



City of Brentwood Tennessee



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2015

CITY OF BRENTWOOD, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

PREPARED BY:

DEPARTMENT OF FINANCE
CARSON K. SWINFORD, DIRECTOR OF FINANCE

CITY OF BRENTWOOD, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

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INTRODUCTORY SECTION



City of Brentwood

REGINA SMITHSON
MAYOR

JILL BURGIN
VICE-MAYOR

KIRK BEDNAR
CITY MANAGER



City of Brentwood

COMMISSIONERS
BETSY CROSSLEY
ANNE DUNN
MARK GORMAN
RHEA E. LITTLE, III
KEN TRAVIS

December 28, 2015

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

The Comprehensive Annual Financial Report of the City of Brentwood, Tennessee (the “City” or “City of Brentwood”) for the fiscal year ending June 30, 2015 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 comprehensive annual financial report of the City of Brentwood for the fiscal year ended June 30, 2015.

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 of 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 Crosslin & Associates, 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, 2015, 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 unqualified opinion that the City of Brentwood’s financial statements for the fiscal year ended June 30, 2015, 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.

The City was required to undergo a single audit for the year ended June 30, 2015 as prescribed by the provisions of U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations*.

GAAP require 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 can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Brentwood is located 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 the top growth area of the state, and one of the top growth areas in the country. The City of Brentwood currently occupies a land area of 41.3 square miles and has a resident population according to the 2015 special census of 40,401. 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, when deemed appropriate from a long term planning perspective.

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 late fall when City departments begin preparation of six-year Capital Improvements Program requests. During December, the staff initiates the review and evaluation of each request in light of 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 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 last 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 special revenue funds and debt service fund comparison begin on pages 76 and 79, 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 local economy in Brentwood and the Nashville/Middle Tennessee area as a whole is very strong compared to many communities and regions across the USA. The City of Brentwood and Williamson County benefit from having the highest per capita income and the lowest unemployment rates in the State of Tennessee. Williamson County is also the 16th wealthiest county in the United States based on median household income. The most recently available statistics for June 2015 indicates a 4.9 percent unemployment rate for Brentwood, down from 5.7 percent a year ago. This compares to the Williamson County rate of 4.6 percent, the statewide rate of 5.7 percent, and national jobless rate of 5.3 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 40,401 as a result of special census completed in spring of 2015. The census figures reflect a strong but manageable rate of growth (roughly 6.0% annually) from 1970 to 2015. On average, about 930 new residents moved into the City and 300 new homes were constructed annually for the past 16 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 2014-2015 fiscal year was \$175,649,670 with 931 permits being issued. In fiscal year 2015, Brentwood had a total assessed value of taxable property of \$2,597,902,028 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 6.3 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 June 30, 2015 revealed a direct vacancy rate for Class A office space of 2.3% in the Brentwood area. This vacancy rate is very favorable with overall rates in the Nashville office market and across the United States.

Many companies locate their national or regional corporate 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), AT&T (communications), Brookdale Senior Living (senior residences management), Ozburn-Hessey (logistics), and Lattimore, Black, Morgan & Cain, P.C. (financial services) are examples of companies who have chosen to locate their national or regional offices in Brentwood. Note that in fall of 2014, Tractor Supply opened its new 260,000 square foot corporate headquarters facility and the vacated office rental space previously occupied by Tractor Supply within the Maryland Farms office park has already been absorbed by American Addiction Centers.

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 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 twenty-four (24) years through FY 2015.

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 the nation and Tennessee. Williamson County provides first class facilities and has been very responsive in meeting the growth in student enrollment by constructing new schools, as needed.

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 FY 2016-21 CIP include:

- Development of Wikle and Flagpole parks and design of Phase 2 improvements to Smith Park
- Concord Road Improvements (east of Sunset Rd and from Jones Pkwy to Arrowhead Dr.)
- Franklin Road Improvements (from Concord Rd to Moores Lane)
- Development of a regional public safety radio communication network
- Brentwood Sewer System Rehabilitation
- Brentwood Water System Capacity Improvements

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

- ***Local Revenue Growth Trends.*** While the economic conditions in Brentwood and Middle Tennessee are very positive, the country as a whole continues its recovery from the “Great Recession”. Fortunately, the City of Brentwood again ended fiscal year 2014-2015 in excellent financial condition due to conservative financial management. General Fund revenue growth greatly exceeded amended budget estimates by \$4,376,956 while expenditures were under the revised appropriation by \$868,130. Even after taking into account special year-end appropriations transfers from the General Fund to the Capital Projects Fund (\$4,845,000) for advance funding for various capital improvements in fiscal year 2016 and beyond, the fund balance increased by \$2,460,709 from the previous fiscal year (from \$35,398,613 to \$37,859,322). As noted earlier, this positive increase was possible due to continued conservative revenue estimates, an improving local economy, and a strong Hall Income Tax revenue distribution. Looking ahead to fiscal year 2015-2016 and beyond, we anticipate continued moderate to strong revenue growth from the key tax sources such as property taxes, local sales taxes and state shared revenues. Several new development and significant redevelopment projects either approved or already underway will provide additional new retail and restaurant options in the next 24 months and beyond. Also, the special census completed in FY 2015 will allow the City to capture an additional \$350,000+ in state shared revenues beginning July 1, 2015. However, the uncertainty in the national economy and federal budget along with continuing efforts in the state legislature toward eventual elimination of the Hall Income Tax and possible redistribution of state shared sales taxes could affect the City’s financial position in future years. Note that the FY 2015-16 General Fund operating budget reflects a \$150,000 decrease (from \$900,000 down to \$750,000) in budgeted revenue from the Hall Income Tax in an effort to begin reducing operating budget reliance on this revenue source which is expected to eventually be eliminated by the state. To continue to meet expenditure obligations in challenging areas such as salaries, health insurance and retirement benefits without a property tax increase or use of reserves to fund on-going operations, the City will continue to focus on controlling expenses and doing “more with less.” From a short-term perspective, the staff is confident that the fiscal year 2016-2017 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 radical revenue adjustments imposed by the state legislature during the 2016 legislative session or no major new 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. After the dramatic slowdown in new housing starts in calendar years 2009 (68) and 2010 (140) associated with the Great Recession, starts have returned to the historic annual average and totaled 252 in fiscal year 2015. Housing prices are increasing, reflecting the status of the housing market in Williamson County and throughout most of Middle TN. The majority of new home development includes prices in the \$600,000 - \$1,000,000+ range. The resale of existing homes also shows strong activity, with the average monthly median price in calendar year 2015 to date at over \$630,000. Artificially low interest rates due to the monetary policies of the Federal Reserve Bank are helping to stimulate demand for housing in America today. While this is positive for the country short term, there are still many unknowns in the future for housing that could adversely affect our local housing market.
- ***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. While traffic continues to be the primary infrastructure concern for most residents, it is also the one infrastructure issue least controlled by the City. With an interstate highway bisecting the city from north to south and all of our major arterial roads being state highways, we do not have control of improvement decisions and funding for the most heavily traveled routes through town. In addition, the strong pace of development in our surrounding area means that traffic growth through Brentwood will continue even after build out within Brentwood itself. Finally, simply widening roads, adding interstate exits, etc. as a strategy to address traffic problems is not financially sustainable for either the city or the state. Thus, incremental capacity and traffic signal technology improvements will be the focus of transportation funding in the years to come while the Nashville region strives to reach a consensus on a plan for regional mass transit in the future. Besides transportation, policies related to the long-term capacity of the water and sewer utility infrastructure are the other challenge facing the City in the next few years. Efforts to continue expansion of the City's water system capacity are continuing with two major water pump station replacement projects completed in 2015, but policy decisions related to rate structures and conservation incentives will be addressed in the development of a financial model for the Water and Sewer Fund in FY 2015-2016. Also in calendar year 2015, efforts related to modeling of the City's sewer system along with regulatory approval of Phase II sewer rehabilitation plans and long-term capacity projections will provide a clearer picture of the need for additional wastewater capacity to serve the community through build out.

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 2015 with an unassigned fund balance for the general fund of \$32,847,950, or 87% of FY 2015 general fund expenditures and transfers, including year-end transfers to the Capital Projects Fund.

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. This policy objective was also met, as the FY 2015 ending fund balance in the Debt Service Fund was \$3,621,272 compared to new budgeted debt service payments for FY 2016 of \$3,487,935.

Major Initiatives for the Year - The significant projects, events and accomplishments during the City's 2014-2015 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 an AAA rating from Standard and Poor's, both reaffirmed by the rating agencies in July, 2013. 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 2015-2020, including a realistic financing and debt management plan.
- ***Stable Property Tax Rate*** - The City of Brentwood property tax rate that was approved in June 2015 for the new fiscal year beginning July 1, 2015 – June 30, 2016 will be \$.44 per \$100 of assessed value, which represents the same effective tax rate for the 25th 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 \$600,000 being \$660 annually.
- ***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 2015-2016 fiscal year.
- ***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 2015-2016 budget will be 6.3 versus 8.54 in fiscal year 1990-1991 or 26% less. To put this productivity gain in perspective, if the City were operating at the same per capita staffing levels today as in FY 1991, the City would have 91 additional full-time employees (345 rather than 254) with additional personnel cost to the City of \$7.5 million annually. Funding would have required a 67% increase in the City property taxes, a corresponding \$7.5 million or 21% cut in current General Fund services or a combination of tax increases and service reductions.

- ***Opening of Marcella Vivrette Smith Park*** - With the anticipated build-out of the City in the next 10-15 years and the more favorable cost of land due to the economic slowdown, the City undertook a significant step to insure the permanent preservation of a significant amount of open space for future generations to enjoy with the purchase of almost 400 acres of the Ravenswood Farm. The land cost was \$12.9 million with the initial \$5 million paid in December 2010 and a second \$5 million paid in December 2011 from the proceeds of the August 2011 General Obligation bond issue. The final payment of \$2.9 million was made in December 2013 from available unassigned General Fund reserves. Construction on Phase I improvements to the park and renovation of the historic Ravenswood mansion began in spring 2013 with the mansion hosting its first event in August of 2014 and Phase I of the park opening in November of 2014.
- ***New Commercial Development Activity*** - Significant commercial development continued during FY 2015. Construction of the new corporate headquarters for Tractor Supply Company was completed in summer of 2014 and the company officially occupied the facility in the fall of 2014. This project consists of two connected buildings totaling 260,000 square feet. The Mallory Park commercial development continued to experience strong demand with approval of development plans for 83,000 square feet of office space and an additional new car dealership to serve the Maserati, Aston Martin, Bentley, and Rolls Royce brands. Redevelopment of the Synergy Office Park, now known as CityPark Brentwood, began in early 2014 and includes a new 125 room hotel and over 60,000 square feet of new retail space. The first phase of the retail space opened in spring of 2015 with several new restaurant and retail options. The hotel is expected to open in early calendar year 2016.

Construction of the 393 unit Tapestry condo/apartment development was completed in early 2015 and tenant move-ins began in May of 2015. Finally, construction work began on Phase 1 of the redevelopment plan for the 17 acre site at the corner of Maryland Way and Franklin Road in the heart of the northern commercial district. Overall plans call for a 600,000 square foot mixed-use office and retail development. The first phase currently under construction and scheduled to be complete in fall of 2016, will include an office building which will serve as the new headquarters for Lattimore, Black, Morgan & Cain P.C., one of the city's largest employers that will be relocating from an existing office building within Maryland Farms.

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 comprehensive annual financial report for the year ended June 30, 2014. This was the twenty-ninth consecutive year (fiscal years ended 1986-2014) 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.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR 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 CAFR 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, 2014. This represents the twenty-third 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 City Treasurer Karen Harper on her preparation and thoroughness throughout the audit process.

Also, the City is indebted to the staff of Crosslin and Associates, 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.

Respectfully submitted,



Kirk Bednar
City Manager



Carson K. Swinford
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Brentwood
Tennessee**

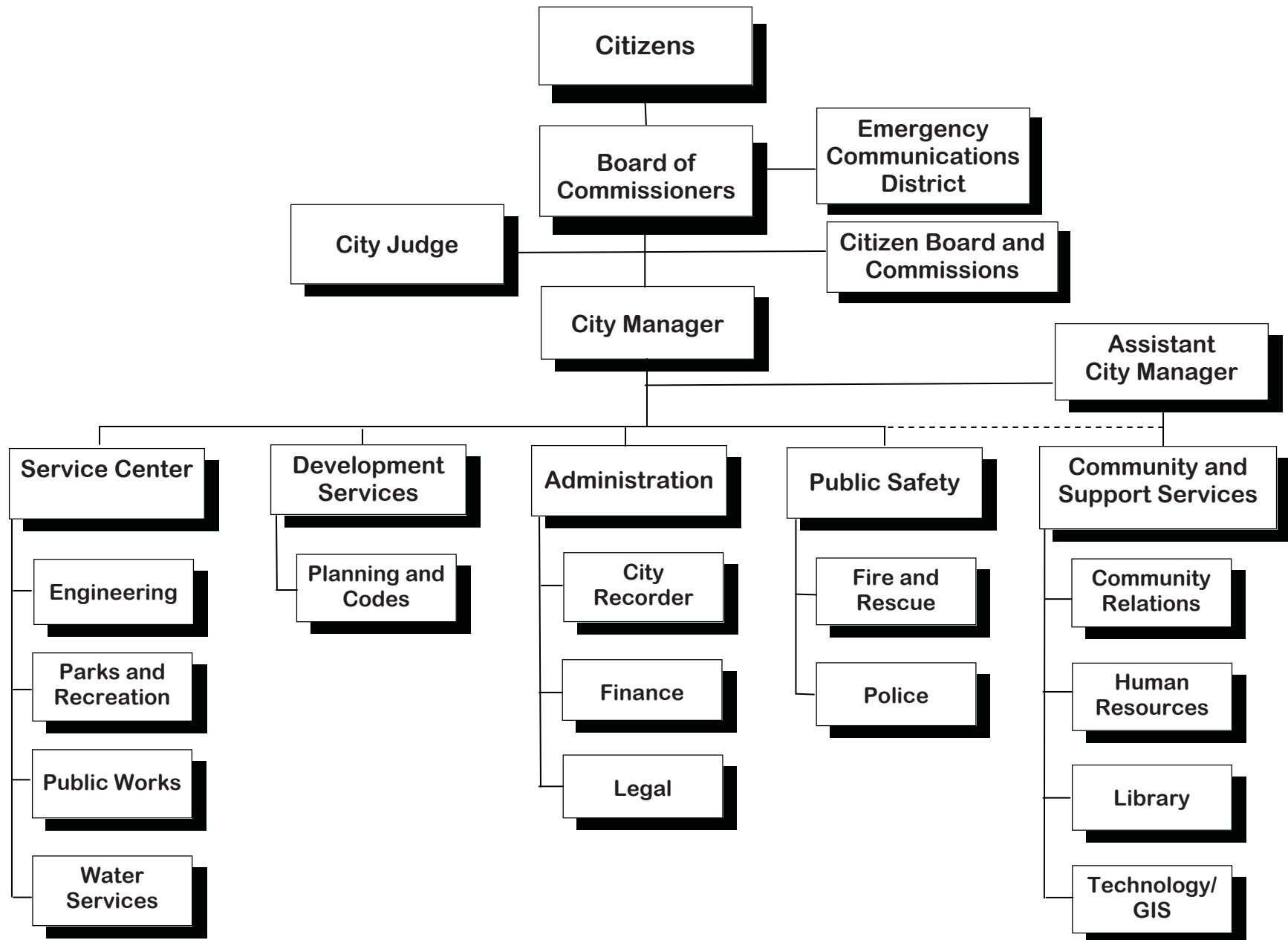
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Enser". The signature is fluid and cursive.

Executive Director/CEO

City of Brentwood Organizational Chart



CITY OF BRENTWOOD
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2015

Elected:

Mayor
Vice Mayor
Commissioner
Commissioner
Commissioner
Commissioner
Commissioner

Regina R. Smithson
Jill Burgin
Anne Dunn
Betsy Crossley
Mark Gorman
Rhea E. Little, III
Ken Travis

Appointed:

City Manager
Assistant City Manager
City Attorney
City Recorder
Finance Director
City Treasurer
Human Resource Director
Police Chief
Fire Chief
Planning and Codes Director
Public Works Director
Engineering Director
Water and Sewer Director
Library Director
Community Relations Director
Parks and Recreation Director
Technology Director
City Judge

Kirk Bednar
Jay Evans
Roger A. Horner
Deborah Hedgepath
Carson K. Swinford
Karen W. Harper
Michael Worsham
Jeff Hughes
Brian Goss
Jeff Dobson
Jeff Donegan
Mike Harris
Chris Milton
Susan Earl
Linda Lynch
David M. Bunt
John I. Allman, IV
Laurie Jewett

FINANCIAL SECTION



City of Brentwood



Independent Auditor's Report

The Honorable Mayor and Board of Commissioners
City of Brentwood
Brentwood, Tennessee

Report on the Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Brentwood, Tennessee, as of June 30, 2015, and the respective changes in financial position, budgetary comparison information for the General Fund and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, in fiscal year 2015, the City adopted Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 18, the schedule of changes in net pension liability and related ratios - pension plan on page 70, the schedule of employer contributions - pension plan on page 71, and the schedule of funding progress and schedule of employer contributions - other post employment benefits on page 72, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brentwood, Tennessee's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules on pages 74 through 79, the combining and individual internal service fund statements on pages 81 through 83, the other schedules on pages 84 through 92 and the statistical section on pages 93 through 114 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States Local Governments and Non-Profit Organizations* and the State of Tennessee, and is also not a required part of the basic financial statements.



The combining and individual nonmajor fund financial statements and schedules, the combining and individual internal service fund statements, the other schedules on pages 84 through 87 and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 nonmajor fund financial statements and schedules, the combining and individual internal service fund statements, the other financial schedules on pages 84 through 87, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section on pages i through xiii, other schedules on pages 89 through 92 and the statistical section on pages 93 through 114 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2015 on our consideration of the City of Brentwood, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Brentwood, Tennessee's internal control over financial reporting and compliance.

Crosslin & Associates, PLLC

Nashville, Tennessee
December 28, 2015

Management's Discussion and Analysis

As management of the City of Brentwood, Tennessee (the "City" or the "City of Brentwood"), 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, 2015. 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 of Brentwood exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$346,973,529 (net position). Of this amount, \$86,654,101 (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 \$26,382,860 compared to prior year.
- As of the close of the current fiscal year, the City of Brentwood's governmental funds reported combined ending fund balances of \$62,278,366 an increase of \$6,720,691 in comparison with the prior year. Approximately 52.7% of this total amount, \$32,847,950 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$32,847,950, or 86.8% of fiscal year 2015 final general fund expenditures. 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 the current slowdown in the economy.
- The City of Brentwood's total debt decreased by \$4,195,000 during the current fiscal year. The key factor in this decrease was the payment of principal amounts for existing General Obligation debt (\$2.6M) and Water & Sewer debt (\$1.6M).

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction of the City of Brentwood's basic financial statements. The City of Brentwood'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 of Brentwood's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Brentwood'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 of Brentwood 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 of the government-wide financial statements distinguish functions of the City of Brentwood 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 of Brentwood 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 of Brentwood 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 of Brentwood, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Brentwood 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 of Brentwood 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 of Brentwood 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 - 31 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 of Brentwood 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 32 - 34 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 of Brentwood 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 of Brentwood maintains two fiduciary funds: (1) the Post Employment Benefits Trust and (2) the Donations Held in Trust Fund.

The basic fiduciary fund financial statements can be found on pages 35 - 36 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 37-69 of this report.

Other information. Included in Required Supplementary Information, the City of Brentwood's progress in funding its obligation to provide pension benefits and other post employment benefits to its employees is presented, which can be found on pages 70-72 of this report. The combining statements referred to earlier in connection with the debt service, nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions and other post employment benefits. Combining and individual fund statements can be found on pages 73 - 83 of this report.

Government-wide Financial Analysis

During fiscal year 2015, the City adopted Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. GASB No. 68 was implemented through a restatement of beginning net position. Amounts within this MD&A have been restated, where practical. See Note 1 for further information.

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 of Brentwood, assets and deferred outflows exceeded liabilities and deferred inflows by \$346,973,529 as of June 30, 2015.

City of Brentwood, Tennessee
Net Position - Primary Government
June 30, 2015 and 2014
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014 (1)</u>	<u>2015</u>	<u>2014 (1)</u>	<u>2015</u>	<u>2014 (1)</u>
Current and Other Assets	\$ 85,335	\$ 77,233	\$ 35,051	\$ 37,254	\$ 120,386	\$ 114,487
Capital Assets	232,768	219,775	73,695	71,458	306,463	291,233
Total Assets	<u>318,103</u>	<u>297,008</u>	<u>108,746</u>	<u>108,712</u>	<u>426,849</u>	<u>405,720</u>
Deferred Outflows of Resources	2,748	2,798	292	298	3,040	3,096
Long-term Liabilities Outstanding	30,704	33,393	27,175	28,821	57,879	62,214
Other Liabilities	5,447	10,143	3,001	3,704	8,448	13,847
Total Liabilities	<u>36,151</u>	<u>43,536</u>	<u>30,176</u>	<u>32,525</u>	<u>66,327</u>	<u>76,061</u>
Deferred Inflows of Resources	16,111	12,164	477	-	16,588	12,164
Net Position:						
Net investment in capital assets	206,296	190,264	48,884	50,452	255,180	240,716
Restricted	5,140	4,154	-	-	5,140	4,154
Unrestricted	<u>57,153</u>	<u>49,688</u>	<u>29,501</u>	<u>26,033</u>	<u>86,654</u>	<u>75,721</u>
Total Net Position	<u>\$ 268,589</u>	<u>\$ 244,106</u>	<u>\$ 78,385</u>	<u>\$ 76,485</u>	<u>\$ 346,974</u>	<u>\$ 320,591</u>

(1) - As restated for GASB Statement No. 68.

By far the largest portion of the City of Brentwood's net position (77%) 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 of Brentwood uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Brentwood'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 roads and streets (\$777,195), capital projects (\$3,913,409), and drug enforcement and education (\$448,922).

At the end of the current fiscal year, the City of Brentwood is able to 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 increased the City of Brentwood's net position by \$24,483,047, accounting for 93% of the total growth in the net position of the City of Brentwood. The primary factors underlying this increase include:

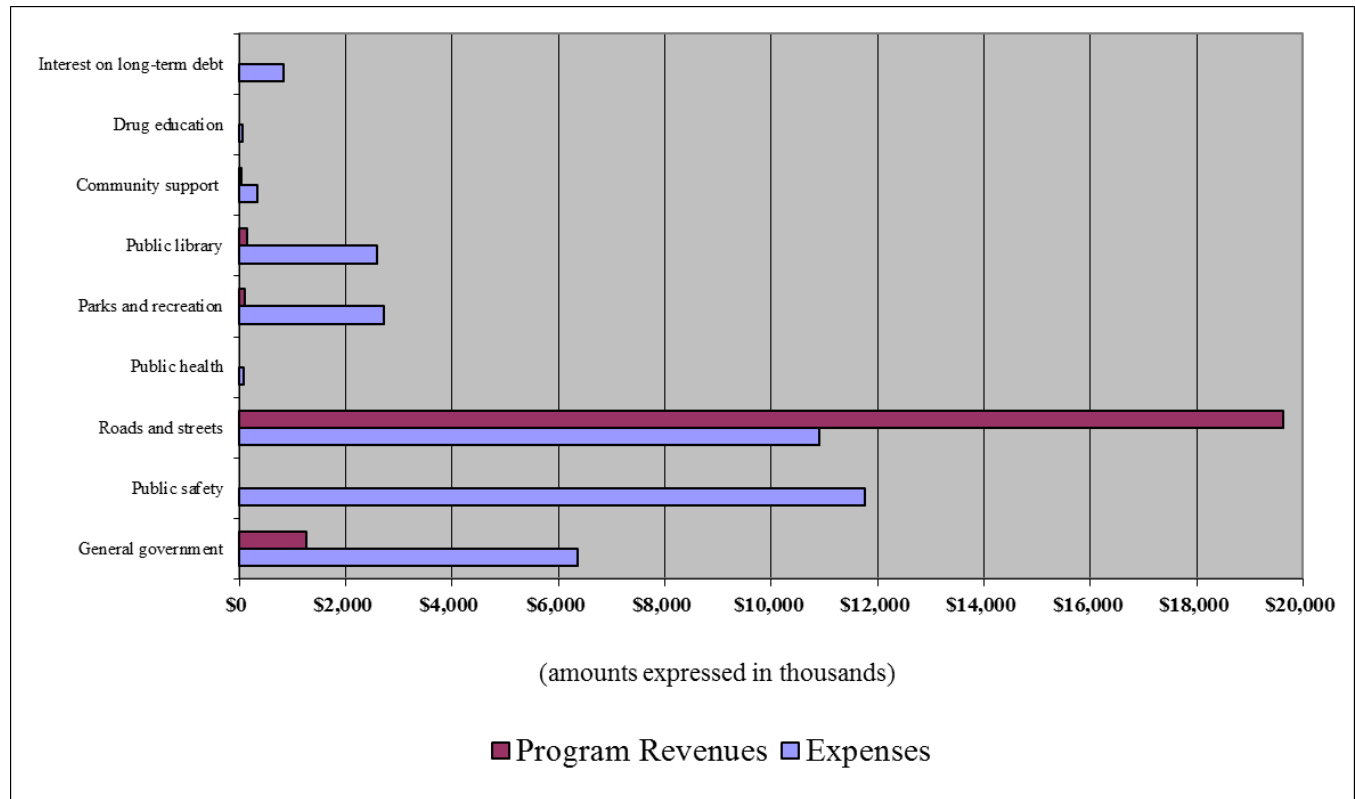
- Donated capital assets from developers were \$16,726,448, primarily from the valuation of streets accepted by the City of Brentwood in fiscal year 2015.
- State Income Tax (Hall Tax) net collections were \$4,004,352, which is \$3,104,352 more than conservative budget estimates of \$900,000.
- Local sales tax collections were \$13,820,565, a \$865,943 (6.68%) increase over last year's collections and were \$1,520,565 (12.36%) higher than FY 2015 original budget estimates.
- Total actual General Fund departments' cost containment measures resulted in \$868,130 less than the amended budget amount of \$38,817,995.

