



CITY OF  
**BRENTWOOD**  
TENNESSEE



Annual Comprehensive  
Financial Report  
For Fiscal Year Ended  
June 30, 2021

# **City of Brentwood, Tennessee**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2021

Prepared by  
Department of Finance

**City of Brentwood, Tennessee**  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2021

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## Introductory Section



Rhea Little  
MAYOR

Nelson Andrews  
VICE MAYOR

Kirk Bednar  
CITY MANAGER



# BRENTWOOD

## T E N N E S S E E

COMMISSIONERS

Anne Dunn

Mark Gorman

Susannah Macmillan

Regina Smithson

Ken Travis

January 28, 2022

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

The Annual Comprehensive Financial Report of the City of Brentwood, Tennessee (the "City" or "City of Brentwood") for the fiscal year ending June 30, 2021, is hereby submitted as required by state statutes. These statutes require that all general-purpose local governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Brentwood for the fiscal year ended June 30, 2021.

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 Blankenship CPA Group, 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, 2021, 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, 2021, 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 42 square miles and has a resident population according to the 2020decennial census of 45,373. The City of Brentwood is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation into the officially designated urban growth area, subject to property owner request or a successful referendum.

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

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

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



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

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

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

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

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison begins on page 25. The nonmajor governmental funds and debt service fund comparisons begin on pages 90 - 94 and 95, respectively.

### Factors Affecting Financial Condition

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

**Local economy.** The City's FY 2021 financial results reflect a full twelve months of activity under the influence of the COVID pandemic. After the initial economic shutdowns of spring 2020, the local economy has rebounded strongly as evidenced by the FY 2021 revenue results reflected in this report. Local option sales tax result were especially strong, with the City benefitting from the situs based collection and distribution of local sales taxes for online retail purchases. The most recently available statistics for September 2021 indicate a 2.2 percent unemployment rate for Brentwood, down from 4.3 percent a year ago. This compares to the Williamson County rate of 2.3 percent, and the statewide rate of 3.5 percent.

The City's official population has steadily increased from 4,099 in 1970; to 9,433 in 1980, to 16,392 in 1990, to 23,445 in 2000, to 37,060 in 2010, and to 45,373 as a result of the 2020 Federal decennial census. The census figures reflect a strong but manageable rate of growth (roughly 4.9% annually) from 1970 to 2020. On average, about 1,096 new residents moved into the City and 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 2020 - 2021 fiscal year was \$284,452,315 with 1,017 permits being issued. In fiscal year 2021, Brentwood had a total assessed value of taxable property of \$3,497,511,879, which ranks among the highest of any city in the State of Tennessee regardless of size and population. In 2021, Williamson County completed the scheduled reappraisal of all property in the county for fiscal year 2022 (tax year 2021). Property values in Brentwood reflected an increase in valuation in excess of 23.4% compared to data for tax year 2020.

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, 2021 revealed a vacancy rate for office space of 16.9% in the Brentwood area, compared to 19.1% 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 was completed in late 2020 with initial tenants occupying the building in early 2021. In April of 2020, the YMCA of Middle Tennessee announced the planned closure of its Maryland Farms facility which sits on approximately 17 acres in the middle of the Maryland Farms office park. The property is currently tax exempt. The YMCA has entered into a sales agreement with Highwoods to purchase the property, with the transaction set to close at the end of CY 2022. Preliminary conversations have occurred with Highwoods, but no development plans have been submitted to the City. As zoned, the property can likely support a minimum of three, four-story office buildings with some associated commercial uses.

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), CoreCivic (corrections), AT&T (communications), Brookdale Senior Living (senior residential management), GEODIS (logistics), naviHealth (healthcare), Quorum Health (hospital management), Lattimore, Black, Morgan & Cain, P.C. (financial services), Kirkland's (retail), and VACO (employment services) are examples of companies who have chosen to locate their national or regional offices in Brentwood. More recently, Currax and Cryoport added to the list of corporate headquarters in Brentwood when they recently relocated from New Jersey and California respectively.

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 thirty (30) years through FY 2021.

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 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 planned to begin within the next two years.

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. This three-year period expired 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 2022-27 CIP include:

- Completion by the State of Tennessee of Franklin Road Widening Improvements (from Concord Rd to Moores Lane)
- Construction of a new fire station
- 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
- Road widening improvements to Ragsdale Road in southeast Brentwood
- Continued rehabilitation of the Brentwood sewer system and construction of a sewer system equalization basin to address wet weather inflow and infiltration issues
- Water system capacity improvements, including transmission line upgrades as well as necessary infrastructure replacement projects

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

- **Long-Term COVID-19 Impacts.** While the actual financial impacts of COVID 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, the changing dynamics in the work force will challenge the City in terms of maintaining adequate employment levels in a community where very few city employees can afford to live in the community.
- **Local Revenue Growth Trends.** As noted above, the City's revenue growth remains very strong coming out of the COVID pandemic. General Fund revenues exceeded amended budget estimates by \$2,509,126 while expenditures were under the revised appropriation by \$1,759,182. Even after taking into account special year-end appropriations transfers from the General Fund to the Capital Projects (\$5,655,000) for advance funding for various capital improvements in fiscal year 2021 and beyond, the Debt Service Fund (\$2,711,600) for prepayment of two capital outlay notes, and other component funds (\$1,725,000) for future facility maintenance and equipment purchases, the fund balance decreased by only \$420,589 from the previous fiscal year (from \$51,861,835 to \$51,441,246). As noted earlier, ability to complete these significant year-end transfer for future investments in projects and equipment with little impact on the City's General Fund balance was possible due to continued conservative revenue estimates and a surging local economy and associated retail sales.

Looking ahead to fiscal year 2021 - 2022 and beyond, we anticipate continued moderate revenue growth from key revenue sources such as property taxes and local sales taxes, assuming no significant new economic shutdowns due to the pandemic and the ability of the Federal Reserve to accurately manage monetary policy to curb the negative impacts of inflation without hindering the underlying economic strength. 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 FY 2020-21 represents the final year of revenue from the Hall Income Tax, which was eliminated by the state effective with the tax starting January 1, 2021. As noted previously, the City began receiving 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. From a short-term perspective, the staff is confident that the upcoming fiscal year 2022 - 2023 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 2022 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 2021 totaled 168 compared to 117 in fiscal year 2020. All 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 \$800,000.

- 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 was recently completed with projected annual increases of 2.5% for both water and sewer over a four-year period beginning in FY 2023.
- Competitive Employee Pay and Benefit Programs.*** The strength of the Middle Tennessee economy provides benefits from a revenue perspective, but also creates pressures on the City's ability to maintain a competitive employee compensation and benefits program. Escalating wage rates in both the surrounding public and private sector job markets along with the advent of rising inflation rates necessitates that the City continually assess its classification and compensation plan. 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 2021 with an unassigned fund balance for the general fund of \$41,485,929, or 74.75% of FY 2021 general fund expenditures and transfers, including significant year-end transfers to the Capital Projects Fund. Excluding the significant year-end, discretionary transfers to various funds, the FY 2021 year-end unassigned fund balance was 91% of FY 20210 general fund expenditures and recurring budgeted transfers.

In addition, the City strives to maintain an unallocated fund balance in the Debt Service Fund equal to one (1) year's General Obligation debt service requirement. The City exceeded this goal by ending FY 2021 with Debt Service Fund balance of \$4,028,065 or 170% of the FY 2020 total debt service payments of \$2,379,364, not including the one-time pay off of two capital outlay notes funded through a year-end transfer from the General Fund. While this fund balance percentage is well above the policy goal, the long-range cash flow model for the Debt Service Fund reflects fund balance levels returning to normal levels once future planned bond issues in the next few years are completed.

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

**Major Initiatives for the Year** - The significant projects, events, and accomplishments during the City's 2020 - 2021 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 November 2021. 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 2022 - 2027, including a realistic financing and debt management plan. During FY 2021, the City completed 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 2021 for the new fiscal year beginning July 1, 2021 - June 30, 2022, was reduced from \$.36 to \$.29 per \$100 of assessed value, which represents the same effective tax rate for the 31st year in a row. This reduction was necessitated by the results of the 2021 property reappraisal process completed by Williamson County. 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 \$900,000 being \$652.50 annually. Note that the City is a party to one active property tax abatement agreement for the Tractor Supply corporate headquarters facility. The abatement agreement limits the amount of the abated city property tax amount to \$37,500 annually or \$375,000 in aggregate over a ten-year period. The agreement will expire in 2024.
- *Proactive Focus* - The City Commission continued to focus staff efforts on identifying and addressing the long-term needs of the City through formal adoption of a non-routine work plan setting goals and objectives for all City departments for the 2021 - 2022 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 2021-2022 budget was 6.5 versus 8.5 in fiscal year 1990-1991 or 24% 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 284) with additional personnel cost to the City of \$10.1 million annually. Funding would have required an 83% increase in the City property taxes, a corresponding \$10.1 million or 23% cut in current General Fund services or a combination of tax increases and service reductions.
- *New Commercial Development Activity* - Commercial development continued during FY 2021. Construction of the next phase of the Hill Center project was completed, including a new office building that opened in spring 2020, and a hotel that opened fall of 2021. A new office building in the Virginia Springs development was completed in the first quarter of 2021, and some smaller scale commercial redevelopment of property is beginning to occur in the southern Franklin Road corridor coinciding with road widening improvements in this area.

## **Awards and Acknowledgements**

*Certificate of Achievement.* The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brentwood for its annual comprehensive financial report for the year ended June 30, 2020. This was the thirty-fifth (35th) 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 annual comprehensive financial report, whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

*Distinguished Budget Presentation Award.* The City has been recognized by the Government Finance Officers Association of the United States and Canada (GFOA) with the Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2020. This represents the twenty- ninth (29th) 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 Blankenship CPA Group, PLLC for its valuable guidance and assistance. Credit also must be given to the Mayor and the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Brentwood's finances.



