



CITY OF
BRENTWOOD
TENNESSEE



Comprehensive Annual
Financial Report
For Fiscal Year Ended
June 30, 2020

CITY OF BRENTWOOD, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PREPARED BY:
DEPARTMENT OF FINANCE

CITY OF BRENTWOOD, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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INTRODUCTORY SECTION



City of Brentwood

RHEA E. LITTLE, III
MAYOR

KEN TRAVIS
VICE MAYOR

KIRK BEDNAR
CITY MANAGER



COMMISSIONERS
NELSON ANDREWS
ANNE DUNN
MARK GORMAN
SUSANNAH MACMILLAN
REGINA SMITHSON

December 30, 2020

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, 2020, 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, 2020.

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

The City’s financial statements have been audited by Crosslin, 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, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Brentwood’s financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of Brentwood is in Middle Tennessee in the northern part of Williamson County, adjacent to the southern border of Metropolitan Nashville-Davidson County. Since the mid-1990's, Middle Tennessee and specifically Williamson County has been 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 2018 special census of 43,889. The City of Brentwood is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation into the officially designated urban growth area, subject to property owner request or a successful referendum.

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

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

In early January, City departments begin assessing resource needs for the coming year relative to capital equipment, including fleet; maintenance requirements; technology; and, proposed new or expanded work programs. By late January, a work session is held with the City Commission to review initial revenue projections and receive initial policy guidance on appropriate service levels and personnel policies. Budget requests and supporting documentation are then prepared by individual departments and submitted in 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 nonmajor governmental funds and debt service fund comparison begin on pages 83 and 86, 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. Any discussion of the economy today must distinguish between pre-COVID and COVID. The local economy in Brentwood and the Nashville/Middle Tennessee area continued to be very strong compared to many communities and regions across the USA pre-COVID. Through the first quarter of 2020, Brentwood's pre-COVID unemployment rate was 2.5%, compared to Williamson County's 2.4% rate, the statewide rate of 3.3%, and the national jobless rate of 4.4%. At the height of the COVID induced economic shutdown, these numbers were 8.4% in Brentwood, 10.5% for Williamson County, 15.5% statewide, and 14.7% nationally. Thankfully, the local economy in Williamson County has turned back quickly from the COVID low point. The most recently available statistics for September 2020 indicate a 3.6 percent unemployment rate for Brentwood, up from 2.5 percent a year ago. This compares to the Williamson County rate of 3.6 percent, the statewide rate of 6.3 percent, and national jobless rate of 7.9 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 43,889 as a result of special census completed in spring of 2018. The census figures reflect a strong but manageable rate of growth (roughly 5.1% annually) from 1970 to 2018. On average, about 1,136 new residents moved into the City and 272 new homes were constructed annually for the past 20 years.

The strength of the Brentwood economy is reflected in the growth in the tax base. The total valuation for new building related permits issued during the 2019 - 2020 fiscal year was \$147,254,122 with 833 permits being issued. In fiscal year 2020, Brentwood had a total assessed value of taxable property of \$3,451,224,534, which ranks among the highest of any city in the State of Tennessee regardless of size and population.

The Brentwood area has one of the largest concentrations of suburban office space in the Nashville Metropolitan area with 6.5 million square feet of rentable office space. Over 20,000 people are employed in the office complexes in Brentwood. The latest market survey as of September 30, 2020 revealed a vacancy rate for office space of 12.7% in the Brentwood area, compared to 13.1% for the Nashville office market overall. Note that this vacancy rate includes office buildings in the portion of Nashville/Davidson County that is included in the Brentwood office market study area. Within Brentwood, a new 106,000 square foot office building in the Virginia Springs development opened in the second quarter of 2019. This new building is 100% leased, including the corporate headquarters for VACO and CoreCivic, Inc. A second identical 106,000 sq. foot office building in the Virginia Springs development is under construction with completion expected in early 2021. In September 2020, the YMCA of Middle Tennessee announced it would be closing the Maryland Farms YMCA by the end of calendar year 2022. This currently tax exempt, sixteen-acre tract in the middle of the Maryland Farms office park will be sold and

redeveloped likely as office space with some limited retail space also. This redevelopment will create a significant increase in taxable property values when completed.

Many companies locate their national or regional headquarters or offices in Brentwood. The diversity of employment opportunities in the community is significant with the City not dependent on a single, large employer. As employers, they represent diverse economic sectors that include health, retail, telecommunications and financial services. Tractor Supply (retail), Comdata (financial services), AT&T (communications), Brookdale Senior Living (senior residential management), GEODIS (logistics), naviHealth (healthcare), Quorum Health (hospital management), Lattimore, Black, Morgan & Cain, P.C. (financial services), and Kirkland's (retail) are examples of companies who have chosen to locate their national or regional offices in Brentwood. As noted above, CoreCivic and VACO added to the list of corporate headquarters in Brentwood when they relocated from Nashville in 2019.

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-nine (29) years through FY 2020.

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 strives to meet the growth in student enrollment by constructing new schools, as needed. In August 2018, the school district opened the new Jordan Elementary school in southeast Brentwood. The site is large enough to also accommodate a future middle school expected to be built in the next 3-5 years. Construction was recently completed on a new STEM building on the campus that serves both Brentwood High School and Brentwood Middle School to accommodate the growth in student enrollment in these two schools. This facility opened in August of 2019. A complete rebuild of Brentwood Middle School is on the school district's five-year building plan.

In January of 2018, Williamson County voters approved a local option sales tax increase raising the rate from 2.25% to the statutory maximum of 2.75%. Brentwood, along with the other municipalities in Williamson County, agreed to forego its local share of the sales tax increase for a three-year period in support of capital financing for the Williamson County school district. When this three-year period expires in April of 2021, it is projected that Brentwood's annual share of the local option sales tax increase will net approximately \$4.25 million in additional revenue based on FY 2020 actual collections.

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

Funding for the CIP program is generally balanced among local sources (pay-as-you-go), inter-governmental funding and the issuance of General Obligation and Water/Sewer Revenue Bonds. Highlights of the adopted FY 2021-26 CIP include:

- Continued construction by the State of Tennessee for Franklin Road Widening Improvements (from Concord Rd to Moores Lane)
- Construction of a Police Department headquarters facility
- Construction of a new fire station
- Land acquisition and development of a new 52-acre park
- A cooperative effort with the City of Franklin to extend McEwen Drive from its current terminus at Wilson Pike through the Taramore Subdivision in Brentwood
- Continued rehabilitation of the Brentwood sewer system
- Water system capacity improvements, including transmission line upgrades as well as necessary infrastructure replacement projects

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

- ***Long-Term COVID-19 Impacts.*** With the onset of the COVID-19 pandemic during the last quarter of FY 2020, the City was faced with significant economic uncertainty beyond its control. While the actual financial impacts for the City have not been as severe as originally feared, there are other potential longer-term impacts to the region and society that could impact Brentwood. These include corporate office utilization trends due to a continuation of work from home policies and the potential increase in vacancy rates within the Maryland Farms office park. Also, a reduction in business travel in favor of Zoom meetings could impact hotel and restaurant related tax revenues in Brentwood. Finally, the pace of recovery for Nashville’s entertainment and tourism industry will also impact hospitality related tax revenues given Brentwood’s location and competitive lodging rates compared to downtown Nashville.
- ***Local Revenue Growth Trends.*** While the pre-COVID economic conditions in Brentwood and Middle Tennessee were very positive, the pandemic did create significant economic headwinds the last quarter of fiscal year 2019-2020. Fortunately, the City of Brentwood was still able to end the fiscal year in excellent financial condition due to consistently conservative financial management. General Fund revenues exceeded amended budget estimates by \$4,466,185 while expenditures were under the revised appropriation by \$793,161. Even after taking into account special year-end appropriations transfers from the General Fund to the Capital Projects (\$6,385,000) for advance funding for various capital improvements in fiscal year 2021 and beyond, the fund balance increased by \$4,014,572 from the previous fiscal year (from \$47,847,263 to \$51,861,835). As noted earlier, this positive increase was possible due to continued conservative revenue estimates that minimized the overall budget impact of COVID, an improving local economy and associated retail sales for the first three quarters of the fiscal year

pre-COVID, and continued strong Hall Income Tax revenue distributions even taking into account the additional 1% reduction in the tax rate for the 2019 tax year. Looking ahead to fiscal year 2020 - 2021 and beyond, we anticipate continued moderate revenue growth from key revenue sources such as property taxes and local sales taxes, assuming no significant economic shutdowns due to the pandemic. Several new development and redevelopment projects either recently completed or under construction will provide additional new office, retail, restaurant, and hotel options. The recent announcement of the impending closure of the tax-exempt Maryland Farms YMCA and the sale and redevelopment of that 16-acre tract in the middle of the Maryland Farms office park also presents positive financial opportunities in the coming years. Note that the FY 2019-20 General Fund operating budget reflected a \$125,000 decrease (from \$275,000 down to \$150,000) in budgeted revenue from the Hall Income Tax to continue reducing operating budget reliance on this expiring revenue source. An additional \$75,000 decrease (from \$150,000 to \$75,000) was included in the FY 2020-21 General Fund operating budget. As noted previously, the City will receive a significant influx of new revenue beginning in the last quarter of FY 2021 from the local sales tax increase approved by voters in January of 2018. This additional revenue will offset the loss of revenue from the Hall Income Tax, which terminates beginning in FY 2022. 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 2021 - 2022 General Fund budget will be balanced without a property tax increase and done in a way that does not reduce essential services or affect the quality of life in Brentwood, assuming no significant continuing economic impacts from the pandemic, no radical revenue adjustments imposed by the state legislature during the 2021 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. New home starts in fiscal year 2020 totaled 117 compared to 114 in fiscal year 2019. Most new home development includes prices of \$1,000,000+, which obviously has a smaller market size. The resale of existing homes also shows strong activity, with the median price over the past twelve months being in excess of \$700,000. A county-wide property reappraisal process is underway with results to be factored into the FY 2022 budget.
- **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 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 challenges facing the City in the next few years. During fiscal year 2017, the City implemented the first water rate increase since the early 1990's. This water rate increase was structured to have a greater impact on the higher water usage customers who are the primary source of the demand necessitating expansion of the water system. A small sewer rate increase was also approved. The rate increase approval included scheduled, smaller annual increases thru FY 2021 to keep pace with projected cost increases and fund planned capital improvements and system maintenance. An updated water and sewer rate study is underway at this time, with any adjustments expected to be effective in FY 2022.

- ***Competitive Employee Pay and Benefit Programs.*** The strength of the Middle Tennessee economy provides benefits from a revenue perspective, but also creates pressures on the City's ability to maintain a competitive employee compensation and benefits program. Escalating wage rates in both the surrounding public and private sector job markets necessitates that the City continually assess its classification and compensation plan. While updates to the pay plan have been implemented in recent years, continued emphasis on compensation levels will be necessary and could require additional structural adjustments to the City's pay policies. In addition, the increasing workforce presence of the millennial generation presents unique challenges due to new and different employee expectations of the workplace, leave policies, benefit programs, etc.

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 2020 with an unassigned fund balance for the general fund of \$43,442,063, or 94% of FY 2020 general fund expenditures and transfers, including significant year-end transfers to the Capital Projects Fund. Excluding the significant year-end, discretionary transfer to the Capital Projects Fund, the FY 2020 year-end unassigned fund balance was 108% of FY 2020 general fund expenditures and budgeted transfers.

In addition, the City strives to maintain an unallocated fund balance in the Debt Service Fund equal to one (1) year's General Obligation debt service requirement. The City exceeded this goal by ending FY 2020 with Debt Service Fund balance of \$3,347,499 or 118% of the FY 2020 total debt service payments of \$2,840,665.

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

Major Initiatives for the Year - The significant projects, events and accomplishments during the City's 2019 - 2020 fiscal year included the following:

- ***Credit Quality*** - The City of Brentwood's financial position remains exceptionally strong with an Aaa bond rating from Moody's Investors Services and a AAA rating from Standard and Poor's. Note that the ratings from both agencies were recently reaffirmed in September 2019. 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 2021 - 2026, including a realistic financing and debt management plan. This includes construction of a new Police Headquarters facility, the largest single capital project in the City's history.
- ***Stable Property Tax Rate*** - The City of Brentwood property tax rate approved in June 2020 for the new fiscal year beginning July 1, 2020 - June 30, 2021 remained \$.36 per \$100 of assessed value, which represents the same effective tax rate for the 30th 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 \$700,000 being \$630 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 2020 - 2021 fiscal year. In addition, the Brentwood 2030 Plan, the City's long-term comprehensive plan, helps guide policy making and resource allocation decisions.
- ***Productivity Improvement*** - Brentwood is strongly committed to improving the productivity and responsiveness of City departments through the effective use of new technology and equipment in daily operations. This on-going focus has kept the overall growth in City staffing levels low while enabling the City to be responsive to expanding service demands (police, fire, parks, public works, library, inspections, etc.). The result is that the number of full-time employees per 1,000 residents for the adopted fiscal year 2019-2020 budget was 6.3 versus 8.5 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 100 additional full-time employees (375 rather than 275) with additional personnel cost to the City of \$9.1 million annually. Funding would have required a 75% increase in the City property taxes, a corresponding \$9.1 million or 23% cut in current General Fund services or a combination of tax increases and service reductions.
- ***New Commercial Development Activity*** - Significant commercial development continued during FY 2020. Construction of the next phase of the Hill Center project continues, including a new office building that opened in spring 2020, a hotel to open in mid-2021, and additional retail space that opened fall of 2019. CoreCivic, Inc. and VACO relocated their corporate headquarters operations to the new office building completed in mid-2019 in the Virginia Springs development. A second identical office building is under construction in Virginia Springs and will be complete in the first quarter of 2021.

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, 2019. This was the thirty-fourth (34th) consecutive year (fiscal years ended 1986 - 2019) 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, 2019. This represents the twenty-eighth (28th) consecutive year the City has met or exceeded the program's requirements. This award represents the highest recognition possible in governmental budgeting.

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

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

Also, the City is indebted to the staff of Crosslin, 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



Karen Harper
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

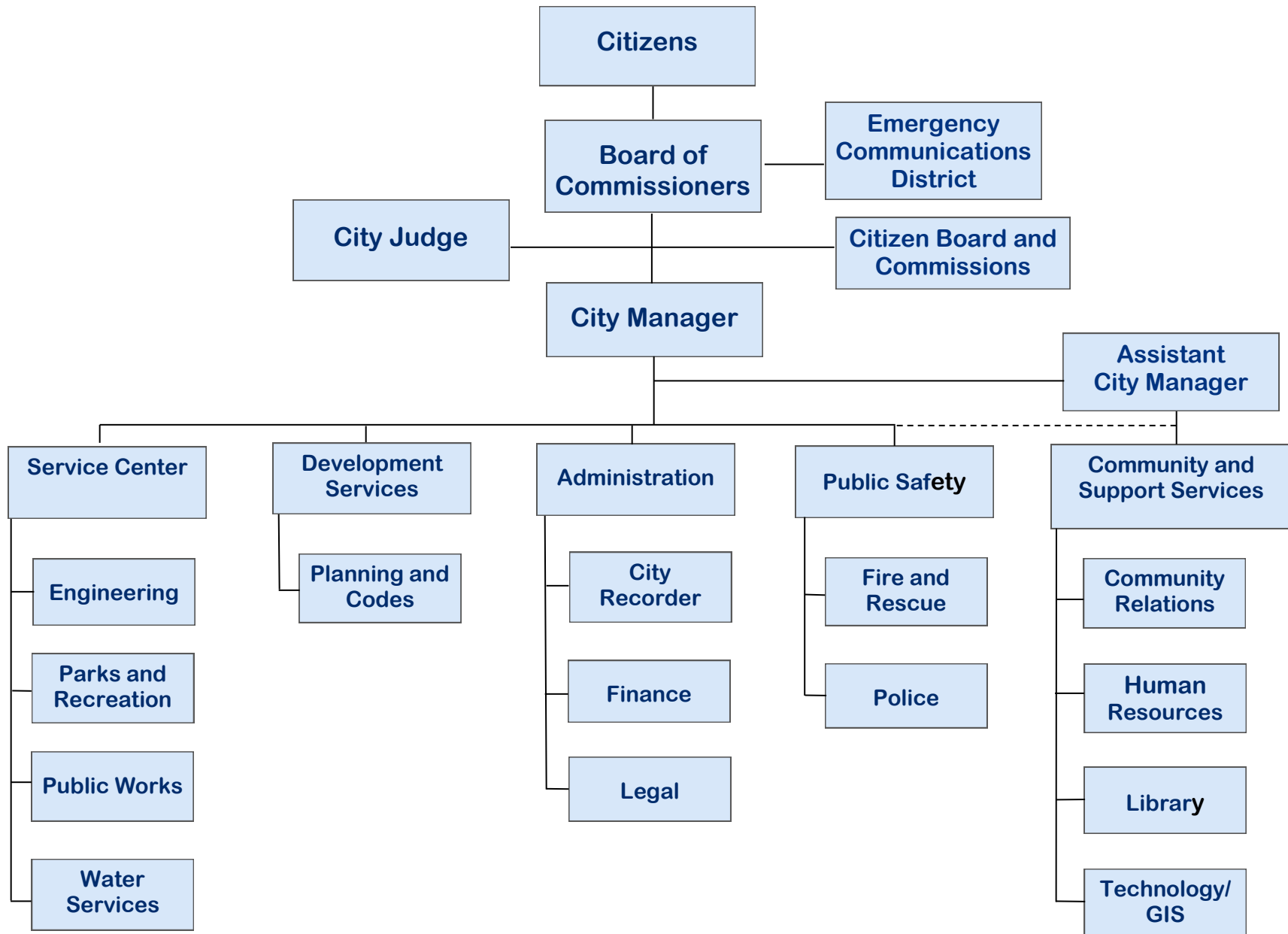
June 30, 2019

Christopher P. Morrill

Executive Director/CEO

City of Brentwood

Organization Chart



CITY OF BRENTWOOD
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2020

Elected:

Mayor	Rhea Little, III
Vice Mayor	Ken Travis
Commissioner	Nelson Andrews
Commissioner	Anne Dunn
Commissioner	Mark Gorman
Commissioner	Susannah Macmillan
Commissioner	Regina Smithson

Appointed:

City Manager	Kirk Bednar
Assistant City Manager	Jay Evans
City Attorney	Kristen Corn
City Recorder	Holly Earls
Finance Director	Karen Harper
Assistant Finance Director/City Treasurer	Julie Wilson
Human Resource Director	Michael Worsham
Police Chief	Jeff Hughes
Fire Chief	Brian Goss
Planning and Codes Director	Jeff Dobson
Public Works Director	Todd Hoppenstedt
Engineering Director	Mike Harris
Water and Sewer Director	Chris Milton
Library Director	Susan Earl
Community Relations Director	Deanna Lambert
Parks and Recreation Director	David Bunt
Technology Director	John Allman
City Judge	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, 2020, 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, 2020, 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.

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 (Asset) and Related Ratios – City of Brentwood Pension Plan on page 73, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios – Brentwood Emergency Communications District Pension Plan on page 74, Schedule of Employer Contributions – City of Brentwood Pension Plan on page 75, the Schedule of Employer Contributions – Brentwood Emergency Communications District Pension Plan on page 76, the Schedule of Changes in City's Net OPEB Liability and Related Ratios on page 77, the Schedule of City Contributions – OPEB Plan on page 78, and the Schedule of Investment Returns – OPEB Plan on page 79, 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 80 through 86, the combining and individual internal service fund statements on pages 87 through 90, the other schedules on pages 91 through 95, state compliance schedules on pages 120 through 123 and the statistical section on pages 97 through 119 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 on page 96 is presented for purposes of additional analysis as required by 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 91 through 95 and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate 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 91 through 95, 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, state compliance schedules on pages 120 through 123 and the statistical section on pages 97 through 119 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 30, 2020 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Brentwood, Tennessee's internal control over financial reporting and compliance.

Craslin, PLLC

Nashville, Tennessee
December 30, 2020

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, 2020. 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 \$427,398,463 (net position). Of this amount, \$99,497,328 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$18,278,581 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 \$89,048,858 an increase of \$9,427,873 in comparison with the prior year. Approximately 49% of this total amount, \$43,442,063 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 \$43,442,063, or 93.6% of fiscal year 2020 final general fund expenditures including transfers. This demonstrates the City's fiscal discipline and places the City in a strong financial position to meet unexpected emergencies, uncertainties at the State level or a slowdown in the economy.
- The City of Brentwood's total long-term debt increased by \$10,630,000 during the current fiscal year. This increase was due to a \$14,445,000 2019 General Obligation Public Improvement bond issuance for the Police Headquarters.

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 Postemployment 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 - 72 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 postemployment benefits to its employees is presented, which can be found on pages 73 - 79 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, as well as budgetary information for the debt service fund, are presented immediately following the required supplementary information on pensions and other postemployment benefits. Combining and individual fund statements can be found on pages 80 - 90 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Brentwood, assets and deferred outflows exceeded liabilities and deferred inflows by \$427,398,463 as of June 30, 2020.

City of Brentwood, Tennessee
Net Position - Primary Government
June 30, 2020 and 2019
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 122,407	\$ 107,696	\$ 36,232	\$ 37,068	\$ 158,639	\$ 144,764
Capital Assets	<u>280,028</u>	<u>261,670</u>	<u>73,783</u>	<u>72,287</u>	<u>353,811</u>	<u>333,957</u>
Total Assets	<u>402,435</u>	<u>369,366</u>	<u>110,015</u>	<u>109,355</u>	<u>512,450</u>	<u>478,721</u>
Deferred Outflows of Resources	<u>5,584</u>	<u>5,779</u>	<u>1,033</u>	<u>1,132</u>	<u>6,617</u>	<u>6,911</u>
Long-term Liabilities Outstanding	43,300	30,268	19,879	21,685	63,179	51,953
Other Liabilities	<u>10,789</u>	<u>7,254</u>	<u>2,835</u>	<u>2,614</u>	<u>13,624</u>	<u>9,868</u>
Total Liabilities	<u>54,089</u>	<u>37,522</u>	<u>22,714</u>	<u>24,299</u>	<u>76,803</u>	<u>61,821</u>
Deferred Inflows of Resources	<u>14,679</u>	<u>14,506</u>	<u>186</u>	<u>184</u>	<u>14,865</u>	<u>14,690</u>
Net Position:						
Net investment in capital assets	254,765	244,935	55,065	51,842	309,830	296,777
Restricted	17,357	14,486	714	555	18,071	15,041
Unrestricted	<u>67,129</u>	<u>63,696</u>	<u>32,369</u>	<u>33,607</u>	<u>99,498</u>	<u>97,303</u>
Total Net Position	<u>\$ 339,251</u>	<u>\$ 323,117</u>	<u>\$ 88,148</u>	<u>\$ 86,004</u>	<u>\$ 427,399</u>	<u>\$ 409,121</u>

By far the largest portion of the City of Brentwood's net position (72.4%) 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 (\$707,395), capital projects (\$10,149,528), and drug enforcement and education (\$457,632).

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 \$16,134,710 accounting for 88.3% of the total growth in the net position of the City. The primary factors underlying this increase include:

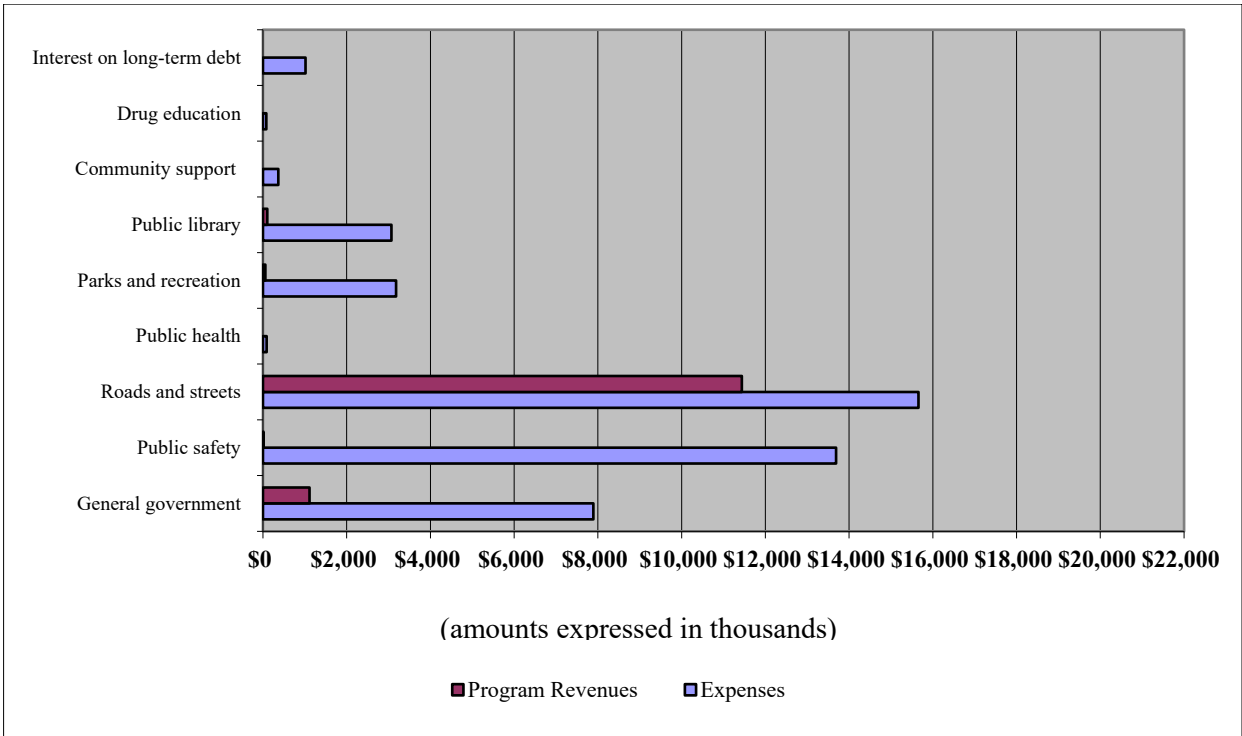
- State Income Tax (Hall Tax) net collections were \$3,120,309 which is \$2,970,309 more than conservative original budget estimates of \$150,000.
- Local sales tax collections were \$19,098,477, a \$1,635,560 (9.4%) increase over last year's collections and were \$3,898,477 (25.6%) higher than FY 2020 original budget estimates.
- Total actual General Fund departments' cost containment measures resulted in \$793,161 less expenditures than the amended budget amount of \$36,708,085.