The City's Changes in Net Position
For the year ended June 30, 2015 and 2014
(amounts expressed in thousands)

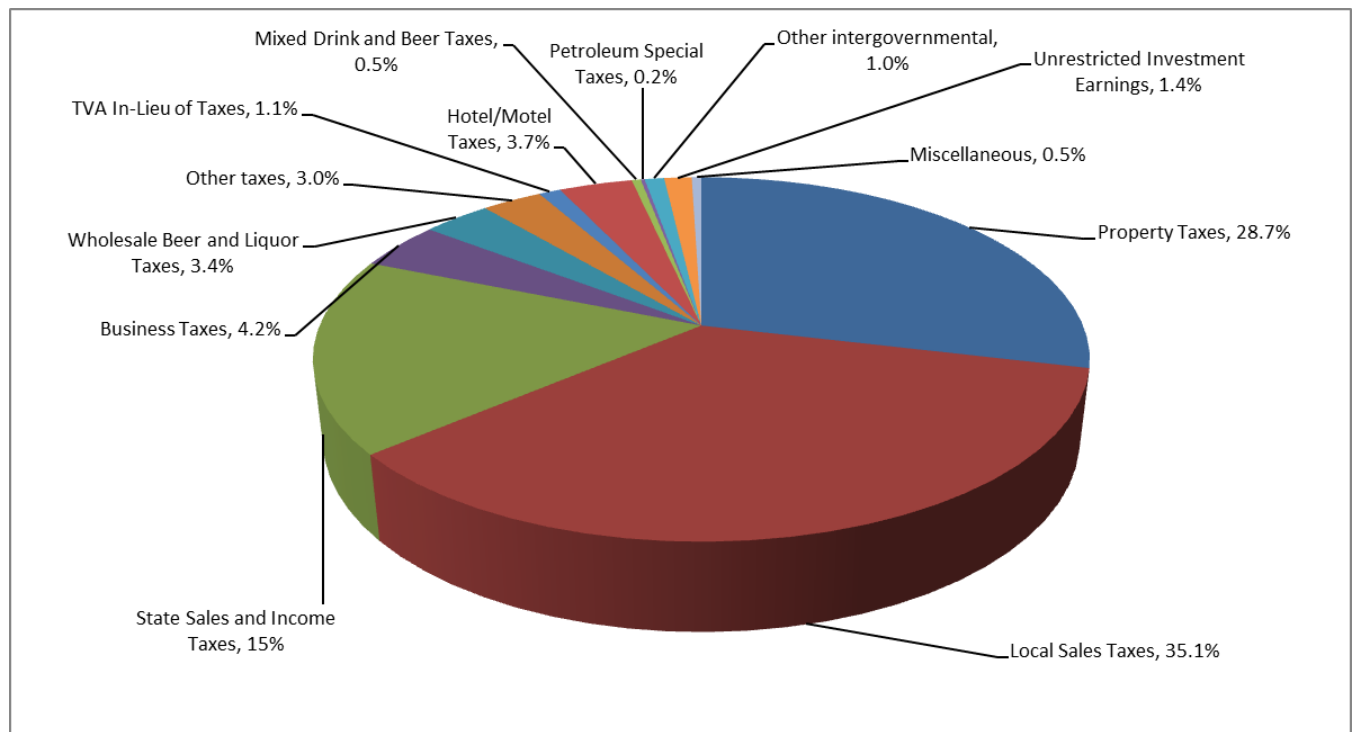
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Charges for services	\$ 2,739	\$ 2,278	\$ 16,005	\$ 15,687	\$ 18,744	\$ 17,965
Operating grants and contributions	1,725	1,004	563	239	2,288	1,243
Capital grants and contributions	16,726	4,108	2,193	2,763	18,919	6,871
General revenues:						
Property taxes	11,291	11,030	-	-	11,291	11,030
Local option sales tax	13,821	12,955	-	-	13,821	12,955
Hotel/motel taxes	1,440	1,362	-	-	1,440	1,362
Wholesale beer and liquor taxes	1,337	1,283	-	-	1,337	1,283
Adequate schools facilities taxes	619	616	-	-	619	616
Other taxes	561	537	-	-	561	537
State sales tax	2,830	2,648	-	-	2,830	2,648
State income tax	4,004	3,237	-	-	4,004	3,237
Business tax	1,667	1,882	-	-	1,667	1,882
TVA in-lieu of tax	430	410	-	-	430	410
Mixed drink and beer tax	178	182	-	-	178	182
Petroleum special tax	76	76	-	-	76	76
Corporate excise tax	57	49	-	-	57	49
Telecommunications tax	4	4	-	-	4	4
Other intergovernmental	322	344	-	-	322	344
Unrestricted investment earnings	538	566	119	85	657	651
Miscellaneous	188	212	-	-	188	212
Total Revenues	<u>60,553</u>	<u>44,783</u>	<u>18,880</u>	<u>18,774</u>	<u>79,433</u>	<u>63,557</u>
Expenses:						
General government	6,364	6,675	-	-	6,364	6,675
Public safety	11,769	12,624	-	-	11,769	12,624
Roads and streets	10,899	9,318	-	-	10,899	9,318
Public health	89	88	-	-	89	88
Parks and recreation	2,720	2,631	-	-	2,720	2,631
Public library	2,582	2,695	-	-	2,582	2,695
Community support	337	312	-	-	337	312
Drug education	53	53	-	-	53	53
Interest on long-term debt	838	1,198	-	-	838	1,198
Water and sewer	-	-	15,570	15,955	15,570	15,955
Rental facilities	-	-	699	657	699	657
Emergency Communications	-	-	1,130	1,224	1,130	1,224
Total expenses	<u>35,651</u>	<u>35,594</u>	<u>17,399</u>	<u>17,836</u>	<u>53,050</u>	<u>53,430</u>
Increase in net position before transfers	24,902	9,189	1,481	938	26,383	10,127
Transfers	(419)	(419)	419	419	-	-
Increase in net position	24,483	8,770	1,900	1,357	26,383	10,127
Net position - beginning	244,106	237,106	76,485	75,364	320,591	312,470
GASB No. 68 restatement	-	(1,770)	-	(236)	-	(2,006)
Net position - ending	<u>\$ 268,589</u>	<u>\$ 244,106</u>	<u>\$ 78,385</u>	<u>\$ 76,485</u>	<u>\$ 346,974</u>	<u>\$ 320,591</u>

Expenses and Program Revenues – Governmental Activities

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



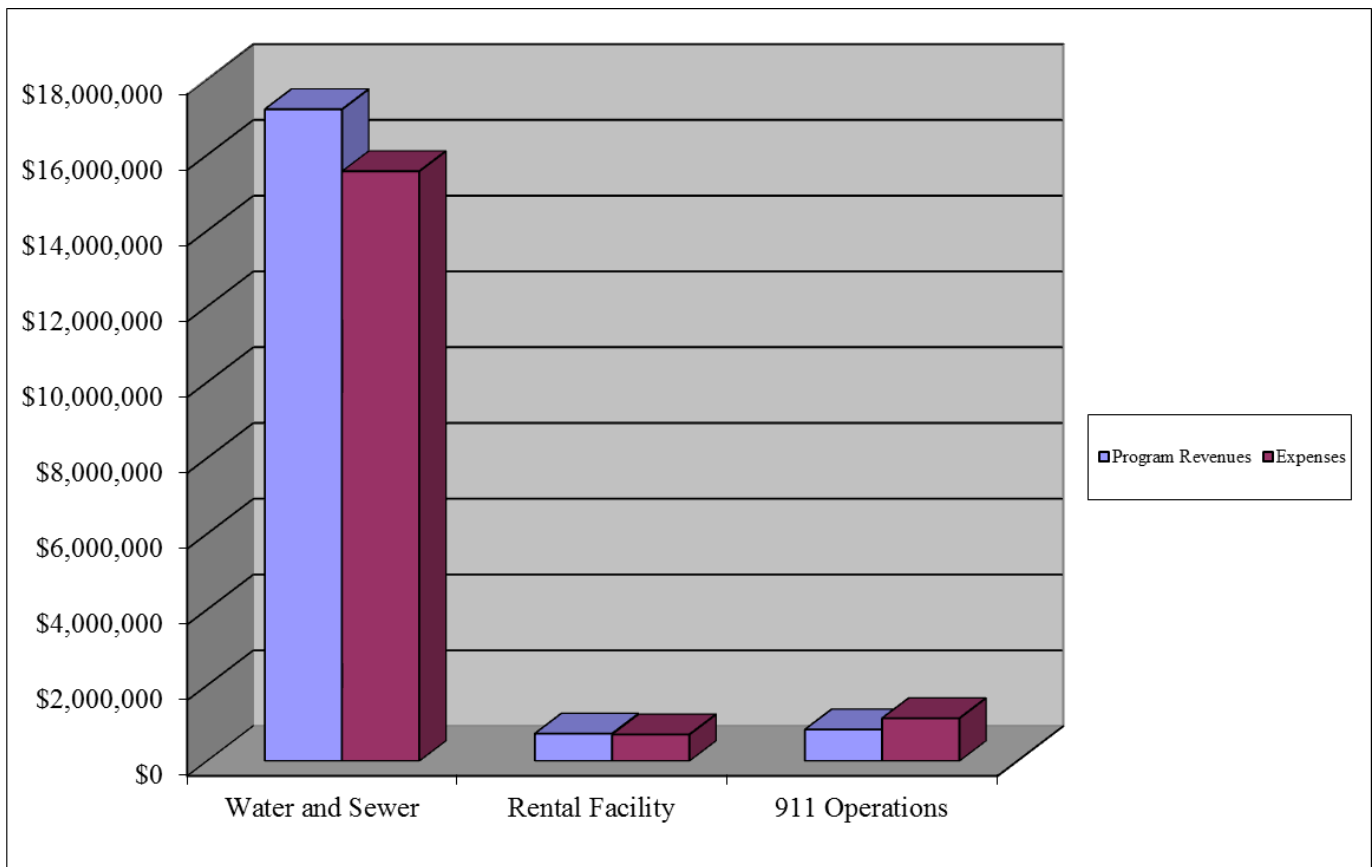
General Revenue by Source - Governmental Activities



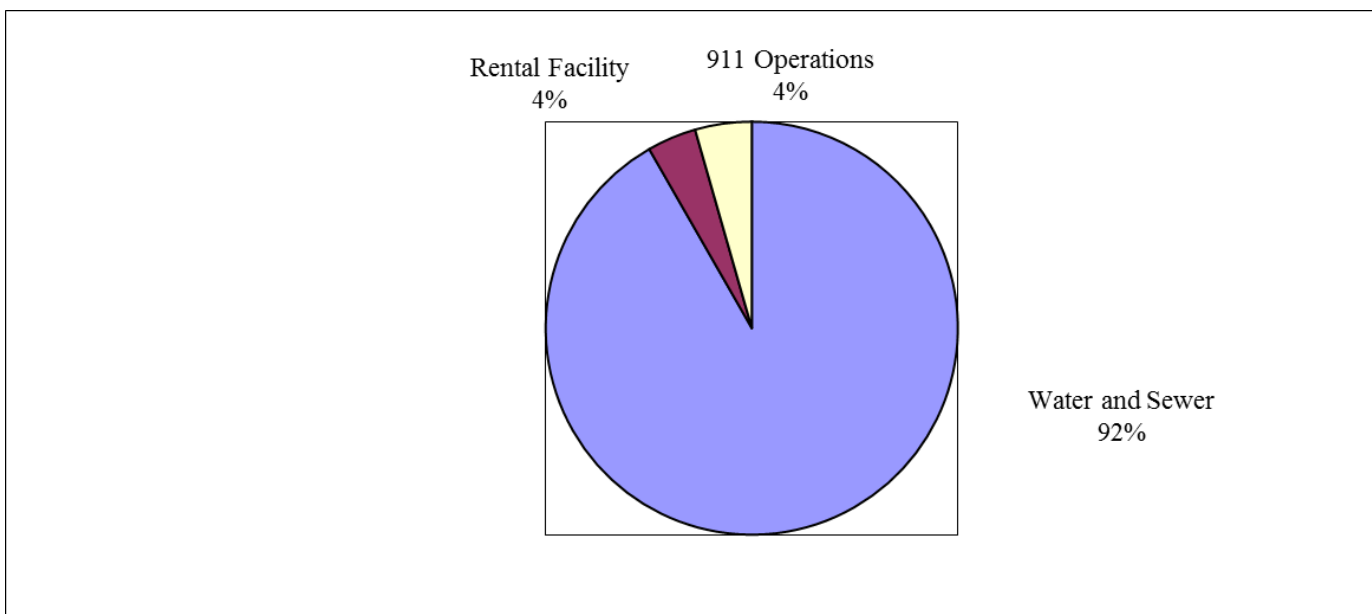
Business-type activities. Business-type activities increased the City of Brentwood's net assets by \$1,899,813 accounting for 7.2% of the total growth in the government's net position. Key elements of this increase are as follows:

- The City's Water and Sewer Fund accounts had an increase in net position of \$1,694,410 for the year. This reflects an increase of \$404,705 from the prior year, primarily due to:
 1. A net increase in net water/sewer tap fees of \$544,741 (note: FY 2015 fees included Moreland Investors - \$42,000, Synergy Hotel Partners - \$320,000, MRG Pizza Tennessee - \$37,177, Morgan Homes, INC. - \$45,150, MTN Brentwood, LLC - \$63,484, Cheddar's Casual Café - \$39,500 and SEV Mallory I, LLC - \$189,750).
 2. Total water revenue collections increased \$458,500 from the previous year due to a dryer summer.
- The City's Municipal Center Fund accounts had a positive change in net position of \$29,716 for the year, an increase of \$6,392 from the previous year, basically no change from the previous year.
- The Emergency Communications District (ECD) recorded an increase in net position, including transfers, of \$115,190 for fiscal year 2015. The current year increase was due primarily to a GASB 68 impact on pension expense of \$80,170.
- The allocation of the internal service fund net position to the business type activities resulted in an additional \$60,497 increase in net position at an entity-wide level.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Brentwood'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 of Brentwood'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.

Asset, Liabilities, and Fund Balances

Total Governmental Funds

June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Total assets	<u>\$ 79,955,362</u>	<u>\$ 78,791,378</u>
Total liabilities	<u>5,161,984</u>	<u>11,069,530</u>
Total deferred inflows of resources	<u>12,515,012</u>	<u>12,164,173</u>
Fund balances:		
Nonspendable	88,444	23,877
Restricted	5,767,455	3,023,343
Committed	23,574,517	21,809,380
Unassigned	<u>32,847,950</u>	<u>30,701,075</u>
Total fund balances	<u>62,278,366</u>	<u>55,557,675</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 79,955,362</u>	<u>\$ 78,791,378</u>

As of the end of the current fiscal year, the City of Brentwood's governmental funds reported combined ending fund balances of \$62,278,366, an increase of \$6,720,691 in comparison with the prior year amount. Approximately 53% of this total amount (\$32,847,950) 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 to nonspendable (\$88,444), restricted for a specific purpose per enabling legislation (street repairs - \$777,195, drug enforcement and education - \$448,992 and capital projects - \$4,541,268) and committed for a specific purpose per action by the Board of Commissioners (capital projects - \$15,030,317, debt service - \$3,621,272, equipment replacement - \$2,531,887, facilities maintenance - \$1,355,260 and post-employment benefits - \$1,035,781).

The general fund is the chief operating fund of the City of Brentwood. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$32,847,950. 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 87% of total fiscal year 2015 general fund expenditures (including transfers).

**Changes in Fund Balances of Governmental Funds
For the year ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
REVENUES		
Taxes	\$ 28,453,126	\$ 27,166,209
Licenses and permits	2,077,151	1,609,529
Fines and fees	306,362	307,980
Charges for services	355,626	360,633
Intergovernmental	11,908,249	10,496,352
Uses of money and property	538,317	566,443
Other	<u>188,341</u>	<u>213,000</u>
TOTAL REVENUES	<u>43,827,172</u>	<u>40,720,146</u>
EXPENDITURES		
Current:		
General government	6,388,722	6,061,451
Public safety	13,237,000	12,898,119
Roads and streets	4,874,736	5,146,761
Public health	88,524	88,068
Parks and recreation	2,311,010	1,993,508
Public library	2,291,101	2,255,226
Community support	336,562	312,295
Drug education	17,501	30,717
Capital outlay	3,700,604	8,611,260
Debt service	<u>3,442,021</u>	<u>3,447,781</u>
TOTAL EXPENDITURES	<u>36,687,781</u>	<u>40,845,186</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,139,391</u>	<u>(125,040)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in/out (net)	(418,700)	(418,700)
Proceeds of general obligation bonds	-	4,895,000
Proceeds of refunding bonds	-	1,005,000
Payment to refunded bond escrow agent	-	(1,035,464)
Bond premium/discount (net)	<u>-</u>	<u>125,288</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(418,700)</u>	<u>4,571,124</u>
NET CHANGES IN FUND BALANCES	6,720,691	4,446,084
FUND BALANCES, BEGINNING OF YEAR	<u>55,557,675</u>	<u>51,111,591</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 62,278,366</u></u>	<u><u>\$ 55,557,675</u></u>

The fund balance of the City of Brentwood’s general fund (including committed activity budgeted separately) increased by \$2,460,709 during the current fiscal year. Key highlights in this fund for 2015 include:

- Total revenues exceeded budgetary projections by \$4,376,956.
- Local sales tax collections were \$13,820,565 an \$865,943 (6.68%) increase over last year’s collections and were \$1,520,565 (12.36%) higher than FY 2015 original budget estimates.
- State Income Tax (Hall Tax) net collections were \$4,004,352 for FY 2015, an increase of \$767,113 compared to prior year net collections and \$3,104,352 higher than FY 2015 budget estimates.
- The general fund departments demonstrated fiscal responsibility by under-spending the appropriated budget by \$868,130.

The debt service fund has a total fund balance of \$3,621,272, all of which is restricted or committed for the future payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$85,047. Principal payments increased \$80,000 and interest payments decreased \$5,651 over FY 2014 amounts. Please see Note 6 for additional information on the City’s long-term liabilities.

The capital projects fund has a total fund balance of \$15,658,176 all of which is committed for the funding of major capital improvements of the City. The current year net increase of \$2,228,776 includes special year-end appropriation transfers of \$4,985,000 from the General Fund to fund certain proposed capital projects in the FY 2016 budget. Additional details of major capital expenditures are addressed on page 16 of this narrative overview.

Proprietary funds. The City of Brentwood’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 \$25,453,803, for the Municipal Center Fund, \$1,904,461 and for the Emergency Communications District, \$1,818,233. The total increase in net position for the funds was \$1,694,410, \$29,716 and \$115,190, respectively. Other factors concerning the finances of these funds have previously been addressed in the discussion of the City of Brentwood’s business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and final amended budget (\$1,985,000 increase in revenues and \$5,030,450 in current year appropriations) can be summarized as follows:

Revenues

Increases were made to the following accounts for higher than budgeted collections due to improvement in local retail sales and new housing starts:

Local Sales Tax	\$1,200,000
Hotel Taxes	240,000
Real/Personal Property Tax	200,000
State Sales Taxes	200,000
Building Permits	<u>145,000</u>
Total Change in Revenues	<u>\$1,985,000</u>

The following increases to current year appropriations were made:

Appropriations

1. A special FY 2015 year-end appropriation transfer of \$1,845,000 from the General Fund to the Capital Projects Fund funded through projected excess revenue collections in the current fiscal year to pay for certain proposed FY 2016 capital projects and equipment. The projects include funding for upgrades and expansion of the City's radio communication system (\$1,000,000), a replacement fire station alerting system known as Locution (\$180,000), funding for Smith Park maintenance projects, including driveway widening, replacement of mansion roof and stabilization of the historic kitchen building (\$400,000), Wikle Park off-site improvements (\$125,000) and funding for design and construction of a traffic roundabout at the intersection of Crockett Road and Raintree Parkway/Green Hill Boulevard. (\$140,000).
2. A special FY 2015 year-end transfer of \$3,000,000 from the General Fund unassigned fund balance to the Capital Projects fund to provide additional funding for several smaller transportation projects designed to improve safety and congestion delays during peak travel periods.
3. A special FY 2015 year-end transfer of \$140,000 from the General Fund to the Equipment Replacement Fund for the FY 2016 purchase of a Bobcat excavator for the Parks Department (\$55,000) and a chipper truck for the Public Works Department (\$85,000). This transfer will be funded through projected excess revenue collections in the current fiscal year.
4. An appropriation increase to the Codes Enforcement activity for \$45,450 for two codes vehicles budgeted and approved for purchase in FY 2014, but due to delays, delivered and paid for in FY 2015, with funding provided by the projected savings through the under-spending of budgeted FY 2015 General Fund appropriations.

The General Fund unassigned fund balance at June 30, 2015 is \$32,847,950. Even with this reduction due to the appropriation amendment, the unassigned fund balance 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 (greater than \$100K) between the final amended budget and actual amounts can be summarized as follows:

1. Local Sales tax was \$320,565 more than budgeted projections due to continued improvement and growth in local retail sales.
2. Real and Personal Property Tax Collections were \$134,232 more than budgeted projections due to new housing starts in FY 2015.
3. Wholesale Liquor Tax Collections were \$107,699 higher than budget projections due to continued growth in local liquor sales.
4. The Licenses and Permits collections category were \$103,751 more than budgeted projections due to various revenue accounts under this category exceeding budget FY 2015 projections, including Site Plans Fees (\$25,453), Plumbing Permits (\$25,193), Mechanical Permits (\$12,761) and Traffic Consultant Review Fees (\$12,451).
5. State income tax collections exceeded budgeted projections by \$3,104,352 due to conservative budgeting and higher investment market returns.
6. Business Tax collections were \$267,422 higher than budgeted projections due to conservative budgeting and from the State's ability to review Federal and State databases on businesses for cross checking/auditing/compliance.

Capital Asset and Debt Administration

Capital assets. The City of Brentwood's investment in capital assets for its governmental and business type activities as of June 30, 2015 amounts to \$306,462,885 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, improvements, machinery and equipment, park facilities, roads and bridges. Major capital asset events during the current fiscal year included the following:

- The acceptance of streets (or sections of streets) within the city limits as public streets, with a valuation (including right-of way and easements) of \$16,726,448
- Substantial multi-year improvements to the Marcella Vivrette Smith Park of approximately \$7.9M, including a vehicle & pedestrian access bridge across the railroad and associated parking facilities, unpaved hiking trails, a paved multi-use trail connecting to the City's existing trail network and renovation of the Ravenswood house for public use
- Purchase of eleven replacement vehicles for the Police Department
- SAM (Smart Access Manager) Software – Library
- Two Dodge Ram Trucks – Codes Department
- Groundmaster 4500 Mower and Kit – Parks Department
- Bandit Chipper Truck – Public Works
- Ford Super Duty F-250 – Public Works
- Chevrolet Silverado 250 – Parks Department
- Chevrolet Tahoe – Fire and Rescue Department
- Freightliner Dump Truck – Public Works
- Pierce Pumper Fire Truck – Fire and Rescue
- Traffic Operations Center Camera Upgrades
- Police Records and Court Software
- Various building and system additions and improvements were completed in the Water and Sewer Fund at a cost of \$5,207,100

City of Brentwood Capital Assets
(net of depreciation)
June 30, 2015 and 2014
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 114,354	\$ 106,814	\$ 1,177	\$ 1,125	\$ 115,531	\$ 107,939
Buildings and improvements	15,855	16,215	1,624	1,751	17,479	17,966
Utility plant in service	-	-	67,961	65,521	67,961	65,521
Improvements other than buildings	4,665	2,705	1,346	1,435	6,011	4,140
Machinery and equipment	6,977	6,711	1,305	1,544	8,282	8,255
Infrastructure	90,592	80,361	-	-	90,592	80,361
Construction in progress	325	6,969	282	82	607	7,051
Net Capital Assets	<u>\$ 232,768</u>	<u>\$ 219,775</u>	<u>\$ 73,695</u>	<u>\$ 71,458</u>	<u>\$ 306,463</u>	<u>\$ 291,233</u>

Additional information on the City of Brentwood's capital assets can be found in Note 4 of this report.

Long-term bonded debt. At the end of the current fiscal year, the City of Brentwood had total long-term bonded debt outstanding of \$54,180,000. Of this amount, \$45,185,000 comprises debt backed by the full faith and credit of the City and \$8,995,000 comprises bonds secured by specified revenue sources (i.e. revenue bonds). All debt is through the issuance of bonds for periods not exceeding 20 years at fixed interest rates.

City of Brentwood Outstanding Debt
General Obligation and Revenue Bonds
June 30, 2015 and 2014
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General obligation bonds	\$ 27,145	\$ 29,700	\$ 18,040	\$ 18,890	\$ 45,185	\$ 48,590
Revenue and tax bonds	<u>-</u>	<u>-</u>	<u>8,995</u>	<u>9,785</u>	<u>8,995</u>	<u>9,785</u>
Total bonds	27,145	29,700	27,035	28,675	54,180	58,375
Premiums (discounts), net	<u>645</u>	<u>707</u>	<u>140</u>	<u>146</u>	<u>785</u>	<u>853</u>
Total	<u>\$ 27,790</u>	<u>\$ 30,407</u>	<u>\$ 27,175</u>	<u>\$ 28,821</u>	<u>\$ 54,965</u>	<u>\$ 59,228</u>

The City of Brentwood's total long-term debt decreased by \$4,195,000 (7%) during the current fiscal year. The key factor in this decrease was the payment of principal amounts for existing General Obligation debt (\$2.6M) and Water & Sewer debt (\$1.6M).

The City of Brentwood 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 Brentwood of \$54,180,000 translates to approximately \$1,341 per capita using the 2015 City Special Census Certified Population of 40,401.

Additional information on the City of Brentwood's long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Brentwood is currently 4.9%, a decrease from 5.7% a year ago. This compares to the county's rate of 4.6%, the state's average unemployment rate of 5.7% and the national average rate of 5.3%.
- The direct office space vacancy rate of the City of Brentwood's central business district was 2.3% as of June 2015.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City of Brentwood's budget for the 2016 fiscal year.