Kirk Bednar  
City Manager



Karen Harper  
Finance Director





Government Finance Officers Association

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Presented to

**City of Brentwood  
Tennessee**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

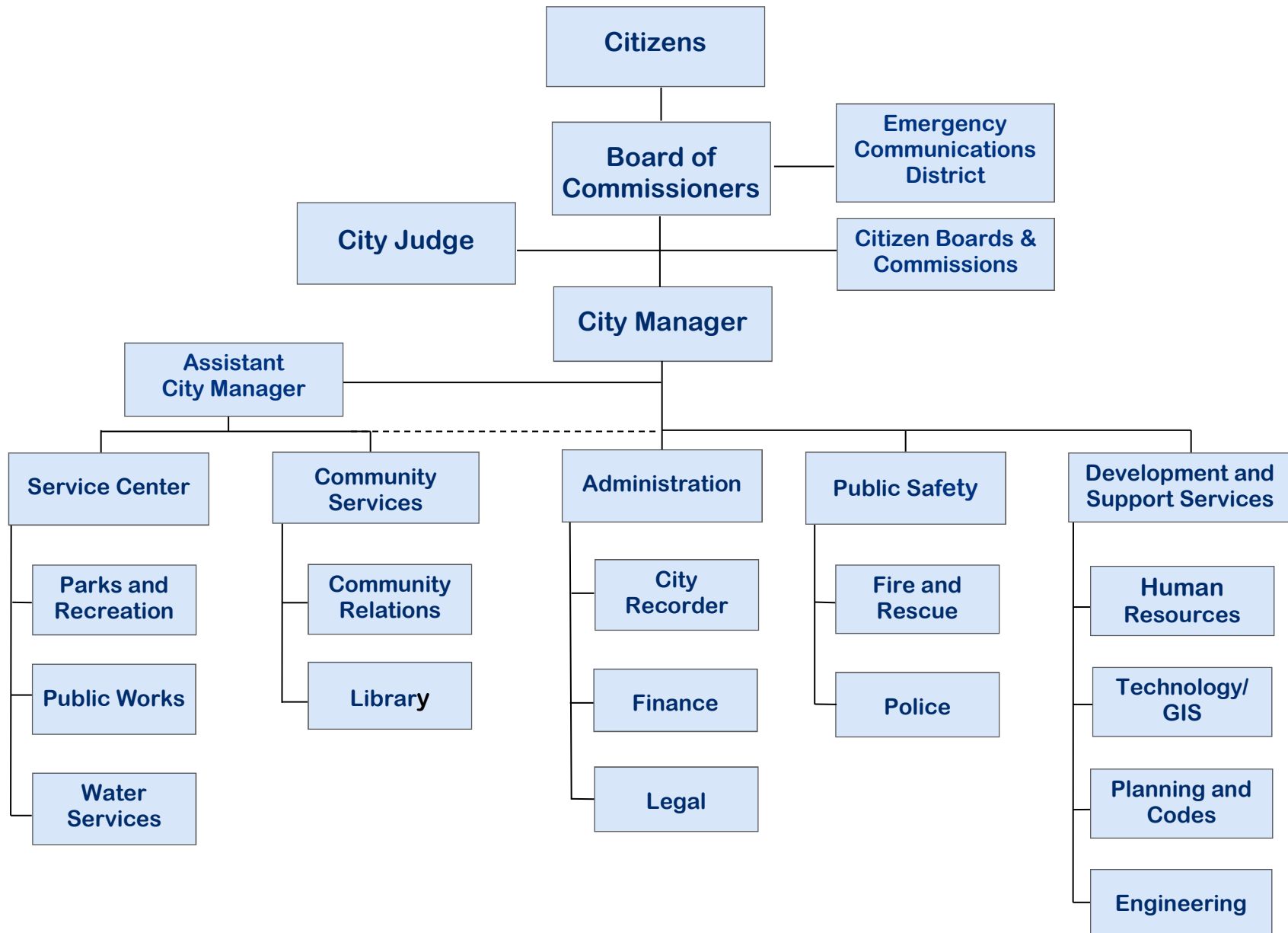
*Christopher P. Morill*

Executive Director/CEO

# City of Brentwood

## Organization Chart

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**City of Brentwood, Tennessee**  
List of Elected and Appointed Officials  
As of June 30, 2021

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**Elected**

Mayor	Rhea Little, III
Vice Mayor	Nelson Andrews
Commissioner	Ken Travis
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	Lori Lange
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





## **Independent Auditor's Report**

Honorable Mayor and Board of Commissioners  
City of 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, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-18 and the schedules of changes in net pension and OPEB liability (asset) and contributions and investment returns on pages 76-86 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's basic financial statements. The introductory section, combining and individual fund financial statements and schedules on pages 87-99, other schedules on pages 100-104 (including the schedule of expenditures of federal awards and state financial assistance, as required by the State of Tennessee, on page 104), statistical section, and other schedules on pages 129-133 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules on pages 87-99 and other schedules on pages 100-104 (including the schedule of expenditures of federal awards and state financial assistance on page 104) 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 fund financial statements and schedules on pages 87-99 and other schedules on pages 100-104 (including the schedule of expenditures of federal awards and state financial assistance on page 104) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, statistical section, and other schedules on pages 129-133 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 January 28, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Blankenship CPA Group, PLLC*

Blankenship CPA Group, PLLC  
Brentwood, Tennessee  
January 28, 2022

**City of Brentwood, Tennessee**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Fiscal Year Ended June 30, 2021**

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As management of the City of Brentwood, Tennessee (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. 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 \$451,733,252 (net position). Of this amount, \$90,382,065 (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 \$24,334,789 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 \$79,169,189 a decrease of \$9,879,669 in comparison with the prior year. Approximately 52.4% of this total amount, \$41,485,929 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 \$41,485,929, or 74.75% of fiscal year 2021 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 principal decreased by \$6,246,000 during the current fiscal year. This decrease was due to scheduled debt service principal payments and the early repayment of two 2018 capital outlay notes in the amount of \$2,746,000.

**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 32-35 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 OPEB Trust and (2) the custodial funds.

The basic fiduciary fund financial statements can be found on pages 36-37 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 38-75 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 76-86 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 87-99 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 \$451,733,252 as of June 30, 2021.

### Net Position – Primary Government June 30, 2021 and 2020 (amounts expressed in thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 110,971	\$ 122,407	\$ 36,313	\$ 36,232	\$ 147,284	\$ 158,639
Capital assets	<u>305,096</u>	<u>280,028</u>	<u>74,077</u>	<u>73,783</u>	<u>379,173</u>	<u>353,811</u>
Total assets	<u>416,067</u>	<u>402,435</u>	<u>110,390</u>	<u>110,015</u>	<u>526,457</u>	<u>512,450</u>
Deferred outflows of resources	<u>5,140</u>	<u>5,584</u>	<u>862</u>	<u>1,033</u>	<u>6,002</u>	<u>6,617</u>
Long-term liabilities	32,846	43,300	17,894	19,879	50,740	63,179
Other liabilities	<u>7,397</u>	<u>10,789</u>	<u>2,237</u>	<u>2,835</u>	<u>9,634</u>	<u>13,624</u>
Total liabilities	<u>40,243</u>	<u>54,089</u>	<u>20,131</u>	<u>22,714</u>	<u>60,374</u>	<u>76,803</u>
Deferred inflows of resources	19,423	14,679	929	186	20,352	14,865
Net position						
Net investment in capital assets	276,265	254,765	54,853	55,065	331,118	309,830
Restricted	29,500	17,357	733	714	30,233	18,071
Unrestricted	<u>55,776</u>	<u>67,129</u>	<u>34,606</u>	<u>32,369</u>	<u>90,382</u>	<u>99,498</u>
Total net position	<b>\$ 361,541</b>	<b>\$ 339,251</b>	<b>\$ 90,192</b>	<b>\$ 88,148</b>	<b>\$ 451,733</b>	<b>\$ 427,399</b>

By far the largest portion of the City of Brentwood's net position (73.3%) 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 pensions (\$5,800,439), roads and streets (\$1,800,449), capital projects (\$21,456,935), drug enforcement and education (\$441,169) and citation equipment (\$1,065).

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 increase in net position from FY 2020 to FY 2021 is \$4,549,229. The primary factor underlying this increase is sales tax collections.

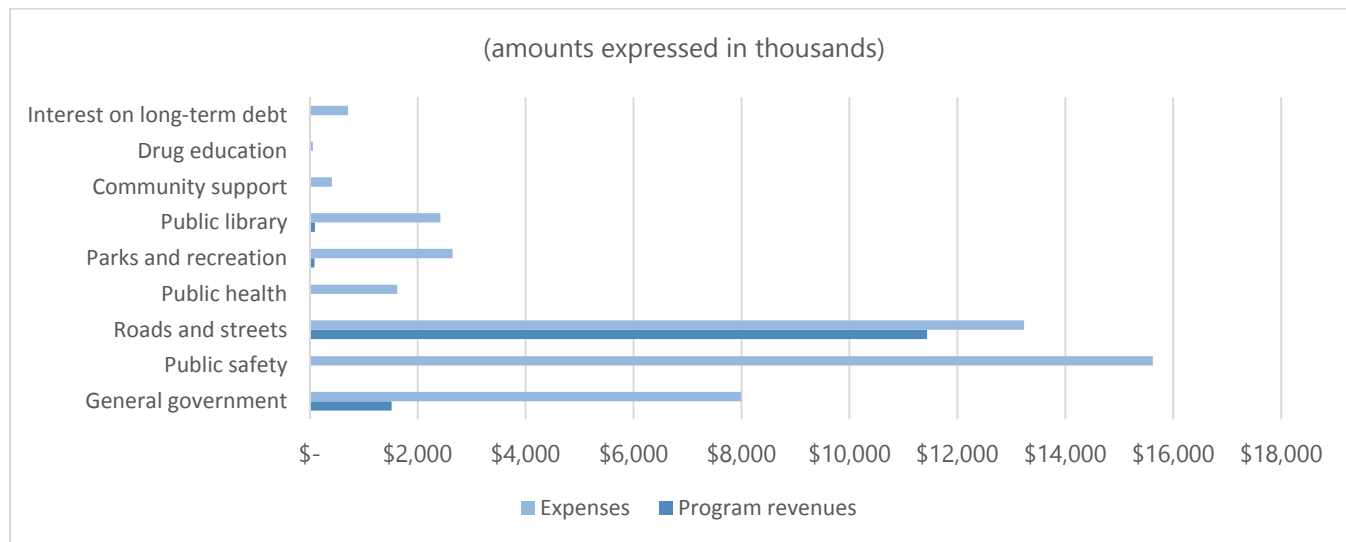
Local sales tax collections were \$23,393,732, a \$4,295,255 (22.5%) increase over last year's collections.

**The City's Changes in Net Position**  
**For the years ended June 30, 2021 and 2020**  
(amounts expressed in thousands)