The City's Changes in Net Position
For the years ended June 30, 2020 and 2019
(amounts expressed in thousands)

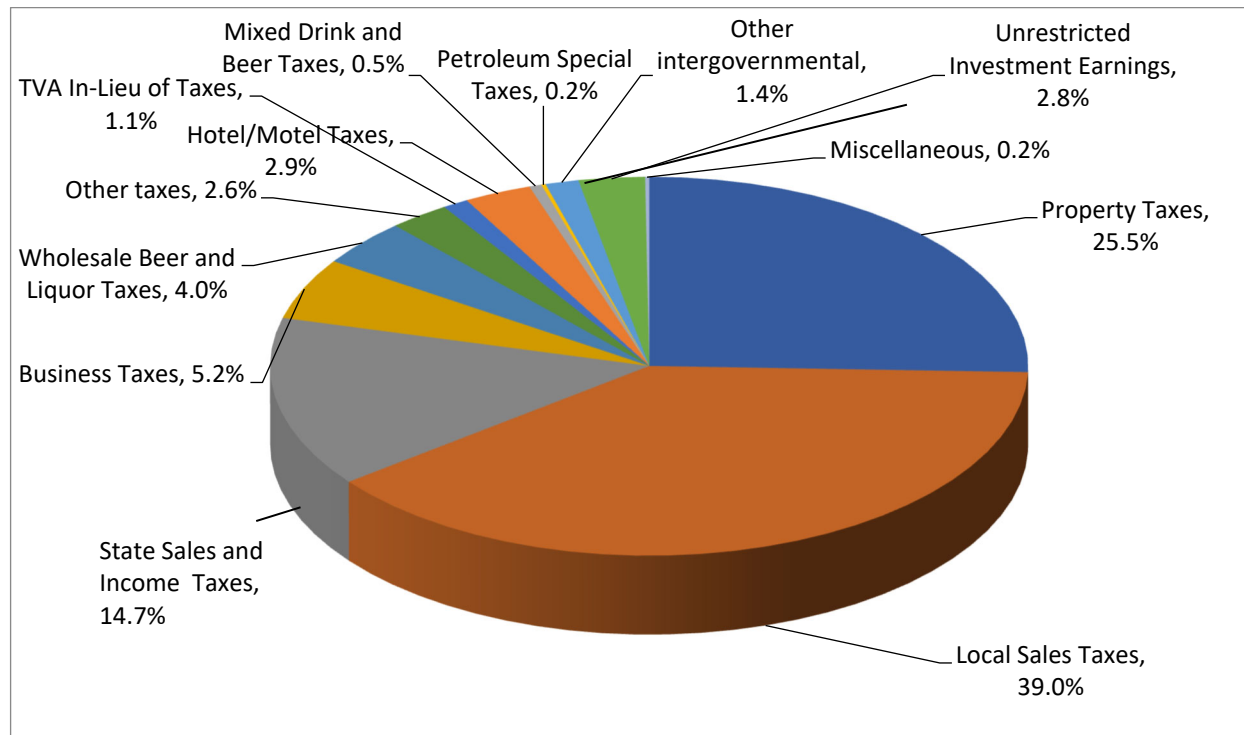
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Charges for services	\$ 2,285	\$ 1,813	\$ 19,783	\$ 19,646	\$ 22,068	\$ 21,459
Operating grants and contributions	1,573	1,618	951	1,038	2,524	2,656
Capital grants and contributions	8,865	18,345	1,169	979	10,034	19,324
General revenues:						
Property taxes	12,488	12,133	-	-	12,488	12,133
Local option sales tax	19,098	17,463	-	-	19,098	17,463
Hotel/motel taxes	1,410	1,760	-	-	1,410	1,760
Wholesale beer and liquor taxes	1,941	1,738	-	-	1,941	1,738
Adequate schools facilities taxes	552	484	-	-	552	484
Other taxes	715	807	-	-	715	807
State sales tax	3,999	3,893	-	-	3,999	3,893
State income tax	3,120	3,328	-	-	3,120	3,328
Business tax	2,564	2,384	-	-	2,564	2,384
TVA in-lieu of tax	540	520	-	-	540	520
Mixed drink and beer tax	258	317	-	-	258	317
Petroleum special tax	87	87	-	-	87	87
Corporate excise tax	243	133	-	-	243	133
Telecommunications tax	18	17	-	-	18	17
Other intergovernmental	436	390	-	-	436	390
Unrestricted investment earnings	1,383	2,127	435	773	1,818	2,900
Miscellaneous	84	512	-	-	84	512
Total Revenues	61,659	69,869	22,338	22,436	83,997	92,305
Expenses:						
General government	7,891	7,076	-	-	7,891	7,076
Public safety	13,691	16,719	-	-	13,691	16,719
Roads and streets	15,656	12,756	-	-	15,656	12,756
Public health	88	78	-	-	88	78
Parks and recreation	3,180	3,715	-	-	3,180	3,715
Public library	3,070	3,030	-	-	3,070	3,030
Community support	368	368	-	-	368	368
Drug education	81	59	-	-	81	59
Interest on long-term debt	1,015	597	-	-	1,015	597
Water and sewer	-	-	18,655	18,146	18,655	18,146
Rental facilities	-	-	664	677	664	677
Emergency Communications	-	-	1,360	1,419	1,360	1,419
Total expenses	45,040	44,398	20,679	20,242	65,719	64,640
Increase in net position before transfers	16,619	25,471	1,659	2,194	18,278	27,665
Transfers	(485)	(485)	485	485	-	-
Increase in net position	16,134	24,986	2,144	2,679	18,278	27,665
Net position - beginning	323,117	298,131	86,004	83,325	409,121	381,456
Net position - ending	\$ 339,251	\$ 323,117	\$ 88,148	\$ 86,004	\$ 427,399	\$ 409,121

Expenses and Program Revenues - Governmental Activities

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



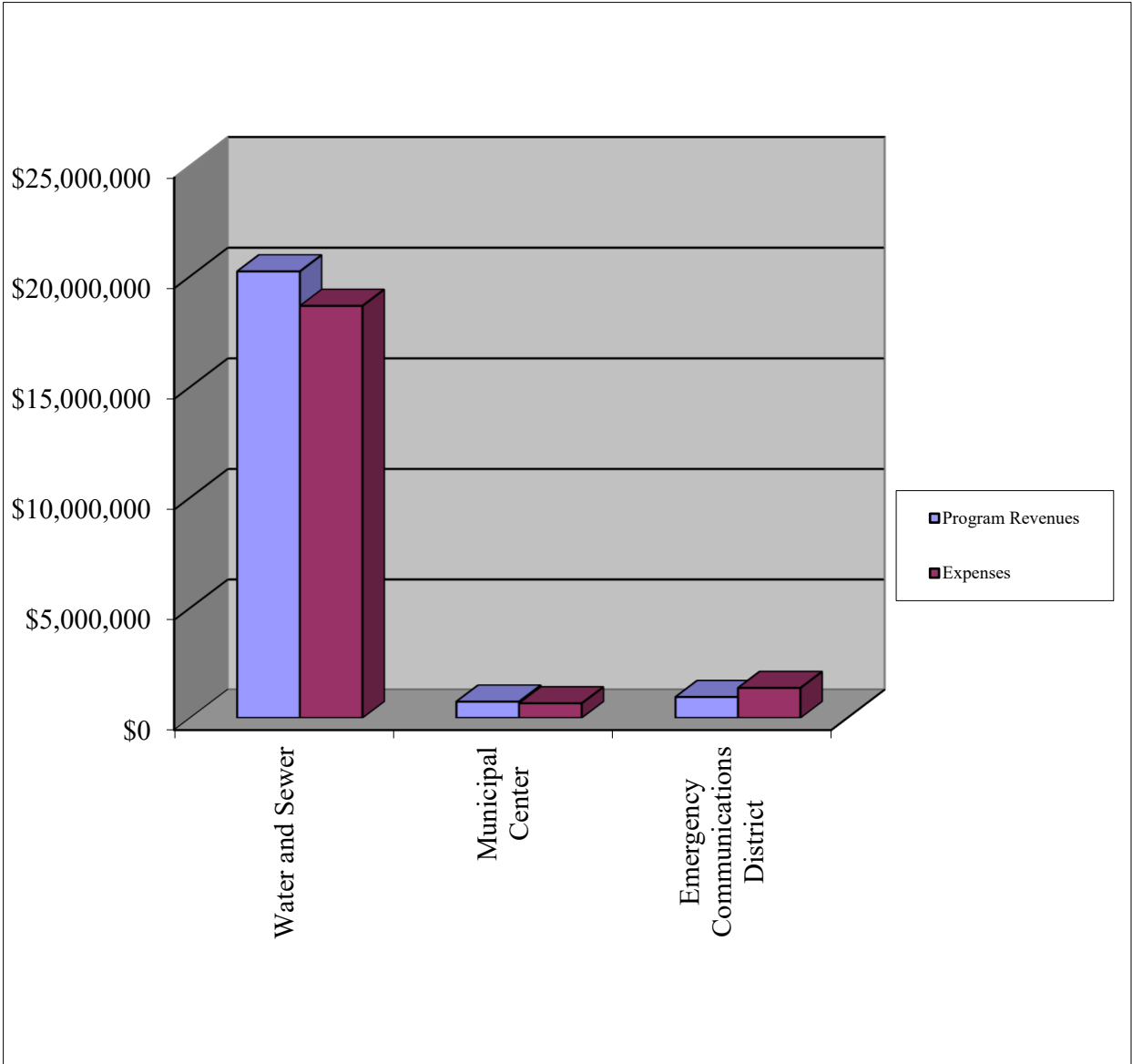
General Revenue by Source - Governmental Activities



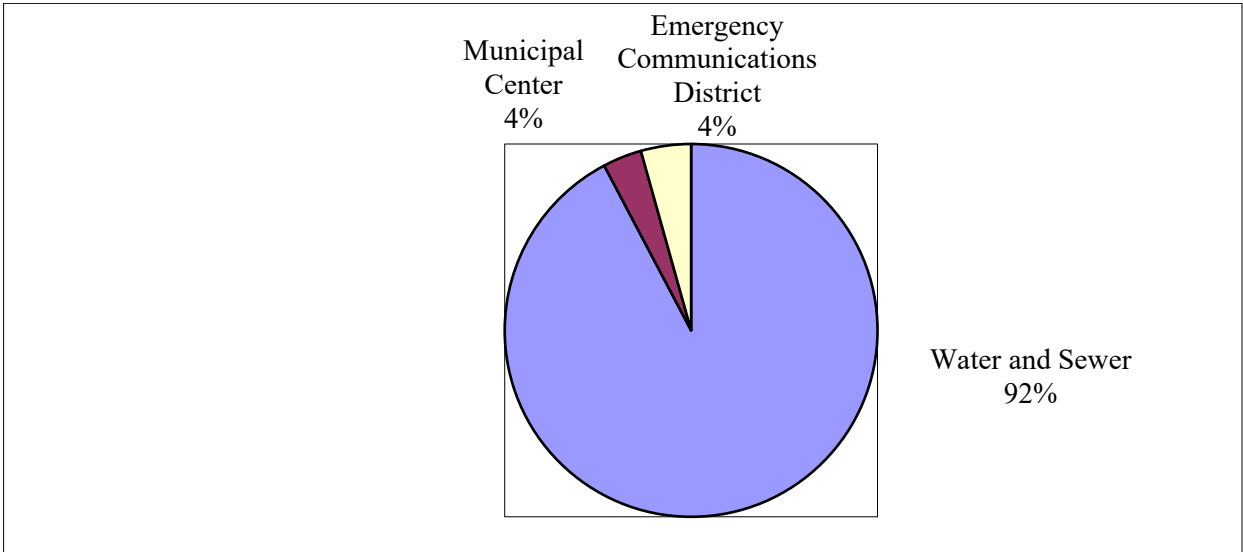
Business-type activities. Business-type activities increased the City of Brentwood's net position by \$2,143,871 accounting for 11.7% of the total growth in the government's net position. Key elements of this increase are as follows:

- The City's Water and Sewer Fund accounts for 87.1% of the increase in business-type net position, with a change in net position of \$1,867,495 for the year. This reflects a decrease of \$492,204 in net position compared to the prior year increase. Factors affecting this amount include:
 1. An operating income decrease from \$1,327,101 to \$864,955 primarily driven by a 5.6% increase in water purchased costs.
 2. A decrease in interest income from \$650,441 to \$333,988 driven by the significant decreases in rates paid on cash balances.
- The City's Municipal Center Fund accounts had a positive change in net position of \$96,783. This is less than the previous year's change in net position, driven primarily by a decrease in interest income.
- The Emergency Communications District ("ECD") had a positive change in net position, including transfers, of \$103,927. This is less than the previous year's change in net position, driven primarily by a decrease in interest income.
- The allocation of the internal service fund net position to the business-type activities resulted in an additional \$75,666 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.

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

	2020	2019
Total assets	\$ 112,853,643	\$ 99,390,315
Total liabilities	10,677,117	6,930,690
Total deferred inflows of resources	13,127,668	12,838,640
Fund balances:		
Nonspendable	116,577	112,159
Restricted	11,314,555	9,583,531
Committed	34,175,663	29,179,136
Unassigned	43,442,063	40,746,159
Total fund balances	89,048,858	79,620,985
Total liabilities, deferred inflows of resources and fund balances	\$ 112,853,643	\$ 99,390,315

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.

As of the end of the current fiscal year, the City of Brentwood's governmental funds reported combined ending fund balances of \$89,048,858, an increase of \$9,427,873 in comparison with the prior year amount. Approximately 49% of this total amount (\$43,442,063) 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 non-spendable (\$116,577), restricted for a specific purpose per enabling legislation (street repairs - \$707,395, drug enforcement and education - \$457,632 and capital projects - \$10,149,528) and committed for a specific purpose per action by the Board of Commissioners (capital projects - \$22,524,969, debt service - \$3,347,499, equipment replacement - \$5,484,502, facilities maintenance - \$1,605,513 and postemployment benefits - \$1,213,180).

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 \$43,442,063. 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 93.6% of total fiscal year 2020 general fund expenditures (including transfers).

**Changes in Fund Balances of Governmental Funds
For the years ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
REVENUES		
Taxes	\$ 35,422,210	\$33,735,437
Licenses and permits	1,875,250	1,538,010
Fines and fees	169,187	242,555
Charges for services	409,426	275,353
Intergovernmental	14,023,331	13,171,821
Uses of money and property	1,383,087	2,127,442
Other	<u>86,909</u>	<u>510,817</u>
TOTAL REVENUES	<u>53,369,400</u>	<u>51,601,435</u>
EXPENDITURES		
Current:		
General government	7,694,798	7,304,687
Public safety	16,332,727	16,420,865
Roads and streets	7,945,345	5,631,308
Public health	88,454	77,876
Parks and recreation	2,501,432	2,407,069
Public library	2,686,640	2,649,340
Community support	368,331	368,059
Drug education	43,363	24,478
Capital outlay	17,964,693	10,842,836
Debt service	<u>2,974,350</u>	<u>2,642,157</u>
TOTAL EXPENDITURES	<u>58,600,133</u>	<u>48,368,675</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,230,733)</u>	<u>3,232,760</u>
OTHER FINANCING SOURCES (USES)		
Transfers in/(out) net	(484,700)	(484,700)
Proceeds of General Obligation Public Improvement bonds	14,445,000	-
Payment to refunded bond escrow agent	-	-
Bond premium/(discount) net	<u>698,306</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>14,658,606</u>	<u>(484,700)</u>
NET CHANGES IN FUND BALANCES	9,427,873	2,748,060
FUND BALANCES, BEGINNING OF YEAR	<u>79,620,985</u>	<u>76,872,925</u>
FUND BALANCES, END OF YEAR	<u>\$89,048,858</u>	<u>\$79,620,985</u>

The fund balance of the City of Brentwood's general fund (including committed activity budgeted separately) increased by \$4,014,572 during the current fiscal year. Key highlights in this fund for 2020 include:

- Total revenues exceeded budgetary projections by \$4,466,185.
- Local sales tax collections were \$19,098,477, a \$1,635,560 increase over last year's collections and were \$3,898,477 (25.7%) higher than FY 2020 original budget estimates.
- State Income Tax (Hall Tax) net collections were \$3,120,309 for FY 2020, which was \$2,970,309 higher than FY 2020 original budget estimates.
- State sales taxes and Intergovernmental Business taxes totaled \$3,998,511 and \$2,564,412. These taxes increased from prior year by 2.7% and 7.6%, respectively.
- The general fund departments demonstrated fiscal responsibility by under-spending the appropriated budget by \$793,161.

The debt service fund has a total fund balance of \$3,347,499. The net increase in fund balance during the current year in the debt service fund was \$460,170. Please see Note 6 for additional information on the City's long-term liabilities.

The capital projects fund has a total fund balance of \$29,993,038 all of which is restricted or committed for the funding of major capital improvements of the City. The current year net increase of \$7,190,057 includes transfers of \$9,090,000, from the General Fund (\$3,740,000), Public Works Project Fund (\$2,750,000), and a Fund balance transfer from General Fund (\$2,600,000) to fund certain capital projects in the FY 2020 and beyond. 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 \$26,594,368, for the Municipal Center Fund, \$3,019,993 and for the Emergency Communications District, \$2,176,901. The total changes in net position for the funds were increases of \$1,867,495 for Water and Sewer, \$96,783 for Municipal Center Fund and \$103,927 for Emergency Communications District. 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 (\$4,322,360 increase in revenues and \$6,922,360 in current year appropriations) can be summarized as follows:

Revenues

Increases were made to the following accounts for higher than budgeted collections due to improvements in the general economic condition of the Middle TN region and the impact on local retail sales and tourism pre-pandemic:

Taxes:	
Local sales tax	\$ 2,500,000
Real and personal property	150,000
Wholesale liquor tax	100,000
Intergovernmental:	
State sales tax	100,000
State income tax	1,040,000
Business tax	350,000
Corporate excise tax	-
Other	27,340
Uses of money and property:	
Interest earnings	-
Other	55,020
	<hr/>
Total Change in Budgeted Revenues	\$ 4,322,360

The following increases to current year appropriations were made:

Appropriations

1. A special FY 2020 year-end appropriation transfer of \$3,740,000 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 2021 and beyond capital projects and equipment.
2. A special FY 2020 year-end appropriation transfer of \$2,600,000 from the General Fund unassigned fund balance to the Capital Projects Fund for the City's initial payment for Windy Hill Park.
3. A special FY 2020 year-end transfer of \$405,000 from the General Fund to the Equipment Replacement Fund for the FY 2021 purchase of equipment.
4. A special FY 2020 year-end transfer of \$45,000 from the General Fund to the Facilities Maintenance Fund for maintenance for Ravenswood Mansion.
5. An appropriation increase of \$12,940 to the Fire and Rescue activity for incidentals and overtime paid to City of Brentwood firefighters that were deployed to South Carolina for mutual aid emergency service operations and support for hurricane Dorian. Funding provided by FEMA reimbursement funds (\$12,940).
6. An appropriation increase in the Fire and Rescue activity of \$33,020 for accrued terminal leave payments in FY 2020 for the retirement of one 30+ year employee.
7. An appropriation increase in the Fire and Rescue activity of \$14,400 for State pay supplement increase with funding provided by extra revenue received from State of Tennessee.
8. An appropriation increase in the Fire and Rescue activity of \$35,000 to cover repairs to Tower 51.
9. An appropriation increase in the Engineering activity of \$22,000 for accrued terminal leave payment in FY 2020 for the retirement of a 30+ year employee.
10. An appropriation increase in the Storm Drainage activity of \$15,000 to cover the cost of repairs to aging corrugated metal storm drainage pipes.

The General Fund unassigned fund balance at June 30, 2020, is \$43,442,063, which exceeds the stated budget policy objective of maintaining a minimum of 40% reserves (based on the amount of the annual budget appropriation) for future needs and emergencies.

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

1. State and Local Sales tax was \$1,696,988 more than budgeted projections due to continued improvement and growth in retail sales both locally and statewide pre-pandemic.
2. Business tax collections were \$414,412 more than budgeted projections due to generally favorable economic conditions during calendar year 2019.
3. State income tax collections exceeded budgeted projections by \$1,930,309 due to conservative budgeting and higher investment market returns, even though there were a couple of negative months at the beginning of the COVID-19 pandemic.

Capital Asset and Debt Administration

Capital assets. The City of Brentwood's capital assets for its governmental and business type activities as of June 30, 2020 amounts to \$353,810,966 (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:

- Snow Plow – Public Works
- Ford 350 Pickup Truck - Fire Department
- ¾ Ton 4X4 Pickup Truck - Parks
- Hustler Mower - Parks Department
- Sand Pro – Parks
- Turf Aerator – Parks
- Two Gators (ATV's) - Parks
- 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 \$8,230,208.
- Various system additions and improvements were completed in the Water and Sewer Fund at a cost of \$4,870,930.

City of Brentwood Capital Assets
(net of depreciation)
June 30, 2020 and 2019
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 129,852	\$ 126,679	\$ 1,255	\$ 1,194	\$ 131,107	\$ 127,873
Buildings and improvements	13,858	14,398	1,283	1,411	15,141	15,809
Utility plant in service	-	-	68,330	66,852	68,330	66,852
Improvements other than buildings	5,374	5,446	849	922	6,223	6,368
Machinery and equipment	11,495	13,002	1,016	831	12,511	13,833
Infrastructure	100,269	98,623	-	-	100,269	98,623
Construction in progress	19,180	3,522	1,050	1,077	20,230	4,599
Net Capital Assets	<u>\$ 280,028</u>	<u>\$ 261,670</u>	<u>\$ 73,783</u>	<u>\$ 72,287</u>	<u>\$ 353,811</u>	<u>\$ 333,957</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 \$51,376,000. All the City's debt is secured by a general obligation pledge. Debt of Business-Type Activities (Water and Sewer Fund) comprises bonds payable primarily from and secured by a pledge of the net revenues to be derived from the operation of the water and / or sewer systems. In the event of a deficiency in such net revenues, the bonds are payable from unlimited ad valorem taxes on all taxable property within the corporate limits of the City. For prompt payment of principal and interest on the bonds the full faith and credit of the City are irrevocably pledged. All debt is through the issuance of bonds and / or notes for periods not exceeding 20 years at fixed interest rates.

City of Brentwood Outstanding Debt
June 30, 2020 and 2019
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General obligation bonds and notes payable	\$ 32,661	\$ 20,331	\$ 18,715	\$ 20,415	\$ 51,376	\$ 40,746
Unamortized (discount) premium	1,205	585	324	421	1,529	1,006
Total	<u>\$ 33,866</u>	<u>\$ 20,916</u>	<u>\$ 19,039</u>	<u>\$ 20,836</u>	<u>\$ 52,905</u>	<u>\$ 41,752</u>

The City of Brentwood's total long-term debt increased by \$10,630,000 during the current fiscal year. This increase was due to a \$14,445,000 2019 General Obligation Bond issuance for the Police Headquarters.

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 \$51,376,000 translates to approximately \$1,171 per capita using the 2018 City Special Census Certified Population of 43,889.

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 in May 2020 was 6.7%, compared to 2.5% a year ago. This compares to the county's rate of 7.1%, the state's average unemployment rate of 11.3% and the national average rate of 13.3%, also during the month of May.
- The office space vacancy rate of the Brentwood submarket, which includes a portion of Davidson County was 13.7% as of June 2020 and 12.7% as of September 30, 2020.

All of these factors were considered in preparing the City of Brentwood's budget for the 2021 fiscal year.

During the current fiscal year, the total unassigned fund balance in the general fund increased to \$43,442,063. The City of Brentwood has not appropriated any of this amount for spending in the 2021 fiscal year budget but may consider doing so at the end of FY 2021 to fund future capital projects subject to continued strong revenue performance.

