as previously reported | 681,969 | 48,672 | (1,413,584) | 2,190,606 | 152,673 | 79,197,063 |
| Adjustment - change from major fund to nonmajor fund | - | - | - | - | - | 16,479,342 |
| Fund Balance, Beginning of Year, as adjusted | <u>681,969</u> | <u>48,672</u> | <u>(1,413,584)</u> | <u>2,190,606</u> | <u>152,673</u> | <u>95,676,405</u> |
| Fund Balance, End of Year | <u>\$ -</u> | <u>\$ 54,381</u> | <u>\$ (943,656)</u> | <u>\$ 537,114</u> | <u>\$ 584,868</u> | <u>\$ 95,725,550</u> |

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, 2025**

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 | 97,308 | 227,231 | 129,923 | 4,470 | 7,920 | 3,450 | 8,660 | 21,571 | 12,911 |
| Intergovernmental | 3,470,118 | 3,571,211 | 101,093 | - | - | - | 439,004 | 317,599 | (121,405) |
| Fees and Other Revenues | - | - | - | 23,750 | 24,311 | 561 | - | - | - |
| Total Revenues | 3,567,426 | 3,798,442 | 231,016 | 28,220 | 32,231 | 4,011 | 447,664 | 339,170 | (108,494) |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| General Government | 3,462 | 1,568 | 1,894 | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | 445,673 | 197,507 | 248,166 |
| Community Development | - | - | - | 21,695 | 1,230 | 20,465 | - | - | - |
| Parks and Recreation | - | - | - | - | - | - | - | - | - |
| Community Services | - | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | 33,927 | 33,927 | - |
| Total Expenditures | 3,462 | 1,568 | 1,894 | 21,695 | 1,230 | 20,465 | 479,600 | 231,434 | 248,166 |
| REVENUES OVER (UNDER) EXPENDITURES | 3,563,964 | 3,796,874 | 232,910 | 6,525 | 31,001 | 24,476 | (31,936) | 107,736 | 139,672 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | - | 615,996 | 615,996 | - | - | - | - | - | - |
| Transfers Out | (3,816,573) | (3,703,341) | 113,232 | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | (3,816,573) | (3,087,345) | 729,228 | - | - | - | - | - | - |
| Net Change in Fund Balances | \$ (252,609) | 709,529 | \$ 962,138 | \$ 6,525 | 31,001 | \$ 24,476 | \$ (31,936) | 107,736 | \$ 139,672 |
| Fund Balance, Beginning of Year | | 2,638,775 | | | 150,548 | | | 348,826 | |
| Fund Balance, End of Year | | \$ 3,348,304 | | | \$ 181,549 | | | \$ 456,562 | |

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, 2025**

Special Revenue Funds (Continued)

| | Grants | | | Economic Development Grant | | | Citywide Park Assessment District | | |
|---------------------------------------------|---------------------|-------------------|--------------------|-----------------------------------|-------------------|------------------|------------------------------------------|---------------------|-------------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| REVENUES | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses | - | - | - | 205,321 | 212,753 | 7,432 | - | - | - |
| Uses of Money and Property | 700 | 20,793 | 20,093 | 10,858 | 16,223 | 5,365 | 73,443 | 254,802 | 181,359 |
| Intergovernmental | 3,735,745 | 657,245 | (3,078,500) | - | - | - | - | - | - |
| Fees and Other Revenues | - | - | - | - | - | - | 3,905,473 | 3,997,808 | 92,335 |
| Total Revenues | <u>3,736,445</u> | <u>678,038</u> | <u>(3,058,407)</u> | <u>216,179</u> | <u>228,976</u> | <u>12,797</u> | <u>3,978,916</u> | <u>4,252,610</u> | <u>273,694</u> |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| General Government | 344,049 | 49,252 | 294,797 | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - | - |
| Community Development | - | - | - | 292,900 | 207,900 | 85,000 | - | - | - |
| Parks and Recreation | - | - | - | - | - | - | 7,405,289 | 7,064,421 | 340,868 |
| Community Services | - | - | - | - | - | - | - | - | - |
| Capital Outlay | 121,550 | 121,550 | - | - | - | - | - | - | - |
| Total Expenditures | <u>465,599</u> | <u>170,802</u> | <u>294,797</u> | <u>292,900</u> | <u>207,900</u> | <u>85,000</u> | <u>7,405,289</u> | <u>7,064,421</u> | <u>340,868</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>3,270,846</u> | <u>507,236</u> | <u>(2,763,610)</u> | <u>(76,721)</u> | <u>21,076</u> | <u>97,797</u> | <u>(3,426,373)</u> | <u>(2,811,811)</u> | <u>614,562</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | - | - | - | - | - | - | 3,800,631 | 3,800,631 | - |
| Transfers Out | (3,529,245) | (311,245) | 3,218,000 | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>(3,529,245)</u> | <u>(311,245)</u> | <u>3,218,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,800,631</u> | <u>3,800,631</u> | <u>-</u> |
| Net Change in Fund Balances | <u>\$ (258,399)</u> | <u>195,991</u> | <u>\$ 454,390</u> | <u>\$ (76,721)</u> | <u>21,076</u> | <u>\$ 97,797</u> | <u>\$ 374,258</u> | <u>988,820</u> | <u>\$ 614,562</u> |
| Fund Balance, Beginning of Year | | <u>333,041</u> | | | <u>318,766</u> | | | <u>3,955,044</u> | |
| Fund Balance, End of Year | | <u>\$ 529,032</u> | | | <u>\$ 339,842</u> | | | <u>\$ 4,943,864</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, 2025**

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 | \$ 8,745,072 | \$ 8,728,726 | \$ (16,346) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses | - | - | - | - | - | - | - | - | - |
| Uses of Money and Property | 71,250 | 79,203 | 7,953 | 300,000 | 682,412 | 382,412 | 84,750 | 365,485 | 280,735 |
| Intergovernmental | - | - | - | - | - | - | - | - | - |
| Fees and Other Revenues | - | - | - | 2,114,123 | 2,014,764 | (99,359) | 726,523 | 967,657 | 241,134 |
| Total Revenues | 8,816,322 | 8,807,929 | (8,393) | 2,414,123 | 2,697,176 | 283,053 | 811,273 | 1,333,142 | 521,869 |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| General Government | - | - | - | 1,110,512 | 1,010,259 | 100,253 | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - | - |
| Community Development | - | - | - | - | - | - | - | - | - |
| Parks and Recreation | - | - | - | - | - | - | 630,274 | 579,231 | 51,043 |
| Community Services | 62,485 | 32,140 | 30,345 | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - | - |
| Total Expenditures | 62,485 | 32,140 | 30,345 | 1,110,512 | 1,010,259 | 100,253 | 630,274 | 579,231 | 51,043 |
| REVENUES OVER (UNDER) EXPENDITURES | 8,753,837 | 8,775,789 | 21,952 | 1,303,611 | 1,686,917 | 383,306 | 180,999 | 753,911 | 572,912 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | 754,084 | 754,082 | (2) | - | - | - | - | 641 | 641 |
| Transfers Out | (9,629,227) | (9,436,248) | 192,979 | (4,982,652) | (4,982,604) | 48 | (2,500,000) | (2,500,000) | - |
| Total Other Financing Sources (Uses) | (8,875,143) | (8,682,166) | 192,977 | (4,982,652) | (4,982,604) | 48 | (2,500,000) | (2,499,359) | 641 |
| Net Change in Fund Balances | \$ (121,306) | 93,623 | \$ 214,929 | \$ (3,679,041) | (3,295,687) | \$ 383,354 | \$ (2,319,001) | (1,745,448) | \$ 573,553 |
| Fund Balance, Beginning of Year | | 2,133,847 | | | 4,856,258 | | | (1,243,717) | |
| Fund Balance, End of Year | | \$ 2,227,470 | | | \$ 1,560,571 | | | \$ (2,989,165) | |

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, 2025**

| | 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 | - | - | - | 4,988 | 6,251 | 1,263 | 23,158 | 46,767 | 23,609 |
| Intergovernmental | - | - | - | - | - | - | - | - | - |
| Fees and Other Revenues | 69,086 | 46,441 | (22,645) | 184,904 | 121,885 | (63,019) | - | 71,027 | 71,027 |
| Total Revenues | <u>69,086</u> | <u>46,441</u> | <u>(22,645)</u> | <u>189,892</u> | <u>128,136</u> | <u>(61,756)</u> | <u>23,158</u> | <u>117,794</u> | <u>94,636</u> |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| General Government | 37,133 | 26,966 | 10,167 | 251,453 | 250,114 | 1,339 | 139,637 | 63,732 | 75,905 |
| Public Safety | - | - | - | - | - | - | - | - | - |
| Community Development | - | - | - | - | - | - | - | - | - |
| Parks and Recreation | - | - | - | - | - | - | - | - | - |
| Community Services | - | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>37,133</u> | <u>26,966</u> | <u>10,167</u> | <u>251,453</u> | <u>250,114</u> | <u>1,339</u> | <u>139,637</u> | <u>63,732</u> | <u>75,905</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>31,953</u> | <u>19,475</u> | <u>(12,478)</u> | <u>(61,561)</u> | <u>(121,978)</u> | <u>(60,417)</u> | <u>(116,479)</u> | <u>54,062</u> | <u>170,541</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - | - |
| Transfers Out | (140,557) | (140,484) | 73 | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>(140,557)</u> | <u>(140,484)</u> | <u>73</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | <u>\$ (108,604)</u> | <u>(121,009)</u> | <u>\$ (12,405)</u> | <u>\$ (61,561)</u> | <u>(121,978)</u> | <u>\$ (60,417)</u> | <u>\$ (116,479)</u> | <u>54,062</u> | <u>\$ 170,541</u> |
| Fund Balance, Beginning of Year | | <u>(135,546)</u> | | | <u>172,610</u> | | | <u>820,033</u> | |
| Fund Balance, End of Year | | <u>\$ (256,555)</u> | | | <u>\$ 50,632</u> | | | <u>\$ 874,095</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, 2025**