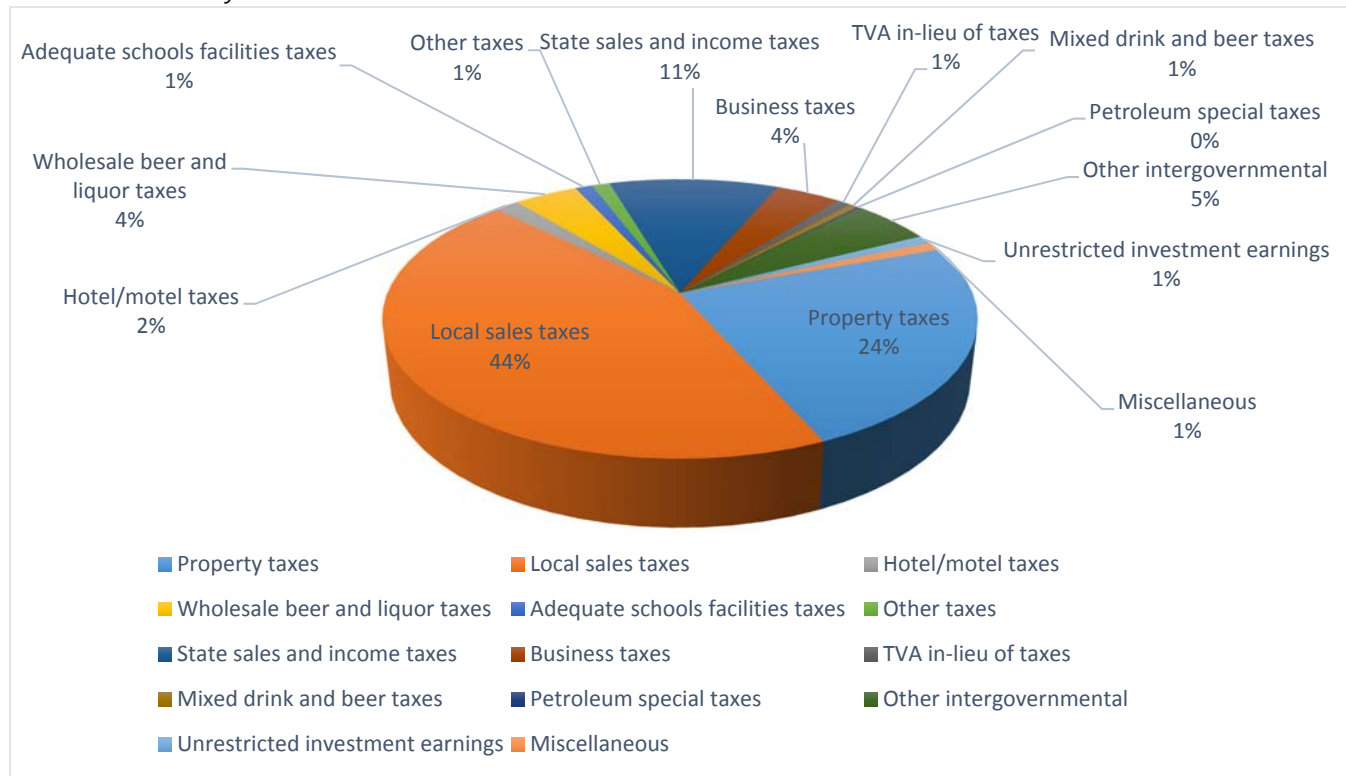
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Revenues						
Charges for services	\$ 2,307	\$ 2,285	\$ 20,235	\$ 19,783	\$ 22,542	\$ 22,068
Operating grants and contributions	1,603	1,573	1,331	951	2,934	2,524
Capital grants and contributions	9,012	8,865	1,336	1,169	10,348	10,034
General revenues						
Property taxes	12,661	12,488	-	-	12,661	12,488
Local option sales tax	23,394	19,098	-	-	23,394	19,098
Hotel/motel tax	845	1,410	-	-	845	1,410
Wholesale beer and liquor tax	2,197	1,941	-	-	2,197	1,941
Adequate schools facilities tax	593	552	-	-	593	552
Other taxes	611	715	-	-	611	715
State sales and use tax	4,656	3,999	-	-	4,656	3,999
State income tax	1,182	3,120	-	-	1,182	3,120
Business tax	2,232	2,564	-	-	2,232	2,564
TVA in-lieu of tax	502	540	-	-	502	540
Mixed drink and beer tax	290	258	-	-	290	258
Petroleum special tax	87	87	-	-	87	87
Corporate excise tax	295	243	-	-	295	243
Telecommunications tax	20	18	-	-	20	18
Other intergovernmental	2,771	436	-	-	2,771	436
Unrestricted investment earnings	509	1,383	73	435	582	1,818
Miscellaneous	<u>211</u>	<u>84</u>	<u>34</u>	<u>-</u>	<u>245</u>	<u>84</u>
Total revenues	65,978	61,659	23,009	22,338	88,987	83,997
Expenses						
General government	8,008	7,891	-	-	8,008	7,891
Public safety	15,683	13,691	-	-	15,683	13,691
Roads and streets	13,242	15,656	-	-	13,242	15,656
Public health	90	88	-	-	90	88
Parks and recreation	3,715	3,180	-	-	3,715	3,180
Public library	2,891	3,070	-	-	2,891	3,070
Community support	411	368	-	-	411	368
Drug education	59	81	-	-	59	81
Interest on long-term debt	710	1,015	-	-	710	1,015
Water and sewer	-	-	19,270	18,655	19,270	18,655
Rental facilities	-	-	728	664	728	664
Emergency communications	<u>-</u>	<u>-</u>	<u>1,452</u>	<u>1,360</u>	<u>1,452</u>	<u>1,360</u>
Total expenses	44,809	45,040	21,450	20,679	66,259	65,719
Increase in net position before transfers	21,169	16,619	1,559	1,659	22,728	18,278
Transfers	<u>(485)</u>	<u>(485)</u>	<u>485</u>	<u>485</u>	<u>-</u>	<u>-</u>
Increase in net position	20,684	16,134	2,044	2,144	22,728	18,278
Net position - beginning	339,251	323,117	88,148	86,004	427,399	409,121
Prior period adjustment	<u>1,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,606</u>	<u>-</u>
Net position - ending	<b>\$ 361,541</b>	<b>\$ 339,251</b>	<b>\$ 90,192</b>	<b>\$ 88,148</b>	<b>\$ 451,733</b>	<b>\$ 427,399</b>

### 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

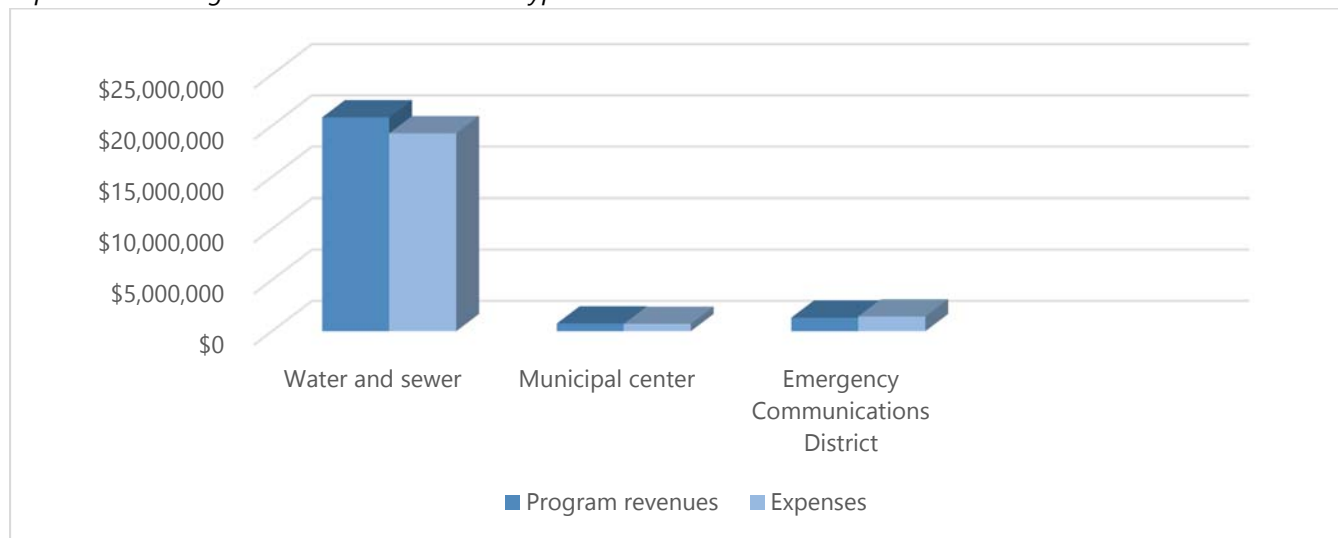


### *Business-type Activities*

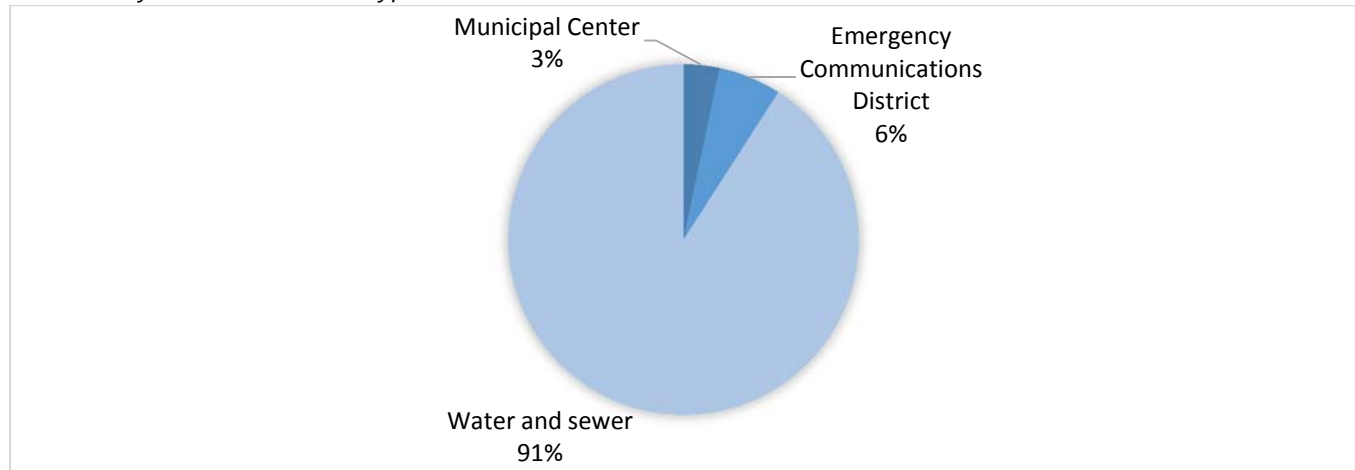
Business-type activities increased the City of Brentwood's net position by \$2,044,840 accounting for 8.4% of the total growth in the government's net position. Key elements of this increase are as follows:

- The City's water and sewer fund accounts for 77.95% of the increase in business-type net position, with a change in net position of \$1,594,036 for the year. This reflects a decrease of \$273,459 in year over year net position change compared to the prior year increase. Factors affecting this amount include:
  - An operating income decrease from \$864,955 to \$679,935 primarily driven by increases in water purchased costs, depreciation, and professional services expenses.
  - A decrease in interest income from \$333,988 to \$58,332 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 \$32,148. 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 \$353,613. This is more than the previous year's change in net position, driven primarily by an increased TECB subsidy related to a statewide rate adjustment.
- The allocation of the internal service fund net position to the business-type activities resulted in an additional \$65,043 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**

	2021	2020
Total assets	<b>\$ 100,025,694</b>	<b>\$ 112,853,643</b>
Total liabilities	7,263,870	10,677,117
Total deferred inflows of resources	13,592,635	13,127,668
Fund balances:		
Nonspendable	309,872	116,577
Restricted	23,760,072	11,314,555
Committed	13,613,316	34,175,663
Unassigned	<u>41,485,929</u>	<u>43,442,063</u>
Total fund balances	79,169,189	89,048,858
Total liabilities, deferred inflows of resources, and fund balances	<b>\$ 100,025,694</b>	<b>\$ 112,853,643</b>

### *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 \$79,169,189, a decrease of \$9,879,669 in comparison with the prior year amount. Approximately 52.4% of this total amount (\$41,485,929) constitutes unassigned fund balance, which is available for spending at the government's discretion. Per the City's Fund Balance Policy and pursuant to GASB Statement No. 54, the remainder of fund balance is classified as nonspendable (\$309,872), restricted for a specific purpose per enabling legislation (pensions - \$60,454, street repairs - \$1,800,449, drug enforcement and education - \$441,169, citation equipment - \$1,065 and capital projects - \$21,456,935) and committed for a specific purpose per action by the Board of Commissioners (debt service - \$4,028,065, equipment replacement - \$6,432,106, facilities maintenance - \$2,084,883 and postemployment benefits - \$1,068,262).