Requests for Information

This financial report is designed to provide a general overview of the City 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: finance.director@brentwoodtn.gov
www.brentwoodtn.gov

CITY OF BRENTWOOD, TENNESSEE
STATEMENT OF NET POSITION
JUNE 30, 2020

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 88,254,111	\$ 31,322,825	\$ 119,576,936
Property tax receivable	12,802,219	-	12,802,219
Sales tax receivable	1,443,981	-	1,443,981
Intergovernmental revenue receivable	5,339,181	-	5,339,181
Accounts receivable	247,224	3,357,551	3,604,775
Internal balances	(522,193)	522,193	-
Due from fiduciary funds	-	-	-
Inventories	22,638	190,832	213,470
Prepaid expenses	116,423	15,348	131,771
Restricted assets:			
Cash	8,661,246	109,479	8,770,725
Capital assets:			
Utility plant in service	-	123,286,980	123,286,980
Land	129,851,689	1,254,971	131,106,660
Buildings and structures	23,141,557	4,589,485	27,731,042
Improvements other than buildings	17,594,450	2,644,935	20,239,385
Furniture, machinery and equipment	32,579,003	5,538,687	38,117,690
Infrastructure	262,578,123	-	262,578,123
Construction in progress	19,179,329	1,050,312	20,229,641
Accumulated depreciation	(204,896,645)	(64,581,910)	(269,478,555)
Net pension asset	6,042,279	713,517	6,755,796
TOTAL ASSETS	402,434,615	110,015,205	512,449,820
DEFERRED OUTFLOWS OF RESOURCES	5,583,505	1,033,168	6,616,673
LIABILITIES			
Accounts payable	5,077,368	1,986,955	7,064,323
Claims payable	111,953	-	111,953
Accrued salaries and benefits	440,191	445,735	885,926
Accrued interest	360,307	172,028	532,335
Other payables	4,123,922	122,057	4,245,979
Liabilities payable from restricted assets	674,343	109,479	783,822
Long-term liabilities:			
Due within one year	3,050,000	1,750,000	4,800,000
Due in more than one year	34,280,107	17,288,820	51,568,927
Net other postemployment benefits liability	5,969,591	839,688	6,809,279
TOTAL LIABILITIES	54,087,782	22,714,762	76,802,544
DEFERRED INFLOWS OF RESOURCES	14,679,344	186,142	14,865,486
NET POSITION			
Net investment in capital assets	254,765,379	55,065,405	309,830,784
Restricted for:			
Pensions	6,042,279	713,517	6,755,796
Roads and streets	707,395	-	707,395
Capital projects	10,149,528	-	10,149,528
Drug enforcement and education	457,632	-	457,632
Unrestricted	67,128,781	32,368,547	99,497,328
TOTAL NET POSITION	\$ 339,250,994	\$ 88,147,469	\$ 427,398,463

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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	\$ 7,891,291	\$ 1,113,271	\$ -	\$ -	\$ (6,778,020)	\$ -	\$ (6,778,020)
Public safety	13,691,469	-	13,436	-	(13,678,033)	-	(13,678,033)
Roads and streets	15,656,127	1,012,766	1,559,753	8,864,603	(4,219,005)	-	(4,219,005)
Public health	88,454	-	-	-	(88,454)	-	(88,454)
Parks and recreation	3,179,627	56,581	-	-	(3,123,046)	-	(3,123,046)
Public library	3,069,905	102,058	-	-	(2,967,847)	-	(2,967,847)
Community support	368,331	-	-	-	(368,331)	-	(368,331)
Drug education	81,164	-	-	-	(81,164)	-	(81,164)
Interest on long-term debt	1,015,477	-	-	-	(1,015,477)	-	(1,015,477)
Total governmental activities	45,041,845	2,284,676	1,573,189	8,864,603	(32,319,377)	-	(32,319,377)
Business-type activities:							
Water and Sewer	18,654,832	19,042,972	-	1,168,824	-	1,556,964	1,556,964
Rental facilities	663,592	740,509	-	-	-	76,917	76,917
Emergency Communications District	1,360,113	-	950,890	-	-	(409,223)	(409,223)
Total business-type activities	20,678,537	19,783,481	950,890	1,168,824	-	1,224,658	1,224,658
Total primary government	\$ 65,720,382	\$ 22,068,157	\$ 2,524,079	\$ 10,033,427	(32,319,377)	1,224,658	(31,094,719)
General Revenues:							
Taxes:							
Property taxes					12,488,209	-	12,488,209
Local option sales tax					19,098,477	-	19,098,477
Hotel/motel taxes					1,410,421	-	1,410,421
Wholesale beer and liquor taxes					1,941,211	-	1,941,211
Adequate schools facilities taxes					551,953	-	551,953
Other taxes					714,726	-	714,726
Unrestricted intergovernmental taxes:							
State sales tax					3,998,511	-	3,998,511
State income tax					3,120,309	-	3,120,309
Business tax					2,564,412	-	2,564,412
TVA in-lieu tax					539,809	-	539,809
Mixed drink and beer tax					257,681	-	257,681
Petroleum special tax					87,133	-	87,133
Corporate excise tax					242,570	-	242,570
Telecommunications tax					17,650	-	17,650
Other intergovernmental					435,719	-	435,719
Investment earnings					1,383,087	434,513	1,817,600
Miscellaneous					86,909	-	86,909
Transfers					(484,700)	484,700	-
Total general revenues and transfers					48,454,087	919,213	49,373,300
Change in net position					16,134,710	2,143,871	18,278,581
Net Position - beginning					323,116,284	86,003,598	409,119,882
Net Position - ending					\$ 339,250,994	\$ 88,147,469	\$ 427,398,463

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 50,545,372	\$ 3,347,499	\$ 25,804,014	\$ 4,095,000	\$ 83,791,885
Receivables:					
Property tax	12,802,219	-	-	-	12,802,219
Sales tax	1,443,981	-	-	-	1,443,981
Intergovernmental	5,033,961	-	-	305,220	5,339,181
Accounts	247,224	-	-	-	247,224
Miscellaneous	-	-	-	-	-
Due from other funds:					
General Fund	-	-	-	135,922	135,922
Capital Projects Fund	197,475	-	-	66,525	264,000
Water and Sewer Fund	25,043	-	-	-	25,043
Municipal Center Fund	1,102	-	-	-	1,102
Emergency Communications District	25,263	-	-	-	25,263
Prepaid items and deposits	116,423	-	-	-	116,423
Inventories of supplies	154	-	-	-	154
Restricted assets:					
Cash and cash equivalents	61,202	-	8,142,412	457,632	8,661,246
TOTAL ASSETS	\$ 70,499,419	\$ 3,347,499	\$ 33,946,426	\$ 5,060,299	\$ 112,853,643
LIABILITIES:					
Accounts payable	\$ 777,988	\$ -	\$ 3,015,045	\$ 1,213,813	\$ 5,006,846
Accrued salaries	440,191	-	-	-	440,191
Due to other funds:					
General Fund	-	-	197,475	-	197,475
State Street Aid Fund	135,922	-	66,525	-	202,447
Fuel Fund	31,893	-	-	-	31,893
Other payables	4,123,922	-	-	-	4,123,922
Retainage payable	-	-	674,343	-	674,343
TOTAL LIABILITIES	5,509,916	-	3,953,388	1,213,813	10,677,117
DEFERRED INFLOWS OF RESOURCES	13,127,668	-	-	-	13,127,668
FUND BALANCES:					
Fund balance:					
Nonspendable	116,577	-	-	-	116,577
Restricted for street repairs	-	-	-	707,395	707,395
Restricted for drug enforcement and education	-	-	-	457,632	457,632
Restricted for capital projects	-	-	7,468,069	2,681,459	10,149,528
Committed to capital projects	-	-	22,524,969	-	22,524,969
Committed to debt service	-	3,347,499	-	-	3,347,499
Committed to equipment replacement	5,484,502	-	-	-	5,484,502
Committed to facilities maintenance	1,605,513	-	-	-	1,605,513
Committed to funding postemployment benefits	1,213,180	-	-	-	1,213,180
Unassigned	43,442,063	-	-	-	43,442,063
TOTAL FUND BALANCES	51,861,835	3,347,499	29,993,038	3,846,486	89,048,858
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 70,499,419	\$ 3,347,499	\$ 33,946,426	\$ 5,060,299	\$ 112,853,643

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

JUNE 30, 2020

Total Governmental Funds Balances	\$ 89,048,858
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	280,027,506
Receivables not available to pay for current expenditures, and therefore, are unavailable in the funds	129,131
Other postemployment benefits amounts not reported in the funds:	
Net other postemployment benefits liability	(5,969,591)
Deferred outflows of resources related to other postemployment benefits	1,605,177
In the Statement of Net Position, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditures are reported when due	(360,307)
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	3,760,527
Pension amounts not reported in the funds:	
Net pension asset	6,042,279
Deferred outflows of resources related to pensions	3,516,537
Deferred inflows of resources related to pensions	(1,680,807)
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	(32,661,000)
Less deferred charges on refunding bonds	461,791
Add bond premium	(1,205,330)
Compensated absences	(3,463,777)
	<u>(36,868,316)</u>
Net Position of Governmental Activities	<u>\$ 339,250,994</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	\$ 35,422,210	\$ -	\$ -	\$ -	\$ 35,422,210
Licenses and permits	923,802	-	-	951,448	1,875,250
Fines and fees	169,187	-	-	-	169,187
Charges for services	409,426	-	-	-	409,426
Intergovernmental	11,277,230	-	634,395	2,111,706	14,023,331
Uses of money and property	924,285	50,835	368,783	39,184	1,383,087
Other	9,091	-	57,000	20,818	86,909
TOTAL REVENUES	<u>49,135,231</u>	<u>50,835</u>	<u>1,060,178</u>	<u>3,123,156</u>	<u>53,369,400</u>
EXPENDITURES					
Current:					
General government	7,689,749	5,049	-	-	7,694,798
Public safety	16,332,727	-	-	-	16,332,727
Roads and streets	5,378,626	-	-	2,566,719	7,945,345
Public health	88,454	-	-	-	88,454
Parks and recreation	2,501,432	-	-	-	2,501,432
Public library	2,686,640	-	-	-	2,686,640
Community support	368,331	-	-	-	368,331
Drug education	-	-	-	43,363	43,363
Capital outlay	-	-	17,964,693	-	17,964,693
Debt service	-	2,835,616	138,734	-	2,974,350
TOTAL EXPENDITURES	<u>35,045,959</u>	<u>2,840,665</u>	<u>18,103,427</u>	<u>2,610,082</u>	<u>58,600,133</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>14,089,272</u>	<u>(2,789,830)</u>	<u>(17,043,249)</u>	<u>513,074</u>	<u>(5,230,733)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	3,250,000	9,090,000	-	12,340,000
Transfers out	(10,074,700)	-	-	(2,750,000)	(12,824,700)
Issuance of debt	-	-	14,445,000	-	14,445,000
Premium on refunding bonds issued	-	-	698,306	-	698,306
TOTAL OTHER FINANCING SOURCES (USES)	<u>(10,074,700)</u>	<u>3,250,000</u>	<u>24,233,306</u>	<u>(2,750,000)</u>	<u>14,658,606</u>
NET CHANGE IN FUND BALANCE	4,014,572	460,170	7,190,057	(2,236,926)	9,427,873
FUND BALANCE, BEGINNING OF YEAR	<u>47,847,263</u>	<u>2,887,329</u>	<u>22,802,981</u>	<u>6,083,412</u>	<u>79,620,985</u>
FUND BALANCE, END OF YEAR	<u>\$ 51,861,835</u>	<u>\$ 3,347,499</u>	<u>\$ 29,993,038</u>	<u>\$ 3,846,486</u>	<u>\$ 89,048,858</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Net Change in Fund Balance - Governmental Funds \$ 9,427,873

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	22,496,091
Disposal of capital assets	(27,159)
Contributions of capital assets	8,230,208
Depreciation expense	(12,341,761)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds	61,647
--	--------

The issuance of long-term debt and related items provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on changes in net position of governmental activities:

Debt issued	(14,445,000)
Premium on refunding bonds issued	(698,306)
Payments on long-term debt	2,115,000

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, 2020	(360,307)
Accrued interest on debt obligations at June 30, 2019	233,165

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	447,633
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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	78,437
Amortization of deferred amount on refunding	(107,422)

Negative pension expense not reported in the funds	1,018,350
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Negative OPEB expense not reported in the funds	157,189
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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	(150,928)
--	-----------

Change in Net Position of Governmental Activities \$ 16,134,710

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 FISCAL YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes:				
Local sales tax	\$ 15,200,000	\$ 17,700,000	\$ 19,098,477	\$ 1,398,477
Real and personal property	12,060,000	12,210,000	12,258,807	48,807
Public utility property tax	80,000	80,000	86,206	6,206
Hotel/motel taxes	1,700,000	1,700,000	1,410,421	(289,579)
Wholesale beer tax	675,000	675,000	756,264	81,264
Wholesale liquor tax	875,000	975,000	1,184,947	209,947
Television franchise tax	475,000	475,000	516,203	41,203
Other	100,000	100,000	110,885	10,885
Licenses and permits	865,550	865,550	923,802	58,252
Fines and fees	205,000	205,000	169,187	(35,813)
Charges for services	583,000	583,000	409,426	(173,574)
Intergovernmental:				
State sales tax	3,600,000	3,700,000	3,998,511	298,511
State income tax	150,000	1,190,000	3,120,309	1,930,309
Business tax	1,800,000	2,150,000	2,564,412	414,412
TVA in-lieu of tax	500,000	500,000	539,809	39,809
Mixed drink tax	250,000	250,000	237,122	(12,878)
Beer tax	18,000	18,000	20,559	2,559
Petroleum special tax	85,000	85,000	87,133	2,133
Corporate excise tax	60,000	60,000	242,570	182,570
Telecommunications tax	10,000	10,000	17,650	7,650
Other	294,150	321,490	449,155	127,665
Uses of money and property:				
Interest earnings	450,000	450,000	443,145	(6,855)
Other	245,600	245,600	375,834	130,234
Other	15,100	70,120	64,111	(6,009)
TOTAL REVENUES	40,296,400	44,618,760	49,084,945	4,466,185
EXPENDITURES				
General government:				
City Commission:				
Personnel services	199,320	199,320	197,832	(1,488)
Supplies and materials	6,000	6,000	2,520	(3,480)
Professional services	20,000	20,000	8,663	(11,337)
Repairs and maintenance	1,500	1,500	1,340	(160)
Other costs	6,000	6,000	5,800	(200)

(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 FISCAL YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
City Court:				
Personnel services	\$ 25,300	\$ 25,300	\$ 25,445	\$ 145
Professional services	2,300	2,300	2,092	(208)
Repairs and maintenance	13,000	13,000	12,870	(130)
Other costs	-	-	-	-
City Manager's office:				
Personnel services	450,430	450,430	437,136	(13,294)
Supplies and materials	7,000	7,000	5,799	(1,201)
Professional services	4,500	4,500	-	(4,500)
Repairs and maintenance	550	550	784	234
Other costs	1,500	1,500	1,671	171
Elections:				
Board of commission	-	-	-	-
Finance:				
Personnel services	742,760	742,760	732,598	(10,162)
Supplies and materials	35,000	35,000	30,873	(4,127)
Professional services	134,000	134,000	105,168	(28,832)
Repairs and maintenance	53,250	53,250	60,425	7,175
Other costs	1,500	1,500	1,819	319
City recorder:				
Personnel services	106,595	106,595	97,549	(9,046)
Supplies and materials	1,200	1,200	1,546	346
Professional services	5,500	5,500	5,093	(407)
Repairs and maintenance	27,100	27,100	25,807	(1,293)
Other costs	5,000	5,000	5,150	150
Legal services:				
Personnel services	178,760	178,760	173,514	(5,246)
Supplies and materials	21,300	21,300	20,667	(633)
Professional services	50,000	50,000	36,656	(13,344)
Repairs and maintenance	500	500	311	(189)
Other costs	-	-	-	-
Information/technology:				
Personnel services	633,085	633,085	631,695	(1,390)
Supplies and materials	41,200	41,200	66,170	24,970
Professional services	83,100	83,100	76,317	(6,783)
Repairs and maintenance	169,500	169,500	151,834	(17,666)
Other costs	41,000	41,000	35,898	(5,102)
Capital outlay	582,000	582,000	600,021	18,021

(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 FISCAL YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
GIS:				
Personnel services	\$ 306,885	\$ 306,885	\$ 296,051	\$ (10,834)
Supplies and materials	10,850	10,850	7,446	(3,404)
Professional services	6,000	6,000	6,307	307
Repairs and maintenance	31,700	31,700	31,049	(651)
Other costs	420	420	496	76
Capital outlay	-	-	-	-
Human resources:				
Personnel services	325,980	325,980	330,929	4,949
Supplies and materials	13,400	13,400	6,878	(6,522)
Professional services	85,850	85,850	75,901	(9,949)
Repairs and maintenance	10,700	10,700	7,905	(2,795)
Other costs	40,000	40,000	36,210	(3,790)
Community relations:				
Personnel services	229,285	229,285	227,052	(2,233)
Supplies and materials	27,750	27,750	30,153	2,403
Professional services	46,000	46,000	38,783	(7,217)
Repairs and maintenance	1,500	1,500	2,688	1,188
Other costs	52,400	52,400	44,838	(7,562)
Planning and development:				
Personnel services	380,575	380,575	363,148	(17,427)
Supplies and materials	26,500	26,500	16,362	(10,138)
Professional services	25,800	25,800	11,219	(14,581)
Repairs and maintenance	49,000	49,000	46,578	(2,422)
Other costs	2,500	2,500	1,975	(525)
Capital outlay	-	-	-	-
Codes enforcement:				
Personnel services	834,670	834,670	779,119	(55,551)
Supplies and materials	39,000	39,000	13,931	(25,069)
Professional services	7,500	7,500	-	(7,500)
Repairs and maintenance	11,500	11,500	2,740	(8,760)
Other costs	8,600	8,600	6,494	(2,106)
Municipal Center:				
Rent expense	685,000	685,000	685,000	-
Insurance/other benefits:				
Personnel	701,360	701,360	717,241	15,881
Other	80,000	80,000	124,211	44,211
Total general government	7,690,975	7,690,975	7,471,767	(219,208)

(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 FISCAL YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Public safety:				
Police department:				
Personnel services	\$ 7,405,950	\$ 7,405,950	\$ 7,227,661	\$ (178,289)
Supplies and materials	371,400	371,400	395,198	23,798
Professional services	95,350	95,350	115,478	20,128
Repairs and maintenance	346,475	346,475	250,273	(96,202)
Other costs	121,000	121,000	140,521	19,521
Capital outlay	545,000	545,000	562,582	17,582
Fire and Rescue department:				
Personnel services	6,922,835	6,983,195	7,022,640	39,445
Supplies and materials	307,860	307,860	295,632	(12,228)
Professional services	12,500	12,500	5,586	(6,914)
Repairs and maintenance	173,150	208,150	228,125	19,975
Other costs	176,950	176,950	174,802	(2,148)
Utilities	12,300	12,300	12,155	(145)
Capital outlay	447,465	852,465	622,472	(229,993)
Brentwood Safety Center East:				
Supplies and materials	9,750	9,750	6,372	(3,378)
Professional services	1,000	1,000	250	(750)
Repairs and maintenance	30,000	30,000	48,839	18,839
Other costs	28,750	28,750	26,478	(2,272)
Total public safety	17,007,735	17,508,095	17,135,064	(373,031)
Roads and streets:				
Public works:				
Personnel	1,716,620	1,716,620	1,632,047	(84,573)
Supplies and materials	252,850	252,850	262,736	9,886
Professional services	12,000	12,000	16,740	4,740
Repairs and maintenance	1,198,475	1,198,475	1,149,846	(48,629)
Other	186,500	186,500	212,238	25,738
Capital outlay	257,000	257,000	397,591	140,591
Storm drainage:				
Capital outlay	50,000	65,000	71,448	6,448

(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 FISCAL YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Traffic Signalization:				
Street lighting	\$ 400,000	\$ 400,000	\$ 392,440	\$ (7,560)
Personnel services	171,380	171,380	161,531	(9,849)
Supplies and materials	40,300	40,300	46,899	6,599
Professional services	25,000	25,000	17,997	(7,003)
Repairs and maintenance	57,300	57,300	46,172	(11,128)
Other	53,500	53,500	49,355	(4,145)
Capital outlay	27,500	27,500	34,651	7,151
Service center:				
Personnel services	124,425	124,425	125,588	1,163
Supplies and materials	24,050	24,050	25,680	1,630
Professional services	7,000	7,000	3,255	(3,745)
Repairs and maintenance	115,000	115,000	116,503	1,503
Other costs	67,750	67,750	73,883	6,133
Capital outlay	-	-	-	-
Engineering services:				
Personnel services	782,335	804,335	801,247	(3,088)
Supplies and materials	11,500	11,500	10,613	(887)
Professional services	22,500	22,500	4,000	(18,500)
Repairs and maintenance	5,400	5,400	4,263	(1,137)
Other costs	31,350	31,350	17,307	(14,043)
Capital outlay	-	-	-	-
Total roads and streets	<u>5,639,735</u>	<u>5,676,735</u>	<u>5,674,030</u>	<u>(2,705)</u>
Public health:				
Co. Health Dept. Contract	15,000	15,000	15,000	-
Co. Animal Control Contract	<u>73,455</u>	<u>73,455</u>	<u>73,454</u>	<u>(1)</u>
Total public health	<u>88,455</u>	<u>88,455</u>	<u>88,454</u>	<u>(1)</u>
Parks and recreation:				
Personnel services	1,405,095	1,405,095	1,365,926	(39,169)
Supplies and materials	129,000	129,000	109,585	(19,415)
Professional services	1,000	1,000	-	(1,000)
Repairs and maintenance	560,065	560,065	537,246	(22,819)
Other costs	397,100	397,100	316,518	(80,582)
Capital outlay	<u>122,500</u>	<u>122,500</u>	<u>165,196</u>	<u>42,696</u>
Total parks and recreation	<u>2,614,760</u>	<u>2,614,760</u>	<u>2,494,471</u>	<u>(120,289)</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 FISCAL YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Public library:				
Personnel services	\$ 1,446,110	\$ 1,446,110	\$ 1,516,571	\$ 70,461
Supplies and materials	560,370	560,370	446,031	(114,339)
Professional services	56,350	56,350	64,083	7,733
Repairs and maintenance	378,460	378,460	388,796	10,336
Other costs	217,110	217,110	192,015	(25,095)
Capital outlay	-	-	31,856	31,856
Total public library	2,658,400	2,658,400	2,639,352	(19,048)
Community support:				
Education	244,400	244,400	239,000	(5,400)
Chamber of Commerce	10,000	10,000	10,000	-
Historic Sites	216,265	216,265	162,786	(53,479)
Total community support	470,665	470,665	411,786	(58,879)
TOTAL EXPENDITURES	36,170,725	36,708,085	35,914,924	(793,161)
EXCESS OF REVENUES OVER EXPENDITURES	4,125,675	7,910,675	13,170,021	5,259,346
OTHER FINANCING USES				
Transfers to Debt Service Fund	(3,250,000)	(3,250,000)	(3,250,000)	-
Transfers to Emergency Communication District	(484,700)	(484,700)	(484,700)	-
Transfers to Capital Projects Fund	-	(6,340,000)	(6,340,000)	-
Transfers to Committed - Facilities Maintenance	(350,000)	(395,000)	(395,000)	-
TOTAL OTHER FINANCING USES	(4,084,700)	(10,469,700)	(10,469,700)	-
CHANGE IN FUND BALANCE - GENERAL FUND - AS BUDGETED	40,975	(2,559,025)	2,700,321	5,259,346

(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 FISCAL YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
COMMITTED ACTIVITY BUDGETED SEPARATELY				
Equipment replacement:				
Transfers from other departments	\$ 1,770,000	\$ 2,175,000	\$ 2,175,000	\$ -
Interest income	70,000	70,000	65,502	(4,498)
Other income	20,000	20,000	7,226	(12,774)
Equipment expenditures	<u>(1,290,000)</u>	<u>(1,290,000)</u>	<u>(1,065,462)</u>	<u>224,538</u>
Net change - equipment replacement	<u>570,000</u>	<u>975,000</u>	<u>1,182,266</u>	<u>207,266</u>
Facilities maintenance:				
Committed transfer from General Fund	350,000	395,000	395,000	-
Interest income	30,000	30,000	19,695	(10,305)
Maintenance expenditures	<u>(420,000)</u>	<u>(670,000)</u>	<u>(265,573)</u>	<u>404,427</u>
Net change - facilities maintenance	<u>(40,000)</u>	<u>(245,000)</u>	<u>149,122</u>	<u>394,122</u>
Postemployment benefits:				
Transfers from other departments	25,000	25,000	25,000	-
Interest income	20,000	20,000	12,883	(7,117)
Transfers to other departments	<u>-</u>	<u>(55,020)</u>	<u>(55,020)</u>	<u>-</u>
Net change - postemployment benefits	<u>45,000</u>	<u>(10,020)</u>	<u>(17,137)</u>	<u>(7,117)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 615,975</u>	<u>\$ (1,839,045)</u>	4,014,572	<u>\$ 5,853,617</u>
FUND BALANCE, BEGINNING OF YEAR			<u>47,847,263</u>	
FUND BALANCE, END OF YEAR			<u>\$ 51,861,835</u>	

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	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	\$ 25,916,716	\$ 3,069,269	\$ 2,336,840	\$ 31,322,825	\$ 4,462,226
Receivables:					
Accounts	1,673,717	4,213	539	1,678,469	-
Due from other funds:					
General Fund	-	-	-	-	31,893
Water and Sewer	-	-	-	-	3,684
Emergency Communications District	-	-	-	-	-
Unbilled utility revenue	1,679,082	-	-	1,679,082	-
Inventories of supplies	190,832	-	-	190,832	22,484
Prepaid expenses	2,222	294	12,832	15,348	-
Restricted cash and cash equivalents	109,479	-	-	109,479	-
Total Current Assets	<u>29,572,048</u>	<u>3,073,776</u>	<u>2,350,211</u>	<u>34,996,035</u>	<u>4,520,287</u>
Noncurrent Assets:					
Capital assets, net of accumulated depreciation	71,304,138	2,196,698	282,624	73,783,460	-
Net pension asset	544,218	-	169,299	713,517	-
Total Noncurrent Assets	<u>71,848,356</u>	<u>2,196,698</u>	<u>451,923</u>	<u>74,496,977</u>	<u>-</u>
Total Assets	<u>101,420,404</u>	<u>5,270,474</u>	<u>2,802,134</u>	<u>109,493,012</u>	<u>4,520,287</u>
DEFERRED OUTFLOWS OF RESOURCES					
Advance refundings of debt	320,765	-	-	320,765	-
Pensions	318,049	-	168,569	486,618	-
Other postretirement benefits	166,735	-	59,050	225,785	-
Total Deferred Outflows of Resources	<u>805,549</u>	<u>-</u>	<u>227,619</u>	<u>1,033,168</u>	<u>-</u>
LIABILITIES					
Current Liabilities (payable from current assets):					
Current maturities of long-term debt	1,750,000	-	-	1,750,000	-
Accounts payable	1,933,535	52,681	739	1,986,955	70,522
Claims payable	-	-	-	-	111,953
Accrued salaries	35,914	-	15,708	51,622	-
Accrued interest	172,028	-	-	172,028	-
Due to other funds:					
General Fund	25,043	1,102	25,263	51,408	-
Fuel Fund	3,684	-	-	3,684	-
Municipal Center	-	-	-	-	-
Other payables	112,643	-	9,414	122,057	-
Compensated absences payable	299,959	-	94,154	394,113	-
Current liabilities (payable from restricted assets):					
Retainage payable	109,479	-	-	109,479	-
Total Current Liabilities	<u>4,442,285</u>	<u>53,783</u>	<u>145,278</u>	<u>4,641,346</u>	<u>182,475</u>
Noncurrent Liabilities:					
Long-term debt, net of current maturities	17,288,820	-	-	17,288,820	-
Other postretirement benefits	620,083	-	219,605	839,688	-
Total Noncurrent Liabilities	<u>17,908,903</u>	<u>-</u>	<u>219,605</u>	<u>18,128,508</u>	<u>-</u>
Total Liabilities	<u>22,351,188</u>	<u>53,783</u>	<u>364,883</u>	<u>22,769,854</u>	<u>182,475</u>
DEFERRED INFLOWS OF RESOURCES					
Pensions	150,096	-	36,046	186,142	-
NET POSITION					
Net investment in capital assets	52,586,083	2,196,698	282,624	55,065,405	-
Restricted for:					
Pensions	544,218	-	169,299	713,517	-
Unrestricted	<u>26,594,368</u>	<u>3,019,993</u>	<u>2,176,901</u>	<u>31,791,262</u>	<u>4,337,812</u>
TOTAL NET POSITION	<u>\$ 79,724,669</u>	<u>\$ 5,216,691</u>	<u>\$ 2,628,824</u>	<u>\$ 87,570,184</u>	<u>\$ 4,337,812</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>577,285</u>	
Net position of business-type activities				<u>\$ 88,147,469</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 FISCAL YEAR ENDED JUNE 30, 2020