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 | 90,735 | 205,380 | 114,645 | 35,600 | 59,120 | 23,520 | 110,163 | 182,948 | 72,785 |
| Intergovernmental | - | - | - | - | - | - | - | - | - |
| Fees and Other Revenues | - | 284,109 | 284,109 | - | 28,767 | 28,767 | - | 115,070 | 115,070 |
| Total Revenues | <u>90,735</u> | <u>489,489</u> | <u>398,754</u> | <u>35,600</u> | <u>87,887</u> | <u>52,287</u> | <u>110,163</u> | <u>298,018</u> | <u>187,855</u> |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| General Government | 259,158 | 3,251 | 255,907 | 1,242 | 937 | 305 | 30,068 | 22,361 | 7,707 |
| Public Safety | - | - | - | - | - | - | - | - | - |
| Community Development | - | - | - | - | - | - | - | - | - |
| Parks and Recreation | - | - | - | - | - | - | - | - | - |
| Community Services | - | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>259,158</u> | <u>3,251</u> | <u>255,907</u> | <u>1,242</u> | <u>937</u> | <u>305</u> | <u>30,068</u> | <u>22,361</u> | <u>7,707</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>(168,423)</u> | <u>486,238</u> | <u>654,661</u> | <u>34,358</u> | <u>86,950</u> | <u>52,592</u> | <u>80,095</u> | <u>275,657</u> | <u>195,562</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - | - |
| Transfers Out | - | - | - | (57,277) | (57,277) | - | (298,169) | (297,581) | 588 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(57,277)</u> | <u>(57,277)</u> | <u>-</u> | <u>(298,169)</u> | <u>(297,581)</u> | <u>588</u> |
| Net Change in Fund Balances | <u>\$ (168,423)</u> | <u>486,238</u> | <u>\$ 654,661</u> | <u>\$ (22,919)</u> | <u>29,673</u> | <u>\$ 52,592</u> | <u>\$ (218,074)</u> | <u>(21,924)</u> | <u>\$ 196,150</u> |
| Fund Balance, Beginning of Year | | <u>3,452,790</u> | | | <u>995,341</u> | | | <u>3,074,134</u> | |
| Fund Balance, End of Year | | <u>\$ 3,939,028</u> | | | <u>\$ 1,025,014</u> | | | <u>\$ 3,052,210</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, 2025**

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 | 51 | 24 | (27) | 429 | 703 | 274 | 3,500 | 7,734 | 4,234 |
| Intergovernmental | - | - | - | - | - | - | - | - | - |
| Fees and Other Revenues | - | - | - | - | 8,065 | 8,065 | 41,200 | 44,640 | 3,440 |
| Total Revenues | <u>51</u> | <u>24</u> | <u>(27)</u> | <u>429</u> | <u>8,768</u> | <u>8,339</u> | <u>44,700</u> | <u>52,374</u> | <u>7,674</u> |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| General Government | 2 | - | 2 | - | - | - | - | - | - |
| Public Safety | - | - | - | 238 | 237 | 1 | - | - | - |
| Community Development | - | - | - | - | - | - | - | - | - |
| Parks and Recreation | - | - | - | - | - | - | - | - | - |
| Community Services | - | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>2</u> | <u>-</u> | <u>2</u> | <u>238</u> | <u>237</u> | <u>1</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>49</u> | <u>24</u> | <u>(25)</u> | <u>191</u> | <u>8,531</u> | <u>8,340</u> | <u>44,700</u> | <u>52,374</u> | <u>7,674</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - | - |
| Transfers Out | - | - | - | - | - | - | (155,000) | - | 155,000 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(155,000)</u> | <u>-</u> | <u>155,000</u> |
| Net Change in Fund Balances | <u>\$ 49</u> | <u>24</u> | <u>\$ (25)</u> | <u>\$ 191</u> | <u>8,531</u> | <u>\$ 8,340</u> | <u>\$ (110,300)</u> | <u>52,374</u> | <u>\$ 162,674</u> |
| Fund Balance, Beginning of Year | | <u>445</u> | | | <u>14,922</u> | | | <u>139,573</u> | |
| Fund Balance, End of Year | | <u>\$ 469</u> | | | <u>\$ 23,453</u> | | | <u>\$ 191,947</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, 2025**

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 | 19,099 | 35,009 | 15,910 | 73,610 | 96,159 | 22,549 | 525 | 607 | 82 |
| Intergovernmental | - | - | - | 1,218,800 | 1,275,306 | 56,506 | - | - | - |
| Fees and Other Revenues | - | - | - | - | - | - | - | - | - |
| Total Revenues | <u>19,099</u> | <u>35,009</u> | <u>15,910</u> | <u>1,292,410</u> | <u>1,371,465</u> | <u>79,055</u> | <u>525</u> | <u>607</u> | <u>82</u> |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| General Government | 3,714 | 555 | 3,159 | 22,568 | 11,460 | 11,108 | 5,000 | - | 5,000 |
| Public Safety | - | - | - | - | - | - | - | - | - |
| Community Development | - | - | - | - | - | - | - | - | - |
| Parks and Recreation | - | - | - | - | - | - | - | - | - |
| Community Services | - | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>3,714</u> | <u>555</u> | <u>3,159</u> | <u>22,568</u> | <u>11,460</u> | <u>11,108</u> | <u>5,000</u> | <u>-</u> | <u>5,000</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>15,385</u> | <u>34,454</u> | <u>19,069</u> | <u>1,269,842</u> | <u>1,360,005</u> | <u>90,163</u> | <u>(4,475)</u> | <u>607</u> | <u>5,082</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - | - |
| Transfers Out | - | - | - | (1,400,000) | (1,400,000) | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,400,000)</u> | <u>(1,400,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | <u>\$ 15,385</u> | <u>34,454</u> | <u>\$ 19,069</u> | <u>\$ (130,158)</u> | <u>(39,995)</u> | <u>\$ 90,163</u> | <u>\$ (4,475)</u> | <u>607</u> | <u>\$ 5,082</u> |
| Fund Balance, Beginning of Year | | <u>619,934</u> | | | <u>2,089,820</u> | | | <u>436,310</u> | |
| Fund Balance, End of Year | | <u>\$ 654,388</u> | | | <u>\$ 2,049,825</u> | | | <u>\$ 436,917</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, 2025**

| | Permanent Fund | | | Capital Project Funds | | |
|---------------------------------------------|--------------------------------------|------------------|-----------------|-------------------------------------------------------|--------------------|------------------|
| | Riparian Mitigation Site Maintenance | | | Civic Center Capital Improvement Financing Program | | |
| | Budget | Actual | Variance | Budget | Actual | Variance |
| REVENUES | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses | - | - | - | - | - | - |
| Uses of Money and Property | 2,800 | 4,096 | 1,296 | 1,125 | 5,391 | 4,266 |
| Intergovernmental | - | - | - | - | - | - |
| Fees and Other Revenues | - | - | - | 1,179,479 | 1,184,808 | 5,329 |
| Total Revenues | <u>2,800</u> | <u>4,096</u> | <u>1,296</u> | <u>1,180,604</u> | <u>1,190,199</u> | <u>9,595</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | - | - | - | 78 | 78 | - |
| Public Safety | - | - | - | - | - | - |
| Community Development | - | - | - | - | - | - |
| Parks and Recreation | - | - | - | - | - | - |
| Community Services | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>78</u> | <u>78</u> | <u>-</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>2,800</u> | <u>4,096</u> | <u>1,296</u> | <u>1,180,526</u> | <u>1,190,121</u> | <u>9,595</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers In | - | - | - | - | - | - |
| Transfers Out | (5,516) | (5,516) | - | (1,184,953) | (1,184,412) | 541 |
| Total Other Financing Sources (Uses) | <u>(5,516)</u> | <u>(5,516)</u> | <u>-</u> | <u>(1,184,953)</u> | <u>(1,184,412)</u> | <u>541</u> |
| Net Change in Fund Balances | <u>\$ (2,716)</u> | <u>(1,420)</u> | <u>\$ 1,296</u> | <u>\$ (4,427)</u> | <u>5,709</u> | <u>\$ 10,136</u> |
| Fund Balance, Beginning of Year | | <u>83,168</u> | | | <u>48,672</u> | |
| Fund Balance, End of Year | | <u>\$ 81,748</u> | | | <u>\$ 54,381</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, 2025**

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 | 37,500 | 145,520 | 108,020 | 85,128 | 345,579 | 260,451 | - | 432,195 | 432,195 |
| Intergovernmental | - | - | - | - | - | - | - | - | - |
| Fees and Other Revenues | 536,106 | 565,446 | 29,340 | - | - | - | - | - | - |
| Total Revenues | <u>573,606</u> | <u>710,966</u> | <u>137,360</u> | <u>85,128</u> | <u>345,579</u> | <u>260,451</u> | <u>-</u> | <u>432,195</u> | <u>432,195</u> |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| General Government | 2,265 | 2,265 | - | 409,046 | - | 409,046 | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - | - |
| Community Development | - | - | - | - | - | - | - | - | - |
| Parks and Recreation | - | - | - | - | - | - | - | - | - |
| Community Services | - | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>2,265</u> | <u>2,265</u> | <u>-</u> | <u>409,046</u> | <u>-</u> | <u>409,046</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>571,341</u> | <u>708,701</u> | <u>137,360</u> | <u>(323,918)</u> | <u>345,579</u> | <u>669,497</u> | <u>-</u> | <u>432,195</u> | <u>432,195</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | 289,681 | 289,680 | (1) | - | 286,383 | 286,383 | - | - | - |
| Transfers Out | (809,640) | (528,453) | 281,187 | (2,353,454) | (2,285,454) | 68,000 | - | - | - |
| Total Other Financing Sources (Uses) | <u>(519,959)</u> | <u>(238,773)</u> | <u>281,186</u> | <u>(2,353,454)</u> | <u>(1,999,071)</u> | <u>354,383</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | <u>\$ 51,382</u> | <u>469,928</u> | <u>\$ 418,546</u> | <u>\$ (2,677,372)</u> | <u>(1,653,492)</u> | <u>\$ 1,023,880</u> | <u>\$ -</u> | <u>432,195</u> | <u>\$ 432,195</u> |
| Fund Balance, Beginning of Year | | <u>(1,413,584)</u> | | | <u>2,190,606</u> | | | <u>152,673</u> | |
| Fund Balance, End of Year | | <u>\$ (943,656)</u> | | | <u>\$ 537,114</u> | | | <u>\$ 584,868</u> | |