During the current fiscal year, the total unassigned fund balance in the general fund increased to \$32,847,950. The City of Brentwood has not appropriated any of this amount for spending in the 2016 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of the City of Brentwood'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: financedirector@brentwoodtn.gov
www.brentwoodtn.gov

CITY OF BRENTWOOD, TENNESSEE
STATEMENT OF NET POSITION
JUNE 30, 2015

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 61,136,501	\$ 29,423,153	\$ 90,559,654
Property tax receivable	11,627,381	-	11,627,381
Sales tax receivable	1,221,483	-	1,221,483
Intergovernmental revenue receivable	6,714,320	-	6,714,320
Accounts receivable	376,695	2,377,946	2,754,641
Internal balances	(246,853)	246,853	-
Inventories	35,829	178,617	214,446
Prepaid expenses	83,988	557	84,545
Restricted assets:			
Cash	1,262,894	2,507,257	3,770,151
Capital assets:			
Utility plant in service	-	108,952,932	108,952,932
Land	114,354,031	1,177,330	115,531,361
Buildings and structures	22,533,038	4,309,312	26,842,350
Improvements other than buildings	14,118,761	2,478,488	16,597,249
Furniture, machinery and equipment	20,556,171	4,735,240	25,291,411
Infrastructure	214,642,215	-	214,642,215
Construction in progress	324,591	282,079	606,670
Accumulated depreciation	(153,761,153)	(48,240,150)	(202,001,303)
Other post employment benefits asset	1,629,078	120,000	1,749,078
Net pension asset	1,493,115	197,926	1,691,041
TOTAL ASSETS	318,102,085	108,747,540	426,849,625
DEFERRED OUTFLOWS OF RESOURCES	2,747,978	291,574	3,039,552
LIABILITIES			
Accounts payable	1,212,775	2,061,725	3,274,500
Claims payable	80,553	-	80,553
Accrued salaries and benefits	594,253	340,757	935,010
Accrued interest	281,441	275,310	556,751
Other payables	3,107,503	159,651	3,267,154
Liabilities payable from restricted assets	170,000	165,016	335,016
Long-term liabilities:			
Due within one year	3,615,000	1,670,000	5,285,000
Due in more than one year	27,089,447	25,505,100	52,594,547
TOTAL LIABILITIES	36,150,972	30,177,559	66,328,531
DEFERRED INFLOWS OF RESOURCES	16,110,501	476,616	16,587,117
NET POSITION			
Net investment in capital assets	206,296,175	48,883,727	255,179,902
Restricted for:			
Roads and streets	777,195	-	777,195
Capital projects	3,913,409	-	3,913,409
Drug enforcement and education	448,922	-	448,922
Unrestricted	57,152,889	29,501,212	86,654,101
TOTAL NET POSITION	\$ 268,588,590	\$ 78,384,939	\$ 346,973,529

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE 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	\$ 6,364,225	\$ 1,268,909	\$ -	\$ -	\$ (5,095,316)	\$ -	\$ (5,095,316)
Public safety	11,769,252	-	-	-	(11,769,252)	-	(11,769,252)
Roads and streets	10,899,396	1,185,065	1,724,759	16,726,448	8,736,876	-	8,736,876
Public health	88,524	-	-	-	(88,524)	-	(88,524)
Parks and recreation	2,720,304	109,739	-	-	(2,610,565)	-	(2,610,565)
Public library	2,582,263	143,688	-	-	(2,438,575)	-	(2,438,575)
Community support	336,562	31,738	-	-	(304,824)	-	(304,824)
Drug education	53,330	-	-	-	(53,330)	-	(53,330)
Facilities maintenance projects	-	-	-	-	-	-	-
Fuel supplies	-	-	-	-	-	-	-
Health insurance premiums and claims	-	-	-	-	-	-	-
Interest on long-term debt	838,018	-	-	-	(838,018)	-	(838,018)
Total governmental activities	35,651,874	2,739,139	1,724,759	16,726,448	(14,461,528)	-	(14,461,528)
Business-type activities:							
Water and Sewer	15,569,461	15,011,973	-	2,192,730	-	1,635,242	1,635,242
Rental facilities	699,412	723,714	-	-	-	24,302	24,302
911 operations	1,130,021	269,612	562,808	-	-	(297,601)	(297,601)
Total business-type activities	17,398,894	16,005,299	562,808	2,192,730	-	1,361,943	1,361,943
Total primary government	\$ 53,050,768	\$ 18,744,438	\$ 2,287,567	\$ 18,919,178	(14,461,528)	1,361,943	(13,099,585)
General Revenues:							
Taxes:							
Property taxes					11,290,941	-	11,290,941
Local option sales tax					13,820,565	-	13,820,565
Hotel/motel taxes					1,439,717	-	1,439,717
Wholesale beer and liquor taxes					1,337,106	-	1,337,106
Adequate schools facilities taxes					618,838	-	618,838
Other taxes					561,144	-	561,144
Unrestricted intergovernmental taxes:							
State sales tax					2,829,973	-	2,829,973
State income tax					4,004,352	-	4,004,352
Business tax					1,667,422	-	1,667,422
TVA in-lieu tax					429,531	-	429,531
Mixed drink and beer tax					178,237	-	178,237
Petroleum special tax					76,169	-	76,169
Corporate excise tax					57,008	-	57,008
Telecommunications tax					3,654	-	3,654
Other intergovernmental					321,960	-	321,960
Unrestricted investment earnings					538,317	119,170	657,487
Miscellaneous					188,341	-	188,341
Transfers					(418,700)	418,700	-
Total general revenues and transfers					38,944,575	537,870	39,482,445
Change in net position					24,483,047	1,899,813	26,382,860
Net Position - beginning, as restated					244,105,543	76,485,126	320,590,669
Net Position - ending					\$ 268,588,590	\$ 78,384,939	\$ 346,973,529

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 35,685,566	\$ 3,621,272	\$ 14,645,394	\$ 4,620,434	\$ 58,572,666
Receivables:					
Property tax	11,627,381	-	-	-	11,627,381
Sales tax	1,221,483	-	-	-	1,221,483
Intergovernmental	5,727,464	-	713,860	272,996	6,714,320
Accounts	325,639	-	-	-	325,639
Miscellaneous	10,010	-	-	1,468	11,478
Due from other funds:					
Water and Sewer Fund	-	-	77,769	-	77,769
General Fund	-	-	53,288	-	53,288
Prepaid items and deposits	83,988	-	-	-	83,988
Inventories of supplies	4,456	-	-	-	4,456
Restricted assets:					
Cash and cash equivalents	17,511	-	797,859	447,524	1,262,894
TOTAL ASSETS	\$ 54,703,498	\$ 3,621,272	\$ 16,288,170	\$ 5,342,422	\$ 79,955,362
LIABILITIES:					
Accounts payable	523,036	-	459,994	202,826	1,185,856
Accrued salaries	594,253	-	-	-	594,253
Due to other funds:					
Capital Projects Fund	53,288	-	-	-	53,288
Fuel Fund	44,084	-	-	-	44,084
Water and Sewer Fund	7,000	-	-	-	7,000
Other payables	3,107,503	-	-	-	3,107,503
Retainage payable	-	-	170,000	-	170,000
TOTAL LIABILITIES	4,329,164	-	629,994	202,826	5,161,984
DEFERRED INFLOWS OF RESOURCES	12,515,012	-	-	-	12,515,012
FUND BALANCES:					
Fund balance:					
Nonspendable	88,444	-	-	-	88,444
Restricted for street repairs	-	-	-	777,195	777,195
Restricted for drug enforcement and education	-	-	-	448,992	448,992
Restricted for capital projects	-	-	627,859	3,913,409	4,541,268
Committed to capital projects	-	-	15,030,317	-	15,030,317
Committed to debt service	-	3,621,272	-	-	3,621,272
Committed to equipment replacement	2,531,887	-	-	-	2,531,887
Committed to facilities maintenance	1,355,260	-	-	-	1,355,260
Committed to funding post employment benefits	1,035,781	-	-	-	1,035,781
Unassigned	32,847,950	-	-	-	32,847,950
TOTAL FUND BALANCES	37,859,322	3,621,272	15,658,176	5,139,596	62,278,366
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 54,703,498	\$ 3,621,272	\$ 16,288,170	\$ 5,342,422	\$ 79,955,362

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

RECONCILIATION OF BALANCE SHEET TO STATEMENT OF
NET POSITION OF GOVERNMENTAL ACTIVITIES

JUNE 30, 2015

Total Governmental Funds Balances	\$ 62,278,366
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Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds Balance Sheet	232,767,654
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Net other post employment benefits asset in governmental activities is not a current financial resource and therefore are not reported in the governmental funds Balance Sheet	1,629,078
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In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditures are reported when due	(281,441)
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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	2,253,776
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Pension amounts not reported in the funds:	
Net pension asset	1,493,115
Deferred outflows of resources related to pensions	2,057,236
Deferred inflows of resources related to pensions	(3,595,489)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds:	
Bonds payable	(27,145,000)
Less deferred charges on refunding bonds	690,742
Less bond discount	4,126
Add bond premium	(649,206)
Compensated absences	<u>(2,914,367)</u>
	<u>(30,013,705)</u>

Net Position of Governmental Activities	<u>\$268,588,590</u>
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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, 2015

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	\$ 28,453,126	\$ -	\$ -	\$ -	\$ 28,453,126
Licenses and permits	1,022,951	-	-	1,054,200	2,077,151
Fines and fees	306,362	-	-	-	306,362
Charges for services	355,626	-	-	-	355,626
Intergovernmental	9,564,652	-	737,981	1,605,616	11,908,249
Uses of money and property	481,544	10,783	31,044	14,946	538,317
Other	120,410	-	-	67,931	188,341
TOTAL REVENUES	<u>40,304,671</u>	<u>10,783</u>	<u>769,025</u>	<u>2,742,693</u>	<u>43,827,172</u>
EXPENDITURES					
Current:					
General government	6,384,913	3,809	-	-	6,388,722
Public safety	13,237,000	-	-	-	13,237,000
Roads and streets	4,281,152	-	-	593,584	4,874,736
Public health	88,524	-	-	-	88,524
Parks and recreation	2,311,010	-	-	-	2,311,010
Public library	2,291,101	-	-	-	2,291,101
Community support	336,562	-	-	-	336,562
Drug education	-	-	-	17,501	17,501
Capital outlay	-	-	3,685,249	15,355	3,700,604
Debt service	-	3,442,021	-	-	3,442,021
TOTAL EXPENDITURES	<u>28,930,262</u>	<u>3,445,830</u>	<u>3,685,249</u>	<u>626,440</u>	<u>36,687,781</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,374,409</u>	<u>(3,435,047)</u>	<u>(2,916,224)</u>	<u>2,116,253</u>	<u>7,139,391</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	3,350,000	5,145,000	-	8,495,000
Transfers out	(8,913,700)	-	-	-	(8,913,700)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(8,913,700)</u>	<u>3,350,000</u>	<u>5,145,000</u>	<u>-</u>	<u>(418,700)</u>
NET CHANGE IN FUND BALANCE	2,460,709	(85,047)	2,228,776	2,116,253	6,720,691
FUND BALANCE, BEGINNING OF YEAR	<u>35,398,613</u>	<u>3,706,319</u>	<u>13,429,400</u>	<u>3,023,343</u>	<u>55,557,675</u>
FUND BALANCE, END OF YEAR	<u>\$ 37,859,322</u>	<u>\$ 3,621,272</u>	<u>\$ 15,658,176</u>	<u>\$ 5,139,596</u>	<u>\$ 62,278,366</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

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

FOR THE YEAR ENDED JUNE 30, 2015

Net Change in Fund Balance - Governmental Funds **\$ 6,720,691**

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 for governmental activities:

Acquisition of capital assets	5,316,958
Donated capital assets	16,726,448
Depreciation expense	(9,050,384)

Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities for governmental activities	2,555,000
--	-----------

Interest is accrued on the outstanding bonds in the Statement of Activities, whereas in the governmental funds, an interest expenditure is reported when due:

Accrued interest on debt obligations at June 30, 2015	(281,441)
Accrued interest on debt obligations at June 30, 2014	372,146

The internal service funds are used by management to charge the cost of fuel supplies and health insurance premiums to the individual funds. The changes in net position of the internal service funds are reported with governmental activities in the Statement of Activities	368,307
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Governmental funds report the effects of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized for governmental activities:

Amortization of bond premium/discount	61,908
Amortization of deferred amount on refunding	(103,610)

Pension income not reported in the funds	1,725,834
--	-----------

Expenses reported for governmental activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds:

Change in accrual for compensated absences	71,190
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Change in Net Position of Governmental Activities	\$ 24,483,047
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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, 2015

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes:				
Local sales tax	\$ 12,300,000	\$ 13,500,000	\$ 13,820,565	\$ 320,565
Real and personal property	10,800,000	11,000,000	11,134,232	134,232
Public utility property tax	167,000	167,000	156,709	(10,291)
Hotel/motel taxes	1,200,000	1,440,000	1,439,717	(283)
Wholesale beer tax	600,000	600,000	639,407	39,407
Wholesale liquor tax	590,000	590,000	697,699	107,699
Television franchise tax	450,000	450,000	502,463	52,463
Other	65,000	65,000	62,334	(2,666)
Licenses and permits	774,200	919,200	1,022,951	103,751
Fines and fees	275,000	275,000	306,362	31,362
Charges for services	448,600	448,600	415,176	(33,424)
Intergovernmental:				
State sales tax	2,550,000	2,750,000	2,829,973	79,973
State income tax	900,000	900,000	4,004,352	3,104,352
Business tax	1,400,000	1,400,000	1,667,422	267,422
TVA in-lieu of tax	400,000	400,000	429,531	29,531
Mixed drink tax	130,000	130,000	160,512	30,512
Beer tax	18,000	18,000	17,725	(275)
Petroleum special tax	75,000	75,000	76,169	1,169
Corporate excise tax	15,000	15,000	57,008	42,008
Telecommunications tax	3,000	3,000	3,654	654
Other	149,050	149,050	149,663	613
Uses of money and property:				
Interest earnings	65,000	65,000	76,141	11,141
Other	279,000	279,000	304,093	25,093
Other	145,500	145,500	187,448	41,948
TOTAL REVENUES	33,799,350	35,784,350	40,161,306	4,376,956
EXPENDITURES				
Current:				
General government:				
City Commission:				
Personnel services	161,000	161,000	158,149	(2,851)
Professional services	15,000	15,000	13,875	(1,125)
Other costs	15,000	15,000	8,933	(6,067)

(Continued on next page)

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

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

FOR THE YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
City Court:				
Personnel services	\$ 25,000	\$ 25,000	\$ 26,980	\$ 1,980
Other costs	12,600	12,600	2,092	(10,508)
City Manager's office:				
Personnel services	391,190	391,190	391,183	(7)
Supplies and materials	5,500	5,500	4,981	(519)
Professional services	6,000	6,000	3,500	(2,500)
Other costs	2,750	2,750	1,837	(913)
Elections:				
Board of commission	45,000	45,000	39,183	(5,817)
Finance:				
Personnel services	628,670	628,670	605,071	(23,599)
Supplies and materials	38,500	38,500	27,107	(11,393)
Professional services	136,000	136,000	107,018	(28,982)
Repairs and maintenance	50,000	50,000	41,620	(8,380)
Other costs	25,500	25,500	11,037	(14,463)
City recorder:				
Personnel services	101,180	101,180	99,854	(1,326)
Supplies and materials	1,300	1,300	1,091	(209)
Professional services	5,000	5,000	6,759	1,759
Repairs and maintenance	11,500	11,500	10,550	(950)
Other costs	5,700	5,700	5,189	(511)
Legal services:				
Personnel services	193,465	193,465	193,691	226
Supplies and materials	15,300	15,300	15,675	375
Professional services	50,000	50,000	3,507	(46,493)
Other costs	500	500	8	(492)
Information/technology:				
Personnel services	520,405	520,405	523,118	2,713
Supplies and materials	7,550	7,550	2,853	(4,697)
Professional services	38,000	38,000	35,246	(2,754)
Repairs and maintenance	91,000	91,000	97,492	6,492
Other costs	67,100	67,100	74,605	7,505
Capital outlay	412,000	412,000	410,325	(1,675)

(Continued on next page)

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

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

FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
GIS:				
Personnel services	\$ 259,450	\$ 259,450	\$ 246,229	\$ (13,221)
Supplies and materials	4,100	4,100	2,037	(2,063)
Professional services	8,000	8,000	5,130	(2,870)
Repairs and maintenance	28,000	28,000	27,644	(356)
Other costs	500	500	63	(437)
Human resources:				
Personnel services	272,610	272,610	272,146	(464)
Supplies and materials	5,400	5,400	2,398	(3,002)
Professional services	82,800	82,800	59,709	(23,091)
Other costs	41,070	41,070	42,181	1,111
Community relations:				
Personnel services	196,115	196,115	193,375	(2,740)
Supplies and materials	30,350	30,350	25,390	(4,960)
Professional services	25,000	25,000	24,343	(657)
Repairs and maintenance	43,000	43,000	43,126	126
Other costs	52,600	52,600	31,671	(20,929)
Planning and development:				
Personnel services	325,035	325,035	320,794	(4,241)
Supplies and materials	14,000	14,000	13,738	(262)
Professional services	13,500	13,500	8,310	(5,190)
Repairs and maintenance	38,000	38,000	38,234	234
Other costs	39,300	39,300	40,421	1,121
Codes enforcement:				
Personnel services	744,205	744,205	731,260	(12,945)
Supplies and materials	33,000	33,000	23,631	(9,369)
Professional services	5,000	5,000	1,268	(3,732)
Repairs and maintenance	7,000	7,000	8,823	1,823
Other costs	18,600	18,600	12,532	(6,068)
Capital outlay	-	45,450	45,426	(24)
Municipal Center:				
Rent expense	610,000	610,000	610,000	-
Insurance/other benefits:				
Personnel	705,500	705,500	679,068	(26,432)
Other	<u>83,000</u>	<u>83,000</u>	<u>66,637</u>	<u>(16,363)</u>
Total general government	<u>6,762,845</u>	<u>6,808,295</u>	<u>6,498,113</u>	<u>(310,182)</u>

(Continued on next page)

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

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

FOR THE YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Public safety:				
Police department:				
Personnel services	\$ 5,421,940	\$ 5,421,940	\$ 5,322,616	\$ (99,324)
Supplies and materials	405,500	405,500	366,902	(38,598)
Professional services	71,500	71,500	77,588	6,088
Repairs and maintenance	211,400	211,400	161,227	(50,173)
Other costs	141,900	141,900	132,264	(9,636)
Capital outlay	387,500	387,500	380,000	(7,500)
Fire and Rescue department:				
Personnel services	5,658,090	5,658,090	5,588,266	(69,824)
Supplies and materials	148,800	148,800	145,427	(3,373)
Professional services	33,000	33,000	16,812	(16,188)
Repairs and maintenance	103,500	103,500	100,141	(3,359)
Other costs	287,700	287,700	280,157	(7,543)
Capital outlay	330,000	470,000	505,695	35,695
Brentwood Safety Center East:				
Supplies and materials	5,500	5,500	4,678	(822)
Professional services	1,000	1,000	560	(440)
Repairs and maintenance	23,500	23,500	30,837	7,337
Other costs	31,650	31,650	29,159	(2,491)
Total public safety	13,262,480	13,402,480	13,142,329	(260,151)
Roads and streets:				
Public works:				
Personnel	1,293,550	1,293,550	1,276,573	(16,977)
Supplies and materials	261,500	261,500	247,245	(14,255)
Professional services	5,000	5,000	8,141	3,141
Repairs and maintenance	1,020,000	1,020,000	1,008,518	(11,482)
Other	62,100	62,100	58,046	(4,054)
Capital outlay	244,500	244,500	239,117	(5,383)
Storm drainage:				
Capital outlay	50,000	50,000	9,844	(40,156)

(Continued on next page)

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

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

FOR THE YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Traffic Signalization:				
Street lighting	\$ 485,000	\$ 485,000	\$ 489,357	\$ 4,357
Personnel services	169,180	169,180	162,545	(6,635)
Supplies and materials	28,000	28,000	28,000	-
Professional services	20,000	20,000	35,275	15,275
Repairs and maintenance	22,000	22,000	20,055	(1,945)
Other	33,000	33,000	31,599	(1,401)
Capital outlay	37,000	37,000	35,894	(1,106)
Service center:				
Personnel services	94,255	94,255	94,321	66
Supplies and materials	17,850	17,850	19,662	1,812
Professional services	7,000	7,000	3,522	(3,478)
Repairs and maintenance	79,000	79,000	103,549	24,549
Other costs	68,150	68,150	65,460	(2,690)
Engineering services:				
Personnel services	482,315	482,315	479,619	(2,696)
Supplies and materials	11,500	11,500	8,642	(2,858)
Professional services	10,000	10,000	1,626	(8,374)
Repairs and maintenance	3,000	3,000	5,614	2,614
Other costs	30,000	30,000	21,908	(8,092)
Total roads and streets	4,533,900	4,533,900	4,454,132	(79,768)
Public health:				
Co. Health Dept. Contract	15,000	15,000	15,000	-
Co. Animal Control Contract	70,000	70,000	73,524	3,524
Total public health	85,000	85,000	88,524	3,524
Parks and recreation:				
Personnel services	1,140,845	1,140,845	1,059,788	(81,057)
Supplies and materials	129,000	129,000	135,641	6,641
Professional services	1,000	1,000	-	(1,000)
Repairs and maintenance	472,500	472,500	427,364	(45,136)
Other costs	338,150	338,150	305,630	(32,520)
Capital outlay	76,500	76,500	76,420	(80)
Total parks and recreation	2,157,995	2,157,995	2,004,843	(153,152)

(Continued on next page)

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

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

FOR THE YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Public library:				
Personnel services	\$ 1,276,060	\$ 1,276,060	\$ 1,236,648	\$ (39,412)
Supplies and materials	471,500	471,500	432,220	(39,280)
Professional services	54,000	54,000	77,564	23,564
Repairs and maintenance	246,500	246,500	313,753	67,253
Other costs	249,000	249,000	220,991	(28,009)
Capital outlay	-	-	9,925	9,925
Total public library	2,297,060	2,297,060	2,291,101	(5,959)
Community support:				
Education	216,600	216,600	216,600	-
Chamber of Commerce	10,000	10,000	10,000	-
Historic Sites	192,965	192,965	130,523	(62,442)
Total community support	419,565	419,565	357,123	(62,442)
TOTAL EXPENDITURES	29,518,845	29,704,295	28,836,165	(868,130)
EXCESS OF REVENUES OVER EXPENDITURES	4,280,505	6,080,055	11,325,141	5,245,086
OTHER FINANCING USES				
Transfers to Debt Service Fund	(3,350,000)	(3,350,000)	(3,350,000)	-
Transfers to Emergency Communication District	(418,700)	(418,700)	(418,700)	-
Transfers to Capital Projects Fund	(300,000)	(5,145,000)	(5,145,000)	-
Transfers to Committed - Facilities Maintenance	(200,000)	(200,000)	(200,000)	-
TOTAL OTHER FINANCING USES	(4,268,700)	(9,113,700)	(9,113,700)	-
CHANGE IN FUND BALANCE - GENERAL FUND - AS BUDGETED	11,805	(3,033,645)	2,211,441	5,245,086

(Continued on next page)

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

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

FOR THE YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
COMMITTED ACTIVITY BUDGETED SEPARATELY				
Equipment replacement:				
Transfers from other departments	\$ 1,263,000	\$ 1,403,000	\$ 1,403,000	\$ -
Interest income	5,000	5,000	7,360	2,360
Other income	7,500	7,500	87,632	80,132
Equipment expenditures	<u>(1,505,000)</u>	<u>(1,505,000)</u>	<u>(1,226,930)</u>	<u>278,070</u>
Net change - equipment replacement	<u>(229,500)</u>	<u>(89,500)</u>	<u>271,062</u>	<u>360,562</u>
Facilities maintenance:				
Committed transfer from General Fund	200,000	200,000	200,000	-
Interest income	3,000	3,000	3,915	915
Maintenance expenditures	<u>(510,000)</u>	<u>(510,000)</u>	<u>(370,167)</u>	<u>139,833</u>
Net change - facilities maintenance	<u>(307,000)</u>	<u>(307,000)</u>	<u>(166,252)</u>	<u>140,748</u>
Post employment benefits:				
Transfers from other departments	142,055	142,055	142,055	-
Interest income	<u>1,000</u>	<u>1,000</u>	<u>2,403</u>	<u>1,403</u>
Net change - post employment benefits	<u>143,055</u>	<u>143,055</u>	<u>144,458</u>	<u>1,403</u>
NET CHANGE IN FUND BALANCE	<u>\$ (381,640)</u>	<u>\$ (3,287,090)</u>	2,460,709	<u>\$ 5,747,799</u>
FUND BALANCE, BEGINNING OF YEAR			<u>35,398,613</u>	
FUND BALANCE, END OF YEAR			<u>\$ 37,859,322</u>	

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	WATER AND SEWER FUND	MUNICIPAL CENTER FUND	EMERGENCY COMMUNICATIONS DISTRICT	TOTAL	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 25,523,894	\$ 1,943,690	\$ 1,955,569	\$ 29,423,153	\$ 2,563,835
Receivables:					
Accounts	1,237,147	-	-	1,237,147	39,578
Due from other funds:					
General Fund	7,000	-	-	7,000	44,084
Water and Sewer	-	-	-	-	7,093
Emergency Communications District	-	2,650	-	2,650	-
Unbilled utility revenue	1,140,799	-	-	1,140,799	-
Inventories of supplies	178,617	-	-	178,617	31,373
Prepaid expenses	385	172	-	557	-
Restricted cash and cash equivalents	2,507,257	-	-	2,507,257	-
Total Current Assets	<u>30,595,099</u>	<u>1,946,512</u>	<u>1,955,569</u>	<u>34,497,180</u>	<u>2,685,963</u>
Noncurrent Assets:					
Property, plant and equipment, net of accumulated depreciation	69,958,646	2,919,031	817,554	73,695,231	-
Other post employment benefits asset	120,000	-	-	120,000	-
Net pension asset	138,426	-	59,500	197,926	-
Total Noncurrent Assets	<u>70,217,072</u>	<u>2,919,031</u>	<u>877,054</u>	<u>74,013,157</u>	<u>-</u>
Total Assets	<u>100,812,171</u>	<u>4,865,543</u>	<u>2,832,623</u>	<u>108,510,337</u>	<u>2,685,963</u>
DEFERRED OUTFLOWS OF RESOURCES					
Advance refundings of debt	21,355	-	-	21,355	-
Pensions	190,048	-	80,171	270,219	-
Total Deferred Outflows of Resources	<u>211,403</u>	<u>-</u>	<u>80,171</u>	<u>291,574</u>	<u>-</u>
LIABILITIES					
Current Liabilities (payable from current assets):					
Current maturities of long-term debt	1,670,000	-	-	1,670,000	-
Accounts payable	2,010,552	42,051	9,122	2,061,725	26,919
Claims payable	-	-	-	-	80,553
Accrued salaries	702	-	23,711	24,413	-
Accrued interest	275,310	-	-	275,310	-
Due to other funds:					
Due to Capital Projects Fund	77,769	-	-	77,769	-
Due to Fuel Fund	7,093	-	-	7,093	-
Due to Municipal Center	-	-	2,650	2,650	-
Other payables	152,596	-	7,055	159,651	-
Compensated absences payable	225,154	-	91,190	316,344	-
Current liabilities (payable from restricted assets):					
Retainage payable	165,016	-	-	165,016	-
Total Current Liabilities (payable from current assets)	<u>4,584,192</u>	<u>42,051</u>	<u>133,728</u>	<u>4,759,971</u>	<u>107,472</u>
Noncurrent Liabilities:					
Long-term debt, net of current maturities	25,505,100	-	-	25,505,100	-
Total Noncurrent Liabilities	<u>25,505,100</u>	<u>-</u>	<u>-</u>	<u>25,505,100</u>	<u>-</u>
Total Liabilities	<u>30,089,292</u>	<u>42,051</u>	<u>133,728</u>	<u>30,265,071</u>	<u>107,472</u>
DEFERRED INFLOWS OF RESOURCES					
Pensions	333,337	-	143,279	476,616	-
NET POSITION					
Net investment in capital assets	45,147,142	2,919,031	817,554	48,883,727	-
Unrestricted	25,453,803	1,904,461	1,818,233	29,176,497	2,578,491
TOTAL NET POSITION	<u>\$ 70,600,945</u>	<u>\$ 4,823,492</u>	<u>\$ 2,635,787</u>	<u>\$ 78,060,224</u>	<u>\$ 2,578,491</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				324,715	
Net position of business-type activities				<u>\$ 78,384,939</u>	
See accompanying notes to financial statements.					