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 \$41,485,929. 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 74.75% of total fiscal year 2021 general fund expenditures (including transfers).



**Changes in Fund Balances of Governmental Funds**  
**For the years ended June 30, 2021 and 2020**

	2021	2020
<b>Revenues</b>		
Taxes	\$ 39,750,264	\$ 35,422,210
Licenses and permits	1,707,172	1,875,250
Fines and fees	115,715	169,187
Charges for services	462,185	409,426
Intergovernmental	14,215,970	14,023,331
Uses of money and property	749,342	1,383,087
Other	<u>66,999</u>	<u>86,909</u>
Total revenues	57,067,647	53,369,400
<b>Expenditures</b>		
Current		
General government	7,693,738	7,694,798
Public safety	17,338,330	16,332,727
Roads and streets	6,346,008	7,945,345
Public health	90,425	88,454
Parks and recreation	2,751,341	2,501,432
Public library	2,909,391	2,686,640
Community support	438,136	368,331
Drug education	39,139	43,363
Capital outlay	25,076,754	17,964,693
Debt service	<u>2,379,364</u>	<u>2,974,350</u>
Total expenditures	<u>65,062,626</u>	<u>58,600,133</u>
Excess (deficiency) of revenues over (under) expenditures	(7,994,979)	(5,230,733)
<b>Other financing sources (uses)</b>		
Transfers in/(out), net	(484,700)	(484,700)
Issuance of debt	-	14,445,000
Payments to refunded bond escrow agent	(3,006,000)	-
Bond premium/(discount), net	<u>-</u>	<u>698,306</u>
Total other financing sources (uses)	<u>(3,490,700)</u>	<u>14,658,606</u>
Net change in fund balances	(11,485,679)	9,427,873
Fund balances, beginning of year	89,048,858	79,620,985
Prior period adjustment	<u>1,606,010</u>	<u>-</u>
Fund balances, end of year	<b>\$ 79,169,189</b>	<b>\$ 89,048,858</b>

The fund balance of the City of Brentwood's general fund (including committed activity budgeted separately) decreased by \$2,026,599 during the current fiscal year due to amended year end transfers totaling \$10,091,600.

The debt service fund has a total fund balance of \$4,028,065. The net increase in fund balance during the current year in the debt service fund was \$680,566. The annual operating general fund transfer was approximately \$970,000 greater than the principal and interest payments due. Please see note 6 for additional information on the City's long-term liabilities.

The capital projects fund has a total fund balance of \$19,289,656 all of which is restricted or committed for the funding of major capital improvements of the City. The current year net decrease of \$10,703,382 includes transfers of \$12,605,000, from the general fund to fund certain capital projects in the FY 2021 and beyond. Management budgeted revenues and expenditures intending to use some of the excess fund reserves. 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 \$26,160,074, for the municipal center fund, \$5,248,839 and for the Emergency Communications District, \$2,554,752. The total changes in net position for the funds were increases of \$1,594,036 for water and sewer, \$32,148 for municipal center fund and \$353,613 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 (\$8,949,235 increase in revenues and \$1,446,640 in current year appropriations) can be summarized as follows:

#### *Revenues*

Increases were made to the following accounts for higher than budgeted collections due to overall post-pandemic strength of the general economy in the Middle TN region, the switch to situs based collection of online sales tax, and the impact over the last few months of the fiscal year of the local option sales tax increase approved by voters in January of 2018:

Taxes	
Local sales tax	\$ 6,100,000
Real and personal property	200,000
Wholesale liquor tax	294,030
Intergovernmental	
State sales and use tax	870,000
State income tax	500,000
Corporate excise tax	200,000
Other	647,750
Other	<u>137,455</u>
Total change in budgeted revenues	<b>\$ 8,949,235</b>

The following increases to current year appropriations were made:

*Appropriations*

1. A special FY 2021 year-end appropriation transfer of \$5,655,000 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 2022 and beyond capital projects and equipment.
2. A special FY 2021 year-end transfer of \$770,000 from the General Fund to the Equipment Replacement Fund for the FY 2021 and FY 2022 purchases of equipment.
3. A special FY 2021 year-end transfer of \$955,000 from the General Fund to the Facilities Maintenance Fund for FY 2021 roof replacement at Library and Safety Center East as well extraordinary repairs to Fire Station 2 and Safety Center East. This year-end transfer also includes funds add to the Facilities Maintenance Fund balance for future facility maintenance needs.
4. A fund balance transfer of \$2,711,600 from the General Fund to the Debt Service Fund for the prepayment of the two (2) Capital Outlay Notes.
5. An appropriation increase to all departments with personnel services for mid-year 4% salary increase.
6. An appropriation increase in the Human Resources activity of \$24,300 for accrued terminal leave payment in FY 2021 for one 35+ year employee. There will be a companion transfer from the Post-Employment Benefits Fund to the General Fund to cover this cost.
7. An appropriation increase of \$10,220 to the Fire and Rescue activity for incidentals and overtime paid to City of Brentwood firefighters that were deployed to South Carolina and Florida for mutual aid emergency service operations and support for Hurricane Sally. Funding is provided by FEMA equaling \$10,220.
8. An appropriation increase in the Fire and Rescue activity of \$82,080 for accrued terminal leave payment in FY 2021 for the retirement of one 30+ year employee and one 20+ year employee. There will be a companion transfer from the Post-Employment Benefits Fund to the General Fund to cover this cost.
9. An appropriation increase in the Fire and Rescue activity of \$45,650 to cover repairs to Engine 52.
10. An appropriation increase in the Public Works activity of \$5,035 for accrued terminal leave payment for FY 2021 for the retirement of one 15+ year employee. There will be a companion transfer from the Post-Employment Benefits Fund to the General Fund to cover this cost.
11. An appropriation increase in the Engineering activity of \$60,975 for accrued terminal leave payments for FY 2021 for the retirement of one 30+ year and one 15+ year employee. There will be a companion transfer from the Post-Employment Benefits Fund to the General Fund to cover this cost.
12. An appropriation increase in the Storm Drainage activity of \$58,300 for the cost of repairs to aging corrugated metal storm drainage pipes and the stormwater regulation update.
13. An appropriation increase in the Codes activity of \$375,000 for building permit refunds.
14. An appropriation increase in the Fire and Rescue activity of \$50,000 for other salary costs.
15. An appropriation increase in the Fire and Rescue activity of \$55,000 for additional repairs and maintenance to vehicles.

The general fund unassigned fund balance at June 30, 2021, is \$41,485,929, which exceeds the stated budget policy objective of maintaining a minimum of 40% reserves (based on the amount of the annual budget appropriation) for future needs and emergencies.

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

1. State and local sales and use tax was \$1,293,732 more than budgeted projections due to continued improvement and growth in retail sales both locally and statewide and the impact of a half-cent local options sales tax increase originally approved by voters in January 2018 but initially dedicated to Williamson County for a three-year period to assist with school system capital needs.
2. State income tax collections exceeded budgeted projections by \$607,372 due to conservative budgeting and higher investment market returns.
3. Hotel/motel tax collections were \$715,218 under budgeted amounts due to the continued impacts of COVID on both leisure and business travel.

### **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, 2021 amounts to \$379,173,565 (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
- Salt Spreader – Public Works
- ¾ Ton 4X4 Pickup Truck - Parks
- Heavy Duty Trailer - Parks Department
- Air Tow Trailer – Parks
- Stump Grinder Attachment – Parks
- Miscellaneous Technology which included RMS test environment, Extrahop Reveal software, and network computer hardware - Technology
- 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 \$9,012,420.
- Various system additions and improvements were completed in the Water and Sewer Fund at a cost of \$2,421,579.

**Capital Assets (net of depreciation)**  
**June 30, 2021 and 2020**  
(amounts expressed in thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Land	\$ 138,755	\$ 129,852	\$ 1,295	\$ 1,255	\$ 140,050	\$ 131,107
Buildings and improvements	39,445	13,858	1,176	1,283	40,621	15,141
Utility plant in service	-	-	67,572	68,330	67,572	68,330
Improvements other than buildings	5,393	5,374	738	849	6,131	6,223
Machinery and equipment	12,712	11,495	945	1,016	13,657	12,511
Infrastructure	107,518	100,269	-	-	107,518	100,269
Construction in progress	<u>1,273</u>	<u>19,180</u>	<u>2,351</u>	<u>1,050</u>	<u>3,624</u>	<u>20,230</u>
Net capital assets	<b>\$ 305,096</b>	<b>\$ 280,028</b>	<b>\$ 74,077</b>	<b>\$ 73,783</b>	<b>\$ 379,173</b>	<b>\$ 353,811</b>

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

*Long-term Bonded Debt*

At the end of the current fiscal year, the City of Brentwood had total long-term bonded debt outstanding of \$45,130,000. 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.

**Outstanding Debt**  
**June 30, 2021 and 2020**  
(amounts expressed in thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
General obligation bonds and notes payable	\$ 28,165	\$ 32,661	\$ 16,965	\$ 18,715	\$ 45,130	\$ 51,376
Unamortized (discount) premium	<u>1,021</u>	<u>1,205</u>	<u>491</u>	<u>644</u>	<u>1,512</u>	<u>1,849</u>
Total	<b>\$ 29,186</b>	<b>\$ 33,866</b>	<b>\$ 17,456</b>	<b>\$ 19,359</b>	<b>\$ 46,642</b>	<b>\$ 53,225</b>

The City of Brentwood's total long-term debt principal decreased by \$6,246,000 during the current fiscal year. This decrease was due to scheduled debt service principal payments and the early repayment of two 2018 capital outlay notes in the amount of \$2,746,000.

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 \$45,130,000 translates to approximately \$995 per capita using the 2020 Census Certified Population of 45,373.

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 2021 was 2.6%, compared to 6.7% a year ago. This compares to the county's rate of 2.7%, the state's average unemployment rate of 5.0% and the national average rate of 5.8%.
- The office space vacancy rate of the Brentwood submarket, which includes a portion of Davidson County was 18.0% as of June 2021 and 16.9% as of September 30, 2021.

Each of these factors were considered in preparing the City of Brentwood's budget for the 2022 fiscal year.