City of Brentwood

**Combining Statement of Net Position
All Internal Service Funds
June 30, 2025**

| | Information Systems | Vehicle and Equipment Replacement | Information Systems Replacement | Facilities Replacement | Tuition |
|---------------------------------------------------------------------------|------------------------|-----------------------------------------|---------------------------------------|---------------------------|------------------|
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and Investments | \$ 1,895,826 | \$ 8,263,341 | \$ 4,100,023 | \$ 12,150,547 | \$ 88,113 |
| Receivables, Net of Allowance for Doubtful Accounts | 91 | 22,530 | 316 | 581 | 4 |
| Inventories | - | - | - | - | - |
| Prepays | 322,736 | - | - | - | - |
| Interfund Advance Receivable | - | - | - | - | - |
| Total Current Assets | <u>2,218,653</u> | <u>8,285,871</u> | <u>4,100,339</u> | <u>12,151,128</u> | <u>88,117</u> |
| Non-Current Assets: | | | | | |
| Interfund Advance Receivable | - | - | - | - | - |
| Capital Assets: | | | | | |
| Depreciable | 294,507 | 29,489,679 | - | - | - |
| Less: Accumulated Depreciation and Amortization | (14,725) | (15,716,244) | - | - | - |
| Total Capital Assets, Net of Accumulated Depreciation and Amortization | <u>279,782</u> | <u>13,773,435</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Non-Current Assets | <u>279,782</u> | <u>13,773,435</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Assets | <u>2,498,435</u> | <u>22,059,306</u> | <u>4,100,339</u> | <u>12,151,128</u> | <u>88,117</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Related to OPEB | 363,345 | - | - | - | - |
| Related to Pensions | 770,207 | - | - | - | - |
| Total Deferred Outflows of Resources | <u>1,133,552</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts Payable and Accrued Liabilities | 160,987 | 108,196 | 8,850 | 91,463 | 1,323 |
| Interest Payable | 1,931 | - | - | - | - |
| Long-Term Debt Due Within One Year | 51,280 | - | - | - | - |
| Compensated Absences Payable | 262,715 | - | - | - | - |
| Total Current Liabilities | <u>476,913</u> | <u>108,196</u> | <u>8,850</u> | <u>91,463</u> | <u>1,323</u> |
| Non-Current Liabilities Due in More Than One Year: | | | | | |
| Net OPEB Liability | 1,357,174 | - | - | - | - |
| Net Pension Liability | 1,832,697 | - | - | - | - |
| Subscription Liability | 181,957 | - | - | - | - |
| Compensated Absences Payable | 40,955 | - | - | - | - |
| Total Non-Current Liabilities | <u>3,412,783</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>3,889,696</u> | <u>108,196</u> | <u>8,850</u> | <u>91,463</u> | <u>1,323</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Related to OPEB | 194,810 | - | - | - | - |
| Related to Pensions | 29,734 | - | - | - | - |
| Total Deferred Inflows of Resources | <u>224,544</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET POSITION | | | | | |
| Net Investment in Capital Assets and Capacity Rights | 46,545 | 13,773,435 | - | - | - |
| Unrestricted | (528,798) | 8,177,675 | 4,091,489 | 12,059,665 | 86,794 |
| Total Net Position | <u>\$ (482,253)</u> | <u>\$ 21,951,110</u> | <u>\$ 4,091,489</u> | <u>\$ 12,059,665</u> | <u>\$ 86,794</u> |

City of Brentwood

Combining Statement of Net Position
All Internal Service Funds (Continued)
 June 30, 2025

| | Fleet Maintenance Services | Facilities Maintenance Services | Parks and LLAD Replacement | Insurance | Pension/Other Post-Employment Benefits Obligation | Totals |
|-----------------------------------------------------------------------------------|----------------------------------|---------------------------------------|-------------------------------|-------------------|---------------------------------------------------------|----------------------|
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Cash and Investments | \$ 1,356,521 | \$ 2,452,088 | \$ 27,996,879 | \$ 840,987 | \$ 14,339,113 | \$ 73,483,438 |
| Receivables, Net of Allowance for Doubtful Accounts | 60 | 116 | 1,313 | - | 633 | 25,644 |
| Inventories | 79,139 | - | - | - | - | 79,139 |
| Prepays | 1,362 | 10,022 | - | - | 540,251 | 874,371 |
| Interfund Advance Receivable | - | - | 72,248 | - | 289,681 | 361,929 |
| Total Current Assets | 1,437,082 | 2,462,226 | 28,070,440 | 840,987 | 15,169,678 | 74,824,521 |
| Non-Current Assets: | | | | | | |
| Interfund Advance Receivable | - | - | 433,485 | - | 1,157,685 | 1,591,170 |
| Capital Assets: | | | | | | |
| Depreciable | - | - | - | - | - | 29,784,186 |
| Less: Accumulated Depreciation and Amortization | - | - | - | - | - | (15,730,969) |
| Total Capital Assets, Net of Accumulated Depreciation and Amortization | - | - | 433,485 | - | 1,157,685 | 15,644,387 |
| Total Non-Current Assets | - | - | 433,485 | - | 1,157,685 | 15,644,387 |
| Total Assets | 1,437,082 | 2,462,226 | 28,503,925 | 840,987 | 16,327,363 | 90,468,908 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Related to OPEB | 161,942 | 146,630 | - | - | - | 671,917 |
| Related to Pensions | 256,498 | 245,400 | - | - | - | 1,272,105 |
| Total Deferred Outflows of Resources | 418,440 | 392,030 | - | - | - | 1,944,022 |
| LIABILITIES | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts Payable and Accrued Liabilities | 141,771 | 86,440 | 9,965 | 21,380 | - | 630,375 |
| Interest Payable | - | - | - | - | - | 1,931 |
| Long-Term Debt Due Within One Year | - | - | - | - | - | 51,280 |
| Compensated Absences Payable | 39,586 | 64,071 | - | - | - | 366,372 |
| Total Current Liabilities | 181,357 | 150,511 | 9,965 | 21,380 | - | 1,049,958 |
| Non-Current Liabilities Due in More Than One Year: | | | | | | |
| Net OPEB Liability | 578,368 | 906,735 | - | - | - | 2,842,277 |
| Net Pension Liability | 602,029 | 588,725 | - | - | - | 3,023,451 |
| Subscription Liability | - | - | - | - | - | 181,957 |
| Compensated Absences Payable | 7,445 | 9,621 | - | - | - | 58,021 |
| Total Non-Current Liabilities | 1,187,842 | 1,505,081 | - | - | - | 6,105,706 |
| Total Liabilities | 1,369,199 | 1,655,592 | 9,965 | 21,380 | - | 7,155,664 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Related to OPEB | 101,443 | 130,468 | - | - | - | 426,721 |
| Related to Pensions | 9,767 | 9,552 | - | - | - | 49,053 |
| Total Deferred Inflows of Resources | 111,210 | 140,020 | - | - | - | 475,774 |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets and Capacity Rights Unrestricted | - | - | - | - | - | 13,819,980 |
| Total Net Position | \$ 375,113 | \$ 1,058,644 | \$ 28,493,960 | \$ 819,607 | \$ 16,327,363 | \$ 84,781,492 |

City of Brentwood

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
All Internal Service Funds
For Year Ended June 30, 2025

| | Information Systems | Vehicle and Equipment Replacement | Information Systems Replacement | Facilities Replacement | Tuition |
|----------------------------------------------------------------|------------------------|-----------------------------------------|---------------------------------------|---------------------------|------------------|
| Operating Revenues: | | | | | |
| Charges for Services | \$ 4,234,356 | \$ 2,206,688 | \$ 1,093,004 | \$ 1,100,000 | \$ 15,000 |
| Other Income | - | 232,484 | - | - | - |
| Total Operating Revenues | <u>4,234,356</u> | <u>2,439,172</u> | <u>1,093,004</u> | <u>1,100,000</u> | <u>15,000</u> |
| Operating Expenses: | | | | | |
| Personnel Services | 2,739,422 | - | - | - | - |
| Repairs and Maintenance | 83,427 | 37,726 | - | 186,744 | - |
| Materials, Supplies and Services | 1,737,134 | 177,977 | 153,494 | 48,594 | 6,715 |
| Depreciation and Amortization | 14,725 | 2,036,378 | - | - | - |
| Total Operating Expenses | <u>4,574,708</u> | <u>2,252,081</u> | <u>153,494</u> | <u>235,338</u> | <u>6,715</u> |
| Operating Income (Loss) | <u>(340,352)</u> | <u>187,091</u> | <u>939,510</u> | <u>864,662</u> | <u>8,285</u> |
| Non-Operating Revenues (Expenses): | | | | | |
| Interest Income | 98,001 | 470,693 | 342,209 | 636,372 | 4,569 |
| Interest Expense | (1,931) | - | - | - | - |
| Gain or (Loss) on Disposal of Capital Assets | - | 188,775 | - | - | - |
| Total Non-Operating Revenues (Expenses) | <u>96,070</u> | <u>659,468</u> | <u>342,209</u> | <u>636,372</u> | <u>4,569</u> |
| Income (Loss) Before Contributions and Transfers | <u>(244,282)</u> | <u>846,559</u> | <u>1,281,719</u> | <u>1,501,034</u> | <u>12,854</u> |
| Capital Assets Contributed from (to) Governmental Activities | - | - | (52,865) | (128,162) | - |
| Transfers In | - | 2,078,568 | - | - | - |
| Transfers Out | - | - | (609,858) | - | - |
| Change in Net Position | <u>(244,282)</u> | <u>2,925,127</u> | <u>618,996</u> | <u>1,372,872</u> | <u>12,854</u> |
| Net Position, Beginning of Year, as previously reported | <u>(2,600)</u> | <u>19,025,983</u> | <u>3,472,493</u> | <u>10,686,793</u> | <u>73,940</u> |
| Adjustments - change in accounting principle | <u>(235,371)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Position, Beginning of Year, as adjusted | <u>(237,971)</u> | <u>19,025,983</u> | <u>3,472,493</u> | <u>10,686,793</u> | <u>73,940</u> |
| Net Position, End of Year | <u>\$ (482,253)</u> | <u>\$ 21,951,110</u> | <u>\$ 4,091,489</u> | <u>\$ 12,059,665</u> | <u>\$ 86,794</u> |

Continued

City of Brentwood

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
All Internal Service Funds (Continued)
For Year Ended June 30, 2025**