CITY OF BRENTWOOD, TENNESSEE
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	WATER AND SEWER FUND	MUNICIPAL CENTER FUND	EMERGENCY COMMUNICATIONS DISTRICT	TOTAL	
OPERATING REVENUES					
Water sales, pledged as security on revenue bonds	\$ 7,826,920	\$ -	\$ -	\$ 7,826,920	\$ -
Sewer service charges, pledged as security on revenue bonds	6,606,267	-	-	6,606,267	-
Rental income	-	723,714	-	723,714	-
911 Fees	-	-	269,612	269,612	-
Internal charges	-	-	-	-	3,596,095
Other	611,638	-	562,808	1,174,446	287,778
TOTAL OPERATING REVENUES	15,044,825	723,714	832,420	16,600,959	3,883,873
OPERATING EXPENSES					
Water purchased	5,435,298	-	-	5,435,298	-
Depreciation and amortization	2,790,610	288,400	168,489	3,247,499	-
Materials and supplies	415,537	-	49,070	464,607	398,287
Sewerage treatment charges	2,716,187	-	-	2,716,187	-
Salaries and benefits	1,750,239	-	741,789	2,492,028	3,062,652
Maintenance	1,071,099	202,074	79,518	1,352,691	-
Utilities	298,027	159,332	-	457,359	-
Professional services	126,237	26,676	19,844	172,757	-
Communications	3,217	8,316	71,280	82,813	-
Other	162,020	14,614	10,789	187,423	-
TOTAL OPERATING EXPENSES	14,768,471	699,412	1,140,779	16,608,662	3,460,939
OPERATING INCOME (LOSS)	276,354	24,302	(308,359)	(7,703)	422,934
NONOPERATING REVENUES (EXPENSES)					
Interest income	72,725	5,414	4,849	82,988	5,870
Sale of equipment	3,330	-	-	3,330	-
Interest expense	(850,729)	-	-	(850,729)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(774,674)	5,414	4,849	(764,411)	5,870
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(498,320)	29,716	(303,510)	(772,114)	428,804
CAPITAL CONTRIBUTIONS - TAP FEES	2,192,730	-	-	2,192,730	-
TRANSFERS IN	-	-	418,700	418,700	-
TRANSFERS OUT	-	-	-	-	-
CHANGE IN NET POSITION	1,694,410	29,716	115,190	1,839,316	428,804
TOTAL NET POSITION, BEGINNING OF YEAR, AS RESTATED	68,906,535	4,793,776	2,520,597		2,149,687
TOTAL NET POSITION, END OF YEAR	\$ 70,600,945	\$ 4,823,492	\$ 2,635,787		\$ 2,578,491
Adjustment to reflect the consolidation of internal service funds related to enterprise funds				60,497	
Change in net position of business-type activities				<u>\$ 1,899,813</u>	

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	WATER AND SEWER FUND	MUNICIPAL CENTER FUND	EMERGENCY COMMUNICATIONS DISTRICT	TOTAL ENTERPRISE FUNDS	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 15,089,718	\$ 723,714	\$ 919,673	\$ 16,733,105	\$ -
Receipts from internal services provided	-	-	-	-	3,878,924
Payments to suppliers	(10,198,059)	(404,819)	(215,051)	(10,817,929)	(3,521,317)
Payments to employees	(1,958,492)	-	(825,583)	(2,784,075)	-
Net cash provided by (used in) operating activities	2,933,167	318,895	(120,961)	3,131,101	357,607
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Contribution/transfer from general fund	-	-	418,700	418,700	-
Net cash provided by noncapital financing activities	-	-	418,700	418,700	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(5,406,905)	(82,563)	(985)	(5,490,453)	-
Proceeds from water and sewer tap fees	2,192,730	-	-	2,192,730	-
Restricted cash used to fund capital asset additions	5,439,743	-	-	5,439,743	-
Principal paid on long-term debt	(1,640,000)	-	-	(1,640,000)	-
Interest paid on long-term debt	(853,707)	-	-	(853,707)	-
Net cash used in capital and related financing activities	(268,139)	(82,563)	(985)	(351,687)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of equipment	3,330	-	-	3,330	-
Interest received	72,725	5,414	4,849	82,988	5,870
Net cash provided by investing activities	76,055	5,414	4,849	86,318	5,870
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,741,083	241,746	301,603	3,284,432	363,477
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	22,782,811	1,701,944	1,653,966	26,138,721	2,200,358
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 25,523,894	\$ 1,943,690	\$ 1,955,569	\$ 29,423,153	\$ 2,563,835
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 276,354	\$ 24,302	\$ (308,359)	\$ (7,703)	\$ 422,934
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation and amortization	2,790,610	288,400	168,489	3,247,499	-
Pension expense (income)	(159,324)	-	(66,964)	(226,288)	-
(Increase) decrease in:					
Accounts receivable	8,428	-	87,253	95,681	(3,416)
Due from general fund	(7,000)	-	-	(7,000)	(607)
Unbilled utility revenue	36,465	-	-	36,465	-
Inventories of supplies	70,653	-	-	70,653	33,670
Prepaid expenses	(385)	(172)	9,050	8,493	-
Increase (decrease) in:					
Accounts payable	(176,348)	6,365	(1,408)	(171,391)	(9,812)
Due to (from) other funds	78,695	-	(519)	78,176	(926)
Accrued expenses	15,019	-	(8,503)	6,516	(84,236)
TOTAL ADJUSTMENTS	2,656,813	294,593	187,398	3,138,804	(65,327)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 2,933,167	\$ 318,895	\$ (120,961)	\$ 3,131,101	\$ 357,607
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Capitalized interest	\$ 5,522	\$ -	\$ -	\$ 5,522	\$ -

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY AND PLAN NET POSITION
JUNE 30, 2015

	POST EMPLOYMENT BENEFITS TRUST	DONATIONS HELD IN TRUST
ASSETS		
Cash and cash equivalents	\$ -	\$ 335,628
Investments held in trust, at fair value:		
Mutual funds - balanced funds	7,437,928	-
Prepaid expenses	<u>-</u>	<u>12,500</u>
TOTAL ASSETS	<u>7,437,928</u>	<u>348,128</u>
LIABILITIES		
Accounts payable	17,648	4,235
Due to other funds	<u>10</u>	<u>10,000</u>
TOTAL LIABILITIES	<u>17,658</u>	<u>14,235</u>
NET POSITION		
Held in trust for other post employment benefits	7,420,270	-
Held in trust for donations	<u>-</u>	<u>333,893</u>
TOTAL NET POSITION	<u>\$ 7,420,270</u>	<u>\$ 333,893</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY AND PLAN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	POST EMPLOYMENT BENEFITS TRUST	DONATIONS HELD IN TRUST
ADDITIONS		
Contributions:		
Other post employment benefits	\$ 599,580	\$ -
Outside sources	-	143,699
Investment earnings:		
Net appreciation (depreciation) in value of investments	<u>93,380</u>	<u>-</u>
Total Additions	<u>692,960</u>	<u>143,699</u>
DEDUCTIONS		
Benefits	234,861	-
Administrative expense	11,500	-
Donations expense	<u>-</u>	<u>124,760</u>
Total Deductions	<u>246,361</u>	<u>124,760</u>
Change in Net Position	446,599	18,939
NET POSITION		
Beginning of year	<u>6,973,671</u>	<u>314,954</u>
End of year	<u>\$ 7,420,270</u>	<u>\$ 333,893</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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, entity for which the government is considered to be financially accountable. The Brentwood Emergency Communications District (the “District”) 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 District and the City has operational responsibility. Blended component units, although legally separate entities, are, in substance, part of the government’s operations. Under Government Accounting Standards, the District is presented as a separate fund in the proprietary fund statements. A separately audited financial statement is prepared for the Emergency Communications District and may be obtained by contacting the Director of Finance (see page 18 for information).

As of June 30, 2015 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. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 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 assets consists of capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets. 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 result from restriction placed on net position by external sources such as creditors, grantors and contributors, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consist of net position which do not meet the definition of the two proceeding categories.

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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenues in the year for which the City has legal title to the money. Grants and similar items are recognized as revenue as soon as all eligible 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 as soon as 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property 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. All other revenue items are considered to be measurable and available only when cash is received by the government, at which time it is recognized as revenue.

The City reports the following major governmental funds:

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

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The *Capital Projects Fund* accounts for the acquisition, design and construction of the major capital improvement projects of the City other than improvements financed by the proprietary funds.

The City reports the following major proprietary funds:

The *Water and Sewer Fund* accounts for the activities of the water services department, which operates and maintains a water distribution and a 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.

The *Municipal Center Fund* accounts for the rental operations of the Municipal Center.

The *Brentwood Emergency Communication District* provides for operation, maintenance, funding and enhancement of the City's existing emergency communications system.

Internal Service Funds 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 the 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 resulting from business-type activities.

The fiduciary fund 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:

The *Post Employment Benefits Trust* was established in 2008 to accumulate and fund other post employment benefits (predominantly retiree health and life insurance) for qualified employees based on minimum age and years of service as actuarially determined. Investments in the Post Employments Benefits Fund consist of mutual funds and are valued primarily on quoted market prices (see Note 12).

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The *Donations Held in Trust Fund* accumulates and maintains certain accounts funded through private donations, which include the Employee Assistance Trust, the Public Safety Employees Trust, Friends of the Library, the Historic Trust, and Concert Series.

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.

Amounts reported as program revenues include 1) charges to the customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 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 non-operating 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 proprietary water and sewer and the municipal center funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. The principal operating revenues of the emergency communications district are emergency telephone service charges levied on residential and business service users. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term (original maturities of three months or less) certificates of deposit.

Statutes authorize the City to invest in: (1) U. S. Government securities and obligations guaranteed by the U. S. 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 and short-term certificates of deposit. Deposits in financial institutions are required by State statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market 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 an allowance for uncollectible accounts.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Interfund Receivables/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 referred to as “due to/from other funds.”

Inventories of Supplies and Prepaid Items

Inventories of supplies are valued at cost using the first-in first-out (FIFO) 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.

Restricted Assets

Certain assets of the general fund, the drug special revenue fund and the capital projects fund are classified as restricted assets because their use is limited by applicable debt or other agreements. Additionally unspent bond proceeds are included in this classification.

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 are recorded at their estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year, \$5,522 of capitalized interest was recorded.

Property, plant and equipment of the City is 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	33 - 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

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 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 emergency communications district.

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.

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. Bond issue costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond 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 the governmental fund financial statements, the City has established and will maintain reservations of fund balance, as defined herein, in accordance with Governmental Accounting and Financial Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB-54). The main objectives of this standard are to improve, including the understandability, the usefulness of fund balance information by providing clear fund balance classifications, and clarify the definition of existing governmental fund types.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

This policy shall only apply to the City's governmental funds. Fund balance shall be composed of the following fund types:

- *Non-spendable* - Amounts that cannot be spent because they are either in a (a) non-spendable 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 be maintained intact (i.e. the principal of a permanent fund).
- *Restricted* - Amounts constrained to be used for a specific purpose as per external parties, constitutional provision, or enabling legislation.
- *Committed* - Amounts constrained to be used for a specific purpose as per formal action by the Board of Commissioners, 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 of Commissioners remove or change the commitment by taking the same action it employed to impose the commitment.
- *Assigned* - Amounts intended to be used by the City for a specific purpose, but are neither restricted nor committed. The intent shall be expressed by the Board of Commissioners or a designee authorized by the Board of Commissioners, such as the City Manager or Finance Director, for a specific purpose in accordance with the fund balance policy established by the Board of Commissioners. The nature of the actions necessary to remove or modify an assignment is not as rigid as 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.

The restricted fund balances consist of the following:

- *State Street Aid Fund* - 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 Fund* - This fund is restricted under State law for the enforcement of the drug laws, drug education programs, drug treatment and non-recurring general law enforcement expenditures.
- *Public Works Fund* - 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 from 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 in the county on a per capita basis.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Restricted fund balances may also result from unspent bond proceeds.

Fund balances classified as committed are as follows:

- *Debt Service Fund* - This fund is committed by the Board of Commissioners 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 Fund* - This fund is committed by the Board of Commissioners as set forth in the annual budget (and any amendments thereto) for expenditures associated with the acquisition, design, and construction of the major capital improvements and other long range projects other than improvements financed by the 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 shall be 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 shall be 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 forty percent (40%) of annual operating expenses for this fund. Such fund balance shall serve cash flow needs, protect against unforeseen emergencies and enhance the credit worthiness of the City.

Compliance with the provisions of this policy shall be reviewed as part of the closing of the financial records at year-end (June 30) and the amounts of restricted, committed, assigned, and non-spendable fund balance will be determined. Any residual general fund balance amounts will be classified as unassigned.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category: (1) deferred charge on bond refundings resulting from the difference in the carrying amount of refunded debt and its requisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt; (2) deferred outflows of resources relating to pensions may result from differences between expected and actual actuarial experience, certain changes in actuarial assumptions, and amounts of employer contributions to the pension plan made subsequent to the measurement date.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

The City has the following types of deferred inflows of resources: the unavailable revenue reported in the governmental funds balance sheet, which arises under a modified accrual basis of accounting, represents amounts that are deferred and recognized as an inflow of resources in the periods that 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, arises from imposed nonexchange revenues (property taxes) which are assessed prior to the end of the fiscal year, but levied in the subsequent year. Pension related deferred outflows 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 Taxes

The City's property tax is levied for the current fiscal year 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 an enforceable legal claim to the subsequent fiscal year levy exists at year end.

Assessed values are established by the State of Tennessee at the following rates of appraised market value:

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

Taxes were levied at the rate of \$.44 per \$100 of assessed valuation for the year ended June 30, 2015.

Payments may be made during the period from October 1 through February 28 and are delinquent on March 1. Current tax collections of \$10,945,964 were reported as revenue for the year ended June 30, 2015, and were approximately 98.6% of the tax levy.

Of the \$11,627,381 property taxes receivable, \$11,426,757 represents the estimated 2015 property taxes to be billed October 2015. This receivable is reported in the Balance Sheet - Governmental Funds with offsetting deferred inflow of resources for the amounts not available at June 30, 2015. Amounts available at June 30, 2015 have been recorded as revenue in the governmental fund statements.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Pensions

For purposes of measuring the net pension liability, 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 TCRS. Investments are reported at fair value.

Use of Estimates

The preparation of the City's Consolidated Annual Financial Report ("CAFR") in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Recent Accounting Pronouncements and Related Restatement of Net Position

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, which is intended to improve the usefulness of information in employer and governmental nonemployer contributing entity financial reports and enhance value for assessing accountability by requiring recognition of the entire net pension liability and more comprehensive measure of pension expense. The new standard intends to improve the accounting and financial reporting by state and local governments for pensions and by providing more transparency about the pension plan through new note disclosures and supplementary information. It will result in the City recognizing the net pension liability on the statement of net position for its pension plan. The net pension liability is the discounted liability determined based on the expected benefit payments for past periods of service (i.e., the Total Pension Liability) less the net position of the plan based on the fair value of assets at the measurement date (i.e., the Fiduciary Net Position). The Statement requires retroactive application through restatement of beginning net position. Other measurement changes include recognizing annual pension expenses in-lieu of pension cost.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. This Statement amends GASB No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The City adopted GASB Nos. 68 and 71 during fiscal year 2015 and the provisions of the Statements are included in this report. The following table summarizes the impact of the implementation of the Statements:

	<u>Statement of Activities</u>		<u>Statement of Revenues, Expenses and Changes in Net Position - Propriety Funds</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Waste and and Sewer Department</u>	<u>Emergency Communication District</u>
Net position, beginning of year, as previously reported	\$ 245,876,516	\$ 76,719,885	\$ 69,070,721	\$ 2,591,170
Adjustment to record net pension liability and related deferred outflows of resources	<u>(1,770,973)</u>	<u>(234,759)</u>	<u>(164,186)</u>	<u>(70,573)</u>
Net position, beginning of year, as restated	<u>\$ 244,105,543</u>	<u>\$ 76,485,126</u>	<u>\$68,906,535</u>	<u>\$ 2,520,597</u>

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Prior to May 15 of each year, the City Manager formally submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. Public hearings are conducted by the Board of Commissioners 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, non-major 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 of Commissioners.

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; any revisions that alter the total appropriations for any fund must be approved through the passage of an ordinance by the Board of Commissioners. All annual appropriations lapse at year end.

Excess Expenditures

For the year ended June 30, 2015, expenditures did not exceed appropriations in any fund.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 - DEPOSITS

The City's cash and cash equivalents at June 30, 2015 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.

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 of June 30, 2015, the City's deposits were fully insured or collateralized.

A reconciliation of cash and cash equivalents as shown on the statement of net position follows:

Carrying amount of deposits	\$94,328,601
Cash on hand	<u>1,204</u>
Total	<u>\$94,329,805</u>
Cash and cash equivalents	\$90,559,654
Cash and cash equivalents - restricted	<u>3,770,151</u>
Total	<u>\$94,329,805</u>

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 pursuant to 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.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 - DEPOSITS - Continued

Interest Rate Risk - The City will minimize interest rate risk, which is the risk that the market 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.

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
<u>Capital assets not being depreciated:</u>				
Land	\$ 106,813,683	\$ 7,540,348	\$ -	\$ 114,354,031
Construction in progress	6,969,262	1,580,215	(8,224,886)	324,591
Total capital assets not being depreciated	113,782,945	9,120,563	(8,224,886)	114,678,622
<u>Capital assets being depreciated:</u>				
Buildings and improvements	22,383,331	149,707	-	22,533,038
Improvements other than buildings	11,669,239	2,449,522	-	14,118,761
Machinery and equipment	19,483,588	1,603,605	(531,022)	20,556,171
Infrastructure	197,697,320	16,944,895	-	214,642,215
Total capital assets being depreciated:	251,233,478	21,147,729	(531,022)	271,850,185
<u>Less accumulated depreciation for:</u>				
Buildings and improvements	(6,168,488)	(509,014)	-	(6,677,502)
Improvements other than buildings	(8,964,012)	(489,833)	-	(9,453,845)
Machinery and equipment	(12,772,823)	(1,337,557)	531,022	(13,579,358)
Infrastructure	(117,336,468)	(6,713,980)	-	(124,050,448)
Total accumulated depreciation	(145,241,791)	(9,050,384)	531,022	(153,761,153)
Governmental activities capital assets, net	\$ 219,774,632	\$ 21,217,908	\$ (8,224,886)	\$ 232,767,654

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS - Continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
<u>Capital assets not being depreciated:</u>				
Land	\$ 1,124,830	\$ 52,500	\$ -	\$ 1,177,330
Construction in progress	<u>82,273</u>	<u>415,290</u>	<u>(215,484)</u>	<u>282,079</u>
Total capital assets not being depreciated	1,207,103	467,790	(215,484)	1,459,409
<u>Capital assets being depreciated:</u>				
Utility plant in service	103,866,472	5,086,460	-	108,952,932
Buildings, structures and improvements	4,309,312	-	-	4,309,312
Improvements other than buildings	2,425,726	52,762	-	2,478,488
Machinery, equipment and vehicles	<u>4,641,879</u>	<u>98,924</u>	<u>(5,563)</u>	<u>4,735,240</u>
Total capital assets being depreciated:	115,243,389	5,238,146	(5,563)	120,475,972
<u>Less accumulated depreciation for:</u>				
Utility plant in service	(38,344,907)	(2,646,912)	-	(40,991,819)
Buildings, structures and improvements	(2,558,124)	(126,854)	-	(2,684,978)
Improvements other than buildings	(990,959)	(141,756)	-	(1,132,715)
Machinery, equipment and vehicles	<u>(3,098,182)</u>	<u>(338,019)</u>	<u>5,563</u>	<u>(3,430,638)</u>
Total accumulated depreciation	<u>(44,992,172)</u>	<u>(3,253,541)</u>	<u>5,563</u>	<u>(48,240,150)</u>
Business-type activities capital assets, net	<u>\$ 71,458,320</u>	<u>\$ 2,452,395</u>	<u>\$ (215,484)</u>	<u>\$ 73,695,231</u>

Depreciation expense was charged to function/programs for the year ended June 30, 2015, as follows:

Governmental Activities:

General government	\$ 382,534
Public safety	696,485
Roads and streets	6,585,961
Parks and recreation	948,965
Public library	415,965
Drug education	<u>20,474</u>
Total depreciation expense - governmental activities	<u>\$ 9,050,384</u>

Business-type Activities:

Municipal center	288,400
Water and sewer	2,796,652
Emergency Communications District	<u>168,489</u>
Total depreciation expense - business-type activities	<u>\$ 3,253,541</u>

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 - INTERFUND TRANSACTIONS

Interfund receivables and payables are attributable to charges between funds that are outstanding as of June 30, 2015, and are as follows:

Fund	Interfund Receivable	Interfund Payable
Governmental activities:		
General fund	\$ -	\$ 104,372
Capital projects fund	131,057	-
Internal service funds	51,177	-
Internal payable created by internal service fund consolidation	-	324,715
	<u>182,234</u>	<u>429,087</u>
Net governmental activities payable		<u><u>\$ 246,853</u></u>
Business-type activities:		
Water and sewer fund	\$ 7,000	\$ 84,862
Municipal center fund	2,650	-
Emergency Communications District	-	2,650
Internal receivable created by internal service fund consolidation	324,715	-
	<u>334,365</u>	<u>87,512</u>
Net business-type activities receivable	<u><u>\$ 246,853</u></u>	

Interfund transfers for the year ended June 30, 2015 are attributable to the budgeted allocation of resources from one fund to another, and consist of the following:

	Transfer In:			Totals
	Debt Service Fund	Capital Projects Fund	Emergency Communications District	
Transfer Out:				
General Fund	<u>\$ 3,350,000</u>	<u>\$ 5,145,000</u>	<u>\$ 418,700</u>	<u>\$ 8,913,700</u>
Total Transfers	<u><u>\$ 3,350,000</u></u>	<u><u>\$ 5,145,000</u></u>	<u><u>\$ 418,700</u></u>	<u><u>\$ 8,913,700</u></u>

Interfund revenues and expenses for the year ended June 30, 2015, included the following.

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

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 - INTERFUND TRANSACTIONS - Continued

- The general fund and Emergency Communications District also paid the municipal center enterprise fund rents totaling \$610,000 and \$31,800, respectively, for the year ended June 30, 2015 for its use of the Municipal Center Building. Such amounts are included in the general government expenditures reported by the general fund and operating revenues reported by the municipal center enterprise fund for the year.
- The water and sewer enterprise fund paid the general fund \$125,000 and \$138,000 for its space at the City's Service Center and GIS Mapping Fee, respectively, for the year ended June 30, 2015. Such amount is included in uses of money and property reported by the general fund and in operating expenses reported by the water and sewer enterprise fund for the year.
- The water and sewer fund and Emergency Communications District contributed a total of \$75,924 (\$56,064 and \$19,860, respectively) to the Post Employment Benefits Trust Fund for retiree benefits for the year ended June 30, 2015. These amounts are included in expenditures for the respective funds. The general fund transferred \$523,656 from the current year contributions to the Post Employment Benefits Trust for the year ended June 30, 2015 (see Note 12).

NOTE 6 - LONG-TERM LIABILITIES

During the year ended June 30, 2015, the changes in long-term liabilities were as follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due within one year
Government Activities:					
General obligation bonds	\$ 29,700,000	\$ -	\$ 2,555,000	\$ 27,145,000	\$ 2,615,000
Unamortized (discount) premium	706,988	-	61,908	645,080	-
Total bonds	30,406,988	-	2,616,908	27,790,080	2,615,000
Compensated absences	2,985,556	1,256,669	1,327,858	2,914,367	1,000,000
Total Governmental Activities					
Long-term Liabilities	<u>\$ 33,392,544</u>	<u>\$ 1,256,669</u>	<u>\$ 3,944,766</u>	<u>\$ 30,704,447</u>	<u>\$ 3,615,000</u>
Business-type Activities:					
Revenue and tax bonds	\$ 9,785,000	\$ -	\$ 790,000	\$ 8,995,000	\$ 640,000
General obligation bonds	18,890,000	-	850,000	18,040,000	1,030,000
Total bonds	28,675,000	-	1,640,000	27,035,000	1,670,000
Unamortized (discount) premium	146,143	-	6,043	140,100	-
Total Business-type Activities					
Long-term Liabilities	<u>\$ 28,821,143</u>	<u>\$ -</u>	<u>\$ 1,646,043</u>	<u>\$ 27,175,100</u>	<u>\$ 1,670,000</u>

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 - LONG-TERM LIABILITIES - Continued

Description of Long-Term Liabilities

Amounts payable at June 30, 2015, were as follows:

Governmental Activities:

\$4,800,000 2006 General Obligation Public Improvement Bonds due in increasing annual installments through September 1, 2015, at varying rates of interest from 3.75% to 3.90%	\$ 240,000
\$2,430,000 2006 General Obligation Refunding Bonds due in increasing annual installments through September 1, 2021, at varying rates of interest from 3.75% to 3.90%	2,130,000
\$4,935,000 2007 General Obligation Public Improvement Bonds due in increasing annual installments through March 1, 2028, at a fixed rate of interest of 3.83%	3,625,000
\$4,760,000 2009 General Obligation Public Improvement Bonds due in increasing annual installments through March 1, 2030, at varying rates of interest from 2.50% to 4.50%	3,855,000
\$7,385,000 2011 General Obligation Refunding Bonds due in increasing annual installments through September 1, 2024, at varying rates of interest from 2.00% to 3.00%	4,175,000
\$4,845,000 2011 General Obligation Public Improvement Bonds due in increasing annual installments through September 1, 2031, at varying rates of interest from 3.00% to 3.625%	4,275,000
\$3,250,000 2012 General Obligation Refunding Bonds due in increasing annual installments through September 1, 2025, at a fixed rate of interest of 2.00%	3,135,000
\$4,895,000 2013 General Obligation Public Improvement Bonds due in increasing annual installments through September 1, 2033, at varying rates of interest from 2.00% to 3.75%	4,705,000

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 - LONG-TERM LIABILITIES - Continued

Governmental Activities - Continued:

\$1,005,000 2013 General Obligation Refunding Bonds due in increasing annual installments through September 1, 2017, at varying rates of interest from 2.00% to 3.00%	<u>\$ 1,005,000</u>
Total General Obligation Debt	27,145,000
Unamortized premium (discount)	<u>645,080</u>
Total General Obligation Bonds, net of unamortized change	<u>\$27,790,080</u>

Business-type Activities Debt:

\$3,620,000 2003 Sewer Revenue and Tax Refunding Bonds (portion not refunded) due in annual installments through September 1, 2015, at 3.90% interest	\$ 30,000
\$1,775,000 2006 Water Revenue and Tax Refunding Bonds due in increasing annual installments through September 1, 2020, at varying rates of interest from 3.75% to 3.85%	1,245,000
\$10,000,000 2008 Water and Sewer Revenue and Tax Bonds due in increasing annual installments through March 1, 2029, at varying rates of interest from 3.00% to 4.125%	7,720,000
\$10,000,000 2010 General Obligation Improvement Bonds due in increasing annual installments through March 1, 2031, at varying rates of interest from 2.00% to 4.00%	8,295,000
\$6,560,000 2012 General Obligation Improvement Bonds due in increasing annual installments through September 1, 2031, at varying rates of interest from 2.00% to 2.63%	5,985,000

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 - LONG-TERM LIABILITIES - Continued

Business-type Activities Debt - Continued

\$3,300,000 2013 General Obligation Improvement Bonds due in increasing annual installments through September 1, 2033, at varying rates of interest from 2.00% to 3.75%	\$ 3,170,000
\$590,000 2013 General Obligation Refunding Bonds due in increasing annual installments through September 1, 2017, at varying rates of interest from 2.00% to 3.00%	<u>590,000</u>
Total business-type activities debt	27,035,000
Unamortized premium (discount)	<u>140,100</u>
Total Business-type Activities Debt, net of amortized charge	<u>\$27,175,100</u>

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital projects. General obligation bonds and notes payable are direct obligations of the City for which the full faith and credit are pledged. These obligations are payable from the assessment of ad valorem taxes.

