



CITY OF
BRENTWOOD
TENNESSEE



Annual Comprehensive
Financial Report
For Fiscal Year Ended
June 30, 2023

CITY OF BRENTWOOD, TENNESSEE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

PREPARED BY:

DEPARTMENT OF FINANCE

CITY OF BRENTWOOD, TENNESSEE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

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INTRODUCTORY SECTION

Mark Gorman
MAYOR

Ken Travis
VICE MAYOR

Kirk Bednar
CITY MANAGER



BRENTWOOD TENNESSEE

COMMISSIONERS

Nelson Andrews

Anne Dunn

Rhea Little

Susannah Macmillan

Allison Spears

December 29, 2023

The Honorable Mayor, City Commissioners and Citizens of the City of Brentwood, Tennessee:

The Annual Comprehensive Financial Report of the City of Brentwood, Tennessee (the "City" or "City of Brentwood") for the fiscal year ending June 30, 2023, is hereby submitted as required by state statutes. These statutes require that all general-purpose local governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Brentwood for the fiscal year ended June 30, 2023.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by KraftCPAs PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Brentwood for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Brentwood's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Brentwood's MD&A is immediately following the report of the independent auditors.

Profile of the Government

The City of Brentwood is in Middle Tennessee in the northern part of Williamson County, adjacent to the southern border of Metropolitan Nashville-Davidson County. Since the mid-1990's, Middle Tennessee and specifically Williamson County has been one of the top growth areas of the state, and the country. The City of Brentwood currently occupies a land area of 42+ square miles and has a resident population according to the 2020 decennial census of 45,373. The City of Brentwood is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation into the officially designated urban growth area, subject to property owner request or a successful referendum.

The City was incorporated on May 13, 1969, pursuant to the uniform City Manager-Commission Charter, Title 6, Chapter 18, *Tennessee Code Annotated* as supplemented and amended. The governing body of the City is the Board of Commissioners which consists of seven (7) members who serve four-year terms of office. Non-partisan elections for Commissioners are held on a staggered basis in early May every other odd year on the calendar. Commissioners are elected at-large, rather than by district. Following each regular biennial City election, the Commission elects two of its members to serve for a two-year period as Mayor and Vice Mayor, respectively. The Mayor is the presiding officer of the Commission. The Commission is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing a City Manager, who is chief executive officer of the City. The City Manager is responsible for carrying out the policies and ordinances of the commission, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The City provides a wide range of services characteristic of similar jurisdictions in the State, including public safety (police, fire and rescue, and emergency communications), street maintenance, parks, library, public improvements, planning, codes enforcement and general administrative services. The City also provides water distribution and sewer collection services through the Water and Sewer Fund, a business-type activities fund that has been included as an integral part of the City of Brentwood's financial statements. Electric power is provided by the Nashville Electric Service (NES) and the Middle Tennessee Electric Cooperative. Piedmont Gas Company and Atmos Energy Corporation provide natural gas service in the City.

The annual budget serves as the foundation for the City of Brentwood's financial planning and control. The budget preparation process begins in December when City departments begin preparation of six-year Capital Improvements Program requests. During January, the staff initiates the review and evaluation of each request considering available revenues and in accordance with the City's overall goals and objectives. In early March, the City Manager's Office compiles a draft six-year Capital Improvements Plan. After initial review of the draft capital program budget with the City Commission in late March, the program is finalized and submitted to the City Commission for formal consideration beginning in May. The program, as may be modified by the City Commission during the formal review, is adopted by resolution in June.

In early January, City departments begin assessing resource needs for the coming year relative to capital equipment, including fleet maintenance requirements; technology; and, proposed new or expanded work programs. By late January, a work session is held with the City Commission to review initial revenue projections and receive initial policy guidance on appropriate service levels and personnel policies. Budget requests and supporting documentation are then prepared by individual departments and submitted in early February for the Finance Department and the City Manager's review.

During February, the Finance Department staff reviews initial budget submissions and prepares information for the departmental budget review sessions with the City Manager. Generally, the first half of February is set aside for the City Manager's budget review sessions with department heads. Departmental objectives, measures of performance and operating budgets are refined for consolidation in the Proposed Budget document during the month of April. Expenditure and revenue projections for the current fiscal year and estimates for the proposed fiscal year and thereafter are updated with the latest available data. Final adjustments are then made to routine operating expenditures and new and expanded programs for inclusion in the Proposed Budget.

The City Manager's proposed operating budget for the upcoming fiscal year is presented to the City Commission by early May for initial review. A budget work session is held with the City Commission by mid-May to review the budget and proposed nonroutine work plan. This session provides the opportunity for the City Commission to ask questions about the Proposed budget and to request additional information or modifications as needed.

After the budget work session, three public hearings are held on the Proposed Budget prior to final reading of the Appropriations and Tax Levy Ordinances. The hearings provide formal citizen input to the City Commission on decisions and issues related to the Budget. The first reading of the Appropriations and Tax Levy Ordinances is typically held at the second regular Board meeting in May. The ordinances are subject to formal consideration and amendments as deemed necessary and adoption on first reading. With the late-June approval on second and final readings of the Ordinances, the Commission officially adopts the Budget for the new fiscal year beginning July 1 and sets the tax rate for the upcoming year.

Amendments may be made to the original appropriations ordinance at any time during a current fiscal year. Except for emergency expenditures, however, increased appropriations may be made only after the City Manager has certified in writing that sufficient unappropriated revenue will be available to cover the additional expenditures.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison begins on page 25. The nonmajor governmental funds and debt service fund comparisons begin on pages 109 - 116 and 117, respectively.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Brentwood operates.

Local economy. The City's FY 2023 financial results reflect a mixture of factors including high national inflation rates and the resulting rise in interest rates that eased the real estate frenzy in Middle Tennessee and a very challenging post-COVID labor market that required the first of two phases of significant employee pay and benefit adjustments. Despite these challenges, the overall local economy continues to reflect steady growth as evidenced by the 7% FY 2023 revenue growth presented in this report. Local option sales tax collections grew 3.2% compared to FY 2022 results. This growth rate reflects normalized results compared to FY's 2021 and 2022 high annual growth rates which reflected the City realizing the benefits of the ½ cent local sales tax increase approved by voters in 2018. It should be noted that detailed local sales tax collection data from the State of Tennessee shows that the City continues to benefit significantly from the situs-based collection and distribution of local sales taxes for online retail purchases and out of state corporate services agreements.

The City also saw strong revenue growth in local taxes and fees including lodging taxes, business taxes, building permits, and liquor taxes. Investment returns on the City's idle funds also saw significant increases due to rising interest rates. The June 2023 statistics indicate a 2.9 percent unemployment rate for Brentwood, up from 2.7 percent a year ago. This compares to the Williamson County rate of 2.8 percent, and the statewide rate of 3.2 percent.

The City's official population has steadily increased from 4,099 in 1970; to 9,433 in 1980, to 16,392 in 1990, to 23,445 in 2000, to 37,060 in 2010, and to 45,373 as a result of the 2020 Federal decennial census. The census figures reflect a strong but manageable rate of growth (roughly 4.9% annually) from 1970 to 2020. On average, about 1,096 new residents moved into the City and 260 new homes were constructed annually for the past 20 years.

The strength of the Brentwood economy is reflected in the growth in the tax base. The total valuation for new building related permits issued during the 2022 - 2023 fiscal year was \$ 345,525,358 with 742 permits being issued. In fiscal year 2023, Brentwood had a total assessed value of taxable property of \$4,481,246,606, which ranks among the highest of any city in the State of Tennessee regardless of size and population.

The Brentwood area has one of the largest concentrations of suburban office space in the Nashville Metropolitan area with 6.5 million square feet of rentable office space. Over 20,000 people are employed in the office complexes in Brentwood. The latest market survey as of September 30, 2023, revealed an overall vacancy rate for office space of 12.5% in the Brentwood area submarket, compared to 18.4% for the Nashville office market overall and 21.2% for the Cool Springs/Franklin submarket. Note that this Brentwood vacancy rate includes office buildings in the portion of Nashville/Davidson County that is included in the Brentwood office market study area. In May 2023, the YMCA of Middle Tennessee closed its Maryland Farms facility which sits on approximately 17 acres in the middle of the Maryland Farms office park. Under YMCA ownership,

the property was tax exempt. Highwoods purchased the property and a master plan for redevelopment of the property consisting of three, four-story office buildings and approximately 43,000 square feet of retail and restaurant space was approved by the Brentwood Planning Commission in January 2023. The timing for the first phase of construction is dependent on leasing and market conditions. Recent conversations with Highwoods Nashville leadership team confirm that the company is still fully committed to redevelopment of the site.

Many companies locate their national/regional headquarters or offices in Brentwood. The diversity of employment opportunities in the community is significant with the City not dependent on a single, large employer. As employers, they represent diverse economic sectors that include health, retail, telecommunications, and financial services. Tractor Supply (retail), Comdata (financial services), CoreCivic (corrections), AT&T (communications), Brookdale Senior Living (senior residential management), GEODIS (logistics), naviHealth (healthcare), Quorum Health (hospital management), Lattimore, Black, Morgan & Cain, P.C. (financial services), Kirkland's (retail), VACO (employment services), Currax (pharmaceuticals), and Cryoport Systems (cold chain logistics) are examples of companies who have chosen to locate their national or regional offices in Brentwood.

The Cool Springs Galleria is located adjacent to the City's southern limits with Brentwood's city limits surrounding the mall on three sides. Since its opening in 1991, the mall has facilitated significant retail development in the Cool Springs area and is now the largest concentration of retail development in the State of Tennessee. This includes significant retail development inside the adjacent Brentwood area including Costco, Home Depot, and Best Buy, resulting in subsequent growth in local sales tax collections. Additional retail development has also occurred in the northern commercial area of the City to serve the office and resident population. The growth in local sales tax collections in the past ten years has allowed the City to maintain a balanced revenue/tax structure and not be heavily dependent on the property tax to fund municipal services. It has also allowed the City to maintain the same effective property tax rate for the past thirty-two (32) years through FY 2023.

The Brentwood/Williamson County community is firmly committed to providing a quality public education system second to none in the United States. Local students are routinely admitted to the highest ranked colleges and universities across the nation. Both Brentwood and Ravenwood High Schools are consistently ranked among the top schools in Tennessee and the nation. Williamson County provides first class facilities and strives to meet the growth in student enrollment by constructing new schools and expanding existing schools, as needed. In August 2018, the school district opened the new Jordan Elementary school in southeast Brentwood. A companion middle school on the same site has been approved and should start construction in the next two years. The first phase of a multi-year rebuild of Brentwood Middle School is nearing completion, and an expansion at Ravenwood High School to increase capacity by 550 students was completed in early 2023.

Long-term financial planning. The Six-Year Capital Improvements Program ("CIP") is an essential component of the City's budget process and allows for broader understanding and deliberation on the essential long-term capital needs of a growing city. The program is annually reviewed, updated, and adopted by the City Commission.

Funding for the CIP program is generally balanced among local sources (pay-as-you-go), inter-governmental funding and the issuance of General Obligation and Water/Sewer Revenue Bonds. Highlights of the adopted FY 2024-29 CIP include:

- Development of a new 52-acre park
- Consideration of development of an indoor racquet facility for tennis and pickleball
- A cooperative effort with the City of Franklin to extend McEwen Drive from its current terminus at Wilson Pike through the Taramore Subdivision in Brentwood
- Road widening improvements to Ragsdale Road and Split Log Road in southeast Brentwood and Old Smyrna Road in northern Brentwood
- Improvements to existing stormwater infrastructure within older subdivisions
- Continued rehabilitation of the Brentwood sewer system and construction of a second sewer system equalization basin to address wet weather inflow and infiltration issues
- Water system capacity improvements, including transmission line upgrades as well as necessary infrastructure replacement projects

Major Challenges - significant challenges, issues and changes that the City will face in the near future include the following:

- ***Office Market Impacts.*** Post-COVID corporate office utilization trends due to a continuation of work from home policies create the potential for vacancy rate uncertainties within the Maryland Farms office park. However, actual office vacancy rates are lower than the region as a whole and redevelopment plans are moving forward for a couple of significant properties including Highwoods' plans for the 17-acre former YMCA property. Also, the changing dynamics in the work force will challenge the City in terms of maintaining adequate employment levels in a community where very few city employees can afford to live in the community.
- ***Local Revenue Growth Trends.*** As noted above, the City's revenue growth remains strong. General Fund revenues exceeded amended budget estimates by \$3,164,374 while expenditures were under the revised appropriation by \$1,906,462, excluding SBITA expenditures. Even after considering special year-end appropriations transfers from the General Fund to the Capital Projects Fund (\$11,375,000) for advance funding for various capital improvements in fiscal year 2024 and beyond, other component funds (\$1,805,000) for future facility maintenance and equipment purchases, and the Municipal Center enterprise fund (\$2,023,230) for extraordinary maintenance and planned renovations, the fund balance increased by \$6,895,828 from the previous fiscal year (from \$61,925,223 to \$68,821,051). As noted earlier, the ability to complete these significant year-end transfers for future investments in projects and equipment with little impact on the City's General Fund balance was possible due to continued conservative revenue estimates and a surging local economy and associated retail sales.

Looking ahead to fiscal year 2023 - 2024 and beyond, we anticipate continued moderate revenue growth from key revenue sources such as property taxes, local sales taxes, lodging taxes and business taxes. With inflation easing and the prospects of interest rate cuts in 2024 more likely, the likelihood of a deep recession appears to be lessening. The closure of the tax-exempt Maryland Farms YMCA and the planned redevelopment of that 17-acre tract in the middle of the Maryland Farms office park presents positive financial opportunities in the coming years. From a short-term perspective, the staff is confident that the upcoming fiscal year 2024 - 2025 General Fund budget will be balanced without a property tax increase and done in a way that does not reduce essential services or affect the quality of life in Brentwood, assuming no significant continuing economic impacts from the pandemic, no radical revenue adjustments imposed by the state legislature during the 2024 legislative session, or no major new operating program initiatives instituted at the direction of the Board of Commissioners.

- ***Local Housing Market.*** Brentwood continues to be one of the most desirable communities in which to live in the Nashville/Middle Tennessee area. Continued interest rate increase over the past year did slow the overall housing market in the Middle Tennessee area. New home starts in fiscal year 2023 totaled 77 compared to 125 in fiscal year 2022. While the number of new home starts decreased, prices did not. Today, new home prices in Brentwood well exceed \$1,000,000, with many new homes in the \$2-\$5+ million range. The resale of existing homes also slowed during the past year due to interest rate pressure.
- ***Demands on Infrastructure.*** As Brentwood moves closer to build out of available land within the city limits, attention must be given to ensuring that our infrastructure is sufficient to serve the community at build out. Pre-COVID, traffic was the primary infrastructure concern for most residents. While traffic volumes have increased, overall peak traffic congestion remains below where it was pre-COVID, and the long-delayed widening of the southern section of Franklin Road by TDOT was finally completed in fall of 2022. Transportation improvements in the coming years will be focused on capacity and safety improvements in areas of town experiencing the most growth and those areas included in recent annexation efforts. Besides transportation, policies related to the long-term capacity of the water and sewer utility infrastructure are the other challenges facing the City in the next few years. An updated water and sewer rate study resulted in approved annual increases of 2.5% for both water and sewer over a four-year period beginning in FY 2023. These scheduled rate increases are intended to ensure the self-supporting utility system meets its adopted financial policies and maintains sufficient cash flow for both annual operating costs and long-term capital financing for system expansion and maintenance. The Board's decision to expedite development of a second sewer equalization tank as part of the Water Services Department's capital plan will necessitate another sewer rate update during the current FY 2024.
- ***Competitive Employee Pay and Benefit Programs.*** The strength of the Middle Tennessee economy provides benefits from a revenue perspective, but also creates pressures on the City's ability to maintain a competitive employee compensation and benefits program. Escalating wage rates in both the surrounding public and private sector job markets along with the advent of rising inflation rates necessitates that the City continually assess its classification and compensation plan. In addition, the increasing workforce presence of the

millennial generation presents unique challenges due to new and different employee expectations of the workplace, leave policies, benefit programs, etc. The City made significant pay and benefits adjustments during FY 2023, including implementation of a transportation supplement for all employees. Additional significant adjustments to the City's compensation plan were included in the FY 2024 adopted budget.

Relevant financial policies. The City's fund balance policy states that the City maintain a minimum unassigned general fund reserve in excess of forty percent (40%) of annual operating expenses. Such fund balance shall serve cash flow needs, protect against unforeseen emergencies, and enhance the credit worthiness of the City. The City exceeded this fiscal policy objective by ending FY 2023 with an unassigned fund balance for the general fund of \$55,534,806, or 86.7% of FY 2023 general fund expenditures, SBITAs, recurring transfers, and includes significant year-end transfers to the Capital Projects Fund. Excluding the significant year-end, discretionary transfers to various funds, the FY 2023 year-end unassigned fund balance was 114.8% of FY 2023 general fund expenditures and recurring budgeted transfers.

In addition, the City strives to maintain an unallocated fund balance in the Debt Service Fund equal to one (1) year's General Obligation debt service requirement. The City exceeded this goal by ending FY 2023 with Debt Service Fund balance of \$3,734,611 or 131.4% of the FY 2024 budgeted debt service payments of \$2,841,720. The long-range cash flow model for the Debt Service Fund reflects fund balance levels remaining at or above the one-year goal.

Finally, several years ago the City staff developed a five-year financial model for the General Fund. This model forecasts General Fund revenues and expenditures for the next five years based on both historical trends and known issues that would materially affect the City's finances. The primary purpose of the model is to conservatively project available annual budget surpluses that can be programmed for use in the six-year capital improvements program.

Major Initiatives for the Year - The significant projects, events, and accomplishments during the City's 2022 - 2023 fiscal year included the following:

- *Credit Quality* - The City of Brentwood's financial position remains exceptionally strong with an Aaa bond rating from Moody's Investors Services and a AAA rating from Standard and Poor's. Note that the ratings from both agencies were reaffirmed in January 2023. The City has maintained the highest possible bond rating since January 2000.
- *Capital Improvements Funded* - The City Commission responsibly addressed the infrastructure demands of the community through formulation, update, adoption, and implementation of the City's six-year capital improvements program for FY 2023 - 2028, including a realistic financing and debt management plan. During FY 2023, the City completed construction of a fifth fire station and a sewer equalization tank.
- *Stable Property Tax Rate* - The City of Brentwood property tax rate approved in June 2023 for the new fiscal year beginning July 1, 2023 - June 30, 2024, remains the same at \$.29 per \$100 of assessed value, which represents the same effective tax rate for the 33rd year in a row. Brentwood continues to have one of the lowest tax rates in the State of Tennessee for

any full-service municipality, with the City property tax bill for the average home valued at \$1,000,000 being \$725.00 annually. Note that the City is a party to one active property tax abatement agreement for the Tractor Supply corporate headquarters facility. The abatement agreement limits the amount of the abated city property tax amount to \$37,500 annually or \$375,000 in aggregate over a ten-year period. The agreement will expire in 2024.

- *Proactive Focus* - The City Commission continued to focus staff efforts on identifying and addressing the long-term needs of the City through formal adoption of a non-routine work plan setting goals and objectives for all City departments for the 2023 - 2024 fiscal year. In addition, the Brentwood 2030 Plan, the City's long-term comprehensive plan, helps guide policy making and resource allocation decisions.
- *Productivity Improvement* - Brentwood is strongly committed to improving the productivity and responsiveness of City departments through the effective use of new technology and equipment in daily operations. This on-going focus has kept the overall growth in City staffing levels low while enabling the City to be responsive to expanding service demands (police, fire, parks, public works, library, inspections, etc.). The result is that the number of full-time employees per 1,000 residents for the adopted fiscal year 2023-2024 budget was 6.8 versus 8.5 in fiscal year 1990-1991 or 20% less.
- *New Commercial Development Activity* - Commercial development and redevelopment was limited during FY 2023. Plans were approved for demolition of one of the first office buildings developed in the Maryland Farms area back in the 1970's with construction of a new hotel on the site now underway. Smaller scale commercial redevelopment of property is beginning to occur in the southern Franklin Road corridor coinciding with road widening improvements in this area. Finally, a master plan for redevelopment of the 17-acre Maryland Farms YMCA property has been approved with new construction dependent on office market demand.

Awards and Acknowledgements

Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brentwood for its annual comprehensive financial report for the year ended June 30, 2022. This was the thirty-seventh (37th) consecutive year (fiscal years ended 1986 - 2022) that the government has achieved this award. The Certificate of Achievement is a prestigious national award that recognizes our conformance with the highest standards for preparation of a state and local government financial report.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current ACFR continues to meet the Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Distinguished Budget Presentation Award. The City has been recognized by the Government Finance Officers Association of the United States and Canada (GFOA) with the Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2022. This represents the thirty-first (31st) consecutive year the City has met or exceeded the program's requirements. This award represents the highest recognition possible in governmental budgeting.

The award program critiques the budget document on its proficiency as a policy document, a financial plan, an operations guide and as a communications device. The award is valid for a period of one year. Management will continue to improve the City's budget based on comments and suggestions from the review and will conform to program requirements and changes.

Acknowledgments. The efforts of the members of the Finance Department office staff and the cooperation of each of the City's departments were essential in the preparation of this report. Specific appreciation is expressed to Finance Director Karen Harper and Assistant Finance Director/City Treasurer Julie Wilson on their preparation and thoroughness throughout the audit process.

Also, the City acknowledges the staff of KraftCPAs PLLC for its valuable guidance and assistance. Credit also must be given to the Mayor and the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Brentwood's finances.



Kirk Bednar
City Manager



Karen Harper
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Brentwood
Tennessee**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

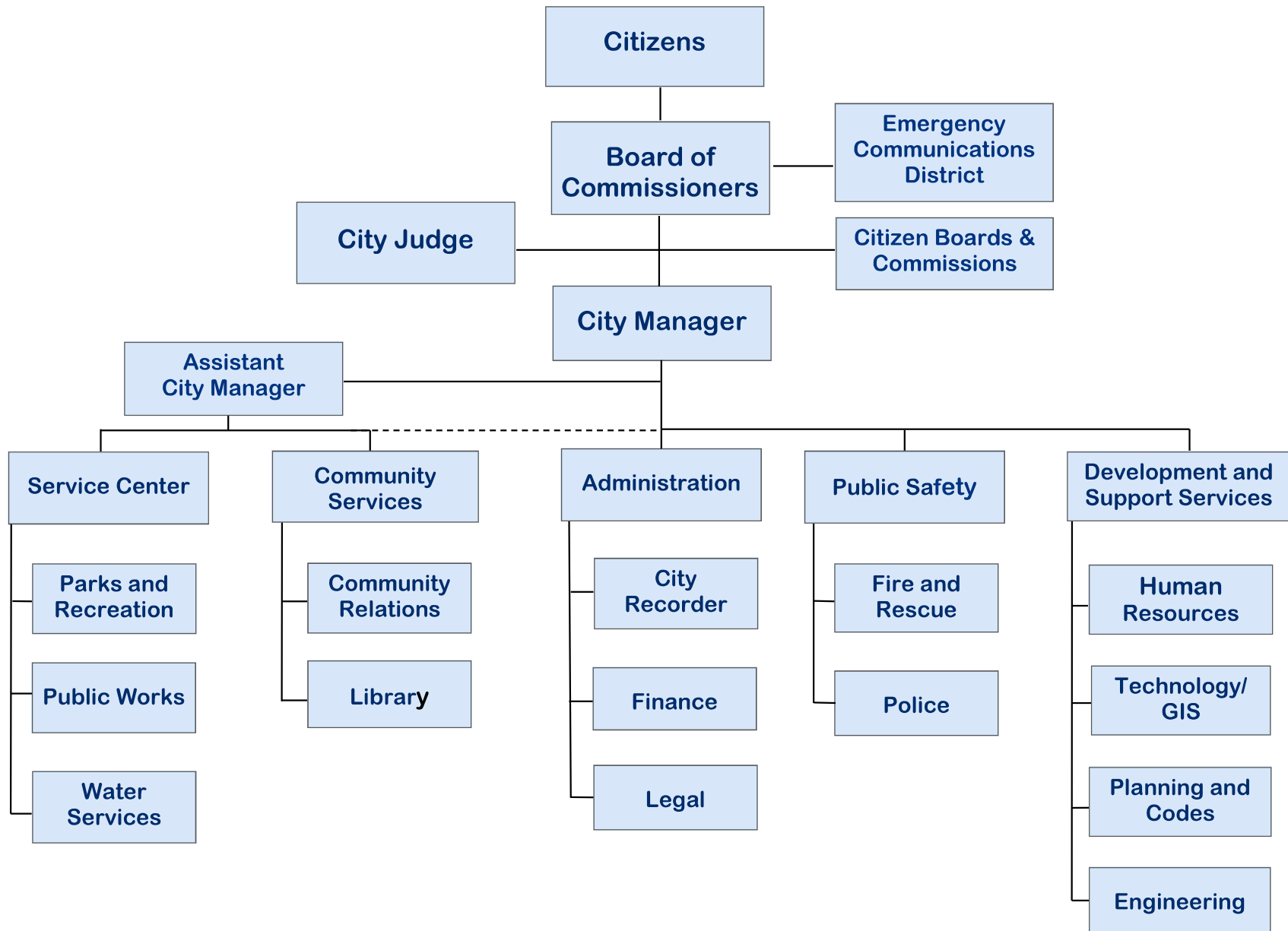
June 30, 2022

Christopher P. Morill

Executive Director/CEO

City of Brentwood

Organization Chart



CITY OF BRENTWOOD
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2023

Elected:

Mayor	Mark Gorman
Vice Mayor	Ken Travis
Commissioner	Nelson Andrews
Commissioner	Anne Dunn
Commissioner	Rhea Little III
Commissioner	Susannah Macmillan
Commissioner	Allison Spears

Appointed:

City Manager	Kirk Bednar
Assistant City Manager	Jay Evans
City Attorney	Kristen Corn
City Recorder	Holly Earls
Finance Director	Karen Harper
Assistant Finance Director/City Treasurer	Julie Wilson
Human Resource Director	April Curlin
Police Chief	Richard Hickey
Fire Chief	Brian Goss
Planning and Codes Director	Bob Leeman
Public Works Director	Todd Hoppenstedt
Engineering Director	Darek Baskin
Water and Sewer Director	Chris Milton
Library Director	Susan Earl
Community Relations Director	Charles Booth
Parks and Recreation Director	David Bunt
Technology Director	Sarah VanWormer
City Judge	Laurie Jewett

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Commissioners
City of Brentwood, Tennessee

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

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, Tennessee (the "City"), as of and for the year ended June 30, 2023, 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 accompanying 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, 2023 and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the general fund 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 (GAAS) 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 requirements 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 the 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 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-18 and the schedules of changes in net pension and OPEB liability (asset) and related ratios and employer contributions and investment returns on pages 98-108 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 combining and individual fund financial statements and schedules on pages 109-121, other schedules on pages 122-125 and 150 (including the schedule of expenditures of federal awards and state financial assistance as required by Title 2 *US Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, on page 150) are presented for purposes of additional analysis and are 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 combining and individual fund financial statements and schedules on pages 109-121 and other schedules on pages 122-125 and 150 are 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, other schedules on pages 153-155, and statistical section, 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 December 29, 2023 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 City's internal control over financial reporting and compliance.



Nashville, Tennessee
December 29, 2023

CITY OF BRENTWOOD, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

As management of the City of Brentwood, Tennessee (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. The analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. Please consider the information presented here in conjunction with our Letter of Transmittal (page i) and the City's financial statements (beginning on page 19).

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$519,935,874 (net position). Of this amount, \$119,434,125 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$18,071,168 compared to prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$110,499,248, an increase of \$18,683,773 in comparison with the prior year. Approximately 50.3% of this total amount, \$55,534,806 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$55,534,806, or 86.7% of fiscal year 2023 final general fund expenditures including transfers. This demonstrates the City's fiscal discipline and places the City in a strong financial position to meet unexpected emergencies, uncertainties at the State level or a slowdown in the economy.
- The City's total long-term debt principal increased by \$4,325,000 during the current fiscal year. This increase was due to the net effect of the issuance of GO Public Improvement Bond Series 2023 in the amount of \$7,770,00 and scheduled debt service principal payments.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction of the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the City's assets, deferred outflows, liabilities and deferred inflows, with the difference between assets plus deferred outflows and liabilities plus deferred inflows reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, roads and streets, public health, parks and recreation, public library, community support, drug education, facilities maintenance projects, and interest on long-term debt. The business-type activities of the City include the Water and Sewer Fund, Municipal Center Fund, and Emergency Communications District.

The government-wide financial statements can be found on pages 19-20 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into four categories: governmental funds, proprietary funds, internal service funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City reports seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and the capital projects fund, all of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 21-24 of this report.

Budget to Actual Comparisons - General Fund

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. Budget to actual comparisons for the General Fund can be found on pages 25-33 of this report.

Proprietary Funds

There are two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for activities in its water and sewer fund, municipal center fund, and Emergency Communications District.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, Municipal Center Fund, and Emergency Communications District. Conversely, both internal service funds are combined into a single aggregated presentation in the proprietary fund statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 34-37 of this report.

Internal Service Funds

Internal service funds are an accounting device used to accumulate and allocate costs internally among a City's various functions. The City uses internal service funds to account for its fuel purchases and health insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support a City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains two fiduciary funds: (1) the OPEB Trust and (2) the custodial funds.

The basic fiduciary fund financial statements can be found on pages 38-39 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40-97 of this report.

Other Information

Included in Required Supplementary Information, the City's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees is presented, which can be found on pages 82-92 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, as well as budgetary information for the debt service fund, are presented immediately following the required supplementary information on pensions and other postemployment benefits. Combining and individual fund statements can be found on pages 109-121 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$519,935,874 as of June 30, 2023.

Net Position - Primary Government June 30, 2023 and 2022 (amounts expressed in thousands)

	Governmental Activities		Business Activities		Total Activities	
	2023	2022	2023	2022	2023	2022
Current and other assets *	\$ 149,671	\$ 134,855	\$ 44,515	\$ 43,639	\$ 194,186	\$ 178,494
Capital assets	327,612	329,028	82,071	76,349	409,683	405,377
Total assets	477,283	463,883	126,586	119,988	603,869	583,871
Deferred outflows of resources	10,902	11,250	1,589	1,776	12,491	13,026
Long-term liabilities	36,699	29,675	19,654	21,497	56,353	51,172
Other liabilities	16,282	11,265	3,143	3,125	19,425	14,390
Total liabilities	52,981	40,940	22,797	24,622	75,778	65,562
Deferred inflows of resources	19,679	28,110	967	1,911	20,646	30,021
Net position						
Net investment in capital assets	294,527	303,610	63,164	55,300	357,691	358,910
Restricted *	42,603	41,806	808	1,736	43,411	43,542
Unrestricted	78,395	60,667	40,439	38,195	118,834	98,862
Total net position	\$ 415,525	\$ 406,083	\$ 104,411	\$ 95,231	\$ 519,936	\$ 501,314

* 2022 governmental is restated - see Note 19

By far the largest portion of the City's net position (78.8%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position represents resources that are subject to restrictions as to how they may be used. These include net position restricted for pensions (\$5,467,777), roads and streets (\$3,321,068), capital projects (\$34,128,055), drug enforcement and education (\$490,665) and citation equipment (\$3,798).

At the end of the current fiscal year, the City can report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Governmental Activities

Governmental activities increase in net position from FY 2022 to FY 2023 is \$9,441,037. The primary factors underlying this increase is positive revenue results in the General Fund due to economic conditions and conservative budgeting as well as an increase in net investment in capital assets.