| | Fleet Maintenance Services | Facilities Maintenance Services | Parks and LLAD Replacement | Insurance | Pension/Other Post-Employment Benefits Obligation | Totals |
|----------------------------------------------------------------|----------------------------------|---------------------------------------|-------------------------------|-------------------|---------------------------------------------------------|----------------------|
| Operating Revenues: | | | | | | |
| Charges for Services | \$ 2,611,387 | \$ 2,013,299 | \$ 1,765,744 | \$ 4,127,121 | \$ 3,874,710 | \$ 23,041,309 |
| Other Income | - | 315 | 31,760 | - | - | 264,559 |
| Total Operating Revenues | <u>2,611,387</u> | <u>2,013,614</u> | <u>1,797,504</u> | <u>4,127,121</u> | <u>3,874,710</u> | <u>23,305,868</u> |
| Operating Expenses: | | | | | | |
| Personnel Services | 946,246 | 924,433 | - | 11,379 | 6,001,780 | 10,623,260 |
| Repairs and Maintenance | 30,856 | 84,715 | 242,654 | - | - | 666,122 |
| Materials, Supplies and Services | 1,300,866 | 910,830 | 277,696 | 3,652,103 | 139,996 | 8,405,405 |
| Depreciation and Amortization | - | - | - | - | - | 2,051,103 |
| Total Operating Expenses | <u>2,277,968</u> | <u>1,919,978</u> | <u>520,350</u> | <u>3,663,482</u> | <u>6,141,776</u> | <u>21,745,890</u> |
| Operating Income (Loss) | <u>333,419</u> | <u>93,636</u> | <u>1,277,154</u> | <u>463,639</u> | <u>(2,267,066)</u> | <u>1,559,978</u> |
| Non-Operating Revenues (Expenses): | | | | | | |
| Interest Income | 62,133 | 126,777 | 1,497,203 | - | 736,227 | 3,974,184 |
| Interest Expense | - | - | - | - | - | (1,931) |
| Gain or (Loss) on Disposal of Capital Assets | - | - | - | - | - | 188,775 |
| Total Non-Operating Revenues (Expenses) | <u>62,133</u> | <u>126,777</u> | <u>1,497,203</u> | <u>-</u> | <u>736,227</u> | <u>4,161,028</u> |
| Income (Loss) Before Contributions and Transfers | 395,552 | 220,413 | 2,774,357 | 463,639 | (1,530,839) | 5,721,006 |
| Capital Assets Contributed from (to) Governmental Activities | - | - | (46,533) | - | - | (227,560) |
| Transfers In | - | - | 177,738 | - | 1,313,029 | 3,569,335 |
| Transfers Out | - | - | (1,759,969) | - | - | (2,369,827) |
| Change in Net Position | 395,552 | 220,413 | 1,145,593 | 463,639 | (217,810) | 6,692,954 |
| Net Position, Beginning of Year, as previously reported | 11,755 | 862,285 | 27,348,367 | 355,968 | 16,545,173 | 78,380,157 |
| Adjustments - change in accounting principle | (32,194) | (24,054) | - | - | - | (291,619) |
| Net Position, Beginning of Year, as adjusted | <u>(20,439)</u> | <u>838,231</u> | <u>27,348,367</u> | <u>355,968</u> | <u>16,545,173</u> | <u>78,088,538</u> |
| Net Position, End of Year | <u>\$ 375,113</u> | <u>\$ 1,058,644</u> | <u>\$ 28,493,960</u> | <u>\$ 819,607</u> | <u>\$ 16,327,363</u> | <u>\$ 84,781,492</u> |

City of Brentwood

Combining Statement of Cash Flows
All Internal Service Funds
For Year Ended June 30, 2025

| | Information Systems | Vehicle and Equipment Replacement | Information Systems Replacement | Facilities Replacement | Tuition |
|----------------------------------------------------------------------------------------------------|------------------------|-----------------------------------------|---------------------------------------|---------------------------|------------------|
| Cash Flows from Operating Activities | | | | | |
| Cash Received from Customers/Other Funds | \$ 4,368,246 | \$ 2,184,563 | \$ 1,093,004 | \$ 1,100,000 | \$ 15,000 |
| Cash Payments to Suppliers of Goods and Services | (1,515,001) | (500,120) | (147,740) | (605,288) | (15,041) |
| Cash Payments to Employees for Services | (2,667,796) | - | - | - | - |
| Cash Payments for Interfund Services | (202,904) | - | - | - | - |
| Other Receipts | - | 232,484 | - | - | - |
| Net Cash Provided By (Used for) Operating Activities | (17,455) | 1,916,927 | 945,264 | 494,712 | (41) |
| Cash Flows from Non-Capital Financing Activities | | | | | |
| Transfers Received | - | 2,078,568 | - | - | - |
| Transfers Paid | - | - | (609,858) | - | - |
| Interfund Advance Receivable | - | - | - | - | - |
| Net Cash Provided By (Used for) Non-Capital Financing Activities | - | 2,078,568 | (609,858) | - | - |
| Cash Flows from Capital and Related Financing Activities | | | | | |
| Principal Paid on Subscription Liability | (61,269) | - | - | - | - |
| Capital Assets Purchased and Contributed to Governmental Funds | - | - | (52,865) | (128,162) | - |
| Proceeds from Sale of Capital Assets | - | 188,775 | - | - | - |
| Acquisition and Construction of Capital Assets | - | (5,716,296) | - | - | - |
| Net Cash Provided By (Used for) Capital and Related Financing Activities | (61,269) | (5,527,521) | (52,865) | (128,162) | - |
| Cash Flows from Investing Activities | | | | | |
| Interest on Investments | 97,999 | 470,742 | 342,155 | 636,319 | 4,569 |
| Net Cash Provided By Investing Activities | 97,999 | 470,742 | 342,155 | 636,319 | 4,569 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 19,275 | (1,061,284) | 624,696 | 1,002,869 | 4,528 |
| Cash and Cash Equivalents - Beginning of Year | 1,876,551 | 9,324,625 | 3,475,327 | 11,147,678 | 83,585 |
| Cash and Cash Equivalents - End of Year | \$ 1,895,826 | \$ 8,263,341 | \$ 4,100,023 | \$ 12,150,547 | \$ 88,113 |
| Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities: | | | | | |
| Operating Income (Loss) | \$ (340,352) | \$ 187,091 | \$ 939,510 | \$ 864,662 | \$ 8,285 |
| Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities: | | | | | |
| Depreciation and Amortization | 14,725 | 2,036,378 | - | - | - |
| Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources: | | | | | |
| Receivables | - | (22,125) | - | - | - |
| Prepaid Items | 133,962 | - | - | - | - |
| Accounts Payable and Other Payables | 102,656 | (284,417) | 5,754 | (369,950) | (8,326) |
| Net OPEB Liability and Deferred Outflows/Inflows of Resources related to OPEB | (22,068) | - | - | - | - |
| Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions | 182,878 | - | - | - | - |
| Compensated Absences Payable | (89,256) | - | - | - | - |
| Net Cash Provided By (Used for) Operating Activities | \$ (17,455) | \$ 1,916,927 | \$ 945,264 | \$ 494,712 | \$ (41) |
| Noncash Capital Activities: | | | | | |
| Capital Asset Contributions from (to) Governmental Activities | \$ - | \$ - | \$ (52,865) | \$ (128,162) | \$ - |
| Issuance of Subscription Liability | (294,507) | - | - | - | - |
| Subscription Assets | 294,507 | - | - | - | - |

Continued

City of Brentwood

Combining Statement of Cash Flows
All Internal Service Funds (Continued)
 For Year Ended June 30, 2025

| | 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 | \$ 2,625,985 | \$ 2,005,082 | \$ 1,765,744 | \$ 4,127,121 | \$ 3,904,956 | \$ 23,189,701 |
| Cash Payments to Suppliers of Goods and Services | (1,162,419) | (814,883) | (603,287) | (3,695,680) | (139,996) | (9,199,455) |
| Cash Payments to Employees for Services | (929,213) | (873,322) | - | (11,379) | (6,018,861) | (10,500,571) |
| Cash Payments for Interfund Services | (182,152) | (164,376) | - | - | - | (549,432) |
| Other Receipts | - | 315 | 31,760 | - | - | 264,559 |
| Net Cash Provided By (Used for) Operating Activities | 352,201 | 152,816 | 1,194,217 | 420,062 | (2,253,901) | 3,204,802 |
| Cash Flows from Non-Capital Financing Activities | | | | | | |
| Transfers Received | - | - | 177,738 | - | 1,313,029 | 3,569,335 |
| Transfers Paid | - | - | (1,759,969) | - | - | (2,369,827) |
| Interfund Advance Receivable | - | - | 72,248 | - | 281,838 | 354,086 |
| Net Cash Provided By (Used for) Non-Capital Financing Activities | - | - | (1,509,983) | - | 1,594,867 | 1,553,594 |
| Cash Flows from Capital and Related Financing Activities | | | | | | |
| Principal Paid on Subscription Liability | - | - | - | - | - | (61,269) |
| Capital Assets Purchased and Contributed to Governmental Funds | - | - | (46,533) | - | - | (227,560) |
| Proceeds from Sale of Capital Assets | - | - | - | - | - | 188,775 |
| Acquisition and Construction of Capital Assets | - | - | - | - | - | (5,716,296) |
| Net Cash Provided By (Used for) Capital and Related Financing Activities | - | - | (46,533) | - | - | (5,816,350) |
| Cash Flows from Investing Activities | | | | | | |
| Interest on Investments | 62,116 | 126,763 | 1,497,142 | - | 736,170 | 3,973,975 |
| Net Cash Provided By Investing Activities | 62,116 | 126,763 | 1,497,142 | - | 736,170 | 3,973,975 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 414,317 | 279,579 | 1,134,843 | 420,062 | 77,136 | 2,916,021 |
| Cash and Cash Equivalents - Beginning of Year | 942,204 | 2,172,509 | 26,862,036 | 420,925 | 14,261,977 | 70,567,417 |
| Cash and Cash Equivalents - End of Year | \$ 1,356,521 | \$ 2,452,088 | \$ 27,996,879 | \$ 840,987 | \$ 14,339,113 | \$ 73,483,438 |
| Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities: | | | | | | |
| Operating Income (Loss) | \$ 333,419 | \$ 93,636 | \$ 1,277,154 | \$ 463,639 | \$ (2,267,066) | \$ 1,559,978 |
| Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities: | | | | | | |
| Depreciation and Amortization | - | - | - | - | - | 2,051,103 |
| Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources: | | | | | | |
| Receivables | - | - | - | - | - | (22,125) |
| Prepaid Items | 14,630 | (8,169) | - | - | 13,165 | 153,588 |
| Accounts Payable and Other Payables | (12,849) | 16,286 | (82,937) | (43,577) | - | (677,360) |
| Net OPEB Liability and Deferred Outflows/Inflows of Resources related to OPEB | (9,789) | (8,875) | - | - | - | (40,732) |
| Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions | 47,071 | 58,675 | - | - | - | 288,624 |
| Compensated Absences Payable | (20,281) | 1,263 | - | - | - | (108,274) |
| Net Cash Provided By (Used for) Operating Activities | \$ 352,201 | \$ 152,816 | \$ 1,194,217 | \$ 420,062 | \$ (2,253,901) | \$ 3,204,802 |
| Noncash Capital Activities: | | | | | | |
| Capital Asset Contributions from (to) Governmental Activities | \$ - | \$ - | \$ (46,533) | \$ - | \$ - | (227,560) |
| Issuance of Subscription Liability | - | - | - | - | - | (294,507) |
| Subscription Assets | - | - | - | - | - | 294,507 |

City of Brentwood

Combining Statement of Fiduciary Net Position

Custodial Funds

June 30, 2025

| | <u>Special Assessment Districts</u> | <u>Asset Seizure</u> | <u>Pass-Through Funds</u> | <u>Total Custodial Funds</u> |
|------------------------------------------|-----------------------------------------|----------------------|-------------------------------|----------------------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Investments | \$ 11,639,949 | \$ - | \$ 209,018 | \$ 11,848,967 |
| Restricted Cash and Investments | 3,473,500 | - | - | 3,473,500 |
| Interest Receivable | 2,366 | - | - | 2,366 |
| Total Assets | <u>15,115,815</u> | <u>-</u> | <u>209,018</u> | <u>15,324,833</u> |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts Payable and Accrued Liabilities | 7,217 | - | - | 7,217 |
| Due to Local Governments | - | - | 187,927 | 187,927 |
| Total Liabilities | <u>7,217</u> | <u>-</u> | <u>187,927</u> | <u>195,144</u> |
| NET POSITION (DEFICIT) | | | | |
| Restricted for: | | | | |
| Individuals and Organizations | 15,108,598 | - | - | 15,108,598 |
| Other Governments | - | - | 21,091 | 21,091 |
| Total Net Position (Deficit) | <u>\$ 15,108,598</u> | <u>\$ -</u> | <u>\$ 21,091</u> | <u>\$ 15,129,689</u> |