During the current fiscal year, the total unassigned fund balance in the general fund decreased to \$41,485,929. The City of Brentwood has not appropriated any of this amount for spending in the 2022 fiscal year budget but may consider doing so at the end of FY 2022 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](mailto:finance.director@brentwoodtn.gov)  
[www.brentwoodtn.gov](http://www.brentwoodtn.gov)

**City of Brentwood, Tennessee**

Statement of Net Position

June 30, 2021

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 81,833,562	\$ 31,091,589	\$ 112,925,151
Property tax receivable	12,958,165	-	12,958,165
Sales and use tax receivable	5,071,226	-	5,071,226
Intergovernmental revenues receivable	3,004,290	-	3,004,290
Accounts receivable	859,029	3,490,699	4,349,728
Internal balances	(636,118)	636,118	-
Inventories	59,926	165,092	225,018
Prepaid expenses	309,872	7,838	317,710
Restricted cash and cash equivalents	584,293	2,087	586,380
Capital assets not being depreciated	140,027,757	3,645,680	143,673,437
Capital assets, net	165,068,378	70,431,750	235,500,128
Net pension assets	5,739,985	731,271	6,471,256
Net OPEB asset	1,186,896	188,105	1,375,001
Total assets	<u>416,067,261</u>	<u>110,390,229</u>	<u>526,457,490</u>
<b>Deferred Outflows of Resources</b>	5,140,215	862,447	6,002,662
<b>Liabilities</b>			
Accounts payable	2,270,473	2,005,873	4,276,346
Claims payable	120,508	-	120,508
Accrued salaries and benefits	535,885	71,701	607,586
Accrued interest	257,948	159,561	417,509
Other payables	4,213,426	-	4,213,426
Noncurrent liabilities			
Due within one year	3,515,000	1,695,000	5,210,000
Due in more than one year	<u>29,330,436</u>	<u>16,198,658</u>	<u>45,529,094</u>
Total liabilities	40,243,676	20,130,793	60,374,469
<b>Deferred Inflows of Resources</b>	19,422,857	929,574	20,352,431
<b>Net Position</b>			
Net investment in capital assets	276,264,814	54,853,056	331,117,870
Restricted for			
Pensions	5,800,439	733,260	6,533,699
Roads and streets	1,800,449	-	1,800,449
Capital projects	21,456,935	-	21,456,935
Drug enforcement and education	441,169	-	441,169
Citation equipment	1,065	-	1,065
Unrestricted	<u>55,776,072</u>	<u>34,605,993</u>	<u>90,382,065</u>
Total net position	<u>\$ 361,540,943</u>	<u>\$ 90,192,309</u>	<u>\$ 451,733,252</u>

**City of Brentwood, Tennessee**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General government	\$ 8,007,655	\$ 1,282,462	\$ -	\$ -	\$ (6,725,193)	\$ -	\$ (6,725,193)
Public safety	15,683,487	-	14,235	-	(15,669,252)	-	(15,669,252)
Roads and streets	13,241,798	839,342	1,588,319	9,012,420	(1,801,717)	-	(1,801,717)
Public health	90,425	-	-	-	(90,425)	-	(90,425)
Parks and recreation	3,714,794	86,734	-	-	(3,628,060)	-	(3,628,060)
Public library	2,890,648	98,426	-	-	(2,792,222)	-	(2,792,222)
Community support	410,780	-	-	-	(410,780)	-	(410,780)
Drug education	59,605	-	-	-	(59,605)	-	(59,605)
Interest on long-term debt	709,787	-	-	-	(709,787)	-	(709,787)
Total governmental activities	44,808,979	2,306,964	1,602,554	9,012,420	(31,887,041)	-	(31,887,041)
<b>Business-type Activities</b>							
Water and sewer	19,270,305	19,483,329	-	1,336,175	-	\$ 1,549,199	1,549,199
Rental facilities	727,618	751,621	-	-	-	24,003	24,003
Emergency Communications District	1,451,454	-	1,331,086	-	-	(120,368)	(120,368)
Total business-type activities	21,449,377	20,234,950	1,331,086	1,336,175	-	1,452,834	1,452,834
Total primary government	<b>\$ 66,258,356</b>	<b>\$ 22,541,914</b>	<b>\$ 2,933,640</b>	<b>\$ 10,348,595</b>	(31,887,041)	1,452,834	(30,434,207)
<b>General Revenues</b>							
Taxes							
Property tax					12,661,300	-	12,661,300
Local option sales tax					23,393,732	-	23,393,732
Hotel/motel tax					844,782	-	844,782
Wholesale beer and liquor taxes					2,196,618	-	2,196,618
Adequate schools facilities taxes					592,369	-	592,369
Other taxes					611,446	-	611,446
Unrestricted intergovernmental taxes							
State sales and use tax					4,656,467	-	4,656,467
State income tax					1,182,372	-	1,182,372
Business tax					2,231,969	-	2,231,969
TVA in-lieu tax					501,677	-	501,677
Mixed drink and beer tax					290,015	-	290,015
Petroleum special tax					87,133	-	87,133
Corporate excise tax					294,781	-	294,781
Telecommunications tax					19,501	-	19,501
Other intergovernmental					2,771,367	-	2,771,367
Investment earnings					509,022	72,821	581,843
Miscellaneous revenues					211,129	34,485	245,614
Transfers					(484,700)	484,700	-
Total general revenues					52,570,980	592,006	53,162,986
Change in net position					20,683,939	2,044,840	22,728,779
Net position, beginning of year					339,250,994	88,147,469	427,398,463
Prior period adjustment					1,606,010	-	1,606,010
Net position, end of year					<b>\$ 361,540,943</b>	<b>\$ 90,192,309</b>	<b>\$ 451,733,252</b>



**City of Brentwood, Tennessee**

Balance Sheet  
Governmental Funds  
June 30, 2021

	General	Debt Service	Capital Projects	Other Governmental	Total Governmental
<b>Assets</b>					
Cash and cash equivalents	\$ 49,491,946	\$ 4,028,065	\$ 19,749,701	\$ 3,844,561	\$ 77,114,273
Receivables					
Property taxes	12,958,165	-	-	-	12,958,165
Sales and use tax	4,718,930	-	-	-	4,718,930
Intergovernmental	3,004,290	-	-	352,296	3,356,586
Accounts	411,721	-	266,608	1,058	679,387
Due from other funds	179,887	-	-	124,301	304,188
Prepaid items and deposits	309,612	-	-	260	309,872
Restricted cash and cash equivalents	124,289	-	145	459,859	584,293
Total assets	<b>\$ 71,198,840</b>	<b>\$ 4,028,065</b>	<b>\$ 20,016,454</b>	<b>\$ 4,782,335</b>	<b>\$ 100,025,694</b>
<b>Liabilities</b>					
Accounts payable	\$ 1,249,778	\$ -	\$ 572,789	\$ 372,113	\$ 2,194,680
Accrued salaries	535,885	-	-	-	535,885
Due to other funds	165,870	-	154,009	-	319,879
Other payables	4,213,426	-	-	-	4,213,426
Total liabilities	6,164,959	-	726,798	372,113	7,263,870
<b>Deferred Inflows of Resources</b>	13,592,635	-	-	-	13,592,635
<b>Fund Balances</b>					
Nonspendable	309,612	-	-	260	309,872
Restricted for					
Pensions	60,454	-	-	-	60,454
Capital projects	-	-	19,289,656	2,167,279	21,456,935
Street repairs	-	-	-	1,800,449	1,800,449
Drug enforcement and education	-	-	-	441,169	441,169
Citation equipment	-	-	-	1,065	1,065
Committed to					
Debt service	-	4,028,065	-	-	4,028,065
Equipment replacement	6,432,106	-	-	-	6,432,106
Facilities maintenance	2,084,883	-	-	-	2,084,883
Funding postemployment benefits	1,068,262	-	-	-	1,068,262
Unassigned	41,485,929	-	-	-	41,485,929
Total fund balances	51,441,246	4,028,065	19,289,656	4,410,222	79,169,189
Total liabilities, deferred inflows of resources, and fund balances	<b>\$ 71,198,840</b>	<b>\$ 4,028,065</b>	<b>\$ 20,016,454</b>	<b>\$ 4,782,335</b>	<b>\$ 100,025,694</b>

**City of Brentwood, Tennessee**  
Reconciliation of Balance Sheet - Governmental Funds to  
Government-wide Statement of Net Position  
June 30, 2021

**Amounts reported for fund balances, total governmental funds** **\$ 79,169,189**

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. 305,096,135

Receivables are not available to pay for current expenditures and, therefore, are not reported in the funds balance sheet. 85,419

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded in the governmental funds.

Bonds payable	(28,165,000)
Less: deferred charges on refunding bonds	354,369
Add: bond premiums	(1,020,690)
Compensated absences payable	(3,659,746)

The internal service funds are used by management to charge the cost of fuel supplies and health insurance premiums to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 4,143,455

In the statement of net position, interest is accrued on outstanding bonds whereas, in the governmental funds, interest expenditures are reported when due. (257,948)

Pension amounts not reported in the funds:

Net pension assets (liabilities)	5,739,985
Deferred outflows of resources related to pensions	3,761,709
Deferred inflows of resources related to pensions	(690,106)

OPEB amounts not reported in the funds:

Net OPEB asset (liability)	1,186,896
Deferred outflows of resources related to OPEB	1,024,137
Deferred inflows of resources related to OPEB	(5,226,861)

Net position of governmental activities **\$ 361,540,943**

**City of Brentwood, Tennessee**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2021

	General	Debt Service	Capital Projects	Other Governmental	Total Governmental
<b>Revenues</b>					
Taxes	\$ 39,750,264	\$ -	\$ -	\$ -	\$ 39,750,264
Licenses and permits	867,830	-	-	839,342	1,707,172
Fines and fees	114,651	-	-	1,064	115,715
Charges for services	462,185	-	-	-	462,185
Intergovernmental	10,362,328	-	1,672,954	2,180,688	14,215,970
Uses of money and property	686,965	4,330	50,311	7,736	749,342
Other	-	-	45,107	21,892	66,999
Total revenues	52,244,223	4,330	1,768,372	3,050,722	57,067,647
<b>Expenditures</b>					
Current					
General government	7,693,738	-	-	-	7,693,738
Public safety	17,338,330	-	-	-	17,338,330
Roads and streets, street repairs	5,848,161	-	-	497,847	6,346,008
Public health	90,425	-	-	-	90,425
Parks and recreation	2,751,341	-	-	-	2,751,341
Public library	2,909,391	-	-	-	2,909,391
Community support	438,136	-	-	-	438,136
Drug education	-	-	-	39,139	39,139
Capital outlay	-	-	25,076,754	-	25,076,754
Debt service	-	2,379,364	-	-	2,379,364
Total expenditures	37,069,522	2,379,364	25,076,754	536,986	65,062,626
Excess (deficiency) of revenues over expenditures	15,174,701	(2,375,034)	(23,308,382)	2,513,736	(7,994,979)
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	6,061,600	12,605,000	-	18,666,600
Transfers out	(17,201,300)	-	-	(1,950,000)	(19,151,300)
Payments to refunded bond escrow agent	-	(3,006,000)	-	-	(3,006,000)
Total other financing sources (uses)	(17,201,300)	3,055,600	12,605,000	(1,950,000)	(3,490,700)
Net change in fund balances	(2,026,599)	680,566	(10,703,382)	563,736	(11,485,679)
Fund balances, beginning of year	51,861,835	3,347,499	29,993,038	3,846,486	89,048,858
Prior period adjustment	1,606,010	-	-	-	1,606,010
Fund balances, end of year	\$ 51,441,246	\$ 4,028,065	\$ 19,289,656	\$ 4,410,222	\$ 79,169,189

## City of Brentwood, Tennessee

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities For the Fiscal Year Ended June 30, 2021

**Amounts reported for net change in fund balance, total governmental funds** \$ (11,485,679)

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

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

Acquisition of capital assets	28,753,147
Disposal of capital assets	2,066,166
Contributions of capital assets	9,012,420
Depreciation expense	(12,664,681)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	86,745
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The issuance of long-term debt and related items provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current resources of the funds. Neither of these transactions, however, has any effect on changes in net position in the statement of activities.