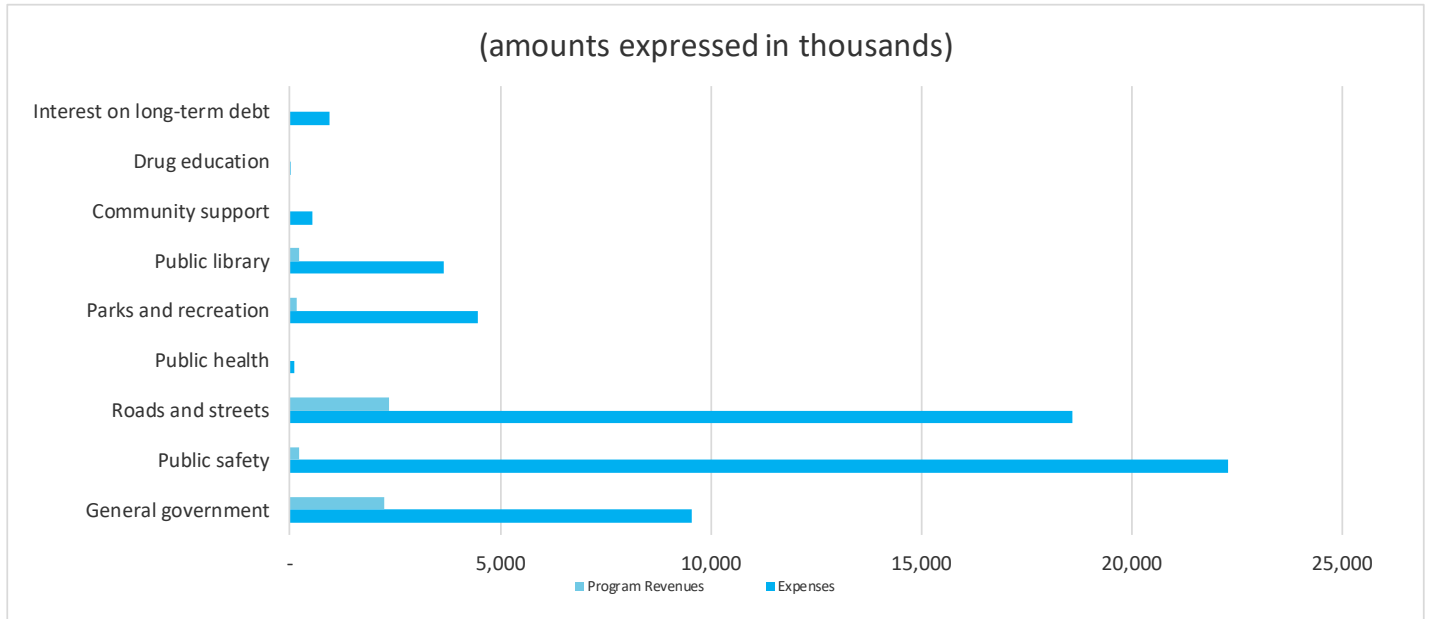
The City's Changes in Net Position
For the years ended June 30, 2023 and 2022
(amounts expressed in thousands)

	Governmental Activities		Business Activities		Total Activities	
	2023	2022	2023	2022	2023	2022
Revenues						
Charges for services	\$ 2,778	\$ 2,394	\$ 23,009	\$ 20,797	\$ 25,787	\$ 23,191
Operating grants and contributions	2,010	2,138	1,409	1,307	3,419	3,445
Capital grants and contributions	379	27,268	3,084	939	3,463	28,207
General revenues						
Property taxes	13,115	12,982	-	-	13,115	12,982
Local option sales tax	32,796	31,779	-	-	32,796	31,779
Hotel/motel tax	1,997	1,764	-	-	1,997	1,764
Wholesale beer and liquor tax	3,053	2,889	-	-	3,053	2,889
Adequate schools facilities tax	370	528	-	-	370	528
Other taxes	476	596	-	-	476	596
State sales and use tax	5,398	5,164	-	-	5,398	5,164
State income tax	74	206	-	-	74	206
Business tax	3,539	2,991	-	-	3,539	2,991
TVA in-lieu of tax	546	471	-	-	546	471
Mixed drink and beer tax	370	361	-	-	370	361
Petroleum special tax	83	84	-	-	83	84
Corporate excise tax	320	210	-	-	320	210
Telecommunications tax	17	19	-	-	17	19
Grants and other intergovernmental	81	827	-	2,504	81	3,331
Unrestricted investment earnings	3,990	702	1,449	130	5,439	832
Miscellaneous *	704	1,160	189	163	893	1,323
Total revenues	<u>72,096</u>	<u>94,533</u>	<u>29,140</u>	<u>25,840</u>	<u>101,236</u>	<u>120,373</u>
Expenses						
General government	9,546	8,014	-	-	9,546	8,014
Public safety	22,282	16,343	-	-	22,282	16,343
Roads and streets	18,594	16,621	-	-	18,594	16,621
Public health	113	90	-	-	113	90
Parks and recreation	4,465	3,973	-	-	4,465	3,973
Public library	3,643	3,217	-	-	3,643	3,217
Community support	548	442	-	-	548	442
Drug education	16	57	-	-	16	57
Interest on long-term debt	936	760	-	-	936	760
Water and sewer	-	-	20,075	19,157	20,075	19,157
Rental facilities	-	-	827	782	827	782
Emergency communications	-	-	1,569	1,347	1,569	1,347
Total expenses	<u>60,143</u>	<u>49,517</u>	<u>22,471</u>	<u>21,286</u>	<u>82,614</u>	<u>70,803</u>
Increase in net position before transfers	11,953	45,016	6,669	4,554	18,622	49,570
Transfers	<u>(2,511)</u>	<u>(485)</u>	<u>2,511</u>	<u>485</u>	<u>-</u>	<u>-</u>
Increase in net position	9,442	44,531	9,180	5,039	18,622	49,570
Net position - beginning *	<u>406,083</u>	<u>361,552</u>	<u>95,231</u>	<u>90,192</u>	<u>501,314</u>	<u>451,744</u>
Net position - ending	<u>\$ 415,525</u>	<u>\$ 406,083</u>	<u>\$ 104,411</u>	<u>\$ 95,231</u>	<u>\$ 519,936</u>	<u>\$ 501,314</u>

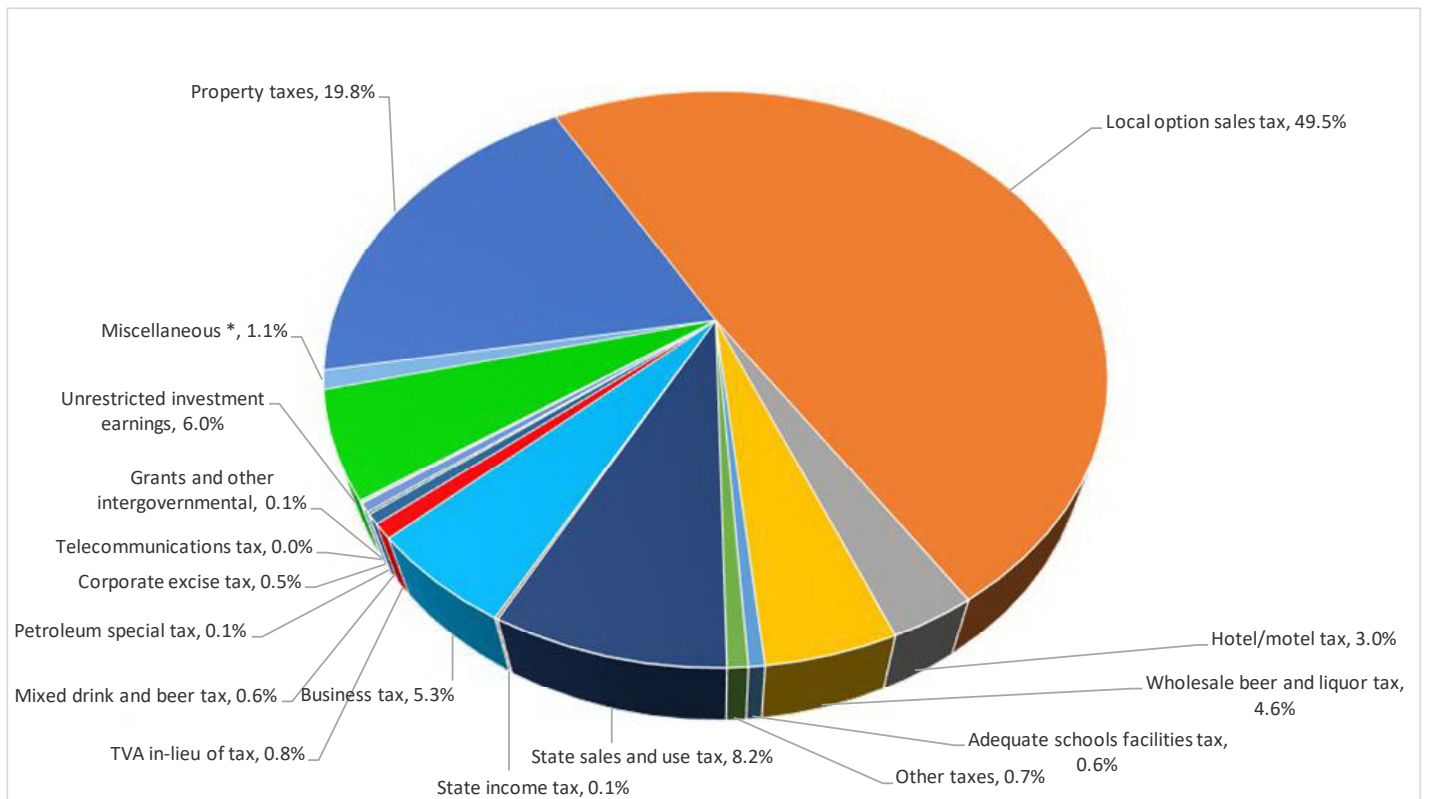
* 2022 governmental is restated - see Note 19

Expenses and Program Revenues - Governmental Activities

As the graph below shows, Roads and Streets expenses represent one of the largest activities, reflecting the City's commitment to maintaining safe roads and streets. Public Safety expenses were also a substantial activity, reflecting the City's commitment to a safe community. For the most part, expenses closely paralleled inflation and growth in the demand for services.



General Revenue by Source – Governmental Activities

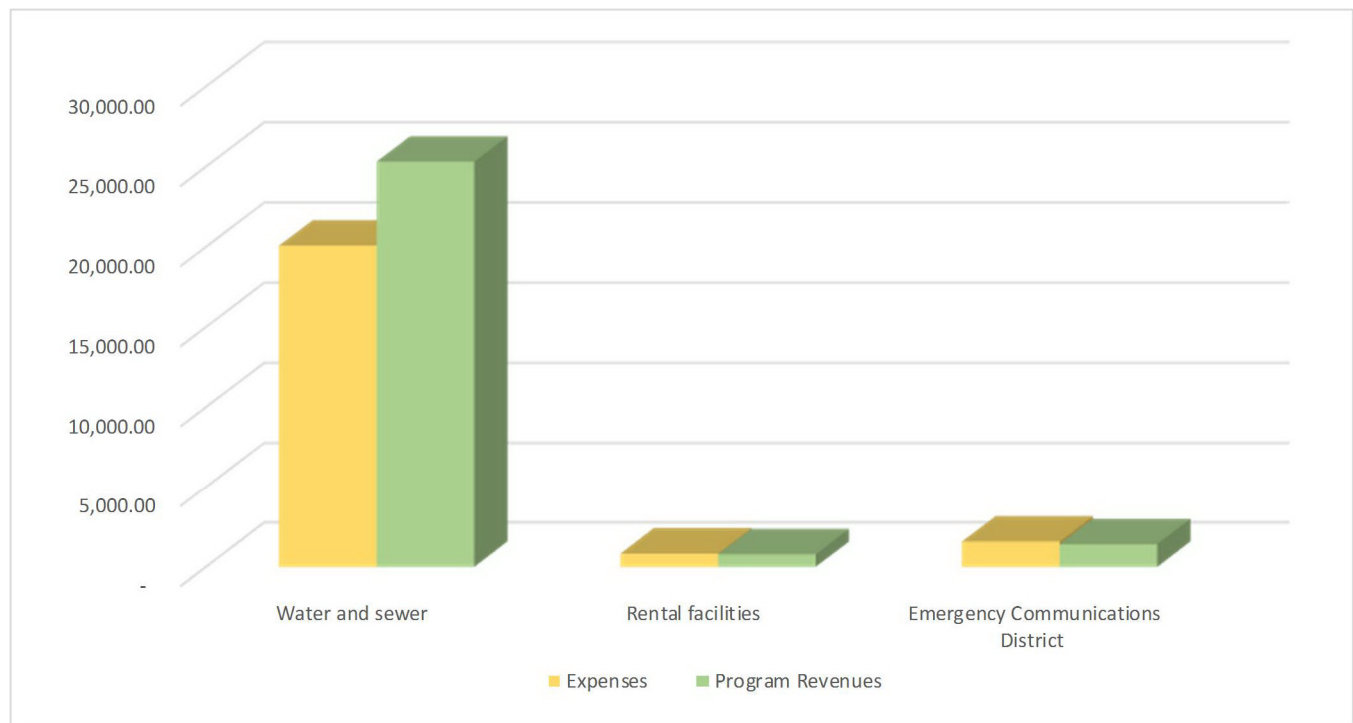


Business-type Activities

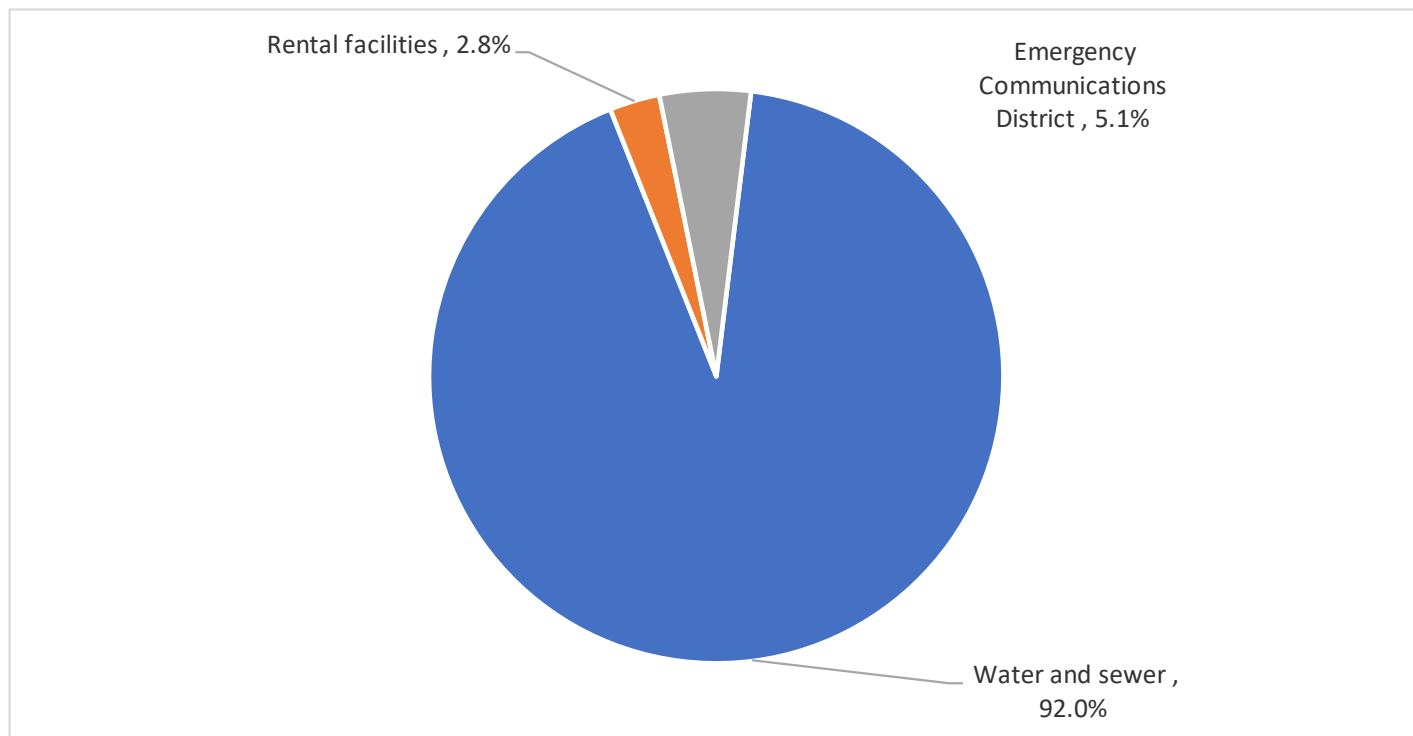
Business-type activities increased the City's net position by \$9,180,131 accounting for 50.8% of the total growth in the government's net position. Key elements of this increase are as follows:

- The City's water and sewer fund accounts for 72.3% of the increase in business-type net position, with a change in net position of \$6,634,141 for the year. This reflects an increase of \$2,022,786 in year over year net position change compared to the prior year increase. Factors affecting this amount include:
 - An operating income increase from \$1,256,311 to \$2,790,325 primarily driven by increases in water sales and sewer service charges.
 - An increase in interest income from \$104,222 to \$1,205,409 was driven by the increase in rates paid on cash balances.
- The City's municipal center fund accounts had a positive change in net position of \$2,201,111. This increase was driven primarily by transfer in from General Fund for future renovations to the Municipal Center.
- The Emergency Communications District (ECD) had a positive change in net position, including transfers, of \$342,032. This is less than the previous year's change in net position, driven primarily by an increase in operating expenses for salaries and benefits and depreciation cost associated with the new 911 call center equipment.
- The allocation of the internal service fund net position to the business-type activities resulted in a small increase of \$2,847 in net position at an entity-wide level.

Expenses and Program Revenues - Business-type Activities (expressed in thousands)



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Assets, Liabilities, Deferred Inflows and Fund Balances Total Governmental Funds

	2023	2022
Total assets	<u>\$141,290,426</u>	<u>\$ 128,150,835</u> *
Total liabilities	<u>\$ 16,073,501</u>	<u>\$ 22,455,698</u>
Total deferred inflows of resources	<u>14,717,677</u>	<u>13,879,662</u>
Fund balances		
Nonspendable	394,302	243,256
Restricted	37,943,586	27,147,396 *
Committed	16,626,554	13,768,803
Unassigned	<u>55,534,806</u>	<u>50,656,020</u>
Total fund balances	<u>110,499,248</u>	<u>91,815,475</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$141,290,426</u>	<u>\$ 128,150,835</u>

* restated, see Note 19

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$110,499,248, an increase of \$18,683,773 in comparison with the prior year amount. Approximately 50.3% of this total amount (\$55,534,806) constitutes unassigned fund balance, which is available for spending at the government's discretion. Per the City's Fund Balance Policy and pursuant to GASB Statement No. 54, the remainder of fund balance is classified as nonspendable (\$394,302), restricted for a specific purpose per enabling legislation (street repairs - \$3,321,068, drug enforcement and education - \$490,665, citation equipment - \$3,798, and capital projects - \$34,128,055) and committed for a specific purpose per action by the Board of Commissioners (debt service - \$3,734,611, equipment replacement - \$9,868,568, facilities maintenance - \$2,254,272 and postemployment benefits - \$769,103).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$55,534,806. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 86.7% of total fiscal year 2023 general fund expenditures (including budgeted transfers and year-end discretionary transfers).

Changes in Fund Balances of Governmental Funds
For the years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Taxes	\$ 54,838,748	\$ 49,885,653
Licenses and permits	1,653,222	1,657,116
Fines and fees	126,369	127,598
Charges for services	809,135	586,573
Intergovernmental	9,406,445	12,444,698
Uses of money and property	4,664,725	701,659
Other taxes	797,197	1,737,405 *
Total revenues	<u>72,295,841</u>	<u>67,140,702</u>
Expenditures		
Current		
General government	8,865,576	8,096,820
Public safety	20,680,109	19,495,118
Roads and streets	11,085,000	6,803,755
Public health	113,314	90,498
Parks and recreation	3,015,500	2,782,031
Public library	3,244,915	3,244,856
Community support	547,439	484,236
Drug education	16,236	12,954
Capital outlay	10,362,181	8,817,334
Debt service	2,953,179	4,284,296
Total expenditures	<u>60,883,449</u>	<u>54,111,898</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,412,392</u>	<u>13,028,804</u>
Other financing sources (Uses)		
Transfers in/(out), net	(2,511,230)	(484,700)
Financing of SBITAs	1,592,869	-
Issuance of debt	7,770,000	2,810,000
Payments to refunded bond escrow agent	.	(2,906,872)
Bond premium/(discount), net	419,742	188,031
Total other financing sources (uses)	<u>7,271,381</u>	<u>(393,541)</u>
Net change in fund balances	18,683,773	12,635,263
Fund balances, beginning of year	91,815,475	79,180,212
Fund balances, end of year	<u>\$ 110,499,248</u>	<u>\$ 91,815,475</u>

* restated, see Note 19

The fund balance of the City's general fund (including committed activity budgeted separately) increased by \$6,895,828 during the current fiscal year due to strong revenue growth and conservative budgeting practices.

The debt service fund has a total fund balance of \$3,734,611. The net increase in fund balance during the current year in the debt service fund was \$889,431 primarily due to the programmed annual transfer from the General Fund being more than scheduled debt service payments for the year. Please see note 7 for additional information on the City’s long-term liabilities.

The capital projects fund has a total fund balance of \$31,164,685 all of which is restricted or committed for the funding of major capital improvements of the City. The current year net increase of \$9,754,458 includes transfers of \$11,375,000, from the general fund to fund certain capital projects in FY 2024 and beyond. Given the multi-year duration of significant capital projects, year-to-year fluctuations in fund balance are to be expected. Additional details of major capital expenditures are addressed on page 16 of this narrative overview.

Proprietary Funds

The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the water and sewer fund at the end of the year amounted to \$32,173,294, for the municipal center fund, \$5,497,228, and for the Emergency Communications District, \$2,456,835. The total changes in net position for the funds were \$6,634,141 (increase) for water and sewer, \$2,201,111 (increase) for municipal center fund, and \$342,032 (increase) for Emergency Communications District. Other factors concerning the finances of these funds have previously been addressed in the discussion of the City’s business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and final amended budget (\$15,885,000 increase in revenues) can be summarized as follows:

Revenues

Increases were made to the following accounts for higher than budgeted collections due to very conservative initial revenue budgeting, the overall strength of the general economy in the Middle TN region, and increased interest earning on idle funds:

Taxes	
Local sales tax	\$ 11,200,000
Hotel/motel tax	300,000
Wholesale beer tax	70,000
Wholesale liquor tax	850,000
Business tax	650,000
Intergovernmental	
State sales and use tax	1,100,000
Uses of money and property	
Interest income	1,396,020
Other	318,980
Total change in budgeted revenues	<u>\$ 15,885,000</u>

Current year appropriation increases of \$15,885,000, including transfers can be summarized as follows:

Appropriations

1. A special FY 2023 year-end appropriation transfer of \$11,375,000 from the General Fund to the Capital Projects Fund to pay for certain proposed FY 2024 and beyond capital projects and equipment. (See attachment A for projects list.)
2. A special FY 2023 year-end transfer of \$1,165,000 from the General Fund to the Equipment Replacement Fund for the FY 2024 purchases of equipment. (See attachment A for equipment list.)
3. A special FY 2023 year-end transfer of \$640,000 from the General Fund to the Facilities Maintenance Fund for FY 2024 repairs to the Service Center Fuel Tanks, Primm Park Boiling Spring Academy, and future projects as needed.
4. A special FY 2023 year-end transfer of \$2,023,230 from the General Fund to Municipal Center Fund for planned FY 2024 renovations and the removal and replacement of landscaping materials damaged in the December 2022 flash freeze event.
5. Appropriation increases to various General Fund budget activities for specific cost overruns as follows:
 - An appropriation increase in the Police Department activity of \$128,190 for accrued terminal leave payment for FY 2023 retirement of three (3) long-term employees.
 - An appropriation increase in the Police Department Headquarters activity of \$91,000 for higher than anticipated costs for R/M Grounds and R/M Plumbing and HVAC.
 - An appropriation increase in the Fire and Rescue activity of \$153,705 for higher-than-expected straight time costs and associated personnel services in FY 2023 for long-term absences due to injury and other FMLA covered events.
 - An appropriation increase in the Fire and Rescue activity of \$62,580 for higher-than-expected costs for personal protective equipment due to a FY 2022 order not being delivered until FY 2023.
 - An appropriation increase in the Fire and Rescue activity of \$45,015 to cover motor vehicle repairs and maintenance for Tower 51.
 - An appropriation increase in the Fire and Rescue activity of \$40,980 to cover the cost of a vehicle that was to be delivered in FY 2022 but due to supply chain issues, was delivered in FY 2023.
 - An appropriation increase in the Fire and Rescue activity of \$26,645 to cover the higher-than-expected costs of capital machinery and equipment for the newly purchased Engines 51 and 55.
 - An appropriation increase in the Public Works activity of \$40,780 to cover the cost of a vehicle that was to be delivered in FY 2022 but due to supply chain issues was delivered in FY 2023.
 - An appropriation increase in the Traffic Signalization activity of \$29,500 to cover the cost to replace a storm damaged traffic signal detection system.
 - An appropriation increase in the Parks activity of \$40,790 for accrued terminal leave payment for one employee with over 25 years of service.
 - An appropriation increase in the Historic Homes Ravenswood activity of \$22,585 to cover an increase in personnel services due to the temporary increase in the number of staff hours worked were greater than anticipated during the implementation of a new reservation software, higher than expected building, plumbing, and HVAC repairs and maintenance, higher than expected costs of household and janitorial supplies, and higher than expected cost of furniture and fixtures.

The general fund unassigned fund balance at June 30, 2023, is \$55,534,806, which exceeds the stated budget policy objective of maintaining a minimum of 40% reserves (based on the amount of the annual budget appropriation) for future needs and emergencies.

Significant differences between the final amended budget and actual amounts can be summarized as follows:

1. State and local sales and use tax was \$404,048 more than budgeted projections due to continued growth in retail sales both locally and statewide as well as the impact of inflation.
2. Hotel/motel tax collections were \$97,020 more than budgeted due to the continued rebound of business and leisure travel.
3. Wholesale Liquor collections were \$154,413 more than budgeted due to overall increase in sales City wide.
4. Business tax collections were \$789,473 more than budgeted due to continued improvement of the Middle TN economy and the conservative nature of amended estimates given the majority of this revenue is realized very late in the fiscal year.
5. Equipment replacement expenditures were \$599,112 higher than budgeted mainly due to the delay in delivery of a Fire Apparatus originally budgeted in FY 2022 with ½ of the total cost paid in FY 2023. Another reason for exceeding the equipment replacement budgeted expenditures was the pre-purchase of a front wheel loader one year earlier to avoid a 7.5% price increase with a cost saving of approximately \$30,000 and immediate delivery.

Capital Assets and Debt Administration

Capital Assets

The City's capital assets for its governmental and business type activities as of June 30, 2023, amounts to \$409,682,896 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, utility plant in service, improvements, machinery and equipment, park facilities, roads and bridges. Major capital asset events during the current fiscal year included the following:

- Two Pierce Pumpers– Fire and Rescue
- Kenworth Single Axle Dump Truck – Public Works
- Kenworth Dump Truck – Public Works
- Two Mack/Peterson Grapple Truck – Public Works
- Wheel Loader – Public Works
- Two Pure Storage Flash Array - Technology
- Console Furniture – Emergency Communications District
- 911 Phone System – Emergency Communications District
- Dispatch Radio Consoles - Emergency Communications District
- Various system additions and improvements were completed in the Water and Sewer Fund at a cost of \$11,963,058.

Capital and Intangible Assets (net of depreciation and amortization)
June 30, 2023 and 2022
(amounts expressed in thousands)

	Governmental Activities		Business Activities		Total Activities	
	2023	2022	2023	2022	2023	2022
Intangible (right-to-use) SBITAs	\$ 1,483	\$ -	\$ 96	\$ -	\$ 1,579	\$ -
Land	\$ 147,079	\$ 147,079	\$ 2,476	\$ 1,634	\$ 149,555	\$ 148,713
Buildings and improvements	45,345	38,559	1,047	1,096	46,392	39,655
Utility plant in service	-	-	72,682	65,163	72,682	65,163
Improvements other than buildings	8,195	5,614	499	611	8,694	6,225
Machinery and equipment	12,025	11,095	2,574	754	14,599	11,849
Infrastructure	109,541	117,690	-	-	109,541	117,690
Construction in progress	3,944	8,991	2,697	7,091	6,641	16,082
Net capital assets	<u>\$ 326,129</u>	<u>\$ 329,028</u>	<u>\$ 81,975</u>	<u>\$ 76,349</u>	<u>\$ 408,104</u>	<u>\$ 405,377</u>

Additional information on the City's capital assets can be found in note 5 of this report.

Long-term Bonded Debt

At the end of the current fiscal year, the City had total long-term bonded debt outstanding of \$49,185,000. All the City's debt is secured by a general obligation pledge. Debt of business-type activities (water and sewer fund) comprises bonds payable primarily from the net revenues to be derived from the operation of the water and/or sewer systems. In the event of a deficiency in such net revenues, the bonds are payable from unlimited ad valorem taxes on all taxable property within the corporate limits of the City. For prompt payment of principal and interest on the bonds the full faith and credit of the City are irrevocably pledged. All debt is through the issuance of bonds and/or notes for periods not exceeding 20 years at fixed interest rates.

Outstanding Debt
June 30, 2023 and 2022
(amounts expressed in thousands)

	Governmental Activities		Business Activities		Total Activities	
	2023	2022	2023	2022	2023	2022
General obligation bonds and notes payable	\$ 30,880	\$ 24,790	\$ 18,305	\$ 20,070	\$ 49,185	\$ 44,860
Unamortized (discount) premium	1,296	974	839	939	2,135	1,913
Total	<u>\$ 32,176</u>	<u>\$ 25,764</u>	<u>\$ 19,144</u>	<u>\$ 21,009</u>	<u>\$ 51,320</u>	<u>\$ 46,773</u>

The City's total long-term debt principal increased by \$4,325,000 during the current fiscal year. This increase was due to the net change of the issue of GO Public Improvement Bond Series 2023 and scheduled debt service principal payments

The City maintains an Aaa rating from Moody's Investors Service and an AAA rating from Standard and Poor's for its general obligation and revenue and tax bonds debt. This is the highest bond rating possible and permits the City to receive the most favorable interest rates on our bonds.

State statutes set no limit for the amount of general obligation debt a governmental entity may issue. The total long-term bonded debt outstanding for the City of \$49,185,000 translates to approximately \$1,084 per capita using the 2020 Census Certified Population of 45,373.

Additional information on the City's long-term debt can be found in note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City in June 2023 was 2.9%, compared to 2.7% a year ago. This compares to the county's rate of 2.8%, the state's average unemployment rate of 3.2% and the national average rate of 3.6%.
- The office space vacancy rate of the Brentwood submarket, which includes a portion of Davidson County was 11.9% as of June 2023 and 12.5% as of September 30, 2023.

Each of these factors were considered in preparing the City's budget for the 2024 fiscal year.

During the current fiscal year, the total unassigned fund balance in the general fund increased to \$55,534,806. The City has not appropriated any of this amount for spending in the 2024 fiscal year budget but may consider doing so at the end of FY 2024 to fund future capital projects subject to continued strong revenue performance.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Brentwood
Attn: Finance Director
PO Box 788
Brentwood, Tennessee 37024-0788
E-mail: finance.director@brentwoodtn.gov
www.brentwoodtn.gov

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF NET POSITION

JUNE 30, 2023

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 114,739,133	\$ 33,566,584	\$ 148,305,717
Property tax receivable	13,315,531	-	13,315,531
Sales and use tax receivable	6,329,006	-	6,329,006
Intergovernmental revenues receivable	1,323,258	-	1,323,258
Accounts receivable	843,797	3,932,226	4,776,023
Leases receivable	1,336,654	-	1,336,654
Internal balances	(536,114)	536,114	-
Inventories	51,845	141,994	193,839
Prepaid expenses	400,935	33,386	434,321
Restricted cash and cash equivalents	7,207,043	5,496,674	12,703,717
Net OPEB asset	283,142	42,348	325,490
Net pension assets	4,376,400	765,887	5,142,287
Intangible (right-to-use) SBITA assets, net	1,482,800	95,758	1,578,558
Capital assets not being depreciated	151,023,275	5,173,033	156,196,308
Capital assets, net	175,105,636	76,802,394	251,908,030
TOTAL ASSETS	477,282,341	126,586,398	603,868,739
DEFERRED OUTFLOWS OF RESOURCES	10,901,683	1,589,107	12,490,790
LIABILITIES			
Accounts payable	4,366,862	2,881,980	7,248,842
Claims payable	257,481	-	257,481
Accrued salaries and benefits	762,889	100,936	863,825
Accrued interest	336,066	160,379	496,445
Other payables	3,171,689	-	3,171,689
Unearned revenues	7,387,393	-	7,387,393
Noncurrent liabilities			
Due within one year	3,740,105	2,046,331	5,786,436
Net pension liability	8,230	250	8,480
Due in more than one year	32,950,331	17,607,204	50,557,535
TOTAL LIABILITIES	52,981,046	22,797,080	75,778,126
DEFERRED INFLOWS OF RESOURCES	19,678,721	966,808	20,645,529
NET POSITION			
Net investment in capital and intangible assets	294,526,520	63,163,889	357,690,409
Restricted for			
Pensions and OPEB	4,659,542	808,235	5,467,777
Roads and streets	3,321,068	-	3,321,068
Capital projects	34,128,055	-	34,128,055
Drug enforcement and education	490,665	-	490,665
Citation equipment	3,798	-	3,798
Unrestricted	78,394,609	40,439,493	118,834,102
TOTAL NET POSITION	\$ 415,524,257	\$ 104,411,617	\$ 519,935,874

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Primary Government:							
Governmental Activities:							
General government	\$ 9,546,503	\$ 1,849,103	\$ 2,000	\$ 378,862	\$ (7,316,538)	\$ -	\$ (7,316,538)
Public safety	22,281,708	-	209,197	-	(22,072,511)	-	(22,072,511)
Roads and streets	18,593,683	630,883	1,726,838	-	(16,235,962)	-	(16,235,962)
Public health	113,314	-	-	-	(113,314)	-	(113,314)
Parks and recreation	4,465,503	161,861	-	-	(4,303,642)	-	(4,303,642)
Public library	3,643,182	136,327	71,950	-	(3,434,905)	-	(3,434,905)
Community support	547,899	-	-	-	(547,899)	-	(547,899)
Drug education	16,236	-	-	-	(16,236)	-	(16,236)
Interest on long-term debt and other debt service expense	935,683	-	-	-	(935,683)	-	(935,683)
Total governmental activities	60,143,711	2,778,174	2,009,985	378,862	(54,976,690)	-	(54,976,690)
Business-type activities							
Water and sewer	20,075,284	22,229,426	-	3,084,483	-	5,238,625	5,238,625
Rental facilities	826,860	779,707	-	-	-	(47,153)	(47,153)
Emergency Communications District	1,569,470	-	1,408,778	-	-	(160,692)	(160,692)
Total business-type activities	22,471,614	23,009,133	1,408,778	3,084,483	-	5,030,780	5,030,780
Total primary government	\$ 82,615,325	\$ 25,787,307	\$ 3,418,763	\$ 3,463,345	(54,976,690)	5,030,780	(49,945,910)
General Revenues:							
Taxes:							
Property taxes					13,114,801	-	13,114,801
Local option sales tax					32,795,908	-	32,795,908
Business tax					3,539,473	-	3,539,473
Hotel/motel tax					1,997,020	-	1,997,020
Wholesale beer and liquor taxes					3,053,088	-	3,053,088
Adequate schools facilities taxes					369,860	-	369,860
Other taxes					475,879	-	475,879
Unrestricted intergovernmental taxes							
State sales and use tax					5,398,140	-	5,398,140
State income tax					73,561	-	73,561
TVA in-lieu tax					545,531	-	545,531
Mixed drink and beer tax					370,031	-	370,031
Petroleum special tax					83,124	-	83,124
Corporate excise tax					320,023	-	320,023
Telecommunications tax					17,426	-	17,426
Sportsbetting tax					80,893	-	80,893
Investment earnings					3,990,250	1,449,033	5,439,283
Gain (loss) on disposals of assets					25,315	(3,461)	21,854
Miscellaneous revenues					678,634	192,549	871,183
Transfers					(2,511,230)	2,511,230	-
Total general revenues and transfers					64,417,727	4,149,351	68,567,078
Change in net position					9,441,037	9,180,131	18,621,168
Net position - beginning of year, as restated					406,083,220	95,231,486	501,314,706
Net position - end of year					\$ 415,524,257	\$ 104,411,617	\$ 519,935,874

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2023

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS					
Cash and cash equivalents	\$ 66,098,167	\$ 3,719,974	\$ 40,252,515	\$ 6,488,604	\$ 116,559,260
Receivables					
Property taxes	13,315,531	-	-	-	13,315,531
Sales and use tax	7,313,348	-	-	-	7,313,348
Intergovernmental	-	-	-	306,139	306,139
Accounts	632,621	15,528	172,938	27,274	848,361
Leases	1,336,654	-	-	-	1,336,654
Due from other funds	42,362	-	436,528	12,715	491,605
Prepaid items and deposits	394,148	-	6,667	120	400,935
Inventories of supplies	154	-	-	-	154
Restricted assets:					
Cash and cash equivalents	241,542	-	-	476,897	718,439
TOTAL ASSETS	<u>\$ 89,374,527</u>	<u>\$ 3,735,502</u>	<u>\$ 40,868,648</u>	<u>\$ 7,311,749</u>	<u>\$ 141,290,426</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,119,008	\$ -	\$ 2,510,097	530,291	\$ 4,159,396
Accrued salaries	762,889	-	-	-	762,889
Due to other funds	782,213	891	-	2,557	785,661
Unearned revenues	-	-	7,193,866	-	7,193,866
Other payables	3,171,689	-	-	-	3,171,689
TOTAL LIABILITIES	<u>5,835,799</u>	<u>891</u>	<u>9,703,963</u>	<u>532,848</u>	<u>16,073,501</u>
DEFERRED INFLOWS OF RESOURCES	<u>14,717,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,717,677</u>
FUND BALANCES					
Nonspendable	394,302	-	-	-	394,302
Restricted for					
Capital projects	-	-	31,164,685	2,963,370	34,128,055
Street repairs	-	-	-	3,321,068	3,321,068
Drug enforcement and education	-	-	-	490,665	490,665
Citation equipment	-	-	-	3,798	3,798
Committed to					
Debt service	-	3,734,611	-	-	3,734,611
Equipment replacement	9,868,568	-	-	-	9,868,568
Facilities maintenance	2,254,272	-	-	-	2,254,272
Funding postemployment benefits	769,103	-	-	-	769,103
Unassigned	55,534,806	-	-	-	55,534,806
TOTAL FUND BALANCES	<u>68,821,051</u>	<u>3,734,611</u>	<u>31,164,685</u>	<u>6,778,901</u>	<u>110,499,248</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 89,374,527</u>	<u>\$ 3,735,502</u>	<u>\$ 40,868,648</u>	<u>\$ 7,311,749</u>	<u>\$ 141,290,426</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO
GOVERNMENT-WIDE STATEMENT OF NET POSITION

JUNE 30, 2023

Amounts reported for fund balances - Governmental Funds

Amounts reported for governmental activities in the statement of net position are different because:	\$ 110,499,248
Capital and intangible assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.	327,611,711
Deferred inflows related to property taxes in fund statements are recognized as revenues in the governmental activities statement of net position.	137,421
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded in the governmental funds.	
Bonds payable	(30,880,000)
Less: deferred charges on refunding bonds	281,259
Add: bond premiums	(1,295,697)
SBITA liabilities	(1,190,753)
Compensated absences payable	(3,323,986)
The internal service funds are used by management to charge the cost of fuel supplies and health insurance premiums to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	4,041,376
In the statement of net position, interest is accrued on outstanding bonds whereas, in the governmental funds, interest expenditures are reported when due.	(336,066)
Pension amounts not reported in the funds:	
Net pension assets (liabilities)	4,368,170
Deferred outflows of resources related to pensions	7,902,833
Deferred inflows of resources related to pensions	(70,440)
OPEB amounts not reported in the funds:	
Net OPEB asset (liability)	283,142
Deferred outflows of resources related to OPEB	2,717,591
Deferred inflows of resources related to OPEB	<u>(5,221,552)</u>
Net Position of Governmental Activities	<u>\$ 415,524,257</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL GOVERNMENTAL</u>
REVENUES					
Taxes	\$ 54,838,748	\$ -	\$ -	\$ -	\$ 54,838,748
Licenses and permits	1,139,069	-	-	514,153	1,653,222
Fines, forfeitures and penalties	90,916	-	-	35,453	126,369
Charges for services	809,135	-	-	-	809,135
Intergovernmental	7,081,490	-	378,862	1,946,093	9,406,445
Uses of money and property	3,176,777	154,609	1,114,872	218,467	4,664,725
Other	<u>637,338</u>	<u>-</u>	<u>150,605</u>	<u>9,254</u>	<u>797,197</u>
TOTAL REVENUES	<u>67,773,473</u>	<u>154,609</u>	<u>1,644,339</u>	<u>2,723,420</u>	<u>72,295,841</u>
EXPENDITURES					
Current					
General government	8,836,526	-	29,050	-	8,865,576
Public safety	20,620,107	-	60,002	-	20,680,109
Roads and streets, street repairs	6,854,606	-	3,587,266	643,128	11,085,000
Public health	113,314	-	-	-	113,314
Parks and recreation	3,002,742	-	12,758	-	3,015,500
Public library	3,244,915	-	-	-	3,244,915
Community support	547,439	-	-	-	547,439
Drug education	-	-	-	16,236	16,236
Capital outlay	1,864,409	-	8,497,772	-	10,362,181
Debt service	<u>405,226</u>	<u>2,360,178</u>	<u>187,775</u>	<u>-</u>	<u>2,953,179</u>
TOTAL EXPENDITURES	<u>45,489,284</u>	<u>2,360,178</u>	<u>12,374,623</u>	<u>659,364</u>	<u>60,883,449</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>22,284,189</u>	<u>(2,205,569)</u>	<u>(10,730,284)</u>	<u>2,064,056</u>	<u>11,412,392</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	3,095,000	12,295,000	-	15,390,000
Transfers out	(16,981,230)	-	-	(920,000)	(17,901,230)
Financing of SBITAs	1,592,869	-	-	-	1,592,869
Bonds issued	-	-	7,770,000	-	7,770,000
Premium on bonds issued	<u>-</u>	<u>-</u>	<u>419,742</u>	<u>-</u>	<u>419,742</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(15,388,361)</u>	<u>3,095,000</u>	<u>20,484,742</u>	<u>(920,000)</u>	<u>7,271,381</u>
NET CHANGE IN FUND BALANCES	6,895,828	889,431	9,754,458	1,144,056	18,683,773
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	<u>61,925,223</u>	<u>2,845,180</u>	<u>21,410,227</u>	<u>5,634,845</u>	<u>91,815,475</u>
FUND BALANCES - END OF YEAR	<u>\$ 68,821,051</u>	<u>\$ 3,734,611</u>	<u>\$ 31,164,685</u>	<u>\$ 6,778,901</u>	<u>\$ 110,499,248</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

Amounts reported for net change in fund balance - Governmental Funds **\$ 18,683,773**

Amounts reported for governmental activities in the statement of activities are different from amounts reported for governmental funds in the statement of revenues, expenditures and changes in fund balances because:

Governmental funds report capital outlays as expenditures. However, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense in the current period in the statement of activities.