City of Brentwood

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For Year Ended June 30, 2025

| | Special Assessment Districts | Asset Seizure | Pass-Through Funds | Total Custodial Funds |
|---------------------------------------------------|-----------------------------------------|----------------------|-------------------------------|----------------------------------|
| ADDITIONS | | | | |
| Contributions: | | | | |
| Assessments | \$ 12,962,904 | \$ - | \$ - | \$ 12,962,904 |
| Private Contributions | - | 32,636 | 3,538,250 | 3,570,886 |
| Total Contributions | <u>12,962,904</u> | <u>32,636</u> | <u>3,538,250</u> | <u>16,533,790</u> |
| Net Investment Earnings | 474,230 | - | - | 474,230 |
| Total Additions | <u>13,437,134</u> | <u>32,636</u> | <u>3,538,250</u> | <u>17,008,020</u> |
| DEDUCTIONS | | | | |
| Administrative Expenses | 311,709 | - | - | 311,709 |
| Payments to Bondholders | 12,560,952 | - | - | 12,560,952 |
| Recipient Payments | - | 32,636 | 4,228,489 | 4,261,125 |
| Total Deductions | <u>12,872,661</u> | <u>32,636</u> | <u>4,228,489</u> | <u>17,133,786</u> |
| Net Increase (Decrease) in Fiduciary Net Position | 564,473 | - | (690,239) | (125,766) |
| Net Position (Deficit) - Beginning of Year | 14,544,125 | - | 711,330 | 15,255,455 |
| Net Position (Deficit) - End of Year | <u>\$ 15,108,598</u> | <u>\$ -</u> | <u>\$ 21,091</u> | <u>\$ 15,129,689</u> |

STATISTICAL SECTION CONTENTS

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| Financial Trends | 155 to 159 |
| <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 | 160 to 168 |
| <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 | 169 to 173 |
| <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 | 174 to 175 |
| <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 | 176 to 179 |
| <p>These schedules contain operational and resource information to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.</p> | |

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

OTHER AUDIT REPORT

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | 180 to 181 |
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City of Brentwood

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

| | 2016 | 2017 ⁽¹⁾ | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 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 | \$ 467,649,257 |
| Restricted | 79,824,615 | 95,801,016 | 95,686,834 | 89,830,884 | 90,068,569 | 97,743,329 | 98,666,260 | 104,166,207 | 108,321,964 | 110,278,418 |
| Unrestricted | 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 | 57,012,221 |
| Total Governmental Activities Net Position | \$ 537,509,067 | \$ 547,764,208 | \$ 546,000,236 | \$ 550,709,146 | \$ 566,989,588 | \$ 580,725,821 | \$ 604,474,228 | \$ 615,164,625 | \$ 622,697,176 | \$ 634,939,896 |
| Business-Type Activities | | | | | | | | | | |
| Net Investment in Capital Assets and Capacity Rights | \$ 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 | \$ 256,856,263 |
| Restricted | 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 | 40,306,407 |
| Unrestricted | 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 | 99,445,743 |
| Total Business-Type Activities Net Position | \$ 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 | \$ 396,608,413 |
| Primary Government | | | | | | | | | | |
| Net Investment in Capital Assets and Capacity Rights | \$ 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 | \$ 724,505,520 |
| Restricted | 103,791,758 | 121,163,959 | 120,844,605 | 117,473,911 | 124,961,769 | 148,878,939 | 145,358,458 | 148,322,733 | 148,166,291 | 150,584,825 |
| Unrestricted | 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 | 156,457,964 |
| Total Primary Government Net Position | \$ 790,029,190 | \$ 811,285,640 | \$ 819,647,498 | \$ 846,886,815 | \$ 883,347,189 | \$ 915,474,008 | \$ 963,238,093 | \$ 985,041,420 | \$ 1,007,426,395 | \$ 1,031,548,309 |

(1) 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)

| | 2016 | 2017 ⁽¹⁾ | 2018 ⁽¹⁾ | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------------------------------------------|---------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|
| Expenses | | | | | | | | | | |
| General Government | \$ 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 | \$ 17,259,090 |
| Public Safety | 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 | 33,185,827 |
| Community Development | 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 | 6,392,709 |
| Engineering | 2,617,590 | 2,982,747 | 3,174,218 | 3,174,218 | 3,242,751 | 3,297,183 | 2,764,684 | 3,314,324 | 3,762,120 | 3,526,184 |
| Public Works | 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 | 9,043,702 |
| Parks and Recreation | 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 | 19,438,356 |
| Community Services | 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 | 9,785,221 |
| Interest on Long-Term Debt | 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 | 1,629,729 |
| Total Expenses | 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 | 100,260,818 |
| Program Revenues | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | 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 | 12,148,365 |
| Public Safety | 457,271 | 418,829 | 418,188 | 476,632 | 527,323 | 369,513 | 405,942 | 533,732 | 508,599 | 525,278 |
| Community Development | 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 | 2,849,412 |
| Engineering | 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 | 2,554,270 |
| Parks and Recreation | 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 | 2,022,028 |
| Operating Grants and Contributions | 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 | 30,481,262 |
| Capital Grants and Contributions | 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 | 10,211,508 |
| Total Program Revenues | 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 | 60,792,123 |
| Total Governmental Activities Net Expense | (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) | (39,468,695) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property Taxes | 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 | 20,875,449 |
| Sales Tax | 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 | 11,410,844 |
| Franchise Fees | 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 | 1,711,396 |
| Real Property Transfer Tax | 506,626 | 547,975 | 641,279 | 491,249 | 473,351 | 781,173 | 794,244 | 464,723 | 460,558 | 415,668 |
| Measure J, Transient Occupancy Tax | 377,043 | 396,763 | 555,535 | 551,122 | 505,956 | 486,632 | 657,874 | 688,606 | 604,525 | 577,462 |
| Motor Vehicle Taxes In-Lieu, Unrestricted | 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 | 6,582,011 |
| Gain on Sale of Real Property | - | - | - | - | - | - | - | 267,927 | 196,343 | 127,842 |
| Investment Earnings | 2,988,030 | 373,212 | 502,436 | 6,608,333 | 7,541,296 | 449,898 | (6,200,352) | 1,887,705 | 8,806,561 | 10,055,319 |
| Miscellaneous | 1,156,862 | 352,324 | 692,654 | 641,871 | 783,295 | 492,380 | 458,050 | 417,729 | 397,503 | 559,201 |
| Transfers | 762,119 | (270,142) | (2,399,950) | (8,719,022) | (1,554,876) | (850,274) | (1,225,585) | (285,437) | 1,039,521 | 2,184,286 |
| Special Items: | | | | | | | | | | |
| Denial of Transfer of Assets to the City | (2,574,834) | - | (1,327,129) | - | - | - | - | - | - | - |
| Total General Revenues and Other Changes in Net Position | 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 | 54,499,478 |
| Total Governmental Activities Change in Net Position | \$ 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 | \$ 15,030,783 |

(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)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenses | | | | | | | | | | |
| Wastewater | \$ 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 | \$ 16,966,631 |
| Solid Waste | 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 | 18,507,916 |
| Water | 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 | 30,460,860 |
| City Rentals | 178,558 | 196,829 | 194,306 | 275,207 | 213,595 | 124,962 | 142,191 | 102,045 | - | - |
| Housing | 723,908 | 797,400 | 879,920 | 683,927 | 813,376 | 793,820 | 796,823 | 845,819 | 886,236 | 1,044,794 |
| Total Expenses | 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 | 66,980,201 |
| Program Revenues | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Wastewater | 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 | 17,120,796 |
| Solid Waste | 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 | 19,877,033 |
| Water | 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 | 32,209,343 |
| City Rentals | 486,477 | 497,573 | 579,656 | 605,941 | 562,648 | 130,105 | - | - | - | - |
| Housing | 265,269 | 285,418 | 305,623 | 317,385 | 330,951 | 327,577 | 385,496 | 345,324 | 361,206 | 394,048 |
| 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 | 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 | 4,214,927 |
| Total Program Revenues | 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 | 73,816,147 |
| Total Business-Type Activities Net Expense | 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 | 6,835,946 |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Gain on Sale of Real Property | - | - | - | - | - | - | - | - | - | 4,136 |
| Investment Earnings | 1,759,735 | 233,539 | 200,691 | 3,825,940 | 4,535,029 | 241,533 | (3,977,615) | 1,174,233 | 6,367,600 | 7,908,367 |
| Transfers | (762,119) | 270,142 | 2,399,950 | 8,719,022 | 1,554,876 | 850,274 | 1,225,585 | 285,437 | (1,039,521) | (2,184,286) |
| Total General Revenues and Other Changes in Net Position | 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 | 5,728,217 |
| Total Business-Type Activities Change in Net Position | 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 | 12,564,163 |
| Total Primary Government Change in Net Position | \$ 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 | \$ 27,594,946 |

City of Brentwood

FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 68,054 | \$ 83,944 | \$ 87,527 | \$ 88,247 | \$ 89,806 | \$ 76,064 | \$ 39,794 | \$ 263,722 | \$ 301,978 | \$ 319,424 |
| Restricted | 92,426 | 94,464 | 95,620 | 95,930 | 95,930 | 95,930 | - | - | 678,000 | - |
| Committed | 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 | 4,963,138 |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Unassigned | 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 | 24,129,382 |
| Total General Fund | \$ 22,546,910 | \$ 23,405,903 | \$ 28,569,458 | \$ 29,859,880 | \$ 30,589,746 | \$ 31,026,355 | \$ 31,537,464 | \$ 31,785,920 | \$ 29,411,579 | \$ 29,411,944 |
| Other Governmental Funds | | | | | | | | | | |
| Nonspendable | \$ 889 | \$ 80,914 | \$ 81,092 | \$ 80,904 | \$ 81,680 | \$ 81,469 | \$ 80,915 | \$ 88,584 | \$ 92,352 | \$ 82,862 |
| Restricted | 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 | 109,511,374 |
| Committed | 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 | 2,227,470 |
| Unassigned | (561,034) | (510) | (1,280,327) | (966,997) | (502,784) | (223,414) | (94,294) | (330,608) | (2,792,847) | (4,189,376) |
| Total Other Governmental Funds | \$ 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 | \$ 107,632,330 |
| Total Governmental Funds | \$ 122,592,471 | \$ 126,229,934 | \$ 125,916,418 | \$ 121,260,397 | \$ 122,811,229 | \$ 131,540,753 | \$ 133,906,707 | \$ 140,923,490 | \$ 135,381,657 | \$ 137,044,274 |