Payments on long-term debt	4,496,000
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Internal service funds are used by management to charge the costs of fuel supplies and health insurance premiums to individual funds. The changes in net position of internal service funds are reported as governmental activities in activities in the statement of activities.	382,928
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Certain expenses reported for governmental activities do not require the use of current financial resources and, thus, are not reported as expenditures in the governmental funds.

Accrued interest on debt obligations at June 30, 2021	(257,948)
Accrued interest on debt obligations at June 30, 2020	360,307
Amortization of bond premium/discount	96,093
Amortization of deferred amount on refunding	(107,422)
Change in accrual for compensated absences	(195,969)
Changes in pension assets and liabilities and related deferred outflows and inflows of resources	(1,207,473)
Changes in OPEB asset and liability and related deferred outflows and inflows of resources	1,349,305
<b>Change in net position of governmental activities</b>	<b>\$ 20,683,939</b>

**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, 2021

	<b>Budgeted amounts</b>		<b>Actual</b>	<b>Variance from</b>
	<b>Original</b>	<b>Final</b>	<b>amounts</b>	<b>final budget</b>
				<b>+ / (-)</b>
<b>Revenues</b>				
Taxes				
Local sales tax	\$ 16,000,000	\$ 22,100,000	\$ 23,393,732	\$ 1,293,732
Real and personal property	12,310,000	12,510,000	12,616,941	106,941
Public utility property tax	75,000	75,000	86,745	11,745
Hotel/motel tax	1,560,000	1,560,000	844,782	(715,218)
Wholesale beer tax	675,000	675,000	832,578	157,578
Wholesale liquor tax	900,000	1,194,030	1,364,040	170,010
Television franchise tax	475,000	475,000	492,544	17,544
Other	100,000	100,000	118,902	18,902
Total taxes	32,095,000	38,689,030	39,750,264	1,061,234
Licenses and permits	799,050	799,050	867,830	68,780
Fines and fees	180,000	180,000	114,651	(65,349)
Charges for services	624,100	624,100	462,185	(161,915)
Intergovernmental revenues				
State sales and use tax	3,500,000	4,370,000	4,656,467	286,467
State income tax	75,000	575,000	1,182,372	607,372
Business tax	1,850,000	1,850,000	2,231,969	381,969
TVA in-lieu of tax	500,000	500,000	501,677	1,677
Mixed drink tax	250,000	250,000	269,237	19,237
Beer tax	18,000	18,000	20,778	2,778
Petroleum special tax	85,000	85,000	87,133	2,133
Corporate excise tax	75,000	275,000	294,781	19,781
Telecommunications tax	10,000	10,000	19,501	9,501
Other	348,950	996,700	1,083,413	86,713
Total intergovernmental revenues	6,711,950	8,929,700	10,347,328	1,417,628
Uses of property and money				
Interest income	50,000	50,000	111,805	61,805
Other	255,600	255,600	362,598	106,998
Total uses of property and money	305,600	305,600	474,403	168,803
Other revenues	15,000	152,455	172,390	19,935
Total revenues	40,730,700	49,679,935	52,189,051	2,509,116

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**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, 2021

	<b>Budgeted amounts</b>		<b>Actual</b>	<b>Variance from</b>
	<b>Original</b>	<b>Final</b>	<b>amounts</b>	<b>final budget</b>
<b>Expenditures</b>				<b>+ / (-)</b>
General government				
City commission				
Personnel service	\$ 199,805	\$ 199,805	\$ 196,138	\$ 3,667
Supplies and materials	6,000	6,000	3,372	2,628
Professional services	13,000	13,000	9,110	3,890
Repairs and maintenance	2,000	2,000	2,011	(11)
Other costs	<u>6,000</u>	<u>6,000</u>	<u>5,715</u>	<u>285</u>
Total city commission	226,805	226,805	216,346	10,459
City court				
Personnel services	25,300	25,300	25,325	(25)
Supplies and materials	500	500	-	500
Professional services	2,300	2,300	2,181	119
Repairs and maintenance	<u>13,500</u>	<u>13,500</u>	<u>13,513</u>	<u>(13)</u>
Total city court	41,600	41,600	41,019	581
City manager's office				
Personnel services	442,090	450,535	443,133	7,402
Supplies and materials	5,750	5,750	3,854	1,896
Professional services	2,000	2,000	-	2,000
Repairs and maintenance	600	600	966	(366)
Other costs	<u>1,500</u>	<u>1,500</u>	<u>1,144</u>	<u>356</u>
Total city manager's office	451,940	460,385	449,097	11,288
Elections				
Board of commission	45,000	45,000	50,637	(5,637)
Finance				
Personnel services	747,315	771,880	776,394	(4,514)
Supplies and materials	35,000	35,000	28,730	6,270
Professional services	128,000	128,000	108,959	19,041
Repairs and maintenance	55,160	55,160	54,571	589
Other costs	<u>1,000</u>	<u>1,000</u>	<u>453</u>	<u>547</u>
Total finance	966,475	991,040	969,107	21,933
City recorder				
Personnel services	106,670	109,895	101,478	8,417
Supplies and materials	1,200	1,200	1,585	(385)
Professional services	5,500	5,500	2,395	3,105
Repairs and maintenance	35,880	35,880	37,928	(2,048)
Other costs	<u>5,000</u>	<u>5,000</u>	<u>6,618</u>	<u>(1,618)</u>
Total city recorder	154,250	157,475	150,004	7,471
Legal services				
Personnel services	178,180	184,270	176,655	7,615
Supplies and materials	22,800	22,800	21,205	1,595
Professional services	50,000	50,000	36,695	13,305
Repairs and maintenance	<u>500</u>	<u>500</u>	<u>452</u>	<u>48</u>
Total legal services	251,480	257,570	235,007	22,563

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**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, 2021

	<b>Budgeted amounts</b>		<b>Actual</b>	<b>Variance from</b>
	<b>Original</b>	<b>Final</b>	<b>amounts</b>	<b>final budget</b>
				<b>+ / (-)</b>
<b>Expenditures</b>				
General government				
Information/technology				
Personnel services	\$ 746,410	\$ 772,500	\$ 740,643	\$ 31,857
Supplies and materials	49,875	49,875	56,816	(6,941)
Professional services	82,800	82,800	65,564	17,236
Repairs and maintenance	247,150	247,150	160,722	86,428
Other costs	41,000	41,000	33,325	7,675
Capital outlay	616,000	616,000	656,682	(40,682)
Total information/technology	1,783,235	1,809,325	1,713,752	95,573
GIS				
Personnel services	307,395	317,095	303,434	13,661
Supplies and materials	7,450	7,450	5,718	1,732
Professional services	12,000	12,000	6,000	6,000
Repairs and maintenance	32,800	32,800	35,840	(3,040)
Other costs	990	990	496	494
Capital outlay	8,500	8,500	-	8,500
Total GIS	369,135	378,835	351,488	27,347
Human resources				
Personnel services	339,470	375,080	362,146	12,934
Supplies and materials	13,400	13,400	4,796	8,604
Professional services	94,475	94,475	55,598	38,877
Repairs and maintenance	11,130	11,130	5,991	5,139
Other costs	41,850	41,850	32,076	9,774
Total human resources	500,325	535,935	460,607	75,328
Community relations				
Personnel services	229,900	235,375	232,618	2,757
Supplies and materials	29,750	29,750	43,452	(13,702)
Professional services	29,100	29,100	34,149	(5,049)
Repairs and maintenance	5,570	5,570	7,300	(1,730)
Other costs	45,815	45,815	32,457	13,358
Total community relations	340,135	345,610	349,976	(4,366)
Planning and development				
Personnel services	374,040	385,845	377,384	8,461
Supplies and materials	21,500	21,500	4,210	17,290
Professional services	21,300	21,300	23,540	(2,240)
Repairs and maintenance	44,500	44,500	33,544	10,956
Other costs	3,000	3,000	3,827	(827)
Total planning and development	464,340	476,145	442,505	33,640
Codes enforcement				
Personnel services	810,835	834,820	734,984	99,836
Supplies and materials	36,000	36,000	10,112	25,888
Professional services	7,500	7,500	-	7,500
Repairs and maintenance	11,500	11,500	6,559	4,941
Other costs	8,100	383,100	364,190	18,910
Total codes enforcement	873,935	1,272,920	1,115,845	157,075

Continued

**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, 2021

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance from final budget +/-</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures</b>				
General government				
Municipal center				
Rent expense	\$ 695,000	\$ 695,000	\$ 695,000	\$ -
Insurance/other benefits				
Personnel	710,360	710,360	718,211	(7,851)
Other	90,500	90,500	14,618	75,882
Total insurance/other benefits	<u>800,860</u>	<u>800,860</u>	<u>732,829</u>	<u>68,031</u>
Total general government	7,964,515	8,494,505	7,973,219	521,286
Public safety				
Police				
Personnel services	7,299,865	7,505,515	7,257,613	247,902
Supplies and materials	400,800	400,800	394,878	5,922
Professional services	100,350	100,350	91,060	9,290
Repairs and maintenance	351,435	351,435	394,420	(42,985)
Other costs	190,500	190,500	116,448	74,052
Capital outlay	<u>583,000</u>	<u>583,000</u>	<u>589,714</u>	<u>(6,714)</u>
Total police	8,925,950	9,131,600	8,844,133	287,467
Fire and rescue				
Personnel services	6,967,645	7,298,695	7,213,437	85,258
Supplies and materials	304,510	304,510	307,673	(3,163)
Professional services	13,000	13,000	15,744	(2,744)
Repairs and maintenance	197,100	297,750	310,332	(12,582)
Other costs	179,070	179,070	121,721	57,349
Utilities	12,350	12,350	13,276	(926)
Capital outlay	<u>401,500</u>	<u>401,500</u>	<u>401,500</u>	<u>-</u>
Total fire and rescue	8,075,175	8,506,875	8,383,683	123,192
Brentwood Safety Center East				
Supplies and materials	17,600	17,600	7,315	10,285
Professional services	750	750	250	500
Repairs and maintenance	30,500	30,500	43,950	(13,450)
Other costs	<u>28,950</u>	<u>28,950</u>	<u>24,259</u>	<u>4,691</u>
Total Brentwood Safety Center East	<u>77,800</u>	<u>77,800</u>	<u>75,774</u>	<u>2,026</u>
Total public safety	17,078,925	17,716,275	17,303,590	412,685
Roads and streets				
Public works				
Personnel services	1,699,955	1,750,995	1,628,855	122,140
Supplies and materials	236,000	236,000	222,179	13,821
Professional services	12,000	12,000	10,678	1,322
Repairs and maintenance	1,218,750	1,218,750	1,191,379	27,371
Other costs	186,875	186,875	118,491	68,384
Capital outlay	<u>280,290</u>	<u>280,290</u>	<u>273,408</u>	<u>6,882</u>
Total public works	3,633,870	3,684,910	3,444,990	239,920

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**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, 2021