The Water and Sewer department issues revenue and tax bonds, which are collateralized by the revenues of the department. The department has also issued general obligation bonds to provide funds for the acquisition and construction of major water and sewer related capital projects. General obligation bonds are direct obligations of the City; however water and sewer revenues have been pledged as payment on the obligation.

Bond Refundings

In prior years, the City has refunded various bonds in order to take advantage of more favorable interest rates. The difference between 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. There was no bond refunding in fiscal year 2015.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 - LONG-TERM LIABILITIES - Continued

Debt Service Requirements

The annual debt service requirements to maturity for all long-term obligations outstanding as of June 30, 2015, are as follows:

Year	Governmental Activities		Business-type Activities		Total	
	Bonds		Bonds			
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,615,000	\$ 816,937	\$ 1,670,000	\$ 815,926	\$ 4,285,000	\$ 1,632,863
2017	2,260,000	750,374	1,720,000	773,304	3,980,000	1,523,678
2018	2,330,000	685,858	1,770,000	722,404	4,100,000	1,408,262
2019	2,070,000	618,857	1,595,000	674,960	3,665,000	1,293,817
2020	2,125,000	551,746	1,640,000	628,818	3,765,000	1,180,564
2021-2025	8,300,000	1,951,150	8,005,000	2,446,287	16,305,000	4,397,437
2026-2030	5,590,000	836,649	8,345,000	1,160,219	13,935,000	1,996,868
2031-2034	1,855,000	116,495	2,290,000	110,545	4,145,000	227,040
Totals	<u>\$ 27,145,000</u>	<u>\$ 6,328,066</u>	<u>\$ 27,035,000</u>	<u>\$ 7,332,463</u>	<u>\$ 54,180,000</u>	<u>\$ 13,660,529</u>

NOTE 7 - DEFERRED OUTFLOWS (INFLOWS) OF RESOURCES

Deferred outflows (inflows) of resources consist of the following at June 30, 2015:

	Governmental Activities	Business-Type Activities
<u>Deferred outflows of resources:</u>		
Advance refundings of debt	\$ 690,742	\$ 21,355
Pensions	2,057,236	270,219
	<u>\$ 2,747,978</u>	<u>\$ 291,574</u>
<u>Deferred inflows of resources:</u>		
Property taxes:		
Delinquent taxes	\$ 147,585	\$ -
2015 estimated levy	11,426,757	-
Estimated 2015 Hall Income tax	900,000	-
Pensions	3,595,489	476,616
Other	40,670	-
	<u>\$ 16,110,501</u>	<u>\$ 476,616</u>

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 - 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 the Tennessee Municipal League Risk Management Pool, covering each of those risks of loss. The TML Pool 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 TML Pool's guidelines and complies with its rules and regulations, including loss control requirements as well as its underwriting standards. Rates of the TML Pool are actuarially projected to provide adequate funding to cover loss reserves and expenses, as well as building contingency reserves. 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 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 a 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 \$70,000. To help mitigate losses from high-dollar medical claims beyond the HRA combined City and employee liability of \$75,500 and the employee's out of pocket maximum of \$1,000 (total of \$75,500 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 \$70,000 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 2015, the aggregate stop loss threshold is \$2.2 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 of for the City's stop-loss coverage, administrative fees charged by Blue Cross Blue Shield, HRA claims expenses, and medical claim 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, 2015, but not reported (IBNRs).

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 - RISK MANAGEMENT - Continued

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

	<u>2015</u>	<u>2014</u>
Unpaid claims, beginning of fiscal year	\$ 164,789	\$ 151,388
Incurred claims	2,301,382	2,270,474
Claim payments	<u>(2,385,618)</u>	<u>(2,257,073)</u>
Unpaid claims, end of fiscal year	<u>\$ 80,553</u>	<u>\$ 164,789</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.

NOTE 9 - CONTINGENT LIABILITIES

The City is a defendant in one lawsuit that seeks damages related to a tort claim, and is the plaintiff in an eminent domain matter in which the property owner disputes the amount offered by the City as compensation for certain property rights. Although the outcome of these 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 10 - RECONCILIATION OF BUDGETARY EXPENDITURES PER GENERAL
FUND TO STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS

For the budget ordinance, the City budgets separately for two funds previously reported as special revenue funds, but no longer meet the definition of special revenue funds for financial reporting 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 Change in Fund Balance - Governmental Funds and Statement of Revenues, Expenditures and Change in Fund Balance - Budget to Actual General Fund, to show how the two statements agree in total change in fund balance:

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 - RECONCILIATION OF BUDGETARY EXPENDITURES PER GENERAL FUND TO STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS - Continued

	Governmental Funds	General Fund Budget to Actual	Difference
	(p. 23)	(p. 25 - 31)	
REVENUES			
Charges for services	\$ 355,626	\$ 415,176	\$ (59,550)
Intergovernmental	9,564,652	9,396,009	168,643
Uses of money and property	481,544	380,234	101,310
Other	120,410	187,448	(67,038)
EXPENDITURES			
General government	6,384,913	6,498,113	113,200
Public safety	13,237,000	13,142,329	(94,671)
Roads and streets	4,281,152	4,454,132	172,980
Parks and recreation	2,311,010	2,004,843	(306,167)
Community support	336,562	357,123	20,561
OTHER FINANCING USES			
Transfers out	8,913,700	9,113,700	200,000
COMMITTED ACTIVITY BUDGETED SEPARATELY			
Net change - equipment replacement	-	271,062	(271,062)
Net change - facilities maintenance	-	(166,252)	166,252
Net change - post employment benefits	-	144,458	(144,458)
NET CHANGE IN FUND BALANCE	\$ 2,460,709	\$ 2,460,709	\$ -

NOTE 11 - DEFERRED COMPENSATION PLANS

The City of Brentwood offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457 and 401(a). The plans, available to all full-time City employees at their option, permit participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

The plan's investments are held in trust by ICMA Retirement Corporation and Nationwide Retirement Services.

Upon two years of full-time service, the City matches, on a dollar for dollar basis, a maximum of up to 3% of the employee's base salary into the 401(a) plan. The City's match for the year ended June 30, 2015 totaled \$280,497.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description and Contributions Information

The City's post retirement benefit plan is a single-employer defined benefit plan (the "OPEB 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.

Membership in the plan consisted of the following at January 1, 2015, the date of the latest actuarial valuation:

Plan Description and Contributions Information

	<u>General Government</u>	<u>Fire/Police</u>	<u>Total</u>
Active employees	137	112	249
Retired employees	<u>5</u>	<u>15</u>	<u>20</u>
Total	<u>142</u>	<u>127</u>	<u>269</u>
Participating employers			<u>1</u>

Benefits Provided

Employees are fully eligible for post-retirement 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 for group health insurance coverage for the retired employee. The cost for health insurance coverage for the retired employee's eligible dependents, if any, who are themselves not yet age sixty-five (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 plan of benefits prior to age 65. For eligible retirees who have reached age 65, were hired prior to July 1, 2005 and retired after July 1, 2002, the City reimburses the cost of a Medicare supplement plan up to the actual cost of the supplemental policy or 40% 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.

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CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS - Continued

Funding Policy

The contribution requirements are established and may be amended by the Board of Commissioners. 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 ICMA Retirement Corporation, in the amount of \$2,260,000, which included the 2008 annual required contribution of \$598,000, less amounts paid as premium benefits. For fiscal year 2015, the City's General Fund, Water and Sewer Fund and Emergency Communications District collectively contributed \$599,580 to the Trust and withdrew \$234,861 to pay benefits. The prefunding will reduce the annual required contribution in future years. All contributions were made by the employer (no contributions by active or retired employees). Employer contributions are calculated as 4.65% of covered payroll.

Annual OPEB Cost and Net OPEB Obligation (Asset)

The City's annual other postemployment benefits (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (asset):

Annual required contribution	\$ 612,438
Interest on net OPEB obligation	(107,568)
Adjustment to annual required contribution	<u>94,710</u>
Annual OPEB cost	599,580
Contributions made	<u>(599,580)</u>
Increase in net OPEB obligation	-
Net OPEB obligation (asset) - beginning of year	<u>(1,749,078)</u>
Net OPEB obligation (asset) - end of year	<u><u>\$(1,749,078)</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015, and the two preceding years were as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation (Asset)</u>
2015	\$599,580	100%	\$(1,749,078)
2014	570,067	100%	(1,749,078)
2013	635,575	100%	(1,749,078)

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS - Continued

Funded Status and Funding Progress

As of January 1, 2015, the most recent actuarial valuation date, the plan was 60.0% funded. The actuarial accrued liability for benefits was \$12,801,342, and the actuarial value of assets was \$7,675,196 resulting in an unfunded actuarial accrued liability (UAAL) of \$5,126,146. The covered payroll (annual payroll of active employees covered by the plan) was \$12,738,804 and the ratio of the UAAL to the covered payroll was 40.2%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplemental information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the January 1, 2015 actuarial valuation, the entry age normal method was used. The actuarial assumptions included a 6.75% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5% after six years. Both rates include a 3% inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2015 was twenty-two years.

The OPEB Plan does not issue separate financial statements, and as such, all required disclosures and supplementary information are included as part of the City's annual financial report.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 - EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN

General Information about the Pension Plan

Plan description

Employees of the City are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan 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 publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided

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 years of 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 non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent 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 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees covered by benefit terms

At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	62
Inactive employees entitled to but not yet receiving benefits	179
Active employees	<u>239</u>
	<u>480</u>

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 - EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN - Continued

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. The City had previously adopted a noncontributory retirement plan for its employees by assuming employee contributions up to 5% of annual covered payroll. As of January 1, 2010, the City has elected to discontinue the non-contributory provision for all future hires. This will require all new hires to contribute 5% of enable compensation. Employees who were employed prior to January 1, 2010 will continue to be eligible for noncontributory provision. 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, 2015, employer contributions for the City were \$2,327,455 based on a rate of 18.85% (public safety) and 15.35% (general government) 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 actuarially determined contribution (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.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total pension liability as of June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	Graded salary ranges from 8.97% to 3.71% based on age, including inflation, averaging 4.25%
Investment rate of return	7.5%, net of pension plan investment expenses, including inflation
Cost-of-living adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012 actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 - EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN - 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, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established 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 inflation of 3%. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	<u>1%</u>
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5% based on a blending of the three factors described above.

Discount rate

The discount rate used to measure the total pension liability was 7.5%. 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, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 - EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN - Continued

Changes in the Net Pension Liability (Asset)

	Total Pension <u>Liability</u> (a)	Increase (Decrease) Plan Fiduciary <u>Net Position</u> (b)	Net Pension Liability <u>(Asset)</u> (a) - (b)
Balance at June 30, 2013 measurement date	\$ 42,733,357	\$ 38,457,732	\$ 4,275,625
Changes for the year:			
Service cost	1,122,965	-	1,122,965
Interest	3,254,114	-	3,254,114
Differences between expected and actual experience	(1,467,509)	-	(1,467,509)
Contributions-employer	-	2,269,893	(2,269,893)
Contributions-employees	-	117,752	(117,752)
Net investment income	-	6,499,814	(6,499,814)
Benefit payments, including refunds of employee contributions	(936,262)	(936,262)	-
Administrative expense	-	(11,223)	11,223
Net changes	<u>1,973,308</u>	<u>7,939,974</u>	<u>(5,966,666)</u>
Balance at June 30, 2014 measurement date	\$ 44,706,665	\$ 46,397,706	\$(1,691,041)

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 7.5%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
City's net pension liability (asset)	\$ 5,149,879	\$ (1,691,041)	\$ (7,339,154)

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 - EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN - Continued

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

Pension expense

For the year ended June 30, 2015, the City recognized pension expense of \$375,332.

Deferred outflows of resources and deferred inflows of resources

For the year ended June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$1,222,924
Net difference between projected and actual earnings on pension plan investments	-	2,849,181
Contributions subsequent to the measurement date of June 30, 2014	<u>2,327,455</u>	<u>-</u>
Total	<u>\$2,327,455</u>	<u>\$4,072,105</u>

Employer contributions subsequent to the measurement date will be recognized as a reduction of the pension liability in fiscal year 2016. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2016	\$ (956,881)
2017	(956,881)
2018	(956,881)
2019	(956,881)
2020	(244,581)
Thereafter	-

Payable to the Pension Plan

At June 30, 2015, the City did not have a payable relating to contributions to the Plan required for the year ended June 30, 2015.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 - COMMITMENTS

Construction commitments amounting to approximately \$5,880,000 were outstanding as of June 30, 2015.

NOTE 15 - ECONOMIC DEPENDENCY

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

NOTE 16 - RECENT ACCOUNTING PRONOUNCEMENTS

The following are recent accounting pronouncements which, to the extent applicable, pose consideration for the City. Management is currently in the process of determining the impact of these Statements to the City's financial statements.

The GASB issued Statement No. 72, *Fair Value Measurement and Application*, which is effective in fiscal year 2016 for the City. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, which is effective for fiscal year 2016 for the City—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which is effective for fiscal year 2017. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities.

The GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is effective for fiscal year 2017 for the City. The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The net OPEB liability information, including ratios, will offer an up-to-date indication of the extent to which the total OPEB liability is covered by the fiduciary net position of the OPEB plan.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 16 - RECENT ACCOUNTING PRONOUNCEMENTS - Continued

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is effective for fiscal year 2018 for the City. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

The GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is effective for fiscal year 2016 for the City. The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature.

The GASB issued Statement No. 77, *Tax Abatement Disclosures*, which is effective for fiscal year 2017 for the City. This Statement improved financial reporting by giving users of financial statements essential information regarding tax abatements that is not currently reported consistently or comprehensively.

REQUIRED SUPPLEMENTARY INFORMATION



City of Brentwood

CITY OF BRENTWOOD, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
PENSION PLAN
(Unaudited)

	2014
Total pension liability	
Service cost	\$ 1,122,965
Interest	3,254,114
Changes of benefit items	-
Differences between expected and actual experience	(1,467,509)
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(936,262)</u>
Net change in total pension liability	1,973,308
Total pension liability-beginning	<u>42,733,357</u>
Total pension liability-ending (a)	<u><u>\$ 44,706,665</u></u>
Plan fiduciary net position	
Contributions-employer	\$ 2,269,893
Contributions-employee	117,752
Net investment income	6,499,814
Benefit payments, including refunds of employee contributions	(936,262)
Administrative expenses	<u>(11,223)</u>
Net change in plan fiduciary net position	7,939,974
Plan fiduciary net position-beginning	<u>38,457,732</u>
Plan fiduciary net position-ending (b)	<u><u>\$ 46,397,706</u></u>
 Net pension liability-ending (a) - (b)	 <u><u>\$ (1,691,041)</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	 103.78%
 Covered employee payroll	 \$ 13,468,614
 Net pension liability as a percentage of covered employee payroll	 12.56%

This schedule is presented to illustrate information for 10 years; however the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Information regarding the Plan's annual money-weighted rate of return can be obtained in the separate TCRS report at www.treasury.tn.gov/tcrs.

CITY OF BRENTWOOD, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION PLAN
(Unaudited)

	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 2,327,455	\$ 2,269,893
Contributions in relation to the actuarially determine contribution	<u>2,327,455</u>	<u>2,269,893</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	13,648,854	13,468,614
Contributions as a percentage of covered employee payroll	17.05%	16.85%

Notes to Schedule

Valuation date: Actuarially determined contribution rates for 2015 were calculated based on July 1, 2013 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	3 years
Asset valuation method	10-year smoothed within a 20% corridor to
Inflation rate	3.0%
Salary increases	Graded salary ranges from 8.97% to 3.71% based on age, including inflation, averaging 4.25%
Investment rate of return	7.5%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of living adjustments	2.50%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will added to this schedule in future fiscal years until 10 years of information is available.

CITY OF BRENTWOOD, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS
AND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

OTHER POST EMPLOYMENT BENEFITS
FOR THE YEAR ENDED JUNE 30, 2015
(Unaudited)

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Unit Credit</u>	<u>Unfunded Aal (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
01/01/11	\$4,179,023	\$ 8,260,634	\$ 4,081,611	50.6%	\$ 12,472,750	32.7%
01/01/13	5,853,881	9,569,585	3,715,704	61.2%	12,672,263	29.2%
01/01/15	7,675,196	12,801,342	5,126,146	60.0%	12,738,804	40.2%

SCHEDULE OF EMPLOYER CONTRIBUTION

<u>Employer Contributions</u>		
<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2013	\$ 635,575	100.0 %
2014	570,067	100.0
2015	599,580	100.0

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



City of Brentwood

CITY OF BRENTWOOD, TENNESSEE

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

State Street Aid Fund - This fund accounts for all revenue 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 Fund - 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.

Non Major Capital Projects Funds

Public Works Project Fund - 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 Facility Fund - This fund accounts for all revenue 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, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	SPECIAL REVENUE		CAPITAL PROJECTS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	STATE STREET AID	DRUG	PUBLIC WORKS PROJECT	ADEQUATE SCHOOL FACILITIES	
ASSETS					
Cash and cash equivalents	\$ 792,394	\$ -	\$ 2,152,186	\$ 1,675,854	\$ 4,620,434
Receivables:					
Taxes	187,627	-	-	85,369	272,996
Miscellaneous	-	1,468	-	-	1,468
Restricted assets:					
Cash and cash equivalents	-	447,524	-	-	447,524
TOTAL ASSETS	\$ 980,021	\$ 448,992	\$ 2,152,186	\$ 1,761,223	\$ 5,342,422
LIABILITIES					
Accounts payable	\$ 202,826	\$ -	\$ -	\$ -	\$ 202,826
TOTAL LIABILITIES	202,826	-	-	-	202,826
FUND BALANCE					
Restricted for capital projects	-	-	2,152,186	1,761,223	3,913,409
Restricted for street repairs	777,195	-	-	-	777,195
Restricted for drug enforcement and education	-	448,992	-	-	448,992
TOTAL FUND BALANCE	777,195	448,992	2,152,186	1,761,223	5,139,596
TOTAL LIABILITIES AND FUND BALANCE	\$ 980,021	\$ 448,992	\$ 2,152,186	\$ 1,761,223	\$ 5,342,422

CITY OF BRENTWOOD, TENNESSEE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE		CAPITAL PROJECTS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	STATE STREET AID	DRUG	PUBLIC WORKS PROJECT	ADEQUATE SCHOOL FACILITIES	
REVENUES					
Licenses and permits	\$ -	\$ -	\$ 1,054,200	\$ -	\$ 1,054,200
Intergovernmental:					
Gasoline and motor fuel tax	676,556	-	-	-	676,556
Three cent tax	201,601	-	-	-	201,601
Gas 1989 tax	108,621	-	-	-	108,621
Adequate schools facilities tax	-	-	-	618,838	618,838
Uses of money and property	1,790	5,554	4,092	3,510	14,946
Other	-	67,931	-	-	67,931
TOTAL REVENUES	988,568	73,485	1,058,292	622,348	2,742,693
EXPENDITURES					
Current:					
Roads and streets	593,584	-	-	-	593,584
Drug education	-	17,501	-	-	17,501
Capital outlay	-	15,355	-	-	15,355
TOTAL EXPENDITURES	593,584	32,856	-	-	626,440
EXCESS OF REVENUES OVER EXPENDITURES	394,984	40,629	1,058,292	622,348	2,116,253
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCE	394,984	40,629	1,058,292	622,348	2,116,253
FUND BALANCE, BEGINNING OF YEAR	382,211	408,363	1,093,894	1,138,875	3,023,343
FUND BALANCE, END OF YEAR	\$ 777,195	\$ 448,992	\$ 2,152,186	\$ 1,761,223	\$ 5,139,596

CITY OF BRENTWOOD, TENNESSEE
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET (GAAP BASIS) AND ACTUAL
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS							
	STATE STREET AID FUND				DRUG FUND			
	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNT	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
REVENUES								
Licenses and permits:								
Public works project fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:								
Gasoline and motor fuel tax	950,000	950,000	676,556	(273,444)	-	-	-	-
Three cent tax	-	-	201,601	201,601	-	-	-	-
Gas 1989 tax	-	-	108,621	108,621	-	-	-	-
Adequate school facilities tax	-	-	-	-	-	-	-	-
Uses of money and property	1,000	1,000	1,790	790	500	500	5,554	5,054
Other:								
Drug related fines and contributions	-	-	-	-	20,000	20,000	67,931	47,931
TOTAL REVENUES	951,000	951,000	988,568	37,568	20,500	20,500	73,485	52,985
EXPENDITURES								
Current:								
Roads and streets - street repairs	1,040,000	1,040,000	593,584	(446,416)	-	-	-	-
Drug education	-	-	-	-	20,000	20,000	17,501	(2,499)
Capital outlay	-	-	-	-	-	15,355	15,355	-
TOTAL EXPENDITURES	1,040,000	1,040,000	593,584	(446,416)	20,000	35,355	32,856	(2,499)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(89,000)	(89,000)	394,984	483,984	500	(14,855)	40,629	55,484
OTHER FINANCING SOURCES (USES)								
Transfers to Capital Projects Fund	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ (89,000)	\$ (89,000)	\$ 394,984	\$ 483,984	\$ 500	\$ (14,855)	\$ 40,629	\$ 55,484
FUND BALANCE, BEGINNING OF YEAR			382,211				408,363	
FUND BALANCE, END OF YEAR			\$ 777,195				\$ 448,992	

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CITY OF BRENTWOOD, TENNESSEE
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED) -
 BUDGET (GAAP BASIS) AND ACTUAL
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	CAPITAL PROJECTS FUNDS					
	PUBLIC WORKS PROJECT FUND			ADEQUATE SCHOOL FACILITIES FUND		
	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
REVENUES						
Licenses and permits:						
Public works project fees	\$ 500,000	\$ 1,054,200	\$ 554,200	\$ -	\$ -	\$ -
Intergovernmental:						
Gasoline and motor fuel tax	-	-	-	-	-	-
Three cent tax	-	-	-	-	-	-
Gas 1989 tax	-	-	-	-	-	-
Adequate school facilities tax	-	-	-	450,000	618,838	168,838
Uses of money and property	2,000	4,092	2,092	2,000	3,510	1,510
Other:						
Drug related fines and contributions	-	-	-	-	-	-
TOTAL REVENUES	502,000	1,058,292	556,292	452,000	622,348	170,348
EXPENDITURES						
Current:						
Roads and streets - street repairs	-	-	-	-	-	-
Drug education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	502,000	1,058,292	556,292	452,000	622,348	170,348
OTHER FINANCING SOURCES (USES)						
Transfers to Capital Projects Fund	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ 502,000	\$ 1,058,292	\$ 556,292	\$ 452,000	\$ 622,348	\$ 170,348
FUND BALANCE, BEGINNING OF YEAR		1,093,894			1,138,875	
FUND BALANCE, END OF YEAR		\$ 2,152,186			\$ 1,761,223	

(Continued on next page)

CITY OF BRENTWOOD, TENNESSEE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED) -
BUDGET (GAAP BASIS) AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	TOTALS			VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL	
REVENUES				
Licenses and permits:				
Public works project fees	\$ 500,000	\$ 500,000	\$ 1,054,200	\$ 554,200
Intergovernmental:				
Gasoline and motor fuel tax	950,000	950,000	676,556	(273,444)
Three cent tax	-	-	201,601	201,601
Gas 1989 tax	-	-	108,621	108,621
Adequate school facilities tax	450,000	450,000	618,838	168,838
Uses of money and property	5,500	5,500	14,946	9,446
Other:				
Drug related fines and contributions	20,000	20,000	67,931	47,931
TOTAL REVENUES	1,925,500	1,925,500	2,742,693	817,193
EXPENDITURES				
Current:				
Roads and streets - street repairs	1,040,000	1,040,000	593,584	(446,416)
Drug education	20,000	20,000	17,501	(2,499)
Capital outlay	-	15,355	15,355	-
TOTAL EXPENDITURES	1,060,000	1,075,355	626,440	(448,915)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	865,500	850,145	2,116,253	1,266,108
OTHER FINANCING SOURCES (USES)				
Transfers to Capital Projects Fund	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ 865,500	\$ 850,145	\$ 2,116,253	\$ 1,266,108
FUND BALANCE, BEGINNING OF YEAR			3,023,343	
FUND BALANCE, END OF YEAR			\$ 5,139,596	

CITY OF BRENTWOOD, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	ORIGINAL AMOUNTS	FINAL AMOUNTS	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
REVENUES				
Uses of money and property:				
Interest earnings	\$ 9,500	\$ 9,500	\$ 10,783	\$ 1,283
EXPENDITURES				
Debt service:				
Principal	2,555,000	2,555,000	2,555,000	-
Interest	880,955	887,035	887,021	(14)
Issuance costs	-	-	-	-
Other:				
Bank service charges	6,000	6,000	3,809	(2,191)
TOTAL EXPENDITURES	3,441,955	3,448,035	3,445,830	(2,205)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(3,432,455)	(3,438,535)	(3,435,047)	(3,488)
OTHER FINANCING SOURCES (USES)				
Transfers from General Fund	3,350,000	3,350,000	3,350,000	-
TOTAL OTHER FINANCING SOURCES (USES)	3,350,000	3,350,000	3,350,000	-
NET CHANGE IN FUND BALANCE	\$ (82,455)	\$ (88,535)	(85,047)	\$ 3,488
FUND BALANCE, BEGINNING OF YEAR			3,706,319	
FUND BALANCE, END OF YEAR			\$ 3,621,272	

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 purchase 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 effective 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 cost through a partially self-insured program.