	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	\$ 10,968,222	\$ -	\$ -	\$ 10,968,222	\$ -
Sewer service charges, pledged as security on revenue bonds	7,614,661	-	-	7,614,661	-
Rental income	-	740,509	-	740,509	-
Tennessee Emergency Communications Board 911 funding	-	-	950,890	950,890	-
Internal charges	-	-	-	-	4,412,873
Other	460,089	-	-	460,089	243,568
TOTAL OPERATING REVENUES	19,042,972	740,509	950,890	20,734,371	4,656,441
OPERATING EXPENSES					
Water purchased	7,665,551	-	-	7,665,551	-
Depreciation and amortization	3,047,539	246,382	68,152	3,362,073	-
Materials and supplies	264,305	-	35,769	300,074	313,599
Sewage treatment charges	3,270,392	-	-	3,270,392	-
Salaries and benefits	2,158,687	-	994,413	3,153,100	3,877,853
Maintenance	1,076,562	246,939	156,191	1,479,692	-
Utilities	385,792	142,545	-	528,337	-
Professional services	141,405	33,207	19,760	194,372	-
Communications	10,907	9,927	78,182	99,016	-
Other	156,877	3,021	7,646	167,544	-
TOTAL OPERATING EXPENSES	18,178,017	682,021	1,360,113	20,220,151	4,191,452
OPERATING INCOME (LOSS)	864,955	58,488	(409,223)	514,220	464,989
NONOPERATING REVENUES (EXPENSES)					
Interest income	333,988	38,295	28,450	400,733	58,310
Other	33,780	-	-	33,780	-
Interest expense	(534,052)	-	-	(534,052)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(166,284)	38,295	28,450	(99,539)	58,310
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	698,671	96,783	(380,773)	414,681	523,299
CAPITAL CONTRIBUTIONS - TAP FEES	1,168,824	-	-	1,168,824	-
TRANSFERS IN	-	-	484,700	484,700	-
CHANGE IN NET POSITION	1,867,495	96,783	103,927	2,068,205	523,299
TOTAL NET POSITION, BEGINNING OF YEAR	77,857,174	5,119,908	2,524,897		3,814,513
TOTAL NET POSITION, END OF YEAR	\$ 79,724,669	\$ 5,216,691	\$ 2,628,824		\$ 4,337,812
Adjustment to reflect the consolidation of internal service funds related to enterprise funds				75,666	
Change in net position of business-type activities				\$ 2,143,871	

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	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	\$ 19,481,684	\$ 735,458	\$ 950,351	\$ 21,167,493	\$ -
Receipts from internal services provided	-	-	-	-	4,654,628
Payments to suppliers	(12,779,996)	(428,340)	(307,494)	(13,515,830)	(4,278,463)
Payments to employees	(2,214,694)	-	(992,774)	(3,207,468)	-
Net cash provided by (used in) operating activities	<u>4,486,994</u>	<u>307,118</u>	<u>(349,917)</u>	<u>4,444,195</u>	<u>376,165</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Receipts on interfund borrowing	-	-	-	-	-
Transfers from general fund	-	-	-	-	-
Contribution/transfer from general fund	-	-	480,749	480,749	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>480,749</u>	<u>480,749</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(4,760,683)	(95,262)	(2,814)	(4,858,759)	-
Transfer to primary government - capital projects fund	-	-	-	-	-
Proceeds from water and sewer tap fees	1,168,824	-	-	1,168,824	-
Restricted cash used to fund capital asset additions	(18,519)	-	-	(18,519)	-
Proceeds from issuance of debt, including premium	-	-	-	-	-
Amount placed with refunded bond escrow agent	-	-	-	-	-
Principal paid on long-term debt	(1,700,000)	-	-	(1,700,000)	-
Interest paid on long-term debt	(573,995)	-	-	(573,995)	-
Net cash used in capital and related financing activities	<u>(5,884,373)</u>	<u>(95,262)</u>	<u>(2,814)</u>	<u>(5,982,449)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of investments	-	-	-	-	-
Proceeds from sale of equipment	33,780	-	-	33,780	-
Interest and other income received	333,988	38,295	28,450	400,733	58,310
Net cash provided by investing activities	<u>367,768</u>	<u>38,295</u>	<u>28,450</u>	<u>434,513</u>	<u>58,310</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,029,611)	250,151	156,468	(622,992)	434,475
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>26,946,327</u>	<u>2,819,118</u>	<u>2,180,372</u>	<u>31,945,817</u>	<u>4,027,751</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 25,916,716</u>	<u>\$ 3,069,269</u>	<u>\$ 2,336,840</u>	<u>\$ 31,322,825</u>	<u>\$ 4,462,226</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	<u>\$ 864,955</u>	<u>\$ 58,488</u>	<u>\$ (409,223)</u>	<u>\$ 514,220</u>	<u>\$ 464,989</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,047,539	246,382	68,152	3,362,073	-
Pension expense (negative expense)	(99,813)	-	(14,282)	(114,095)	-
OPEB expense (negative expense)	(16,326)	-	(5,783)	(22,109)	-
(Increase) decrease in:					
Accounts receivable	571,200	(4,213)	(539)	566,448	-
Due from other funds	-	2,650	-	2,650	(1,813)
Unbilled utility revenue	(132,488)	-	-	(132,488)	-
Inventories of supplies	14,350	-	-	14,350	7,419
Prepaid expenses	458	(220)	7,121	7,359	-
Increase (decrease) in:					
Accounts payable	207,673	4,869	(1,528)	211,014	(7,472)
Due to other funds	15,505	(838)	(2,650)	12,017	-
Net amount due to primary government	-	-	-	-	-
Accrued expenses	13,941	-	8,815	22,756	(86,958)
TOTAL ADJUSTMENTS	<u>3,622,039</u>	<u>248,630</u>	<u>59,306</u>	<u>3,929,975</u>	<u>(88,824)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 4,486,994</u>	<u>\$ 307,118</u>	<u>\$ (349,917)</u>	<u>\$ 4,444,195</u>	<u>\$ 376,165</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	POST EMPLOYMENT BENEFITS TRUST	AGENCY FUND: DONATIONS HELD IN TRUST
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 5,047,640
Accounts receivable	-	-
Investments held in trust, at fair value:		
Mutual funds - balanced funds	12,119,074	-
Prepaid expenses	<u>1,104</u>	<u>1,000</u>
TOTAL ASSETS	<u>12,120,178</u>	<u>5,048,640</u>
LIABILITIES		
Accounts payable	-	3,740
Due City of Brentwood General Fund	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>3,740</u>
NET POSITION		
Restricted for postemployment benefits other than pensions	12,120,178	-
Held in trust for donations	<u>-</u>	<u>5,044,900</u>
TOTAL NET POSITION	<u>\$ 12,120,178</u>	<u>\$ 5,044,900</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	POST EMPLOYMENT BENEFITS TRUST	AGENCY FUND: DONATIONS HELD IN TRUST
ADDITIONS		
Contributions:		
Postemployment benefit other than pensions	\$ 1,169,119	\$ -
Outside sources	-	214,816
Investment earnings:		
Net appreciation in value of investments	<u>552,538</u>	<u>-</u>
Total Additions	<u>1,721,657</u>	<u>214,816</u>
DEDUCTIONS		
Benefit payments	339,071	-
Administrative expense	-	-
Donations expense	<u>-</u>	<u>86,898</u>
Total Deductions	<u>339,071</u>	<u>86,898</u>
Change in Net Position	1,382,586	127,918
NET POSITION		
Beginning of year	<u>10,737,592</u>	<u>4,916,982</u>
End of year	<u>\$ 12,120,178</u>	<u>\$ 5,044,900</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 GAAP, 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 Finance Department (see page 18 for information).

As of June 30, 2020 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.

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:

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 consists 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 or up to one year for grant revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

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.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 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 diversified managed funds (see Notes 3 and 12).

The *Agency Fund: Donations Held in Trust* accumulates and maintains certain accounts, as an agent, funded through private donations, which include the Employee Assistance Trust, the Public Safety Employees Trust, Friends of the Library, the Historic Trust, the Parks Trust, 50th Anniversary, the Environmental Trust, Concert Series, and John P. Holt Library Bequest.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 ("ECD") are emergency telephone service charges levied on residential and business service users. These fees are collected by the Tennessee Emergency Communications Board and remitted to the ECD. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not 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. 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, 2020

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, any 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 or donated works of art are recorded at their acquisition value at the date of donation. Also, capital assets received in a service concession arrangement should be reported at acquisition value.

The cost of normal maintenance and repairs that do not add to the value of 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.

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

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

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020

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, as well as negative fund balance of other funds, if any.

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-way's, 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.

Restricted fund balances may also result from unspent bond proceeds.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 and other postretirement benefits may result from differences between expected and actual actuarial experience, differences between expected and actual investment earnings of the pension plan, certain changes in actuarial assumptions, and amounts of employer contributions to the plans made subsequent to the measurement date.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 and other postretirement benefit related deferred inflows of resources may result from actuarial gains related to the difference between expected and actual experience for the plan's adopted economic and demographic assumptions and differences between expected and actual earnings on plan investments.

Property 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 \$.36 per \$100 of assessed valuation for the year ended June 30, 2020.

Payments may be made during the period from October 1 through February 28 and property taxes become delinquent on March 1. Current tax collections of \$12,258,807 were reported as revenue for the year ended June 30, 2020 and were approximately 97.6% of the tax levy.

Of the \$12,802,219 property taxes receivable, \$12,615,625 represents the estimated 2020 property taxes to be billed October 2020. This receivable is reported in the Balance Sheet - Governmental Funds with offsetting deferred inflow of resources for the amounts not available at June 30, 2020. Amounts available at June 30, 2020 have been recorded as revenue in the governmental fund statements.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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.

Other postemployment benefits ("OPEB")

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

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.

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 funds, 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, 2020, expenditures did not exceed appropriations in any fund with the exception of the Drug Fund which exceeded appropriations by \$1,363.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash Deposits and Certificates of Deposit

The City's cash and cash equivalents at June 30, 2020 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, 2020, the City's deposits were fully insured or collateralized.

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

Carrying amount of deposits	\$ 128,346,457
Investments – certificates of deposit	-
Cash on hand	<u>1,204</u>
Total	<u><u>\$ 128,347,661</u></u>
Cash and cash equivalents	\$ 119,576,936
Cash and cash equivalents - restricted	<u>8,770,725</u>
Total	<u><u>\$ 128,347,661</u></u>

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

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.

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.

Investments of Post Employment Benefits Trust Fund

The Post Employment Benefits Trust Fund holds investments that are measured at fair value on a recurring basis. Investing is a key part of the Fund's activities. The City categorizes its fair value measurements for this Fund within the fair value hierarchy established by generally accepted accounting principles. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets in active markets that can be accessed at the measurement date (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under GASB 72 are described as follows:

- **Level 1** - Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- **Level 2** - Inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability like interest rates and yield curves observable at commonly quoted intervals, implied volatilities, or credit spreads; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified term, the level 2 must be observable for substantially the full term of the asset or liability.
- **Level 3** - Inputs are unobservable and significant to the fair value measurement.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

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

The City has the following recurring fair value measurements as of June 30, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Bond Index Fund	\$ 1,825,563	\$ -	\$ 1,825,563	\$ -
Balanced Asset Allocation Funds	10,293,511	-	10,293,511	-
	<u>\$ 12,119,074</u>	<u>\$ -</u>	<u>\$ 12,119,074</u>	<u>\$ -</u>

All of the City's investments in the Post Employment Benefits Trust Fund are held in diversified funds managed by ICMA-RC. The daily value of each fund is determined at the close of each business day by adding the value of all of the fund's investments, plus cash and other assets, deductive liabilities, and dividing by the outstanding units in the fund.

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
<u>Capital assets not being depreciated:</u>				
Land	\$ 126,678,580	\$ 3,173,109	\$ -	\$ 129,851,689
Construction in progress	3,522,899	17,964,691	(2,308,261)	19,179,329
Total capital assets not being depreciated	130,201,479	21,137,800	(2,308,261)	149,031,018
<u>Capital assets being depreciated:</u>				
Buildings and structures	23,141,557	-	-	23,141,557
Improvements other than buildings	17,066,883	527,567	-	17,594,450
Furniture, machinery and equipment	31,524,378	1,209,130	(154,505)	32,579,003
Infrastructure	252,418,060	10,160,063	-	262,578,123
Total capital assets being depreciated	324,150,878	11,896,760	(154,505)	335,893,133
<u>Less accumulated depreciation for:</u>				
Buildings and structures	(8,743,338)	(539,967)	-	(9,283,305)
Improvements other than buildings	(11,620,102)	(599,200)	-	(12,219,302)
Furniture, machinery and equipment	(18,522,282)	(2,689,146)	127,346	(21,084,082)
Infrastructure	(153,796,508)	(8,513,448)	-	(162,309,956)
Total accumulated depreciation	(192,682,230)	(12,341,761)	127,346	(204,896,645)
Governmental activities capital assets, net	\$ 261,670,127	\$ 20,692,799	\$ (2,335,420)	\$ 280,027,506

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 - CAPITAL ASSETS - Continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
<u>Capital assets not being depreciated:</u>				
Land	\$ 1,193,700	\$ 61,271	\$ -	\$ 1,254,971
Construction in progress	1,076,937	229,626	(256,251)	1,050,312
Total capital assets not being depreciated	2,270,637	290,897	(256,251)	2,305,283
<u>Capital assets being depreciated:</u>				
Utility plant in service	118,906,932	4,380,049	(1)	123,286,980
Buildings, structures and improvements	4,589,484	1	-	4,589,485
Improvements other than buildings	2,589,444	55,491	-	2,644,935
Machinery, equipment and vehicles	5,176,718	534,320	(172,351)	5,538,687
Total capital assets being depreciated	131,262,578	4,969,861	(172,352)	136,060,087
<u>Less accumulated depreciation for:</u>				
Utility plant in service	(52,055,428)	(2,901,588)	230	(54,956,786)
Buildings, structures and improvements	(3,178,057)	(128,497)	-	(3,306,554)
Improvements other than buildings	(1,667,089)	(128,787)	-	(1,795,876)
Machinery, equipment and vehicles	(4,345,867)	(203,201)	26,374	(4,522,694)
Total accumulated depreciation	(61,246,441)	(3,362,073)	26,604	(64,581,910)
Business-type activities capital assets, net	<u>\$ 72,286,774</u>	<u>\$ 1,898,685</u>	<u>\$ (401,999)</u>	<u>\$ 73,783,460</u>

Depreciation expense was charged to function/programs for the year ended June 30, 2020, as follows:

Governmental activities:	
General government	\$ 496,852
Public safety	899,914
Roads and streets	8,963,445
Parks and recreation	1,490,244
Public library	453,505
Drug education	37,801
Total depreciation expense - governmental activities	<u>\$ 12,341,761</u>
Business-type activities:	
Municipal center	\$ 246,382
Water and sewer	3,047,539
Emergency Communications District	68,152
Total depreciation expense - business-type activities	<u>\$ 3,362,073</u>

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 - INTERFUND TRANSACTIONS

Interfund receivables and payables are attributable to charges between funds that are outstanding as of June 30, 2020, and are as follows:

Fund	Interfund Receivable	Interfund Payable
Governmental activities:		
General fund	\$ 248,883	\$ 167,815
Debt service fund	-	-
Capital projects fund	-	264,000
Nonmajor funds	202,447	-
Internal service funds	35,577	-
Internal payable created by internal service fund elimination	-	577,285
	<u>486,907</u>	<u>1,009,100</u>
Net governmental activities payable		<u><u>\$ 522,193</u></u>
Business-type activities:		
Water and sewer fund	\$ -	\$ 28,727
Municipal center fund	-	1,102
Emergency Communications District	-	25,263
Internal receivable created by internal service fund elimination	577,285	-
	<u>577,285</u>	<u>55,092</u>
Net business-type activities receivable	<u><u>\$ 522,193</u></u>	

Interfund transfers for the year ended June 30, 2020 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	\$ 3,250,000	\$ 6,340,000	\$ 484,700	\$ 10,074,700
Nonmajor Governmental Funds	-	2,750,000	-	2,750,000
Total Transfers	<u><u>\$ 3,250,000</u></u>	<u><u>\$ 9,090,000</u></u>	<u><u>\$ 484,700</u></u>	<u><u>\$ 12,824,700</u></u>

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 - INTERFUND TRANSACTIONS - Continued

Interfund revenues and expenses for the year ended June 30, 2020, included the following:

- Payment of rental fees for fire hydrant usage totaling \$100,003 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.
- The general fund and Emergency Communications District also paid the municipal center enterprise fund rents totaling \$685,000 and \$31,800, respectively, for the year ended June 30, 2020 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 \$90,000 for its space at the City's Service Center and GIS Mapping Fee, respectively, for the year ended June 30, 2020. 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 \$154,716 (\$108,180 and \$46,536, respectively) to the Post Employment Benefits Trust Fund for retiree benefits for the year ended June 30, 2020. These amounts are included in expenditures for the respective funds. The general fund transferred \$960,960 from the current year contributions to the Post Employment Benefits Trust for the year ended June 30, 2020 (see Note 12).

NOTE 6 - LONG-TERM LIABILITIES

During the year ended June 30, 2020, the changes in long-term liabilities were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Government Activities:					
General obligation bonds and notes payable	\$ 20,331,000	\$ 14,445,000	\$ 2,115,000	\$ 32,661,000	\$ 1,750,000
Unamortized (discount) premium	<u>585,461</u>	<u>698,306</u>	<u>78,437</u>	<u>1,205,330</u>	<u>-</u>
Total bonds and notes payable	20,916,461	15,143,306	2,193,437	33,866,330	1,750,000
Compensated absences	<u>3,312,849</u>	<u>1,467,951</u>	<u>1,317,023</u>	<u>3,463,777</u>	<u>1,300,000</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 24,229,310</u>	<u>\$ 16,611,257</u>	<u>\$ 3,510,460</u>	<u>\$ 37,330,107</u>	<u>\$ 3,050,000</u>
Business-type Activities:					
General obligation bonds, pledge of net revenues	\$ 20,415,000	\$ -	\$ 1,700,000	18,715,000	\$ 1,750,000
Unamortized (discount) premium	<u>420,598</u>	<u>-</u>	<u>96,778</u>	<u>323,820</u>	<u>-</u>
Total Business-type Activities Long-term Liabilities	<u>\$ 20,835,598</u>	<u>\$ -</u>	<u>\$ 1,796,778</u>	<u>\$ 19,038,820</u>	<u>\$ 1,750,000</u>

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - LONG-TERM LIABILITIES - Continued

Description of Long-Term Liabilities

Amounts payable at June 30, 2020, were as follows:

Governmental Activities:

\$7,385,000 2011 General Obligation Public Refunding Bonds due in varying annual installments through September 1, 2024, at varying rates of interest from 2.00% to 3.00%.	\$ 985,000
\$4,845,000 2011 General Obligation Public Improvement Bonds due in increasing annual installments through September 1, 2024, at varying rates of interest from 3.00% to 3.625%.	1,205,000
\$3,250,000 2012 General Obligation Public Refunding Bonds due in increasing annual installments through September 1, 2025, at a 2.00% interest rate.	1,935,000
\$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%.	3,685,000
\$3,035,000 2016 General Obligation Public Refunding Bonds due in increasing annual installments through March 1, 2030, at a 2.00% interest rate.	2,900,000
\$3,030,000 2017 General Obligation Public Refunding Bonds due in increasing annual installments through September 1, 2027, at varying rates of interest from 2.00% to 3.00%.	2,460,000
\$2,040,000 2017A General Obligation Public Refunding Bonds due in increasing annual installments through September 1, 2031, at varying rates of interest from 2.50% to 4.00%.	2,040,000
\$1,750,000 2018A General Obligation Capital Outlay Note due in increasing annual installments through March 1, 2030, at a 3.24% interest rate.	1,503,000
\$1,750,000 2018B General Obligation Capital Outlay Note due in increasing annual installments through March 1, 2030, at a 3.24% interest rate.	1,503,000
\$14,445,000 2019 General Obligation Public Improvement Bonds due in increasing annual installments through September 1, 2039, at varying rates of interest from 2.00% to 5.00%.	<u>14,445,000</u>
Total governmental activities general obligation bonds	32,661,000
Unamortized premium	<u>1,205,330</u>
	<u>\$ 33,866,330</u>

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - LONG-TERM LIABILITIES - Continued

Business-type Activities Debt:

\$10,000,000 2010 General Obligation Public Improvement Bonds due in increasing annual installments through March 1, 2025, at varying rates of interest from 2.00% to 4.00%.	\$ 2,515,000
\$6,560,000 2012 General Obligation Public Improvement Bonds due in increasing annual installments through September 1, 2031, at varying rates of interest from 2.00% to 2.63%.	4,440,000
\$3,300,000 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%.	2,485,000
\$6,315,000 2016 General Obligation Public Refunding Bonds due in increasing annual installments through March 1, 2029, at an interest rate of 2.00%.	5,555,000
\$860,000 2017 General Obligation Public Refunding Bonds due in increasing annual installments through September 1, 2020, at varying rates of interest from 2.00% to 3.00%.	225,000
\$3,495,000 2017A General Obligation Public Refunding Bonds due in increasing annual installments through September 1, 2030, at varying rates of interest from 2.50% to 4.00%.	<u>3,495,000</u>
Total business-type activities debt	18,715,000
Unamortized premium	<u>323,820</u>
	<u>\$ 19,038,820</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.

The above bonds and notes payable contain provisions that in the event of default, the lenders can exercise one or more of the following options: 1) make the outstanding bond and/or note payable with accrued interest due and payable, 2) use any remedy allowed by state or federal law.

Bond Refundings and Prepayments

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.

Total defeased debt as of June 30, 2020 was \$17,230,000.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020, are as follows:

Year	Governmental Activities		Business-type Activities		Total	
	Bonds and Notes Payable		Bonds			
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,750,000	\$ 917,305	\$ 1,750,000	\$ 462,013	\$ 3,500,000	\$ 1,379,318
2022	2,333,000	862,812	1,550,000	426,813	3,883,000	1,289,625
2023	2,391,000	792,707	1,585,000	392,553	3,976,000	1,185,260
2024	2,471,000	719,415	1,625,000	356,556	4,096,000	1,075,971
2025	2,539,000	642,536	1,665,000	319,382	4,204,000	961,918
2026-2030	10,737,000	2,126,747	8,265,000	880,392	19,002,000	3,007,139
2031-2035	5,880,000	948,081	2,275,000	92,894	8,155,000	1,040,975
2036-2040	4,560,000	304,877	-	-	4,560,000	304,877
Totals	<u>\$ 32,661,000</u>	<u>\$ 7,314,480</u>	<u>\$ 18,715,000</u>	<u>\$ 2,930,603</u>	<u>\$ 51,376,000</u>	<u>\$ 10,245,083</u>

NOTE 7 - DEFERRED OUTFLOWS (INFLOWS) OF RESOURCES

Deferred outflows (inflows) of resources consist of the following at June 30, 2020:

	Governmental Activities	Business-Type Activities
<u>Deferred outflows of resources:</u>		
Advance refundings of debt	\$ 461,791	\$ 320,765
Pensions	3,516,537	486,618
OPEB	1,605,177	225,785
	<u>\$ 5,583,505</u>	<u>\$ 1,033,168</u>
<u>Deferred inflows of resources:</u>		
Property taxes:		
2020 estimated levy	\$ 12,615,625	\$ -
Estimated 2017 Hall Income tax	150,000	-
Other	232,912	-
Pensions	1,680,807	186,142
	<u>\$ 14,679,344</u>	<u>\$ 186,142</u>

The governmental funds (General Fund) also report deferred inflows of resources relating to delinquent property taxes of \$129,131.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 Public Entity Partners (the “PEP”), covering each of those risks of loss. The PEP is a cooperative risk sharing arrangement between local government agencies that works in many ways like a traditional insurer. The City pays a premium, receives coverage, and can make claims against that coverage. The City meets the PEP’s guidelines and complies with its rules and regulations, including loss control requirements as well as its underwriting standards. Rates of the PEP 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 the existing city funded HRA. Under the partially self-funded insurance plan, which is administered by Blue Cross Blue Shield of Tennessee, the City is liable through the HRA for up to \$5,500 of the first \$6,500 of individual employee claims with the employee being liable for up to \$1,000 out of pocket. The City then assumes liability for additional individual medical claims up to \$85,000. To help mitigate losses from high-dollar medical claims beyond the HRA combined City and employee liability of \$90,500 and the employee’s out of pocket maximum of \$1,000 (total of \$91,500 funded amount), the City purchased catastrophic insurance coverage plans for Specific Stop Loss and Aggregate Stop Loss coverage. Specific Stop Loss coverage limits the City’s potential liability for individual catastrophic claims by covering all costs for an individual member once those costs exceed \$85,000 over and above the HRA funded amount and employee out of pocket maximum. Aggregate stop loss coverage caps the City’s liability for all claims in the entire plan at an agreed upon dollar amount. In calendar year 2020, the aggregate stop loss threshold is \$3.884 million.

Revenues of the fund include budgeted amounts from each City fund with personnel assigned to it, as well as employee payroll deductions from those employees who elect to cover dependents under the City’s plan. Expenses of the fund include premium costs for the City’s stop-loss coverage, administrative fees charged by Blue Cross Blue Shield, HRA claims expenses, and medical 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, 2020, but not reported (“IBNRs”).