City of Brentwood

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

| | 2016 | 2017 ⁽¹⁾ | 2018 ⁽¹⁾ | 2019 ⁽¹⁾ | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------------------------------------------|----------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|
| REVENUES | | | | | | | | | | |
| Taxes | \$ 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 | \$ 41,901,412 |
| Licenses | 826,330 | 878,054 | 887,614 | 880,361 | 853,455 | 927,184 | 955,854 | 978,854 | 974,150 | 1,063,764 |
| Permits and Fines | 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 | 6,568,238 |
| Uses of Money and Property | 1,967,917 | 469,616 | 688,771 | 4,688,742 | 5,075,099 | 624,972 | (3,311,516) | 1,584,230 | 5,844,675 | 6,318,819 |
| Intergovernmental | 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 | 15,028,497 |
| Franchises | 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 | 1,711,396 |
| Charges for Other Services | 287,150 | 561,815 | 573,488 | 728,194 | 281,466 | 187,540 | 259,762 | 306,005 | 231,294 | 264,101 |
| Charges to Other Funds | 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 | 9,834,459 |
| Fees and Other Revenues | 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 | 23,149,670 |
| Total Revenues | 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 | 105,840,356 |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | 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 | 14,669,674 |
| Public Safety | 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 | 32,470,533 |
| Community Development | 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 | 7,053,926 |
| Engineering | 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 | 3,978,922 |
| Public Works | 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 | 4,431,701 |
| Parks and Recreation | 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 | 16,684,732 |
| Community Services | 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 | 9,846,986 |
| Capital Outlay | 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 | 8,248,795 |
| Debt Service: | | | | | | | | | | |
| Principal | 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 | 6,153,400 |
| Interest and Fiscal Charges | 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 | 1,624,240 |
| Total Expenditures | 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 | 105,162,909 |
| REVENUES OVER (UNDER) EXPENDITURES | 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) | 677,447 |
| 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 | 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 | 39,366,019 |
| Transfers Out | (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) | (38,380,849) |
| Total Other Financing Sources (Uses) | 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) | 985,170 |
| Net Change in Fund Balances | \$ 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) | \$ 1,662,617 |
| Debt Service as a Percentage of Noncapital Expenditures | 12.29% | 12.16% | 12.05% | 9.49% | 9.51% | 21.29% | 21.29% | 8.58% | 8.80% | 8.03% |

(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 |
|--------------------|-----------------------------|----------------------------|----------------------------|-----------------------|----------------------------------|-------------------------------------|------------------------------|
| 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% |
| 2025 | 12,582,725,293 | 1,090,448,687 | 122,725,386 | 855,803,012 | 312,727,648 | 14,338,974,730 | 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 |
| 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% | 0.0695% |
| 2025 | 1.00% | 0.0049% | 1.0049% | 0.0272% | 0.0463% | 0.0642% |

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 2025 | | | Fiscal Year 2016 | | |
|-------------------------------|------------------------|------|---------------------------------------|------------------------|------|---------------------------------------|
| | Taxable Assessed Value | Rank | Percent of City's Total Taxable Value | Taxable Assessed Value | Rank | Percent of City's Total Taxable Value |
| GTA Amber Lane LLC | \$ 88,830,644 | 1 | 0.65% | \$ - | | |
| Brentwood Property Owner, LLC | 88,382,559 | 2 | 0.63% | | | |
| Silvergate Brentwood LLC | 69,643,621 | 3 | 0.50% | | | |
| Merrill Gardens Brentwood LLC | 60,490,123 | 4 | 0.43% | | | |
| DS Lone Tree Plaza LLC | 58,419,089 | 5 | 0.42% | 38,195,107 | 4 | 0.48% |
| Sierra Landmark LLC | 54,060,000 | 6 | 0.39% | | | |
| KCM Brentwood LLC | 51,789,265 | 7 | 0.37% | | | |
| John Muir Mt Diablo Health | 45,352,115 | 8 | 0.32% | 38,548,336 | 3 | 0.49% |
| AFE Brentwood Park LLC | 27,359,984 | 9 | 0.20% | | | |
| Brentwood Arbor Ridge LP | 26,871,398 | 10 | 0.19% | 22,539,657 | 8 | 0.28% |
| G and I VII Brentwood LP | | | | 79,148,915 | 1 | 1.00% |
| Sand Creek Crossing LLC | | | | 46,735,700 | 2 | 0.59% |
| Tri Pointe Homes Inc | | | | 33,050,229 | 5 | 0.42% |
| Trilogy Vineyards, LLC | | | | 29,690,975 | 6 | 0.37% |
| Shea Homes LP | | | | 27,900,579 | 7 | 0.35% |
| CA Towncentre Owner LLC | | | | 20,107,983 | 9 | 0.25% |
| New Urban Comm Sciortino, LLC | | | | 19,775,100 | 10 | 0.25% |
| Total | \$ 571,198,798 | | 4.09% | \$ 355,692,581 | | 4.48% |

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 |
| 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% |
| 2025 | 20,875,449 | 20,875,449 | 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)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Apparel Stores | \$ 53,502 | \$ 57,143 | \$ 57,848 | \$ 60,142 | \$ 58,902 | \$ 41,813 | \$ 65,032 | \$ 69,850 | \$ 74,934 | \$ 76,147 |
| Food Stores | 50,251 | 50,026 | 51,721 | 53,567 | 55,623 | 62,983 | 61,863 | 64,742 | 67,012 | 66,606 |
| Eating and Drinking Establishments | 112,715 | 120,253 | 131,119 | 139,144 | 142,487 | 124,035 | 167,381 | 186,953 | 211,816 | 221,967 |
| Building Materials | 72,414 | 80,502 | 95,994 | 95,259 | 95,389 | 115,145 | 127,550 | 125,460 | 115,407 | 110,349 |
| Auto Dealers and Supplies | 68,267 | 76,852 | 86,794 | 98,184 | 98,979 | 97,078 | 107,185 | 104,161 | 103,494 | 104,457 |
| Service Stations | 94,021 | 90,449 | 105,328 | 124,856 | 121,639 | 89,535 | 119,788 | 156,214 | 144,495 | 144,338 |
| Other Retail Stores | 143,394 | 152,268 | 158,470 | 145,530 | 119,609 | 110,041 | 119,856 | 119,617 | 119,545 | 112,977 |
| All Other Outlets | 159,019 | 168,056 | 188,438 | 193,540 | 214,049 | 268,807 | 314,686 | 322,834 | 318,265 | 324,646 |
| Total | \$ 753,583 | \$ 795,549 | \$ 875,712 | \$ 910,222 | \$ 906,677 | \$ 909,437 | \$ 1,083,341 | \$ 1,149,831 | \$ 1,154,968 | \$ 1,161,487 |
| 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 |
|----------------|------------------------|---------------------------|----------------------|-------|
| 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% |
| 2025 | 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)

| 2024 | | 2015 | |
|------------------------------------------------------------------------|----------------------------|------------------------------------------------------------------------|------------------------------|
| Tax Remitter ⁽¹⁾ | Business Category | Tax Remitter ⁽¹⁾ | Business Category |
| 7 Eleven | Service Stations | Ace Hardware | Building Materials |
| Ace Hardware | Building Materials | Arco AM PM | Service Stations |
| America's Tire | Automotive Supply Stores | 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 |
| Bill Brandt Ford | New Motor Vehicle Dealers | Bill Brandt Ford | New Motor Vehicle Dealers |
| BJ's Restaurant & Brewhouse | Casual Dining | BJ's Restaurant & Brewhouse | Casual Dining |
| Brentwood Ready Mix | Contractors | Brentwood Ready Mix | Contractors |
| Chevron | Service Stations | Chevron | Service Stations |
| Chipotle | Quick-Service Restaurants | Circle K Gas | Service Stations |
| Home Depot | Building Materials | Dallas Shanks Chevron Services | Service Stations |
| 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 | Ross | Family Apparel |
| Rotten Robbie | Service Stations | Safeway | Grocery Stores |
| Safeway | Grocery Stores | TJ Maxx | Family Apparel |
| Sportsman's Warehouse Southwest | Sporting Goods/Bike Stores | Tower Mart | Service Stations |
| Sunset Arco AM PM | Service Stations | Ulta Beauty | Specialty Stores |
| TJ Maxx | Family Apparel | Verizon Wireless | Electronics/Appliance Stores |
| 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 = 46.03% | | Percent of Calendar Year Total Paid by Top 25 Accounts = 48.04% | |

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)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Type of Customer | | | | | | | | | | |
| Residential | \$ 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 | \$ 14,268,300 |
| Commercial | 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 | 3,514,111 |
| Industrial | 429,897 | 467,446 | 526,072 | 643,601 | 720,373 | 824,694 | 818,864 | 813,942 | 567,487 | 745,226 |
| Government | 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 | 1,916,450 |
| Total | \$ 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 | \$ 20,444,087 |

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)