Acquisition of capital assets	12,471,769
Acquisition of intangible SBITAs	1,864,409
Disposal of capital assets	(337,282)
Depreciation and amortization expense	(15,033,674)
Amortization of SBITAs	(381,609)

Differences in timing of revenue recognition between governmental funds and governmental activities statement of activities.	(72,741)
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The issuance of long-term debt and related items provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current resources of the funds. Neither of these transactions, however, has any effect on changes in net position in the statement of activities.

Bonds issued	(7,770,000)
Premium on bonds issued	(419,742)
Payments on long-term debt	1,680,000
SBITA liabilities incurred	(1,592,869)
Payment of SBITA liabilities	402,116

Internal service funds are used by management to charge the costs of fuel supplies and health insurance premiums to individual funds. The changes in net position of internal service funds are reported as governmental activities in activities in the statement of activities.	15,678
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Certain expenses reported for governmental activities do not require the use of current financial resources and, thus, are not reported as expenditures in the governmental funds.

Accrued interest on debt obligations at June 30, 2023	(336,066)
Accrued interest on debt obligations at June 30, 2022	238,130
Amortization of bond premiums	98,350
Amortization of deferred amount on refunding	(65,034)
Change in accrual for compensated absences	94,604
Changes in pension assets and liabilities and related deferred outflows and inflows of resources	600,981
Changes in OPEB asset and liability and related deferred outflows and inflows of resources	(699,756)

Change in Net Position of Governmental Activities	<u><u>\$ 9,441,037</u></u>
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See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
REVENUES				
Taxes				
Local sales tax	\$ 21,315,000	\$ 32,515,000	\$ 32,795,908	\$ 280,908
Real and personal property	12,700,000	12,700,000	12,787,381	87,381
Public utility property tax	75,000	75,000	87,606	12,606
Hotel/motel tax	1,600,000	1,900,000	1,997,020	97,020
Wholesale beer tax	700,000	770,000	848,675	78,675
Wholesale liquor tax	1,200,000	2,050,000	2,204,413	154,413
Television franchise tax	460,000	460,000	475,879	15,879
Business tax	2,100,000	2,750,000	3,539,473	789,473
Other	105,000	105,000	102,393	(2,607)
Total taxes	<u>40,255,000</u>	<u>53,325,000</u>	<u>54,838,748</u>	<u>1,513,748</u>
Licenses and permits	820,350	820,350	1,139,069	318,719
Fines, forfeitures and penalties	110,000	110,000	90,916	(19,084)
Charges for services	632,000	632,000	809,135	177,135
Intergovernmental revenues				
State sales and use tax	4,175,000	5,275,000	5,398,140	123,140
State income tax	-	-	73,561	73,561
TVA in-lieu of tax	470,000	470,000	545,531	75,531
Mixed drink tax	225,000	225,000	349,313	124,313
Beer tax	20,000	20,000	20,718	718
Petroleum special tax	87,000	87,000	83,124	(3,876)
Corporate excise tax	125,000	125,000	320,023	195,023
Telecommunications tax	15,000	15,000	17,426	2,426
Other	210,950	210,950	273,654	62,704
Total intergovernmental revenues	<u>5,327,950</u>	<u>6,427,950</u>	<u>7,081,490</u>	<u>653,540</u>
Uses of money and property				
Interest income	130,000	1,526,020	2,016,064	490,044
Other	365,100	365,100	378,283	13,183
Total uses of property and money	<u>495,100</u>	<u>1,891,120</u>	<u>2,394,347</u>	<u>503,227</u>
Other revenues	205,250	524,230	541,319	17,089
TOTAL REVENUES	<u>47,845,650</u>	<u>63,730,650</u>	<u>66,895,024</u>	<u>3,164,374</u>

See accompanying notes to financial statements.

(Continued on next page)

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
EXPENDITURES				
General government				
City commission				
Personnel services	\$ 166,905	\$ 166,905	\$ 160,806	\$ 6,099
Supplies and materials	42,350	42,350	35,444	6,906
Professional services	13,000	13,000	9,720	3,280
Repairs and maintenance	-	-	-	-
Other costs	6,000	6,000	6,524	(524)
Total city commission	228,255	228,255	212,494	15,761
City court				
Personnel services	-	-	-	-
Rental facilities	-	-	-	-
Professional services	28,300	28,300	26,575	1,725
Repairs and maintenance	14,615	14,615	377	14,238
Other costs	500	500	14,898	(14,398)
Total city court	43,415	43,415	41,850	1,565
City manager's office				
Personnel services	473,410	473,410	475,755	(2,345)
Supplies and materials	18,000	18,000	13,264	4,736
Professional services	20,000	20,000	-	20,000
Repairs and maintenance	1,400	1,400	106	1,294
Other costs	8,250	8,250	6,432	1,818
Total city manager's office	521,060	521,060	495,557	25,503
Elections				
Professional services	52,000	52,000	46,696	5,304
Finance				
Personnel services	846,765	846,765	825,137	21,628
Supplies and materials	46,900	46,900	104,355	(57,455)
Professional services	135,700	135,700	111,109	24,591
Repairs and maintenance	62,000	62,000	12,492	49,508
Other costs	12,000	12,000	7,368	4,632
Total finance	1,103,365	1,103,365	1,060,461	42,904

See accompanying notes to financial statements.

(Continued on next page)

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
EXPENDITURES (CONTINUED)				
<i>General government (Continued)</i>				
City recorder				
Personnel services	\$ 112,910	\$ 112,910	\$ 109,775	\$ 3,135
Supplies and materials	27,680	27,680	27,249	431
Professional services	8,000	8,000	3,587	4,413
Repairs and maintenance	20,400	20,400	18,923	1,477
Other costs	8,000	8,000	6,773	1,227
Total city recorder	176,990	176,990	166,307	10,683
Legal services				
Personnel services	219,905	219,905	198,818	21,087
Supplies and materials	8,330	8,330	25,944	(17,614)
Professional services	50,000	50,000	50,464	(464)
Repairs and maintenance	680	680	19	661
Other costs	28,900	28,900	3,141	25,759
Total legal services	307,815	307,815	278,386	29,429
Information/technology				
Personnel services	999,285	999,285	976,708	22,577
Supplies and materials	460,275	460,275	329,568	130,707
Professional services	30,000	30,000	81,634	(51,634)
Repairs and maintenance	172,645	172,645	154,141	18,504
Other costs	83,200	83,200	88,478	(5,278)
Capital outlay	39,500	39,500	-	39,500
Total information/technology	1,784,905	1,784,905	1,630,529	154,376
GIS				
Personnel services	330,495	331,410	336,291	(4,881)
Supplies and materials	47,150	47,150	40,796	6,354
Professional services	21,200	21,200	21,396	(196)
Repairs and maintenance	1,300	1,300	775	525
Other costs	7,000	7,000	8,796	(1,796)
Capital outlay	-	-	-	-
Total GIS	407,145	408,060	408,054	6

See accompanying notes to financial statements.

(Continued on next page)

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
EXPENDITURES (CONTINUED)				
<i>General government (Continued)</i>				
Human resources				
Personnel services	\$ 422,420	\$ 422,420	\$ 417,931	\$ 4,489
Supplies and materials	72,590	72,590	80,492	(7,902)
Professional services	119,700	119,700	97,107	22,593
Repairs and maintenance	500	500	2,872	(2,372)
Other costs	48,750	48,750	48,013	737
Total human resources	663,960	663,960	646,415	17,545
Community relations				
Personnel Services	283,890	283,890	265,262	18,628
Supplies and materials	33,180	33,180	47,736	(14,556)
Professional services	69,670	69,670	66,759	2,911
Repairs and maintenance	6,500	6,500	24	6,476
Other costs	28,000	36,990	46,626	(9,636)
Total community relations	421,240	430,230	426,407	3,823
Planning and development				
Personnel services	488,870	488,870	402,889	85,981
Supplies and materials	45,600	45,600	64,363	(18,763)
Professional services	23,000	23,000	42,686	(19,686)
Repairs and maintenance	40,800	40,800	6,791	34,009
Other costs	12,500	12,500	12,318	182
Total planning and development	610,770	610,770	529,047	81,723
Codes enforcement				
Personnel services	944,555	944,555	829,038	115,517
Supplies and materials	44,500	44,500	25,518	18,982
Professional services	23,000	23,000	-	23,000
Repairs and maintenance	15,500	15,500	11,852	3,648
Other costs	23,350	13,445	15,946	(2,501)
Total codes enforcement	1,050,905	1,041,000	882,354	158,646
Municipal center				
Rent expense	740,000	740,000	740,000	-

See accompanying notes to financial statements.

(Continued on next page)

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
EXPENDITURES (CONTINUED)				
<i>General government (Continued)</i>				
Insurance/other benefits				
Personnel	\$ 710,370	\$ 710,370	\$ 667,086	\$ 43,284
Other	266,100	266,100	230,389	35,711
Total insurance/other benefits	<u>976,470</u>	<u>976,470</u>	<u>897,475</u>	<u>78,995</u>
<i>Total general government</i>	<u>9,088,295</u>	<u>9,088,295</u>	<u>8,462,032</u>	<u>626,263</u>
<i>Public safety</i>				
Police				
Personnel services	8,271,205	8,259,975	8,022,270	237,705
Supplies and materials	675,290	637,995	691,916	(53,921)
Professional services	388,700	388,700	335,338	53,362
Repairs and maintenance	310,825	308,125	242,346	65,779
Utilities	71,240	71,240	53,073	18,167
Other costs	125,000	125,000	158,873	(33,873)
Capital outlay	5,000	5,000	-	5,000
Total police	<u>9,847,260</u>	<u>9,796,035</u>	<u>9,503,816</u>	<u>292,219</u>
Police headquarters				
Supplies and materials	66,000	66,000	85,027	(19,027)
Professional services	22,000	22,000	6,180	15,820
Repairs and maintenance	178,880	269,880	291,443	(21,563)
Utilities	230,500	230,500	210,193	20,307
Other costs	31,420	31,420	25,359	6,061
Total police headquarters	<u>528,800</u>	<u>619,800</u>	<u>618,202</u>	<u>1,598</u>
Fire and rescue				
Personnel services	8,391,595	8,747,300	8,642,551	104,749
Supplies and materials	283,395	304,140	382,538	(78,398)
Professional services	17,500	17,500	16,508	992
Repairs and maintenance	315,115	379,380	297,134	82,246
Utilities	34,350	34,350	38,314	(3,964)
Other costs	219,580	219,580	247,709	(28,129)
Capital outlay	30,700	98,325	104,754	(6,429)
Total fire and rescue	<u>9,292,235</u>	<u>9,800,575</u>	<u>9,729,508</u>	<u>71,067</u>

See accompanying notes to financial statements.

(Continued on next page)

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
EXPENDITURES (CONTINUED)				
Brentwood Safety Center East				
Supplies and materials	\$ 15,250	\$ 15,250	\$ 14,107	\$ 1,143
Professional services	750	750	-	750
Repairs and maintenance	39,455	39,455	32,830	6,625
Utilities	23,250	23,250	23,441	(191)
Other costs	5,150	5,150	3,959	1,191
Capital outlay	7,500	7,500	6,650	850
Total Brentwood Safety Center East	<u>91,355</u>	<u>91,355</u>	<u>80,987</u>	<u>10,368</u>
<i>Total public safety</i>	<u>19,759,650</u>	<u>20,307,765</u>	<u>19,932,513</u>	<u>375,252</u>
<i>Roads and streets</i>				
Public works				
Personnel services	2,071,215	2,071,215	1,814,367	256,848
Supplies and materials	161,850	161,850	158,414	3,436
Professional services	16,500	16,500	12,064	4,436
Repairs and maintenance	1,435,500	1,435,500	1,375,671	59,829
Utilities	3,615	3,615	3,570	45
Other costs	134,800	134,800	136,337	(1,537)
Capital outlay	28,500	69,280	64,848	4,432
Total public works	<u>3,851,980</u>	<u>3,892,760</u>	<u>3,565,271</u>	<u>327,489</u>
Storm drainage				
Supplies and materials	-	-	942	(942)
Capital outlay	50,000	50,000	49,054	946
Total storm drainage	<u>50,000</u>	<u>50,000</u>	<u>49,996</u>	<u>4</u>
Street Lighting	<u>420,000</u>	<u>429,380</u>	<u>424,682</u>	<u>4,698</u>
Traffic signalization				
Personnel services	246,325	246,325	247,689	(1,364)
Supplies and materials	42,600	42,600	73,203	(30,603)
Professional services	20,000	20,000	-	20,000
Repairs and maintenance	77,295	61,665	79,590	(17,925)
Utilities	39,000	39,000	35,333	3,667
Other costs	22,000	22,000	16,913	5,087
Capital outlay	45,220	74,720	6,250	68,470
Total traffic signalization	<u>492,440</u>	<u>506,310</u>	<u>458,978</u>	<u>47,332</u>

See accompanying notes to financial statements.

(Continued on next page)

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
EXPENDITURES (CONTINUED)				
<i>Roads and streets (Continued)</i>				
Service center				
Personnel services	\$ 142,700	\$ 142,700	\$ 142,875	\$ (175)
Supplies and materials	30,400	30,400	19,287	11,113
Professional services	7,000	7,000	6,156	844
Repairs and maintenance	170,500	176,750	201,755	(25,005)
Other costs	7,200	7,200	6,921	279
Utilities	70,500	70,500	54,739	15,761
Capital outlay	-	-	-	-
Total service center	<u>428,300</u>	<u>434,550</u>	<u>431,733</u>	<u>2,817</u>
Engineering services				
Personnel services	887,760	887,760	749,720	138,040
Supplies and materials	30,950	30,950	20,333	10,617
Professional services	48,000	48,000	15,928	32,072
Repairs and maintenance	33,200	33,200	28,810	4,390
Other costs	8,700	8,700	6,753	1,947
Capital outlay	-	-	-	-
Total engineering services	<u>1,008,610</u>	<u>1,008,610</u>	<u>821,544</u>	<u>187,066</u>
<i>Total roads and streets</i>	<u>6,251,330</u>	<u>6,321,610</u>	<u>5,752,204</u>	<u>569,406</u>
<i>Public health</i>				
County Health Department Contract	15,000	15,000	15,000	-
County Animal Control Contract	<u>98,315</u>	<u>98,315</u>	<u>98,314</u>	<u>1</u>
<i>Total public health</i>	<u>113,315</u>	<u>113,315</u>	<u>113,314</u>	<u>1</u>
<i>Parks and recreation</i>				
Personnel services	1,797,445	1,711,955	1,556,805	155,150
Supplies and materials	121,000	121,000	112,006	8,994
Professional services	1,000	1,000	-	1,000
Repairs and maintenance	692,595	669,720	582,483	87,237
Other costs	197,000	197,000	194,857	2,143
Utilities	252,600	252,600	261,133	(8,533)
Capital outlay	<u>79,000</u>	<u>79,000</u>	<u>64,723</u>	<u>14,277</u>
<i>Total parks and recreation</i>	<u>3,140,640</u>	<u>3,032,275</u>	<u>2,772,007</u>	<u>260,268</u>

See accompanying notes to financial statements.

(Continued on next page)

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
EXPENDITURES (CONTINUED)				
<i>Public library</i>				
Personnel services	\$ 1,704,420	\$ 1,704,420	\$ 1,796,989	\$ (92,569)
Supplies and materials	648,865	648,865	562,656	86,209
Professional services	62,030	62,030	27,637	34,393
Repairs and maintenance	318,090	444,370	416,970	27,400
Utilities	162,000	162,000	159,882	2,118
Other costs	30,000	30,000	29,178	822
Capital outlay	-	-	-	-
<i>Total public library</i>	<u>2,925,405</u>	<u>3,051,685</u>	<u>2,993,312</u>	<u>58,373</u>
<i>Community support</i>				
Education	244,400	244,400	238,785	5,615
Chamber of Commerce	10,000	10,000	10,000	-
Historic sites	201,770	247,230	235,946	11,284
Capital outlay	-	-	-	-
<i>Total community support</i>	<u>456,170</u>	<u>501,630</u>	<u>484,731</u>	<u>16,899</u>
TOTAL EXPENDITURES	<u>41,734,805</u>	<u>42,416,575</u>	<u>40,510,113</u>	<u>1,906,462</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,110,845</u>	<u>21,314,075</u>	<u>26,384,911</u>	<u>5,070,836</u>
OTHER FINANCING SOURCES (USES)				
Transfers to:				
Debt service fund	3,095,000	3,095,000	3,095,000	-
Capital projects fund	-	11,375,000	11,375,000	-
Municipal Center	-	2,023,230	2,023,230	-
Emergency Communication District	488,000	488,000	488,000	-
Committed, equipment replacement	2,143,000	3,308,000	3,308,000	-
Committed facilities maintenance	350,000	990,000	990,000	-
Committed postemployment benefits	25,000	25,000	25,000	-
<i>Total other financing sources (uses)</i>	<u>6,101,000</u>	<u>21,304,230</u>	<u>21,304,230</u>	<u>-</u>
CHANGE IN FUND BALANCE, GENERAL	<u>9,845</u>	<u>9,845</u>	<u>5,080,681</u>	<u>5,070,836</u>

See accompanying notes to financial statements.

(Continued on next page)

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
Committed activity, budgeted separately				
Equipment replacement				
Transfers from other departments	\$ 2,143,000	\$ 3,308,000	\$ 3,308,000	\$ -
Interest income	20,000	20,000	361,332	341,332
Other income	25,000	25,000	381,874	356,874
Equipment expenditures	<u>(1,843,000)</u>	<u>(1,843,000)</u>	<u>(2,442,113)</u>	<u>(599,113)</u>
Total equipment replacement	<u>345,000</u>	<u>1,510,000</u>	<u>1,609,093</u>	<u>99,093</u>
Facilities maintenance				
Committed transfer from				
general fund	350,000	990,000	990,000	-
Interest income	5,000	5,000	75,626	70,626
Other income	-	-	208,529	208,529
Maintenance expenditures	<u>(1,025,000)</u>	<u>(1,025,000)</u>	<u>(791,017)</u>	<u>233,983</u>
Total facilities maintenance	<u>(670,000)</u>	<u>(30,000)</u>	<u>483,138</u>	<u>513,138</u>
Postemployment benefits				
Transfers from other departments	25,000	25,000	25,000	-
Interest income	2,500	2,500	20,068	17,568
Transfers to other departments	<u>-</u>	<u>(168,980)</u>	<u>(168,980)</u>	<u>-</u>
Total postemployment benefits	<u>27,500</u>	<u>(141,480)</u>	<u>(123,912)</u>	<u>17,568</u>
CHANGE IN FUND BALANCE	<u>\$ (287,655)</u>	<u>\$ 1,348,365</u>	7,049,000	<u>\$ 5,700,635</u>
Fund balance - beginning of year			<u>61,925,223</u>	
Fund balance - end of year (non-GAAP)			<u>\$ 68,974,223</u>	
Accounting entries as a result of GASB Statement				
No. 96, <i>Subscription-Based IT Arrangements</i>				
were not budgeted above:				
Financing of SBITAs	\$ 1,592,869			
SBITA outlays	<u>(1,746,041)</u>			
	(153,172)			
Fund balance - end of year (GAAP)	<u>\$ 68,821,051</u>			

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	WATER AND SEWER	MUNICIPAL CENTER	EMERGENCY COMMUNICATIONS DISTRICT	TOTAL	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 25,325,791	\$ 5,715,375	\$ 2,525,418	\$ 33,566,584	\$ 4,668,477
Receivables:					
Accounts	2,094,823	21,100	18,757	2,134,680	31,408
Due from other funds:	948	-	104,198	105,146	403,747
Unbilled utility revenues	1,797,545	-	-	1,797,545	-
Inventories of supplies	141,994	-	-	141,994	51,691
Prepaid expenses	3,504	-	29,882	33,386	-
Restricted cash and cash equivalents	5,496,674	-	-	5,496,674	-
TOTAL CURRENT ASSETS	34,861,279	5,736,475	2,678,255	43,276,009	5,155,323
NONCURRENT ASSETS					
Subscription asset, net of accumulated amortization	82,203	-	13,555	95,758	-
Property, plant and equipment, net of accumulated depreciation	78,971,580	1,939,473	1,064,374	81,975,427	-
Net pension asset	534,122	-	231,765	765,887	-
Net other postemployment benefits asset	29,062	-	13,286	42,348	-
TOTAL NONCURRENT ASSETS	79,616,967	1,939,473	1,322,980	82,879,420	-
TOTAL ASSETS	114,478,246	7,675,948	4,001,235	126,155,429	5,155,323
DEFERRED OUTFLOWS OF RESOURCES					
Advance refunding of debt	318,764	-	-	318,764	-
Pension related items	734,180	-	129,711	863,891	-
OPEB related items	278,936	-	127,516	406,452	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,331,880	-	257,227	1,589,107	-
LIABILITIES					
Current liabilities (payable from current assets):					
Accounts payable	2,702,443	135,222	44,314	2,881,979	210,659
Claims payable	-	-	-	-	257,481
Accrued salaries	70,152	-	30,784	100,936	-
Accrued interest	160,343	-	36	160,379	-
Due to other funds	62,481	104,025	33,426	199,932	14,905
Compensation absences, current portion	150,000	-	67,000	217,000	-
Current portion of SBITA liabilities	19,331	-	4,628	23,959	-
Current liabilities of long-term debt	1,810,000	-	-	1,810,000	-
TOTAL CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)	4,974,750	239,247	180,188	5,394,185	483,045
NONCURRENT LIABILITIES:					
Compensated absences, net of current portion	181,717	-	19,142	200,859	-
Net pension liability	250	-	-	250	-
Long-term SBITA liabilities, net of current maturities	62,679	-	4,988	67,667	-
Long-term debt, net of current maturities	17,334,050	-	-	17,334,050	-
TOTAL NONCURRENT LIABILITIES	17,578,696	-	24,130	17,602,826	-
TOTAL LIABILITIES	22,553,446	239,247	204,318	22,997,011	483,045
DEFERRED INFLOWS OF RESOURCES					
Pension related items	156,534	-	29,322	185,856	-
OPEB related items	535,945	-	245,007	780,952	-
TOTAL DEFERRED INFLOWS OF RESOURCES	692,479	-	274,329	966,808	-
NET POSITION					
Net investment in capital and intangible assets	60,146,487	1,939,473	1,077,929	63,163,889	-
Restricted for pensions and OPEB	563,184	-	245,051	808,235	-
Unrestricted	31,854,530	5,497,228	2,456,835	39,808,593	4,672,278
TOTAL NET POSITION	\$ 92,564,201	\$ 7,436,701	\$ 3,779,815	103,780,717	\$ 4,672,278
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				630,900	
Net position of business-type activities				\$ 104,411,617	

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>				<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS</u>
	<u>WATER AND SEWER</u>	<u>MUNICIPAL CENTER</u>	<u>EMERGENCY COMMUNICATIONS DISTRICT</u>	<u>TOTAL</u>	
OPERATING REVENUES					
Water sales	\$ 13,433,350	\$ -	\$ -	\$ 13,433,350	\$ -
Sewer service charges	8,156,479	-	-	8,156,479	-
Rental income	-	779,707	-	779,707	-
Tennessee Emergency Communications					
Board 911 funding	-	-	1,364,778	1,364,778	-
Internal charges	-	-	-	-	4,677,918
Other	639,597	17	-	639,614	469,186
TOTAL OPERATING REVENUES	<u>22,229,426</u>	<u>779,724</u>	<u>1,364,778</u>	<u>24,373,928</u>	<u>5,147,104</u>
OPERATING EXPENSES					
Water purchased	7,946,855	-	-	7,946,855	-
Depreciation and amortization	3,121,628	286,415	94,193	3,502,236	-
Materials and supplies	333,823	7,434	69,408	410,665	580,020
Sewage treatment charges	2,975,638	-	-	2,975,638	-
Salaries and benefits	2,447,510	-	1,099,857	3,547,367	4,712,896
Maintenance	1,104,358	331,193	2,524	1,438,075	-
Utilities	706,530	163,486	-	870,016	-
Professional services	633,468	35,624	14,673	683,765	-
Communications	-	-	275,391	275,391	-
Other	169,291	2,708	13,388	185,387	-
TOTAL OPERATING EXPENSES	<u>19,439,101</u>	<u>826,860</u>	<u>1,569,434</u>	<u>21,835,395</u>	<u>5,292,916</u>
OPERATING INCOME (LOSS)	<u>2,790,325</u>	<u>(47,136)</u>	<u>(204,656)</u>	<u>2,538,533</u>	<u>(145,812)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest income	1,205,409	152,093	94,992	1,452,494	164,339
Grants and other	2,668,442	-	44,000	2,712,442	-
Bond issuance costs	-	-	-	-	-
Gain (loss) on disposal of assets	3,883	14	(7,358)	(3,461)	-
Interest expense	(636,183)	-	(36)	(636,219)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>3,241,551</u>	<u>152,107</u>	<u>131,598</u>	<u>3,525,256</u>	<u>164,339</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>6,031,876</u>	<u>104,971</u>	<u>(73,058)</u>	<u>6,063,789</u>	<u>18,527</u>
Capital contributions, tap fees	602,265	-	-	602,265	-
Transfers in	-	2,096,140	488,000	2,584,140	-
Transfers out	-	-	(72,910)	(72,910)	-
Change in net position	<u>6,634,141</u>	<u>2,201,111</u>	<u>342,032</u>	<u>9,177,284</u>	<u>18,527</u>
NET POSITION - BEGINNING OF YEAR	<u>85,930,060</u>	<u>5,235,590</u>	<u>3,437,783</u>		<u>4,653,751</u>
NET POSITION - END OF YEAR	<u>\$ 92,564,201</u>	<u>\$ 7,436,701</u>	<u>\$ 3,779,815</u>		<u>\$ 4,672,278</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>2,847</u>	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES				<u>\$ 9,180,131</u>	

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>				<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS</u>
	<u>WATER AND SEWER</u>	<u>MUNICIPAL CENTER</u>	<u>EMERGENCY COMMUNICATIONS DISTRICT</u>	<u>TOTAL</u>	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 22,393,021	\$ 766,218	\$ 1,349,982	\$ 24,509,221	\$ -
Receipts from internal services provided	-	-	-	-	5,399,761
Payments to suppliers	(13,974,974)	(461,377)	(508,443)	(14,944,794)	(4,883,068)
Payments to employees	(2,403,535)	-	(1,097,799)	(3,501,334)	-
Payments to (from) other City funds	(9,447)	104,025	-	94,578	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>6,005,065</u>	<u>408,866</u>	<u>(256,260)</u>	<u>6,157,671</u>	<u>516,693</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from general fund	-	2,023,230	488,000	2,511,230	-
TECB subsidies	-	-	44,000	44,000	-
TOTAL NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>2,023,230</u>	<u>532,000</u>	<u>2,555,230</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED					
Connection fees	602,265	-	-	602,265	-
Capital grants	2,668,442	-	-	2,668,442	-
Acquisition and construction of capital assets	(8,512,074)	(363,619)	(315,683)	(9,191,376)	-
Proceeds from the sale of capital assets	3,883	14	55,515	59,412	-
Payments made on SBITA liabilities	(14,149)	-	(4,603)	(18,752)	-
Principal paid on long-term debt	(1,765,000)	-	-	(1,765,000)	-
Interest paid on long-term debt and SBITAs	(618,590)	-	(36)	(618,626)	-
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(7,635,223)</u>	<u>(363,605)</u>	<u>(264,807)</u>	<u>(8,263,635)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and other income received	<u>1,205,409</u>	<u>152,093</u>	<u>94,992</u>	<u>1,452,494</u>	<u>164,339</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,205,409</u>	<u>152,093</u>	<u>94,992</u>	<u>1,452,494</u>	<u>164,339</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(424,749)</u>	<u>2,220,584</u>	<u>105,925</u>	<u>1,901,760</u>	<u>681,032</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>31,247,214</u>	<u>3,494,791</u>	<u>2,419,493</u>	<u>37,161,498</u>	<u>3,987,445</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 30,822,465</u>	<u>\$ 5,715,375</u>	<u>\$ 2,525,418</u>	<u>\$ 39,063,258</u>	<u>\$ 4,668,477</u>
RECONCILIATION OF AMOUNTS TO STATEMENT OF NET POSITION					
Cash and cash equivalents	\$ 25,325,791	\$ 5,715,375	\$ 2,525,418	\$ 33,566,584	\$ 4,668,477
Restricted cash and cash equivalents	5,496,674	-	-	5,496,674	-
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 30,822,465</u>	<u>\$ 5,715,375</u>	<u>\$ 2,525,418</u>	<u>\$ 39,063,258</u>	<u>\$ 4,668,477</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF CASH FLOWS (CONTINUED)

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>				<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS</u>
	<u>WATER AND SEWER</u>	<u>MUNICIPAL CENTER</u>	<u>EMERGENCY COMMUNICATIONS DISTRICT</u>	<u>TOTAL</u>	
RECONCILIATION OF OPERATING INCOME (LOSS)					
TO NET CASH PROVIDED BY (USED IN)					
OPERATING ACTIVITIES					
Operating income (loss)	\$ 2,790,325	\$ (47,136)	\$ (204,656)	\$ 2,538,533	\$ (145,812)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	3,121,628	286,415	94,193	3,502,236	-
(Increase) decrease in:					
Accounts receivable	(70,694)	(13,506)	(14,796)	(98,996)	127,127
Due from other funds	(948)	-	(70,772)	(71,720)	125,530
Unbilled utility revenues	234,289	-	-	234,289	-
Inventories of supplies	23,873	-	-	23,873	74,840
Prepaid expenses	562	301	(22,388)	(21,525)	-
Net pension and OPEB assets and liabilities	823,306	-	24,125	847,431	-
Deferred outflows of resources related to pensions and OPEB	62,015	-	55,532	117,547	-
Increase (decrease) in:					
Accounts payable	(129,446)	78,767	5,209	(45,470)	150,546
Claims payable	-	-	-	-	171,294
Accrued salaries	20,840	-	9,372	30,212	-
Due to other funds	(8,499)	104,025	(56,397)	39,129	13,168
Compensated absences	6,099	-	-	6,099	-
Deferred inflows of resources related to pensions and OPEB	(868,285)	-	(75,682)	(943,967)	-
NET CASH PROVIDED BY (USED IN)					
OPERATING ACTIVITIES	<u>6,005,065</u>	<u>408,866</u>	<u>(256,260)</u>	<u>6,157,671</u>	<u>516,693</u>
SUPPLEMENTAL DISCLOSURE OF					
NONCASH CAPITAL AND RELATED					
FINANCING ACTIVITIES					
Intangible SBITA assets financed with					
SBITA liabilities	\$ 96,123	\$ -	\$ 14,255	\$ 110,378	\$ -
Capital assets transferred between funds	\$ -	\$ 79,210	\$ (79,210)	\$ -	\$ -

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2023

	<u>OPEB TRUST</u>	<u>CUSTODIAL FUNDS</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 5,508,753
Accounts receivable	31,313	21,800
Prepaid expenses	-	1,900
Investments, mutual funds	<u>15,656,571</u>	<u>-</u>
 TOTAL ASSETS	 <u>15,687,884</u>	 <u>5,532,453</u>
 LIABILITIES		
Accounts payable	<u>196,828</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>196,828</u>	 <u>-</u>
 NET POSITION		
Restricted for:		
OPEB	15,491,056	-
Individuals and organizations	<u>-</u>	<u>5,532,453</u>
 TOTAL NET POSITION	 <u>\$ 15,491,056</u>	 <u>\$ 5,532,453</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>OPEB TRUST</u>	<u>CUSTODIAL FUNDS</u>
ADDITIONS		
Contributions		
Employer	\$ 1,281,063	\$ -
Private contributions	<u>-</u>	<u>139,524</u>
Total Contributions	<u>1,281,063</u>	<u>139,524</u>
INVESTMENT EARNINGS		
Interest	-	201,229
Net increase (decrease) in the fair value of investments	<u>1,021,324</u>	<u>-</u>
Net investment earnings	<u>1,021,324</u>	<u>201,229</u>
TOTAL ADDITIONS	<u>2,302,387</u>	<u>340,753</u>
DEDUCTIONS		
Benefits	694,081	-
Administrative expenses	16,885	-
Recipient payments	<u>-</u>	<u>168,236</u>
TOTAL DEDUCTIONS	<u>710,966</u>	<u>168,236</u>
CHANGE IN FIDUCIARY NET POSITION	1,591,421	172,517
NET POSITION - BEGINNING OF YEAR	<u>13,899,635</u>	<u>5,359,936</u>
NET POSITION - END OF YEAR	<u>\$ 15,491,056</u>	<u>\$ 5,532,453</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity

The City of Brentwood (the “City”), located in Williamson County, Tennessee, was incorporated May 13, 1969. The City operates under a City Manager-Commission form of government and provides the following services and facilities, as authorized by its charter: general administrative services, public safety (police and fire protection), roads and streets, parks and recreation, public library, community support, water and sewer utility services, and emergency communications services.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (“GASB”). The following is a summary of the significant accounting policies.