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 - RISK MANAGEMENT - Continued

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

	<u>2020</u>	<u>2019</u>
Unpaid claims, beginning of fiscal year	\$ 198,911	\$ 52,484
Incurred claims	2,635,032	2,860,365
Claim payments	<u>(2,721,990)</u>	<u>(2,713,938)</u>
Unpaid claims, end of fiscal year	<u>\$ 111,953</u>	<u>\$ 198,911</u>

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

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

NOTE 9 - CONTINGENT LIABILITIES

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

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 Budget to Actual General Fund, to show how the two statements agree in total change in fund balance:

	Governmental Funds Schedule (p. 23)	General Fund per Budget to Actual Schedule (p. 25 - 31)	Difference
REVENUES			
Charges for services	\$ 409,426	\$ 409,426	\$ -
Intergovernmental	11,277,230	11,277,230	-
Uses of money and property	924,285	818,979	105,306
Other	9,091	64,111	(55,020)
EXPENDITURES			
General government	7,689,749	7,471,767	(217,982)
Public safety	16,332,727	17,135,064	802,337
Roads and streets	5,378,626	5,674,030	295,404
Parks and recreation	2,501,432	2,494,471	(6,961)
Public library	2,686,640	2,639,352	(47,288)
Community support	368,331	411,786	43,455
OTHER FINANCING USES			
Transfers out	10,074,700	10,469,700	395,000
COMMITTED ACTIVITY BUDGETED SEPARATELY			
Net change - equipment replacement	-	1,182,266	(1,182,266)
Net change - facilities maintenance	-	149,122	(149,122)
Net change - postemployment benefits	-	(17,137)	17,137
NET CHANGE IN FUND BALANCE	<u>\$ 4,014,572</u>	<u>\$ 4,014,572</u>	<u>\$ -</u>

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, Nationwide Retirement Services, and Empower Retirement.

For employees hired prior to April 1, 2019, 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. Participants receiving the City matching contribution are immediately and fully vested in the matched funds. As a result, no policy regarding forfeiture is required. The City's match for the year ended June 30, 2020 totaled \$364,292. For employees hired after April 1, 2019, the City matches, on a dollar-for-dollar basis, a maximum of up to 2% of the employee's base salary into the 401(k) plan. Participants are immediately eligible to receive the City matching contribution and are fully vested in the matched funds after two years of employment. Matching contributions for employees that leave employment prior to becoming fully vested are retained by the plan.

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS PLAN AND TRUST

The following disclosure is provided under the requirements of GASB Statement No. 74 "Financial Reporting for Postemployment Benefit Plans Other than Pension Plans" and GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." The City's OPEB Plan is administered through a trust meeting the definition set forth in GASB No. 74. The plan does not issue a separate financial statement, and accordingly, all disclosures are included in this comprehensive annual financial report of the City.

Plan Description

Plan Administration

The City administers a post retirement benefit plan, which 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 management of the OPEB Plan is vested in the City Commission. The benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City, through the Commission.

Plan Membership

Membership in the plan consisted of the following at January 1, 2019, the date of the latest actuarial valuation:

Active employees (with medical coverage)	265
Retired employees (with medical coverage)	29
Retired employees (without medical coverage)	1
	<u>295</u>

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS PLAN AND TRUST - Continued

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, and were hired prior to July 1, 2005, the City reimburses the cost of the Medicare supplement plan for the retiree. For those eligible retirees who have reached age 65, were hired prior to July 1, 2005 and retired after July 1, 2002, the City's reimbursement of the cost of a Medicare supplement plan is limited to the actual cost of the supplemental policy or 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.

Funding Policy and Contributions

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. The prefunding will reduce the annual required contribution in future years. For fiscal year 2020, the City's General Fund, Water and Sewer Fund and Emergency Communications District collectively contributed \$1,169,119 to the Trust and withdrew \$339,071 to pay benefits. All contributions were made by the employer (no contributions by active or retired employees). Employer contributions are calculated as 7.39% of covered payroll for fiscal year 2020.

Investments

Investment Policy

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

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS PLAN AND TRUST - Continued

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

The following is the adopted asset allocation policies for the OPEB Trust:

	<u>Target Allocation</u>	<u>Investment Mix</u>
CoreBond Index/Milestone Retirement	30%	75% bonds; 25% stocks
Conservative Growth Portfolio	40%	60% bonds; 40% stocks
Traditional Portfolio	30%	40% bonds; 60% stocks

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

Rate of Return

For the year ended June 30, 2020, the annual money - weighted rate of return on investments, net of investment expense, was 4.89%. The money - weighted rate of return expresses investment performance, net of investment expenses, adjusted for changing amounts actually invested.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2019, using the following actuarial assumptions, applied to all parties included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	4.0% per annum, average, including inflation
Investment rate of return	6.75%, net of expenses, including inflation
Healthcare cost trend rate	7.5% in 2019 grading uniformly to 6.75% over 3 years and following the Getzen model thereafter to an ultimate rate of 3.9% in the year 2076

Mortality rates were based on the RP - 2014 Mortality Table, with adjustments back to 2006 with generational mortality improvement projected under Projection Scale MP-2018.

There has not been an experience study performed for the OPEB Plan.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS PLAN AND TRUST - Continued

In 2019 the following assumptions were changed, 1) The medical trend was changed from 8% to 5% graded over 10 years beginning in 2017 to 7.5% in 2019 grading uniformly to 6.75% over 3 years and following the Getzen model thereafter. 2) The mortality was changed from mortality table RP-2014 adjusted to base year 2006 and projected with improvement scale MP-2016 to mortality table RP-2014 adjusted to base year 2006 and projected with improvement scale MP-2018. 3) The aging assumption used to determine the claims cost at each age was changed from a flat, unisex 3% increase per year of year to the sex distinct aging factors based on the Dale Yamamoto study released by the Society of Actuaries in June 2013.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 (see the discussion of the OPEB investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Investment Mix</u>			<u>Long-Term Expected Real Rate of Return</u>
Core Bond Index	96% bonds,	0% stocks,	4% other	4.50%
Milestone Retirement		Not applicable		5.50%
Conservative Growth	60% bonds,	40% stocks,	0% other	6.15%
Traditional Growth	40% bonds,	60% stocks,	0% other	6.80%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS PLAN AND TRUST - Continued

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/19, measurement date	\$ 17,625,555	\$ 10,737,592	\$ 6,887,963
Changes for the year:			
Service cost	520,191	-	520,191
Interest	1,164,052	-	1,164,052
Differences between expected and actual experience	(41,270)	-	(41,270)
Changes of assumptions	-	-	-
Contributions-employer	-	1,169,119	(1,169,119)
Net investment income	-	552,538	(552,538)
Benefit payments, including refunds of employee contributions	(339,071)	(339,071)	-
Administrative expenses	-	-	-
Net changes	1,303,902	1,382,586	(78,684)
Balances at 6/30/20, measurement date	\$ 18,929,457	\$ 12,120,178	\$ 6,809,279

Sensitivity of the net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB liability	\$ 9,850,946	\$ 6,809,279	\$ 4,905,441

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5% decreasing to 2.9%) or 1-percentage-point higher (8.5% decreasing to 4.9%) over 57 years than the current healthcare cost trend rates:

	6.5% decreasing to 2.9% over 57 years	Current 7.5% decreasing to 3.9% over 57 years	8.5% decreasing to 4.9% over 57 years
Net OPEB liability	\$ 4,433,395	\$ 6,809,279	\$ 10,503,146

OPEB Expense

For the year ended June 30, 2020, the City recognized a negative OPEB expense of \$(179,298).

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS PLAN AND TRUST - Continued

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,950	\$ -
Change in assumptions	190,202	-
Net difference between projected and actual earnings on pension plan investments	-	-
	1,637,810	-
Total	<u>\$ 1,830,962</u>	<u>\$ -</u>

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

Year Ended June 30,	
2021	\$ 341,936
2022	341,936
2023	341,933
2024	209,336
2025	193,152
Thereafter	402,669

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

Payable to the OPEB Plan

At June 30, 2020, the City had no payables relating to contributions to the Plan.

Allocation of OPEB Related Activity

The OPEB related activity has been allocated to the governmental activities and respective business-type activities by use of an allocation ratio of the fiscal year 2020 OPEB contributions. A summary of the OPEB related activity follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net OPEB Liability	\$ 5,969,591	\$ 839,688
Deferred Inflows	1,605,177	225,785
Deferred Outflows	-	-

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 - EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN

General Information about the Pension Plans

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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

The City has two plans through the Public Employee Retirement Plan, one for employees of the Emergency Communications District (“ECD”), and one for all other employees of the City.

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, 2019, the following employees were covered by the benefit terms:

	<u>City</u>	<u>ECD</u>
Inactive employees or beneficiaries currently receiving benefits	124	1
Inactive employees entitled to but not yet receiving benefits	214	5
Active employees	252	10
	<u>590</u>	<u>16</u>

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 eligible 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, 2020, employer contributions for the City were \$2,569,012 based on a rate of 15.50% (public safety) and 12.00% (general government) of covered payroll, with a rate of 13.22% for the ECD plan. The actuarially determined contribution rates for fiscal year 2020 were 8.82% for public safety and 5.32% for general government; however, the City elected to contribute at the higher rates. 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.

Contributions are paid from the general fund for the City and from the ECD fund for ECD.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2019, 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, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.0%
Investment rate of return	7.25%, net of pension plan investment expenses, including inflation
Cost-of-living adjustment	2.25%, if provided

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

The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25% based on a blending of the three factors described above.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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, 2020

NOTE 13 - EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN - Continued

Changes in the Net Pension Liability (Asset)

City Plan

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 6/30/18, measurement date	\$ 60,024,733	\$ 65,358,942	\$ (5,334,209)
Changes for the year:			
Service cost	1,385,143	-	1,385,143
Interest	4,377,106	-	4,377,106
Differences between expected and actual experience	656,292	-	656,292
Changes of assumptions	-	-	-
Contributions-employer	-	2,486,210	(2,486,210)
Contributions-employee	-	314,511	(314,511)
Net investment income	-	4,892,886	(4,892,886)
Benefit payments, including refunds of employee contributions	(2,072,008)	(2,072,008)	-
Administrative expenses	-	(22,778)	22,778
Net changes	<u>4,346,533</u>	<u>5,598,821</u>	<u>(1,252,288)</u>
Balances at 6/30/19, measurement date	<u>\$ 64,371,266</u>	<u>\$ 70,957,763</u>	<u>\$ (6,586,497)</u>

ECD Plan

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 6/30/18, measurement date	\$ 104,359	\$ 227,139	\$ (122,780)
Changes for the year:			
Service cost	79,353	-	79,353
Interest	13,236	-	13,236
Differences between expected and actual experience	(6,662)	-	(6,662)
Changes of assumptions	-	-	-
Contributions-employer	-	82,802	(82,802)
Contributions-employee	-	29,572	(29,572)
Net investment income	-	20,978	(20,978)
Benefit payments, including refunds of employee contributions	(2,297)	(2,297)	-
Administrative expenses	-	(906)	906
Net changes	<u>83,630</u>	<u>130,149</u>	<u>(46,519)</u>
Balances at 6/30/19, measurement date	<u>\$ 187,989</u>	<u>\$ 357,288</u>	<u>\$ (169,299)</u>

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 - EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN - Continued

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

The following presents the net pension liability (asset) of the City calculated using the discount rate of 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's net pension liability (asset)	\$ 2,496,479	\$ (6,586,497)	\$ (14,102,153)
ECD's net pension liability (asset)	(130,022)	(169,299)	(200,105)

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

Pension Expense

For the year ended June 30, 2020, the City recognized pension expense of \$1,012,085 and \$38,239 on the City and ECD plans, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 998,541	\$ 956,619
Change in assumptions	531,122	-
Change in proportion between Government-wide and Business-type Activities	65,964	65,964
Net difference between projected and actual earnings on pension plan investments	-	808,320
Contributions subsequent to the measurement date of June 30, 2019	2,238,959	-
Total	\$ 3,834,586	\$ 1,830,903

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 - EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN - Continued

ECD Plan

ECD:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in proportion between Government-wide and Business-type Activities	\$ -	\$ 33,946
Net difference between projected and actual earnings on pension plan investments	87,952	2,100
Contributions subsequent to the measurement date of June 30, 2019	80,617	-
Total	<u><u>\$ 168,569</u></u>	<u><u>\$ 36,046</u></u>

Employer contributions subsequent to the measurement date will be recognized as a reduction of the pension liability in fiscal year 2021. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	<u>City</u>	<u>ECD</u>
2021	\$ 134,792	\$ (5,259)
2022	(339,599)	(5,257)
2023	87,704	(4,918)
2024	(143,237)	(4,590)
2025	109,487	(4,481)
Thereafter	-	(8,012)

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

Payable to the Pension Plan

At June 30, 2020, the City had no payables relating to contributions to the Plan.

Allocation of Pension Related Activity

The Pension related activity has been allocated to the governmental activities and respective business-type activities by use of an allocation ratio of the fiscal year 2020 pension contributions. A summary of the pension related activity follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Pension Liability (Asset)	\$ (6,042,279)	\$ (713,517)
Deferred Inflows	1,680,807	186,142
Deferred Outflows	3,516,537	486,618

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 - EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN - Continued

TCRS Hybrid Retirement Plan

During fiscal 2019, the City began participation in the TCRS Hybrid Retirement Plan. Contributions to the plan were not material during the year ended June 30, 2020. The plan has an associated TCRS Stabilization Reserve Trust for which the City contributions were also not material during fiscal 2020.

NOTE 14 - COMMITMENTS

Construction commitments amounting to approximately \$19,398,000 and \$1,263,000 were outstanding as of June 30, 2020, for governmental activities and business-type activities (Water and Sewer Fund), respectively.

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 - TAX ABATEMENT

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

Under the agreement, the City abates a portion of the property taxes otherwise payable by the company for a ten-year period and the company maintains its head-quarters within the City. The company also committed to certain full time equivalent employee levels. The City's portion of the abatement cannot exceed \$37,500 annually and \$375,000 in the aggregate. For the fiscal year ended June 30, 2020, the City abated property taxes totaling \$37,500. Future abatements are expected to be \$150,000 over the remainder of the agreement.

CITY OF BRENTWOOD, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - SUBSEQUENT EVENTS

On July 22, 2020, the City received \$967,954 one-time direct appropriation grant from the State of Tennessee. There was no requirement to file a plan of use of the grant funds. This appropriation is intended to assist local government due to the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION



City of Brentwood

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

	Fiscal Year June 30,					
	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 1,385,143	\$ 1,327,442	\$ 1,156,664	\$ 1,150,624	\$ 1,150,999	\$ 1,122,965
Interest	4,377,106	4,201,625	3,902,973	3,650,234	3,399,040	3,254,114
Changes of benefit items	-	-	-	-	-	-
Differences between expected and actual experience	656,292	(1,361,854)	1,078,095	(132,928)	(47,643)	(1,467,509)
Changes of assumptions	-	-	1,062,242	-	-	-
Benefit payments, including refunds of employee contributions	(2,072,008)	(1,536,967)	(1,376,938)	(1,231,286)	(1,074,254)	(936,262)
Net change in total pension liability	<u>4,346,533</u>	<u>2,630,246</u>	<u>5,823,036</u>	<u>3,436,644</u>	<u>3,428,142</u>	<u>1,973,308</u>
Total pension liability-beginning	<u>60,024,733</u>	<u>57,394,487</u>	<u>51,571,451</u>	<u>48,134,807</u>	<u>44,706,665</u>	<u>42,733,357</u>
Total pension liability-ending (a)	<u>\$ 64,371,266</u>	<u>\$ 60,024,733</u>	<u>\$ 57,394,487</u>	<u>\$ 51,571,451</u>	<u>\$ 48,134,807</u>	<u>\$ 44,706,665</u>
Plan fiduciary net position						
Contributions-employer	\$ 2,486,210	\$ 2,358,892	\$ 2,709,932	\$ 2,306,684	\$ 2,329,112	\$ 2,269,893
Contributions-employee	314,511	262,129	229,356	161,462	141,959	117,752
Net investment income	4,892,886	4,968,751	5,969,974	1,363,718	1,454,368	6,499,814
Benefit payments, including refunds of employee contributions	(2,072,008)	(1,536,967)	(1,376,938)	(1,231,286)	(1,074,254)	(936,262)
Administrative expenses	(22,778)	(24,115)	(20,973)	(18,055)	(12,513)	(11,223)
Net change in plan fiduciary net position	<u>5,598,821</u>	<u>6,028,690</u>	<u>7,511,351</u>	<u>2,582,523</u>	<u>2,838,672</u>	<u>7,939,974</u>
Plan fiduciary net position-beginning	<u>65,358,942</u>	<u>59,330,252</u>	<u>51,818,901</u>	<u>49,236,378</u>	<u>46,397,706</u>	<u>38,457,732</u>
Plan fiduciary net position-ending (b)	<u>\$ 70,957,763</u>	<u>\$ 65,358,942</u>	<u>\$ 59,330,252</u>	<u>\$ 51,818,901</u>	<u>\$ 49,236,378</u>	<u>\$ 46,397,706</u>
 Net pension liability (asset)-ending (a) - (b)	<u>\$ (6,586,497)</u>	<u>\$ (5,334,209)</u>	<u>\$ (1,935,765)</u>	<u>\$ (247,450)</u>	<u>\$ (1,101,571)</u>	<u>\$ (1,691,041)</u>
 Plan fiduciary net position as a percentage of the total pension liability	110.23%	108.89%	103.37%	100.48%	102.29%	103.78%
 Covered payroll	\$ 15,695,065	\$ 14,892,532	\$ 14,575,800	\$ 13,431,688	\$ 13,642,197	\$ 13,468,614
 Net pension liability (asset) as a percentage of covered payroll	(41.97%)	(35.82%)	(13.28%)	(1.84%)	(8.07%)	(12.56%)

<p>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.</p>

Information in this schedule is presented for the fiscal year. The measurement year is the prior period (i.e. the measurement date for fiscal year 2020 is June 30, 2019).

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

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

	Fiscal Year June 30,		
	2020	2019	2018
Total pension liability			
Service cost	\$ 79,353	\$ 71,053	\$ -
Interest	13,236	9,202	-
Changes of benefit items	-	-	55,869
Differences between expected and actual experience	(6,662)	(31,765)	-
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(2,297)	-	-
Net change in total pension liability	83,630	48,490	55,869
Total pension liability-beginning	104,359	55,869	-
Total pension liability-ending (a)	<u>\$ 187,989</u>	<u>\$ 104,359</u>	<u>\$ 55,869</u>
Plan fiduciary net position			
Contributions-employer	\$ 82,802	\$ 91,689	\$ 68,554
Contributions-employee	29,572	29,053	21,722
Net investment income	20,978	12,819	5,069
Benefit payments, including refunds of employee contributions	(2,297)	-	-
Administrative expenses	(906)	(974)	(793)
Net change in plan fiduciary net position	130,149	132,587	94,552
Plan fiduciary net position-beginning	227,139	94,552	-
Plan fiduciary net position-ending (b)	<u>\$ 357,288</u>	<u>\$ 227,139</u>	<u>\$ 94,552</u>
 Net pension liability (asset)-ending (a) - (b)	 <u>\$ (169,299)</u>	 <u>\$ (122,780)</u>	 <u>\$ (38,683)</u>
 Plan fiduciary net position as a percentage of the total pension liability	 190.06%	 217.65%	 169.24%
 Covered payroll	 \$ 591,445	 \$ 581,046	 \$ 434,433
 Net pension liability (asset) as a percentage of covered payroll	 (28.62%)	 (21.13%)	 (8.90%)

<p>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.</p>

Information in this schedule is presented for the fiscal year. The measurement year is the prior period (i.e. the measurement date for fiscal year 2020 is June 30, 2019).

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 2,238,959	\$ 1,375,000	\$ 1,304,501	\$ 2,300,061	\$ 2,306,684	\$ 2,329,112	\$ 2,269,893
Contributions in relation to the actuarially determined contribution	<u>2,238,959</u>	<u>2,486,210</u>	<u>2,358,892</u>	<u>2,709,932</u>	<u>2,306,684</u>	<u>2,329,112</u>	<u>2,269,893</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (1,111,210)</u>	<u>\$ (1,054,391)</u>	<u>\$ (409,871)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,848,528	\$ 15,695,065	\$ 14,892,532	\$ 14,575,800	\$ 13,431,688	\$ 13,642,197	\$ 13,468,614
Contributions as a percentage of covered payroll	15.08%	15.84%	15.84%	18.59%	17.17%	17.07%	16.85%

Notes to Schedule

Valuation date: Actuarially determined contribution rates for the year ended June 30, 2020 are based on the results of the June 30, 2018 actuarial valuation. Detailed below are the methods and assumptions used in the June 30, 2018 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Various
Asset valuation method	10-year smoothed within a 20% corridor to market value
Inflation rate	2.5%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	7.25%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including projection of mortality improvement using Scale MP-2017 (static projection to 6 years beyond the valuation date)
Cost of living adjustments	2.25%, if provided

<p>This is a 10-year schedule; 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.</p>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 80,617	\$ 44,122	\$ 91,689	\$ 68,554
Contributions in relation to the actuarially determined contribution	<u>80,617</u>	<u>82,802</u>	<u>91,689</u>	<u>68,554</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (38,680)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 609,671	\$ 591,445	\$ 581,046	\$ 434,433
Contributions as a percentage of covered payroll	13.22%	14.00%	15.78%	15.78%

Notes to Schedule

Valuation date: Actuarially determined contribution rates for the year ended June 30, 2020 are based on the results of the June 30, 2018 actuarial valuation. Detailed below are the methods and assumptions used in the June 30, 2018 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Various
Asset valuation method	10-year smoothed within a 20% corridor to market value
Inflation rate	2.5%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	7.25%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including projection of mortality improvement using Scale MP-2017 (generational projection)
Cost of living adjustments	2.25%, if provided

<p>This is a 10-year schedule; 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.</p>

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

	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 520,191	\$ 495,420	\$ 424,946	\$ 404,710
Interest	1,164,052	1,092,361	923,825	830,275
Changes of benefit items	-	-	-	-
Differences between expected and actual experience	(41,270)	160,366	273,528	256,256
Changes of assumptions	-	1,727,936	-	-
Benefit payments, including refunds of employee contributions	(339,071)	(460,644)	(547,538)	(494,941)
Net change in total OPEB liability	1,303,902	3,015,439	1,074,761	996,300
Total OPEB liability-beginning	17,625,555	14,610,116	13,535,355	12,539,055
Total OPEB liability-ending (a)	<u>\$ 18,929,457</u>	<u>\$ 17,625,555</u>	<u>\$ 14,610,116</u>	<u>\$ 13,535,355</u>
Plan fiduciary net position				
Contributions-employer	\$ 1,169,119	\$ 957,978	\$ 968,650	\$ 740,388
Contributions-employee	-	-	-	-
Net investment income	552,538	575,694	438,726	654,925
Benefit payments, including refunds of employee contributions	(339,071)	(460,644)	(547,538)	(494,941)
Administrative expenses	-	(9,500)	(9,500)	-
Net change in plan fiduciary net position	1,382,586	1,063,528	850,338	900,372
Plan fiduciary net position-beginning	10,737,592	9,674,064	8,823,726	7,923,354
Plan fiduciary net position-ending (b)	<u>\$ 12,120,178</u>	<u>\$ 10,737,592</u>	<u>\$ 9,674,064</u>	<u>\$ 8,823,726</u>
 Net OPEB liability -ending (a) - (b)	 <u>\$ 6,809,279</u>	 <u>\$ 6,887,963</u>	 <u>\$ 4,936,052</u>	 <u>\$ 4,711,629</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 64.03%	 60.92%	 66.21%	 65.19%
 Covered payroll	 \$ 15,827,664	 \$ 15,218,908	 \$ 13,693,223	 \$ 13,294,391
 Net OPEB liability as a percentage of covered payroll	 43.02%	 45.26%	 36.05%	 35.44%

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.

Changes in assumptions: In 2019 the following assumptions were changed, 1) The medical trend was changed from 8% to 5% graded over 10 years beginning in 2017 to 7.5% in 2019 grading uniformly to 6.75% over 3 years and following the Getzen model thereafter. 2) The mortality was changed from mortality table RP-2014 adjusted to base year 2006 and projected with improvement scale MP-2016 to mortality table RP-2014 adjusted to base year 2006 and projected with improvement scale MP-2018. 3) The aging assumption used to determine the claims cost at each age was changed from a flat, unisex 3% increase per year of year to the sex distinct aging factors based on the Dale Yamamoto study released by the Society of Actuaries in June 2013.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 1,169,119	\$ 957,978	\$ 968,650	\$ 740,388
Contributions in relation to the actuarially determine contribution	<u>1,169,119</u>	<u>957,978</u>	<u>968,650</u>	<u>740,388</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 15,983,860	\$ 15,218,908	\$ 13,693,223	\$ 13,294,391
Contributions as a percentage of covered payroll	7.31%	6.29%	7.07%	5.57%

Notes to Schedule

Valuation date: Actuarially determined contribution rates for 2018 were calculated based on the January 1, 2019 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial valuation method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Average working lifetime of all participants, currently 9 years
Asset valuation method	3-year smoothed market
Inflation rate	3.0%
Healthcare cost trend rate	7.5% in 2019 grading uniformly to 6.75% over 3 years and following the Getzen model thereafter to an ultimate rate of 3.9% in the year 2076
Salary increases	4.0% average annually, including inflation
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Vary by age from 10% at age 55 to 100% at age 65 (50% at age 55 to 100% at age 60 for Fire / Police)
Mortality	RP-2014 Mortality Table adjusted to 2006 with generational mortality improvement projected under Projection Scale MP-2018

This is a 10-year schedule; 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.

CITY OF BRENTWOOD, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
OPEB PLAN
(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money - weighted rate of return, net of investment expense	4.89%	5.58%	4.71%	7.82%

<p>This is a 10-year schedule; 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.</p>

**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 Facilities 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, 2020

	SPECIAL REVENUE		CAPITAL PROJECTS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	STATE STREET AID	DRUG	PUBLIC WORKS PROJECT	ADEQUATE SCHOOL FACILITIES	
ASSETS					
Cash and cash equivalents	\$ 1,460,058	\$ -	\$ 994,236	\$ 1,640,706	\$ 4,095,000
Receivables:					
Taxes	258,703	-	-	46,517	305,220
Due From General Fund	135,922	-	-	-	135,922
Due From Capital Project Fund	66,525	-	-	-	66,525
Restricted assets:					
Cash and cash equivalents	-	457,632	-	-	457,632
TOTAL ASSETS	\$ 1,921,208	\$ 457,632	\$ 994,236	\$ 1,687,223	\$ 5,060,299
LIABILITIES					
Accounts payable	\$ 1,213,813	\$ -	\$ -	\$ -	\$ 1,213,813
TOTAL LIABILITIES	1,213,813	-	-	-	1,213,813
FUND BALANCE					
Restricted for capital projects	-	-	994,236	1,687,223	2,681,459
Restricted for street repairs	707,395	-	-	-	707,395
Restricted for drug enforcement and education	-	457,632	-	-	457,632
TOTAL FUND BALANCE	707,395	457,632	994,236	1,687,223	3,846,486
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,921,208	\$ 457,632	\$ 994,236	\$ 1,687,223	\$ 5,060,299

See independent auditor's report.