CITY OF BRENTWOOD, TENNESSEE
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2015

	<u>FUEL</u>	<u>INSURANCE</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 431,488	\$ 2,132,347	\$ 2,563,835
Receivables:			
Accounts	-	39,578	39,578
Due From General Fund	44,084	-	44,084
Due From Water and Sewer Fund	7,093	-	7,093
Inventory	<u>31,373</u>	<u>-</u>	<u>31,373</u>
Total Assets	<u>514,038</u>	<u>2,171,925</u>	<u>2,685,963</u>
LIABILITIES			
Accounts payable	7,760	19,159	26,919
Claims payable	<u>-</u>	<u>80,553</u>	<u>80,553</u>
Total Liabilities	<u>7,760</u>	<u>99,712</u>	<u>107,472</u>
NET POSITION			
Unrestricted	<u>506,278</u>	<u>2,072,213</u>	<u>2,578,491</u>
TOTAL NET POSITION	<u><u>\$ 506,278</u></u>	<u><u>\$ 2,072,213</u></u>	<u><u>\$ 2,578,491</u></u>

CITY OF BRENTWOOD, TENNESSEE
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>FUEL</u>	<u>INSURANCE</u>	<u>TOTAL</u>
OPERATING REVENUES			
Charges for sales and services	\$ 558,943	\$ 3,037,152	\$ 3,596,095
Other	<u>-</u>	<u>287,778</u>	<u>287,778</u>
TOTAL OPERATING REVENUES	<u>558,943</u>	<u>3,324,930</u>	<u>3,883,873</u>
OPERATING EXPENSES			
Costs of sales and services	<u>398,287</u>	<u>3,062,652</u>	<u>3,460,939</u>
TOTAL OPERATING EXPENSES	<u>398,287</u>	<u>3,062,652</u>	<u>3,460,939</u>
OPERATING INCOME	<u>160,656</u>	<u>262,278</u>	<u>422,934</u>
NONOPERATING REVENUES			
Investment earnings	800	5,070	5,870
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL NONOPERATING REVENUES	<u>800</u>	<u>5,070</u>	<u>5,870</u>
CHANGE IN NET POSITION	161,456	267,348	428,804
TOTAL NET POSITION - BEGINNING OF YEAR	<u>344,822</u>	<u>1,804,865</u>	<u>2,149,687</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 506,278</u></u>	<u><u>\$ 2,072,213</u></u>	<u><u>\$ 2,578,491</u></u>

CITY OF BRENTWOOD, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>FUEL</u>	<u>INSURANCE</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 557,410	\$ 3,321,514	\$ 3,878,924
Payments to suppliers	(363,126)	(3,158,191)	(3,521,317)
Payments to employees	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by operating activities	<u>194,284</u>	<u>163,323</u>	<u>357,607</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>800</u>	<u>5,070</u>	<u>5,870</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	195,084	168,393	363,477
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>236,404</u>	<u>1,963,954</u>	<u>2,200,358</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 431,488</u>	<u>\$ 2,132,347</u>	<u>\$ 2,563,835</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 160,656	\$ 262,278	\$ 422,934
Adjustments to reconcile operating income to net cash provided by operating activities:			
(Increase) decrease in:			
Accounts receivable	-	(3,416)	(3,416)
Due from General Fund	(607)	-	(607)
Due from Water and Sewer Fund	(926)	-	(926)
Inventory	33,670	-	33,670
Increase (decrease) in:			
Accounts payable	1,491	(11,303)	(9,812)
Claims payable	<u>-</u>	<u>(84,236)</u>	<u>(84,236)</u>
TOTAL ADJUSTMENTS	<u>33,628</u>	<u>(98,955)</u>	<u>(65,327)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 194,284</u>	<u>\$ 163,323</u>	<u>\$ 357,607</u>

FINANCIAL SCHEDULE SECTION



City of Brentwood

CITY OF BRENTWOOD, TENNESSEE

SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2015

<u>Tax Year</u>	<u>BALANCE JUNE 30, 2014</u>	<u>LEVY</u>	<u>COLLECTIONS</u>	<u>ADJUSTMENTS</u>	<u>BALANCE JUNE 30, 2015</u>
2014	\$ -	\$ 11,100,760	\$ (10,945,964)	-	\$ 154,796
2013	164,180	-	(151,182)	-	12,998
2012	16,792	-	(15,208)	-	1,584
2011	5,927	-	(4,038)	-	1,889
2010	6,988	-	(454)	-	6,534
2009	7,472	-	(117)	-	7,355
2008	6,645	-	(68)	-	6,577
2007	3,782	-	(22)	-	3,760
2006	2,341	-	(5)	-	2,336
2005	2,672	-	123	-	2,795
2004	<u>1,051</u>	<u>-</u>	<u>-</u>	<u>(1,051)</u>	<u>-</u>
Total	<u>\$ 217,850</u>	<u>\$ 11,100,760</u>	<u>\$ (11,116,935)</u>	<u>\$ (1,051)</u>	200,624
Estimated 2015 Tax Levy					<u>11,426,757</u>
					<u>\$ 11,627,381</u>

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

CITY OF BRENTWOOD, TENNESSEE
SCHEDULE OF DEBT SERVICE REQUIREMENTS - GENERAL OBLIGATION BONDS
JUNE 30, 2015

Year	2006 G.O. Public Improvement Bonds		2006 G.O. Refunding Bonds		2007 G.O. Public Improvement Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 240,000	\$ 4,500	\$ 270,000	\$ 75,805	\$ 220,000	\$ 138,838
2017	-	-	280,000	65,493	230,000	130,412
2018	-	-	295,000	54,711	235,000	121,603
2019	-	-	305,000	43,461	245,000	112,602
2020	-	-	315,000	31,758	255,000	103,219
2021	-	-	325,000	19,516	265,000	93,452
2022	-	-	340,000	6,630	275,000	83,303
2023	-	-	-	-	285,000	72,770
2024	-	-	-	-	300,000	61,855
2025	-	-	-	-	310,000	50,365
2026	-	-	-	-	320,000	38,492
2027	-	-	-	-	335,000	26,236
2028	-	-	-	-	350,000	13,405
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
	<u>\$ 240,000</u>	<u>\$ 4,500</u>	<u>\$ 2,130,000</u>	<u>\$ 297,374</u>	<u>\$ 3,625,000</u>	<u>\$ 1,046,548</u>

Year	2011 G.O. Public Improvement Bonds		2012 G.O. Refunding Bonds		2013 G.O. Public Improvement Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 195,000	\$ 132,125	\$ 40,000	\$ 62,300	\$ 195,000	\$ 135,788
2017	200,000	126,200	280,000	59,100	195,000	131,888
2018	205,000	120,125	285,000	53,450	205,000	126,863
2019	215,000	113,825	295,000	47,650	210,000	120,638
2020	220,000	107,300	300,000	41,700	215,000	114,263
2021	225,000	100,625	305,000	35,650	220,000	108,838
2022	235,000	93,725	315,000	29,450	225,000	104,388
2023	240,000	86,600	320,000	23,100	230,000	99,694
2024	250,000	79,250	325,000	16,650	235,000	94,459
2025	255,000	71,675	330,000	10,100	240,000	88,669
2026	265,000	63,875	340,000	3,400	245,000	82,453
2027	270,000	55,681	-	-	255,000	75,413
2028	280,000	46,913	-	-	260,000	67,688
2029	290,000	37,469	-	-	270,000	59,400
2030	300,000	27,513	-	-	280,000	50,113
2031	310,000	17,025	-	-	290,000	40,138
2032	320,000	5,800	-	-	300,000	29,438
2033	-	-	-	-	310,000	18,000
2034	-	-	-	-	325,000	6,094
	<u>\$ 4,275,000</u>	<u>\$ 1,285,725</u>	<u>\$ 3,135,000</u>	<u>\$ 382,550</u>	<u>\$ 4,705,000</u>	<u>\$ 1,554,225</u>

CITY OF BRENTWOOD, TENNESSEE
SCHEDULE OF DEBT SERVICE REQUIREMENTS - GENERAL OBLIGATION BONDS - CONTINUED
JUNE 30, 2015

Year	2009 G.O. Public Improvement Bonds		2011 G.O. Refunding Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 200,000	\$ 151,119	\$ 930,000	\$ 96,163
2017	200,000	142,119	540,000	81,463
2018	210,000	136,119	550,000	67,813
2019	220,000	129,819	580,000	50,863
2020	230,000	120,194	590,000	33,313
2021	235,000	110,131	190,000	22,563
2022	245,000	100,731	195,000	18,469
2023	255,000	89,706	195,000	13,838
2024	260,000	81,100	200,000	8,775
2025	270,000	72,000	205,000	3,075
2026	280,000	61,200	-	-
2027	295,000	50,000	-	-
2028	305,000	38,200	-	-
2029	320,000	26,000	-	-
2030	330,000	13,200	-	-
	<u>\$ 3,855,000</u>	<u>\$ 1,321,638</u>	<u>\$ 4,175,000</u>	<u>\$ 396,331</u>

Year	2013 G.O. Refunding Bonds		Totals Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 325,000	\$ 20,300	\$ 2,615,000	\$ 816,937
2017	335,000	13,700	2,260,000	750,374
2018	345,000	5,175	2,330,000	685,858
2019	-	-	2,070,000	618,857
2020	-	-	2,125,000	551,746
2021	-	-	1,765,000	490,775
2022	-	-	1,830,000	436,696
2023	-	-	1,525,000	385,708
2024	-	-	1,570,000	342,089
2025	-	-	1,610,000	295,884
2026	-	-	1,450,000	249,420
2027	-	-	1,155,000	207,330
2028	-	-	1,195,000	166,206
2029	-	-	880,000	122,869
2030	-	-	910,000	90,826
2031	-	-	600,000	57,163
2032	-	-	620,000	35,238
2033	-	-	310,000	18,000
2034	-	-	325,000	6,094
	<u>\$ 1,005,000</u>	<u>\$ 39,175</u>	<u>\$ 27,145,000</u>	<u>\$ 6,328,065</u>

CITY OF BRENTWOOD, TENNESSEE
SCHEDULE OF DEBT SERVICE REQUIREMENTS - BUSINESS-TYPE ACTIVITIES DEBT
JUNE 30, 2015

Year	2003 Sewer Revenue and Tax Refunding Bonds		2006 Water Revenue and Tax Refunding Bonds		2008 Water and Sewer Revenue and Tax Bonds		2010 Water and Sewer Improvements Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 30,000	\$ 585	\$ 185,000	\$ 43,559	\$ 425,000	\$ 301,614	\$ 435,000	\$ 239,681
2017	-	-	195,000	36,434	440,000	287,801	440,000	230,981
2018	-	-	205,000	28,934	455,000	272,401	450,000	217,781
2019	-	-	210,000	21,153	470,000	255,339	460,000	208,781
2020	-	-	220,000	13,035	490,000	237,714	465,000	199,006
2021	-	-	230,000	4,428	510,000	218,849	480,000	187,963
2022	-	-	-	-	530,000	199,214	490,000	175,963
2023	-	-	-	-	555,000	178,279	500,000	163,100
2024	-	-	-	-	575,000	156,356	515,000	149,350
2025	-	-	-	-	600,000	133,356	530,000	135,188
2026	-	-	-	-	625,000	109,356	545,000	120,613
2027	-	-	-	-	655,000	84,356	560,000	104,263
2028	-	-	-	-	680,000	57,338	580,000	87,463
2029	-	-	-	-	710,000	29,288	595,000	69,338
2030	-	-	-	-	-	-	615,000	50,000
2031	-	-	-	-	-	-	635,000	25,400
	<u>\$ 30,000</u>	<u>\$ 585</u>	<u>\$ 1,245,000</u>	<u>\$ 147,542</u>	<u>\$ 7,720,000</u>	<u>\$ 2,521,261</u>	<u>\$ 8,295,000</u>	<u>\$ 2,364,871</u>

Year	2012 Water and Sewer Improvements Bonds		2013 Water and Sewer Improvements Bonds		2013 Water and Sewer Refunding		Total Debt Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 295,000	\$ 126,788	\$ 130,000	\$ 91,450	\$ 170,000	\$ 12,250	\$ 1,670,000	\$ 815,926
2017	305,000	120,788	135,000	88,800	205,000	8,500	1,720,000	773,304
2018	310,000	114,638	135,000	85,425	215,000	3,225	1,770,000	722,404
2019	315,000	108,388	140,000	81,300	-	-	1,595,000	674,960
2020	320,000	102,038	145,000	77,025	-	-	1,640,000	628,818
2021	330,000	95,538	150,000	73,350	-	-	1,700,000	580,128
2022	335,000	88,888	150,000	70,350	-	-	1,505,000	534,415
2023	340,000	82,138	155,000	67,203	-	-	1,550,000	490,720
2024	350,000	75,238	160,000	63,656	-	-	1,600,000	444,600
2025	355,000	68,188	165,000	59,694	-	-	1,650,000	396,426
2026	365,000	60,988	165,000	55,466	-	-	1,700,000	346,423
2027	370,000	53,406	170,000	50,750	-	-	1,755,000	292,775
2028	380,000	45,200	175,000	45,575	-	-	1,815,000	235,576
2029	390,000	36,294	180,000	40,025	-	-	1,875,000	174,945
2030	395,000	26,725	190,000	33,775	-	-	1,200,000	110,500
2031	410,000	16,406	195,000	27,038	-	-	1,240,000	68,844
2032	420,000	5,513	200,000	19,875	-	-	620,000	25,388
2033	-	-	210,000	12,188	-	-	210,000	12,188
2034	-	-	220,000	4,125	-	-	220,000	4,125
	<u>\$ 5,985,000</u>	<u>\$ 1,227,156</u>	<u>\$ 3,170,000</u>	<u>\$ 1,047,070</u>	<u>\$ 590,000</u>	<u>\$ 23,975</u>	<u>\$ 27,035,000</u>	<u>\$ 7,332,460</u>

CITY OF BRENTWOOD, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2015

Grant Description	Federal CFDA#	Grant Number	Accrued (Deferred) June 30, 2014	Other Adjustments	Federal Receipts	Expenditures	Accrued (Deferred) June 30, 2015
FEDERAL AWARDS:							
U.S. DEPARTMENT OF JUSTICE							
Direct Program:							
Equitable Sharing Program	16.922	N/A	\$ (348,679)	\$ 957	\$ 45,769	\$ (15,355)	\$ (380,050)
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>(348,679)</u>	<u>957</u>	<u>45,769</u>	<u>(15,355)</u>	<u>(380,050)</u>
U.S. DEPARTMENT OF TRANSPORTATION							
Passed through Tennessee Department of Transportation:							
Highway Planning and Construction	20.205	94-LPLM-F3-022					
		106994.00	-	-	38,562	(461,293)	422,731
Highway Planning and Construction	20.205	94004-1227-04					
		105717.00	-	-	-	(182,400)	182,400
Highway Planning and Construction	20.205	94LPLP-F3-002					
		119204.00	-	-	59,059	(94,292)	35,233
Total TN Highway Planning and Construction			<u>-</u>	<u>-</u>	<u>97,621</u>	<u>(737,985)</u>	<u>640,364</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,621</u>	<u>\$ (737,985)</u>	<u>\$ 640,364</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ (348,679)</u>	<u>\$ 957</u>	<u>\$ 143,390</u>	<u>\$ (753,340)</u>	<u>\$ 260,314</u>

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards and State Financial Assistance includes the grant activity of the City of Brentwood, Tennessee and is presented in accordance with accounting principles generally accepted in the United States of America, which is the same basis of accounting as the basic financial statements.

NOTE 2 - STATE FINANCIAL ASSISTANCE

The City did not have any direct state financial assistance for the year ended June 30, 2015.

NOTE 3 - EQUITABLE SHARING PROGRAM

Deferred amounts remaining on this award are included as Drug Fund restricted fund balance, as there is not a provision for repayment if not used, only restriction for use.

CITY OF BRENTWOOD, TENNESSEE

UTILITY RATE STRUCTURE AND NUMBER OF CUSTOMERS (UNAUDITED)

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Number of Customers</u>		
Water	9,206		
Sewer	10,925		
	<u>Rate Structure</u>		
Water			
<i>Residential, institutional, retail, and certain other commercial customers:</i>			
First 2,000 gallons	\$	11.62	(minimum bill)
Next 8,000 gallons		4.07	per 1,000 gallons
Thereafter		4.65	per 1,000 gallons
<i>Commercial office customers:</i>			
Gallons equivalent to total square footage of building space	\$	0.005814	(approx. per ft ²)
Usage exceeding 1 gallon per square foot (up to 10,000 gallons)		4.07	per 1,000 gallons
Thereafter		4.65	per 1,000 gallons
Water Surcharge		0.84	per 1,000 gallons
Sewer			
<i>In City Limits:</i>			
Residential customers - First 2,000 gallons	\$	14.53	(minimum bill)
Next 8,000 gallons		5.09	per 1,000 gallons
Over 10,000 gallons		5.81	per 1,000 gallons
Commercial office, institutional and certain other commercial customers			
Minimum bill, per square foot of building	\$	0.009084	(approx. per ft ²)
Up to 10,000 gallons total usage, per 1,000		6.36	per 1,000 gallons
Over 10,000 gallons, per 1,000 gallons		7.26	per 1,000 gallons
Commercial retail customers - Minimum bill, per unit or tenant space	\$	18.16	(minimum bill)
Up to 10,000 gallons total usage, per 1,000 gallons		6.36	per 1,000 gallons
Over 10,000 gallons, per 1,000 gallons		7.26	per 1,000 gallons
<i>Outside City Limits (Sewer Only customers):</i>			
Residential customers - First 2,000 gallons	\$	15.29	(minimum bill)
Next 8,000 gallons		5.35	per 1,000 gallons
Over 10,000 gallons		6.11	per 1,000 gallons
Commercial office, institutional and certain other commercial customers			
Minimum bill, per square foot of building	\$	0.009538	(approx. per ft ²)
Up to 10,000 gallons total usage, per 1,000		6.69	per 1,000 gallons
Over 10,000 gallons, per 1,000 gallons		7.63	per 1,000 gallons
Commercial retail customers (sewer only); 105% institutional			
Minimum bill, per unit or tenant space	\$	19.08	(minimum bill)
Up to 10,000 gallons total usage, per 1,000 gallons		6.69	per 1,000 gallons
Over 10,000 gallons, per 1,000 gallons		7.63	per 1,000 gallons
Wastewater treatment surcharge for all Brentwood Sewer customers		0.91	per 1,000 gallons

CITY OF BRENTWOOD, TENNESSEE
AWWA WATER SCHEDULE - UNAUDITED
JUNE 30, 2015

AWWA Free Water Audit Software: Reporting Worksheet		WAS v5.0 American Water Works Association Copyright © 2014, All Rights Reserved																				
? Click to access definition + Click to add a comment Water Audit Report for: City of Brentwood Water Services Department Reporting Year: 2015 6/2014 - 7/2015																						
Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades All volumes to be entered as: MILLION GALLONS (US) PER YEAR																						
To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below																						
WATER SUPPLIED <table style="width: 100%;"> <tr> <td>Volume from own sources:</td> <td style="text-align: center;">+ ? n/a</td> <td style="text-align: right;">0.000</td> <td>MG/Yr</td> </tr> <tr> <td>Water imported:</td> <td style="text-align: center;">+ ? 9</td> <td style="text-align: right;">2,051.972</td> <td>MG/Yr</td> </tr> <tr> <td>Water exported:</td> <td style="text-align: center;">+ ? n/a</td> <td style="text-align: right;">0.000</td> <td>MG/Yr</td> </tr> </table> WATER SUPPLIED: 2,051.972 MG/Yr Master Meter and Supply Error Adjustments <table style="width: 100%;"> <tr> <td>Pcnt:</td> <td style="text-align: center;">+ ? 8</td> <td style="text-align: right;">0.00%</td> <td>MG/Yr</td> </tr> <tr> <td>Value:</td> <td style="text-align: center;">+ ? 8</td> <td style="text-align: right;">0.00%</td> <td>MG/Yr</td> </tr> </table> Enter negative % or value for under-registration Enter positive % or value for over-registration			Volume from own sources:	+ ? n/a	0.000	MG/Yr	Water imported:	+ ? 9	2,051.972	MG/Yr	Water exported:	+ ? n/a	0.000	MG/Yr	Pcnt:	+ ? 8	0.00%	MG/Yr	Value:	+ ? 8	0.00%	MG/Yr
Volume from own sources:	+ ? n/a	0.000	MG/Yr																			
Water imported:	+ ? 9	2,051.972	MG/Yr																			
Water exported:	+ ? n/a	0.000	MG/Yr																			
Pcnt:	+ ? 8	0.00%	MG/Yr																			
Value:	+ ? 8	0.00%	MG/Yr																			
AUTHORIZED CONSUMPTION <table style="width: 100%;"> <tr> <td>Billed metered:</td> <td style="text-align: center;">+ ? 10</td> <td style="text-align: right;">1,382.735</td> <td>MG/Yr</td> </tr> <tr> <td>Billed unmetered:</td> <td style="text-align: center;">+ ? 8</td> <td style="text-align: right;">0.900</td> <td>MG/Yr</td> </tr> <tr> <td>Unbilled metered:</td> <td style="text-align: center;">+ ? 10</td> <td style="text-align: right;">0.000</td> <td>MG/Yr</td> </tr> <tr> <td>Unbilled unmetered:</td> <td style="text-align: center;">+ ? 10</td> <td style="text-align: right;">14.756</td> <td>MG/Yr</td> </tr> </table> AUTHORIZED CONSUMPTION: 1,398.391 MG/Yr			Billed metered:	+ ? 10	1,382.735	MG/Yr	Billed unmetered:	+ ? 8	0.900	MG/Yr	Unbilled metered:	+ ? 10	0.000	MG/Yr	Unbilled unmetered:	+ ? 10	14.756	MG/Yr				
Billed metered:	+ ? 10	1,382.735	MG/Yr																			
Billed unmetered:	+ ? 8	0.900	MG/Yr																			
Unbilled metered:	+ ? 10	0.000	MG/Yr																			
Unbilled unmetered:	+ ? 10	14.756	MG/Yr																			
WATER LOSSES (Water Supplied - Authorized Consumption) 653.581 MG/Yr Apparent Losses Unauthorized consumption: + ? 5.130 MG/Yr Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed Customer metering inaccuracies: + ? 6 35.455 MG/Yr Systematic data handling errors: + ? 3.457 MG/Yr Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed Apparent Losses: + ? 44.042 MG/Yr Real Losses (Current Annual Real Losses or CARL) Real Losses = Water Losses - Apparent Losses: + ? 609.539 MG/Yr WATER LOSSES: 653.581 MG/Yr																						
NON-REVENUE WATER NON-REVENUE WATER: + ? 668.337 MG/Yr = Water Losses + Unbilled Metered + Unbilled Unmetered																						
SYSTEM DATA Length of mains: + ? 9 217.7 miles Number of <u>active AND inactive</u> service connections: + ? 10 9,418 Service connection density: + ? 43 conn./mile main Are customer meters typically located at the curbside or property line? + ? Yes (length of service line, beyond the property boundary, that is the responsibility of the utility) Average length of customer service line has been set to zero and a data grading score of 10 has been applied Average operating pressure: + ? 8 82.3 psi																						
COST DATA Total annual cost of operating water system: + ? 8 \$7,415,079 \$/Year Customer retail unit cost (applied to Apparent Losses): + ? 8 \$5.67 \$/1000 gallons (US) Variable production cost (applied to Real Losses): + ? 10 \$2,648.82 \$/Million gallons ☐ Use Customer Retail Unit Cost to value real losses																						
WATER AUDIT DATA VALIDITY SCORE: *** YOUR SCORE IS: 83 out of 100 *** A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score																						
PRIORITY AREAS FOR ATTENTION: Based on the information provided, audit accuracy can be improved by addressing the following components: 1: Water imported 2: Customer metering inaccuracies 3: Unauthorized consumption																						