Reporting Entity

The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. The Brentwood Emergency Communications District (the “District” or “ECD”) was established in September 2002 and, in accordance with §24-52 of the Brentwood Municipal Code, the Board of Commissioners of the City of Brentwood, Tennessee shall act as the Board of Directors for the ECD and the City has operational responsibility for it. Blended component units, although legally separate entities, are, in substance, part of the government’s operations. Under GAAP, the ECD is presented as a separate fund in the proprietary fund statements. A separately audited financial statement is prepared for the ECD and may be obtained by contacting the Finance Department (see page 18 for information).

As of June 30, 2023 and for the year then ended, the City had no discretely presented component units which were required to be included in these financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements, the statement of net position and the statement of activities, report information on all of the nonfiduciary activities of the City and its component unit. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (Continued)

The statement of net position presents the City's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital and intangible assets - consists of capital and intangible assets, net of accumulated depreciation/amortization, and reduced by outstanding debt that is attributable to the acquisition, construction, and improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. Debt that was issued for capital purposes is not a part of the calculation of net investment in capital assets until the proceeds have been used to acquire capital assets.

Restricted net position - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position - is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the governmentwide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (Continued)

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported in the various functions concerned.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied and the City has legal title to the money. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or up to one year for grant revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits and environmental obligations are recognized later, based on specific accounting rules applicable to each, generally when the payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes, sales taxes, intergovernmental revenues, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the City, at which time they are recognized as revenue.

The City reports the following major governmental funds:

General - is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Debt Service - is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of the governmental funds.

Capital Projects - accounts for the resources to be used for the acquisition, design, and construction of the major capital improvement projects of the City, other than those financed by the proprietary funds.

The City reports the following major proprietary funds:

Water and Sewer - accounts for the activities of the water services department, which operates and maintains a water distribution and sewer collection system for residents and businesses on a user charge basis. All activities necessary to provide these services are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises.

Municipal Center - accounts for the rental operations of the Municipal Center.

ECD - provides for the operation, maintenance, funding, and enhancement of the City's existing emergency communications system.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Additionally, the City reports the following fund types:

Internal Service - are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for health insurance and fuel costs. Because both of these services predominantly benefit governmental rather than business-type functions, the balance sheet of these funds has been included within governmental activities in the government-wide financial statements, with an internal due to/due from and corresponding net position allocation relating to business-type activities.

Fiduciary - accounts for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under terms of a formal trust agreement. The City reports the following fiduciary funds:

OPEB Trust - was established in 2008 to accumulate and fund other postemployment benefits (predominantly retiree health and life insurance) for qualified employees, based on minimum age and years of service as actuarially determined. Investments held in the OPEB Trust consist of diversified managed funds (see notes 3 and 11).

Custodial - accumulates and maintains certain accounts, as a custodian, funded through private donations, which include the Employee Assistance Trust, Public Safety Employees Trust, Friends of the Library, Historic Trust, Parks Trust, 50th Anniversary, Environmental Trust, Concert Series, and John P. Holt Library Bequest.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, or fines imposed by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer and the municipal center enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system.

The principal operating revenues of the ECD are emergency telephone service charges levied on residential and business service users. These fees are collected by the Tennessee Emergency Communications Board and remitted to the ECD. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not described above are reported as nonoperating revenues and expenses.

Use of Estimates

The preparation of the City's financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

Statutes authorize the City to invest in: (1) securities and obligations guaranteed by the US Government; (2) deposit accounts at state and federal chartered banks and savings and loan associations; and (3) the Local Government Investment Pool of the State of Tennessee. During the current fiscal year, the City invested funds that were not immediately needed in savings accounts. Deposits in financial institutions are required by state statute to be secured and collateralized by the institutions holding the deposits. The collateral must meet certain requirements and must have a total minimum fair value of 105% of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. Collateral requirements are not applicable for financial institutions that participate in the state of Tennessee's collateral pool.

Receivables

All trade and property tax receivables are shown net of any allowance for uncollectible accounts (no allowances recorded as of June 30, 2023).

Interfund Receivable/Payables

During the year, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as "due to/from other funds." Other activities between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are also referred to as "due to/from other funds."

Inventories of Supplies and Prepaid Items

Inventories of supplies are valued at cost for governmental funds and the lower of cost or net realizable value for proprietary funds using the first-in first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Certain assets of the general, drug, and capital projects funds are classified as restricted assets because their use is limited by applicable debt, agreements, or other externally enforceable constraints on how they may be used. Additionally, amounts held in pension stabilization reserve trusts and any unspent bond proceeds are included in this classification.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets or donated works of art are recorded at their acquisition value at the date of donation. Also, capital assets received in a service concession arrangement should be reported at acquisition value.

The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 - 50 years
Improvements other than buildings	10 - 20 years
Utility plant in service	30 - 50 years
Machinery, equipment, and vehicles	5 - 20 years
Computer equipment and software	3 - 5 years
Road system infrastructure	10 - 45 years
Sidewalks	30 years
Bridges	60 years

Intangible (Right-to-Use) SBITA Assets and Liabilities

The City adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs) effective July 1, 2022. At the commencement of the subscription term, the City recognizes a subscription liability and an intangible right-to-use asset (a capital asset hereinafter referred to as the subscription asset), except for agreements with initial terms of twelve months or less.

Leases

The City determines if an arrangement is or contains a lease at contract inception and recognizes an intangible right of use asset and a lease liability at the lease commencement date. Subsequently, the intangible right of use asset is amortized on a straight-line basis over its useful life. The City also enters into agreements, as lessor, to lease property, recognizing a lease receivable and a deferred inflow of resources. The lease term includes the noncancelable period of the lease plus an additional period covered by either an option to extend or not to terminate the lease that the lessee is reasonably certain to exercise, or an option to extend or not to terminate the lease controlled by the lessor. The City uses its estimated incremental borrowing rate as the discount rate for leases.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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

The City monitors for events or changes in circumstances that require a reassessment of its leases. When a reassessment results in the remeasurement of a lease receivable or liability, a corresponding adjustment is made to the carrying amount of the deferred inflow or intangible right of use asset.

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

Compensated Absences

The City's policy permits employees to accumulate earned but unused annual (vacation) leave and sick days. Annual leave days may accumulate to a maximum of 30 days for employees with up to 5 years of service, 45 days for employees with up to 20 years of service, and 60 days for employees with 20 or more years of service. There is no maximum number of sick days which may be accumulated. Upon termination, employees receive payment for accumulated annual leave days. Employees who leave employment with at least 20 years of service and are at least age 55 are paid for a portion of their accumulated sick days depending on their date of hire. In addition, the City Manager has the authority to pay employees who resign from employment of the City up to 50% of the accrued sick days up to a maximum payment of 30 days.

All annual leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee terminations or retirements. The liability will be liquidated from the general fund, the water and sewer fund, and the ECD. The City adopted the provisions of GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2023.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business type activities, or proprietary fund type statement of net position.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations (Continued)

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Governmental Fund Equity Classification

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance.” The City’s governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

This policy only applies to the City’s governmental funds. Fund balances shall be composed of the following fund types:

Nonspendable - Amounts that cannot be spent because they are either in a (a) nonspendable form, including items not expected to be converted to cash (i.e., inventories, prepaid amounts, long-term portion of loans and notes receivable, and property acquired for resale), or (b) legally or contractually required to remain intact (i.e., the principal of a permanent fund). The City’s nonspendable fund balances are not in spendable form.

Restricted - Amounts constrained to be used for a specific purpose as per external parties, constitutional provision, or enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed - Amounts constrained to be used for a specific purpose as per formal action by the Board of Commissioners (the Board), through ordinance. Amounts classified as committed are not subject to legal enforceability like restricted resources; however, they cannot be used for any other purpose unless the Board removes or changes the commitment by taking the same action it employed to impose the commitment.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Equity Classification (Continued)

Assigned - Amounts intended to be used by the City for a specific purpose, but which are neither restricted nor committed. The intent for the use of these amounts shall be expressed by the Board or a designee authorized by the Board, such as the City Manager or Finance Director, for a specific purpose in accordance with the fund balance policy established by the Board. The nature of the actions necessary to remove or modify an assignment is not as rigid as that required under a committed fund balance classification.

Unassigned - Amounts available for any purpose (amounts that are not non-spendable, restricted, committed, or assigned) in the General Fund, as well as negative fund balances of other funds, if any.

Fund balances classified as restricted are as follows:

State Street Aid - This fund is restricted by state law for use in construction and maintenance of city streets and certain related street expenditures. Streets are defined as streets, highways, avenues, boulevards, public-owned right-of-ways, bridges, tunnels, public parking areas, and other public ways dedicated to public use.

Drug - This fund is restricted under state law for the enforcement of drug laws, drug education programs, drug treatment activities, and non-recurring general law enforcement expenditures.

e-Citation - This fund is restricted for purchases related to the electronic citation system.

Public Works Projects - This fund was established by the Tennessee General Assembly in 1987 by a Private Act and is restricted for use in construction of transportation infrastructure associated with the demands of new development.

Adequate School Facilities - This fund was established by the Tennessee General Assembly in 1987 by a Private Act and is restricted for the purpose of providing public facilities and related capital improvements associated with new residential development. The tax is collected by Williamson County and distributed to the cities of the county on a per capita basis.

Restricted fund balances include amounts held in pension stabilization reserve trusts and any unspent bond proceeds.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Equity Classification (Continued)

Fund balances classified as committed are as follows:

Debt Service - This fund is committed by the Board as set forth in the annual budget (and any amendments thereto) for the payment of the general obligation debt service of the City other than Water and Sewer debt. The City also strives to maintain a fund balance in the Debt Service Fund equal to one year's general obligation debt service requirement.

Capital Projects - This fund is committed by the Board as set forth in the annual budget (and any amendments thereto) for expenditures associated with the acquisition, design, and construction of major capital improvements and other long-range projects other than improvements financed by proprietary funds such as the Water and Sewer Fund.

The City does not report or anticipate reporting an assigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the City to use the restricted amounts first, as permitted under the law. When the expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City to use the committed amounts first, followed by the assigned amounts, and then unassigned amounts.

The City will maintain a minimum unassigned fund balance for the general fund in excess of 40% of annual operating expenditures for this fund. Such fund balance shall serve cash flow needs, protect against unforeseen emergencies, and enhance the creditworthiness of the City.

Compliance with the provisions of this policy shall be reviewed as part of the closing of the financial records at fiscal year-end and the amounts of nonspendable, restricted, committed, and assigned fund balance will be determined. Any residual general fund balance amounts will be classified as unassigned.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category: (1) deferred charge on bond refunding resulting 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; (2) amounts relating to pensions and other postretirement benefits which may result from differences between expected and actual actuarial experience, differences between expected and actual investment earnings of the pension plan, certain changes in actuarial assumptions, and amounts of employer contributions to the plans made subsequent to the measurement date.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time.

The City has the following types of deferred inflows of resources: unavailable revenues reported in the governmental funds balance sheet, which arise under a modified accrual basis of accounting, representing amounts that are deferred and recognized as an inflow of resources in the periods in which the amounts become available. These amounts relate primarily to unavailable property taxes and other receivables not within the collection period. The deferred inflows of resources reported in the statement of net position arise from imposed nonexchange revenues (property taxes) which are assessed prior to the end of the fiscal year, but levied in the subsequent year. Pension and other postretirement benefit-related deferred inflows of resources may result from actuarial gains related to the difference between expected and actual experience for the plan's adopted economic and demographic assumptions, and differences between expected and actual earnings on plan investments.

Property Tax

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the City's legal boundaries. Property taxes are secured by a statutory lien, effective as of the original assessment date of January 1 and, as such, represent an enforceable legal claim to the subsequent fiscal year levy which exists at the end of the year.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Tax (Continued)

Assessed values are established by the state of Tennessee at the following rates of assessed market value:

Public utility property	55%
Industrial and commercial property	
Real property	40%
Personal property	30%
Residential, agricultural, home belt, forest, and farm property	25%

Taxes were levied at a rate of \$0.29 per \$100 of assessed value for the year ended June 30, 2023. Payments may be made during the period from October 1 through February 28 of the subsequent calendar year, and property taxes become delinquent on March 1. Current tax collections of \$12,899,650 for the fiscal year ended June 30, 2023 were approximately 99.26% of the tax levy.

Of the \$13,315,531 of property taxes receivable at June 30, 2023, \$13,096,004 represents the estimated 2023 property taxes to be billed in October 2023. This receivable is reported in the balance sheet - governmental funds with offsetting deferred inflows of resources for the amounts not available at June 30, 2023. Amounts available at June 30, 2023 have been recorded as revenues in the governmental fund statements.

Pensions - TCRS Legacy and Hybrid Plans

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of the TCRS. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

Postemployment healthcare benefits other than pension benefits are accounted for under GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, which establishes standards for the measurement, recognition, and presentation of postemployment healthcare benefits expense and related liabilities, assets, note disclosures, and, if applicable, required supplementary information.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Prior to May 15 of each year, the City Manager formally submits a proposed operating budget to the Board for the fiscal year commencing the following July 1. Public hearings are conducted by the Board to obtain citizen comments on the budget. Prior to June 30, the budget is legally enacted through passage of an ordinance. Annual appropriated budgets for the general fund, special revenue funds, nonmajor capital projects funds from restricted resources, and debt service funds are adopted on a basis consistent with GAAP. Budgeted amounts shown are those originally adopted, as well as the final budgets which reflect amendments by the Board.

Total expenditures for each of these funds may not exceed the total amount appropriated in the budget ordinance. The City Manager is authorized to transfer budgeted amounts between departments within an individual fund; however, any revisions that alter the total appropriations for any fund must be approved through the passage of an ordinance by the Board. All annual appropriations lapse at year-end.

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash Deposits and Certificates of Deposit

The City's cash and cash equivalents at June 30, 2023 were held by financial institutions which participate in the bank collateral pool administered by the Treasurer of the State of Tennessee. Participating banks determine the aggregate balance of their public fund accounts for the City. The amount of collateral required to secure these public deposits must be equal to 105% of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the State Treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Cash Deposits and Certificates of Deposit (Continued)

Custodial risk is the risk that, in the event of a bank failing, the City's deposits may not be returned. The City minimizes this risk by requiring full collateralization on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit, except when the institution issuing the certificate of deposit belongs to the State of Tennessee Bank Collateral Pool, as noted above. As of June 30, 2023, the City's deposits were fully insured or collateralized. The City's cash is comprised of deposits and is reported in the financial statements as follows:

Government-wide Statement of Net Position

Governmental Activities

Cash and cash equivalents	\$ 114,739,133
Restricted cash and cash equivalents	7,207,043

Business Type Activities

Cash and cash equivalents	33,566,584
Restricted cash and cash equivalents	5,496,674

Fiduciary Funds Statement of Fiduciary Net Position

Custodial funds	<u>5,508,753</u>
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Total	<u><u>\$ 166,518,187</u></u>
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A summary of the City's policies for interest rate risk and credit risk are as follows:

Credit Risk - The City will minimize credit risk, which is the risk of loss due to the failure of the investment issuer or backer, by:

- Limiting the portfolio to the types of investments permitted by TCA 6-56-106.
- Pre-qualifying the financial institutions with which the City will do business.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

Interest Rate Risk - The City will minimize interest rate risk, which is the risk that the fair value of investments in the portfolio will fall due to changes in market interest rates, by:

- Structuring the portfolio to meet the cash requirements of ongoing operations, thereby mitigating the need to liquidate investments at a loss prior to maturity.
- Investing operating funds primarily in shorter-term investments, money market mutual funds, CDs, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Cash and Investments of Pension Stabilization Reserve Trusts

The City's financial statements include restricted cash and investments held in pension stabilization reserve trusts. The City has omitted the related disclosures as the amounts are immaterial.

Investments of OPEB Trust Fund

The OPEB Trust Fund holds investments that are measured at fair value on a recurring basis. Investing is a key part of the Fund's activities. The City categorizes its fair value measurements for this Fund within the fair value hierarchy established by GAAP. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets in active markets that can be accessed at the measurement date (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves observable at commonly quoted intervals, implied volatilities, or credit spreads; inputs that are derived principally from or corroborated by observable market data, by correlation, or other means. If the asset or liability has a specified term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Descriptions of the valuation methodologies used for each category of investment measured at fair value are listed below as they appear in the fair value hierarchy.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments of OPEB Trust Fund (Continued)

The City has the following recurring fair value measurements as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
MSQ Core Bond Index	\$ -	\$ 1,779,942	\$ -	\$ 1,779,942
MSQ Inflation focused	-	284,958	-	284,958
MSQ Model Portfolio				
Conservative	-	7,587,434	-	7,587,434
MSQ Model Portfolio				
Moderate	-	6,004,237	-	6,004,237
	<u>\$ -</u>	<u>\$ 15,656,571</u>	<u>\$ -</u>	<u>\$ 15,656,571</u>

All of the City's investments in the OPEB trust fund are held in diversified funds managed by MissionSquare Retirement. The daily value of each fund is determined at the close of each business day by adding the value of all of the fund's investments, plus cash and other assets, and deductive liabilities, and dividing by the outstanding units in the fund.

The Morningstar overall ratings for the MSQ Core Bond Index Fund, Inflation Focused Fund, and Model Portfolio Moderate are all 3 stars. The Morningstar overall rating for the Model Portfolio Conservative is 4 stars.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 4 - INTERFUND BALANCES AND TRANSACTIONS

Interfund receivables and payables are attributable to charges between funds that are outstanding as of June 30, 2023 and are as follows:

	<u>Interfund Receivable</u>	<u>Interfund payable</u>
Governmental Activities		
General	\$ 42,362	\$ 782,213
Capital projects	436,528	-
Debt service	-	891
Other governmental		
e-Citation	60	-
State street aid	-	2,557
Drug fund	12,655	-
Internal service	403,747	14,905
Fiduciary funds	-	-
Internal payable created by internal service fund elimination	<u>-</u>	<u>630,900</u>
	<u>\$ 895,352</u>	<u>\$ 1,431,466</u>
Net governmental activities payable		<u>\$ (536,114)</u>
	<u>Interfund Receivable</u>	<u>Interfund payable</u>
Business-Type Activities		
Water	\$ 948	\$ 62,481
Emergency Communication District	104,198	33,426
Municipal Center	-	104,025
Internal receivable created by internal service fund eliminations	<u>630,900</u>	<u>-</u>
	<u>\$ 736,046</u>	<u>\$ 199,932</u>
Net business-type activities receivable	<u>\$ 536,114</u>	

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 4 - INTERFUND BALANCES AND TRANSACTIONS (CONTINUED)

Interfund transfers for the year ended June 30, 2023 are attributable to the budgeted allocation of resources from one fund to another, and consist of the following:

	Transfers in				Total
	Debt Service	Capital Projects	Municipal Center	ECD	
Transfers out					
General	\$ 3,095,000	\$ 11,375,000	\$ 2,023,230	\$ 488,000	\$ 16,981,230
Other governmental					
Adequate school facilities	-	500,000	-	-	500,000
Public works	-	420,000	-	-	420,000
Emergency Communication:	-	-	72,910	-	72,910
Total transfers	<u>\$ 3,095,000</u>	<u>\$ 12,295,000</u>	<u>\$ 2,096,140</u>	<u>\$ 488,000</u>	<u>\$ 17,974,140</u>

Payment of rental fees for fire hydrant usage, totaling \$100,000, is paid by the general fund to the water and sewer fund. Such amount is included in public safety expenditures reported by the general fund and other operating revenues reported by the water and sewer fund for the year.

The general fund and ECD also paid the municipal center fund rents totaling \$740,000 and \$13,250, respectively, for the year ended June 30, 2023, for its use of the municipal center building. Such amounts are included in the general government expenditures reported by the general fund, operating expenses reported by ECD, and operating revenues reported by the municipal center fund for the year. ECD also paid the general fund \$54,833 in rent expense at the police department headquarters for the year ended June 30, 2023. This is recognized as use of money and property in the General Fund and as an operating expense by ECD.

The water and sewer fund paid the general fund \$125,000 and \$100,000 for its space at the City's service center and for the GIS mapping fee, respectively, for the year ended June 30, 2023. Such amounts are included in uses of money and property reported by the general fund and in operating expenses reported by the water and sewer fund for the year.

The water and sewer fund and ECD contributed a total of \$147,755 (\$101,400 and \$46,355, respectively) to the OPEB trust fund for retiree benefits for the year ended June 30, 2023. These amounts are included in expenses for the respective funds. The general fund transferred \$987,910 from the current year contributions to the OPEB trust for the year ended June 30, 2023 (see note 11).

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 5 - INTANGIBLE AND CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023, was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Intangible (right-to-use) SBITAs	\$ 824,970	\$ 1,039,439	\$ -	\$ 1,864,409
Less: accumulated amortization	-	(381,609)	-	(381,609)
Intangible assets - SBITAs, net	<u>\$ 824,970</u>	<u>\$ 657,830</u>	<u>\$ -</u>	<u>\$ 1,482,800</u>
Capital assets not being depreciated				
Land	\$ 147,079,341	\$ -	\$ -	\$ 147,079,341
Construction in progress	<u>8,990,912</u>	<u>8,941,174</u>	<u>(13,988,152)</u>	<u>3,943,934</u>
Total capital assets not being depreciated	<u>156,070,253</u>	<u>8,941,174</u>	<u>(13,988,152)</u>	<u>151,023,275</u>
Capital assets being depreciated				
Buildings and structures	49,457,576	7,863,080	-	57,320,656
Improvements other than buildings	18,979,662	3,277,504	-	22,257,166
Furniture, machinery, and equipment	36,926,203	4,469,292	(1,638,427)	39,757,068
Infrastructure	<u>298,443,100</u>	<u>1,908,871</u>	<u>-</u>	<u>300,351,971</u>
Total capital assets being depreciated	<u>403,806,541</u>	<u>17,518,747</u>	<u>(1,638,427)</u>	<u>419,686,861</u>
Less: accumulated depreciation				
Buildings and structures	(10,898,828)	(1,076,913)	-	(11,975,741)
Improvements other than buildings	(13,365,416)	(696,958)	-	(14,062,374)
Furniture, machinery, and equipment	(25,831,397)	(3,201,800)	1,301,145	(27,732,052)
Infrastructure	<u>(180,753,055)</u>	<u>(10,058,003)</u>	<u>-</u>	<u>(190,811,058)</u>
Total accumulated depreciation	<u>(230,848,696)</u>	<u>(15,033,674)</u>	<u>1,301,145</u>	<u>(244,581,225)</u>
Governmental activities capital assets, net	<u>\$ 329,028,098</u>	<u>\$ 11,426,247</u>	<u>\$ (14,325,434)</u>	<u>\$ 326,128,911</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 5 - INTANGIBLE AND CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense were charged to functions/programs for the year ended June 30, 2023, as follows:

	<u>Depreciation</u>	<u>Amortization</u>
General government	\$ 575,280	\$ 197,446
Public safety	2,624,780	150,998
Roads and streets	9,955,169	-
Parks and recreation	1,498,600	-
Public library	379,845	33,165
Drug education	<u>-</u>	<u>-</u>
Total depreciation expense, governmental activities	<u>\$ 15,033,674</u>	<u>\$ 381,609</u>

<u>Business-type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Intangible (right-to-use) SBITAs	\$ 96,123	\$ 14,254	\$ -	\$ 110,377
Less: accumulated amortization	<u>-</u>	<u>(14,619)</u>	<u>-</u>	<u>(14,619)</u>
Intangible assets - SBITAs, net	<u>\$ 96,123</u>	<u>\$ (365)</u>	<u>\$ -</u>	<u>\$ 95,758</u>
Capital assets not being depreciated				
Land	\$ 1,633,797	\$ 841,772	\$ -	\$ 2,475,569
Construction in progress	<u>7,090,905</u>	<u>7,999,410</u>	<u>(12,392,851)</u>	<u>2,697,464</u>
Total capital assets not being depreciated	<u>8,724,702</u>	<u>8,841,182</u>	<u>(12,392,851)</u>	<u>5,173,033</u>
Capital assets being depreciated				
Utility plant in service	126,129,539	10,567,465	-	136,697,004
Buildings and structures, and improvements	4,661,007	82,866	(4,128)	4,739,745
Improvements other than buildings	2,662,355	13,621	-	2,675,976
Machinery, equipment, and vehicles	<u>5,724,033</u>	<u>2,124,709</u>	<u>(1,519,994)</u>	<u>6,328,748</u>
Total capital assets being depreciated	<u>139,176,934</u>	<u>12,788,661</u>	<u>(1,524,122)</u>	<u>150,441,473</u>
Less: accumulated depreciation				
Utility plant in service	(60,967,533)	(3,047,334)	-	(64,014,867)
Buildings, structure, and improvements	(3,564,859)	(131,833)	4,128	(3,692,564)
Improvements other than buildings	(2,050,888)	(126,082)	-	(2,176,970)
Machinery, equipment, and vehicles	<u>(4,969,595)</u>	<u>(298,294)</u>	<u>1,513,211</u>	<u>(3,754,678)</u>
Total accumulated depreciation	<u>(71,552,875)</u>	<u>(3,603,543)</u>	<u>1,517,339</u>	<u>(73,639,079)</u>
Business-type activities capital assets, net	<u>\$ 76,348,761</u>	<u>\$ 18,026,300</u>	<u>\$ (12,399,634)</u>	<u>\$ 81,975,427</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 5 - INTANGIBLE AND CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to funds for the year ended June 30, 2023, as follows:

Water and sewer	\$ 3,223,635
Municipal center	286,415
Emergency Communications District	<u>93,493</u>
Total depreciation expense, business-type activities	<u>\$ 3,603,543</u>

NOTE 6 - LEASES

Lessor

The City, as lessor, leases land for two cell towers under non-cancelable lease arrangements. The lease term on each is 25 years and contains fixed payment terms that increase 10% every five years. The leases contain options to renew that have been considered in the leases receivable when the lessee is reasonably certain to exercise the renewal option. The City received a total of \$60,000 in payments on the lease during the year. The City recognized lease revenue, which is included in other operating revenues, of \$56,229 in 2023. Total leases receivable was \$1,336,655 (\$32,407 current) as of June 30, 2023, and are included as leases receivable on the statement of net position.

Expected future principal and interest expected under these lease agreements are as follows at June 30, 2023:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 32,407	\$ 27,593	\$ 60,000
2025	34,331	26,919	61,250
2026	36,809	26,191	63,000
2027	37,563	25,437	63,000
2028	41,366	24,634	66,000
2029 - 2033	235,059	109,516	344,575
2034 - 2038	296,741	82,292	379,033
2039 - 2043	368,876	48,060	416,936
2044 - 2047	253,503	10,035	263,538

Lessee

The City has certain arrangements under which it is a lessee, which are not material.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 7 - LONG-TERM LIABILITIES

During the year ended June 30, 2023, the changes in long-term liabilities were as follows:

	<u>Beginning Balance</u>	<u>Additions (net increase)</u>	<u>Retirements (net decrease)</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Governmental Activities					
General obligation bonds	\$ 24,790,000	\$ 7,770,000	\$ (1,680,000)	\$ 30,880,000	\$ 1,885,000
Unamortized premium	<u>974,305</u>	<u>419,742</u>	<u>(98,350)</u>	<u>1,295,697</u>	<u>-</u>
Total bonds and notes	25,764,305	8,189,742	(1,778,350)	32,175,697	1,885,000
SBITA liability	589,513	1,003,356	(402,116)	1,190,753	395,105
Compensated absences	<u>3,418,590</u>	<u>-</u>	<u>(94,604)</u>	<u>3,323,986</u>	<u>1,460,000</u>
Total governmental activities	<u>\$ 29,772,408</u>	<u>\$ 9,193,098</u>	<u>\$ (2,275,070)</u>	<u>\$ 36,690,436</u>	<u>\$ 3,740,105</u>
Business-type Activities					
General obligation bonds	\$ 20,070,000	\$ -	\$ (1,765,000)	\$ 18,305,000	\$ 1,810,000
Unamortized premium	<u>939,303</u>	<u>-</u>	<u>(100,253)</u>	<u>839,050</u>	<u>-</u>
Total bonds	21,009,303	-	(1,865,253)	19,144,050	1,810,000
SBITA liability	96,123	14,255	(18,752)	91,626	19,331
Compensated absences	<u>410,398</u>	<u>7,461</u>	<u>-</u>	<u>417,859</u>	<u>217,000</u>
Total business-type activities	<u>\$ 21,515,824</u>	<u>\$ 21,716</u>	<u>\$ (1,884,005)</u>	<u>\$ 19,653,535</u>	<u>\$ 2,046,331</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Amounts payable for governmental activities at June 30, 2023, were as follows:

\$3,250,000 2012 General Obligation Public Improvement Refunding Bonds, due in increasing annual installments through September 1, 2025, at 2.00% interest rate	\$ 995,000
\$5,900,000 2013 General Obligation Refunding and Public Improvement Bonds, due in increasing annual installments through September 1, 2023, at varying rates of interest from 2.00% to 3.75%	235,000
\$3,035,000 2016 General Obligation Refunding Bonds, due in increasing annual installments through March 1, 2030, at a 2.00% interest rate	2,090,000
\$3,030,000 2017 General Obligation Refunding Bonds, due in increasing annual installments through September 1, 2027, at varying rates of interest from 2.00% to 3.00%	1,590,000
\$2,040,000 2017A General Obligation Refunding Bonds, due in increasing annual installments through September 1, 2031, at varying rates of interest from 2.50% to 4.00%	2,040,000
\$14,445,000 2019 General Obligation Public Improvement Bonds, due in increasing annual installments through September 1, 2039, at varying rates of interest from 2.00% to 5.00%	13,350,000
\$2,810,000 2021B General Obligation Public Refunding Bonds, due in increasing annual installments through September 1, 2033, at varying rates of interest from 1.85% to 5.00%	2,810,000
\$7,770,000 2023 General Obligation Public Improvement Bonds, due in increasing annual installments through September 1, 2042, at varying rates of interest from 3.00% to 5.00%	<u>7,770,000</u>
Total governmental activities	30,880,000
Unamortized premium	<u>1,295,697</u>
	<u>\$ 32,175,697</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Amount payable for business-type activities at June 30, 2023, were as follows:

\$10,000,000 2010 General Obligation Public Improvement Bonds, due in increasing annual installments through March 1, 2025, at varying rates of interest from 2.00% to 4.00%	\$ 1,045,000
\$6,560,000 2012 General Obligation Public Improvement Bonds, due in increasing annual installments through September 1, 2025, at varying rates of interest from 2.00% to 2.63%	1,070,000
\$3,890,000 2013 General Obligation Refunding and Public Improvement Bonds, due in increasing annual installments through September 1, 2023, at varying rates of interest from 2.00% to 3.75%	160,000
\$6,315,000 2016 General Obligation Public Refunding Bonds, due in increasing annual installments through March 1, 2029, at a 2.00% interest rate	3,825,000
\$3,495,000 2017A General Obligation Refunding Bonds, due in increasing annual installments through September 1, 2030, at varying rates of interest from 2.50% to 4.00%	3,495,000
\$4,790,000 2021A General Obligation Public Improvement Bonds, due in increasing annual installments through September 1, 2041 at varying rates of interest from 2.00% to 4.00%	4,610,000
\$4,100,000 2021B General Obligation Refunding Bonds, due in increasing annual installments through September 1, 2033, at varying rates of interest from 1.85% to 5.00%	<u>4,100,000</u>
Total business-type activities	18,305,000
Unamortized premium	<u>839,050</u>
	<u>\$ 19,144,050</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital projects, including major water and sewer-related capital projects. General obligation bonds and notes payable are direct obligations of the City for which its full faith and credit are pledged. These obligations are payable from unlimited ad valorem taxes. Any portion of the bonds attributable to the financing or refinancing of the water and sewer system are additionally payable from, although not secured by, the revenues of the system. The above bonds contain provisions that, in the event of default, the lenders can exercise one or more of the following options: 1) make the outstanding bond payable due and payable immediately, with accrued interest, or 2) use any other remedy permitted by state or federal law.

New Debt

In the current fiscal year, the City issued \$7,770,000 general obligation public improvement bonds, series 2023, to finance the (i) acquisition, construction, development of extensions and improvements to streets and roads in the City; (ii) acquisition, construction, development of LED lighting and related facilities for City streets and roads; (iii) acquisition of land for parks and extensions to and construction and equipping of improvements to parks in the City; (iv) acquisition of all property, real and personal, appurtenant to any of the foregoing; (v) payment of legal, fiscal, administrative, architectural and engineering costs thereto; (vi) reimbursement to the City for funds previously expended for any of the foregoing; and (vii) payment of costs incident to the issuance and sale of the Bonds.