| | 2016 | 2017 ⁽¹⁾ | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------------------------------|----------|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Monthly Base Rate | | | | | | | | | | |
| 5/8" or 3/4" meter | \$ 20.85 | \$ 21.61 | \$ 23.56 | \$ 24.03 | \$ 24.88 | \$ 25.76 | \$ 26.67 | \$ 27.61 | \$ 28.16 | \$ 30.00 |
| 1" meter | 31.27 | 29.83 | 32.52 | 34.00 | 35.19 | 36.43 | 37.71 | 39.03 | 41.24 | 43.93 |
| 1 1/2" meter | 62.55 | 50.39 | 54.93 | 58.90 | 60.97 | 63.11 | 65.32 | 67.61 | 73.91 | 78.72 |
| 2" meter | 104.25 | 75.07 | 81.83 | 88.79 | 91.90 | 95.12 | 98.45 | 101.90 | 113.13 | 120.49 |
| 3" meter | 187.65 | 153.21 | 167.00 | 183.44 | 189.87 | 196.52 | 203.40 | 210.52 | 237.31 | 252.74 |
| 4" meter | 271.05 | 268.36 | 292.65 | 322.91 | 292.65 | 293.65 | 294.65 | 295.65 | 420.31 | 447.64 |
| 6" meter | 562.96 | 543.89 | 592.85 | 656.65 | 679.64 | 703.43 | 728.06 | 753.55 | 858.20 | 913.99 |
| Consumption Charge (per 1,000 gallons = 1 unit) | | | | | | | | | | |
| Residential Tiers | | | | | | | | | | |
| Tier 1: Units 1-10 | \$ 3.27 | | | | | | | | | |
| Tier 1: Units 1-5 | | \$ 2.49 | \$ 2.72 | \$ 2.84 | \$ 2.94 | \$ 3.05 | \$ 3.16 | \$ 3.28 | \$ 3.18 | \$ 3.39 |
| Tier 2: Units 11-20 | 3.89 | | | | | | | | | |
| Tier 2: Units 6-14 | | 4.96 | 5.41 | 5.48 | 5.68 | 5.88 | 6.09 | 6.31 | 6.60 | 7.03 |
| Tier 3: Units 21-30 | 4.66 | | | | | | | | | |
| Tier 3: Units 15-20 | | 5.93 | 6.47 | 6.43 | 6.66 | 6.90 | 7.15 | 7.41 | 8.33 | 8.88 |
| Tier 4: Units 31+ | 5.43 | | | | | | | | | |
| Tier 4: Units 21+ | | 6.52 | 7.11 | 6.64 | 6.88 | 7.13 | 7.38 | 7.64 | 8.43 | 8.98 |
| Non Residential Tiers | | | | | | | | | | |
| Tier 1: Units 1-10 | \$ 3.27 | | | | | | | | | |
| Tier 1: Units 1-5 | | \$ 2.31 | \$ 2.52 | \$ 2.93 | \$ 3.04 | \$ 3.15 | \$ 3.27 | \$ 3.39 | \$ 3.20 | \$ 3.41 |
| Tier 2: Units 11+ | 3.89 | | | | | | | | | |
| Tier 2: Units 6+ | | 4.60 | 5.02 | 5.97 | 6.18 | 6.40 | 6.63 | 6.87 | 7.98 | 8.50 |
| Non Potable | | | | | | | | | | |
| Tier 1: Units 1+ | \$ 1.20 | \$ 1.31 | \$ 1.43 | \$ 1.43 | \$ 1.47 | \$ 1.51 | \$ 1.56 | \$ 1.60 | \$ 1.08 | \$ 1.19 |
| Hydrant Potable | | | | | | | | | | |
| Tier 1: Units 1+ | \$ 3.86 | \$ 6.04 | \$ 6.59 | \$ 8.72 | \$ 9.03 | \$ 9.35 | \$ 9.68 | \$ 10.02 | \$ 8.91 | \$ 9.49 |

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

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

City of Brentwood

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(Unaudited)

| Governmental Activities | | | | | | | | | | |
|-------------------------|------------------|-------------------------|-----------------------------|----------------------|-------------------------------|------------------------------------|---------------------|---------------|------------------------|---------|
| Fiscal Year | 2002 General | 2012 CIP | 2009 Civic Center | 2019 Civic Center | | | Capital Improvement | Notes Payable | Subscription Liability | |
| | Obligation Bonds | Revenue Refunding Bonds | Project Lease Revenue Bonds | 2015 Lease Financing | Project Lease Refunding Bonds | Revenue Refunding Bonds 2021 A & B | | | | |
| 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 | - | 6,063,014 | 14,450,491 | - | |
| 2023 | 4,521,341 | - | - | 7,835,000 | 29,804,198 | - | 2,599,414 | 11,381,161 | - | |
| 2024 | 4,472,464 | - | - | 7,820,000 | 29,739,197 | - | 2,504,276 | 11,366,927 | - | 885,208 |
| 2025 | 4,039,519 | - | - | 7,275,000 | 28,014,872 | - | 824,328 | 9,809,036 | - | 912,884 |

| Business-Type Activities | | | | | | | | | | |
|--------------------------|---------------|---------------|---------------|-----------------------------|----------------------------------------|---------------------------------|--------------------------|----------------------------------------------|---------------------------|--|
| Fiscal Year | 2008 Water | 2014 Water | 2024 Water | State Water | State Water | State Water | Total Primary Government | Percentage of Personal Income ⁽¹⁾ | Per Capita ⁽¹⁾ | |
| | Revenue Bonds | Revenue Bonds | Revenue Bonds | Resources Loan (Wastewater) | Resources Loan (WWTP Expansion Ph. II) | Resources Loan (Recycled Water) | | | | |
| 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 | - | - | 47,684,388 | 13,959,450 | 152,286,204 | 5.71% | 2,367 | |
| 2025 | - | - | 28,631,661 | - | 53,319,294 | 13,524,970 | 146,351,564 | 4.05% | 2,226 | |

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 |
|--------------------|--------------------------------------|----------------------------------------------------------|-----------------------|-------------------------------------------------------|-------------------|
| 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 |
| 2025 | 4,039,519 | 58,380 | 3,981,139 | 0.03% | 61 |

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, 2025

(Unaudited)

| | |
|-------------------------------------|-------------------|
| 2024/25 Assessed Valuation | \$ 14,338,974,730 |
| Redevelopment Incremental Valuation | 1,563,237,638 |
| Adjusted Assessed Valuation | \$ 12,775,737,092 |

| | Total Debt 6/30/25 | Percentage Applicable ⁽¹⁾ | City's Share of Debt 6/30/25 |
|-----------------------------------------------------------------------------|---------------------------------|-----------------------------------------|---------------------------------|
| DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT: | | | |
| Bay Area Rapid Transit | \$ 2,391,260,000 | 1.348% | \$ 32,234,185 |
| Contra Costa Community College District | 591,875,000 | 5.071% | 30,013,981 |
| Liberty Union High School District | 126,885,000 | 50.831% | 64,496,914 |
| Brentwood Union School District | 106,362,775 | 91.242% | 97,047,523 |
| Oakley Union School District | 34,550,000 | 0.001% | 346 |
| City of Brentwood | 4,039,519 ⁽²⁾ | 100.000% | 4,039,519 |
| City of Brentwood Community Facilities Districts | 14,122,105 | 100.000% | 14,122,105 |
| City of Brentwood 1915 Act Bonds | 75,605,391 | 100.000% | 75,605,391 |
| California Statewide Communities Development Authority Assessment Districts | 31,416,109 | 100.000% | 31,416,109 |
| East Bay Regional Park District | 145,930,000 | 2.103% | 3,068,908 |
| TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT | \$ 3,522,045,899 | | \$ 352,044,981 |
| DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT: | | | |
| Contra Costa County General Fund Obligations | \$ 150,845,000 | 5.055% | \$ 7,625,215 |
| Contra Costa Mosquito District General Fund Obligation | 8,050,000 | 5.055% | 406,928 |
| City of Brentwood General Fund Obligations | 31,801,131 | 100.000% | 31,801,131 |
| GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT | <u>\$ 190,696,131</u> | | <u>\$ 39,833,274</u> |
| Less: Contra Costa Obligations Supported From Revenue Funds | | | 1,750,791 |
| NET DIRECT AND OVERLAPPING GENERAL FUND DEBT | | | <u>\$ 38,082,483</u> |
| OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCY) | \$ 16,801,315 | 100.000% | \$ 16,801,315 |
| TOTAL DIRECT DEBT | | | \$ 49,962,755 |
| TOTAL GROSS OVERLAPPING DEBT | | | \$ 358,716,815 |
| TOTAL NET OVERLAPPING DEBT | | | \$ 356,966,024 |
| GROSS COMBINED TOTAL DEBT | | | \$ 408,679,570 ⁽³⁾ |
| NET COMBINED TOTAL DEBT | | | \$ 406,928,779 |
| <u>Ratios to Adjusted Assessed Valuation:</u> | | | |
| Total Direct Debt (\$49,962,755) | 0.39% | | |
| Gross Combined Total Debt | 3.20% | | |
| Net Combined Total Debt | 3.19% | | |

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 \$6,044,542 accreted value.

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

City of Brentwood

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt Limit | \$ 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 | \$ 537,711,552 |
| Total Net Debt Applicable to Limit | 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 | 3,981,139 |
| Legal Debt Margin | \$ 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 | \$ 533,730,413 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 2.10% | 1.91% | 1.72% | 1.55% | 1.41% | 1.28% | 1.16% | 0.92% | 0.85% | 0.74% |

Legal Debt Margin Calculation for Fiscal Year 2025

| | |
|-----------------------------------------------------|------------------------------|
| Assessed Value ⁽¹⁾ | \$ 14,338,974,730 |
| Debt Limit (3.75% of Assessed Value) ⁽²⁾ | 537,711,552 |
| Debt Applicable to Limit: | |
| General Obligation Bonds | <u>3,981,139</u> |
| Total Net Debt Applicable to Limit | <u>3,981,139</u> |
| Legal Debt Margin | <u><u>\$ 533,730,413</u></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 Refunding Bonds, Series 2014 and Water Revenue Refunding Bonds, Series 2024

| Fiscal Year | Adjusted Annual Water Revenues | Less: Operating Expenses | Adjusted Annual Net Water Revenues | Debt Service | | Coverage |
|--------------------------|--------------------------------|--------------------------|------------------------------------|--------------|--------------|----------|
| | | | | Principal | Interest | |
| 2016 ⁽¹⁾ | \$ 21,206,265 | \$ (13,999,154) | \$ 7,207,111 | \$ 1,320,000 | \$ 2,192,225 | 2.05 |
| 2017 ⁽¹⁾ | 20,999,938 | (15,531,834) | 5,468,104 | 1,385,000 | 2,126,225 | 1.56 |
| 2018 ⁽²⁾ | 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 ⁽³⁾ | 31,948,084 | (20,749,711) | 11,198,373 | 2,050,000 | 1,459,850 | 3.19 |
| 2025 ^{(3), (4)} | 35,418,723 | (24,268,814) | 11,149,909 | 2,270,000 | 951,115 | 3.46 |

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) 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.

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

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

(4) The Water Revenue Refunding Bonds, Series 2024 were issued in October 2024 to refund the outstanding Water Revenue Refunding Bonds Series 2014; therefore, FY 2024/25 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.