	Budgeted amounts		Actual amounts	Variance from final budget +/-
	Original	Final		
<b>Expenditures</b>				
Roads and streets				
Storm drainage				
Capital outlay	\$ 70,000	\$ 128,300	\$ 112,455	\$ 15,845
Traffic signalization				
Street lighting	405,000	405,000	390,446	14,554
Personnel services	168,745	171,775	145,381	26,394
Supplies and materials	42,300	42,300	59,371	(17,071)
Professional services	20,000	20,000	2,540	17,460
Repairs and maintenance	60,000	60,000	57,716	2,284
Other costs	53,500	53,500	52,031	1,469
Capital outlay	27,500	27,500	15,000	12,500
Total traffic signalization	777,045	780,075	722,485	57,590
Service center				
Personnel services	124,800	128,465	129,056	(591)
Supplies and materials	24,050	24,050	24,052	(2)
Professional services	7,000	7,000	3,645	3,355
Repairs and maintenance	123,300	123,300	125,479	(2,179)
Other costs	73,250	73,250	68,648	4,602
Total service center	352,400	356,065	350,880	5,185
Engineering services				
Personnel services	735,650	804,825	762,224	42,601
Supplies and materials	14,000	14,000	13,669	331
Professional services	22,500	22,500	16,649	5,851
Repairs and maintenance	5,800	5,800	3,009	2,791
Other costs	31,560	31,560	18,896	12,664
Total engineering services	809,510	878,685	814,447	64,238
Total roads and streets	5,642,825	5,828,035	5,445,257	382,778
Public health				
County Health Dept. Contract	15,000	15,000	15,000	-
County Animal Control Contract	75,425	75,425	75,425	-
Total public health	90,425	90,425	90,425	-
Parks and recreation				
Personnel services	1,406,120	1,448,200	1,403,809	44,391
Supplies and materials	117,000	117,000	97,366	19,634
Repairs and maintenance	598,590	598,590	538,279	60,311
Other costs	387,100	387,100	309,358	77,742
Capital outlay	87,500	87,500	82,459	5,041
Total parks and recreation	2,596,310	2,638,390	2,431,271	207,119

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**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, 2021

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance from final budget +/-</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures</b>				
Public library				
Personnel services	\$ 1,437,950	\$ 1,489,960	\$ 1,483,330	\$ 6,630
Supplies and materials	569,555	569,555	450,729	118,826
Professional services	60,800	60,800	59,032	1,768
Repairs and maintenance	392,010	392,010	388,081	3,929
Other costs	212,800	212,800	160,693	52,107
Total public library	2,673,115	2,725,125	2,541,865	183,260
Community support				
Education	244,400	244,400	238,785	5,615
Chamber of Commerce	10,000	10,000	10,000	-
Historic sites	208,440	208,440	161,995	46,445
Total community support	462,840	462,840	410,780	52,060
Total expenditures	36,508,955	37,955,595	36,196,407	1,759,188
Excess of revenues over (under) expenditures	4,221,745	11,724,340	15,992,644	(4,268,304)
Other financing sources (uses)				
Transfers to:				
Debt service fund	3,350,000	6,061,600	6,061,600	-
Emergency Communication District	484,700	484,700	484,700	-
Capital projects fund	5,000,000	10,655,000	10,655,000	-
Committed, equipment replacement	-	770,000	770,000	-
Committed, facilities maintenance	350,000	1,305,000	1,305,000	-
Committed, postemployment benefits	25,000	25,000	25,000	-
Total other financing sources (uses)	9,209,700	19,301,300	19,301,300	-
Change in fund balance, general	(4,987,955)	(7,576,960)	(3,308,656)	(4,268,304)

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**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, 2021

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance from final budget +/-</b>
	<b>Original</b>	<b>Final</b>		
<b>Committed activity, budgeted separately</b>				
Equipment replacement				
Transfers from other departments	\$ 1,844,500	\$ 2,614,500	\$ 2,614,500	\$ -
Interest income	2,500	2,500	14,854	12,354
Other income	25,000	25,000	191,882	166,882
Equipment expenditures	(1,550,000)	(1,880,000)	(1,873,631)	6,369
Total equipment replacement	322,000	762,000	947,605	185,605
Facilities maintenance				
Committed transfer from general fund	350,000	1,005,000	1,305,000	300,000
Interest income	750	750	3,354	2,604
Other income	-	-	15,000	15,000
Maintenance expenditures	(600,000)	(986,790)	(843,984)	142,806
Total facilities maintenance	(249,250)	18,960	479,370	460,410
Postemployment benefits				
Transfers from other departments	25,000	25,000	25,000	-
Interest income	500	500	2,472	1,972
Transfers to other departments	-	(172,390)	(172,390)	-
Total postemployment benefits	25,500	(146,890)	(144,918)	1,972
Change in fund balance	(4,889,705)	(6,942,890)	(2,026,599)	4,916,291
Fund balance, beginning of year	51,861,835	51,861,835	51,861,835	-
Prior period adjustment	1,606,010	1,606,010	1,606,010	-
Fund balance, end of year	<b>\$ 48,578,140</b>	<b>\$ 46,524,955</b>	<b>\$ 51,441,246</b>	<b>\$ 4,916,291</b>

**City of Brentwood, Tennessee**  
Statement of Net Position  
Proprietary Funds  
June 30, 2021

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Water and Sewer</b>	<b>Municipal Center</b>	<b>Emergency Communications District</b>	<b>Total</b>	
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 25,056,416	\$ 3,269,637	\$ 2,765,536	\$ 31,091,589	\$ 4,719,289
Receivables					
Accounts	1,755,525	7,578	2,470	1,765,573	180,968
Due from other funds	31	-	-	31	31,938
Unbilled utility revenues	1,725,126	-	-	1,725,126	-
Inventories of supplies	165,092	-	-	165,092	59,926
Prepaid expenses	3,739	301	3,798	7,838	-
Restricted cash and cash equivalents	2,087	-	-	2,087	-
Total current assets	28,708,016	3,277,516	2,771,804	34,757,336	4,992,121
Noncurrent assets					
Capital assets, net of accumulated depreciation	71,837,310	2,026,009	214,111	74,077,430	-
Net pension assets	517,697	-	213,574	731,271	-
Net OPEB asset	130,772	-	57,333	188,105	-
Total noncurrent assets	72,485,779	2,026,009	485,018	74,996,806	-
Total assets	101,193,795	5,303,525	3,256,822	109,754,142	4,992,121
<b>Deferred Outflows of Resources</b>					
Advance refundings of debt	257,907	-	-	257,907	-
Pension related items	320,402	-	121,869	442,271	-
OPEB related items	112,835	-	49,434	162,269	-
Total deferred outflows of resources	691,144	-	171,303	862,447	-
<b>Liabilities</b>					
Current liabilities (payable from current assets)					
Accounts payable	1,935,555	54,686	15,632	2,005,873	75,793
Claims payable	-	-	-	-	120,508
Accrued salaries	51,737	-	19,964	71,701	-
Accrued interest	159,561	-	-	159,561	-
Due to other funds	4,945	-	1,296	6,241	10,037
Compensated absences, current portion	108,750	-	36,250	145,000	-
Current maturities of long-term debt	1,550,000	-	-	1,550,000	-
Total current liabilities	3,810,548	54,686	73,142	3,938,376	206,338
Noncurrent liabilities					
Compensated absences, net of current portion	216,592	-	75,794	292,386	-
Long-term debt, net of current maturities	15,906,272	-	-	15,906,272	-
Total liabilities	19,933,412	54,686	148,936	20,137,034	206,338
<b>Deferred Inflows of Resources</b>					
Pension related items	56,949	-	44,458	101,407	-
OPEB related items	575,873	-	252,294	828,167	-
Total deferred inflows of resources	632,822	-	296,752	929,574	-
<b>Net Position</b>					
Net investment in capital assets	54,638,945	-	214,111	54,853,056	-
Restricted for pensions	519,686	-	213,574	733,260	-
Unrestricted	26,160,074	5,248,839	2,554,752	33,963,665	4,785,783
Total net position	\$ 81,318,705	\$ 5,248,839	\$ 2,982,437	89,549,981	\$ 4,785,783
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				642,328	
Net position of business-type activities				\$ 90,192,309	

**City of Brentwood, Tennessee**  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2021

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Water and Sewer</b>	<b>Municipal Center</b>	<b>Emergency Communications District</b>	<b>Total</b>	
<b>Operating Revenues</b>					
Water sales, pledged as security on revenue bonds	\$ 10,865,138	\$ -	\$ -	\$ 10,865,138	\$ -
Sewer service charges, pledged as security on revenue bonds	8,016,436	-	-	8,016,436	-
Rental income	-	751,621	-	751,621	-
Tennessee Emergency Communications Board 911 funding	-	-	961,832	961,832	-
Internal charges	-	-	-	-	4,388,242
Other	601,755	-	-	601,755	839,258
Total operating revenues	19,483,329	751,621	961,832	21,196,782	5,227,500
<b>Operating Expenses</b>					
Water purchased	7,785,415	-	-	7,785,415	-
Depreciation and amortization	3,154,581	262,469	68,513	3,485,563	-
Materials and supplies	257,942	-	31,800	289,742	279,096
Sewage treatment charges	3,247,469	-	-	3,247,469	-
Salaries and benefits	2,175,874	-	1,072,549	3,248,423	4,511,665
Maintenance	950,732	277,946	-	1,228,678	-
Utilities	363,491	139,978	-	503,469	-
Professional services	486,981	35,376	41,558	563,915	-
Communications	11,740	10,259	246,504	268,503	-
Other	372,169	1,590	7,081	380,840	-
Total operating expenses	18,806,394	727,618	1,468,005	21,002,017	4,790,761
Operating income (loss)	676,935	24,003	(506,173)	194,765	436,739
<b>Nonoperating revenues (expenses)</b>					
Interest income	58,844	8,145	5,832	72,821	11,232
Other	34,485	-	369,254	403,739	-
Interest expense	(512,403)	-	-	(512,403)	-
Total nonoperating revenues (expenses)	(419,074)	8,145	375,086	(35,843)	11,232
Income (loss) before contributions and transfers	257,861	32,148	(131,087)	158,922	447,971
Capital contributions, tap fees	1,336,175	-	-	1,336,175	-
Transfers in	-	-	484,700	484,700	-
Change in net position	1,594,036	32,148	353,613	1,979,797	447,971
Net position, beginning of year	79,724,669	5,216,691	2,628,824		4,337,812
Net position, end of year	<b>\$ 81,318,705</b>	<b>\$ 5,248,839</b>	<b>\$ 2,982,437</b>		<b>\$ 4,785,783</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				65,043	
Change in net position of business-type activities				<b>\$ 2,044,840</b>	