Bond Refunding and Prepayments

In prior years, the City refunded various bonds in order to take advantage of more favorable interest rates. The difference between the reacquisition price and the net carrying amount of the refunded debt has been recorded as a deferred outflow of resources in the statement of net position and is amortized over the remaining life of the refunded debt.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements

The annual debt service requirements to maturity for all long-term obligations outstanding as of June 30, 2023 are as follows:

Year	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>Bonds</u>		<u>Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,885,000	\$ 956,268	\$ 1,810,000	\$ 471,420	\$ 3,695,000	\$ 1,427,688
2025	2,045,000	864,336	1,855,000	424,707	3,900,000	1,289,043
2026	2,390,000	782,886	1,890,000	364,032	4,280,000	1,146,918
2027	2,140,000	695,962	1,925,000	301,958	4,065,000	997,920
2028	2,215,000	615,077	1,995,000	239,008	4,210,000	854,085
2029-2033	8,970,000	2,238,646	6,180,000	537,914	15,150,000	2,776,560
2034-2038	6,795,000	1,210,075	1,510,000	182,100	8,305,000	1,392,175
2039-2043	<u>4,440,000</u>	<u>311,397</u>	<u>1,140,000</u>	<u>46,300</u>	<u>5,580,000</u>	<u>357,697</u>
	<u>\$ 30,880,000</u>	<u>\$ 7,674,647</u>	<u>\$ 18,305,000</u>	<u>\$ 2,567,439</u>	<u>\$ 49,185,000</u>	<u>\$ 10,242,086</u>

NOTE 8 - SUBSCRIPTION-BASED IT ARRANGEMENTS (SBITAs)

The City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)* as of July 1, 2022. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, the City is required to recognize a subscription liability and an intangible right-to-use subscription asset. The effects of adopting the standard recorded an intangible (right-to-use) SBITA asset on July 1, 2022 of \$824,970 in governmental activities and \$96,123 in business-type activities.

The City entered into additional SBITA agreements during the current fiscal year, resulting in additional assets of \$1,039,439 and \$14,254 for governmental and business-type activities, respectively, which are disclosed in Note 5.

The City's SBITA agreements are payable in varying initial terms from 13 to 82 months and cumulative annual payments from \$6,725 to \$144,421. Interest rates range from 1.894% to 3.121%.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 8 - SUBSCRIPTION-BASED IT ARRANGEMENTS (SBITAs) (CONTINUED)

Annual required minimum payments for SBITA liabilities are as follows:

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments	Principal Payments	Interest Payments	Total Payments
2024	\$ 395,105	\$ 25,991	\$ 421,096	\$ 19,331	\$ 2,036	\$ 21,367
2025	399,804	17,012	416,816	20,508	1,598	22,106
2026	258,855	8,097	266,952	16,368	1,132	17,500
2027	136,989	3,021	140,010	17,251	774	18,025
2028	-	-	-	18,169	397	18,566
	<u>\$ 1,190,753</u>	<u>\$ 54,121</u>	<u>\$ 1,244,874</u>	<u>\$ 91,627</u>	<u>\$ 5,937</u>	<u>\$ 97,564</u>

NOTE 9 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows of resources consist of the following at June 30, 2023:

	Governmental Activities	Business-type Activities
Debt refundings	\$ 281,259	\$ 318,764
Pension related items	7,902,833	863,891
OPEB related items	2,717,591	406,452
	<u>\$ 10,901,683</u>	<u>\$ 1,589,107</u>

Deferred inflows of resources consist of the following at June 30, 2023:

	Governmental Activities	Business-type Activities
Property taxes		
2023 estimated levy	\$ 13,096,004	\$ -
Leases	1,290,725	-
Pension related items	70,440	185,856
OPEB related items	5,221,552	780,952
	<u>\$ 19,678,721</u>	<u>\$ 966,808</u>

The general fund also reports deferred inflows of resources relating to unavailable property taxes of \$137,421.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Plan Descriptions

Employees of the City are provided defined benefit pension plans through the Public Employee Retirement Plan, which are agent multiple-employer pension plans administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Employees hired prior to April 1, 2019 are enrolled in the Legacy Plan. Employees hired on or after April 1, 2019 are enrolled in the Hybrid Plan.

General Information about the Pension Plans

The City contributes to four defined benefit pension plans, the Public Employee Retirement Plan (Legacy) of the TCRS (City TCRS Legacy), the Public Employee Retirement Plan (Hybrid with cost controls) of the TCRS (City TCRS Hybrid), the ECD Public Employee Retirement Plan (ECD Legacy) of the TCRS (ECD TCRS Legacy), the ECD Public Employee Retirement Plan (ECD Hybrid without cost controls) of the TCRS (ECD TCRS Hybrid). As of and for the year ended June 30, 2023, the four plans had the following balances reported in the financial statements:

	<u>Total pension Liability</u>	<u>Net pension asset</u>	<u>Net pension Liability</u>
City TCRS Legacy	\$ 85,451,615	\$ 4,910,522	\$ -
ECD TCRS Legacy	498,259	230,733	-
City TCRS Hybrid	458,000	-	8,480
ECD TCRS Hybrid	<u>26,335</u>	<u>1,032</u>	<u>-</u>
Total	<u>\$ 86,434,209</u>	<u>\$ 5,142,287</u>	<u>\$ 8,480</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Information about the Pension Plans (Continued)

	Deferred outflows of resources	Deferred inflows of resources	(Negative) pension expense
City TCRS Legacy	\$ 8,327,041	\$ 226,974	\$ 1,535,725
ECD TCRS Legacy	120,208	29,322	27,798
City TCRS Hybrid	309,972	-	42,816
ECD TCRS Hybrid	<u>9,503</u>	<u>-</u>	<u>291</u>
Total	<u>\$ 8,766,724</u>	<u>\$ 256,296</u>	<u>\$ 1,606,630</u>

Benefits Provided - TCRS Legacy

Tennessee Code Annotated, Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than .5%. A 1% COLA is granted if the CPI change is between .5% and 1%. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Benefits Provided -TCRS Hybrid

Tennessee Code Annotated, Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive years average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 60 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than .5%. A 1% COLA is granted if the CPI change is between .5% and 1%. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

TCRS Legacy

	<u>City</u>	<u>ECD</u>
Inactive employees or beneficiaries currently receiving benefits	147	2
Inactive employees entitled to but not yet receiving benefits	228	4
Active employees	<u>190</u>	<u>7</u>
Total employees	<u><u>565</u></u>	<u><u>13</u></u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Information about the Pension Plans (Continued)

TCRS Hybrid

	<u>City</u>	<u>ECD</u>
Inactive employees or beneficiaries currently receiving benefits	-	-
Inactive employees entitled to but not yet receiving benefits	29	1
Active employees	<u>63</u>	<u>5</u>
 Total employees	 <u>92</u>	 <u>6</u>

The TCRS Legacy plans are closed to new entrants.

Contributions - TCRS Legacy

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees hired on or after January 1, 2010 contribute 5% of salary. Employees hired prior to then do not contribute. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, employer contributions for the City were \$2,065,702, based on a rate of 15.50% (public safety) and 12.00% (general government) of covered payroll. The employer contributions for the ECD were \$69,657 based on a rate of 12.00% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Contributions - TCRS Hybrid

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5% of salary. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4%, except in years when the maximum funded level, as established by the TCRS Board of Trustees is reached. For the year ended June 30, 2023, the employer contributions for the City were \$160,925 based on a rate of 3.94% (public safety) and 3.04% (general government) of covered payroll. The employer contributions for the ECD were \$2,648 based on a rate of 1.70% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Information about the Pension Plans (Continued)

Contributions - TCRS Hybrid (Continued)

Contributions are paid from the general fund for the City's general government employees, from the water and sewer fund for the Water Services Department employees, and from the ECD fund for ECD employees.

Net Pension Liabilities (Assets)

The City's net pension liabilities (assets) were measured as of June 30, 2022, and the total pension liabilities used to calculate net pension liabilities (assets) were determined by actuarial valuations as of that date.

Actuarial Assumptions

The total pension liabilities as of the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44%, based on age, including inflation, and averaging 4.00%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation
Cost of living adjustment	2.125%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Liabilities (Assets) (Continued)

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates 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 of 2.25%. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Net Pension Liabilities (Assets)

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	4.88 %	31 %
Developed market international equity	5.37 %	14 %
Emerging market international equity	6.09 %	4 %
Private equity and strategic lending	6.57 %	20 %
U.S. fixed income	1.20 %	20 %
Real estate	4.38 %	10 %
Short-term securities	0.00 %	<u>1 %</u>
		<u>100 %</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75% based on a blending of the factors described above.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the City will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Changes in the Net Pension Liability (Asset) - TCRS Legacy

City Plan

	Total pension Liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a)-(b)
	<u></u>	<u></u>	<u></u>
Balance - June 30, 2022	\$ 78,605,566	\$ 94,152,448	\$ (15,546,882)
Service cost	1,478,419	-	1,478,419
Interest	5,318,341	-	5,318,341
Experience differences	2,636,775	-	2,636,775
Changes in assumptions	-	-	-
Contributions, employer	-	2,112,369	(2,112,369)
Contributions, employee	-	302,783	(302,783)
Net investment income	-	(3,598,240)	3,598,240
Benefit payments, including refunds of employee contributions	(2,587,486)	(2,587,486)	-
Administrative expenses	-	(19,737)	19,737
	<u></u>	<u></u>	<u></u>
Net change	6,846,049	(3,790,311)	10,636,360
	<u></u>	<u></u>	<u></u>
Balance, June 30, 2023	<u>\$ 85,451,615</u>	<u>\$ 90,362,137</u>	<u>\$ (4,910,522)</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Changes in the Net Pension Liability (Asset) - TCRS Legacy

ECD Plan

	Total pension Liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a)-(b)
	<u> </u>	<u> </u>	<u> </u>
Balance - June 30, 2022	\$ 392,298	\$ 683,279	\$ (290,981)
Service cost	69,030	-	69,030
Interest	30,873	-	30,873
Experience differences	13,949	-	13,949
Changes in assumptions	-	-	-
Contributions, employer	-	57,780	(57,780)
Contributions, employee	-	24,075	(24,075)
Net investment income	-	(27,541)	27,541
Benefit payments, including refunds of employee contributions	(7,891)	(7,891)	-
Administrative expenses	<u>-</u>	<u>(710)</u>	<u>710</u>
Net change	<u>105,961</u>	<u>45,713</u>	<u>60,248</u>
Balance, June 30, 2023	<u>\$ 498,259</u>	<u>\$ 728,992</u>	<u>\$ (230,733)</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Changes in the Net Pension Liability (Asset) - TCRS Hybrid

City Plan

	Total pension Liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a)-(b)
	<u> </u>	<u> </u>	<u> </u>
Balance - June 30, 2022	\$ 222,849	\$ 216,916	\$ 5,933
Service cost	177,146	-	177,146
Interest	26,751	-	26,751
Experience differences	38,607	-	38,607
Changes in assumptions	-	-	-
Contributions, employer	-	93,715	(93,715)
Contributions, employee	-	165,180	(165,180)
Net investment income	-	(12,996)	12,996
Benefit payments, including refunds of employee contributions	(7,353)	(7,353)	-
Administrative expenses	<u>-</u>	<u>(5,942)</u>	<u>5,942</u>
Net change	<u>235,151</u>	<u>232,604</u>	<u>2,547</u>
Balance, June 30, 2023	<u>\$ 458,000</u>	<u>\$ 449,520</u>	<u>\$ 8,480</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Changes in the Net Pension Liability (Asset) - TCRS Hybrid

ECD Plan

	Total pension Liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a)-(b)
	<u> </u>	<u> </u>	<u> </u>
Balance - June 30, 2022	\$ 11,846	\$ 14,966	\$ (3,120)
Service cost	10,266	-	10,266
Interest	1,493	-	1,493
Experience differences	2,730	-	2,730
Changes in assumptions	-	-	-
Contributions, employer	-	2,470	(2,470)
Contributions, employee	-	11,227	(11,227)
Net investment income	-	(826)	826
Benefit payments, including refunds of employee contributions	-	-	-
Administrative expenses	<u>-</u>	<u>(470)</u>	<u>470</u>
Net change	<u>14,489</u>	<u>12,401</u>	<u>2,088</u>
Balance, June 30, 2023	<u>\$ 26,335</u>	<u>\$ 27,367</u>	<u>\$ (1,032)</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City calculated using the discount rate of 6.75%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.75%) or 1% higher (7.75%) than the current rate:

	1% Decrease <u>(5.75%)</u>	Current rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
City TCRS Legacy net pension liability (asset)	\$ 7,367,615	\$ (4,910,522)	\$ (15,026,937)
ECD TCRS Legacy net pension liability (asset)	(140,199)	(230,733)	(303,670)
City TCRS Hybrid net pension liability (asset)	127,147	8,480	(80,732)
ECD TCRS Hybrid net pension liability (asset)	9,028	(1,032)	(8,171)

Pension Expense (Negative Pension Expense) and Deferred Outflows/Inflows of Resources Related to Pensions

Pension Expense (Negative Pension Expense)

For the year ended June 30, 2023, the City recognized pension of \$1,535,725 and \$27,798 for the City and ECD Legacy plans, respectively, and \$42,816 and \$291 for the City and ECD Hybrid plans, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the Legacy pension plans from the following sources:

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pension Expense (Negative Pension Expense) and Deferred Outflows/Inflows of Resources
Related to Pensions (Continued)

City TCRS Legacy Plan

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 3,139,534	\$ 226,974
Net difference between projected and actual earnings on pension plan investments	257,937	-
Changes in assumptions	2,863,868	-
Contributions subsequent to the measurement date of June 30, 2022	<u>2,065,702</u>	<u>-</u>
	<u>\$ 8,327,041</u>	<u>\$ 226,974</u>

ECD TCRS Legacy Plan

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 26,374	\$ 29,322
Net difference between projected and actual earnings on pension plan investments	7,684	-
Changes in assumptions	16,493	-
Contributions subsequent to the measurement date of June 30, 2022	<u>69,657</u>	<u>-</u>
	<u>\$ 120,208</u>	<u>\$ 29,322</u>

The amount shown above for contributions subsequent to the measurement date of June 30, 2022, will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Legacy pension plans will be recognized in pension expense as follows:

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pension Expense (Negative Pension Expense) and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

<u>Year Ended June 30,</u>	<u>City</u>	<u>ECD</u>
2024	\$ 1,161,861	\$ 180
2025	1,414,592	291
2026	941,151	(1,556)
2027	2,516,765	18,333
2028	-	1,993
Thereafter	-	1,993

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the Hybrid pension plans from the following sources:

City TCRS Hybrid Plan

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 118,933	\$ -
Changes in assumptions	14,592	-
Net difference between projected and actual earnings on pension plan investments	15,522	-
Contributions subsequent to the measurement date of June 30, 2022	<u>160,925</u>	<u>-</u>
	<u>\$ 309,972</u>	<u>\$ -</u>

The amount shown above for contributions subsequent to the measurement date of June 30, 2022, will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pension Expense (Negative Pension Expense) and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

ECD TCRS Hybrid Plan

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 5,059	\$ -
Changes in assumptions	905	-
Net difference between projected and actual earnings on pension plan investments	891	-
Contributions subsequent to the measurement date of June 30, 2022	2,648	-
	<u>\$ 9,503</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Hybrid pension plans will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>City</u>	<u>ECD</u>
2024	\$ 21,088	\$ 746
2025	21,088	746
2026	20,960	736
2027	25,451	1,054
2028	18,266	597
Thereafter	42,194	2,985

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the Pension Plans

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the Hybrid pension plans from the following sources:

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Allocation of Pension-related Activity

The pension-related activity has been allocated to the governmental activities and respective business-type activities by use of an allocation ratio derived from the fiscal year 2023 pension contributions. A summary of the pension related activity follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net pension assets	4,376,400	765,887
Net pension liabilities	8,230	250
Deferred outflows	7,902,833	863,891
Deferred inflows	70,440	185,856

NOTE 11 - OPEB PLAN AND TRUST

General Information about the OPEB Plan

Plan Administration

The City of Brentwood Postemployment Benefits Plan (OPEB Plan) is administered through a trust that meets the definition set forth in GASB Statement No. 74. The plan does not issue separate financial statements and, accordingly, all required disclosures are included in the City's financial statements. The management of the OPEB Plan is vested in the Board. The City's latest actuarial valuation was prepared as of January 1, 2023 for the fiscal year ended June 30, 2023. Update procedures were used to roll forward the total OPEB liability to the OPEB plan's fiscal year-end.

Plan Description

The City administers the OPEB Plan, which is a single-employer defined benefit plan. The OPEB Plan provides medical and life insurance benefits to eligible retirees and their spouses. The benefit levels, employee contributions, and employer contributions are governed by the City and can be amended by the City, through the Board.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 11 - OPEB PLAN AND TRUST (CONTINUED)

General Information about the OPEB Plan (Continued)

Plan Membership

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

Active participant	277
Retired participants entitled to but not yet receiving benefits	2
Retired participants currently receiving benefits	<u>35</u>
Total	<u><u>314</u></u>

Benefits Provided

Employees are fully eligible for postemployment medical and life insurance once they reach the minimum age of 55, with 20 years of service with the City. For eligible employees hired prior to July 1, 2005 who are not eligible for health insurance coverage from or through another employer, the City pays the total cost of group health insurance coverage for the retired employee. The cost of health insurance coverage for the retired employee's eligible dependents, if any, who are themselves not yet age 65, is the same as the cost for dependent coverage for active employees under the City's group health insurance plan.

For eligible employees hired post July 1, 2005 who are not eligible for health insurance coverage from or through another employer, the City pays a share of the cost for group health insurance coverage for the retired employee based upon years of full-time service at the time of retirement. If the retiree elects to cover their eligible dependents, the retiree will be required to pay 100% of the additional cost for this dependent coverage. The retiree medical plan is assumed to be the primary source of benefits prior to age 65. For eligible retirees who have reached age 65, and who were hired prior to July 1, 2005, the City reimburses the cost of the Medicare supplement plan for the retiree. For those eligible retirees who have reached age 65, were hired prior to July 1, 2005, and retired after July 1, 2002, the City's reimbursement of the cost of a Medicare supplement plan is limited to the actual cost of the supplemental policy or 50% of the established monthly COBRA rate for employee-only group health insurance coverage under the lowest priced group plan for current employees, whichever amount is less.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 11 - OPEB PLAN AND TRUST (CONTINUED)

General Information about the OPEB Plan (Continued)

Funding Policy and Contributions

The contribution requirements are established and may be amended by the Board. The required contribution is based on an actuarial valuation utilizing the entry age normal method. During 2008, the City prefunded a trust account, administered by MissionSquare Retirement, in the amount of \$2,260,000, which included the 2008 annual required contribution of \$598,000, less amounts paid as premium benefits. The prefunding will reduce the annual required contribution in future years. For fiscal year 2023, the City's general fund, water and sewer fund, and ECD collectively contributed \$1,281,063 to the Trust and withdrew \$737,458 to pay benefits. All contributions were made by the employer (no contributions by active or retired employees). Employer contributions are calculated as 6.96% of covered-employee payroll for fiscal year 2023.

Investments

Investment Policy

The City's policy in regard to the allocation of invested assets is established and may be amended by the Board. The Board has established an Investment Policy and Investment Allocation for the City's OPEB Trust through Resolution 2006-72. Management and administrative responsibility for the investment program has been delegated by the Board to the OPEB Investment Committee, consisting of the City Manager, Assistant City Manager, Finance Director, and Assistant Finance Director/City Treasurer.

In accordance with the Investment Policy, the City shall pursue an investment strategy to provide sufficient return to meet the current and future OPEB benefit cash flow demands, while conforming to all state statutes governing the OPEB dedicated trust funds. Additionally, the primary objective, in order of priority, shall be: 1) Legality - conformance to the federal, state, and other legal requirements; 2) Safety - preservation of capital and protection of investment principal; and 3) Yield - attainment of market rates of return.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 11 - OPEB PLAN AND TRUST (CONTINUED)

Investments (Continued)

The following is the adopted asset allocation of the OPEB Trust:

	<u>Target Allocation</u>	<u>Investment mix</u>
MSQ Core Bond Index	20% or less	80% fixed income; 20% multi-strategy
MSQ Inflation Focused	20% or less	100% fixed income;
MSQ Model Portfolio Conservative	40%	62% fixed income; 34% equity; 4% multi-strategy
MSQ Model Portfolio Moderate	40%	33% fixed income; 60% equity; 7% multi-strategy

The City, through MissionSquare Retirement, invests in four funds which in turn invest in a broad-range of underlying investments.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 6.97%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for changing amounts actually invested.

Total OPEB Liability

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all parties included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increase	4.00% per annum, average including inflation
Investment rate of return	6.75%, net of expenses, including inflation
Mortality	PubS-2010 (Fire/Police) and PubG-2010 (non-uniformed employees) head-count weighted mortality tables, including rates for disabled retirees; rates projected generationally using Scale MP-2021 to reflect mortality improvement

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 11 - OPEB PLAN AND TRUST (CONTINUED)

Total OPEB Liability (Continued)

Update procedures were used to roll forward the total OPEB liability to the OPEB plan's fiscal year-end. There has not been an experience study performed for the OPEB Plan.

Changes in Assumptions

In 2023, the healthcare cost trend assumption was updated from 5.50% to 6.0% in 2023, 5.50% in 2024 through 2025 with further decreases from 5.4% in 2026 to 3.9% in 2075. Assumptions for withdrawal and disability withdrawal were updated based on TCRS. Officials are now assumed to be able to retire at age 55 with 10 years of service. It is now assumed that wives are 2 years younger than their husbands. All retiree contributions are now assumed to increase at the health care cost trend rate. The per capita claims cost is now based on the funding factor, administration fee, and stop loss premium with the HRA premium being added separately.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 (see the discussion of the OPEB investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Investment Mix</u>	<u>Long-Term Expected Real Rate of Return</u>
MSQ Core Bond Index	80% fixed income; 20% multi-strategy	4.50%
MSQ Inflation Focused	100% fixed income	4.50%
MSQ Model Portfolio Conservative	62% fixed income; 34% equity; 4% multi-strategy	6.15%
MSQ Model Portfolio Moderate	33% fixed income; 60% equity; 7% multi-strategy	6.80%

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 11 - OPEB PLAN AND TRUST (CONTINUED)

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that City contributions will be 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 future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability (Asset)

	Total OPEB Liability (a)	Plan fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balance, June 30, 2022	\$ 14,462,947	\$ 13,899,635	\$ 563,312
Service cost	540,895	-	540,895
Interest	1,014,749	-	1,014,749
Benefit changes	940,673	-	940,673
Experience differences	(1,303,293)	-	(1,303,293)
Changes in assumptions	203,676	-	203,676
Contributions, employer	-	1,281,063	(1,281,063)
Net investment income	-	1,021,324	(1,021,324)
Benefits paid, including refunds of employee contributions	(694,081)	(694,081)	-
Other	-	-	-
Administrative expenses	-	(16,885)	16,885
Net change	702,619	1,591,421	(888,802)
Balance, June 30, 2023	\$ 15,165,566	\$ 15,491,056	\$ (325,490)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the City, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.75%) or 1% (7.75%) than the current rate:

	1% Decrease (5.75%)	Current rate 6.75%	1% Increase (7.75%)
Net OPEB liability (asset)	\$ 1,059,124	\$ (325,490)	\$ (1,541,480)

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 11 - OPEB PLAN AND TRUST (CONTINUED)

Changes in the Net OPEB Liability (Asset) (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability (asset) of the City, as well as what the City's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1% lower (5.50% decreasing to 2.90%) or 1% higher (7.50% decreasing to 4.90%) over 54 years than the current healthcare cost trend rates:

	5.50% Decreasing to 2.9% over 53 Years	6.50% Decreasing to 3.9% over 53 years	7.50% Decreasing to 4.9% over 53 years
Net OPEB liability (asset)	\$ (1,172,348)	\$ (325,490)	\$ 628,508

OPEB Expense (Negative OPEB Expense) and Deferred Outflows/Inflows of Resources Related to OPEB

OPEB Expense

For the year ended June 30, 2023, the City recognized OPEB expense of \$790,101.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 12,047	\$ 5,854,847
Changes in assumptions	1,007,002	147,657
Net difference between projected and actual earnings of OPEB plan investments	<u>2,104,994</u>	<u>-</u>
	<u>\$ 3,124,043</u>	<u>\$ 6,002,504</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 11 - OPEB PLAN AND TRUST (CONTINUED)

OPEB Expense (Negative OPEB Expense) and Deferred Outflows/Inflows of Resources Related to OPEB Expense (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,

2024	\$ (1,458)
2025	(85,446)
2026	25,592
2027	98,935
2028	(754,830)
Thereafter	(2,161,255)

In the table shown above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

Amounts Payable to the OPEB Plan

At June 30, 2023, the City had no payables relating to contributions to the Plan.

Allocation of OPEB-related Activity

The OPEB-related activity has been allocated to the governmental activities and respective business-type activities of the City by use of an allocation ratio derived from the fiscal year 2023 OPEB contributions. A summary of the OPEB-related activity follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net OPEB liability (asset)	\$ (283,142)	\$ (42,348)
Deferred outflows	2,717,591	406,452
Deferred inflows	5,221,552	780,952

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 12 - DEFINED CONTRIBUTION PENSION PLANS

City employees are eligible to participate in the following defined contribution pension plans depending on date of hire and certain eligibility factors:

<u>Plan name</u>	<u>Plan Administrator</u>	<u>Plan Type</u>
City of Brentwood Governmental Money Purchase Plan (frozen)	City	401(a)/457(b)
City of Brentwood Money Purchase Plan (frozen)	City	401(a)/457(b)
State of Tennessee Deferred Compensation Plan II	TCRS	401(k)
Tennessee State Employees Deferred Compensation Plan and Trust	TCRS	457(b)

Participation in the defined contribution pension plans permits participants to defer a portion of their salary to future years. The deferred compensation is not available to them until termination, retirement, death, or unforeseeable emergency.

The City has determined that none of its defined contribution pension plans are fiduciary component units or fiduciary activities of the government.

City of Brentwood Governmental Money Purchase Plan (Frozen)

The City of Brentwood Governmental Money Purchase Plan was most recently amended and restated effective January 1, 2021 (to conform the plan to new tax laws with certain provisions retroactively effective). The plan's investments are held in trust by MissionSquare Retirement. Participation in the plan was frozen effective April 15, 2019, which means no contributions will be made after that date, participating employees are fully vested in their accounts in the plan, and forfeiture policies are not applicable. Benefit terms are established and may be amended by formal resolution of the City's Board of Commissioners.

City of Brentwood Money Purchase Plan (Frozen)

The City of Brentwood Money Purchase Plan was most recently amended and restated effective January 1, 2021 (to conform the plan to new tax laws with certain provisions retroactively effective). The plan's investments are held in trust by Nationwide Retirement Services. Participation in the plan was frozen effective April 15, 2019, which means no contributions will be made after that date, participating employees are fully vested in their accounts in the plan, and forfeiture policies are not applicable. Benefit terms are established and may be amended by formal resolution of the City's Board of Commissioners.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 12 - DEFINED CONTRIBUTION PENSION PLANS (CONTINUED)

State of Tennessee Deferred Compensation Plan II - 401(k)

The City's participating employer agreement for the State of Tennessee Deferred Compensation Plan II - 401(k) (State 401(k) Plan) was originally effective on October 1, 2018 and most recently amended and restated effective March 28, 2022. The plan's investments are held in trust by Empower Retirement.

Each employee hired after April 1, 2019, and each employee grandfathered in, is eligible to participate in the plan for the purpose of making elective deferrals and receiving matching and non-matching contributions. Employee salary reduction contributions are voluntary. Employees who are members of the City or ECD TCRS Legacy defined benefit pension plans (TCRS Legacy DB Plans) are fully vested in matching contributions and not eligible for nonmatching contributions. Employees who are members of the City or ECD TCRS Hybrid defined benefit pension plans (TCRS Hybrid DB Plans) fully vest in matching contributions after two years of service and are fully vested immediately in non-matching contributions. Forfeitures of unvested amounts for employees that leave employment prior to becoming fully vested will be used first to reduce the employer's matching contributions, then to reduce any non-matching contributions, and then to offset plan expenses.

For employees who are members of the TCRS Legacy DB Plans, the City's matching contribution amount is a dollar-for-dollar match of the employee's elective deferrals into either the employee's State 401(k) Plan account or the employee's State 457(b) Plan account up to a total of 3% of the employee's base compensation. For employees who are members of the TCRS Hybrid DB Plans, the City's matching contribution amount is a dollar-for-dollar match of the employee's elective deferrals into either the employee's State 401(k) Plan account or the employee's State 457(b) Plan account up to a total of 2% of the employee's compensation. For employees who are members of the TCRS Hybrid DB Plans, the City's non-matching contribution amount is 5% of the employee's compensation.

Benefit terms and contribution rates are established and may be amended by formal resolution of the City's Board of Commissioners.

The City's contributions to the State 401(k) Plan recognized in pension expense for the year totaled \$682,133. The ECD's contributions to the State 401(k) Plan recognized in pension expense for the year totaled \$19,104. No forfeitures were used by the City during the year. At June 30, 2023, there were no amounts relating to required contributions payable to the plan.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 12 - DEFINED CONTRIBUTION PENSION PLANS (CONTINUED)

Tennessee State Employees Deferred Compensation Plan and Trust - 457(b)

Each employee hired after April 1, 2019, and each employee grandfathered in, is eligible to participate in the plan for the purpose of making elective deferrals. Employee salary reduction contributions are voluntary. The City does not make matching or non-matching contributions and, as such, forfeiture policies are not applicable.

Benefit terms and contribution rates are established and may be amended by formal resolution of the City's Board of Commissioners.

NOTE 13 - RECONCILIATION OF GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO EXPENDITURES ON THE BUDGETARY COMPARISON STATEMENT

For the budget ordinance, the City budgets separately for two funds previously reported as special revenue funds, but which no longer meet the definition under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following schedule presents a summary of the differences in the statement of revenues, expenditures, and changes in fund balance - governmental funds and general fund budget to actual to demonstrate how the two statements reconcile in terms of the total change in fund balance:

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 13 - RECONCILIATION OF GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO EXPENDITURES ON THE BUDGETARY
COMPARISON STATEMENT (CONTINUED)

	Governmental Funds Statement	Budget to Funds Statement	Difference
Revenues			
Uses of money and property	\$ 3,176,777	\$ 2,394,347	\$ 782,430
Other	637,338	541,319	96,019
Expenditures			
General government	8,836,526	8,462,032	374,494
Public safety	20,620,107	19,932,513	687,594
Roads and streets	6,854,606	5,752,204	1,102,402
Parks and recreation	3,002,742	2,772,007	230,735
Public library	3,244,915	2,993,312	251,603
Community support	547,439	484,731	62,708
Other Financing uses			
Transfers out	16,981,230	21,304,230	(4,323,000)
Committed Activity Budgeted Separately			
Net change			
Equipment	-	1,609,093	(1,609,093)
Facilities maintenance	-	483,138	(483,138)
Postemployment benefits	-	(123,912)	123,912
Net change in fund balance	\$ 6,895,828	\$ 7,049,000	\$ (153,172) *

* SBITA expenses not budgeted on p. 34

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 14 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains insurance coverage through Public Entity Partners (PEP), covering each of those risks of loss. PEP is a cooperative risk-sharing arrangement between local government agencies that works in many ways like a traditional insurer. The City pays a premium, receives coverage, and can make claims against that coverage. The City meets the PEP guidelines and complies with its rules and regulations, including loss control requirements and underwriting standards. PEP rates are actuarially projected to provide adequate funding to cover loss reserves and expenses, as well as building contingency reserves. City management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Beginning with calendar year 2010, the City modified its fully-insured employee group health insurance plan to include a high deductible (\$5,000) and high max out-of-pocket (\$6,500) plan, coupled with a City-funded Health Reimbursement Arrangement (HRA). The HRA was implemented to effectively limit the employee deductible and max out-of-pocket to \$1,000 (\$2,000 for dependent coverage). The City established the Insurance Fund, which functions as an internal service fund, to account for and finance its HRA claims obligations and insurance premiums related to employee health and vision insurance coverage.

Effective January 1, 2011, the City terminated its fully-insured employee group health insurance plan, and established a partially self-funded insurance plan, coupled with the existing City-funded HRA. Under the partially self-funded insurance plan, which is administered by Blue Cross Blue Shield of Tennessee, the City is liable through the HRA for up to \$5,500 of the first \$6,500 of individual employee claims, with the employee being liable for up to \$1,000 out of pocket. The City then assumes liability for additional individual medical claims up to \$85,000. To help mitigate losses from high-dollar medical claims beyond the HRA-combined City and employee liability of \$90,500 and the employee's out-of-pocket maximum of \$1,000 (total of \$91,500 funded amount), the City purchased catastrophic insurance coverage plans for specific stop loss and aggregate stop loss coverage. Specific stop loss coverage limits the City's potential liability for individual catastrophic claims by covering all costs for an individual member once those costs exceed \$85,000 over and above the HRA-funded amount and employee out-of-pocket maximum. Aggregate stop loss coverage caps the City's liability for all claims in the entire plan at an agreed-upon dollar amount. In calendar year 2023, the aggregate stop loss threshold is approximately \$4.079 million.

Revenues of the fund include budgeted amounts from each City fund with personnel assigned to it, as well as employee payroll deductions from those employees who elect to cover dependents under the City's plan. Expenses of the fund include premium costs for the City's stop-loss coverage, administrative fees charged by Blue Cross Blue Shield, HRA claims expenses, and medical claims expenses from the partially self-funded health plans and fully insured vision plans. Other expenses include the CareHere Clinic and healthcare consultant services. The HRA and partially self-funded plans are administered by Blue Cross Blue Shield and the City is invoiced weekly for such claims. HRA liabilities also include an amount for claims that have been incurred prior to June 30, 2023, but not reported.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 14 - RISK MANAGEMENT (CONTINUED)

A change in the balances of claims liabilities during the current and prior fiscal years are as follows:

	<u>2023</u>	<u>2022</u>
Unpaid claims, beginning of fiscal year	\$ 86,187	\$ 120,508
Incurred claims	3,538,844	4,021,061
Claim payments	<u>(3,367,550)</u>	<u>(4,055,382)</u>
Unpaid claims, end of fiscal year	<u>\$ 257,481</u>	<u>\$ 86,187</u>

The City continues to carry commercial insurance for other risks of loss, including general liability, property and casualty, and workers' compensation. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City is subject to lawsuits and claims, including various tort claims and employment-related items. The City is the plaintiff in several eminent domain matters in which the property owners dispute the amount offered by the City as compensation for certain property rights. Although the outcome of these claims and lawsuits is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the City's financial position. No other provision for any liability resulting from such litigation has been made in the accompanying financial statements.

NOTE 15 - CONTINGENT LIABILITIES

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowance of expenditures, management believes that expenditures have been made in accordance with the agreements and any required reimbursements would not be significant. Accordingly, no provision has been made for any potential reimbursements to grantors.

NOTE 16 - COMMITMENTS

Construction commitments amounting to approximately \$1,047,000 and \$1,932,000 were outstanding as of June 30, 2023, for governmental activities and business-type activities (Water and Sewer Fund), respectively.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023

NOTE 17 - ECONOMIC DEPENDENCY

The City, through its Water and Sewer Fund, purchases water from the Metropolitan Government of Nashville and Davidson County and the Harpeth Valley Utilities District. All of its sewage is treated by the Metropolitan Government of Nashville and Davidson County.

NOTE 18 - TAX ABATEMENT

The City has entered into a payment in lieu of taxes agreement with Williamson County, Tennessee, the Industrial Development Board of Williamson County, Tennessee, and a company located within the City. The agreement was made under the provisions of Tennessee Code Annotated Sections 4-17-301 et seq. and 7-53-101 et seq.

Under the agreement, the City abates a portion of the property taxes otherwise payable by the company each year for a 10-year period and the company maintains its headquarters within the City. The company also committed to certain full-time equivalent employee levels. The City's portion of the abatement cannot exceed \$37,500 annually and \$375,000 in the aggregate. For the fiscal year ended June 30, 2023, the City abated property taxes totaling \$37,500. Future abatements are expected to be \$37,500 over the remainder of the agreement.