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 |
|----------------------|----------------------------------|------------------------------------------------------|-----------------------------------|----------------------------------|--------------------------|--------------------------|
| 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% |
| 2024 | 65,747 | 3,613,409 | 54,959 | 40.5 | 18,277 | 4.7% |

(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: 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 | 2025 | | | 2016 | | |
|---------------------------------------|---------------|------|----------------------------------|---------------|------|----------------------------------|
| | No. Employees | Rank | Percent of Total City Employment | No. Employees | Rank | Percent of Total City Employment |
| Brentwood Union School District | 1,020 | 1 | 5.55% | 800-1,000 | 1 | 7.22% |
| Liberty Union High School District | 793 | 2 | 4.31% | 800-1,000 | 1 | 7.22% |
| City of Brentwood | 515 | 3 | 2.80% | 250-500 | 3 | 3.01% |
| Costco Wholesale | 400 | 4 | 2.18% | | | |
| Safeway Stores (2 stores) | 365 | 5 | 1.99% | 250-500 | 3 | 3.01% |
| Precision Cabinets | 256 | 6 | 1.39% | 100-250 | 3 | 1.40% |
| Thorpe Design, Inc. (fire sprinklers) | 185 | 7 | 1.01% | | | |
| Winco Foods, Inc. | 168 | 8 | 0.91% | 100-250 | 6 | 1.40% |
| The Home Depot | 147 | 9 | 0.80% | 100-250 | 6 | 1.40% |
| Merril Gardens at Brentwood | 133 | 10 | 0.72% | | | |
| Rodda Electric | 130 | 11 | 0.71% | | | |
| Golden State Orthopedic and Spine | 95 | 12 | 0.52% | | | |
| Kohl's | 90 | 13 | 0.49% | 100-250 | 6 | 1.40% |
| BJ's Restaurant & Brewhouse | 92 | 14 | 0.50% | 100-250 | 6 | 1.40% |
| John Muir Health | 96 | 15 | 0.52% | 100-250 | 6 | 1.40% |
| Save Market Supermarket (Food Maxx) | 59 | 16 | 0.32% | | | |
| Bill Brandt Ford | 80 | 17 | 0.44% | | | |
| Town & Country's Roofing | 73 | 18 | 0.40% | 100-250 | 6 | 1.40% |
| Black Angus | 68 | 19 | 0.37% | | | |
| Raley's Supermarket | 64 | 20 | 0.35% | 100-250 | 6 | 1.40% |
| Red Robin Gourmet Burgers | 61 | 21 | 0.33% | | | |
| Brentwood Ace Hardware | 68 | 22 | 0.37% | | | |
| Sprouts Farmers Market | 69 | 23 | 0.38% | | | |
| Walgreen Co. | | | | 100-250 | 6 | 1.40% |
| Best Buy | | | | 100-250 | 6 | 1.40% |
| Ellison Framing Inc. | | | | 100-250 | 6 | 1.40% |
| Delta Valley Athletic Club | | | | 100-250 | 6 | 1.40% |
| Total Top 20 Employer Count | 4,462 | | | | | |
| 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 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government | 34 | 35 | 35 | 37 | 37 | 37 | 38 | 42 | 42 | 44 |
| Public Safety | 85 | 95 | 95 | 95 | 106 | 106 | 107 | 107 | 107 | 107 |
| Community Development | 19 | 19 | 22 | 23 | 23 | 23 | 25 | 26 | 26 | 27 |
| Engineering | 14 | 14 | 14 | 14 | 14 | 13 | 13 | 14 | 14 | 14 |
| Public Works | 23 | 23 | 26 | 26 | 26 | 27 | 27 | 27 | 27 | 26 |
| Parks and Recreation | 25 | 24 | 25 | 26 | 27 | 27 | 27 | 29 | 29 | 30 |
| Wastewater | 18 | 19 | 20 | 24 | 24 | 24 | 25 | 25 | 25 | 30 |
| Solid Waste | 27 | 26 | 27 | 28 | 29 | 29 | 29 | 30 | 30 | 32 |
| Water | 26 | 26 | 27 | 27 | 28 | 29 | 29 | 29 | 29 | 29 |
| Housing | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Total ⁽¹⁾ | 273 | 284 | 293 | 302 | 316 | 316 | 321 | 330 | 330 | 341 |

(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 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| General Government | | | | | | | | | | |
| Single-Family Dwelling Permits Issued | 519 | 541 | 411 | 352 | 274 | 241 | 326 | 76 | 57 | 51 |
| Accounts Payable Invoices Processed | 13,364 | 13,625 | 12,463 | 12,222 | 12,044 | 10,624 | 11,536 | 12,124 | 12,170 | 12,333 |
| Purchase Orders Issued | 269 | 279 | 264 | 244 | 354 | 360 | 409 | 436 | 406 | 524 |
| Checks Issued | 15,764 | 15,844 | 15,133 | 14,753 | 14,129 | 13,593 | 14,959 | 16,109 | 16,262 | 15,882 |
| Public Works | | | | | | | | | | |
| Debris Collected (tons) | 1,756 | 1,687 | 1,568 | 1,880 | 2,032 | 1,798 | 1,855 | 1,817 | 1,734 | 1,555 |
| Streetlights Maintenance Requests | 410 | 424 | 293 | 422 | 415 | 336 | 518 | 447 | 636 | 530 |
| Police | | | | | | | | | | |
| Physical Arrests (est.) | 1,648 | 1,626 | 1,629 | 1,596 | 1,226 | 1,023 | 1,062 | 1,169 | 1,480 | 1,531 |
| Calls for Service (est.) | 40,661 | 44,417 | 50,300 | 51,777 | 51,867 | 46,042 | 48,744 | 49,990 | 50,253 | 53,599 |
| Case Files Taken (est.) | 5,925 | 6,335 | 6,396 | 6,217 | 5,870 | 5,891 | 6,189 | 6,028 | 5,842 | 5,856 |
| Parks and Recreation | | | | | | | | | | |
| Total Programs Offered (est.) | 852 | 891 | 962 | 993 | 993 | 1,069 | 1,329 | 1,891 | 1,939 | 1,940 |
| Refuse Collection | | | | | | | | | | |
| Refuse Collected (tons per day) | 102 | 110 | 114 | 119 | 114 | 118 | 125 | 127 | 121 | 121 |
| Yard Waste (tons per day) | 35 | 38 | 37 | 40 | 42 | 41 | 39 | 40 | 43 | 37 |
| Recyclables Collected (tons per day) | 25 | 26 | 25 | 30 | 29 | 30 | 30 | 31 | 29 | 29 |
| Residential Services | 17,802 | 18,310 | 18,806 | 19,329 | 19,884 | 20,285 | 20,533 | 20,634 | 20,555 | 20,850 |
| Commercial Services | 487 | 499 | 508 | 497 | 507 | 516 | 532 | 524 | 518 | 525 |
| Water | | | | | | | | | | |
| New Connections | 475 | 527 | 470 | 353 | 304 | 321 | 223 | 182 | 131 | 90 |
| Average Daily Consumption (millions of gallons) | 7 | 8 | 9 | 9 | 10 | 11 | 10 | 9 | 9 | 11 |
| Peak Daily Consumption (millions of gallons) | 18 | 16 | 20 | 19 | 19 | 18 | 17 | 16 | 17 | 16 |
| Number of Utility Customers | 18,785 | 19,385 | 19,736 | 20,285 | 20,628 | 20,964 | 21,210 | 21,607 | 21,543 | 21,906 |
| Wastewater | | | | | | | | | | |
| New Connections | 480 | 529 | 471 | 356 | 307 | 323 | 222 | 185 | 131 | 90 |
| Average Daily Sewage Treatment (millions of gallons) | 3 | 4 | 4 | 3 | 4 | 4 | 4 | 4 | 4 | 4 |

Source: Various City Departments

City of Brentwood

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(Unaudited)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|----------------------|-------|
| Parks and Recreation | | | | | | | | | | |
| Developed Park Acreage | 231 | 234 | 253 | 237 | 240 | 240 | 243 | 245 | 245 | 247 |
| Play Areas | 52 | 56 | 61 | 61 | 65 | 67 | 68 | 70 | 70 | 70 |
| Multi-Use Trails (miles) | 18 | 19 | 19 | 19 | 19 | 19 | 19 | 20 | 20 | 19 |
| Multi-Use Ball and Soccer Fields | 19 | 19 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Picnic Tables | 311 | 331 | 351 | 353 | 364 | 374 | 378 | 379 | 380 | 380 |
| Refuse Collection | | | | | | | | | | |
| Collection Trucks | 16 | 17 | 17 | 18 | 19 | 19 | 19 | 21 | 22 | 23 |
| Water | | | | | | | | | | |
| Water Mains (miles) | 287 | 302 | 324 | 345 | 347 | 348 | 352 | 354 | 356 | 358 |
| Fire Hydrants | 2,719 | 2,841 | 2,901 | 2,990 | 3,013 | 3,019 | 3,053 | 3,064 | 3,091 | 3,116 |
| Number of Wells | 7 | 7 | 7 | 7 | 7 | 6 | 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) | 226 | 235 | 237 | 242 | 243 | 244 | 247 | 249 | 250 | 251 |
| Lift Stations | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Other Public Works | | | | | | | | | | |
| Streets (miles) | 192 | 192 | 192 | 192 | 192 | 192 | 192 | 192 | 192 | 226 |
| Street Lights | 6,691 | 6,693 | 7,403 | 7,592 | 7,645 | 7,740 | 7,740 | 7,741 | 7,411 ⁽¹⁾ | 7,463 |

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 2024: | 65,747 |

| Municipal Water System | |
|-------------------------------------------------|--------|
| Number of Wells | 6 |
| Number of Reservoirs | 6 |
| Storage Capacity (millions of gallons) | 19 |
| Average Daily Consumption (millions of gallons) | 10.71 |
| Peak Daily Consumption (millions of gallons) | 16.33 |
| Number of Connections | 21,188 |

| Municipal Solid Waste | |
|--------------------------------|--------|
| Number of Residential Services | 20,850 |
| Number of Commercial Services | 525 |

| Year-End | Number of Full-time Equivalent Positions |
|-----------------|-------------------------------------------------|
| 2025 | 341 |
| 2024 | 330 |
| 2023 | 330 |
| 2022 | 321 |
| 2021 | 316 |
| 2020 | 316 |
| 2019 | 302 |
| 2018 | 293 |
| 2017 | 284 |
| 2016 | 273 |

| Parks and Recreation | |
|--------------------------------|------------|
| Developed Park Area (in acres) | 247.32 |
| Aquatic Complex | 7.5 acres |
| Skate Park | 0.5 acres |
| Play Areas | 70 |
| Sunset Park Athletic Complex | 38 acres |
| Veterans Park | 10.5 acres |

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

| 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 (miles) | 19 |
| Pickleball Courts | 4 |
| Picnic Tables | 380 |
| Restrooms (Permanent) | 9 |
| Tennis Courts | 2 |
| Volleyball Courts | 3 |

| Miles of Streets | |
|----------------------------------------|-------|
| Miles of Streets | 226 |
| Miles of Sanitary Sewers | 251 |
| Miles of Water Mains | 358 |
| Number of Street Lights ⁽¹⁾ | 7,463 |

| Police Protection | |
|-------------------------------------|----|
| Sworn Officers (budgeted positions) | 72 |
| Vehicles | 43 |
| Motorcycles | 5 |

| Municipal Wastewater System | |
|------------------------------------------|--------|
| Sanitary Lift Stations | 3 |
| Number of Connections | 21,686 |
| Average Daily Flow (millions of gallons) | 4.33 |

| Fire Protection | |
|--------------------------------------------------------------|-----|
| Contra Costa County Fire Protection District (CCCFPD) | |
| CCCFPD Stations Open in Brentwood | 1 |
| CCCFPD Firefighters Assigned to Brentwood | 21 |
| CCCFPD Stations | 37 |
| CCCFPD 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, 2025, and have issued our report thereon dated November 21, 2025.

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 financial statements. 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, 2025, which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

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

Mane & Associates

Pleasant Hill, California
November 21, 2025



CITY HALL

CITY OF BRENTWOOD
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