CITY OF BRENTWOOD, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE		CAPITAL PROJECTS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	STATE STREET AID	DRUG	PUBLIC WORKS PROJECT	ADEQUATE SCHOOL FACILITIES	
REVENUES					
Licenses and permits	\$ -	\$ -	\$ 951,448	\$ -	\$ 951,448
Intergovernmental:					
Gasoline and motor fuel tax	798,751	-	-	-	798,751
Three cent tax	234,007	-	-	-	234,007
Gas 1989 tax	400,705	-	-	-	400,705
Gas 2017 tax	126,290				126,290
Adequate school facilities tax	-	-	-	551,953	551,953
Uses of money and property	15,695	5,343	3,876	14,270	39,184
Other	-	20,818	-	-	20,818
TOTAL REVENUES	1,575,448	26,161	955,324	566,223	3,123,156
EXPENDITURES					
Current:					
Roads and streets	2,566,719	-	-	-	2,566,719
Drug education	-	43,363	-	-	43,363
TOTAL EXPENDITURES	2,566,719	43,363	-	-	2,610,082
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(991,271)	(17,202)	955,324	566,223	513,074
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	(2,750,000)	-	(2,750,000)
NET CHANGE IN FUND BALANCE	(991,271)	(17,202)	(1,794,676)	566,223	(2,236,926)
FUND BALANCE, BEGINNING OF YEAR	1,698,666	474,834	2,788,912	1,121,000	6,083,412
FUND BALANCE, END OF YEAR	\$ 707,395	\$ 457,632	\$ 994,236	\$ 1,687,223	\$ 3,846,486

See independent auditor's report.

CITY OF BRENTWOOD, TENNESSEE
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	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	1,625,000	1,625,000	798,751	(826,249)	-	-	-	-
Three cent tax	-	-	234,007	234,007	-	-	-	-
Gas 1989 tax	-	-	400,705	400,705	-	-	-	-
Gas 2017 tax	-	-	126,290	126,290	-	-	-	-
Adequate school facilities tax	-	-	-	-	-	-	-	-
Uses of money and property	10,000	10,000	15,695	5,695	8,000	8,000	5,343	(2,657)
Other:								
Drug related fines and contributions	-	-	-	-	20,000	20,000	20,818	818
TOTAL REVENUES	<u>1,635,000</u>	<u>1,635,000</u>	<u>1,575,448</u>	<u>(59,552)</u>	<u>28,000</u>	<u>28,000</u>	<u>26,161</u>	<u>(1,839)</u>
EXPENDITURES								
Current:								
Roads and streets - street repairs	2,740,000	2,740,000	2,566,719	(173,281)	-	-	-	-
Drug education	-	-	-	-	20,000	42,000	43,363	1,363
TOTAL EXPENDITURES	<u>2,740,000</u>	<u>2,740,000</u>	<u>2,566,719</u>	<u>(173,281)</u>	<u>20,000</u>	<u>42,000</u>	<u>43,363</u>	<u>1,363</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,105,000)</u>	<u>(1,105,000)</u>	<u>(991,271)</u>	<u>113,729</u>	<u>8,000</u>	<u>(14,000)</u>	<u>(17,202)</u>	<u>(3,202)</u>
OTHER FINANCING SOURCES (USES)								
Transfers	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (1,105,000)</u>	<u>\$ (1,105,000)</u>	<u>\$ (991,271)</u>	<u>\$ 113,729</u>	<u>\$ 8,000</u>	<u>\$ (14,000)</u>	<u>\$ (17,202)</u>	<u>\$ (3,202)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,698,666</u>				<u>474,834</u>	
FUND BALANCE, END OF YEAR			<u>\$ 707,395</u>				<u>\$ 457,632</u>	

(Continued on next page)

See independent auditor's report.

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 FISCAL YEAR ENDED JUNE 30, 2020

	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	\$ 465,250	\$ 951,448	\$ 486,198	\$ -	\$ -	\$ -
Intergovernmental:						
Gasoline and motor fuel tax	-	-	-	-	-	-
Three cent tax	-	-	-	-	-	-
Gas 1989 tax	-	-	-	-	-	-
Gas 2017 tax	-	-	-	-	-	-
Adequate school facilities tax	-	-	-	450,000	551,953	101,953
Uses of money and property	30,000	3,876	(26,124)	10,000	14,270	4,270
Other:						
Drug related fines and contributions	-	-	-	-	-	-
TOTAL REVENUES	<u>495,250</u>	<u>955,324</u>	<u>460,074</u>	<u>460,000</u>	<u>566,223</u>	<u>106,223</u>
EXPENDITURES						
Current:						
Roads and streets - street repairs	-	-	-	-	-	-
Drug education	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>495,250</u>	<u>955,324</u>	<u>460,074</u>	<u>460,000</u>	<u>566,223</u>	<u>106,223</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	<u>(2,750,000)</u>	<u>(2,750,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,750,000)</u>	<u>(2,750,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,254,750)</u>	<u>\$ (1,794,676)</u>	<u>\$ 460,074</u>	<u>\$ 460,000</u>	<u>\$ 566,223</u>	<u>\$ 106,223</u>
FUND BALANCE, BEGINNING OF YEAR		<u>2,788,912</u>			<u>1,121,000</u>	
FUND BALANCE, END OF YEAR		<u>\$ 994,236</u>			<u>\$ 1,687,223</u>	

(Continued on next page)

See independent auditor's report.

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 FISCAL YEAR ENDED JUNE 30, 2020

	TOTALS			
	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
REVENUES				
Licenses and permits:				
Public works project fees	\$ 465,250	\$ 465,250	\$ 951,448	\$ 486,198
Intergovernmental:				
Gasoline and motor fuel tax	1,625,000	1,625,000	798,751	(826,249)
Three cent tax	-	-	234,007	234,007
Gas 1989 tax	-	-	400,705	400,705
Gas 2017 tax	-	-	126,290	126,290
Adequate school facilities tax	450,000	450,000	551,953	101,953
Uses of money and property	58,000	58,000	39,184	(18,816)
Other:				
Drug related fines and contributions	20,000	20,000	20,818	818
TOTAL REVENUES	<u>2,618,250</u>	<u>2,618,250</u>	<u>3,123,156</u>	<u>504,906</u>
EXPENDITURES				
Current:				
Roads and streets - street repairs	2,740,000	2,740,000	2,566,719	(173,281)
Drug education	20,000	42,000	43,363	1,363
TOTAL EXPENDITURES	<u>2,760,000</u>	<u>2,782,000</u>	<u>2,610,082</u>	<u>(171,918)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(141,750)</u>	<u>(163,750)</u>	<u>513,074</u>	<u>676,824</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(2,750,000)</u>	<u>(2,750,000)</u>	<u>(2,750,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,750,000)</u>	<u>(2,750,000)</u>	<u>(2,750,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,891,750)</u>	<u>\$ (2,913,750)</u>	<u>\$ (2,236,926)</u>	<u>\$ 676,824</u>
FUND BALANCE, BEGINNING OF YEAR			<u>6,083,412</u>	
FUND BALANCE, END OF YEAR			<u>\$ 3,846,486</u>	

See independent auditor's report.

CITY OF BRENTWOOD, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	ORIGINAL AMOUNTS	FINAL AMOUNTS	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
REVENUES				
Uses of money and property:				
Interest earnings	\$ 85,000	\$ 85,000	\$ 50,835	\$ (34,165)
TOTAL REVENUES	<u>85,000</u>	<u>85,000</u>	<u>50,835</u>	<u>(34,165)</u>
EXPENDITURES				
Debt service:				
Principal	2,115,000	2,115,000	2,115,000	-
Interest	873,060	873,060	720,616	(152,444)
Other:				
Bank service charges	<u>6,000</u>	<u>6,000</u>	<u>5,049</u>	<u>(951)</u>
TOTAL EXPENDITURES	<u>2,994,060</u>	<u>2,994,060</u>	<u>2,840,665</u>	<u>(153,395)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(2,909,060)</u>	<u>(2,909,060)</u>	<u>(2,789,830)</u>	<u>119,230</u>
OTHER FINANCING SOURCES (USES)				
Transfers in from General Fund	<u>3,250,000</u>	<u>3,250,000</u>	<u>3,250,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>3,250,000</u>	<u>3,250,000</u>	<u>3,250,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 340,940</u>	<u>\$ 340,940</u>	460,170	<u>\$ 119,230</u>
FUND BALANCE, BEGINNING OF YEAR			<u>2,887,329</u>	
FUND BALANCE, END OF YEAR			<u>\$ 3,347,499</u>	

See independent auditor's report.

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, 2020

	<u>FUEL</u>	<u>INSURANCE</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 799,814	\$ 3,662,412	\$ 4,462,226
Receivables:			
Due From General Fund	31,893	-	31,893
Due From Water and Sewer Fund	3,684	-	3,684
Due from Emergency Communications District	-	-	-
Inventory	<u>22,484</u>	<u>-</u>	<u>22,484</u>
 TOTAL ASSETS	 <u>857,875</u>	 <u>3,662,412</u>	 <u>4,520,287</u>
 LIABILITIES			
Accounts payable	1,553	68,969	70,522
Claims payable	<u>-</u>	<u>111,953</u>	<u>111,953</u>
 TOTAL LIABILITIES	 <u>1,553</u>	 <u>180,922</u>	 <u>182,475</u>
 NET POSITION			
Unrestricted	<u>856,322</u>	<u>3,481,490</u>	<u>4,337,812</u>
 TOTAL NET POSITION	 <u>\$ 856,322</u>	 <u>\$ 3,481,490</u>	 <u>\$ 4,337,812</u>

See independent auditor's report.

CITY OF BRENTWOOD, TENNESSEE
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>FUEL</u>	<u>INSURANCE</u>	<u>TOTAL</u>
OPERATING REVENUES			
Charges for sales and services	\$ 370,246	\$ 4,042,627	\$ 4,412,873
Other	<u>-</u>	<u>243,568</u>	<u>243,568</u>
TOTAL OPERATING REVENUES	<u>370,246</u>	<u>4,286,195</u>	<u>4,656,441</u>
OPERATING EXPENSES			
Costs of sales and services	<u>313,599</u>	<u>3,877,853</u>	<u>4,191,452</u>
TOTAL OPERATING EXPENSES	<u>313,599</u>	<u>3,877,853</u>	<u>4,191,452</u>
OPERATING INCOME	<u>56,647</u>	<u>408,342</u>	<u>464,989</u>
NONOPERATING REVENUES			
Other income	<u>8,695</u>	<u>49,615</u>	<u>58,310</u>
TOTAL NONOPERATING REVENUES	<u>8,695</u>	<u>49,615</u>	<u>58,310</u>
CHANGE IN NET POSITION	<u>65,342</u>	<u>457,957</u>	<u>523,299</u>
TOTAL NET POSITION - BEGINNING OF YEAR	<u>790,980</u>	<u>3,023,533</u>	<u>3,814,513</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 856,322</u>	<u>\$ 3,481,490</u>	<u>\$ 4,337,812</u>

See independent auditor's report.

CITY OF BRENTWOOD, TENNESSEE
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>FUEL</u>	<u>INSURANCE</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 368,433	\$ 4,286,195	\$ 4,654,628
Payments to suppliers	<u>(311,681)</u>	<u>(3,966,782)</u>	<u>(4,278,463)</u>
Net cash provided by (used in) operating activities	<u>56,752</u>	<u>319,413</u>	<u>376,165</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Other income received	<u>8,695</u>	<u>49,615</u>	<u>58,310</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	65,447	369,028	434,475
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>734,367</u>	<u>3,293,384</u>	<u>4,027,751</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 799,814</u>	<u>\$ 3,662,412</u>	<u>\$ 4,462,226</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	<u>\$ 56,647</u>	<u>\$ 408,342</u>	<u>\$ 464,989</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
(Increase) decrease in:			
Due from General Fund	(2,139)	-	(2,139)
Due from Water and Sewer Fund	326	-	326
Due from Emergency Communications District	-	-	-
Inventory	7,419	-	7,419
Increase (decrease) in:			
Accounts payable	(5,501)	(1,971)	(7,472)
Claims payable	<u>-</u>	<u>(86,958)</u>	<u>(86,958)</u>
TOTAL ADJUSTMENTS	<u>105</u>	<u>(88,929)</u>	<u>(88,824)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 56,752</u>	<u>\$ 319,413</u>	<u>\$ 376,165</u>

See independent auditor's report.

OTHER SCHEDULES



City of Brentwood

CITY OF BRENTWOOD, TENNESSEE

SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>TAX YEAR</u>	<u>BALANCE JUNE 30, 2019</u>	<u>LEVY</u>	<u>COLLECTIONS</u>	<u>ADJUSTMENTS</u>	<u>BALANCE JUNE 30, 2020</u>
2019	\$ -	\$ 12,310,657	\$ (12,170,166)	\$ -	\$ 140,491
2018	99,652	-	(72,261)	-	27,391
2017	13,345	-	(9,646)	-	3,699
2016	3,065	-	(848)	-	2,217
2015	3,756	-	(1,319)	-	2,437
2014	1,880	-	(665)	-	1,215
2013	1,136	-	(47)	-	1,089
2012	1,253	-	(43)	-	1,210
2011	1,393	-	-	-	1,393
2010	5,740	-	(288)	-	5,452
2009	7,257	-	-	(7,257)	-
2008	<u>6,577</u>	<u>-</u>	<u>-</u>	<u>(6,577)</u>	<u>-</u>
Total	<u>\$ 145,054</u>	<u>\$ 12,310,657</u>	<u>\$ (12,255,283)</u>	<u>\$ (13,834)</u>	186,594
Estimated 2020 Tax Levy					<u>12,615,625</u>
					<u>\$ 12,802,219</u>

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

See independent auditor's report.

CITY OF BRENTWOOD, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2019	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2020
Government Activities:									
<u>BONDS PAYABLE</u>									
<u>Payable through Debt Service Fund</u>									
2009 General Obligation Public Improvement Bonds	\$ 4,760,000	2.500-4.000%	11/24/2009	3/1/2020	\$ 230,000	\$ -	\$ 230,000	\$ -	\$ -
2011 General Obligation Refunding Bonds	7,385,000	2.000-3.000%	9/12/2011	9/1/2024	1,575,000	-	590,000	-	985,000
2011 General Obligation Public Improvement Bonds	4,845,000	3.000-3.625%	9/12/2011	9/1/2031	1,425,000	-	220,000	-	1,205,000
2012 General Obligation Refunding Bonds	3,250,000	2.000%	5/4/2012	9/1/2025	2,235,000	-	300,000	-	1,935,000
2013 General Obligation Public Improvement Bonds	4,895,000	2.000-3.750%	9/4/2013	9/1/2033	3,900,000	-	215,000	-	3,685,000
2016 General Obligation Refunding Bonds	3,035,000	2.000%	6/3/2016	3/1/2030	2,930,000	-	30,000	-	2,900,000
2017 General Obligation Refunding Bonds	3,030,000	2.000-3.000%	2/3/2017	9/1/2027	2,740,000	-	280,000	-	2,460,000
2017A General Obligation Refunding Bonds	2,040,000	2.500-4.000%	12/7/2017	9/1/2031	2,040,000	-	-	-	2,040,000
2019 General Obligation Public Improvement Bonds	14,445,000	2.000-5.000%	9/12/2019	9/1/2039	-	14,445,000	-	-	14,445,000
Total Bonds Payable through Debt Service Fund					<u>\$ 17,075,000</u>	<u>\$ 14,445,000</u>	<u>\$ 1,865,000</u>	<u>\$ -</u>	<u>\$ 29,655,000</u>
<u>NOTES PAYABLE</u>									
<u>Payable through Capital Projects Fund</u>									
2018A General Obligation Capital Outlay Note	\$ 1,750,000	3.240%	2/21/2018	3/1/2030	\$ 1,628,000	\$ -	\$ 125,000	\$ -	\$ 1,503,000
2018B General Obligation Capital Outlay Note	1,750,000	3.240%	3/21/2018	3/1/2030	1,628,000	-	125,000	-	1,503,000
Total Notes Payable through Capital Projects Fund					<u>\$ 3,256,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 3,006,000</u>
Business-type Activities:									
<u>BONDS PAYABLE</u>									
<u>Payable through Water and Sewer Fund</u>									
2010 Water and Sewer Improvements Bonds	10,000,000	2.000-4.000%	9/21/2010	3/1/2031	\$ 2,980,000	\$ -	\$ 465,000	\$ -	\$ 2,515,000
2012 Water and Sewer Improvements Bonds	6,560,000	2.000-2.625%	5/4/2012	9/1/2031	4,760,000	-	320,000	-	4,440,000
2013 Water and Sewer Improvements Bonds	3,300,000	2.000-3.750%	9/4/2013	9/1/2033	2,630,000	-	145,000	-	2,485,000
2016 Water and Sewer Refunding Bonds	6,315,000	2.000%	6/3/2016	3/1/2029	6,105,000	-	550,000	-	5,555,000
2017 Water and Sewer Refunding Bonds	860,000	2.000-3.000%	2/3/2017	9/1/2027	445,000	-	220,000	-	225,000
2017A Water and Sewer Refunding Bonds	3,495,000	2.500-4.000%	12/7/2017	9/1/2031	3,495,000	-	-	-	3,495,000
Total Bonds Payable through Water and Sewer Fund					<u>\$ 20,415,000</u>	<u>\$ -</u>	<u>\$ 1,700,000</u>	<u>\$ -</u>	<u>\$ 18,715,000</u>

See independent auditor's report.

CITY OF BRENTWOOD, TENNESSEE
SCHEDULE OF DEBT SERVICE REQUIREMENTS - GENERAL OBLIGATION BONDS
JUNE 30, 2020

Year	2009 G.O. Public Improvement Bonds		2011 G.O. Refunding Bonds		2011 G.O. Public Improvement Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ -	\$ -	\$ 190,000	\$ 22,563	\$ 225,000	\$ 32,775
2022	-	-	195,000	18,469	235,000	25,875
2023	-	-	195,000	13,838	240,000	18,750
2024	-	-	200,000	8,775	250,000	11,400
2025	-	-	205,000	3,075	255,000	3,825
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 985,000</u>	<u>\$ 66,720</u>	<u>\$ 1,205,000</u>	<u>\$ 92,625</u>

Year	2017 G.O. Refunding Bonds		2017A G.O. Refunding Bonds		2018A G.O. Capital Outlay Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 285,000	\$ 46,518	\$ -	\$ 63,300	\$ 130,000	\$ 48,696
2022	290,000	40,768	-	63,300	134,000	44,484
2023	295,000	34,918	-	63,300	138,000	40,144
2024	305,000	28,918	-	63,300	143,000	35,672
2025	310,000	22,768	-	63,300	147,000	31,040
2026	315,000	16,518	265,000	58,000	152,000	26,276
2027	325,000	10,118	270,000	47,300	157,000	21,352
2028	335,000	3,434	285,000	36,200	162,000	16,264
2029	-	-	295,000	26,812	167,000	11,016
2030	-	-	300,000	19,375	173,000	5,606
2031	-	-	310,000	11,750	-	-
2032	-	-	315,000	3,938	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
	<u>\$ 2,460,000</u>	<u>\$ 203,960</u>	<u>\$ 2,040,000</u>	<u>\$ 519,875</u>	<u>\$ 1,503,000</u>	<u>\$ 280,550</u>

See independent auditor's report.

CITY OF BRENTWOOD, TENNESSEE
SCHEDULE OF DEBT SERVICE REQUIREMENTS - GENERAL OBLIGATION BONDS - CONTINUED
JUNE 30, 2020

Year	2012 G.O. Refunding Bonds		2013 G.O. Public Improvement Bonds		2016 G.O. Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 305,000	\$ 35,650	\$ 220,000	\$ 108,838	\$ 265,000	\$ 58,000
2022	315,000	29,450	225,000	104,388	270,000	52,700
2023	320,000	23,100	230,000	99,694	275,000	47,300
2024	325,000	16,650	235,000	94,459	280,000	41,800
2025	330,000	10,100	240,000	88,669	285,000	36,200
2026	340,000	3,400	245,000	82,453	290,000	30,500
2027	-	-	255,000	75,413	300,000	24,700
2028	-	-	260,000	67,688	305,000	18,700
2029	-	-	270,000	59,400	310,000	12,600
2030	-	-	280,000	50,113	320,000	6,400
2031	-	-	290,000	40,138	-	-
2032	-	-	300,000	29,438	-	-
2033	-	-	310,000	18,000	-	-
2034	-	-	325,000	6,094	-	-
	<u>\$ 1,935,000</u>	<u>\$ 118,350</u>	<u>\$ 3,685,000</u>	<u>\$ 924,785</u>	<u>\$ 2,900,000</u>	<u>\$ 328,900</u>

Year	2018B G.O. Capital Outlay Note		2019 G.O. Public Improvement Bonds		Totals Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 130,000	\$ 48,696	\$ -	\$ 452,269	\$ 1,750,000	\$ 917,305
2022	134,000	44,484	535,000	438,894	2,333,000	862,812
2023	138,000	40,144	560,000	411,519	2,391,000	792,707
2024	143,000	35,672	590,000	382,769	2,471,000	719,415
2025	147,000	31,040	620,000	352,519	2,539,000	642,536
2026	152,000	26,276	655,000	320,644	2,414,000	564,067
2027	157,000	21,352	685,000	287,144	2,149,000	487,379
2028	162,000	16,264	715,000	255,719	2,224,000	414,269
2029	167,000	11,016	740,000	234,019	1,949,000	354,863
2030	173,000	5,606	755,000	219,069	2,001,000	306,169
2031	-	-	770,000	203,819	1,370,000	255,707
2032	-	-	785,000	187,287	1,400,000	220,663
2033	-	-	805,000	168,896	1,115,000	186,896
2034	-	-	825,000	149,540	1,150,000	155,634
2035	-	-	845,000	129,181	845,000	129,181
2036	-	-	865,000	107,806	865,000	107,806
2037	-	-	890,000	85,312	890,000	85,312
2038	-	-	910,000	61,687	910,000	61,687
2039	-	-	935,000	37,472	935,000	37,472
2040	-	-	960,000	12,600	960,000	12,600
	<u>\$ 1,503,000</u>	<u>\$ 280,550</u>	<u>\$ 14,445,000</u>	<u>\$ 4,498,165</u>	<u>\$ 32,661,000</u>	<u>\$ 7,314,480</u>

See independent auditor's report.

CITY OF BRENTWOOD, TENNESSEE
SCHEDULE OF DEBT SERVICE REQUIREMENTS - BUSINESS-TYPE ACTIVITIES DEBT OBLIGATIONS
JUNE 30, 2020

Year	2010 Water and Sewer Improvements Bonds		2012 Water and Sewer Improvements Bonds		2013 Water and Sewer Improvements Bonds		2016 Water and Sewer Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 480,000	\$ 67,350	\$ 330,000	\$ 95,538	\$ 150,000	\$ 73,350	\$ 565,000	\$ 111,100
2022	490,000	55,350	335,000	88,888	150,000	70,350	575,000	99,800
2023	500,000	42,487	340,000	82,138	155,000	67,203	590,000	88,300
2024	515,000	28,737	350,000	75,238	160,000	63,656	600,000	76,500
2025	530,000	14,575	355,000	68,188	165,000	59,694	615,000	64,500
2026	-	-	365,000	60,988	165,000	55,466	630,000	52,200
2027	-	-	370,000	53,406	170,000	50,750	645,000	39,600
2028	-	-	380,000	45,200	175,000	45,575	660,000	26,700
2029	-	-	390,000	36,294	180,000	40,025	675,000	13,500
2030	-	-	395,000	26,725	190,000	33,775	-	-
2031	-	-	410,000	16,406	195,000	27,038	-	-
2032	-	-	420,000	5,512	200,000	19,875	-	-
2033	-	-	-	-	210,000	12,188	-	-
2034	-	-	-	-	220,000	4,125	-	-
	<u>\$ 2,515,000</u>	<u>\$ 208,499</u>	<u>\$ 4,440,000</u>	<u>\$ 654,521</u>	<u>\$ 2,485,000</u>	<u>\$ 623,070</u>	<u>\$ 5,555,000</u>	<u>\$ 572,200</u>

Year	2017 Water and Sewer Refunding Bonds		2017A Water and Sewer Refunding Bonds		Total Debt Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 225,000	\$ 2,250	\$ -	\$ 112,425	\$ 1,750,000	\$ 462,013
2022	-	-	-	112,425	1,550,000	426,813
2023	-	-	-	112,425	1,585,000	392,553
2024	-	-	-	112,425	1,625,000	356,556
2025	-	-	-	112,425	1,665,000	319,382
2026	-	-	535,000	101,725	1,695,000	270,379
2027	-	-	555,000	79,925	1,740,000	223,681
2028	-	-	580,000	57,225	1,795,000	174,700
2029	-	-	595,000	38,188	1,840,000	128,007
2030	-	-	610,000	23,125	1,195,000	83,625
2031	-	-	620,000	7,750	1,225,000	51,194
2032	-	-	-	-	620,000	25,387
2033	-	-	-	-	210,000	12,188
2034	-	-	-	-	220,000	4,125
	<u>\$ 225,000</u>	<u>\$ 2,250</u>	<u>\$ 3,495,000</u>	<u>\$ 870,063</u>	<u>\$ 18,715,000</u>	<u>\$ 2,930,603</u>

See independent auditor's report.