NOTE 19 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment has been made to correct cash and opening fund balance related to a systems error that duplicated a deposit in the City's final trial balance during the year ended June 30, 2022 and overstated prior year revenues in the capital projects fund in the amount of \$550,000. Changes to the opening net position / fund balance are as follows:

	<u>Governmental Activities</u>	<u>Governmental Funds</u>	<u>Capital Projects Fund</u>
Net position / Fund Balance, per 2022 ACFR	\$ 406,633,220	\$ 92,365,475	\$ 21,960,227
Prior period adjustment	<u>(550,000)</u>	<u>(550,000)</u>	<u>(550,000)</u>
Net position / Fund Balance, as restated	<u>\$ 406,083,220</u>	<u>\$ 91,815,475</u>	<u>\$ 21,410,227</u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Brentwood
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios -
City of Brentwood TCRS Pension Plan (Legacy) (Unaudited)
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 1,478,419	\$ 1,415,440	\$ 1,444,859	\$ 1,385,143	\$ 1,327,442	\$ 1,156,664	\$ 1,150,624	\$ 1,150,999	\$ 1,122,965
Interest	5,318,341	4,986,137	4,692,340	4,377,106	4,201,625	3,902,973	3,650,234	3,399,040	3,254,114
Changes in benefit terms	2,636,775	-	-	-	-	-	-	-	-
Changes in assumptions	-	4,773,112	-	-	-	1,062,242	-	-	-
Differences between expected and actual experience	-	1,224,164	191,599	656,937	(1,361,854)	1,078,095	(132,928)	(47,643)	1,062
Benefit payments/refunds	(2,587,486)	(2,304,314)	(2,189,682)	(2,072,008)	(1,536,967)	(1,376,938)	(1,231,286)	(1,074,254)	(936,262)
Net change in total pension liability	6,846,049	10,094,539	4,139,116	4,347,178	2,630,246	5,823,036	3,436,644	3,428,142	3,441,879
Total pension liability, beginning	78,605,566	68,511,027	64,371,911	60,024,733	57,394,487	51,571,451	48,134,807	44,706,665	42,733,357
Total pension liability, ending (a)	85,451,615	78,605,566	68,511,027	64,371,911	60,024,733	57,394,487	51,571,451	48,134,807	46,175,236
Plan Fiduciary Net Position									
Contributions, employer	2,112,369	2,113,794	2,184,009	2,486,210	2,358,892	2,709,932	2,306,684	2,329,112	2,269,893
Contributions, employee	302,783	292,047	313,494	314,511	262,129	229,356	161,462	141,959	117,752
Net investment income	(3,598,240)	19,299,236	3,526,683	4,892,886	4,968,751	5,969,974	1,363,718	1,454,368	6,499,814
Benefit payments, including refunds of employee contributions	(2,587,486)	(2,304,314)	(2,189,682)	(2,072,008)	(1,536,967)	(1,376,938)	(1,231,286)	(1,074,254)	(936,262)
Administrative expenses	(19,737)	(19,631)	(20,951)	(22,778)	(24,115)	(20,973)	(18,055)	(12,513)	(11,223)
Net change in plan fiduciary net position	(3,790,311)	19,381,132	3,813,553	5,598,821	6,028,690	7,511,351	2,582,523	2,838,672	7,939,974
Plan fiduciary net position, beginning	94,152,448	74,771,316	70,957,763	65,358,942	59,330,252	51,818,901	49,236,378	46,397,706	38,457,732
Plan fiduciary net position, ending (b)	90,362,137	94,152,448	74,771,316	70,957,763	65,358,942	59,330,252	51,818,901	49,236,378	46,397,706
Net pension liability (asset), ending (a) - (b)	\$ (4,910,522)	\$ (15,546,882)	\$ (6,260,289)	\$ (6,585,852)	\$ (5,334,209)	\$ (1,935,765)	\$ (247,450)	\$ (1,101,571)	\$ (222,470)
Plan fiduciary net position as a percentage of total pension liability	105.75%	119.78%	109.14%	110.23%	108.89%	103.37%	100.48%	102.29%	103.78%
Covered payroll	\$ 15,176,122	\$ 15,240,374	\$ 15,741,010	\$ 15,695,065	\$ 14,892,532	\$ 14,575,800	\$ 13,431,688	\$ 13,642,197	\$ 13,468,614
Net pension liability (asset) as a percentage of covered payroll	-32.36%	-102.01%	-39.77%	-41.96%	-35.82%	-13.28%	-1.84%	-8.07%	-12.56%

Notes to Schedule

Pension schedules are intended to show information for 10 years. Data will be displayed as it becomes available.

In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth, and mortality improvements.

Information in this schedule is presented for the fiscal year. The measurement year is the prior period (i.e., the measurement date for fiscal year 2023, is June 30, 2022).

Information regarding the Plan's annual money-weighted rate of return can be obtained in the separate TCRS report at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-policies>.

City of Brentwood
Schedule of Employer Contributions -
City of Brentwood TCRS Pension Plan (Legacy) (Unaudited)
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially-determined contribution	\$ 979,110	\$ 732,860	\$ 1,095,737	\$ 1,132,510	\$ 1,375,000	\$ 1,304,501	\$ 2,300,061	\$ 2,306,684	\$ 2,329,112	\$ 2,269,893
Contributions in relation to the actuarially-determined contribution	<u>2,065,702</u>	<u>2,112,369</u>	<u>2,113,794</u>	<u>2,184,009</u>	<u>2,486,210</u>	<u>2,358,892</u>	<u>2,709,932</u>	<u>2,306,684</u>	<u>2,329,112</u>	<u>2,269,893</u>
Contribution deficiency (excess)	\$ (1,086,592)	\$ (1,379,509)	\$ (1,018,057)	\$ (1,051,499)	\$ (1,111,210)	\$ (1,054,391)	\$ (409,871)	\$ -	\$ -	\$ -
Covered payroll	\$ 14,723,464	\$ 15,176,122	\$ 15,240,374	\$ 15,741,010	\$ 15,695,065	\$ 14,892,532	\$ 14,575,800	\$ 13,431,688	\$ 13,642,197	\$ 13,468,614
Contributions as a percentage of covered payroll	14.03%	13.92%	13.87%	13.87%	15.84%	15.84%	18.59%	17.17%	17.07%	16.85%

Notes to Schedule

Pension schedules are intended to show information for 10 years. Data will be displayed as it becomes available.

In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions

Actuarially determined contribution rates for fiscal year 2023 were calculated based on the June 30, 2021 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Amortization period	Varies by year
Asset valuation	10-year smoothed, within a 20.00% corridor to market value
Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44%, based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience, including adjustment for some anticipated improvement
Cost-of-living adjustment	2.125%

City of Brentwood
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios -
City of Brentwood TCRS Pension Plan (Hybrid) (Unaudited)
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 177,146	\$ 78,200	\$ 3,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	26,751	9,914	207	-	-	-	-	-	-
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	38,607	58,501	56,721	-	-	-	-	-	-
Changes in assumptions	-	18,240	-	-	-	-	-	-	-
Benefit payments/refunds	(7,353)	(1,102)	(1,384)	-	-	-	-	-	-
Net change in total pension liability	235,151	163,753	59,096	-	-	-	-	-	-
Total pension liability, beginning	222,849	59,096	-	-	-	-	-	-	-
Total pension liability, ending (a)	458,000	222,849	59,096	-	-	-	-	-	-
Plan Fiduciary Net Position									
Contributions, employer	93,715	43,571	16,780	199	-	-	-	-	-
Contributions, employee	165,180	90,333	40,911	542	-	-	-	-	-
Net investment income	(12,996)	31,236	1,384	23	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(7,353)	(1,102)	(1,384)	-	-	-	-	-	-
Administrative expenses	(5,942)	(3,611)	(1,875)	(91)	-	-	-	-	-
Net change in plan fiduciary net position	232,604	160,427	55,816	673	-	-	-	-	-
Plan fiduciary net position, beginning	216,916	56,489	673	-	-	-	-	-	-
Plan fiduciary net position, ending (b)	449,520	216,916	56,489	673	-	-	-	-	-
Net pension liability (asset), ending (a) - (b)	\$ 8,480	\$ 5,933	\$ 2,607	\$ (673)	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position as a percentage of total pension liability	98.15%	97.34%	95.59%	0.00%	n/a	n/a	n/a	n/a	n/a
Covered payroll	\$ 3,301,995	\$ 1,806,645	\$ 818,205	\$ 10,844	n/a	n/a	n/a	n/a	n/a
Net pension liability (asset) as a percentage of covered payroll	0.26%	0.33%	0.32%	(6.21%)	n/a	n/a	n/a	n/a	n/a

Notes to Schedule

Pension schedules are intended to show information for 10 years. Data will be displayed as it becomes available.

In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth, and mortality improvements.

Information in this schedule is presented for the fiscal year. The measurement year is the prior period (i.e., the measurement date for fiscal year 2023, is June 30, 2022).

Information regarding the Plan's annual money-weighted rate of return can be obtained in the separate TCRS report at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-policies>.

City of Brentwood
Schedule of Employer Contributions -
City of Brentwood TCRS Pension Plan (Hybrid) (Unaudited)
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially-determined contribution	\$ 160,925	\$ 93,715	\$ 43,532	\$ 16,780	\$ 199	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially-determined contribution	<u>160,925</u>	<u>93,715</u>	<u>43,571</u>	<u>16,780</u>	<u>199</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ (39)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,611,031	\$ 3,301,995	\$ 1,806,645	\$ 818,205	\$ 10,844	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	3.49%	2.84%	2.41%	2.05%	1.84%	n/a	n/a	n/a	n/a	n/a

Notes to Schedule

Pension schedules are intended to show information for 10 years. Data will be displayed as it becomes available.

In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

Actuarially determined contribution rates for fiscal year 2023 were calculated based on the June 30, 2021 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Amortization period	Varies by year
Asset valuation	10-year smoothed, within a 20.00% corridor to market value
Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44%, based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience, including adjustment for some anticipated improvement
Cost-of-living adjustment	2.125%

City of Brentwood
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios -
Brentwood ECD TCRS Pension Plan (Legacy) (Unaudited)
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 69,030	\$ 71,029	\$ 73,421	\$ 79,353	\$ 71,053	\$ -	\$ -	\$ -	\$ -
Interest	30,873	23,601	18,915	13,236	9,202	-	-	-	-
Changes in benefit terms	-	-	-	-	-	55,869	-	-	-
Differences between expected and actual experience	13,949	21,628	(21,609)	(6,662)	(31,765)	-	-	-	-
Changes in assumptions	-	24,741	-	-	-	-	-	-	-
Benefit payments/refunds	(7,891)	(6,402)	(1,015)	(2,297)	-	-	-	-	-
Net change in total pension liability	105,961	134,597	69,712	83,630	48,490	55,869	-	-	-
Total pension liability, beginning	392,298	257,701	187,989	104,359	55,869	-	-	-	-
Total pension liability, ending (a)	498,259	392,298	257,701	187,989	104,359	55,869	-	-	-
Plan Fiduciary Net Position									
Contributions, employer	57,780	62,991	66,337	82,802	91,689	68,554	-	-	-
Contributions, employee	24,075	26,246	27,641	29,572	29,053	21,722	-	-	-
Net investment income	(27,541)	131,698	20,007	20,978	12,819	5,069	-	-	-
Benefit payments, including refunds of employee contributions	(7,891)	(6,402)	(1,015)	(2,297)	-	-	-	-	-
Administrative expenses	(710)	(715)	(797)	(906)	(974)	(793)	-	-	-
Net change in plan fiduciary net position	45,713	213,818	112,173	130,149	132,587	94,552	-	-	-
Plan fiduciary net position, beginning	683,279	469,461	357,288	227,139	94,552	-	-	-	-
Plan fiduciary net position, ending (b)	728,992	683,279	469,461	357,288	227,139	94,552	-	-	-
Net pension liability (asset), ending (a) - (b)	\$ (230,733)	\$ (290,981)	\$ (211,760)	\$ (169,299)	\$ (122,780)	\$ (38,683)	\$ -	\$ -	\$ -
Plan fiduciary net position as a percentage of total pension liability	146.31%	174.17%	182.17%	190.06%	217.65%	169.24%	n/a	n/a	n/a
Covered payroll	\$ 481,496	\$ 524,922	\$ 552,811	\$ 591,445	\$ 581,046	\$ 434,433	n/a	n/a	n/a
Net pension liability (asset) as a percentage of covered payroll	-47.92%	-55.43%	-38.31%	-28.62%	-21.13%	-8.90%	n/a	n/a	n/a

Notes to Schedule

Pension schedules are intended to show information for 10 years. Data will be displayed as it becomes available.

In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth, and mortality improvements.

Information in this schedule is presented for the fiscal year. The measurement year is the prior period (i.e., the measurement date for fiscal year 2023, is June 30, 2022).

Information regarding the Plan's annual money-weighted rate of return can be obtained in the separate TCRS report at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-policies>.

City of Brentwood
Schedule of Employer Contributions -
Brentwood ECD TCRS Pension Plan (Legacy) (Unaudited)
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially-determined contribution	\$ 29,198	\$ 22,341	\$ 30,078	\$ 38,531	\$ 44,122	\$ 91,689	\$ 68,554	\$ -	\$ -	\$ -
Contributions in relation to the actuarially-determined contribution	69,657	57,780	62,991	66,337	82,802	91,689	68,554	-	-	-
Contribution deficiency (excess)	\$ (40,459)	\$ (35,439)	\$ (32,913)	\$ (27,806)	\$ (38,680)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 580,475	\$ 481,492	\$ 524,922	\$ 552,811	\$ 591,445	\$ 581,046	\$ 434,433	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	12.00%	14.00%	15.78%	15.78%	n/a	n/a	n/a

Notes to Schedule

Pension schedules are intended to show information for 10 years. Data will be displayed as it becomes available.

In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

Actuarially determined contribution rates for fiscal year 2023 were calculated based on the June 30, 2021 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Amortization period	Varies by year
Asset valuation	10-year smoothed, within a 20.00% corridor to market value
Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44%, based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience, including adjustment for some anticipated improvement
Cost-of-living adjustment	2.125%

City of Brentwood
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Brentwood ECD TCRS Pension Plan (Hybrid) (Unaudited)
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 10,266	\$ 4,580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,493	518	-	-	-	-	-	-	-
Changes in benefit terms	-	-	2,568	-	-	-	-	-	-
Differences between expected and actual experience	2,730	3,093	-	-	-	-	-	-	-
Changes in assumptions	-	1,087	-	-	-	-	-	-	-
Benefit payments/refunds	-	-	-	-	-	-	-	-	-
Net change in total pension liability	14,489	9,278	2,568	-	-	-	-	-	-
Total pension liability, beginning	11,846	2,568	-	-	-	-	-	-	-
Total pension liability, ending (a)	26,335	11,846	2,568	-	-	-	-	-	-
Plan Fiduciary Net Position									
Contributions, employer	2,470	1,571	803	-	-	-	-	-	-
Contributions, employee	11,227	7,141	3,650	-	-	-	-	-	-
Net investment income	(826)	2,211	106	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-	-	-	-	-	-	0
Administrative expenses	(470)	(339)	(177)	-	-	-	-	-	-
Net change in plan fiduciary net position	12,401	10,584	4,382	-	-	-	-	-	-
Plan fiduciary net position, beginning	14,966	4,382	-	-	-	-	-	-	-
Plan fiduciary net position, ending (b)	27,367	14,966	4,382	-	-	-	-	-	-
Net pension liability (asset), ending (a) - (b)	\$ (1,032)	\$ (3,120)	\$ (1,814)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position as a percentage of total pension liability	103.92%	126.34%	170.64%	n/a	n/a	n/a	n/a	n/a	n/a
Covered payroll	\$ 224,535	\$ 142,812	\$ 73,008	n/a	n/a	n/a	n/a	n/a	n/a
Net pension liability (asset) as a percentage of covered payroll	-0.46%	-2.18%	-2.48%	n/a	n/a	n/a	n/a	n/a	n/a

Notes to Schedule

Pension schedules are intended to show information for 10 years. Data will be displayed as it becomes available.

In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth, and mortality improvements.

Information in this schedule is presented for the fiscal year. The measurement year is the prior period (i.e., the measurement date for fiscal year 2023, is June 30, 2022).

Information regarding the Plan's annual money-weighted rate of return can be obtained in the separate TCRS report at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-policies>.

City of Brentwood
Schedule of Employer Contributions
Brentwood ECD TCRS Pension Plan (Hybrid) (Unaudited)
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially-determined contribution	\$ 2,648	\$ 2,021	\$ 1,571	\$ 803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially-determined contribution	<u>2,648</u>	<u>2,470</u>	<u>1,571</u>	<u>803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	\$ -	\$ (449)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 155,765	\$ 224,545	\$ 142,812	\$ 73,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	1.70%	1.10%	1.10%	1.10%	n/a	n/a	n/a	n/a	n/a	n/a

Notes to Schedule

Pension schedules are intended to show information for 10 years. Data will be displayed as it becomes available.

In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

Actuarially determined contribution rates for fiscal year 2023 were calculated based on the June 30, 2021 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Amortization period	Varies by year
Asset valuation	10-year smoothed, within a 20.00% corridor to market value
Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44%, based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience, including adjustment for some anticipated improvement
Cost-of-living adjustment	2.125%

City of Brentwood
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
OPEB Plan (Unaudited)
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	\$ 540,895	\$ 525,558	\$ 540,999	\$ 520,191	\$ 495,420	\$ 424,946	\$ 404,710
Interest	1,014,749	947,876	1,302,370	1,164,052	1,092,361	923,825	830,275
Changes in benefit terms	940,673	-	-	-	-	-	-
Differences between expected and actual experience	(1,303,293)	-	(6,457,501)	(41,270)	160,366	273,528	256,256
Changes in assumptions	203,676	59,926	(203,029)	-	1,727,936	-	-
Benefit payments/refunds	(694,081)	(857,622)	(312,849)	(339,071)	(460,644)	(547,538)	(494,941)
Other	-	-	(12,238)	-	-	-	-
Net change in total OPEB liability	702,619	675,738	(5,142,248)	1,303,902	3,015,439	1,074,761	996,300
Total OPEB liability, beginning	14,462,947	13,787,209	18,929,457	17,625,555	14,610,116	13,535,355	12,539,055
Total OPEB liability, ending (a)	15,165,566	14,462,947	13,787,209	18,929,457	17,625,555	14,610,116	13,535,355
Plan Fiduciary Net Position							
Contributions, employer	1,281,063	1,340,374	1,198,912	1,169,119	957,978	968,650	740,388
Contributions, employee	-	-	-	-	-	-	-
Net investment income	1,021,324	(1,745,327)	2,163,268	552,538	575,694	438,726	654,925
Benefit payments, including refunds of employee contributions	(694,081)	(857,622)	(312,849)	(339,071)	(460,644)	(547,538)	(494,941)
Administrative expenses	(16,885)	-	(7,299)	-	(9,500)	(9,500)	-
Net change in plan fiduciary net position	1,591,421	(1,262,575)	3,042,032	1,382,586	1,063,528	850,338	900,372
Plan fiduciary net position, beginning	13,899,635	15,162,210	12,120,178	10,737,592	9,674,064	8,823,726	7,923,354
Plan fiduciary net position, ending (b)	15,491,056	13,899,635	15,162,210	12,120,178	10,737,592	9,674,064	8,823,726
Net OPEB liability (asset), ending (a) - (b)	\$ (325,490)	\$ 563,312	\$ (1,375,001)	\$ 6,809,279	\$ 6,887,963	\$ 4,936,052	\$ 4,711,629
Plan fiduciary net position as a percentage of total OPEB liability	102.15%	96.11%	109.97%	64.03%	60.92%	66.21%	65.19%
Covered-employee payroll	\$ 18,398,388	\$ 17,624,939	\$ 16,947,057	\$ 15,827,664	\$ 15,218,908	\$ 13,693,223	\$ 13,294,391
Net OPEB liability (asset) as a percentage of covered-employee payroll	-1.77%	3.20%	-8.11%	43.02%	45.26%	36.05%	35.44%

Notes to Schedule

OPEB schedules are intended to show information for 10 years. Data will be displayed as it becomes available.

Contributions are not based on a measure of pay. Accordingly, the City uses covered-employee payroll.

City of Brentwood
Schedule of Employer Contributions - OPEB Plan (Unaudited)
Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially-determined contribution	\$ 1,281,063	\$ 1,340,374	\$ 1,198,912	\$ 1,169,119	\$ 957,978	\$ 968,650	\$ 740,388
Contributions in relation to the actuarially-determined contribution	<u>1,281,063</u>	<u>1,340,374</u>	<u>1,198,912</u>	<u>1,169,119</u>	<u>957,978</u>	<u>968,650</u>	<u>740,388</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 18,398,388	\$ 17,624,939	\$ 16,947,057	\$ 15,983,860	\$ 15,218,908	\$ 13,693,223	\$ 13,294,391
Contributions as a percentage of covered-employee payroll	6.96%	7.60%	7.07%	7.31%	6.29%	7.07%	5.57%

Notes to Schedule

OPEB schedules are intended to show information for 10 years. Data will be displayed as it becomes available.

Contributions are not based on a measure of pay. Accordingly, the City uses covered-employee payroll.

In 2023, for active employees, spouses were assumed to be two years younger. Officials are now assumed to be able to retire at 55 with 10 years of service. In 2021, the trend assumption was updated from 7.50% to 5.50%. The mortality assumption is that Police and Fire supervisors are to retire upon reaching age 62 and 20 years of service. For active employees, spouses were assumed to be the same age. In 2019, the trend assumption was updated from 8.00% to 5.00% graded over 10 years beginning in 2017 to 7.50% in 2019 grading uniformly to 6.75% over 3 years and following the Getzen model thereafter.

Information in this schedule is presented for the fiscal year. The measurement year is the prior period (i.e., the measurement period is as of June 30, 2023 with rollforward of actuarial liability from January 1, 2023).

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Average working lifetime of all participants, currently 10 years
Asset valuation	3-year smoothed market
Inflation	3.00%
Healthcare cost trend rate	5.50% in 2023, and 5.5% in 2024 through 2025. Rates gradually decrease from 5.4% in 2026 to 3.9% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model
Salary increases	4.00% average annually, including inflation
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Vary by age from 10% at age 55 to 100% at age 65, with 20 years of City service 50% at age 55 to 100% at age 60 for Fire/Police (Non-Supv), w/ 20 years of service, 100% at age 62 with 20 years of service for Fire/Police (Supv), w/ 20 years of service
Mortality	PubS-2010 (Fire/Police) and PubG-2010 (non-uniformed employees) head-count weighted mortality tables, including rates for disabled retirees; rates projected generationally using Scale MP-2021 to reflect mortality improvement

City of Brentwood
Schedule of Investment Returns - OPEB Plan (Unaudited)
Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return	6.97%	-10.70%	17.10%	4.89%	5.58%	4.71%	7.82%

Notes to Schedule

OPEB schedules are intended to show information for 10 years. Data will be displayed as it becomes available.

NONMAJOR GOVERNMENTAL FUNDS

CITY OF BRENTWOOD, TENNESSEE

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

State Street Aid - This fund accounts for all revenues and expenditures from the City's share of state gasoline taxes. Tennessee state law requires these receipts be kept in a separate fund and used for the construction and maintenance of city streets and certain related street expenditures.

Drug - This fund accounts for funds received directly from the enforcement of laws associated with illegal drug activity. Under state law, the funds are to be used only for the enforcement of the drug laws and for the drug education programs of the Police Department.

e-Citation - This fund accounts for funds received from the issuance of electronic traffic citations where the defendant is found guilty or pleads guilty. A portion of the fee assessed for each guilty verdict must be segregated in a special revenue fund only to be used by the Police Department to fund purchases related to the electronic citation system.

Nonmajor Capital Projects Funds

Public Works Projects - This fund accounts for the collection and disbursement of funds for road improvements needed to meet the traffic demands created by growth in population and business. The funds are disbursed as available to pay for eligible road projects in the Capital Projects Fund.

Adequate Schools Facilities - This fund accounts for all revenues and expenditures from the City's share of Williamson County's Adequate Schools Facilities Tax collections. The funds are to be used to provide public facilities associated with new development. Williamson County has requested that the funds provided to cities under this private act be used for public school improvements or used for City infrastructure improvements related to schools rather than for general municipal facilities.

CITY OF BRENTWOOD

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2023

	<u>Special Revenue</u>			<u>Capital Projects</u>		<u>Total</u>
	<u>State Street Aid</u>	<u>Drug</u>	<u>e-Citation</u>	<u>Public Works</u>	<u>Adequate School Facilities</u>	<u>Nonmajor Governmental</u>
ASSETS						
Cash and cash equivalents	\$ 3,569,703	\$ -	\$ 3,738	\$ 1,685,127	\$ 1,230,036	\$ 6,488,604
Prepaid expenses	-	120	-	-	-	120
Receivables						
Taxes	269,504	-	-	-	36,635	306,139
Accounts	14,593	1,109	-	6,767	4,805	27,274
Due from other funds	-	12,655	60	-	-	12,715
Restricted cash and cash equivalents	-	476,897	-	-	-	476,897
TOTAL ASSETS	<u>\$ 3,853,800</u>	<u>\$ 490,781</u>	<u>\$ 3,798</u>	<u>\$ 1,691,894</u>	<u>\$ 1,271,476</u>	<u>\$ 7,311,749</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 530,175	\$ 116	\$ -	\$ -	\$ -	\$ 530,291
Due to other funds	2,557	-	-	-	-	2,557
TOTAL LIABILITIES	<u>532,732</u>	<u>116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>532,848</u>
FUND BALANCES						
Restricted for						
Capital projects	-	-	-	1,691,894	1,271,476	2,963,370
Street repairs	3,321,068	-	-	-	-	3,321,068
Drug enforcement and education	-	490,665	-	-	-	490,665
Citation equipment	-	-	3,798	-	-	3,798
TOTAL FUND BALANCES	<u>3,321,068</u>	<u>490,665</u>	<u>3,798</u>	<u>1,691,894</u>	<u>1,271,476</u>	<u>6,778,901</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,853,800</u>	<u>\$ 490,781</u>	<u>\$ 3,798</u>	<u>\$ 1,691,894</u>	<u>\$ 1,271,476</u>	<u>\$ 7,311,749</u>

CITY OF BRENTWOOD

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Special Revenue</u>			<u>Capital Projects</u>		<u>Total Nonmajor Governmental</u>
	<u>State Street Aid</u>	<u>Drug</u>	<u>e-Citation</u>	<u>Public Works</u>	<u>Adequate School Facilities</u>	
REVENUES						
Licenses and permits	\$ -	\$ -	\$ -	\$ 514,153	\$ -	\$ 514,153
Fines, forfeitures and penalties	-	34,237	1,216	-	-	35,453
Intergovernmental						
Gasoline and motor fuel tax	808,503	-	-	-	-	808,503
Three cent tax	233,636	-	-	-	-	233,636
Gas 1989 tax	126,530	-	-	-	-	126,530
Gas 20167 tax	407,564	-	-	-	-	407,564
Adequate school facilities tax	-	-	-	-	369,860	369,860
Uses of money and property	113,200	12,367	5	54,785	38,110	218,467
Other	-	9,254	-	-	-	9,254
TOTAL REVENUES	1,689,433	55,858	1,221	568,938	407,970	2,723,420
EXPENDITURES						
Road and streets, street repairs	643,128	-	-	-	-	643,128
Drug education	-	16,236	-	-	-	16,236
TOTAL EXPENDITURES	643,128	16,236	-	-	-	659,364
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,046,305	39,622	1,221	568,938	407,970	2,064,056
OTHER FINANCING SOURCES (USES)						
Transfers in (out)	-	-	-	(420,000)	(500,000)	(920,000)
NET CHANGE IN FUND BALANCES	1,046,305	39,622	1,221	148,938	(92,030)	1,144,056
FUND BALANCES - BEGINNING OF YEAR	2,274,763	451,043	2,577	1,542,956	1,363,506	5,634,845
FUND BALANCES - END OF YEAR	\$ 3,321,068	\$ 490,665	\$ 3,798	\$ 1,691,894	\$ 1,271,476	\$ 6,778,901

CITY OF BRENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS

STATE STREET AID

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>+ / (-)</u>
REVENUES				
Intergovernmental				
Gasoline and motor fuel tax	\$ 1,625,000	\$ 1,625,000	\$ 808,503	\$ (816,497)
Three cent tax	-	-	233,636	233,636
Gas 1989 tax	-	-	126,530	126,530
Gas 2017 tax	-	-	407,564	407,564
Uses of money and property	<u>5,000</u>	<u>5,000</u>	<u>113,200</u>	<u>108,200</u>
 TOTAL REVENUES	 <u>1,630,000</u>	 <u>1,630,000</u>	 <u>1,689,433</u>	 <u>59,433</u>
 EXPENDITURES				
Road and streets, street repairs	1,800,000	1,800,000	643,128	1,156,872
Drug education	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL EXPENDITURES	 <u>1,800,000</u>	 <u>1,800,000</u>	 <u>643,128</u>	 <u>1,156,872</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (170,000)	 (170,000)	 1,046,305	 1,216,305
 OTHER FINANCING SOURCES (USES)				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 NET CHANGE IN FUND BALANCES	 <u>\$ (170,000)</u>	 <u>\$ (170,000)</u>	 1,046,305	 <u>\$ 1,216,305</u>
 FUND BALANCES - BEGINNING OF YEAR			<u>2,274,763</u>	
 FUND BALANCES - END OF YEAR			<u>\$ 3,321,068</u>	

CITY OF BRENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS

DRUG

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>+ / (-)</u>
REVENUES				
Fines, forfeitures and penalties				
Drug-related fines and contributions	\$ 20,000	\$ 20,000	\$ 34,237	\$ 14,237
Uses of money and property	1,000	1,000	12,367	11,367
Other				
Miscellaneous	<u>-</u>	<u>-</u>	<u>9,254</u>	<u>9,254</u>
TOTAL REVENUES	<u>21,000</u>	<u>21,000</u>	<u>55,858</u>	<u>34,858</u>
EXPENDITURES				
Road and streets, street repairs	-	-	-	-
Drug education	<u>20,000</u>	<u>20,000</u>	<u>16,236</u>	<u>3,764</u>
TOTAL EXPENDITURES	<u>20,000</u>	<u>20,000</u>	<u>16,236</u>	<u>3,764</u>
EXCESS (DEFICIENCY) OF REVENUES OVER				
EXPENDITURES	1,000	1,000	39,622	38,622
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,000</u>	<u>\$ 1,000</u>	39,622	<u>\$ 38,622</u>
FUND BALANCES - BEGINNING OF YEAR			<u>451,043</u>	
FUND BALANCES - END OF YEAR			<u>\$ 490,665</u>	

CITY OF BRENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS

e-CITATION

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance From Final Budget + / (-)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines, forfeitures and penalties				
e-Citation fees	\$ 1,000	\$ 1,000	\$ 1,216	\$ 216
Uses of money and property	<u>10</u>	<u>10</u>	<u>5</u>	<u>(5)</u>
TOTAL REVENUES	<u>1,010</u>	<u>1,010</u>	<u>1,221</u>	<u>211</u>
EXPENDITURES				
Road and streets, street repairs	-	-	-	-
Drug education	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,010	1,010	1,221	211
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,010</u>	<u>\$ 1,010</u>	1,221	<u>\$ 211</u>
FUND BALANCES - BEGINNING OF YEAR			<u>2,577</u>	
FUND BALANCES - END OF YEAR			<u>\$ 3,798</u>	

CITY OF BRENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS

PUBLIC WORKS PROJECTS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance From Final Budget + / (-)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits				
Public works project fees	\$ 700,000	\$ 700,000	\$ 514,153	(185,847)
Uses of money and property	<u>5,000</u>	<u>5,000</u>	<u>54,785</u>	<u>49,785</u>
TOTAL REVENUES	<u>705,000</u>	<u>705,000</u>	<u>568,938</u>	<u>(136,062)</u>
EXPENDITURES				
Road and streets, street repairs	-	-	-	-
Drug education	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	705,000	705,000	568,938	(136,062)
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(420,000)</u>	<u>(420,000)</u>	<u>(420,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 285,000</u>	<u>\$ 285,000</u>	148,938	<u>\$ (136,062)</u>
FUND BALANCES - BEGINNING OF YEAR			<u>1,542,956</u>	
FUND BALANCES - END OF YEAR			<u>\$ 1,691,894</u>	

CITY OF BRENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS

ADEQUATE SCHOOL FACILITIES

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance From Final Budget + / (-)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental				
Adequate school facilities tax	\$ 525,000	\$ 525,000	\$ 369,860	\$ (155,140)
Uses of money and property	<u>2,500</u>	<u>2,500</u>	<u>38,110</u>	<u>35,610</u>
TOTAL REVENUES	<u>527,500</u>	<u>527,500</u>	<u>407,970</u>	<u>(119,530)</u>
EXPENDITURES				
Road and streets, street repairs	-	-	-	-
Drug education	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	527,500	527,500	407,970	(119,530)
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 27,500</u>	<u>\$ 27,500</u>	(92,030)	<u>\$ (119,530)</u>
FUND BALANCES - BEGINNING OF YEAR			<u>1,363,506</u>	
FUND BALANCES - END OF YEAR			<u>\$ 1,271,476</u>	

CITY OF BRENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL

DEBT SERVICE

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>+ / (-)</u>
REVENUES				
Uses of money and property				
Interest	\$ 13,000	\$ 13,000	\$ 154,609	\$ 141,609
EXPENDITURES				
Debt service				
Principal	1,680,000	1,680,000	1,680,000	-
Interest	674,660	674,660	674,655	5
Other				
Bank service charges	<u>6,000</u>	<u>6,000</u>	<u>5,523</u>	<u>477</u>
TOTAL EXPENDITURES	<u>2,360,660</u>	<u>2,360,660</u>	<u>2,360,178</u>	<u>482</u>
EXCESS (DEFICIENCY) OF REVENUES OVER				
EXPENDITURES	<u>(2,347,660)</u>	<u>(2,347,660)</u>	<u>(2,205,569)</u>	<u>142,091</u>
OTHER FINANCING SOURCES (USES)				
Transfers in from general fund	<u>3,095,000</u>	<u>3,095,000</u>	<u>3,095,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,095,000</u>	<u>3,095,000</u>	<u>3,095,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 747,340</u>	<u>\$ 747,340</u>	889,431	<u>\$ 142,091</u>
FUND BALANCES - BEGINNING OF YEAR			<u>2,845,180</u>	
FUND BALANCES - END OF YEAR			<u>\$ 3,734,611</u>	

CITY OF BRENTWOOD, TENNESSEE

INTERNAL SERVICE FUNDS

Fuel Fund - This fund accounts for all purchases of gasoline and diesel fuel used by the City. The funds are to be used to purchase fuel at market rates and allow the City's departments to pay for fuel at a set rate established at the beginning of each fiscal year. The purpose of the fund is to mitigate significant budgetary challenges that occur with rapid fluctuations in fuel costs.

Insurance Fund – This fund was created January 1, 2010 to centralize the payment of all health insurance-related expenditures, including group insurance premiums and the health reimbursement arrangement (HRA) account. For fiscal year 2013, the fund was expanded to include workers' compensation coverage. The goal of the fund is to eliminate the double-digit growth in the cost of the group health insurance program that was prevalent under the traditional health insurance program through better management of claims and by assuming a calculated risk for direct reimbursement of claims costs through a partially self-insured program.