CITY OF BRENTWOOD, TENNESSEE
AWWA WATER SCHEDULE - CONTINUED - UNAUDITED
JUNE 30, 2015

AWWA Free Water Audit Software: System Attributes and Performance Indicators		WAS v5.0 American Water Works Association. Copyright © 2014, All Rights Reserved.																		
Water Audit Report for: City of Brentwood Water Services Department Reporting Year: 2015 6/2014 - 7/2015 *** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 83 out of 100 ***																				
System Attributes: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Apparent Losses:</td> <td style="width: 20%; border: 1px solid black; text-align: right;">44.042</td> <td style="width: 40%;">MG/Yr</td> </tr> <tr> <td>+</td> <td>Real Losses:</td> <td style="border: 1px solid black; text-align: right;">609.539</td> </tr> <tr> <td>=</td> <td>Water Losses:</td> <td style="border: 1px solid black; text-align: right;">653.581</td> </tr> </table> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;"> ☐ unavoidable Annual Real Losses (UARL): </td> <td style="width: 20%; border: 1px solid black; text-align: right;">77.82</td> <td style="width: 40%;">MG/Yr</td> </tr> </table> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Annual cost of Apparent Losses:</td> <td style="width: 20%; border: 1px solid black; text-align: right;">\$249,627</td> <td style="width: 40%;"></td> </tr> <tr> <td>Annual cost of Real Losses:</td> <td style="border: 1px solid black; text-align: right;">\$1,614,560</td> <td> Valued at Variable Production Cost Return to Reporting Worksheet to change this assumption </td> </tr> </table>			Apparent Losses:	44.042	MG/Yr	+	Real Losses:	609.539	=	Water Losses:	653.581	☐ unavoidable Annual Real Losses (UARL):	77.82	MG/Yr	Annual cost of Apparent Losses:	\$249,627		Annual cost of Real Losses:	\$1,614,560	Valued at Variable Production Cost Return to Reporting Worksheet to change this assumption
Apparent Losses:	44.042	MG/Yr																		
+	Real Losses:	609.539																		
=	Water Losses:	653.581																		
☐ unavoidable Annual Real Losses (UARL):	77.82	MG/Yr																		
Annual cost of Apparent Losses:	\$249,627																			
Annual cost of Real Losses:	\$1,614,560	Valued at Variable Production Cost Return to Reporting Worksheet to change this assumption																		
Performance Indicators: <table style="width: 100%; border-collapse: collapse;"> <tr> <td rowspan="2" style="vertical-align: middle;">Financial:</td> <td rowspan="2" style="font-size: 2em; vertical-align: middle;">{</td> <td>Non-revenue water as percent by volume of Water Supplied:</td> <td style="border: 1px solid black; text-align: right;">32.6%</td> <td rowspan="2"></td> </tr> <tr> <td>Non-revenue water as percent by cost of operating system:</td> <td style="border: 1px solid black; text-align: right;">25.7%</td> </tr> </table> Real Losses valued at Variable Production Cost			Financial:	{	Non-revenue water as percent by volume of Water Supplied:	32.6%		Non-revenue water as percent by cost of operating system:	25.7%											
Financial:	{	Non-revenue water as percent by volume of Water Supplied:			32.6%															
		Non-revenue water as percent by cost of operating system:	25.7%																	
<table style="width: 100%; border-collapse: collapse;"> <tr> <td rowspan="4" style="vertical-align: middle;">Operational Efficiency:</td> <td rowspan="4" style="font-size: 4em; vertical-align: middle;">{</td> <td>Apparent Losses per service connection per day:</td> <td style="border: 1px solid black; text-align: right;">12.81</td> <td>gallons/connection/day</td> </tr> <tr> <td>Real Losses per service connection per day:</td> <td style="border: 1px solid black; text-align: right;">177.32</td> <td>gallons/connection/day</td> </tr> <tr> <td>Real Losses per length of main per day*:</td> <td style="border: 1px solid black; text-align: right;">N/A</td> <td></td> </tr> <tr> <td>Real Losses per service connection per day per psi pressure:</td> <td style="border: 1px solid black; text-align: right;">2.15</td> <td>gallons/connection/day/psi</td> </tr> </table>			Operational Efficiency:	{	Apparent Losses per service connection per day:	12.81	gallons/connection/day	Real Losses per service connection per day:	177.32	gallons/connection/day	Real Losses per length of main per day*:	N/A		Real Losses per service connection per day per psi pressure:	2.15	gallons/connection/day/psi				
Operational Efficiency:	{	Apparent Losses per service connection per day:			12.81	gallons/connection/day														
		Real Losses per service connection per day:			177.32	gallons/connection/day														
		Real Losses per length of main per day*:			N/A															
		Real Losses per service connection per day per psi pressure:	2.15	gallons/connection/day/psi																
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">From Above, Real Losses = Current Annual Real Losses (CARL):</td> <td style="width: 20%; border: 1px solid black; text-align: right;">609.54</td> <td style="width: 20%;">million gallons/year</td> </tr> <tr> <td>☐ Infrastructure Leakage Index (ILI) [CARL/UARL]:</td> <td style="border: 1px solid black; text-align: right;">7.83</td> <td></td> </tr> </table>			From Above, Real Losses = Current Annual Real Losses (CARL):	609.54	million gallons/year	☐ Infrastructure Leakage Index (ILI) [CARL/UARL]:	7.83													
From Above, Real Losses = Current Annual Real Losses (CARL):	609.54	million gallons/year																		
☐ Infrastructure Leakage Index (ILI) [CARL/UARL]:	7.83																			
* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline																				

CITY OF BRENTWOOD
LIST OF PRINCIPAL OFFICIALS AND BONDED AMOUNTS - (UNAUDITED)
JUNE 30, 2015

Elected:

Mayor	Regina R. Smithson	\$500,000
Vice Mayor	Jill Burgin	\$500,000
Commissioner	Anne Dunn	\$500,000
Commissioner	Betsy Crossley	\$500,000
Commissioner	Mark Gorman	\$500,000
Commissioner	Rhea E. Little, III	\$500,000
Commissioner	Ken Travis	\$500,000

Appointed:

City Manager	Kirk Bednar	\$500,000
Assistant City Manager	Jay Evans	\$500,000
City Attorney	Roger A. Horner	\$500,000
City Recorder	Deborah Hedgepath	\$500,000
Finance Director	Carson K. Swinford	\$500,000
City Treasurer	Karen W. Harper	\$500,000
Human Resource Director	Michael Worsham	\$500,000
Police Chief	Jeff Hughes	\$500,000
Fire Chief	Brian Goss	\$500,000
Planning and Codes Director	Jeff Dobson	\$500,000
Public Works Director	Jeff Donegan	\$500,000
Engineering Director	Mike Harris	\$500,000
Water and Sewer Director	Chris Milton	\$500,000
Library Director	Susan Earl	\$500,000
Community Relations Director	Linda Lynch	\$500,000
Parks and Recreation Director	David M. Bunt	\$500,000
Technology Director	John I. Allman, IV	\$500,000
City Judge	Laurie Jewett	\$500,000

STATISTICAL SECTION



City of Brentwood

CITY OF BRENTWOOD, TENNESSEE

STATISTICAL SECTION

(Unaudited)

This part of the City of Brentwood's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

CONTENTS

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time..... 93 - 98

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes 99 - 105

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 106 - 109

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments. 110 -111

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. 112 - 114

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

CITY OF BRENTWOOD, TENNESSEE

NET ASSETS/POSITION BY COMPONENT (UNAUDITED)

LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 119,009,889	\$ 135,812,978	\$ 139,216,762	\$ 157,618,661	\$ 161,999,322	\$ 171,916,717	\$ 178,649,136	\$ 185,860,823	\$ 190,264,011	\$ 206,296,175
Restricted	2,621,325	1,238,048	3,230,842 ⁽¹⁾	3,447,290	7,036,941	6,615,744	5,521,606	4,960,235 ⁽³⁾	4,153,551	5,139,526
Unrestricted	<u>29,586,562</u>	<u>36,398,248</u>	<u>45,441,221</u>	<u>40,970,717</u>	<u>40,075,849</u>	<u>34,754,804</u>	<u>40,473,973</u>	<u>46,285,157</u> ⁽²⁾	<u>49,687,981</u> ⁽⁴⁾	<u>57,152,889</u>
Total governmental activities net position	<u>\$ 151,217,776</u>	<u>\$ 173,449,274</u>	<u>\$ 187,888,825</u>	<u>\$ 202,036,668</u>	<u>\$ 209,112,112</u>	<u>\$ 213,287,265</u>	<u>\$ 224,644,715</u>	<u>\$ 237,106,215</u>	<u>\$ 244,105,543</u>	<u>\$ 268,588,590</u>
Business-type activities										
Net investment in capital assets	\$ 45,220,609	\$ 46,036,765	\$ 50,097,841	\$ 45,581,522	\$ 49,282,442	\$ 41,833,117	\$ 51,006,423	\$ 51,490,226	\$ 50,452,428	\$ 48,883,727
Restricted	269,708	269,708	269,708	179,823	-	-	120,000	- ⁽³⁾	-	-
Unrestricted	<u>6,094,460</u>	<u>10,640,015</u>	<u>9,034,115</u>	<u>16,384,008</u>	<u>15,459,180</u>	<u>25,853,129</u>	<u>21,681,193</u>	<u>23,873,374</u> ⁽²⁾	<u>26,032,698</u> ⁽⁴⁾	<u>29,501,212</u>
Total business-type activities net position	<u>\$ 51,584,777</u>	<u>\$ 56,946,488</u>	<u>\$ 59,401,664</u>	<u>\$ 62,145,353</u>	<u>\$ 64,741,622</u>	<u>\$ 67,686,246</u>	<u>\$ 72,807,616</u>	<u>\$ 75,363,600</u>	<u>\$ 76,485,126</u>	<u>\$ 78,384,939</u>
Primary government										
Net investment in capital assets	\$ 164,230,498	\$ 181,849,743	\$ 189,314,603	\$ 203,200,183	\$ 211,281,764	\$ 213,749,834	\$ 229,655,559	\$ 237,351,049	\$ 240,716,439	\$ 255,179,902
Restricted	2,891,033	1,507,756	3,500,550	3,627,113	7,036,941	6,615,744	5,641,606	4,960,235 ⁽³⁾	4,153,551	5,139,526
Unrestricted	<u>35,681,022</u>	<u>47,038,263</u>	<u>54,475,336</u>	<u>57,354,725</u>	<u>55,535,029</u>	<u>60,607,933</u>	<u>62,155,166</u>	<u>70,158,531</u> ⁽²⁾	<u>75,720,679</u> ⁽⁴⁾	<u>86,654,101</u>
Total primary government net position	<u>\$ 202,802,553</u>	<u>\$ 230,395,762</u>	<u>\$ 247,290,489</u>	<u>\$ 264,182,021</u>	<u>\$ 273,853,734</u>	<u>\$ 280,973,511</u>	<u>\$ 297,452,331</u>	<u>\$ 312,469,815</u>	<u>\$ 320,590,669</u>	<u>\$ 346,973,529</u>

⁽¹⁾ A prior period adjustment was posted to restricted governmental net assets in 2008 in connection with the adoption of GASB Statement 45 for amounts previously transferred from governmental funds to Post Employment Benefits Fund resulting in overfunding upon implementation.

⁽²⁾ GASB Statement No. 63 and 65 were implemented in FY 2013 and changed the name of governmental activities and business-type/proprietary fund net assets to net position. Additionally, these statements introduced the concept of deferred inflows of resources and deferred outflows of resources for items previously classified as assets and liabilities. These changes are applicable for fiscal years beginning in 2013.

⁽³⁾ OPEB assets previously reported as restricted have been reclassified as a component of unrestricted net position beginning in 2013.

⁽⁴⁾ A prior period adjustment was posted to unrestricted net position in connection with the adoption of GASB Statement No. 68 for pensions.

CITY OF BRENTWOOD, TENNESSEE
CHANGES IN NET ASSETS/POSITION (UNAUDITED)
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES										
Governmental activities:										
General government	\$ 5,364,225	\$ 5,179,031	\$ 5,671,314	\$ 6,477,468	\$ 6,100,293	\$ 5,875,080	\$ 6,597,201	\$ 6,853,667	\$ 6,674,735	\$ 6,364,225
Public safety	10,043,600	10,354,861	11,582,486	11,906,523	11,901,013	12,260,875	12,123,456	12,274,641	12,623,784	11,769,252
Roads and streets	6,134,385	7,999,238	8,608,854	9,813,754	9,550,587	10,968,394	8,724,793	9,340,924	9,317,989	10,899,396
Public health	63,753	76,310	80,890	80,858	78,519	81,248	79,638	81,182	88,068	88,524
Parks and recreation	2,535,784	2,113,051	2,214,424	2,257,828	2,253,977	2,475,591	2,527,115	2,635,324	2,630,573	2,720,304
Public library	1,828,744	1,917,705	2,059,858	2,179,852	2,277,395	2,447,976	2,422,613	2,573,378	2,695,163	2,582,263
Community support	261,678	264,226	259,756	256,220	258,112	265,068	294,259	280,627	312,295	336,562
Drug education	108,669	58,279	63,604	60,117	113,392	66,972	74,485	24,818	53,055	53,330
Facilities maintenance projects	-	-	131,616	134,359	413,745	-	-	-	-	-
Other	10,368	-	-	-	-	-	-	-	-	-
Interest on long-term debt	1,001,149	1,141,649	1,230,022	1,148,236	1,145,000	1,152,676	930,474	925,012	1,198,233	838,018
Total governmental activities	<u>27,352,355</u>	<u>-</u>	<u>31,902,824</u>	<u>34,315,215</u>	<u>34,092,033</u>	<u>35,593,880</u>	<u>33,774,034</u>	<u>34,989,573</u>	<u>35,593,895</u>	<u>35,651,874</u>
Business-type activities:										
Water and Sewer	\$ 9,751,321	\$ 10,105,203	\$ 11,551,025	\$ 11,671,952	\$ 12,150,791	\$ 13,092,399	\$ 13,140,446	\$ 14,507,961	\$ 15,954,570	\$ 15,569,461
Rental facilities	463,648	475,793	507,356	584,900	515,425	564,841	613,469	635,621	656,642	699,412
911 operations	788,595	842,061	889,135	898,577	922,375	1,064,637	1,149,062	1,194,308	1,224,118	1,130,021
Total business-type activities	<u>11,003,564</u>	<u>11,423,057</u>	<u>12,947,516</u>	<u>13,155,429</u>	<u>13,588,591</u>	<u>14,721,877</u>	<u>14,902,977</u>	<u>16,337,890</u>	<u>17,835,330</u>	<u>17,398,894</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 38,355,919</u>	<u>\$ 40,527,407</u>	<u>\$ 44,850,340</u>	<u>\$ 47,470,644</u>	<u>\$ 47,680,624</u>	<u>\$ 50,315,757</u>	<u>\$ 48,677,011</u>	<u>\$ 51,327,463</u>	<u>\$ 53,429,225</u>	<u>\$ 53,050,768</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 392,005	\$ 457,610	\$ 631,595	\$ 572,763 ⁽¹⁾	\$ 826,573	\$ 951,096	\$ 1,206,745	\$ 1,332,955	\$ 1,273,686	\$ 1,268,909
Roads and streets	55,324	64,741	35,646	41,210 ⁽¹⁾	409,300	360,927	676,355	1,514,944	703,350	1,185,065
Parks and recreation	29,101	67,650	90,933	92,498	98,336	116,950	125,154	112,905	124,736	109,739
Public library	125,556	138,322	137,032	136,250	147,013	156,372	156,636	140,832	148,520	143,688
Community support	24,341	23,841	24,325	22,686	25,141	29,430	29,631	29,977	27,850	31,738
Operating grants and contributions	1,039,004	915,641	1,026,577	1,007,259	1,487,877	1,424,021	1,006,999	1,020,125	1,004,056	1,724,759
Capital grants and contributions	-	17,294,640	6,909,990	13,452,200 ⁽¹⁾	8,604,638	4,508,465	7,711,481	7,833,395	4,107,635	16,726,448
Total governmental activities program revenues	<u>1,665,331</u>	<u>18,962,445</u>	<u>8,856,098</u>	<u>15,324,866</u>	<u>11,598,878</u>	<u>7,547,261</u>	<u>10,913,001</u>	<u>11,985,133</u>	<u>7,389,833</u>	<u>21,190,346</u>
Business-type activities:										
Charges for services:										
Water and Sewer	10,580,466	11,452,036	12,484,931	13,209,778	12,658,635	13,879,189	14,539,927	13,946,250	14,434,478	15,011,973
Rental facilities	490,188	478,347	556,971	509,673	556,317	611,567	676,488	728,213	675,285	723,714
911 operations	538,212	620,309	623,926	652,548	648,731	663,715	660,316	626,587	576,880	269,612
Operating grants and contributions	-	-	-	-	-	189,153	207,911	271,154	238,727	562,808
Capital grants and contributions	2,485,002	3,451,033	949,505	957,013	809,958	1,653,925	3,163,900	2,822,068	2,762,989	2,192,730
Total business-type activities program revenues	<u>14,093,868</u>	<u>16,001,725</u>	<u>14,555,333</u>	<u>15,329,012</u>	<u>14,673,641</u>	<u>16,997,549</u>	<u>19,248,542</u>	<u>18,394,272</u>	<u>18,688,359</u>	<u>18,760,837</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 15,759,199</u>	<u>\$ 34,964,170</u>	<u>\$ 23,411,431</u>	<u>\$ 30,653,878</u>	<u>\$ 26,272,519</u>	<u>\$ 24,544,810</u>	<u>\$ 30,161,543</u>	<u>\$ 30,379,405</u>	<u>\$ 26,078,192</u>	<u>\$ 39,951,183</u>
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (25,687,024)	\$ (10,141,905)	\$ (23,046,726)	\$ (18,990,349)	\$ (22,493,155)	\$ (28,046,619)	\$ (22,861,033)	\$ (23,004,440)	\$ (28,204,062)	\$ (14,461,528)
Business-type activities	3,090,304	4,578,668	1,607,817	2,173,583	1,085,050	2,275,672	4,345,565	2,056,382	853,029	1,361,943
TOTAL PRIMARY GOVERNMENT NET EXPENSE	<u>\$ (22,596,720)</u>	<u>\$ (5,563,237)</u>	<u>\$ (21,438,909)</u>	<u>\$ (16,816,766)</u>	<u>\$ (21,408,105)</u>	<u>\$ (25,770,947)</u>	<u>\$ (18,515,468)</u>	<u>\$ (20,948,058)</u>	<u>\$ (27,351,033)</u>	<u>\$ (13,099,585)</u>

CITY OF BRENTWOOD, TENNESSEE
CHANGES IN NET ASSETS/POSITION (CONTINUED) (UNAUDITED)
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property taxes	\$ 8,929,991	\$ 9,305,843	\$ 9,948,350	\$ 10,349,458	\$ 10,666,669	\$ 10,910,998	\$ 10,857,220	\$ 10,738,390	\$ 11,030,338	\$ 11,290,941
Local option taxes	10,098,176	10,510,078	10,897,522	10,261,708	10,173,406	11,027,909	12,005,650	12,762,673	12,954,622	13,820,565
Hotel/Motel taxes	-	-	-	-	-	-	1,144,406	1,164,600	1,362,325	1,439,717
Wholesale beer and liquor taxes	-	-	-	-	-	-	1,230,697	1,286,492	1,282,506	1,337,106
State sales and income taxes	-	-	-	(1)	4,326,647	4,552,428	(2)	-	-	-
Other business taxes	-	-	-	(1)	3,732,842	3,945,296	(2)	-	-	-
Adequate schools facilities taxes	-	-	-	(1)	218,990	332,178	412,451	494,233	616,142	618,838
Licenses and permits	3,315,881	3,770,901	4,025,144	3,871,297	(1)	-	-	-	-	-
Other taxes	1,930,755	1,680,610	1,146,517	631,364	(1)	767,240	536,547	526,677	536,418	561,144
State sales, income, and other taxes	4,170,870	5,500,693	6,744,510	6,612,992	(1)	-	-	-	-	-
Unrestricted intergovernmental taxes:										
State sales	-	-	-	-	-	-	2,513,971	2,561,661	2,647,788	2,829,973
Income	-	-	-	-	-	-	2,284,851	3,269,643	3,237,239	4,004,352
Business	-	-	-	-	-	-	1,339,121	1,639,950	1,881,556	1,667,422
TVA in-lieu	-	-	-	-	-	-	428,175	422,625	410,018	429,531
Mixed drink and beer	-	-	-	-	-	-	152,273	160,299	182,131	178,237
Petroleum special	-	-	-	-	-	-	76,063	75,935	75,841	76,169
Corporate excise	-	-	-	-	-	-	11,633	20,662	48,993	57,008
Telecommunications	-	-	-	-	-	-	2,301	3,312	3,791	3,654
Other intergovernmental	-	-	-	-	-	-	142,463	134,971	343,912	321,960
Unrestricted earnings	1,287,069	2,129,264	1,883,205	1,099,457	731,313	817,401	578,871	621,825	566,443	538,317
Miscellaneous	532,213	512,712	1,548,023	724,916	370,192	236,284	293,655	481,604	213,000	188,341
Loss on disposal of capital assets	-	(84,698)	-	-	-	-	-	-	-	-
Contributions to Post Employment Benefit Fund	(617,000)	(620,000)	-	-	-	-	-	-	-	-
Transfers	(263,400)	(332,000)	(395,000)	(413,000)	(1,418,700)	(418,700)	(422,950)	(548,700)	(418,700)	(418,700)
Total government activities	29,384,555	32,373,403	35,798,271	33,138,192	29,568,599	32,221,772	33,587,398	35,816,852	36,974,363	38,944,575
Business-type activities										
Unrestricted investment earnings	307,198	511,043	452,359	157,106	92,519	250,252	156,503	173,623	84,556	119,170
Contributions to Post Employment Benefit Fund	(60,000)	(60,000)	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	196,352	-	-	-
Transfers	263,400	332,000	395,000	413,000	1,418,700	418,700	422,950	548,700	418,700	418,700
Total business-type activities	510,598	783,043	847,359	570,106	1,511,219	668,952	775,805	722,323	503,256	537,870
TOTAL PRIMARY GOVERNMENT	\$ 29,895,153	\$ 33,156,446	\$ 36,645,630	\$ 33,708,298	\$ 31,079,818	\$ 32,890,724	\$ 34,363,203	\$ 36,539,175	\$ 37,477,619	\$ 39,482,445
CHANGE IN NET POSITION										
Governmental activities	\$ 3,697,531	\$ 29,845,685	\$ 12,751,545	\$ 14,147,843	\$ 7,075,444	\$ 4,175,153	\$ 10,726,365	\$ 12,812,412	\$ 8,770,301	\$ 24,483,047
Business-type activities	3,600,902	5,361,711	2,455,176	2,743,689	2,596,269	2,944,624	5,121,370	2,778,705	1,356,285	1,899,813
TOTAL PRIMARY GOVERNMENT	\$ 7,298,433	\$ 35,207,396	\$ 15,206,721	\$ 16,891,532	\$ 9,671,713	\$ 7,119,777	\$ 15,847,735	\$ 15,591,117	\$ 10,126,586	\$ 26,382,860

(1) In fiscal year 2009, management modified the presentation of certain accounts to better reflect revenues between general revenues and program revenues.

(2) In fiscal year 2012, management modified the presentation of certain accounts to better reflect revenues between general revenues and program revenues.

NOTE: See Notes on page 93.

CITY OF BRENTWOOD, TENNESSEE

FUND BALANCES, GOVERNMENTAL FUNDS (UNAUDITED)

LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -					
Unreserved	18,477,195	18,511,792	23,074,729	24,948,669	25,383,963					
Nonspendable	-	-	-	-	-	\$ 106,295 (1)	\$ 40,995	\$ 283,514	\$ 23,877	\$ 88,444
Committed	-	-	-	-	-	2,055,889 (1)	3,841,285	4,191,394	4,673,661	4,922,928
Unassigned	-	-	-	-	-	23,215,831 (1)	26,545,794	29,560,931	30,701,075	32,847,950
Total general fund	<u>\$18,477,195</u>	<u>\$18,511,792</u>	<u>\$23,074,729</u>	<u>\$24,948,669</u>	<u>\$25,383,963</u>	<u>\$ 25,378,015</u>	<u>\$30,428,074</u>	<u>\$ 34,035,839</u>	<u>\$ 35,398,613</u>	<u>\$ 37,859,322</u>
All Other Governmental Funds										
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -					
Reserved										
Reserved for debt services	3,023,388	3,537,262	4,192,274	3,732,563	3,979,063					
Reserved for capital projects	14,618,603	16,734,749	21,627,739	15,400,265	16,342,312					
Reserved for facilities repairs	-	-	176,603	363,318	752,919					
Reserved for street repairs	561,571	581,731	589,004	485,175	392,214					
Reserved for drug enforcement and education	142,077	104,779	49,439	118,447	151,811					
Restricted										
Restricted for street repairs	-	-	-	-	-	\$ 397,129 (1)	\$ 358,999	\$ 461,649	\$ 382,211	\$ 777,195
Restricted for drug enforcement and education	-	-	-	-	-	186,549 (1)	284,486	352,764	408,363	448,992
Restricted for capital projects	-	-	-	-	-	1,967,705 (1)	2,237,084	3,161,408	2,232,769	4,541,268
Committed										
Committed to capital projects	-	-	-	-	-	9,258,181 (1)	8,600,375	9,387,496	13,429,400	15,030,317
Committed to debt service	-	-	-	-	-	3,942,590 (1)	3,793,311	3,712,435	3,706,319	3,621,272
Total all other governmental funds	<u>\$18,345,639</u>	<u>\$20,958,521</u>	<u>\$26,635,059</u>	<u>\$20,099,768</u>	<u>\$21,618,319</u>	<u>\$ 15,752,154</u>	<u>\$15,274,255</u>	<u>\$ 17,075,752</u>	<u>\$ 20,159,062</u>	<u>\$ 24,419,044</u>
Total governmental funds	<u>\$36,822,834</u>	<u>\$39,470,313</u>	<u>\$49,709,788</u>	<u>\$45,048,437</u>	<u>\$47,002,282</u>	<u>\$ 41,130,169</u>	<u>\$45,702,329</u>	<u>\$ 51,111,591</u>	<u>\$ 55,557,675</u>	<u>\$ 62,278,366</u>

(1) In fiscal year 2011, the City implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

CITY OF BRENTWOOD, TENNESSEE

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (UNAUDITED)

LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
Taxes	\$22,344,048	\$23,586,822	\$ 24,871,016	\$ 24,482,463	\$ 24,572,917	\$25,884,203	\$ 25,774,520	\$26,478,832	\$27,166,209	\$ 28,453,126
Licenses and permits	1,930,755	1,680,610	1,146,517	631,364	843,301	1,000,864	1,448,508	2,419,665	1,609,529	2,077,151
Fines and fees	392,005	457,610	631,595	572,763	378,878	277,949	373,100	367,427	307,980	306,362
Charges for services	234,322	294,554	287,936	292,644	284,184	335,962	372,913	344,521	360,633	355,626
Intergovernmental	5,209,874	6,416,334	7,771,087	7,620,251	6,501,066	7,338,849	9,411,861	9,803,416	10,496,352	11,908,249
Uses of money and property	1,287,069	2,129,264	1,883,205	1,099,457	729,251	806,996	571,595	621,825	566,443	538,317
Other revenues	532,213	512,712	1,548,023	663,844	370,192	236,284	293,655	481,604	213,000	188,341
TOTAL REVENUES	31,930,286	35,077,906	38,139,379	35,362,786	33,679,789	35,881,107	38,246,152	40,517,290	40,720,146	43,827,172
EXPENDITURES										
General government	4,457,292	4,727,232	5,175,337	5,527,562	5,306,980	5,380,604	5,710,028	6,130,364	6,061,451	6,388,722
Public safety	9,405,597	10,009,079	10,863,119	11,379,395	11,477,366	12,387,195	11,859,078	12,178,507	12,898,119	13,237,000
Roads and streets	3,676,825	3,822,056	4,317,743	4,437,408	4,478,022	5,129,091	4,739,856	4,631,107	5,146,761	4,874,736
Public health	63,753	76,310	80,890	80,858	78,519	81,248	79,638	81,182	88,068	88,524
Parks and recreation	1,284,465	1,458,493	1,582,625	1,640,627	1,615,046	1,737,854	1,794,215	1,969,273	1,993,508	2,311,010
Public library	1,645,071	1,755,700	1,845,720	1,982,039	1,974,656	2,020,271	2,001,510	2,141,269	2,255,226	2,291,101
Community support	241,243	264,226	259,756	256,220	258,112	265,068	294,259	280,627	312,295	336,562
Drug education	31,593	22,414	33,962	25,418	25,278	16,861	14,935	11,879	30,717	17,501
Facility maintenance	-	-	131,616	134,359	413,745	-	-	-	-	-
Other	5,395	-	-	-	-	-	-	-	-	-
Capital outlay	4,692,511	6,435,501	5,349,986	10,251,368	6,043,040	11,060,955	8,914,483	3,783,204	8,611,260	3,700,604
Contribution to Post Employment Benefits Fund	617,000	620,000	- *	-	-	-	-	-	-	-
Debt service										
Principal	2,182,830	1,809,255	2,055,795	2,277,460	1,919,256	2,141,197	2,243,292	2,465,555	2,475,000	2,555,000
Interest	967,277	1,098,161	1,070,861	1,140,915	1,146,167	1,114,176	1,021,856	886,361	892,672	887,021
Bond issue costs	-	-	-	-	-	-	198,078	-	80,109	-
Total expenditures	29,270,852	32,098,427	32,767,410	39,133,629	34,736,187	41,334,520	38,871,228	34,559,328	40,845,186	36,687,781
Excess of revenues over (under) expenditures	2,659,434	2,979,479	5,371,969	(3,770,843)	(1,056,398)	(5,453,413)	(625,076)	5,957,962	(125,040)	7,139,391

*Beginning in 2008 with the adoption of GASB 45, the City expensed OPEB amounts within the personnel line item of each respective department.