CITY OF BRENTWOOD, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2020

Grant Description	Federal CFDA#	Pass-Through Entity Identifying Number	Accrued (Deferred) 7/1/2019	Federal Receipts and Adjustments	Expenditures	Accrued (Deferred) 6/30/2020
FEDERAL AWARDS:						
U.S. DEPARTMENT OF JUSTICE						
Direct Program:						
Equitable Sharing Program	16.922	n/a	\$ (296,403)	\$ 3,375	\$ -	\$ (299,778)
TOTAL U.S. DEPARTMENT OF JUSTICE			(296,403)	3,375	-	(299,778)
FEDERAL EMERGENCY MANAGEMENT AGENCY						
Passed through Tennessee Emergency Management Agency:						
Hurricane Dorian (FL) - Assistance to Firefighters	97.036	EMAC 1654-RR-8999	-	6,468	(12,936)	6,468
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			-	6,468	(12,936)	6,468
U.S. DEPARTMENT OF TRANSPORTATION						
Passed through Tennessee Department of Transportation:						
Highway Planning and Construction	20.205	94004-1227-04	-	9,393	(9,393)	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			-	9,393	(9,393)	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ (296,403)	\$ 19,236	\$ (22,329)	\$ (293,310)
STATE AWARDS:						
Tennessee Department of Transportation						
Highway-Rail Grade Crossing Improvement Project	N/A	CRR070292	-	4,741	(4,741)	-
TOTAL TENNESSEE DEPARTMENT OF TRANSPORTATION			-	4,741	(4,741)	-
TOTAL EXPENDITURES OF STATE AWARDS			-	4,741	(4,741)	-
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			\$ (296,403)	\$ 23,977	\$ (27,070)	\$ (293,310)

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Brentwood, Tennessee and is presented in accordance with the requirements of the State of Tennessee. Because this Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position or changes in financial position of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The information reported in this Schedule is reported 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 3 - STATE FINANCIAL ASSISTANCE

The City did not have any direct state financial assistance for the year ended June 30, 2020.

NOTE 4 - 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.

NOTE 5 - DE MINIMUS INDIRECT COST RATE

The City has elected not to use the 10-percent de minimus indirect cost rate.

See independent auditor's report.

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.

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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..... 98 - 103

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..... 104 - 110

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..... 111 - 114

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. 115 - 116

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. 117 - 119

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 POSITION BY COMPONENT (UNAUDITED)

LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 171,916,717	\$ 178,649,136	\$ 185,860,823	\$ 190,264,011	\$ 206,296,175	\$ 205,432,637	\$ 217,276,026	\$ 223,486,612	\$ 244,934,746	\$ 254,765,379
Restricted	6,615,744	5,521,606	4,960,235 ⁽²⁾	4,153,551	6,632,641	8,845,277	5,426,005	11,249,180	14,485,669	17,356,834
Unrestricted	<u>34,754,804</u>	<u>40,473,973</u>	<u>46,285,157</u> ⁽¹⁾	<u>49,687,981</u> ⁽³⁾	<u>55,659,774</u>	<u>64,855,829</u>	<u>64,734,747</u> ⁽⁴⁾	<u>63,394,779</u>	<u>63,695,869</u>	<u>67,128,781</u>
Total governmental activities net position	<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>	<u>\$ 279,133,743</u>	<u>\$ 287,436,778</u>	<u>\$ 298,130,571</u>	<u>\$ 323,116,284</u>	<u>\$ 339,250,994</u>
Business-type activities										
Net investment in capital assets	\$ 41,833,117	\$ 51,006,423	\$ 51,490,226	\$ 50,452,428	\$ 48,883,727	\$ 48,665,593	\$ 47,811,476	\$ 49,750,372	\$ 51,841,573	\$ 55,065,405
Restricted	-	120,000	- ⁽²⁾	-	197,926	126,540	29,223	195,480	554,851	713,517
Unrestricted	<u>25,853,129</u>	<u>21,681,193</u>	<u>23,873,374</u> ⁽¹⁾	<u>26,032,698</u> ⁽³⁾	<u>29,303,286</u>	<u>30,228,416</u>	<u>32,601,093</u> ⁽⁴⁾	<u>33,380,392</u>	<u>33,607,174</u>	<u>32,368,547</u>
Total business-type activities net position	<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>	<u>\$ 79,020,549</u>	<u>\$ 80,441,792</u>	<u>\$ 83,326,244</u>	<u>\$ 86,003,598</u>	<u>\$ 88,147,469</u>
Primary government										
Net investment in capital assets	\$ 213,749,834	\$ 229,655,559	\$ 237,351,049	\$ 240,716,439	\$ 255,179,902	\$ 254,098,230	\$ 265,087,502	\$ 273,236,984	\$ 296,776,319	\$ 309,830,784
Restricted	6,615,744	5,641,606	4,960,235 ⁽²⁾	4,153,551	6,830,567	8,971,817	5,455,228	11,444,660	15,040,520	18,070,351
Unrestricted	<u>60,607,933</u>	<u>62,155,166</u>	<u>70,158,531</u> ⁽¹⁾	<u>75,720,679</u> ⁽³⁾	<u>84,963,060</u>	<u>95,084,245</u>	<u>97,335,840</u> ⁽⁴⁾	<u>96,775,171</u>	<u>97,303,043</u>	<u>99,497,328</u>
Total primary government net position	<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>	<u>\$ 358,154,292</u>	<u>\$ 367,878,570</u>	<u>\$ 381,456,815</u>	<u>\$ 409,119,882</u>	<u>\$ 427,398,463</u>

⁽¹⁾ 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.

⁽²⁾ OPEB assets previously reported as restricted have been reclassified as a component of unrestricted net position beginning in 2013.

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

⁽³⁾ A prior period adjustment was posted to unrestricted net position in connection with the adoption of GASB Statement No. 75 for other postretirement benefits.

CITY OF BRENTWOOD, TENNESSEE

CHANGES IN NET POSITION (UNAUDITED)

LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES										
Governmental activities:										
General government	\$ 5,875,080	\$ 6,597,201	\$ 6,853,667	\$ 6,674,735	\$ 6,364,225	\$ 6,502,351	\$ 6,629,447	\$7,048,669	\$7,076,274	\$ 7,891,291
Public safety	12,260,875	12,123,456	12,274,641	12,623,784	11,769,252	12,606,876	13,348,931	13,258,098	16,718,675	13,691,469
Roads and streets	10,968,394	8,724,793	9,340,924	9,317,989	10,899,396	13,980,844	1,264,108	10,527,353	12,756,380	15,656,127
Public health	81,248	79,638	81,182	88,068	88,524	67,917	70,563	74,054	77,876	88,454
Parks and recreation	2,475,591	2,527,115	2,635,324	2,630,573	2,720,304	3,098,376	3,047,509	3,234,748	3,714,633	3,179,627
Public library	2,447,976	2,422,613	2,573,378	2,695,163	2,582,263	2,656,773	2,702,615	2,977,285	3,029,660	3,069,905
Community support	265,068	294,259	280,627	312,295	336,562	322,525	2,365,054	764,894	368,059	368,331
Drug education	66,972	74,485	24,818	53,055	53,330	38,627	49,292	44,310	58,736	81,164
Facilities maintenance projects	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	1,152,676	930,474	925,012	1,198,233	838,018	841,063	727,578	785,574	596,931	1,015,477
Total governmental activities	<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>	<u>40,115,352</u>	<u>30,205,097</u>	<u>38,714,985</u>	<u>44,397,224</u>	<u>45,041,845</u>
Business-type activities:										
Water and Sewer	13,092,399	13,140,446	14,507,961	15,954,570	15,569,461	16,792,536	17,486,681	17,787,324	18,146,325	18,654,832
Rental facilities	564,841	613,469	635,621	656,642	699,412	723,559	704,672	643,934	677,105	663,592
911 operations	1,064,637	1,194,062	1,194,308	1,224,118	1,130,021	1,191,793	1,208,410	1,186,228	1,418,761	1,360,113
Total business-type activities	<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>	<u>18,707,888</u>	<u>19,399,763</u>	<u>19,617,486</u>	<u>20,242,191</u>	<u>20,678,537</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<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>	<u>\$ 58,823,240</u>	<u>\$ 49,604,860</u>	<u>\$ 58,332,471</u>	<u>\$ 64,639,415</u>	<u>\$ 65,720,382</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 951,096	\$ 1,206,745	\$ 1,332,955	\$ 1,273,686	\$ 1,268,909	\$ 1,021,064	\$ 984,627	\$1,108,463	\$840,366	\$ 1,113,271
Roads and streets	360,927	676,355	1,514,944	703,350	1,185,065	1,805,840	1,016,607	947,462	723,758	1,012,766
Parks and recreation	116,950	125,154	112,905	124,736	109,739	116,658	122,130	125,737	119,005	56,581
Public library	156,372	156,636	140,832	148,520	143,688	134,450	128,352	121,657	130,234	102,058
Community support	29,430	29,631	29,977	27,850	31,738	35,250	34,625	-	-	-
Operating grants and contributions	1,424,021	1,006,999	1,020,125	1,004,056	1,724,759	1,228,771	1,154,251	1,427,814	1,617,529	1,573,189
Capital grants and contributions	4,508,465	7,711,481	7,833,395	4,107,635	16,726,448	3,460,350	8,179,647	430,798	18,345,389	8,864,603
Total governmental activities program revenues	<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>	<u>7,802,383</u>	<u>11,620,239</u>	<u>4,161,931</u>	<u>21,776,281</u>	<u>12,722,468</u>
Business-type activities:										
Charges for services:										
Water and Sewer	13,879,189	14,539,927	13,946,250	14,434,478	15,011,973	15,213,756	17,723,077	17,676,055	18,904,147	19,042,972
Rental facilities	611,567	676,488	728,213	675,285	723,714	733,227	724,310	725,811	742,237	740,509
911 operations	663,715	660,316	626,587	576,880	269,612	-	-	-	-	-
Operating grants and contributions	189,153	207,911	271,154	238,727	562,808	880,775	972,979	913,910	1,037,511	950,890
Capital grants and contributions	1,653,925	3,163,900	2,822,068	2,762,989	2,192,730	1,867,085	2,055,106	2,104,515	978,639	1,168,824
Total business-type activities program revenues	<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>	<u>18,694,843</u>	<u>21,475,472</u>	<u>21,420,291</u>	<u>21,662,534</u>	<u>21,903,195</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<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>	<u>\$ 26,497,226</u>	<u>\$ 33,095,711</u>	<u>\$ 25,582,222</u>	<u>\$ 43,438,815</u>	<u>\$ 34,625,663</u>
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (28,046,619)	\$ (22,861,033)	\$ (23,004,440)	\$ (28,204,062)	\$ (14,461,528)	\$ (32,312,969)	\$ (30,284,858)	\$ (34,553,054)	\$ (22,620,943)	\$ (32,319,377)
Business-type activities	<u>2,275,672</u>	<u>4,345,565</u>	<u>2,056,382</u>	<u>853,029</u>	<u>1,361,943</u>	<u>(13,045)</u>	<u>2,075,709</u>	<u>1,802,805</u>	<u>1,420,343</u>	<u>1,224,658</u>
TOTAL PRIMARY GOVERNMENT NET EXPENSE	<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>	<u>\$ (32,326,014)</u>	<u>\$ (28,209,149)</u>	<u>\$ (32,750,249)</u>	<u>\$ (21,200,600)</u>	<u>\$ (31,094,719)</u>

CITY OF BRENTWOOD, TENNESSEE

CHANGES IN NET POSITION (CONTINUED) (UNAUDITED)

LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property taxes	\$ 10,910,998	\$ 10,857,220	\$ 10,738,390	\$ 11,030,338	\$ 11,290,941	\$ 11,732,828	\$ 11,632,351	\$ 12,034,282	\$ 12,133,252	\$ 12,488,209
Local option taxes	11,027,909	12,005,650	12,762,673	12,954,622	13,820,565	15,203,893	15,910,640	16,569,064	17,462,917	19,098,477
Hotel/Motel taxes	-	1,144,406 (1)	1,164,600	1,362,325	1,439,717	1,705,447	1,843,667	1,853,455	1,760,408	1,410,421
Wholesale beer and liquor taxes	-	1,230,697 (1)	1,286,492	1,282,506	1,337,106	1,441,703	1,623,339	1,686,036	1,738,158	1,941,211
State sales and income taxes	4,552,428	- (1)	-	-	-	-	-	-	-	-
Other business taxes	3,945,296	- (1)	-	-	-	-	-	-	-	-
Adequate schools facilities taxes	332,178	412,451	494,233	616,142	618,838	713,422	669,388	586,041	483,726	551,953
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Other taxes	817,978	536,547 (1)	526,677	536,418	561,144	896,283	873,811	856,827	806,570	714,726
State sales, income, and other taxes	-	-	-	-	-	-	-	-	-	-
Unrestricted intergovernmental taxes:										
State sales	-	2,513,971 (1)	2,561,661	2,647,788	2,829,973	3,267,781	3,348,363	3,469,845	3,892,586	3,998,511
Income	-	2,284,851 (1)	3,269,643	3,237,239	4,004,352	4,420,212	3,132,222	3,407,502	3,328,145	3,120,309
Business	-	1,339,121 (1)	1,639,950	1,881,556	1,667,422	1,851,846	1,956,708	2,199,950	2,383,963	2,564,412
TVA in-lieu	-	428,175 (1)	422,625	410,018	429,531	474,106	455,842	458,127	519,734	539,809
Mixed drink and beer	-	152,273 (1)	160,299	182,131	178,237	192,560	257,386	320,499	317,134	257,681
Petroleum special	-	76,063 (1)	75,935	75,841	76,169	82,194	81,603	81,865	87,146	87,133
Corporate excise	-	11,633 (1)	20,662	48,993	57,008	77,998	115,679	125,704	133,002	242,570
Telecommunications	-	2,301 (1)	3,312	3,791	3,654	3,433	4,084	19,609	16,705	17,650
Other intergovernmental	-	142,463 (1)	134,971	343,912	321,960	335,036	329,678	367,487	389,651	435,719
Unrestricted earnings	817,401	578,871	621,825	566,443	538,317	676,321	965,518	1,499,832	2,127,442	1,383,087
Miscellaneous	236,284	293,655	481,604	213,000	188,341	201,759	882,006	195,422	510,817	86,909
Transfers	(418,700)	(422,950)	(548,700)	(418,700)	(418,700)	(418,700)	265,300	(484,700)	(484,700)	(484,700)
Total government activities	<u>32,221,772</u>	<u>33,587,398</u>	<u>35,816,852</u>	<u>36,974,363</u>	<u>38,944,575</u>	<u>42,858,122</u>	<u>44,347,585</u>	<u>45,246,847</u>	<u>47,606,656</u>	<u>48,454,087</u>
Business-type activities										
Unrestricted investment earnings	250,252	156,503	173,623	84,556	119,170	198,789	311,849	596,947	772,311	434,513
Miscellaneous	-	196,352	-	-	-	31,166	-	-	-	-
Transfers	<u>418,700</u>	<u>422,950</u>	<u>548,700</u>	<u>418,700</u>	<u>418,700</u>	<u>418,700</u>	<u>(265,300)</u>	<u>484,700</u>	<u>484,700</u>	<u>484,700</u>
Total business-type activities	<u>668,952</u>	<u>775,805</u>	<u>722,323</u>	<u>503,256</u>	<u>537,870</u>	<u>648,655</u>	<u>46,549</u>	<u>1,081,647</u>	<u>1,257,011</u>	<u>919,213</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 32,890,724</u>	<u>\$ 34,363,203</u>	<u>\$ 36,539,175</u>	<u>\$ 37,477,619</u>	<u>\$ 39,482,445</u>	<u>\$ 43,506,777</u>	<u>\$ 44,394,134</u>	<u>\$ 46,328,494</u>	<u>\$ 48,863,667</u>	<u>\$ 49,373,300</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 4,175,153	\$ 10,726,365	\$ 12,812,412	\$ 8,770,301	\$ 24,483,047	\$ 10,545,153	\$ 14,062,727	\$ 10,693,793	\$ 24,985,713	\$ 16,134,710
Business-type activities	<u>2,944,624</u>	<u>5,121,370</u>	<u>2,778,705</u>	<u>1,356,285</u>	<u>1,899,813</u>	<u>635,610</u>	<u>2,122,258</u>	<u>2,884,452</u>	<u>2,677,354</u>	<u>2,143,871</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 7,119,777</u>	<u>\$ 15,847,735</u>	<u>\$ 15,591,117</u>	<u>\$ 10,126,586</u>	<u>\$ 26,382,860</u>	<u>\$ 11,180,763</u>	<u>\$ 16,184,985</u>	<u>\$ 13,578,245</u>	<u>\$ 27,663,067</u>	<u>\$ 18,278,581</u>

(1) 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 98.

CITY OF BRENTWOOD, TENNESSEE

FUND BALANCES OF GOVERNMENTAL FUNDS (UNAUDITED)

LAST TEN FISCAL YEARS

	2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		
General Fund																					
Reserved																					
Unreserved																					
Nonspendable	\$	106,295	(1)	\$	40,995	\$	283,514	\$	23,877	\$	88,444	\$	91,108	\$	141,698	\$	119,832	\$	112,159	\$	116,577
Committed		2,055,889	(1)		3,841,285		4,191,394		4,673,661		4,922,928		5,493,492		6,088,103		6,493,096		6,988,945		8,303,195
Unassigned		<u>23,215,831</u>	(1)		<u>26,545,794</u>		<u>29,560,931</u>		<u>30,701,075</u>		<u>32,847,950</u>		<u>32,323,955</u>		<u>35,663,339</u>		<u>37,878,787</u>		<u>40,746,159</u>		<u>43,442,063</u>
Total general fund	\$	<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>	\$	<u>37,908,555</u>	\$	<u>41,893,140</u>	\$	<u>44,491,715</u>	\$	<u>47,847,263</u>	\$	<u>51,861,835</u>
All Other Governmental Funds																					
Unreserved																					
Reserved																					
Reserved for debt services																					
Reserved for capital projects																					
Reserved for facilities repairs																					
Reserved for street repairs																					
Reserved for drug enforcement and education																					
Nonspendable	\$	-		\$	-	\$	-	\$	-	\$	-	\$	-	\$	5,418	\$	-	\$	-	\$	-
Restricted																					
Restricted for street repairs		397,129	(1)		358,999		461,649		382,211		777,195		1,012,840		430,928		809,318		1,698,666		707,395
Restricted for drug enforcement and education		186,549	(1)		284,486		352,764		408,363		448,992		466,094		513,089		389,645		474,834		457,632
Restricted for capital projects		1,967,705	(1)		2,237,084		3,161,408		2,232,769		4,541,268		6,391,312		4,263,761		8,271,249		7,410,031		10,149,528
Committed																					
Committed to capital projects		9,258,181	(1)		8,600,375		9,387,496		13,429,400		15,030,317		21,517,308		21,988,017		20,558,427		19,302,862		22,524,969
Committed to debt service		<u>3,942,590</u>	(1)		<u>3,793,311</u>		<u>3,712,435</u>		<u>3,706,319</u>		<u>3,621,272</u>		<u>3,558,909</u>		<u>1,971,795</u>		<u>2,352,571</u>		<u>2,887,329</u>		<u>3,347,499</u>
Total all other governmental funds	\$	<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>	\$	<u>32,946,463</u>	\$	<u>29,173,008</u>	\$	<u>32,381,210</u>	\$	<u>31,773,722</u>	\$	<u>37,187,023</u>
Total governmental funds	\$	<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>	\$	<u>70,855,018</u>	\$	<u>71,066,148</u>	\$	<u>76,872,925</u>	\$	<u>79,620,985</u>	\$	<u>89,048,858</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 OF GOVERNMENTAL FUNDS (UNAUDITED)

LAST TEN FISCAL YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
REVENUES										
Taxes	\$ 25,884,203	\$ 25,774,520	\$ 26,478,832	\$ 27,166,209	\$ 28,453,126	\$ 30,519,071	\$ 31,684,419	\$ 32,747,979	\$ 33,735,437	\$ 35,422,210
Licenses and permits	1,000,864	1,448,508	2,419,665	1,609,529	2,077,151	2,759,952	1,942,215	2,022,694	1,538,010	1,875,250
Fines and fees	277,949	373,100	367,427	307,980	306,362	261,639	217,223	289,124	242,555	169,187
Charges for services	335,962	372,913	344,521	360,633	355,626	353,310	344,126	280,625	275,353	409,426
Intergovernmental	7,338,849	9,411,861	9,803,416	10,496,352	11,908,249	16,107,709	11,952,530	12,895,241	13,171,821	14,023,331
Uses of money and property	806,996	571,595	621,825	566,443	538,317	676,321	965,518	1,499,832	2,127,442	1,383,087
Other revenues	<u>236,284</u>	<u>293,655</u>	<u>481,604</u>	<u>213,000</u>	<u>188,341</u>	<u>201,759</u>	<u>882,005</u>	<u>195,422</u>	<u>510,817</u>	<u>86,909</u>
TOTAL REVENUES	<u>35,881,107</u>	<u>38,246,152</u>	<u>40,517,290</u>	<u>40,720,146</u>	<u>43,827,172</u>	<u>50,879,761</u>	<u>47,988,036</u>	<u>49,930,917</u>	<u>51,601,435</u>	<u>53,369,400</u>
EXPENDITURES										
General government	5,380,604	5,710,028	6,130,364	6,061,451	6,388,722	6,603,299	6,858,462	7,132,889	7,304,687	7,694,798
Public safety	12,387,195	11,859,078	12,178,507	12,898,119	13,237,000	13,211,939	14,074,463	14,795,938	16,420,865	16,332,727
Roads and streets	5,129,091	4,739,856	4,631,107	5,146,761	4,874,736	5,375,950	6,410,724	5,952,969	5,631,308	7,945,345
Public health	81,248	79,638	81,182	88,068	88,524	67,917	70,563	74,054	77,876	88,454
Parks and recreation	1,737,854	1,794,215	1,969,273	1,993,508	2,311,010	2,300,504	2,198,078	2,210,780	2,407,069	2,501,432
Public library	2,020,271	2,001,510	2,141,269	2,255,226	2,291,101	2,389,052	2,449,069	2,744,564	2,649,340	2,686,640
Community support	265,068	294,259	280,627	312,295	336,562	322,525	2,365,054	764,894	368,059	368,331
Drug education	16,861	14,935	11,879	30,717	17,501	18,862	19,732	13,740	24,478	43,363
Facility maintenance	-	-	-	-	-	-	-	-	-	-
Capital outlay	11,060,955	8,914,483	3,783,204	8,611,260	3,700,604	8,162,423	9,038,180	10,830,076	10,842,836	17,964,693
Debt service:										
Principal	2,141,197	2,243,292	2,465,555	2,475,000	2,555,000	2,615,000	3,885,000	2,085,000	2,064,000	2,115,000
Interest	1,114,176	1,021,856	886,361	892,672	887,021	816,938	607,675	532,536	578,157	859,350
Bond issue costs	<u>-</u>	<u>198,078</u>	<u>-</u>	<u>80,109</u>	<u>-</u>	<u>44,710</u>	<u>54,934</u>	<u>24,547</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>41,334,520</u>	<u>38,871,228</u>	<u>34,559,328</u>	<u>40,845,186</u>	<u>36,687,781</u>	<u>41,929,119</u>	<u>48,031,934</u>	<u>47,161,987</u>	<u>48,368,675</u>	<u>58,600,133</u>
Excess of revenues over (under) expenditures	<u>(5,453,413)</u>	<u>(625,076)</u>	<u>5,957,962</u>	<u>(125,040)</u>	<u>7,139,391</u>	<u>8,950,642</u>	<u>(43,898)</u>	<u>2,768,930</u>	<u>3,232,760</u>	<u>(5,230,733)</u>

(continued on following page)

CITY OF BRENTWOOD, TENNESSEE

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

LAST TEN FISCAL YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	\$ 9,366,500	\$ 5,582,436	\$ 7,490,000	\$ 11,031,520	\$ 8,495,000	\$ 13,845,000	\$ 11,105,000	\$ 11,555,000	\$ 11,960,000	\$ 12,340,000
Transfers out	(9,785,200)	(6,155,386)	(8,038,700)	(11,450,220)	(8,913,700)	(14,263,700)	(10,839,700)	(12,039,700)	(12,444,700)	(12,824,700)
Proceeds of general obligation bonds	-	4,845,000	-	4,895,000	-	-	-	-	-	14,445,000
Proceeds of refunding bonds	-	10,635,000	-	1,005,000	-	3,035,000	3,030,000	5,540,000	-	-
Payment of refunded bond escrow agent	-	(10,924,444)	-	(1,035,464)	-	(3,109,283)	(3,083,485)	(2,155,080)	-	-
Bond discount	-	-	-	-	-	-	-	-	-	-
Bond premium	-	583,545	-	125,288	-	118,993	43,213	137,627	-	698,306
Total other financing sources (uses)	<u>(418,700)</u>	<u>4,566,151</u>	<u>(548,700)</u>	<u>4,571,124</u>	<u>(418,700)</u>	<u>(373,990)</u>	<u>255,028</u>	<u>3,037,847</u>	<u>(484,700)</u>	<u>14,658,606</u>
Net Change in Fund Balance	<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>	<u>\$ 8,576,652</u>	<u>\$ 211,130</u>	<u>\$ 5,806,777</u>	<u>\$ 2,748,060</u>	<u>\$ 9,427,873</u>
Debt service as a percentage of noncapital expenditures	<u>10.8 %</u>	<u>11.6 %</u>	<u>10.9 %</u>	<u>10.7 %</u>	<u>10.4 %</u>	<u>10.3 %</u>	<u>11.7 %</u>	<u>7.3</u>	<u>7.0</u>	<u>7.3 %</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	
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	%
2016	680,612,202	1,821,494,380	19,043,950	75,805,127	2,596,955,659	0.44	9,553,528,835	27.18	%
2017	873,720,506	2,203,439,215	25,189,790	83,876,480	3,186,225,991	0.36	11,631,409,401	27.39	%
2018	869,353,401	2,290,626,055	28,596,815	98,770,073	3,287,346,344	0.36	11,831,489,089	27.78	%
2019	886,525,241	2,346,583,730	25,094,750	91,063,943	3,349,267,664	0.36	12,080,956,583	27.72	%
2020	961,493,480	2,344,930,115	24,217,550	88,984,205	3,419,625,350	0.36	12,351,335,527	27.69	%

* The fiscal year listed corresponds to the preceding tax year levy (2020 fiscal year would represent the 2019 tax levy)
This represents the period for which the taxes were levied.