OTHER SCHEDULES

CITY OF BRENTWOOD

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2023

	<u>Fuel</u>	<u>Insurance</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 469,336	\$ 4,199,141	\$ 4,668,477
Receivables			
Accounts	1,671	29,737	31,408
Due from other funds	32,847	370,900	403,747
Inventory	<u>51,691</u>	<u>-</u>	<u>51,691</u>
 TOTAL ASSETS	 <u>555,545</u>	 <u>4,599,778</u>	 <u>5,155,323</u>
 LIABILITIES			
Accounts payable	5,894	201,572	207,466
Claims payable	-	257,481	257,481
Due to other funds	<u>-</u>	<u>18,098</u>	<u>18,098</u>
 TOTAL LIABILITIES	 <u>5,894</u>	 <u>477,151</u>	 <u>483,045</u>
 NET POSITION			
Unrestricted	<u>\$ 549,651</u>	<u>\$ 4,122,627</u>	<u>\$ 4,672,278</u>
 TOTAL NET POSITION	 <u>\$ 549,651</u>	 <u>\$ 4,122,627</u>	 <u>\$ 4,672,278</u>

CITY OF BRENTWOOD

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Fuel</u>	<u>Insurance</u>	<u>Total</u>
OPERATING REVENUES			
Charges for sales and service	\$ 359,758	\$ 4,318,160	\$ 4,677,918
Other	<u>-</u>	<u>469,186</u>	<u>469,186</u>
TOTAL OPERATING REVENUES	359,758	4,787,346	5,147,104
OPERATING EXPENSES			
Cost of sales and services	<u>580,020</u>	<u>4,712,896</u>	<u>5,292,916</u>
OPERATING INCOME (LOSS)	(220,262)	74,450	(145,812)
NONOPERATING REVENUES			
Other income	<u>17,309</u>	<u>147,030</u>	<u>164,339</u>
NET CHANGE IN NET POSITION	(202,953)	221,480	18,527
NET POSITION - BEGINNING OF YEAR	<u>752,604</u>	<u>3,901,147</u>	<u>4,653,751</u>
NET POSITION - END OF YEAR	<u>\$ 549,651</u>	<u>\$ 4,122,627</u>	<u>\$ 4,672,278</u>

CITY OF BRENTWOOD

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Fuel</u>	<u>Insurance</u>	<u>Total</u>
OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 354,611	\$ 5,045,150	\$ 5,399,761
Payments to suppliers	<u>(509,821)</u>	<u>(4,373,247)</u>	<u>(4,883,068)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(155,210)	671,903	516,693
INVESTING ACTIVITIES			
Other income received	<u>17,309</u>	<u>147,030</u>	<u>164,339</u>
NET CHANGE IN CASH	(137,901)	818,933	681,032
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>607,237</u>	<u>3,380,208</u>	<u>3,987,445</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 469,336</u></u>	<u><u>\$ 4,199,141</u></u>	<u><u>\$ 4,668,477</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Income (loss)	\$ (220,262)	\$ 74,450	\$ (145,812)
Adjustments to reconcile operating income (loss) to net cash provide by (used in) operating activities			
(Increase) decrease in:			
Accounts receivable	(1,136)	128,263	127,127
Due from other funds	(4,011)	129,541	125,530
Inventory	74,840	-	74,840
Increase (decrease) in:			
Accounts payable	(4,641)	151,994	147,353
Claims payable	-	171,294	171,294
Due to other funds	<u>-</u>	<u>16,361</u>	<u>16,361</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u><u>\$ (155,210)</u></u>	<u><u>\$ 671,903</u></u>	<u><u>\$ 516,693</u></u>

STATISTICAL SECTION

CITY OF BRENTWOOD

SCHEDULE OF CHANGES IN PROPERTY TAX RECEIVABLE

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

<u>Tax Year</u>	<u>Balance July 1, 2022</u>	<u>Property Tax Levied</u>	<u>Abatements and Adjustments</u>	<u>Collections</u>	<u>Balance June 30, 2023</u>
2022	\$ -	\$ 12,995,742	\$ 84,216	\$ (12,899,650)	\$ 180,308
2021	128,423	-	(14,867)	(95,785)	17,771
2020	28,958	-	1,853	(26,770)	4,041
2019	9,741	-	39	(3,366)	6,414
2018	3,281	-	1,817	(1,370)	3,728
2017	2,524	-	(16)	(565)	1,943
2016	1,380	-	-	-	1,380
2015	1,909	-	-	-	1,909
2014	960	-	-	-	960
2013	1,073	-	-	-	1,073
2012	<u>1,210</u>	<u>-</u>	<u>(1,210)</u>	<u>-</u>	<u>-</u>
	<u>\$ 179,459</u>	<u>\$ 12,995,742</u>	<u>\$ 71,832</u>	<u>\$ (13,027,506)</u>	219,527
			2023 Anticipated Levy		<u>13,096,004</u>
					<u>\$ 13,315,531</u>

All uncollected delinquent taxes have been filed, as required, with Williamson County's Clerk and Master.

CITY OF BRENTWOOD

SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE

FOR THE YEAR ENDED JUNE 30, 2023

Description of indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2022	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2023
Governmental Activities									
<i>General obligation bonds</i>									
Payable through debt service fund									
2012 General Obligation Public Improvement Refunding Bonds	\$ 3,250,000	2.00%	5/4/2012	9/1/2025	\$ 1,315,000	\$ -	\$ (320,000)	\$ -	\$ 995,000
2013 General Obligation Refunding and Public Improvement Bonds	5,900,000	2.00 to 3.75%	9/4/2013	9/1/2023	465,000	-	(230,000)	-	235,000
2016 General Obligation Refunding Bonds	3,035,000	2.00%	6/3/2016	3/1/2030	2,365,000	-	(275,000)	-	2,090,000
2017 General Obligation Refunding Bonds	3,030,000	2.00 to 3.00%	2/3/2017	9/1/2027	1,885,000	-	(295,000)	-	1,590,000
2017A General Obligation Refunding Bonds	2,040,000	2.50 to 4.00%	12/7/2017	9/1/2031	2,040,000	-	-	-	2,040,000
2019 General Obligation Public Improvement Bonds	14,445,000	2.00 to 5.00%	9/20/2019	9/1/2039	13,910,000	-	(560,000)	-	13,350,000
2021B General Obligation Refunding Bonds	2,810,000	1.85 to 5.00%	12/3/2021	9/1/2033	2,810,000	-	-	-	2,810,000
2023 General Obligation Public Improvement Bonds	7,770,000	3.00 to 5.00%	2/3/2023	9/1/2042	-	7,770,000	-	-	7,770,000
Total bonds payable through debt service fund					<u>\$ 24,790,000</u>	<u>\$ 7,770,000</u>	<u>\$ (1,680,000)</u>	<u>\$ -</u>	<u>\$ 30,880,000</u>
Business-type Activities									
<i>General obligation bonds, pledge of net revenues</i>									
Payable through water and sewer fund									
2010 General Obligation Public Improvement Bonds	\$ 10,000,000	2.00 to 4.00%	9/21/2010	3/1/2025	\$ 1,545,000	\$ -	\$ (500,000)	\$ -	\$ 1,045,000
2012 General Obligation Public Improvement Bonds	6,560,000	2.00 to 2.625%	5/4/2012	9/1/2025	1,410,000	-	(340,000)	-	1,070,000
2013 General Obligation Refunding and Public Improvement Bonds	3,890,000	2.00 to 3.75%	9/4/2013	9/1/2023	315,000	-	(155,000)	-	160,000
2016 General Obligation Public Refunding Bonds	6,315,000	2.00%	6/3/2016	3/1/2029	4,415,000	-	(590,000)	-	3,825,000
2017A General Obligation Refunding Bonds	3,495,000	2.50 to 4.00%	12/7/2017	9/1/2030	3,495,000	-	-	-	3,495,000
2021A General Obligation Public Improvement Bonds	4,790,000	2.00 to 4.00%	12/3/2021	9/1/2041	4,790,000	-	(180,000)	-	4,610,000
2021B General Obligation Refunding Bonds	4,100,000	1.85 to 5.00%	12/3/2021	9/1/2033	4,100,000	-	-	-	4,100,000
Total bonds payable through water and sewer fund					<u>\$ 20,070,000</u>	<u>\$ -</u>	<u>\$ (1,765,000)</u>	<u>\$ -</u>	<u>\$ 18,305,000</u>

CITY OF BRENTWOOD

SCHEDULE OF DEBT SERVICE REQUIREMENTS - GOVERNMENTAL ACTIVITIES GENERAL OBLIGATION BONDS

JUNE 30, 2023

Year	2012 G.O. Public Improvement Refunding Bonds		2013 G.O. Refunding and Public Improvement Bonds		2016 G.O. Refunding Bonds		2017 G.O. Refunding Bonds		2017A G.O. Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 325,000	\$ 16,650	\$ 235,000	\$ 2,791	\$ 280,000	\$ 41,800	\$ 305,000	\$ 28,918	\$ -	\$ 63,300
2025	330,000	10,100	-	-	285,000	36,200	310,000	22,768	-	63,300
2026	340,000	3,400	-	-	290,000	30,500	315,000	16,518	265,000	58,000
2027	-	-	-	-	300,000	24,700	325,000	10,118	270,000	47,300
2028	-	-	-	-	305,000	18,700	335,000	3,434	285,000	36,200
2029	-	-	-	-	310,000	12,600	-	-	295,000	26,812
2030	-	-	-	-	320,000	6,400	-	-	300,000	19,375
2031	-	-	-	-	-	-	-	-	310,000	11,750
2032	-	-	-	-	-	-	-	-	315,000	3,938
2033	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-
	<u>\$ 995,000</u>	<u>\$ 30,150</u>	<u>\$ 235,000</u>	<u>\$ 2,791</u>	<u>\$ 2,090,000</u>	<u>\$ 170,900</u>	<u>\$ 1,590,000</u>	<u>\$ 81,756</u>	<u>\$ 2,040,000</u>	<u>\$ 329,975</u>

Year	2019 G.O. Public Improvement Bonds		2021B G.O. Refunding Bonds		2023 G.O. Public Improvement Bonds		2023 G.O. Total G.O. Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 590,000	\$ 382,769	\$ -	\$ 86,493	\$ 150,000	\$ 333,547	\$ 1,885,000	\$ 956,268
2025	620,000	352,519	235,000	80,618	265,000	298,831	2,045,000	864,336
2026	655,000	320,644	245,000	68,618	280,000	285,206	2,390,000	782,886
2027	685,000	287,144	265,000	55,868	295,000	270,832	2,140,000	695,962
2028	715,000	255,719	270,000	45,193	305,000	255,831	2,215,000	615,077
2029	740,000	234,019	280,000	36,943	325,000	240,081	1,950,000	550,455
2030	755,000	219,069	290,000	28,393	340,000	223,456	2,005,000	496,693
2031	770,000	203,819	300,000	21,043	355,000	206,082	1,735,000	442,694
2032	785,000	187,287	305,000	15,221	375,000	189,706	1,780,000	396,152
2033	805,000	168,896	305,000	9,350	390,000	174,406	1,500,000	352,652
2034	825,000	149,540	315,000	3,145	405,000	160,531	1,545,000	313,216
2035	845,000	129,181	-	-	415,000	148,232	1,260,000	277,413
2036	865,000	107,806	-	-	430,000	135,556	1,295,000	243,362
2037	890,000	85,312	-	-	440,000	121,957	1,330,000	207,269
2038	910,000	61,687	-	-	455,000	107,128	1,365,000	168,815
2039	935,000	37,472	-	-	470,000	91,225	1,405,000	128,697
2040	960,000	12,600	-	-	490,000	73,200	1,450,000	85,800
2041	-	-	-	-	505,000	53,300	505,000	53,300
2042	-	-	-	-	530,000	32,600	530,000	32,600
2040	-	-	-	-	550,000	11,000	550,000	11,000
Total	<u>\$ 13,350,000</u>	<u>\$ 3,195,483</u>	<u>\$ 2,810,000</u>	<u>\$ 450,885</u>	<u>\$ 7,770,000</u>	<u>\$ 3,412,707</u>	<u>\$ 30,880,000</u>	<u>\$ 7,674,647</u>

CITY OF BRENTWOOD

SCHEDULE OF DEBT SERVICE REQUIREMENTS - BUSINESS-TYPE ACTIVITIES DEBT OBLIGATIONS

JUNE 30, 2023

Year	2010 G.O. Public Improvement Bonds		2012 G.O. Public Improvement Bonds		2013 G.O. Refunding and Public Improvement Bonds		2016 G.O. Public Refunding Bonds		2017A G.O. Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 515,000	\$ 28,737	\$ 350,000	\$ 17,900	\$ 160,000	\$ 1,900	\$ 600,000	\$ 76,500	\$ -	\$ 112,425
2025	530,000	14,575	355,000	10,850	-	-	615,000	64,500	-	112,425
2026	-	-	365,000	3,650	-	-	630,000	52,200	535,000	101,725
2027	-	-	-	-	-	-	645,000	39,600	555,000	79,925
2028	-	-	-	-	-	-	660,000	26,700	580,000	57,225
2029	-	-	-	-	-	-	675,000	13,500	595,000	38,188
2030	-	-	-	-	-	-	-	-	610,000	23,125
2031	-	-	-	-	-	-	-	-	620,000	7,750
2032	-	-	-	-	-	-	-	-	-	-
2033										
2034	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-
Total	<u>\$ 1,045,000</u>	<u>\$ 43,312</u>	<u>\$ 1,070,000</u>	<u>\$ 32,400</u>	<u>\$ 160,000</u>	<u>\$ 1,900</u>	<u>\$ 3,825,000</u>	<u>\$ 273,000</u>	<u>\$ 3,495,000</u>	<u>\$ 532,788</u>

Year	2021A G.O. Public Improvement Bonds		2021B G.O. Refunding Bonds		Total BTA Debt Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 185,000	\$ 111,150	\$ -	\$ 122,808	\$ 1,810,000	\$ 471,420
2025	195,000	103,550	160,000	118,807	1,855,000	424,707
2026	200,000	95,650	160,000	110,807	1,890,000	364,032
2027	210,000	88,500	515,000	93,933	1,925,000	301,958
2028	215,000	82,125	540,000	72,958	1,995,000	239,008
2029	220,000	75,600	555,000	56,532	2,045,000	183,820
2030	225,000	68,925	570,000	39,658	1,405,000	131,708
2031	235,000	62,025	590,000	25,208	1,445,000	94,983
2032	240,000	56,100	595,000	13,803	835,000	69,903
2033	245,000	51,250	205,000	6,250	450,000	57,500
2034	250,000	46,300	210,000	2,100	460,000	48,400
2035	255,000	41,250	-	-	255,000	41,250
2036	260,000	36,100	-	-	260,000	36,100
2037	265,000	30,850	-	-	265,000	30,850
2038	270,000	25,500	-	-	270,000	25,500
2039	275,000	20,050			275,000	20,050
2040	280,000	14,500			280,000	14,500
2041	290,000	8,800	-	-	290,000	8,800
2042	295,000	2,950	-	-	295,000	2,950
Total	<u>\$ 4,610,000</u>	<u>\$ 1,021,175</u>	<u>\$ 4,100,000</u>	<u>\$ 662,864</u>	<u>\$ 18,305,000</u>	<u>\$ 2,567,439</u>

Statistical Section (Unaudited)

This part of the City's annual comprehensive financial report presents detailed information in the areas noted below as a context for strengthening the reader's understanding of the financial statements, note disclosures, and required supplementary information with respect to the City's overall financial health.

Contents

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Financial Trends These schedules contain trend information to help readers understand how the City's financial performance and well-being have changed over time.	127 - 133
Revenue Capacity These schedules contain information to help reader assess the factors affecting the City's ability to generate its property and sales taxes.	134 - 140
Debt Capacity These schedules present information to help readers assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.	141 - 144
Demographic and Economic Information These schedules offer demographic and economic indicators to help reader understand the environment within which the City's financial activities take place, and to help make comparisons over time and with other governments.	145 - 146
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	147 - 149

Sources

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant years.

City of Brentwood
Net Position by Component (Unaudited)
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Governmental Activities</u>										
Net investment in capital assets	\$ 294,245,261	\$ 303,610,086	\$ 276,264,814	\$ 254,765,379	\$ 244,934,746	\$ 223,486,612	\$ 217,276,026	\$ 205,432,637	\$ 206,296,175	\$ 190,264,011
Restricted	42,603,128	41,805,695	29,500,057	17,356,834	14,485,669	11,249,170	5,426,005	8,845,277	6,632,641	4,153,551
Unrestricted	<u>78,675,868</u>	<u>61,217,439</u> ⁽⁵⁾	<u>55,776,072</u>	<u>67,128,781</u>	<u>63,695,869</u>	<u>63,394,779</u>	<u>64,734,747</u> ⁽⁴⁾	<u>64,855,829</u>	<u>55,659,774</u>	<u>49,687,981</u>
Total governmental activities net position	<u>\$ 415,524,257</u>	<u>\$ 406,633,220</u>	<u>\$ 361,540,943</u>	<u>\$ 339,250,994</u>	<u>\$ 323,116,284</u>	<u>\$ 298,130,561</u>	<u>\$ 287,436,778</u>	<u>\$ 279,133,743</u>	<u>\$ 268,588,590</u>	<u>\$ 244,105,543</u>
<u>Business-type Activities</u>										
Net investment in capital assets	\$ 62,845,125	\$ 55,299,778	\$ 56,879,065	\$ 55,065,405	\$ 51,841,573	\$ 49,750,372	\$ 47,811,476	\$ 48,665,593	\$ 48,883,727	\$ 50,452,428
Restricted	808,235	1,736,465	733,260	713,517	554,851	195,480	29,223	126,540	197,926	-
Unrestricted	<u>40,758,257</u>	<u>38,195,243</u>	<u>32,579,984</u>	<u>32,368,547</u>	<u>33,607,174</u>	<u>33,380,392</u>	<u>32,601,093</u> ⁽⁴⁾	<u>30,228,416</u>	<u>29,303,286</u>	<u>26,032,698</u> ⁽³⁾
Total business-type activities net position	<u>\$ 104,411,617</u>	<u>\$ 95,231,486</u>	<u>\$ 90,192,309</u>	<u>\$ 88,147,469</u>	<u>\$ 86,003,598</u>	<u>\$ 83,326,244</u>	<u>\$ 80,441,792</u>	<u>\$ 79,020,549</u>	<u>\$ 78,384,939</u>	<u>\$ 76,485,126</u>
<u>Primary Government</u>										
Net investment in capital assets	\$ 357,090,386	\$ 358,909,864	\$ 333,143,879	\$ 309,830,784	\$ 296,776,319	\$ 273,236,984	\$ 265,087,502	\$ 254,098,230	\$ 255,179,902	\$ 240,716,439
Restricted	43,411,363	43,542,160	30,233,317	18,070,351	15,040,520	11,444,660	5,455,228	8,971,817	6,830,567	4,153,551
Unrestricted	<u>119,434,125</u>	<u>99,412,682</u> ⁽⁵⁾	<u>88,356,056</u>	<u>99,497,328</u>	<u>97,303,043</u>	<u>96,775,171</u>	<u>97,335,840</u> ⁽⁴⁾	<u>95,084,245</u>	<u>84,963,060</u>	<u>75,720,679</u> ⁽³⁾
Total primary government net position	<u>\$ 519,935,874</u>	<u>\$ 501,864,706</u>	<u>\$ 451,733,252</u>	<u>\$ 427,398,463</u>	<u>\$ 409,119,882</u>	<u>\$ 381,456,815</u>	<u>\$ 367,878,570</u>	<u>\$ 358,154,292</u>	<u>\$ 346,973,529</u>	<u>\$ 320,590,669</u>

Notes to Schedule

(3) A prior period adjustment was posted to unrestricted net position in connection with the adoption of GASB Statement No. 68 for pensions

(4) A prior period adjustment was posted to unrestricted net position in connection with the adoption of GASB Statement No. 75 for other postretirement benefits

(5) A prior period adjustment was posted to unrestricted net position in connection with the adoption of GASB Statement No. 87 for leases

City of Brentwood
Changes in Net Position (Unaudited)
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
<u>Governmental Activities</u>										
General government	\$ 9,546,503	\$ 8,013,903	\$ 8,007,655	\$ 7,891,291	\$ 7,076,274	\$ 7,048,669	\$ 6,629,447	\$ 6,502,351	\$ 6,364,225	\$ 6,674,735
Public safety	22,281,708	16,343,137	15,683,487	13,691,469	16,718,675	13,258,098	13,348,931	12,606,876	11,769,252	12,623,784
Roads and streets	18,593,683	16,620,953	13,241,798	15,656,127	12,756,380	10,527,353	1,264,108	13,980,844	10,899,396	9,317,989
Public health	113,314	90,498	90,425	88,454	77,876	74,054	70,563	67,917	88,524	88,068
Parks and recreation	4,465,503	3,972,512	3,714,794	3,179,627	3,714,633	3,234,748	3,047,509	3,098,376	2,720,304	2,630,573
Public library	3,643,182	3,216,978	2,890,648	3,069,905	3,029,660	2,977,285	2,702,615	2,656,773	2,582,263	2,695,163
Community support	547,899	442,202	410,780	368,331	368,059	764,894	2,365,054	322,525	336,562	312,295
Drug education	16,236	56,792	59,605	81,164	58,736	44,310	49,292	38,627	53,330	53,055
Interest on long-term debt	935,683	760,010	709,787	1,015,477	596,931	785,574	727,578	841,063	838,018	1,198,233
Total governmental activities	60,143,711	49,516,985	44,808,979	45,041,845	44,397,224	38,714,985	30,205,097	40,115,352	35,651,874	35,593,895
<u>Business-type Activities</u>										
Water and sewer	20,075,284	19,157,432	19,270,305	18,654,832	18,146,325	17,787,324	17,486,681	16,792,536	15,569,461	15,954,570
Rental facilities	826,860	781,877	727,618	663,592	677,105	643,934	704,672	723,559	699,412	656,642
911 operations	1,569,470	1,346,953	1,451,454	1,360,113	1,418,761	1,186,228	1,208,410	1,191,793	1,130,021	1,224,118
Total business-type activities	22,471,614	21,286,262	21,449,377	20,678,537	20,242,191	19,617,486	19,399,763	18,707,888	17,398,894	17,835,330
Total primary government expenses	<u>\$ 82,615,325</u>	<u>\$ 70,803,247</u>	<u>\$ 66,258,356</u>	<u>\$ 65,720,382</u>	<u>\$ 64,639,415</u>	<u>\$ 58,332,471</u>	<u>\$ 49,604,860</u>	<u>\$ 58,823,240</u>	<u>\$ 53,050,768</u>	<u>\$ 53,429,225</u>

City of Brentwood
Changes in Net Position (Unaudited) (Continued)
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Program Revenues										
<u>Governmental Activities</u>										
Charges for services										
General government	\$ 1,849,103	\$ 1,607,421	\$ 1,282,462	\$ 1,113,271	\$ 840,366	\$ 1,108,463	\$ 984,627	\$ 1,021,064	\$ 1,268,909	\$ 1,273,686
Roads and streets	630,883	549,607	839,342	1,012,766	723,758	947,462	1,016,607	1,805,840	1,185,065	703,350
Parks and recreation	161,861	130,069	86,734	56,581	119,005	125,737	122,130	116,658	109,739	124,736
Public library	136,327	106,994	98,426	102,058	130,234	121,657	128,352	134,450	143,688	148,520
Community support	-	-	-	-	-	-	34,625	35,250	31,738	27,850
Operating grants and contributions	2,009,985	2,137,929	1,602,554	1,573,189	1,617,529	1,427,814	1,154,251	1,228,771	1,724,759	1,004,056
Capital grants and contributions	378,862	27,267,525	9,012,420	8,864,603	18,345,389	430,798	8,179,647	3,460,350	16,726,448	4,107,635
Total governmental activities program revenues	5,167,021	31,799,545	12,921,938	12,722,468	21,776,281	4,161,931	11,620,239	7,802,383	21,190,346	7,389,833
<u>Business-type Activities</u>										
Charges for services										
Water and sewer	22,229,426	20,043,313	19,483,329	19,042,972	18,904,147	17,676,055	17,723,077	15,213,756	15,011,973	14,434,478
Rental facilities	779,707	753,695	751,621	740,509	742,237	725,811	724,310	733,227	723,714	675,285
911 operations	-	-	-	-	-	-	-	-	269,612	576,880
Operating grants and contributions	1,408,778	1,307,079	1,331,086	950,890	1,037,511	913,910	972,979	880,775	562,808	238,727
Capital grants and contributions	3,084,483	939,437	1,336,175	1,168,824	978,639	2,104,515	2,055,106	1,867,085	2,192,730	2,762,989
Total business-type activities program revenues	27,502,394	23,043,524	22,902,211	21,903,195	21,662,534	21,420,291	21,475,472	18,694,843	18,760,837	18,688,359
Total primary government program revenues	\$ 32,669,415	\$ 54,843,069	\$ 35,824,149	\$ 34,625,663	\$ 43,438,815	\$ 25,582,222	\$ 33,095,711	\$ 26,497,226	\$ 39,951,183	\$ 26,078,192
<u>Net (Expenses) Revenues</u>										
Governmental activities	(54,976,690)	(17,717,440)	(31,887,041)	(32,319,377)	(22,620,943)	(34,553,054)	(30,284,858)	(32,312,969)	(14,461,528)	(28,204,062)
Business-type activities	5,030,780	1,757,262	1,452,834	1,224,658	1,420,343	1,802,805	2,075,709	(13,045)	1,361,943	853,029
Total primary government net (expenses) revenues	\$ (49,945,910)	\$ (15,960,178)	\$ (30,434,207)	\$ (31,094,719)	\$ (21,200,600)	\$ (32,750,249)	\$ (28,209,149)	\$ (32,326,014)	\$ (13,099,585)	\$ (27,351,033)

City of Brentwood
Changes in Net Position (Unaudited) (Continued)
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other										
Changes in Net Position										
<u>Governmental Activities</u>										
Taxes										
Property	\$ 13,114,801	\$ 12,981,593	\$ 12,661,300	\$ 12,488,209	\$ 12,133,252	\$ 12,034,282	\$ 11,632,351	\$ 11,732,828	\$ 11,290,941	\$ 11,030,338
Local option	32,795,908	31,779,250	23,393,732	19,098,477	17,462,917	16,569,064	15,910,640	15,203,893	13,820,565	12,954,622
Hotel/motel	1,997,020	1,764,407	844,782	1,410,421	1,760,408	1,853,455	1,843,667	1,705,447	1,439,717	1,362,325
Wholesale beer and liquor	3,053,088	2,889,306	2,196,618	1,941,211	1,738,158	1,686,036	1,623,339	1,441,703	1,337,106	1,282,506
Adequate schools facilities	369,860	528,221	592,369	551,953	483,726	586,041	669,388	713,422	618,838	616,142
Other	475,879	595,810	611,446	714,726	806,570	856,827	873,811	896,283	561,144	536,418
Unrestricted intergovernmental taxes										
State sales and use	5,398,140	5,163,889	4,656,467	3,998,511	3,892,586	3,469,845	3,348,363	3,267,781	2,829,973	2,647,788
Income	73,561	205,982	1,182,372	3,120,309	3,328,145	3,407,502	3,132,222	4,420,212	4,004,352	3,237,239
Business	3,539,473	2,990,563	2,231,969	2,564,412	2,383,963	2,199,950	1,956,708	1,851,846	1,667,422	1,881,556
TVA in-lieu	545,531	471,095	501,677	539,809	519,734	458,127	455,842	474,106	429,531	410,018
Mixed drink and beer	370,031	360,635	290,015	257,681	317,134	320,499	257,386	192,560	178,237	182,131
Petroleum special	83,124	83,505	87,133	87,133	87,146	81,865	81,603	82,194	76,169	75,841
Corporate excise	320,023	209,951	294,781	242,570	133,002	125,704	115,679	77,998	57,008	48,993
Telecommunications	17,426	19,260	19,501	17,650	16,705	19,609	4,084	3,433	3,654	3,791
Other intergovernmental	80,893	826,665	2,771,367	435,719	389,651	367,487	329,678	335,036	321,960	343,912
Unrestricted earnings	3,990,250	701,659	509,022	1,383,087	2,127,442	1,499,832	965,518	676,321	538,317	566,443
Miscellaneous	703,949	1,711,603	211,129	86,909	510,817	195,422	882,006	201,759	188,341	213,000
Transfers	(2,511,230)	(484,700)	(484,700)	(484,700)	(484,700)	(484,700)	265,300	(418,700)	(418,700)	(418,700)
Total governmental activities	64,417,727	62,798,694	52,570,980	48,454,087	47,606,656	45,246,847	44,347,585	42,858,122	38,944,575	36,974,363
<u>Business-type activities</u>										
Unrestricted investment earnings	1,449,033	130,007	72,821	434,513	772,311	596,947	311,849	198,789	119,170	84,556
Miscellaneous	189,088	2,667,208	34,485	-	-	-	-	31,166	-	-
Transfers	2,511,230	484,700	484,700	484,700	484,700	484,700	(265,300)	418,700	418,700	418,700
Total business-type activities	4,149,351	3,281,915	592,006	919,213	1,257,011	1,081,647	46,549	648,655	537,870	503,256
Total general revenues/other changes	68,567,078	66,080,609	53,162,986	49,373,300	48,863,667	46,328,494	44,394,134	43,506,777	39,482,445	37,477,619
Change in Net Position										
Governmental activities	9,441,037	45,081,254	20,683,939	16,134,710	24,985,713	10,693,793	14,062,727	10,545,153	24,483,047	8,770,301
Business-type activities	9,180,131	5,039,177	2,044,840	2,143,871	2,677,354	2,884,452	2,122,258	635,610	1,899,813	1,356,285
Total primary government	\$ 18,621,168	\$ 50,120,431	\$ 22,728,779	\$ 18,278,581	\$ 27,663,067	\$ 13,578,245	\$ 16,184,985	\$ 11,180,763	\$ 26,382,860	\$ 10,126,586

City of Brentwood
Fund Balances of Governmental Funds (Unaudited)
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Funds											
General fund											
Nonspendable	\$ 394,302	\$ 243,256	\$ 309,612	\$ 116,577	\$ 112,159	\$ 119,832	\$ 141,698	\$ 91,108	\$ 88,444	\$ 23,877	\$ 283,514
Restricted	-	102,324	60,454	-	-	-	-	-	-	-	-
Committed	12,891,943	10,923,623	9,585,251	8,303,195	6,988,945	6,493,096	6,088,103	5,493,492	4,922,928	4,673,661	4,191,394
Unassigned	<u>55,534,806</u>	<u>50,656,020</u>	<u>41,485,929</u>	<u>43,442,063</u>	<u>40,746,159</u>	<u>37,878,787</u>	<u>35,663,339</u>	<u>32,323,955</u>	<u>32,847,950</u>	<u>30,701,075</u>	<u>29,560,931</u>
Total general fund	<u>68,821,051</u>	<u>61,925,223</u>	<u>51,441,246</u>	<u>51,861,835</u>	<u>47,847,263</u>	<u>44,491,715</u>	<u>41,893,140</u>	<u>37,908,555</u>	<u>37,859,322</u>	<u>35,398,613</u>	<u>34,035,839</u>
All other governmental funds											
Nonspendable	-	-	260	-	-	-	5,418	-	-	-	-
Restricted											
Capital projects	34,128,055	24,866,689	21,456,935	10,149,528	7,410,031	8,271,249	4,263,761	6,391,312	4,541,268	2,232,769	3,161,408
Street repairs	3,321,068	2,274,763	1,800,449	707,395	1,698,666	809,318	430,928	1,012,840	777,195	382,211	461,649
Drug enforcement and education	490,665	451,043	441,169	457,632	474,834	389,645	513,089	466,094	448,992	408,363	352,764
Citation equipment	3,798	2,577	1,065	-	-	-	-	-	-	-	-
Committed											
Capital projects	-	-	-	22,524,969	19,302,862	20,558,427	21,988,017	21,517,308	15,030,317	13,429,400	9,387,496
Debt service	<u>3,734,611</u>	<u>2,845,180</u>	<u>4,028,065</u>	<u>3,347,499</u>	<u>2,887,329</u>	<u>2,352,571</u>	<u>1,971,795</u>	<u>3,558,909</u>	<u>3,621,272</u>	<u>3,706,319</u>	<u>3,712,435</u>
Total all other governmental funds	<u>41,678,197</u>	<u>30,440,252</u>	<u>27,727,943</u>	<u>37,187,023</u>	<u>31,773,722</u>	<u>32,381,210</u>	<u>29,173,008</u>	<u>32,946,463</u>	<u>24,419,044</u>	<u>20,159,062</u>	<u>17,075,752</u>
Total governmental funds	<u>\$ 110,499,248</u>	<u>\$ 92,365,475</u>	<u>\$ 79,169,189</u>	<u>\$ 89,048,858</u>	<u>\$ 79,620,985</u>	<u>\$ 76,872,925</u>	<u>\$ 71,066,148</u>	<u>\$ 70,855,018</u>	<u>\$ 62,278,366</u>	<u>\$ 55,557,675</u>	<u>\$ 51,111,591</u>

City of Brentwood
Changes in Fund Balances of Governmental Funds (Unaudited)
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues											
Taxes	\$ 54,838,748	\$ 49,885,653	\$ 39,750,264	\$ 35,422,210	\$ 33,735,437	\$ 32,747,979	\$ 31,684,419	\$ 30,519,071	\$ 28,453,126	\$ 27,166,209	\$ 26,478,832
Licenses and permits	1,653,222	1,657,116	1,707,172	1,875,250	1,538,010	2,022,694	1,942,215	2,759,952	2,077,151	1,609,529	2,419,665
Fines, forfeitures and penalties	126,369	127,598	115,715	169,187	242,555	289,124	217,223	261,639	306,362	307,980	367,427
Charges for services	809,135	586,573	462,185	409,426	275,353	280,625	344,126	353,310	355,626	360,633	344,521
Intergovernmental	9,406,445	12,444,698	14,215,970	14,023,331	13,171,821	12,895,241	11,952,530	16,107,709	11,908,249	10,496,352	9,803,416
Uses of money and property	4,664,725	701,659	749,342	1,383,087	2,127,442	1,499,832	965,518	676,321	538,317	566,443	621,825
Other revenues	797,197	2,287,405	66,999	86,909	510,817	195,422	882,005	201,759	188,341	213,000	481,604
Total revenues	72,295,841	67,690,702	57,067,647	53,369,400	51,601,435	49,930,917	47,988,036	50,879,761	43,827,172	40,720,146	40,517,290
Expenditures											
General government	8,865,576	8,096,820	7,693,738	7,694,798	7,304,687	7,132,889	6,858,462	6,603,299	6,388,722	6,061,451	6,130,364
Public safety	20,680,109	19,495,118	17,338,330	16,332,727	16,420,865	14,795,938	14,074,463	13,211,939	13,237,000	12,898,119	12,178,507
Roads and streets	11,085,000	6,803,755	6,346,008	7,945,345	5,631,308	5,952,969	6,410,724	5,375,950	4,874,736	5,146,761	4,631,107
Public health	113,314	90,498	90,425	88,454	77,876	74,054	70,563	67,917	88,524	88,068	81,182
Parks and recreation	3,015,500	2,782,031	2,751,341	2,501,432	2,407,069	2,210,780	2,198,078	2,300,504	2,311,010	1,993,508	1,969,273
Public library	3,244,915	3,244,856	2,909,391	2,686,640	2,649,340	2,744,564	2,449,069	2,389,052	2,291,101	2,255,226	2,141,269
Community support	547,439	484,236	438,136	368,331	368,059	764,894	2,365,054	322,525	336,562	312,295	280,627
Drug education	16,236	12,954	39,139	43,363	24,478	13,740	19,732	18,862	17,501	30,717	11,879
Capital outlay	10,362,181	8,817,334	25,076,754	17,964,693	10,842,836	10,830,076	9,038,180	8,162,423	3,700,604	8,611,260	3,783,204
Debt service											
Principal	1,680,000	3,410,000	4,496,000	2,115,000	2,064,000	2,085,000	3,885,000	2,615,000	2,555,000	2,475,000	2,465,555
SBITAs	405,226	-	-	-	-	-	-	-	-	-	-
Interest and other	680,178	787,137	889,364	859,350	578,157	532,536	607,675	816,938	887,021	892,672	886,361
Bond issuance costs	187,775	87,159	-	-	-	24,547	54,934	44,710	-	80,109	-
Total expenditures	60,883,449	54,111,898	68,068,626	58,600,133	48,368,675	47,161,987	48,031,934	41,929,119	36,687,781	40,845,186	34,559,328
Excess (deficiency) of revenues over expenditures	\$ 11,412,392	\$ 13,578,804	\$ (11,000,979)	\$ (5,230,733)	\$ 3,232,760	\$ 2,768,930	\$ (43,898)	\$ 8,950,642	\$ 7,139,391	\$ (125,040)	\$ 5,957,962