(continued on following page)

CITY OF BRENTWOOD, TENNESSEE

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED) (UNAUDITED)

LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	\$ 7,267,668	\$11,922,523	\$ 5,842,792	\$ 6,652,545	\$ 5,142,275	\$ 9,366,500	\$ 5,582,436	\$ 7,490,000	\$11,031,520	\$ 8,495,000
Transfers out	(7,531,068)	(12,254,523)	(6,237,792)	(7,065,545)	(7,060,975)	(9,785,200)	(6,155,386)	(8,038,700)	(11,450,220)	(8,913,700)
Proceeds of general obligation bonds	4,800,000	-	4,935,000	-	4,760,000	-	4,845,000	-	4,895,000	-
Proceeds of refunding bonds	2,430,000	-	-	-	-	-	10,635,000	-	1,005,000	-
Payment of refunded bond escrow agent	(2,398,471)	-	-	-	-	-	(10,924,444)	-	(1,035,464)	-
Bond discount	(68,320)	-	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	168,943	-	583,545	-	125,288	-
Total other financing sources (uses)	<u>4,499,809</u>	<u>(332,000)</u>	<u>4,540,000</u>	<u>(413,000)</u>	<u>3,010,243</u>	<u>(418,700)</u>	<u>4,566,151</u>	<u>(548,700)</u>	<u>4,571,124</u>	<u>(418,700)</u>
Net Change in Fund Balance	<u>\$ 7,159,243</u>	<u>\$ 5,039,969</u>	<u>\$ 9,911,969</u>	<u>\$ (4,183,843)</u>	<u>\$ 1,953,845</u>	<u>\$ (5,872,113)</u>	<u>\$ 3,941,075</u>	<u>\$ 5,409,262</u>	<u>\$ 4,446,084</u>	<u>\$ 6,720,691</u>
Debt service as a percentage of noncapital expenditures	<u>12.8</u> %	<u>11.4</u> %	<u>11.4</u> %	<u>11.8</u> %	<u>10.7</u> %	<u>11.1</u> %	<u>11.5</u> %	<u>11.4</u> %	<u>11.4</u> %	<u>11.0</u> %

CITY OF BRENTWOOD, TENNESSEE

ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY (UNAUDITED)

LAST TEN 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
2006	366,105,640	990,004,350	19,816,550	60,646,436	1,436,572,976	0.59	5,153,907,817	27.87 %
2007	442,380,280	1,274,199,450	23,068,300	63,428,258	1,803,046,288	0.49	6,543,443,179	27.56 %
2008	468,298,840	1,372,673,625	26,790,150	70,199,061	1,937,961,676	0.49	6,999,453,884	27.69 %
2009	498,379,173	1,457,432,287	22,325,822	69,298,089	2,047,435,371	0.49	7,362,074,632	27.81 %
2010	503,735,572	1,497,246,346	21,369,957	81,415,649	2,103,767,524	0.49	7,599,886,397	27.68 %
2011	503,799,096	1,513,661,397	21,053,881	78,964,295	2,117,478,669	0.49	7,654,188,725	27.66 %
2012	624,223,809	1,626,787,010	19,035,100	78,672,001	2,348,717,920	0.44	8,408,400,132	27.93 %
2013	615,081,282	1,661,897,110	19,319,400	79,521,200	2,375,818,992	0.44	8,528,935,376	27.86 %
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 %
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 %

* The fiscal year listed corresponds to the preceding tax year levy (2015 fiscal year would represent the 2014 tax levy)
This represents the period for which the taxes were levied.

CITY OF BRENTWOOD, TENNESSEE

DIRECT AND OVERLAPPING PROPERTY TAX RATES (UNAUDITED)

LAST TEN FISCAL YEARS

FISCAL YEAR **	DIRECT RATE	OVERLAPPING RATE *
	CITY OF BRENTWOOD	WILLIAMSON COUNTY
2006	.59 / 100	2.79 / 100
2007	.49 / 100	2.26 / 100
2008	.49 / 100	2.26 / 100
2009	.49 / 100	2.26 / 100
2010	.49 / 100	2.26 / 100
2011	.49 / 100	2.26 / 100
2012	.44 / 100	2.26 / 100
2013	.44 / 100	2.26 / 100
2014	.44 / 100	2.26 / 100
2015	.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 (2015 fiscal year would represent the 2014 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 2015			FY 2006		
	Taxable Assessed Value*	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value*	Rank	Percentage of Total City Taxable Assessed Value
Highwoods/Tenn Holdings LP	\$ 61,898,600	1	2.38 %	\$ 41,769,440	2	2.79 %
Bellsouth Telecommunication	37,000,000	2	1.42	60,341,322	1	4.03
Boyle Investments	36,312,800	3	1.40	-		-
Carter Validus Properties	34,342,700	4	1.32			
Duke Realty	33,153,200	5	1.28	10,190,480	4	0.68
Brentwood Place Holding	23,202,400	6	0.89	-		-
Heritage Retirement Facility	17,840,000	7	0.69	-		-
Hospitality Properties Trust	16,966,300	8	0.65	-		-
PEM Investments	16,385,400	9	0.63	-		-
Gateway Kentfield Inc	11,257,700	10	0.43	8,627,640	6	0.58
Wells Fargo XII-Reit Joint	-		-	8,563,120	7	0.57
SBP Nashville, LLC	-		-	14,942,520	3	1.00
Brentwood Retail LP	-		-	9,317,760	5	0.62
Developers Diversified	-		-	8,375,960	8	0.56
Total	<u>\$ 288,359,100</u>		<u>11.10 %</u>	<u>\$ 162,128,242</u>		<u>10.83 %</u>
Total Assessment	<u><u>\$ 2,597,902,028</u></u>	**		<u><u>\$ 1,496,914,298</u></u>	***	

* Source: - 2006 and 2015 Williamson County Assessment

** Total Assessment Value for Tax Year 2015 (includes public utility assessment)

*** Comptroller of the Treasury Office of Assessed Properties (does not include public utility assessment)

CITY OF BRENTWOOD, TENNESSEE

PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED)

LAST TEN 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
2006	\$ 8,448,015	\$ 8,153,723	96.5%	\$ 291,632	\$ 8,445,355	100.0%
2007	8,885,916	8,761,268	98.6%	122,312	8,883,580	100.0%
2008	9,497,764	9,329,872	98.2%	164,132	9,494,004	100.0%
2009	10,034,692	9,835,526	98.0%	192,589	10,028,115	99.9%
2010	10,262,147	9,983,488	97.3%	271,304	10,254,792	99.9%
2011	10,356,406	10,098,663	97.5%	251,209	10,349,872	99.9%
2012	10,335,554	10,224,371	98.9%	109,294	10,333,665	100.0%
2013	10,453,923	10,297,356	98.5%	154,983	10,452,339	100.0%
2014	10,637,930	10,473,750	98.5%	151,182	10,624,932	99.9%
2015	11,100,760	10,945,964	98.6%	-	10,945,964	98.6%

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 and a combined interest/penalty of 1.5% accrues on the first day of each month that taxes remain delinquent (18% annually).
Effective with Tax Year 13

* The fiscal year listed corresponds to the preceding tax year levy (2015 fiscal year would represent the 2014 tax levy).
This represents the period for which the taxes were levied.

CITY OF BRENTWOOD, TENNESSEE

LOCAL TAXABLE SALES BY CATEGORY (UNAUDITED)

LAST TEN CALENDAR YEARS

Category	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1 Apparel Stores	\$ 33,110,402	\$ 36,340,515	\$ 36,791,744	\$ 34,207,950	\$ 35,603,335	\$ 36,114,319	\$ 42,427,613	\$ 44,738,731	\$ 46,359,901	\$ 58,604,409
2 General Merchandise Stores	79,666,952	93,667,544	96,290,678	102,124,500	103,554,734	106,921,963	112,677,316	124,020,931	133,660,538	142,312,149
3 Food Stores	105,320,600	112,792,481	122,265,370	124,903,787	121,282,425	123,553,923	129,922,134	131,410,673	135,436,755	135,950,643
4 Eating and Drinking Places	58,916,383	66,998,444	66,639,721	64,569,999	62,775,480	64,343,637	69,334,673	74,552,538	77,800,464	83,791,255
5 Furniture Stores	136,502,232	147,860,607	131,089,288	106,871,146	84,004,301	90,529,601	95,062,055	99,785,158	101,560,402	108,254,797
6 Building Materials	58,559,976	62,973,618	58,975,759	49,997,120	42,539,665	43,710,523	45,675,018	54,197,346	55,344,304	58,751,290
7 MV Dealers and Service Stations	28,685,813	27,846,907	29,598,430	27,848,660	26,799,004	28,419,425	30,486,891	32,776,910	34,299,124	42,781,718
8 Other Retail	83,541,019	95,137,484	116,873,769	125,204,559	117,644,106	125,540,882	124,362,484	135,444,730	143,958,140	142,240,016
9 All Other Outlets	<u>170,248,876</u>	<u>183,311,997</u>	<u>188,341,509</u>	<u>197,290,451</u>	<u>179,229,331</u>	<u>200,419,542</u>	<u>228,466,741</u>	<u>286,919,496</u>	<u>283,444,183</u>	<u>255,574,163</u>
Total	<u>\$ 754,552,253</u>	<u>\$ 826,929,597</u>	<u>\$ 846,866,268</u>	<u>\$ 833,018,172</u>	<u>\$ 773,432,381</u>	<u>\$ 819,553,815</u>	<u>\$ 878,414,925</u>	<u>\$ 983,846,513</u>	<u>\$ 1,011,863,811</u>	<u>\$ 1,028,260,440</u>

Source: Tennessee 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 TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Williamson County</u>	<u>State of Tennessee</u>
2006	1.125 %	1.125 %	7.00 %
2007	1.125	1.125	7.00
2008	1.125	1.125	7.00
2009	1.125	1.125	7.00
2010	1.125	1.125	7.00
2011	1.125	1.125	7.00
2012	1.125	1.125	7.00
2013	1.125	1.125	7.00
2014	1.125	1.125	7.00
2015	1.125	1.125	7.00

Note: The total local option sales tax of 2.25% consists of the City's rate of 1.125% and County rate of 1.125%, earmarked entirely for Williamson County schools. The local option tax can be increased by a maximum of .50% to 1.175% by a referendum vote of the citizens.

CITY OF BRENTWOOD, TENNESSEE

REVENUE CAPACITY INFORMATION (UNAUDITED)

LOCAL SALES TAX REVENUE BY INDUSTRY, PRINCIPAL EMPLOYERS, FISCAL YEARS 2006 AND 2015 (UNAUDITED)

Sector	Fiscal Year 2006			
	Number of Filers	% of Total	Tax Liability	% of Total
1 Retail Trade	616	50.66%	\$13,876,988	77.88%
2 Services	361	29.69%	\$2,555,699	14.34%
3 Manufacturing	57	4.69%	\$429,681	2.41%
4 Wholesale Trade	97	7.98%	\$203,227	1.14%
5 Construction	21	1.73%	\$265,391	1.49%
6 Finance Insurance Real Estate	13	1.07%	\$7,402	0.04%
7 Transportation and Utilities	12	0.99%	\$285,592	1.60%
8 Agriculture	10	0.82%	\$25,526	0.14%
9 Other, Non Classified	29	2.38%	\$170,053	0.95%
Total	1216	100.00%	\$17,819,559	100.00%

Sector	Fiscal Year 2015			
	Number of Filers	% of Total	Tax Liability	% of Total
1 Retail Trade	596	47.53%	\$18,030,746	74.98%
2 Services	372	29.67%	\$3,237,554	13.46%
3 Manufacturing	50	3.99%	\$216,831	0.90%
4 Wholesale Trade	94	7.50%	\$819,830	3.41%
5 Construction	24	1.91%	\$211,112	0.88%
6 Finance Insurance Real Estate	18	1.44%	\$525,480	2.19%
7 Transportation and Utilities	14	1.12%	\$386,289	1.61%
8 Agriculture	14	1.12%	\$24,156	0.10%
9 Other, Non Classified	72	5.74%	\$596,882	2.48%
Total	1254	100.00%	\$24,048,880	100.00%

Source: Tennessee Department of Revenue, Research Section

Notes:

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. Changes in local telecommunications sourcing rules in 2003 reduced the number of taxpayers reporting in Transportation and Utilities.
4. Does 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 TEN FISCAL YEARS

FISCAL YEAR	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME *	PER CAPITA *
	GENERAL OBLIGATION BONDS		WATER & SEWER REVENUE BONDS	STATE/TML WATER LOANS			
2006	\$ 26,521,854		\$ 7,800,506	\$ 947,104	\$ 35,269,464	2.0%	\$ 1,152
2007	24,783,304		6,953,348	699,459	32,436,111	1.7%	920
2008	27,734,754		6,056,754	443,768	34,235,276	1.8%	971
2009	25,531,204		15,115,227	179,770	40,826,201	2.0%	1,158
2010	28,612,374		14,153,311	-	42,765,685	1.9%	1,224
2011	26,540,378		23,151,846	-	49,692,224	2.1%	1,350
2012	29,436,074		28,318,417	-	57,754,491	2.4%	1,558
2013	27,926,990		27,068,131	-	54,995,121	2.3%	1,484
2014	30,406,988		28,821,143	-	59,228,131	2.6%	1,480
2015	27,790,080		27,175,100	-	54,965,180	2.3%	1,360

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

*Calculated information provided on page 110 (Demographic and Economic Statistics).

CITY OF BRENTWOOD, TENNESSEE

RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN (UNAUDITED)

LAST TEN FISCAL YEARS

<i>(dollars in thousands, except per capita)</i>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General bonded debt outstanding general obligation bonds	<u>\$ 26,522</u>	<u>\$ 24,783</u>	<u>\$ 27,735</u>	<u>\$ 25,531</u>	<u>\$ 28,612</u>	<u>\$ 26,540</u>	<u>\$ 29,436</u>	<u>\$ 27,927</u>	<u>\$ 30,407</u>	<u>\$ 27,790</u>
Percentage of taxable assessed property value**	1.85%	1.37%	1.43%	1.25%	1.37%	1.27%	1.25%	1.18%	1.26%	1.10%
Per capita***	866.25	702.83	786.53	724.04	820.00	723.15	794.28	753.56	759.78	687.86
Less: Amounts set aside to repay general debt	<u>3,023</u>	<u>3,537</u>	<u>3,865</u>	<u>3,732</u>	<u>3,979</u>	<u>3,943</u>	<u>3,793</u>	<u>3,712</u>	<u>3,706</u>	<u>3,621</u>
Total net debt applicable to debt limit	<u>\$ 23,499</u>	<u>\$ 21,246</u>	<u>\$ 23,870</u>	<u>\$ 21,799</u>	<u>\$ 24,936</u>	<u>\$ 22,597</u>	<u>\$ 25,643</u>	<u>\$ 24,215</u>	<u>\$ 26,701</u>	<u>\$ 24,169</u>
Legal debt limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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 99 (Assessed and Estimated Actual Value of Property)

***Per capita information calculated with information obtained on page 110 (Demographic and Economic Statistics).

CITY OF BRENTWOOD, TENNESSEE

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED)

AS OF JUNE 30, 2015

<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	\$ 27,790	100.0%	\$ 27,790
Overlapping:			
Williamson County	<u>518,380</u>	28.9%	<u>149,735</u>
Total	<u>\$ 546,170</u>		<u>\$ 177,525</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 6/30/2015.

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

CITY OF BRENTWOOD, TENNESSEE

PLEDGED REVENUE COVERAGE (UNAUDITED)

LAST TEN FISCAL YEARS

FISCAL YEAR	WATER & SEWER REVENUE BONDS			DEBT SERVICE REQUIREMENTS			COVERAGE
	UTILITY SERVICE CHARGES*	LESS: OPERATING EXPENSES**	NET AVAILABLE REVENUE	PRINCIPAL	INTEREST	TOTAL	
2006	13,320,702	7,551,700	5,769,002	1,365,000	321,380	1,686,380	3.42
2007	15,333,635	7,824,784	7,508,851	895,000	327,361	1,222,361	6.14
2008	13,810,926	9,287,489	4,523,437	940,000	235,022	1,175,022	3.85
2009	14,298,653	9,283,068	5,015,585	980,000	304,130	1,284,130	3.91
2010	13,549,064	9,367,100	4,181,964	995,000	423,732	1,418,732	2.95
2011	15,386,840	9,967,900	5,418,940	1,030,000	732,818	1,762,818	3.07
2012	17,844,323	9,834,663	8,009,660	1,480,000	795,532	2,275,532	3.52
2013	16,625,776	11,119,462	5,506,314	1,300,000	840,405	2,140,405	2.57
2014	17,181,977	12,394,282	4,787,695	2,220,000	873,342	3,093,342	1.55
2015	17,313,610	11,977,861	5,335,749	1,640,000	844,340	2,484,340	2.15

*Includes nonoperating revenues (includes water and sewer tap fees beginning in 2006).

**Does not include depreciation and amortization.

CITY OF BRENTWOOD, TENNESSEE

DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)

LAST TEN 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
2006	30,617	¹	1,732,953	56,601	42.9	8,872	3.9%
2007	35,262	²	1,938,705	54,980	43.3	9,512	3.4%
2008	35,262	²	1,938,705	54,980	43.3	10,422	5.0%
2009	35,262	²	2,046,959	58,050	43.7	10,136	7.1%
2010	35,262	²	2,279,265	64,638	44.0	10,896	6.1%
2011	37,060	³	2,327,553	62,805	44.0	11,292	6.7%
2012	37,060	³	2,380,030	64,221	44.0	11,155	5.9%
2013	37,060	³	2,380,030	64,221	40.3	11,078	6.2%
2014	40,021	⁴	2,280,357	56,979	43.3	11,312	5.7%
2015	40,401	⁵	2,384,629	59,024	43.6	11,703	5.7%

¹ Based on 2004 special census report

² Based on 2006 special census report

³ Based on 2010 US Bureau of the Census report

⁴ Based on 2014 US Bureau of the Census estimate

⁵ Based on 2015 City Special Census Certified Report

^a Source - Williamson Economic Development Council

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

^c Source - U.S. Department of Labor, Bureau of Labor Statistics

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

EMPLOYER	2015			2006		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
HCA	2,002	1	11.02 %			
Comdata	1,000	2	5.50	864	1	5.55 %
Tractor Supply Company	910	3	5.01	350	7	2.25
Brookdale Senior Living	730	4	4.02			
DaVita (acquired Gambro Healthcare)	650	5	3.58			
AT&T	515	6	2.83	500	4	3.21
The Lampo Group (Dave Ramsey)	458	7	2.52			
Lattimore Black Morgan & Cain	450	8	2.48	250	10	1.61
W Squared	450	9	2.48			
City of Brentwood	270	10	1.49	263	9	1.69
Community Health Systems				701	2	4.51
EDS				570	3	3.66
Progency Marketing Innovations				450	5	2.89
Gambro Healthcare				350	6	2.25
Cingular Wireless				300	8	1.93
EMI Christian Music Group				250	10	1.61
St. Paul Travelers Co. Inc.				250	10	1.61
Total	<u>7,435</u>		<u>40.92 %</u>	<u>5,098</u>		<u>32.77 %</u>
Total employment	<u>18,168</u> *			<u>15,559</u> *		

Source:

* Total employment numbers from US Department of Labor, Bureau of Labor Statistics

CITY OF BRENTWOOD, TENNESSEE

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM (UNAUDITED)

LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL GOVT.										
City Manager	1	2	2	2	2	2	2	2	2	2
Administration	3	3	3	3	3	3	3	3	3	3
Finance	7	8	7	7	7	7.5	7.5	7.5	7	7.5
Human Resources	2	1	3	3	3	3	3	3	3	3
Information Technology	4	4	4.5	4.5	4.5	4.5	5.5	4.5	4.5	4.5
Planning and Development	4	4	4	4	3	3	3	3	3	3
Codes	9	8	9.5	9.5	9.0	9.5	8.5	9	8.5	8.5
GIS	-	2	4	3.5	4.5	4.5	3	3	3	3
	30	32	37	36.5	36.0	37.0	35.5	35	34	35
POLICE										
Officers	54	62	58	58	55.0	55.0	56.0	54	56	58
Civilians	13	10	12	13	13.5	14.0	15.0	14	16.5	15.5
FIRE										
Firefighters & Officers	57	57	58	61	61	63	61	63	62	61
Civilians	1	1	1	1	1	1	1	1	1	1
PUBLIC WORKS										
Engineering	4	4	5	4	4	4	4	4	4	4
Public Works - Streets	22	19	22	22.5	22.5	22	22	22	23	23
UTILITIES										
Water	11	11	12	13	13	12	13	13	13	13
Wastewater	12	12	13	13	12	12	13	12	13	13
PARKS & RECREATION	19	17	17	18	19	18	17	20	21	20
LIBRARY	23	26	26	26	28	26	28.5	29	26	29
Total	246	251	261	266	265	264	266	267	270	272

Source: City of Brentwood Personnel Department

CITY OF BRENTWOOD, TENNESSEE

OPERATING INDICATORS BY FUNCTION/PROGRAM (UNAUDITED)

LAST TEN FISCAL YEARS

<u>FUNCTION/PROGRAM</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government										
Building permits issued	1,629	1,410	1,160	795	909	968	979	974	971	931
Building related inspections	16,078	14,035	14,299	12,320	8,908	9,778	10,318	10,639	10,095	9,927
Police										
Physical arrests	812	965	1,234	1,251	964	1,082	1,244	1,078	1137	960
Parking violations	58	36	178	122	44	73	70	68	95	24
Traffic violations	8,464	11,002	11,068	8,805	6,632	5,963	6,282	5,875	5019	3906
Fire										
Emergency responses	2,408	2,467	2,441	2,455	2,473	2,622	2,742	2,721	2,961	3,018
Fires extinguished	123	112	78	86	67	102	92	81	79	67
Inspections (Commercial)	453	470	482	488	492	494	1,407	716	732	704
Public Works										
Street resurfacing (miles)	25.35	17.68	18.76	21.98	18.85	20.60	18.06	16.9	22.20	19.26
Potholes repaired	258	228	244	471	723	352	389	188	285	408
Library										
Volumes in collection	124,866	133,778	143,822	150,610	155,541	165,714	226,180	270,953	316,811	361,486
Total volumes borrowed	458,589	480,268	523,914	566,798	624,000	678,533	653,297	655,761	680,510	677,261
Water										
New connections	128	111	326	80	77	144	172	161	176	182
Water main breaks	9	13	27	11	15	15	12	13	12	7
Monthly average daily flow	105,000,000	153,305,000	162,000,000	159,000,000	142,754,333	147,709,000	153,415,000	150,165,000	156,000,000	170,300,000
Wastewater										
Average daily sewage treatment (thousands of gallons)	6,137.00	5,589.00	5,900.00	5,380.00	5,385.00	4,540.00	4,400.00	5,200.00	5,050.00	5,187.00

Source: Various City Departments

CITY OF BRENTWOOD

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (UNAUDITED)

LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	64	65	70	66	67	67	66	65	67	67
Fire Stations	4	4	4	4	4	4	4	4	4	4
Public Works										
Streets (miles)	417	417	422	424	456	459	461	466	469	479
Streetlights	2,607	3,249	3,289	3,354	3,401	3,422	3,439	3491	3513	3614
Traffic signals	39	40	42	42	43	44	46	46	46	47
Parks and Recreation										
Acreage	560	580	580	580	610	862	862	966	966	966
Playgrounds	3	4	4	4	4	4	4	4	4	4
Baseball/softball diamonds	11	11	11	11	11	11	11	11	11	11
Soccer/football fields	15	15	15	15	15	15	15	15	15	15
Water										
Water mains (miles) *	216	235	198	220	205	206	206	208	213	217
Fire hydrants	2,045	2,100	2,231	2,290	2,320	2,339	2,036	2411	2438	2475
Storage capacity (thousand of gallons)	14,000	14,790	14,790	14,790	14,520	14,020	14,020	14,020	14,020	14,025
Wastewater										
Sanitary sewers (miles)	245	260	260	260	269	269	268	277	281	285

Source: Various City Departments

*Previously, number of water main miles were based on manual estimates. Due to recently completed GIS survey work, the 2008 and subsequent information is more accurate.

COMPLIANCE SECTION



City of Brentwood

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*

The Honorable Mayor and Board of Commissioners
City of Brentwood
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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Brentwood, Tennessee (the "City") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 28, 2015.

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) to determine the 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 may exist that have not been identified.



Compliance and Other Matters

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

Crosslin & Associates, PLLC

Nashville, Tennessee
December 28, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

The Honorable Mayor and Board of Commissioners
City of Brentwood
Brentwood, Tennessee

Report on Compliance for the Major Federal Program

We have audited the City of Brentwood, Tennessee's (the "City") compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2015. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Brentwood, Tennessee complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.



Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Crosslin & Associates, PLLC

Nashville, Tennessee
December 28, 2015

CITY OF BRENTWOOD, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

SECTION I - Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: 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 program Unmodified

Any audit findings disclosed that are required to be reported
in accordance with Section 510(a) of OMB Circular A-133? yes x no

Identification of major programs for the City of Brentwood for the fiscal year ended June 30, 2015 are:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes x no

CITY OF BRENTWOOD, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
YEAR ENDED JUNE 30, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

None Reported.

SECTION III - FEDERAL AUDIT FINDINGS AND QUESTIONED COSTS

None Reported.

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

There were no prior year audit findings for the City of Brentwood, Tennessee.