** Does not include public utilities assessed value.

CITY OF BRENTWOOD, TENNESSEE

DIRECT AND OVERLAPPING PROPERTY TAX RATES (UNAUDITED)

LAST TEN FISCAL YEARS

FISCAL YEAR **	DIRECT RATE	OVERLAPPING RATE *
	CITY OF BRENTWOOD	WILLIAMSON COUNTY
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
2016	.44 / 100	2.26 / 100
2017	.36 / 100	2.10 / 100
2018	.36 / 100	2.10 / 100
2019	.36 / 100	2.22 / 100
2020	.36 / 100	2.22 / 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 (2020 fiscal year would represent the 2019 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 2020			FY 2011		
	Taxable Assessed Value*	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value*	Rank	Percentage of Total City Taxable Assessed Value
Northwestern Mutual	\$ 69,737,100	1	2.02 %			%
Highwoods/Tenn Holdings LP	61,403,100	2	1.78	\$ 30,361,500	6	1.37
Boyle Investments	56,880,000	3	1.65			
HG Hill	43,548,100	4	1.26			
SVT LLC	42,184,700	5	1.22			
DC 402 (Maple Investments)	34,625,100	6	1.00			
Heritage Retirement Facility	33,443,100	7	0.97	53,755,100	2	2.42
Brentwood Place (Sarofim Realty)	29,076,200	8	0.84	25,250,200	7	1.14
Cool Springs Commons	22,116,000	9	0.64			
Magnolia Investments	17,187,000	10	0.50			
Duke Realty				56,093,120	1	2.53
Bellsouth Telecommunications				49,343,632	3	2.22
AT&T Mobility LLC				41,230,649	4	1.86
UCM/Proventure-Synergy				14,580,500	10	0.66
PEM Cool Springs				31,928,200	5	1.44
Wells Fargo XII-Reit Joint				23,360,000	8	1.05
Gateway Kentfield Inc				22,680,400	9	1.02
Total	<u>\$ 410,200,400</u>		<u>11.89 %</u>	<u>\$ 348,583,301</u>		<u>15.69 %</u>
Total Assessment	<u>\$ 3,451,224,534</u>	**		<u>\$ 2,221,091,399</u>	**	

* Source: - 2011 and 2020 Williamson County Assessment

** Total Assessment Value for Tax Year 2020 (includes 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	<u>COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY</u>			<u>TOTAL COLLECTIONS TO DATE</u>	
		AMOUNT	PERCENTAGE OF LEVY	COLLECTIONS IN SUBSEQUENT YEARS	AMOUNT	PERCENTAGE OF LEVY
2011	10,356,406	10,098,663	97.5%	252,291	10,350,954	99.9%
2012	10,335,554	10,224,371	98.9%	109,790	10,334,161	100.0%
2013	10,453,923	10,297,356	98.5%	155,357	10,452,713	100.0%
2014	10,637,930	10,473,750	98.5%	163,091	10,636,841	100.0%
2015	11,141,570	11,057,548	99.2%	82,807	11,140,355	100.0%
2016	11,426,757	11,269,592	98.6%	154,728	11,424,320	100.0%
2017	11,503,337	11,322,275	98.4%	178,845	11,501,120	100.0%
2018	11,834,452	11,736,833	99.2%	93,920	11,830,753	100.0%
2019	12,056,922	11,957,270	99.2%	72,261	12,029,531	99.8%
2020	12,310,657	12,170,166	98.9%	-	12,170,166	98.9%

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

* The fiscal year listed corresponds to the preceding tax year levy (2020 fiscal year would represent the 2019 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 YEAR

Category	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1 Apparel Stores	\$ 36,114,319	\$ 42,427,613	\$ 44,738,731	\$ 46,359,901	\$ 58,605,429	\$ 70,644,006	\$ 74,265,860	\$ 78,614,628	\$ 80,176,133	\$ 81,611,611
2 General Merchandise Stores	106,921,963	112,677,316	124,020,931	133,660,538	143,626,992	158,810,653	169,425,899	203,611,708	213,189,121	232,748,381
3 Food Stores	123,553,923	129,922,134	131,410,673	135,436,755	135,950,643	136,326,653	141,610,787	147,582,272	149,806,543	154,122,740
4 Eating and Drinking Places	64,343,637	69,334,673	74,552,538	77,800,464	83,830,439	92,505,802	103,962,771	111,791,714	110,460,087	110,892,266
5 Furniture Stores	90,529,601	95,062,055	99,785,158	101,560,402	108,254,494	118,562,629	128,910,587	128,315,206	129,536,000	132,337,877
6 Building Materials	43,710,523	45,675,018	54,197,346	55,344,304	58,751,290	64,117,810	68,091,931	71,300,842	74,798,615	76,017,576
7 MV Dealers and Service Stations	28,419,425	30,486,891	32,776,910	34,299,124	42,781,718	54,046,805	55,716,527	58,791,424	67,845,923	73,412,445
8 Other Retail	125,540,882	124,362,484	135,444,730	143,958,140	140,904,812	145,806,779	159,975,458	133,515,763	131,336,467	153,795,923
9 All Other Outlets	<u>200,419,542</u>	<u>228,466,741</u>	<u>286,919,496</u>	<u>283,444,183</u>	<u>255,795,448</u>	<u>296,084,520</u>	<u>298,170,934</u>	<u>303,229,238</u>	<u>297,206,812</u>	<u>310,262,562</u>
Total	<u>\$ 819,553,815</u>	<u>\$ 878,414,925</u>	<u>\$ 983,846,513</u>	<u>\$ 1,011,863,811</u>	<u>\$ 1,028,501,265</u>	<u>\$ 1,136,905,657</u>	<u>\$ 1,200,130,754</u>	<u>\$ 1,236,752,795</u>	<u>\$ 1,254,355,701</u>	<u>\$ 1,325,201,381</u>

Source: Department of Revenue, Research Section

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

CITY OF BRENTWOOD, TENNESSEE

DIRECT AND OVERLAPPING SALES TAX RATES (UNAUDITED)

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Williamson County</u>	<u>Williamson County Schools</u>	<u>State of Tennessee</u>	<u>Total</u>
2011	1.125	1.125		7.00	9.25
2012	1.125	1.125		7.00	9.25
2013	1.125	1.125		7.00	9.25
2014	1.125	1.125		7.00	9.25
2015	1.125	1.125		7.00	9.25
2016	1.125	1.125		7.00	9.25
2017	1.125	1.125		7.00	9.25
2018	1.125	1.125	0.500 *	7.00	9.75
2019	1.125	1.125	0.500	7.00	9.75
2020	1.125	1.125	0.500	7.00	9.75

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 1.625% by a referendum vote of the citizens.

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

CITY OF BRENTWOOD, TENNESSEE

REVENUE CAPACITY INFORMATION (UNAUDITED)

LOCAL SALES TAX REVENUE BY INDUSTRY, PRINCIPAL EMPLOYERS, FISCAL YEARS 2011 AND 2020

Fiscal Year 2011				
Sector	Number of Filers	% of Total	Tax Liability	% of Total
1 Retail Trade	626	47.39%	\$14,243,848	74.61%
2 Services	399	30.20%	\$2,979,428	15.61%
3 Manufacturing	61	4.62%	\$363,329	1.90%
4 Wholesale Trade	105	7.95%	\$575,409	3.01%
5 Construction	20	1.51%	\$146,154	0.77%
6 Finance Insurance Real Estate	13	0.98%	\$62,371	0.33%
7 Transportation and Utilities	13	0.98%	\$401,496	2.10%
8 Agriculture	12	0.91%	\$21,081	0.11%
9 Other, Non Classified	72	5.45%	\$296,880	1.56%
Total	1321	100.00%	\$19,089,996	100.00%

Fiscal Year 2020				
Sector	Number of Filers	% of Total	Tax Liability	% of Total
1 Retail Trade	570	40.37%	\$27,556,362	78.27%
2 Services	454	32.15%	\$3,926,959	11.15%
3 Manufacturing	67	4.75%	\$509,673	1.45%
4 Wholesale Trade	109	7.72%	\$651,794	1.85%
5 Construction	38	2.69%	\$523,524	1.49%
6 Finance Insurance Real Estate	19	1.35%	\$323,974	0.92%
7 Transportation and Utilities	28	1.98%	\$442,480	1.26%
8 Agriculture	15	1.06%	\$28,586	0.08%
9 Other, Non Classified	112	7.93%	\$1,243,995	3.53%
Total	1412	100.00%	\$35,207,347	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. Figures do not include Brentwood's share of county clerk or out-of-state taxpayer amounts.

CITY OF BRENTWOOD, TENNESSEE

RATIOS OF OUTSTANDING DEBT BY TYPE (UNAUDITED)

LAST TEN FISCAL YEARS

FISCAL YEAR	GOVERNMENT ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME *	PER CAPITA *
	GENERAL OBLIGATION BONDS & CONSTRUCTION NOTES	WATER & SEWER BONDS			
2011	26,540,378	23,151,846	49,692,224	2.1%	1,341
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
2016	25,380,759	26,176,946	51,557,705	2.2%	1,276
2017	21,579,708	24,342,973	45,922,681	1.8%	1,137
2018	23,058,898	22,522,764	45,581,662	1.6%	1,039
2019	20,916,461	20,835,598	41,752,059	1.4%	951
2020	33,866,330	19,038,820	52,905,150	1.8%	1,205

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

*Calculated information provided on page 115 (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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General bonded debt outstanding general obligation bonds	\$ 26,540	\$ 29,436	\$ 27,927	\$ 30,407	\$ 27,790	\$ 25,381	\$ 21,580	\$ 23,059	\$ 20,916	\$ 33,866
Percentage of estimated actual property value**	1.25%	1.25%	1.18%	1.26%	1.10%	0.98%	0.68%	0.70%	0.62%	0.99%
Per capita***	716.15	794.28	753.56	759.78	687.86	628.22	534.14	525.39	476.58	771.64
Less: Amounts set aside to repay general debt	<u>3,943</u>	<u>3,793</u>	<u>3,712</u>	<u>3,706</u>	<u>3,621</u>	<u>3,558</u>	<u>1,977</u>	<u>1,039</u>	<u>2,887</u>	<u>3,347</u>
Total net debt applicable to debt limit	\$ 22,597	\$ 25,643	\$ 24,215	\$ 26,701	\$ 24,169	\$ 21,823	\$ 19,603	\$ 22,020	\$ 18,029	\$ 30,519
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 104 (Assessed and Estimated Actual Value of Property Unaudited)

***Per capita information calculated with information obtained on page 115 (Demographic and Economic Statistics Unaudited).

CITY OF BRENTWOOD, TENNESSEE

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED)

AS OF JUNE 30, 2020

<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	\$ 33,866	100.0%	\$ 33,866
Overlapping:			
Williamson County	<u>729,915</u>	26.2%	<u>191,355</u>
Total	<u>\$ 763,781</u>		<u>\$ 225,221</u>

(1) Determined by ratio of assessed valuation of property subject to taxation in City of Brentwood to valuation of property subject to taxation in Williamson County as of June 30, 2020

(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	
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
2016	17,286,453	13,245,935	4,040,518	1,670,000	816,550	2,486,550	1.62
2017	20,043,803	13,983,189	6,060,614	1,810,000	647,426	2,457,426	2.47
2018	20,293,295	14,299,759	5,993,536	1,830,000	592,593	2,422,593	2.47
2019	20,533,227	14,595,238	5,937,989	1,655,000	596,482	2,251,482	2.64
2020	20,579,564	15,130,478	5,449,086	1,700,000	534,052	2,234,052	2.44

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

**Does not include depreciation and amortization.

CITY OF BRENTWOOD, TENNESSEE

DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)

LAST 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
2011	37,060	¹	2,327,553	62,805	44.0	11,292	6.7%
2012	37,060	¹	2,380,030	64,221	44.0	11,155	5.9%
2013	37,060	¹	2,380,030	64,221	40.3	11,078	6.2%
2014	40,021	²	2,280,357	56,979	43.3	11,312	5.7%
2015	40,401	³	2,384,629	59,024	43.6	11,703	4.9%
2016	40,401	³	2,373,357	58,745	41.0	11,811	4.2%
2017	40,401	³	2,534,395	62,731 ^d	41.3	11,510	2.2%
2018	43,889	⁴	2,835,537	64,607	41.4	11,879	2.2%
2019	43,889	⁴	2,901,326	66,106	41.2	12,151	2.5%
2020	43,889	⁴	3,002,271	68,406	44.8	11,681	6.1%

¹ Based on 2010 US Bureau of the Census report

² Based on 2014 US Bureau of the Census estimate

³ Based on 2015 City Special Census Certified Report

⁴ Based on 2018 City Special Census Certified Report

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

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

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

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

EMPLOYER	2020			2011		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Tractor Supply Company	1,224	1	4.17 %	552	2	3.21 %
Comdata Inc.	1,000	2	3.40	869	1	5.05
GEODIS	610	3	2.08			
DaVita HealthCare Partners	600	4	2.04	450	4	2.61
LBMC	573	5	1.95	270	8	1.57
Premise Health	452	6	1.54			
Brookdale Senior Living Inc.	448	7	1.53	300	7	1.74
NaviHealth	400	8	1.36			
American Addiction Centers	350	9	1.19			
City of Brentwood	294.5	10	1.00	243	9	1.41
CoreCivic	290.0	11	0.99			
AT&T				500	3	2.90
The Lampo Group (Dave Ramsey)				335	6	1.95
Corizin				200	10	1.16
LifePoint Hospitals Inc				400	5	2.32
Delek (Mapco Express)				157	11	0.91
Total	6,242		21.25 %	4,276		24.84 %
Total estimated City wide employment	29,375			17,216		

^a Source - Nashville Business Journal as of March 2020/Williamson, Inc/Directly from Company representative

CITY OF BRENTWOOD, TENNESSEE

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

LAST TEN FISCAL YEARS

<u>FUNCTION/PROGRAM</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
GENERAL GOVT.										
City Manager	2	2	2	2	2	2	2	2	2	2
Administration	3	3	3	3	3	4	4	4	4	4.5
Finance	7.5	7.5	7.5	7	7.5	7.5	7.5	7.5	8	8
Human Resources	3	3	3	3	3	3	3	3	3	3
Information Technology	4.5	5.5	4.5	4.5	4.5	4.5	4.5	5.5	5.5	6.0
Planning and Development	3	3	3	3	3	3	3	3	3	3
Codes	9.5	8.5	9	8.5	8.5	8.5	8.5	8.5	8.5	8.5
GIS	4.5	3	3	3	3	3	3	3	3	3
	<u>37.0</u>	<u>35.5</u>	<u>35</u>	<u>34</u>	<u>34.5</u>	<u>35.5</u>	<u>35.5</u>	<u>36.5</u>	<u>37.0</u>	<u>38.0</u>
POLICE										
Officers	55.0	56.0	54	56	58	59	61	63	64	64
Civilians	14.0	15.0	14	16.5	15.5	16	16	16	16.5	18.5
FIRE										
Firefighters & Officers	63	61	63	62	61	62	65	65	65	69
Civilians	1	1	1	1	1	1	1	1	1	1
PUBLIC WORKS										
Engineering	4	4	4	4	4	4	4	4	4	5
Public Works - Streets	22	22	22	23	23	25	25	25	25	26
UTILITIES										
Water	12	13	13	13	13	13	13	13	13	12
Wastewater	12	13	12	13	13	13	13	13	13	12
PARKS & RECREATION	18	17	20	21	20	20	21	21	21	20
LIBRARY	<u>26</u>	<u>28.5</u>	<u>29</u>	<u>26</u>	<u>29</u>	<u>29</u>	<u>29</u>	<u>29</u>	<u>29</u>	<u>29</u>
Total	<u><u>264</u></u>	<u><u>266</u></u>	<u><u>267</u></u>	<u><u>270</u></u>	<u><u>272</u></u>	<u><u>278</u></u>	<u><u>284</u></u>	<u><u>287</u></u>	<u><u>289</u></u>	<u><u>294.5</u></u>

Source: City of Brentwood Personnel Department

CITY OF BRENTWOOD, TENNESSEE

OPERATING INDICATORS BY FUNCTION/PROGRAM (UNAUDITED)

LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Building permits issued	968	979	974	971	931	903	949	743	738	833
Building related inspections	9,778	10,318	10,639	10,095	9,927	9,035	14,227	12,452	10,690	9,895
Police										
Physical arrests	1,082	1,244	1,078	1,137	960	832	917	1,816	1490	1121
Parking violations	73	70	68	95	24	81	20	41	28	8
Traffic violations	5,963	6,282	5,875	5,019	3,906	3,512	3,292	6,349	3788	2642
Fire										
Emergency responses	2,622	2,742	2,721	2,961	3,018	3,291	3,431	3,535	3633	3683
Fires extinguished	102	92	81	79	67	82	99	65	81	83
Inspections (Commercial)	494	1,407	716	732	704	744	801	1,476	853	528
Public Works										
Street resurfacing (miles)	20.60	18.06	16.9	22.20	19.26	19.26	23.92	20.80	9	10
Potholes repaired	352	389	188	285	408	408	75	139	133	94
Library										
Volumes in collection	165,714	226,180	270,953	316,811	361,486	399,248	383,115	388,563	407,964	415,307
Total volumes borrowed	678,533	653,297	655,761	680,510	677,261	745,386	752,393	733,792	722,226	654,029
Water										
New connections	144	172	161	176	182	135	164	134	99	124
Water main breaks	15	12	13	12	7	12	95	10	9	9
Monthly average flow	147,709,000	153,415,000	150,165,000	156,000,000	170,300,000	192,900,000	184,543,000	161,110,000	164,334,250	182,005,333
Wastewater										
Average daily sewage treatment (thousands of gallons)	4,540	4,400	5,200	5,050	5,187	5,236	5,131	5,717	5,746	5,493

Source: Various City Departments

CITY OF BRENTWOOD, TENNESSEE

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (UNAUDITED)

LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	67	66	65	67	67	69	72	72	72	80
Fire Stations	4	4	4	4	4	4	4	4	4	4
Public Works										
Streets (miles)	459	461	466	469	479	479	482	482	488	491
Streetlights	3,422	3,439	3,491	3,513	3,614	3,614	3,652	3,652	3763	3809
Traffic signals	44	46	46	46	47	47	47	48	48	53
Parks and Recreation										
Acreage	862	862	965	965	965	965	965	965	965	965
Baseball/softball diamonds	11	11	11	11	11	11	11	11	11	12
Soccer/football fields	15	15	15	15	15	17	17	17	17	18
Water										
Water mains (miles) *	206	206	208	213	217	219	223	224	226	231
Fire hydrants	2,339	2,036	2,411	2,438	2,475	2,501	2,548	2,588	1672	1678
Storage capacity (thousands of gallons)	14,020	14,020	14,020	14,020	14,025	14,025	14,025	14,025	14,026	14,026
Wastewater										
Sanitary sewers (miles)	269	268	277	281	285	285	289	292	293	299

Source: Various City Departments

COMPLIANCE SECTION



City of Brentwood

CITY OF BRENTWOOD, TENNESSEE

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

FOR THE YEAR ENDED JUNE 30, 2020

	<u>Number of Customers</u>		
Water	9,850		
Sewer	11,622		
	<u>Rate Structure</u>		
Water			
<i>Residential, institutional, retail, and certain other commercial customers:</i>			
First 2,000 gallons	\$	12.71	(minimum bill)
Next 8,000 gallons		4.46	per 1,000 gallons
Thereafter		6.47	per 1,000 gallons
<i>Commercial office customers:</i>			
Gallons equivalent to total square footage of building space	\$	0.006355	(approx. per ft ²)
Usage exceeding 1 gallon per square foot (up to 10,000 gallons)		4.46	per 1,000 gallons
Thereafter		6.47	per 1,000 gallons
Water Surcharge		1.20	per 1,000 gallons
Sewer			
<i>In City Limits:</i>			
Residential customers - First 2,000 gallons	\$	15.90	(minimum bill)
Next 8,000 gallons		5.57	per 1,000 gallons
Over 10,000 gallons		6.37	per 1,000 gallons
Commercial office, institutional and certain other commercial customers			
Minimum bill, per square foot of building	\$	0.009930	(approx. per ft ²)
Up to 10,000 gallons total usage, per 1,000		6.97	per 1,000 gallons
Over 10,000 gallons, per 1,000 gallons		7.95	per 1,000 gallons
Commercial retail customers - Minimum bill, per unit or tenant space	\$	19.86	(minimum bill)
Up to 10,000 gallons total usage, per 1,000 gallons		6.97	per 1,000 gallons
Over 10,000 gallons, per 1,000 gallons		7.95	per 1,000 gallons
<i>Outside City Limits (Sewer Only customers):</i>			
Residential customers - First 2,000 gallons	\$	16.69	(minimum bill)
Next 8,000 gallons		5.85	per 1,000 gallons
Over 10,000 gallons		6.69	per 1,000 gallons
Commercial office, institutional and certain other commercial customers			
Minimum bill, per square foot of building	\$	0.010425	(approx. per ft ²)
Up to 10,000 gallons total usage, per 1,000		7.32	per 1,000 gallons
Over 10,000 gallons, per 1,000 gallons		8.35	per 1,000 gallons
Commercial retail customers (sewer only); 105% institutional			
Minimum bill, per unit or tenant space	\$	20.85	(minimum bill)
Up to 10,000 gallons total usage, per 1,000 gallons		7.32	per 1,000 gallons
Over 10,000 gallons, per 1,000 gallons		8.35	per 1,000 gallons
Wastewater treatment surcharge for all Brentwood Sewer customers		1.02	per 1,000 gallons

CITY OF BRENTWOOD, TENNESSEE
AWWA WATER SCHEDULE - UNAUDITED
JUNE 30, 2020

AWWA Free Water Audit Software:
Reporting Worksheet

VWAS v5.0
American Water Works Association
Copyright © 2014. All Rights Reserved.

Click to access definition
Click to add a comment

Water Audit Report for: Brentwood Water Services (TN0000088)
Reporting Year: 2020 7/2019 - 6/2020

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

WATER SUPPLIED

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 it.

← Enter grading in column 'E' and 'J' →

Volume from own sources:	Grade	Value	Unit
Water Imported:	9	2,178.000	MG/yr
Water exported:		0.000	MG/yr
WATER SUPPLIED:		2,178.000	MG/yr

Master Meter and Supply Error Adjustments

Point	Value	Unit
	105.000	MG/yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

AUTHORIZED CONSUMPTION

Billed metered:	9	1,525.000	MG/yr
Billed unmetered:	10	0.000	MG/yr
Unbilled metered:	10	17.458	MG/yr
Unbilled unmetered:	6	106.000	MG/yr
AUTHORIZED CONSUMPTION:		1,648.458	MG/yr

Unbilled Unmetered volume entered is greater than the recommended default value

Click here: ? for help using option buttons below

Use buttons to select percentage of water supplied or value

Point	Value	Unit
0.25%	105.000	MG/yr
0.80%		MG/yr
0.25%		MG/yr

WATER LOSSES (Water Supplied - Authorized Consumption)

Apparent Losses

Unauthorized consumption:	9	5.445	MG/yr
Customer metering inaccuracies:	6	12.440	MG/yr
Systematic data handling errors:	6	3.813	MG/yr
Apparent Losses:		21.697	MG/yr

Default option selected for unauthorized consumption - a grading of 6 is applied but not displayed
Default option selected for systematic data handling errors - a grading of 6 is applied but not displayed

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses:

WATER LOSSES: 628.602 MG/yr

NON-REVENUE WATER

NON-REVENUE WATER: 663.000 MG/yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	10	230.2	miles
Number of active AND inactive service connections:	10	10,114	
Service connection density:	9	44	conn./mile main

Are customer meters typically located at the curbside or property line? Yes

Average length of customer service line: (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: 87.0 psi

COST DATA

Total annual cost of operating water system:	9	\$11,075,571	\$/Year
Customer retail unit cost (applied to Apparent Losses):	9	\$7.13	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	9	\$2,683.10	\$/Million gallons

Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 86 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: Unauthorized consumption
- 3: Systematic data handling errors

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CITY OF BRENTWOOD, TENNESSEE
AWWA WATER SCHEDULE - CONTINUED - UNAUDITED
JUNE 30, 2020

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: Brentwood Water Services (TN0000069) Reporting Year: 2020 7/2019 - 6/2020		
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 86 out of 100 ***		
System Attributes:		
	Apparent Losses:	21.697 MG/Yr
	+ Real Losses:	507.805 MG/Yr
	= Water Losses:	529.502 MG/Yr
	Unavoidable Annual Real Losses (UARL):	87.72 MG/Yr
	Annual cost of Apparent Losses:	\$154,700
	Annual cost of Real Losses:	\$1,362,492
		Valued at Variable Production Cost <small>Return to Reporting Worksheet to change this assumption</small>
Performance Indicators:		
Financial:	Non-revenue water as percent by volume of Water Supplied:	30.0%
	Non-revenue water as percent by cost of operating system:	16.7% <small>Real Losses valued at Variable Production Cost</small>
Operational Efficiency:	Apparent Losses per service connection per day:	5.88 gallons/connection/day
	Real Losses per service connection per day:	137.56 gallons/connection/day
	Real Losses per length of main per day*:	N/A
	Real Losses per service connection per day per psi pressure:	1.58 gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	507.81 million gallons/year
	Infrastructure Leakage Index (ILI) [CARL/UARL]:	5.79
* 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 OFFICIAL BONDS OF PRINCIPAL OFFICIALS AND BONDED AMOUNTS -
(UNAUDITED)
JUNE 30, 2020

Elected:

Mayor	Rhea Little III	\$500,000
Vice Mayor	Ken Travis	\$500,000
Commissioner	Nelson Andrews	\$500,000
Commissioner	Anne Dunn	\$500,000
Commissioner	Mark Gorman	\$500,000
Commissioner	Susannah Macmillan	\$500,000
Commissioner	Regina Smithson	\$500,000

Appointed:

City Manager	Kirk Bednar	\$500,000
Assistant City Manager	Jay Evans	\$500,000
City Attorney	Kristen Corn	\$500,000
City Recorder	Holly Earls	\$500,000
Finance Director	Karen Harper	\$500,000
Asst. Finance Director/City Treasurer	Julie Wilson	\$500,000
Human Resource Director	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	Todd Hoppenstedt	\$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	Deanna Lambert	\$500,000
Parks and Recreation Director	David Bunt	\$500,000
Technology Director	John Allman	\$500,000
City Judge	Laurie Jewett	\$500,000



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, 2020, 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 30, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Crosslin, PLLC

Nashville, Tennessee
December 30, 2020

CITY OF BRENTWOOD, TENNESSEE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2020

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