City of Brentwood
Changes in Fund Balances of Governmental Funds (Unaudited) (Continued)
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Other Financing Sources (Uses)											
Transfers in	\$ 15,390,000	\$ 12,445,000	\$ 18,666,600	\$ 12,340,000	\$ 11,960,000	\$ 11,555,000	\$ 11,105,000	\$ 13,845,000	\$ 8,495,000	\$ 11,031,520	\$ 7,490,000
Transfers out	(17,901,230)	(12,929,700)	(19,151,300)	(12,824,700)	(12,444,700)	(12,039,700)	(10,839,700)	(14,263,700)	(8,913,700)	(11,450,220)	(8,038,700)
Financing of SBITAs	1,592,869	-	-	-	-	-	-	-	-	-	-
General obligation bonds issued	7,770,000	-	-	14,445,000	-	-	-	-	-	4,895,000	-
Refunding bonds issued	-	2,810,000	-	-	-	5,540,000	3,030,000	3,035,000	-	1,005,000	-
Payments to refunded bond escrow agent	-	(2,906,872)	-	-	-	(2,155,080)	(3,080,485)	(3,109,283)	-	(1,035,464)	-
Bond discounts	-	-	-	-	-	-	-	-	-	-	-
Bond premiums	419,742	188,031	-	698,306	-	137,627	43,213	118,993	-	125,288	-
Total other financing sources and uses	7,271,381	(393,541)	(484,700)	14,658,606	(484,700)	3,037,847	258,028	(373,990)	(418,700)	4,571,124	(548,700)
Net change in fund balance	<u>\$ 18,683,773</u>	<u>\$ 13,185,263</u>	<u>\$ (11,485,679)</u>	<u>\$ 9,427,873</u>	<u>\$ 2,748,060</u>	<u>\$ 5,806,777</u>	<u>\$ 211,130</u>	<u>\$ 8,576,652</u>	<u>\$ 6,720,691</u>	<u>\$ 4,446,084</u>	<u>\$ 5,409,262</u>
Debt service as a percentage of noncapital expenditures	5.8%	16.6%	13.7%	8.2%	7.4%	7.9%	11.8%	9.7%	11.0%	11.4%	11.4%

CITY OF BRENTWOOD, TENNESSEE
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (UNAUDITED)
 LAST 10 FISCAL YEARS

FISCAL YEAR *	COMMERCIAL	RESIDENTIAL	FARM	PERSONAL PROPERTY	TOTAL TAXABLE ASSESSED VALUE**	TAX RATE	ESTIMATED ACTUAL TAXABLE VALUE	TAXABLE ASSESSED VALUE AS A PERCENTAGE OF ACTUAL TAXABLE VALUE
2023	1,216,379,520	3,093,529,015	31,957,225	109,172,819	4,451,038,579 *	0.29	16,267,129,636	27.36 %
2022	1,209,075,760	3,037,658,590	27,252,425	105,290,250	4,379,277,025	0.29	15,998,305,329	27.37 %
2021	970,265,370	2,389,077,015	22,267,900	91,805,992	3,473,416,277	0.29	12,590,149,841	27.59 %
2020	961,493,480	2,344,930,115	24,217,550	88,984,205	3,419,625,350	0.36	12,351,335,527	27.69 %
2019	886,525,241	2,346,583,730	25,094,750	91,063,943	3,349,267,664	0.36	12,080,956,583	27.72 %
2018	869,353,401	2,290,626,055	28,596,815	98,770,073	3,287,346,344	0.36	11,831,489,089	27.78 %
2017	873,720,506	2,203,439,215	25,189,790	83,876,480	3,186,225,991	0.36	11,631,409,401	27.39 %
2016	680,612,202	1,821,494,380	19,043,950	75,805,127	2,596,955,659	0.44	9,553,528,835	27.18 %
2015	677,127,197	1,746,730,160	20,910,225	78,099,066	2,522,866,648	0.44	9,029,245,645	27.94 %
2014	620,333,962	1,703,757,635	18,731,900	74,740,734	2,417,564,231	0.44	8,693,902,911	27.81 %

* The fiscal year listed corresponds to the preceding tax year levy (2023 fiscal year would represent the 2022 tax levy)
 This represents the period for which the taxes were levied.

**Does not include public utilities assessed value.

CITY OF BRENTWOOD, TENNESSEE
DIRECT AND OVERLAPPING PROPERTY TAX RATES (UNAUDITED)
LAST 10 FISCAL YEARS

FISCAL YEAR **	DIRECT RATE	OVERLAPPING RATE *
	CITY OF BRENTWOOD	WILLIAMSON COUNTY
2023	.29 / 100	1.88 / 100
2022	.29 / 100	1.88 / 100
2021	.29 / 100	1.88 / 100
2020	.36 / 100	2.22 / 100
2019	.36 / 100	2.22 / 100
2018	.36 / 100	2.10 / 100
2017	.36 / 100	2.10 / 100
2016	.44 / 100	2.26 / 100
2015	.44 / 100	2.26 / 100
2014	.44 / 100	2.26 / 100

*Overlapping rates are those of local and county governments that apply to property owners within the City of Brentwood.

** The fiscal year listed corresponds to the preceding tax year levy (2023 fiscal year would represent the 2022 tax levy). This represents the period for which the taxes were levied.

CITY OF BRENTWOOD, TENNESSEE
PRINCIPAL PROPERTY TAX PAYERS (UNAUDITED)
CURRENT YEAR AND NINE YEARS AGO

TAXPAYER	FY 2023			FY 2014		
	TAXABLE ASSESSED VALUE*	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE*	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE
Highwoods	\$ 121,756,600	1	2.72 %	\$ 61,898,600	1	2.47 %
Boyle (Mooreland Inv)	75,403,000	2	1.68	35,185,200	3	1.41
Hill Center Brentwood	63,286,000	3	1.41			
Brent Creek LLC	50,681,900	4	1.13			
Park Center Partnership	40,184,500	5	0.90			
Mapletree Investments Hudson DC Assets	36,975,600	6	0.83			
VRE-NRE Maryland Farms	31,959,200	7	0.71			
Brentwood Place (Sarofim Realty)	31,037,900	8	0.69	23,202,400	5	0.93
Cool Springs Commons	25,901,300	9	0.58			
SRE TENN	19,691,300	10	0.44			
Bellsouth Telecommunications				37,076,800	2	1.48
AT&T Mobility LLC						-
Duke Realty				33,153,200	4	1.32
Heritage Retirement Facility				17,840,000	7	0.71
PEM Cool Springs				19,199,500	6	0.77
DDR MDT Cool Springs Point				9,867,100	10	0.39
Gateway Kentfield Inc				11,257,700	9	0.45
Hostpitality Properties				16,966,300	8	0.68
Wells Fargo XII-Reit Joint						-
Northwestern Mutual Life Insurance						-
Total	<u>\$ 496,877,300</u>		<u>11.09 %</u>	<u>\$ 265,646,800</u>		<u>10.61 %</u>
Total Assessment	<u>\$ 4,481,246,606</u>	**		<u>\$ 2,504,023,018</u>	**	

* Source: 2023 and 2014 Williamson County, TN Assessment

** Total Assessment Value for Tax Year 2022 (includes public utility assessment)

CITY OF BRENTWOOD, TENNESSEE
PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED)
LAST 10 FISCAL YEARS

FISCAL YEAR ENDED JUNE 30*	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY			TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY	COLLECTIONS IN SUBSEQUENT YEARS	AMOUNT	PERCENTAGE OF LEVY
2023	13,026,571	12,844,481	98.6%	-	12,846,263	98.6%
2022	12,784,063	12,655,640	99.0%	113,697	12,769,336	99.9%
2021	12,591,085	12,492,940	99.2%	94,071	12,587,011	100.0%
2020	12,310,657	12,174,558	98.9%	129,684	12,304,243	99.9%
2019	12,056,922	11,954,104	99.1%	99,090	12,053,194	100.0%
2018	11,834,452	11,736,833	99.2%	95,677	11,832,510	100.0%
2017	11,503,337	11,373,664	98.9%	128,293	11,501,957	100.0%
2016	11,426,757	11,269,592	98.6%	155,256	11,424,848	100.0%
2015	11,085,456	11,057,548	99.7%	26,948	11,084,496	100.0%
2014	10,637,930	10,473,750	98.5%	163,107	10,636,857	100.0%

* Taxes are assessed as of January 1 and are due October 1 of each year. Taxes become delinquent after February 28 of the following year.
Effective with tax year 2013, a combined interest/penalty rate of 1.5% accrues on the first day of each month that taxes remain delinquent (18% annually).

* The fiscal year listed corresponds to the preceding tax year levy (2023 fiscal year would represent the 2022 tax levy).
This represents the period for which the taxes were levied.

CITY OF BRENTWOOD, TENNESSEE
LOCAL TAXABLE SALES BY CATEGORY (UNAUDITED)
LAST 10 CALENDAR YEARS

Category	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
1 Apparel Stores	\$ 85,880,107	\$ 81,227,300	\$ 57,986,646	\$ 81,615,706	\$ 80,176,133	\$ 78,614,628	\$ 74,265,860	\$ 70,644,006	\$ 58,605,429	\$ 46,359,901
2 General Merchandise Stores	344,919,868	325,602,944	286,847,864	232,748,381	213,189,121	203,611,708	169,425,899	158,810,653	143,626,992	133,660,538
3 Food Stores	185,922,755	175,824,584	169,013,093	154,137,765	149,806,543	147,582,272	141,610,787	136,326,653	135,950,643	135,436,755
4 Eating and Drinking Places	128,851,721	113,929,470	92,679,185	120,490,526	111,735,823	111,791,714	103,962,771	92,505,802	83,830,439	77,800,464
5 Furniture Stores	142,078,167	158,029,924	121,914,422	142,491,599	129,536,000	128,315,206	128,910,587	118,562,629	108,254,494	101,560,402
6 Building Materials	115,741,365	119,859,552	98,965,327	76,017,576	74,798,615	71,300,842	68,091,931	64,117,810	58,751,290	55,344,304
7 MV Dealers and Service Stations	90,613,207	83,384,333	70,703,495	73,412,445	67,845,923	58,791,424	55,716,527	54,046,805	42,781,718	34,299,124
8 Other Retail	171,800,701	142,961,243	144,820,245	155,593,040	131,336,467	133,515,763	159,975,458	145,806,779	140,904,812	143,958,140
9 All Other Outlets	355,270,169	315,273,049	243,857,310	288,875,337	295,904,043	303,229,238	298,170,934	296,084,520	255,795,448	283,444,183
Grand Total	<u>\$ 1,621,078,060</u>	<u>\$ 1,516,092,399</u>	<u>\$ 1,286,787,587</u>	<u>\$ 1,325,382,375</u>	<u>\$ 1,254,328,668</u>	<u>\$ 1,236,752,795</u>	<u>\$ 1,200,130,754</u>	<u>\$ 1,136,905,657</u>	<u>\$ 1,028,501,265</u>	<u>\$ 1,011,863,811</u>

Source: Department of Revenue, Research Section

Note: Figures subject to revision due to amended taxpayer returns.

CITY OF BRENTWOOD, TENNESSEE
DIRECT AND OVERLAPPING SALES TAX RATES (UNAUDITED)
LAST 10 FISCAL YEARS

<u>FISCAL YEAR</u>	<u>CITY DIRECT RATE</u>	<u>WILLIAMSON COUNTY</u>	<u>WILLIAMSON COUNTY SCHOOLS</u>	<u>STATE OF TENNESSEE</u>	<u>TOTAL</u>
2023	1.625 %	1.125 %	0.00 %	7.00 %	9.75 %
2022	1.625	1.125	0.00	7.00	9.75
2021	1.125/1.625	1.125	0.50/0 *	7.00	9.75
2020	1.125	1.125	0.50	7.00	9.75
2019	1.125	1.125	0.50	7.00	9.75
2018	1.125	1.125	0.50 *	7.00	9.75
2017	1.125	1.125		7.00	9.50
2016	1.125	1.125		7.00	9.50
2015	1.125	1.125		7.00	9.50
2014	1.125	1.125		7.00	9.50

Note: The total local option sales tax of 2.75% consists of the City's rate of 1.625% and the County rate of 1.125%.

*The local option tax was increased effective April 1, 2018 by .50% to 1.625% with the Williamson County schools receiving 100% of the increase for three years, approved by referendum vote of the citizens. Effective on April 1, 2021, the City began receiving the additional .50%.

CITY OF BRENTWOOD, TENNESSEE
REVENUE CAPACITY INFORMATION (UNAUDITED)
LOCAL SALES TAX REVENUE BY INDUSTRY, PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

FISCAL YEAR 2023				
SECTOR	NUMBER OF FILERS	% OF TOTAL	TAX LIABILITY	% of TOTAL
1 Retail Trade	565	38.02%	\$35,525,522	79.40%
2 Services	499	33.58%	\$5,626,427	12.58%
3 Manufacturing	69	4.64%	\$636,825	1.42%
4 Wholesale Trade	102	6.86%	\$1,022,479	2.29%
5 Construction	44	2.96%	\$603,461	1.35%
6 Finance Insurance Real Estate	28	1.88%	\$310,928	0.69%
7 Transportation and Utilities	27	1.82%	\$581,536	1.30%
8 Agriculture	13	0.87%	\$17,096	0.04%
9 Other, Non Classified	139	9.35%	\$416,051	0.93%
Total	1486	100.00%	\$44,740,325	100.00%

FISCAL YEAR 2014				
SECTOR	NUMBER OF FILERS	% OF TOTAL	TAX LIABILITY	% of TOTAL
1 Retail Trade	604	47.15%	\$16,658,491	73.58%
2 Services	376	29.35%	\$3,346,809	14.80%
3 Manufacturing	52	4.06%	\$223,581	0.99%
4 Wholesale Trade	99	7.73%	\$894,352	3.95%
5 Construction	20	1.56%	\$253,801	1.12%
6 Finance Insurance Real Estate	17	1.33%	\$173,411	0.77%
7 Transportation and Utilities	14	1.09%	\$484,319	2.14%
8 Agriculture	12	0.94%	\$20,395	0.09%
9 Other, Non Classified	87	6.79%	\$562,588	2.49%
Total	1281	100.00%	\$22,617,747	100.00%

Source: Tennessee Department of Revenue, Research Section

1. Figures subject to revision due to amended taxpayer returns.
2. Figures represent local sales tax collected by taxpayers during the period, not disbursements from the Department of Revenue. Thus, amounts presented above do not match to amounts reflected within the financial report.
3. Figures do not include Brentwood's share of county clerk or out-of-state taxpayer amounts.

CITY OF BRENTWOOD, TENNESSEE
RATIOS OF OUTSTANDING DEBT BY TYPE (UNAUDITED)
LAST 10 FISCAL YEARS

	GOVERNMENT ACTIVITIES		BUSINESS TYPE ACTIVITIES			
	GENERAL OBLIGATION BONDS & CONSTRUCTION NOTES		WATER & SEWER BONDS		PERCENTAGE OF PERSONAL INCOME *	
FISCAL YEAR					TOTAL PRIMARY GOVERNMENT	PER CAPITA *
2023	\$	32,175,697	\$	19,144,050	\$ 51,319,747	1.5% \$ 1,131
2022		25,764,304		21,009,303	46,773,607	1.4% 1,031
2021		29,185,690		17,456,272	46,641,962	1.4% 1,028
2020		33,866,330		19,038,820	52,905,150	1.8% 1,205
2019		20,916,461		20,835,598	41,752,059	1.4% 951
2018		23,058,898		22,522,764	45,581,662	1.6% 1,039
2017		21,579,708		24,342,973	45,922,681	1.8% 1,137
2016		25,380,759		26,176,946	51,557,705	2.2% 1,276
2015		27,790,080		27,175,100	54,965,180	2.3% 1,360
2014		30,406,988		28,821,143	59,228,131	2.6% 1,480

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

*Calculated information provided on page 145 (Demographic and Economic Statistics).

CITY OF BRENTWOOD, TENNESSEE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN (UNAUDITED)
LAST 10 FISCAL YEARS

<i>(dollars in thousands, except per capita)</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General bonded debt outstanding general obligation bonds	\$ 32,176	\$ 25,764	\$ 29,186	\$ 33,866	\$ 20,916	\$ 23,059	\$ 21,580	\$ 25,381	\$ 27,790	\$ 30,407
Percentage of estimated actual property value**	0.72%	0.59%	0.84%	0.99%	0.62%	0.70%	0.68%	0.98%	1.10%	1.26%
Per capita***	\$ 709.14	\$ 567.83	\$ 643.24	\$ 771.64	\$ 476.58	\$ 525.39	\$ 534.14	\$ 628.22	\$ 687.86	\$ 759.78
Less: Amounts set aside to repay general debt	<u>3,735</u>	<u>2,845</u>	<u>4,028</u>	<u>3,347</u>	<u>2,887</u>	<u>1,039</u>	<u>1,977</u>	<u>3,558</u>	<u>3,621</u>	<u>3,706</u>
Total net debt applicable to debt limit	\$ 28,441	\$ 22,919	\$ 25,158	\$ 30,519	\$ 18,029	\$ 22,020	\$ 19,603	\$ 21,823	\$ 24,169	\$ 26,701
Legal debt margin*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Legal debt margin as a percentage of the debt limit*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* The City has no legal debt margin set by ordinance.

** Property value obtained from page 134 (Assessed and Estimated Actual Value of Property Unaudited).

***Per capita information calculated with information obtained from page 145 (Demographic and Economic Statistics Unaudited).

CITY OF BRENTWOOD, TENNESSEE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED)
AS OF JUNE 30, 2023

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING (IN THOUSANDS)</u>	<u>ESTIMATED PERCENTAGE APPLICABLE (1)</u>	<u>ESTIMATED SHARE OF DIRECT AND OVERLAPPING DEBT (2)</u>
Direct:			
City of Brentwood	\$ 32,176	100.0%	\$ 32,176
Overlapping:			
Williamson County	<u>861,715</u>	24.47%	<u>210,870</u>
Total	<u>\$ 893,891</u>		<u>\$ 243,046</u>

(1) Determined by ratio of assessed valuation of property subject to taxation in City of Brentwood to valuation of property subject to taxation in Williamson County as of June 30, 2022

(2) Amount in debt outstanding column multiplied by percentage applicable.

CITY OF BRENTWOOD, TENNESSEE
 PLEDGED REVENUE COVERAGE (UNAUDITED)
 LAST 10 FISCAL YEARS

FISCAL YEAR	WATER & SEWER REVENUE BONDS			DEBT SERVICE REQUIREMENTS			
	UTILITY SERVICE CHARGES*	LESS: OPERATING EXPENSES**	NET AVAILABLE REVENUE	PRINCIPAL	INTEREST	TOTAL	COVERAGE
2023	\$ 26,709,425	\$ 16,317,473	\$ 10,391,952	\$ 1,765,000	\$ 634,111	\$ 2,399,111	4.33 %
2022	23,754,181	16,010,739	7,743,442	1,550,000	452,105	2,002,105	3.87
2021	20,912,833	15,651,813	5,261,020	1,750,000	512,403	2,262,403	2.33
2020	20,579,564	15,130,478	5,449,086	1,700,000	534,052	2,234,052	2.44
2019	20,533,227	14,595,238	5,937,989	1,655,000	596,482	2,251,482	2.64
2018	20,293,295	14,299,759	5,993,536	1,830,000	592,593	2,422,593	2.47
2017	20,043,803	13,983,189	6,060,614	1,810,000	647,426	2,457,426	2.47
2016	17,286,453	13,245,935	4,040,518	1,670,000	816,550	2,486,550	1.62
2015	17,313,610	11,977,861	5,335,749	1,640,000	844,340	2,484,340	2.15
2014	17,181,977	12,394,282	4,787,695	2,220,000	873,342	3,093,342	1.55

*Includes nonoperating revenues (includes water and sewer tap fees).

**Does not include depreciation and amortization.

CITY OF BRENTWOOD, TENNESSEE
 DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)
 LAST 10 CALENDAR YEARS

CALENDAR YEAR	POPULATION		PERSONAL INCOME (IN THOUSANDS OF DOLLARS) ^a	PER CAPITA PERSONAL INCOME ^a	MEDIAN AGE ^a	SCHOOL ENROLLMENT ^b	UNEMPLOYMENT RATE ^c
2023	45,373	⁵	3,375,797	74,401	45.0	11,728	2.8%
2022	45,373	⁵	3,329,425	73,379	45.2	11,639	2.8%
2021	45,373	⁵	3,283,644	72,370	45.0	11,663	3.4%
2020	43,889	⁴	3,002,271	68,406	44.8	11,681	6.1%
2019	43,889	⁴	2,901,326	66,106	41.2	12,151	2.5%
2018	43,889	⁴	2,835,537	64,607	41.4	11,879	2.2%
2017	40,401	³	2,534,395	62,731	41.3	11,510	2.2%
2016	40,401	³	2,373,357	58,745	41.0	11,811	4.2%
2015	40,401	³	2,384,629	59,024	43.6	11,703	4.9%
2014	40,021	²	2,280,357	56,979	43.3	11,312	5.7%

¹ Based on 2010 US Bureau of the Census report

² Based on 2014 US Bureau of the Census estimate

³ Based on 2015 City Special Census Certified Report

⁴ Based on 2018 City Special Census Certified Report

⁵ Based on 2020 US Bureau of the Census report

^a Source - Williamson Economic Development Council/ESRI Annual Market Profile

^b Source - Williamson County Public Schools and Private School with Brentwood Student Enrollment

^c Source - U.S. Department of Labor, Bureau of Labor Statistics/TN Department of Labor & Workforce Development

CITY OF BRENTWOOD, TENNESSEE
PRINCIPAL EMPLOYERS (UNAUDITED)
CURRENT YEAR AND NINE YEARS AGO

EMPLOYER	2023			2014		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
United Healthcare	2,052	1	6.85 %			
Tractor Supply Co.	1,745	2	5.83	854	3	4.70 %
Comdata Inc.	1,000	3	3.34	1,107	1	6.09
DaVita HealthCare Partners Inc.	719	4	2.40	500	5	2.75
GEODIS	588	5	1.96			
LBMC	550	6	1.84	300	9	1.65
Brookdale Senior Living Inc.	446	7	1.49	470	6	2.59
CoreCivic	420	8	1.40			
NaviHealth	400	9	1.34			
American Additction Centers	350	10	1.17			
City of Brentwood	301.5	11	1.01	270	10	1.49
Premise Health						
AT&T				515	4	2.83
The Lampo Group (Dave Ramsey)				439	7	2.42
HCA Holdings, Inc				985	2	5.42
Cogent	-	-	-	400	8	2.20
Total	<u>8,571.5</u>		<u>28.62 %</u>	<u>5,840</u>		<u>32.14 %</u>
Total estimated City wide employment	<u>29,948</u>			<u>18,168</u>		

^a Source - Nashville Business Journal as of March 2023/Williamson, Inc/Directly from Company representative

CITY OF BRENTWOOD, TENNESSEE
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL GOVERNMENT										
City Manager	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Administration	5.0	4.0	4.0	4.5	4.0	4.0	4.0	4.0	3.0	3.0
Finance	8.0	8.0	8.0	8.0	8.0	7.5	7.5	7.5	7.5	7.0
Human Resources	4.5	3.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Information Technology	8.0	7.5	7.5	6.0	5.5	5.5	4.5	4.5	4.5	4.5
Planning and Development	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Codes	8.0	7.5	7.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
GIS	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
	41.5	38.5	37.5	38.0	37.0	36.5	35.5	35.5	34.5	34.0
POLICE										
Officers	64.0	62.0	66.0	64.0	64.0	63.0	61.0	59.0	58.0	56.0
Civilians	19.0	18.0	18.5	18.5	16.5	16.0	16.0	16.0	15.5	16.5
FIRE										
Firefighters & Officers	75.5	74.5	68.5	69.0	65.0	65.0	65.0	62.0	61.0	62.0
Civilians	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
PUBLIC WORKS										
Engineering	5.0	5.5	5.5	5.0	4.0	4.0	4.0	4.0	4.0	4.0
Public Works - Streets	23.5	25.5	26.0	26.0	25.0	25.0	25.0	25.0	23.0	23.0
UTILITIES										
Water	13.0	10.0	12.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0
Wastewater	10.0	10.0	12.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0
PARKS & RECREATION	19.5	14.0	19.0	20.0	21.0	21.0	21.0	20.0	20.0	21.0
LIBRARY	28.5	38.0	30.5	29.0	29.0	29.0	29.0	29.0	29.0	26.0
Total	301.5	297.0	296.5	294.5	288.5	286.5	283.5	277.5	272.0	269.5

Source: City of Brentwood Human Resources Department

CITY OF BRENTWOOD, TENNESSEE
OPERATING INDICATORS BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Building permits issued	742	878	1,017	864	738	743	949	903	931	971
Building related inspections	10,365	9,246	10,774	9,895	10,690	12,452	14,227	9,035	9,927	10,095
Police										
Physical arrests	802	711	942	1,121	1,490	1,816	917	832	960	1,137
Parking violations	3	29	5	8	28	41	20	81	24	95
Traffic violations	736	977	1,509	2,642	3,788	6,349	3,292	3,512	3,906	5,019
Fire										
Emergency Responses	4,297	4,078	3,704	3,683	3,633	3,535	3,431	3,291	3,018	2,961
Fires extinguished	89	57	77	83	81	65	99	82	67	79
Inspections (Commercial)	667	535	1,010	528	853	1,476	801	744	704	732
Public Works										
Street resurfacing (miles)	5	6	12	10	9	21	24	19	19	22
Potholes repaired	44	193	69	94	133	139	75	408	408	285
Library										
Volumes in collection	647,184	559,610	436,470	415,307	407,964	388,563	383,115	399,248	361,486	316,811
Total volumes borrowed	627,160	623,322	703,210	654,029	722,226	733,792	752,393	745,386	677,261	680,510
Water										
New connections	33	74	129	124	99	134	164	135	182	176
Water main breaks	10	10	24	9	9	10	95	12	7	12
Monthly average flow	188,132,500	165,987,000	168,360,417	182,005,333	164,334,250	161,110,000	184,543,000	192,900,000	170,300,000	156,000,000
Wastewater										
Average daily sewage treatment (thousands of gallons)	4,926	5,580	5,241	5,493	5,746	5,717	5,131	5,236	5,187	5,050

Source: Various City Departments

CITY OF BRENTWOOD, TENNESSEE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	80	81	78	80	72	72	72	69	67	67
Fire Stations	5	4	4	4	4	4	4	4	4	4
Public Works										
Streets (miles)	527	526	493.6	490.78	488	482	482	479	479	469
Streetlights	4,455	3,999	3,861	3,809	3,763	3,652	3,652	3,614	3,614	3,513
Traffic signals	53	51	53	53	48	48	47	47	47	46
Parks and Recreation										
Acreage	1027	1027	1027	965	965	965	965	965	965	965
Baseball/softball diamonds	12	12	12	12	11	11	11	11	11	11
Soccer/football fields	18	18	18	18	17	17	17	17	15	15
Water										
Water mains (miles) *	235.5	234	234	231	226	224	223	219	217	213
Fire hydrants	1,849	1,816	1,685	1,678	1,672	2,588	2,548	2,501	2,475	2,438
Storage capacity (thousand of gallons)	14,026	14,026	14,026	14,026	14,026	14,025	14,025	14,025	14,025	14,020
Wastewater										
Sanitary sewers (miles)	305.4	304	302	299	293	292	289	285	285	281

Source: Various City Departments

COMPLIANCE SECTION

CITY OF BRENTWOOD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

<u>Grantor / Pass-through Grantor</u>	<u>Program Name</u>	<u>Assistance Listing Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
<u>U.S. Department of Transportation/</u> Tennessee Department of Transportation	Highway Planning and Construction Cluster	20.205	2021-189	\$ 30,769
<u>U.S. Department of the Treasury/</u> Tennessee Department of Finance and Administration	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	COVID - 21.027 *	N/A	2,847,817
<u>U.S. Department of Homeland Security /</u> Tennessee Emergency Management Agency	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4601-DR-TN	<u>5,992</u>
Total Federal Awards				<u>\$ 2,884,578</u>

* Major program under Single Audit

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal and state award activity of the City of Brentwood Tennessee (the "City"), under programs of the federal and state government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of the Title 2 *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Tennessee *Audit Manual*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to present the financial position, changes in net position or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - SUBRECIPIENTS

The City did not pass any federal awards through to subrecipients.

CITY OF BRENTWOOD

SCHEDULE OF UTILITY RATES STRUCTURE AND NUMBER OF CUSTOMERS (UNAUDITED)

FOR THE YEAR ENDED JUNE 30, 2023

<u>Services</u>	<u>Number of Customers</u>	
Water	10,056	
Sewer	11,850	
Water		
Residential, institutional, retail, and certain other commercial customers		
First 2,000 gallons	\$ 13.29	(minimum bill)
Next 8,000 gallons	4.66	per 1,000 gallons
Thereafter	6.77	per 1,000 gallons
Commercial office customers		
Gallons equivalent to total square footage of building space	\$ 0.006645	(approx. per sq. ft.)
Usage exceeding 1 gallon per square foot (up to 10,000 gallons)	4.66	per 1,000 gallons
Thereafter	6.77	per 1,000 gallons
Water surcharge	\$ 1.25	per 1,000 gallons
Sewer		
In City limits		
Residential customers		
First 2,000 gallons	\$ 16.63	(minimum bill)
Next 8,000 gallons	5.83	per 1,000 gallons
Over 10,000 gallons	6.66	per 1,000 gallons
Commercial office, institutional, and certain other commercial customers		
Minimum bill, per square foot of building	\$ 0.010385	(approx. per sq. ft.)
Up to 10,000 gallons total usage	7.29	per 1,000 gallons
Over 10,000 gallons	8.31	per 1,000 gallons
Commercial retail customers		
Minimum bill, per unit or tenant space	\$ 20.77	(minimum bill)
Up to 10,000 gallons total usage	7.29	per 1,000 gallons
Over 10,000 gallons	8.31	per 1,000 gallons
Outside City limits (sewer only customers)		
Residential customers		
First 2,000 gallons	\$ 17.45	(minimum bill)
Next 8,000 gallons	6.12	per 1,000 gallons
Over 10,000 gallons	6.99	per 1,000 gallons
Commercial office, institutional, and certain		
Minimum bill, per square foot of building	\$ 0.010904	(approx. per sq. ft.)
Over 10,000 gallons	7.65	per 1,000 gallons
Over 10,000 gallons	8.73	per 1,000 gallons
Commercial retail customers (sewer only); 105% institutional		
Minimum bill, per unit or tenant space	\$ 21.81	(minimum bill)
Up to 10,000 gallons total usage	7.65	per 1,000 gallons
Over 10,000 gallons	8.73	per 1,000 gallons
Wastewater treatment surcharge for all Brentwood sewer customers	1.12	per 1,000 gallons

CITY OF BRENTWOOD, TENNESSEE

LIST OF BONDS OF PRINCIPAL OFFICIALS AND BONDED AMOUNTS (UNAUDITED)

AS OF JUNE 30, 2023

	<u>ELECTED</u>	
<u>TITLE</u>	<u>NAME</u>	<u>AMOUNT</u>
Mayor	Mark Gorman	\$ 500,000
Vice Mayor	Ken Travis	\$ 500,000
Commissioner	Nelson Andrews	\$ 500,000
Commissioner	Anne Dunn	\$ 500,000
Commissioner	Rhea Little III	\$ 500,000
Commissioner	Susannah Macmillan	\$ 500,000
Commissioner	Allison Spears	\$ 500,000

CITY OF BRENTWOOD, TENNESSEE

LIST OF BONDS OF PRINCIPAL OFFICIALS AND BONDED AMOUNTS (UNAUDITED)

AS OF JUNE 30, 2023

<u>TITLE</u>	<u>APPOINTED</u> <u>NAME</u>	<u>AMOUNT</u>
City Manager	Kirk Bednar	\$ 500,000
Assistant City Manager	Jay Evans	\$ 500,000
City Attorney	Kristen Corn	\$ 500,000
City Recorder	Holly Earls	\$ 500,000
Finance Director	Karen Harper	\$ 500,000
Asst. Finance Director/City Treasurer	Julie Wilson	\$ 500,000
Human Resource Director	April Curlin	\$ 500,000
Police Chief	Richard Hickey	\$ 500,000
Fire Chief	Brian Goss	\$ 500,000
Planning and Codes Director	Bob Leeman	\$ 500,000
Public Works Director	Todd Hoppenstedt	\$ 500,000
Engineering Director	Darek Baskin	\$ 500,000
Water and Sewer Director	Chris Milton	\$ 500,000
Library Director	Susan Earl	\$ 500,000
Community Relations Director	Charles Booth	\$ 500,000
Parks and Recreation Director	David Bunt	\$ 500,000
Technology Director	Sarah VanWormer	\$ 500,000
City Judge	Laurie Jewett	\$ 500,000

OTHER REPORTS

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

Honorable Mayor and Board of Commissioners
City of Brentwood, Tennessee

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brentwood, Tennessee (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 29, 2023.

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 entity'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 were not 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 or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Kraft CPAs PLLC". The script is cursive and fluid, with the letters "K", "P", and "L" being particularly large and stylized.

Nashville, Tennessee
December 29, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Board of Commissioners
City of Brentwood, Tennessee

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

OPINION

We have audited the City of Brentwood, Tennessee's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

BASIS FOR OPINION

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 *US Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Kraft+CPAs PLLC". The signature is written in a cursive, flowing style.

Nashville, Tennessee
December 29, 2023

CITY OF BRENTWOOD, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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COVID - 21.027	American Rescue Plan Act (ARPA)
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Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	<u> X </u> Yes <u> </u> No
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CITY OF BRENTWOOD, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2023

Section II - Financial Statement Findings

Prior Year

No findings noted.

Current Year

No findings noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year

No findings noted.

Current Year

No findings noted.