**City of Brentwood, Tennessee**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2021

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Water and Sewer</b>	<b>Municipal Center</b>	<b>Emergency Communications District</b>	<b>Total</b>	
<b>Cash flows from operating activities</b>					
Receipts from customers	\$ 20,726,137	\$ 748,256	\$ 959,901	\$ 22,434,294	\$ -
Receipts from internal services provided	-	-	-	-	5,060,202
Payments to suppliers	(15,042,478)	(463,151)	(300,741)	(15,806,370)	(4,814,371)
Payments to employees	(2,324,729)	-	(1,090,250)	(3,414,979)	-
Payments to other City funds	(23,813)	(1,102)	-	(24,915)	-
Net cash provided (used) by operating activities	3,335,117	284,003	(431,090)	3,188,030	245,831
<b>Cash flows from noncapital financing activities</b>					
Transfers from general fund	-	-	484,700	484,700	-
TECB subsidies	-	-	369,254	369,254	-
Net cash provided (used) by noncapital financing activities	-	-	853,954	853,954	-
<b>Cash flows from capital and related financing activities</b>					
Connection fees	1,370,660	-	-	1,370,660	-
Acquisition and construction of capital assets	(3,687,753)	(91,780)	-	(3,779,533)	-
Principal paid on long-term debt	(1,750,000)	-	-	(1,750,000)	-
Interest paid on long-term debt	(294,560)	-	-	(294,560)	-
Net cash provided (used) by capital and related financing activities	(4,361,653)	(91,780)	-	(4,453,433)	-
<b>Cash flows from investing activities</b>					
Interest and other income received	58,844	8,145	5,832	72,821	11,232
Net cash provided (used) by investing activities	58,844	8,145	5,832	72,821	11,232
Net change in cash and cash equivalents	(967,692)	200,368	428,696	(338,628)	257,063
Cash and cash equivalents, beginning of year	26,026,195	3,069,269	2,336,840	31,432,304	4,462,226
Cash and cash equivalents, end of year	<b>\$ 25,058,503</b>	<b>\$ 3,269,637</b>	<b>\$ 2,765,536</b>	<b>\$ 31,093,676</b>	<b>\$ 4,719,289</b>
<b>Reconciliation of amounts to statement of net position</b>					
Cash and cash equivalents	\$ 25,056,416	\$ 3,269,637	\$ 2,765,536	\$ 31,091,589	\$ 4,719,289
Restricted cash and cash equivalents	2,087	-	-	2,087	-
Cash and cash equivalents, end of year	<b>\$ 25,058,503</b>	<b>\$ 3,269,637</b>	<b>\$ 2,765,536</b>	<b>\$ 31,093,676</b>	<b>\$ 4,719,289</b>

Continued

**City of Brentwood, Tennessee**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2021

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Water and Sewer</b>	<b>Municipal Center</b>	<b>Emergency Communications District</b>	<b>Total</b>	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>					
Operating income (loss)	\$ 676,935	\$ 24,003	\$ (506,173)	\$ 194,765	\$ 436,739
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation and amortization	3,154,581	262,469	68,513	3,485,563	-
Change in:					
Accounts receivable	(81,808)	(3,365)	(1,931)	(87,104)	(180,974)
Due from other funds	(31)	-	-	(31)	3,639
Unbilled utility revenues	(46,044)	-	-	(46,044)	-
Inventories of supplies	25,740	-	-	25,740	(37,442)
Prepaid expenses	(1,517)	(7)	9,034	7,510	-
Accounts payable	2,020	2,005	5,479	9,504	5,277
Claims payable	-	-	-	-	8,555
Accrued salaries	15,823	-	22,146	37,969	-
Due to other funds	(23,782)	(1,102)	(23,967)	(48,851)	10,037
Other payables	(112,643)	-	-	(112,643)	-
Compensated absences, current portion	25,383	-	-	25,383	-
Retainage payable	(109,479)	-	-	(109,479)	-
Net pension and OPEB assets and liabilities	(724,334)	-	(321,213)	(1,045,547)	-
Deferred outflows of resources related to pensions and OPEB	51,547	-	56,316	107,863	-
Deferred inflows of resources related to pensions and OPEB	482,726	-	260,706	743,432	-
Net cash provided (used) by operating activities	<b>\$ 3,335,117</b>	<b>\$ 284,003</b>	<b>\$ (431,090)</b>	<b>\$ 3,188,030</b>	<b>\$ 245,831</b>

**City of Brentwood, Tennessee**  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2021

	<b>OPEB Trust</b>	<b>Custodial Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 5,097,161
Accounts receivable	4	1,362
Investments, mutual funds	15,292,430	-
Total assets	15,292,434	5,098,523
<b>Liabilities</b>		
Accounts payable	130,224	10,421
<b>Net Position</b>		
Restricted for		
OPEB	15,162,210	-
Individuals and organizations	-	5,088,102
Total net position	<b>\$ 15,162,210</b>	<b>\$ 5,088,102</b>



**City of Brentwood, Tennessee**  
Statement Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2021

	<b>OPEB Trust</b>	<b>Custodial Funds</b>
<b>Additions</b>		
Contributions		
Employer	\$ 1,198,912	\$ -
Private contributions	<u>-</u>	<u>262,798</u>
Total contributions	1,198,912	262,798
Investment earnings		
Interest	-	11,359
Net increase in the fair value of investments	<u>2,163,268</u>	<u>-</u>
Net investment earnings	2,163,268	11,359
Total additions	3,362,180	274,157
<b>Deductions</b>		
Benefits	312,849	-
Administrative expenses	7,299	-
Recipient payments	<u>-</u>	<u>230,955</u>
Total deductions	320,148	230,955
Change in fiduciary net position	3,042,032	43,202
Net position, beginning of year	<u>12,120,178</u>	<u>5,044,900</u>
Net position, end of year	<b>\$ 15,162,210</b>	<b>\$ 5,088,102</b>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 1. Summary of Significant Accounting Policies**

**Nature of Entity**

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

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

**Reporting Entity**

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

As of June 30, 2021 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 non-fiduciary activities of the City. For the most part, the effect of 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:

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 – results from restrictions placed on net position by external sources such as creditors, grantors, and contributors, or imposed by law through constitutional provisions or enabling legislation.

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 1. Summary of Significant Accounting Policies**

**Government-wide and Fund Financial Statements**

Unrestricted net position – consists of net position which does not meet the definition of the two preceding 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 Financial Statement 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 flows. 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 revenues 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 they are recognized as revenue.

The City reports the following major governmental funds:

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

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 1. Summary of Significant Accounting Policies**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

OPEB Trust – was established in 2008 to accumulate and fund other postemployment benefits (predominantly retiree health and life insurance) for qualified employees, based on minimum age and years of service as actuarially determined. Investments held in the OPEB Trust consist of diversified managed funds (see notes 3 and 9).

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

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.

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 1. Summary of Significant Accounting Policies**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer and the municipal center enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. The principal operating revenues of the ECD are emergency telephone service charges levied on residential and business service users. These fees are collected by the Tennessee Emergency Communications Board and remitted to the ECD. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not described above are reported as nonoperating revenues and expenses.

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.

**Use of Estimates**

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

**Cash and Cash Equivalents**

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

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

**Receivables**

All trade and property tax receivables are shown net of any allowance for uncollectible accounts (no allowances recorded as of June 30, 2021).

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 1. Summary of Significant Accounting Policies**

**Interfund Receivable/Payables**

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

**Inventories of Supplies and Prepaid Items**

Inventories of supplies are valued at cost using the first-in first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**Restricted Assets**

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

**Capital Assets**

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

The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. 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  
For the Fiscal Year Ended June 30, 2021

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**Note 1. Summary of Significant Accounting Policies**

**Compensated Absences**

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

All annual leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee terminations or retirements. The liability will be liquidated from the general fund, the water and sewer fund, and the ECD.

**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. Issuance costs are expensed in the period incurred.

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

**Governmental Fund Equity Classification**

In the governmental fund financial statements, the City has established and will maintain reservations of fund balances, as defined herein.

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

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 1. Summary of Significant Accounting Policies**

**Governmental Fund Equity Classification**

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

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

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

Fund balances classified as restricted are as follows:

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

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

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

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

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

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



**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 1. Summary of Significant Accounting Policies**

**Governmental Fund Equity Classification**

Fund balances classified as committed are as follows:

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

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

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

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

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

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

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

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. 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 (revenues) until that time.

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 1. Summary of Significant Accounting Policies**

**Deferred Outflows/Inflows of Resources**

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

**Property Tax**

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

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

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

Taxes were levied at a rate of \$0.36 per \$100 of assessed value for the year ended June 30, 2021. Payments may be made during the period from October 1 through February 28 of the subsequent calendar year, and property taxes become delinquent on March 1. Current tax collections of \$12,459,117 for the fiscal year ended June 30, 2021 were approximately 98.95% of the tax levy.

Of the \$12,958,165 of property taxes receivable at June 30, 2021, \$12,829,548 represents the estimated 2021 property taxes to be billed in October 2021. This receivable is reported in the balance sheet – governmental funds with offsetting deferred inflows of resources for the amounts not available at June 30, 2021. Amounts available at June 30, 2021 have been recorded as revenues in the governmental fund statements.

**Pensions – TCRS Legacy and Hybrid Plans**

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 1. Summary of Significant Accounting Policies**

**Other Postemployment Benefits (OPEB)**

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

**New Accounting Pronouncements**

The City adopted GASB Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Adoption of the statement had minimal impact on the City's financial statements. The City also early adopted GASB Statement No. 98, *The Annual Comprehensive Financial Report*, which establishes the term annual comprehensive financial report and its acronym ACFR.

**Note 2. Stewardship, Compliance, and Accountability**

**Budgetary Information**

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

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

**Excess Expenditures**

For the year ended June 30, 2021, expenditures did not exceed appropriations in any fund with the exception of the drug fund, which exceeded appropriations by \$816.

**Note 3. Deposits and Investments**

**Cash Deposits and Certificates of Deposit**

The City's cash and cash equivalents at June 30, 2021 were held by financial institutions which participate in the bank collateral pool administered by the Treasurer of the state of Tennessee. Participating banks determine the aggregate balance of their public fund accounts for the City. The amount of collateral required to secure these public deposits must be equal to 105% of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the State Treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 3. Deposits and Investments**

**Cash Deposits and Certificates of Deposit**

Custodial risk is the risk that, in the event of a bank failing, the City's deposits may not be returned. The City minimizes this risk by requiring full collateralization on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit, except when the institution issuing the certificate of deposit belongs to the state of Tennessee Bank Collateral Pool, as noted above. As of June 30, 2021, 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	\$ 118,607,307
Investments, certificates of deposit	-
Cash on hand	<u>1,384</u>
Total	<b>\$ 118,608,691</b>
Cash and cash equivalents	\$ 118,022,311
Cash and cash equivalents, restricted	<u>586,380</u>
Total	<b>\$ 118,608,691</b>

A summary of the City's policies for interest rate risk and credit risk are as follows:

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

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

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

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

**Cash and Investments of Pension Stabilization Reserve Trusts**

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 3. Deposits and Investments**

**Investments of OPEB Trust Fund**

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

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

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

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

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

The City has the following recurring fair value measurements as of June 30, 2021:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Core bond index	\$ -	\$ 2,024,221	\$ -	\$ 2,024,221
Conservative balanced portfolio	-	7,616,488	-	7,616,488
Moderate balanced portfolio	-	5,651,721	-	5,651,721
	<u>\$ -</u>	<u>\$ 15,292,430</u>	<u>\$ -</u>	<u>\$ 15,292,430</u>

All of the City's investments in the OPEB 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, and deductive liabilities, and dividing by the outstanding units in the fund.

Standard & Poor's ratings for the conservative growth and traditional growth funds are AA-. The average credit quality of the core bond index fund is deemed to be AA by the index provider.

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 4. Interfund Balances and Transactions**

Interfund receivables and payables are attributable to charges between funds that are outstanding as of June 30, 2021, and are as follows:

	<b>Interfund receivable</b>	<b>Interfund payable</b>
<b>Governmental Activities</b>		
General	\$ 179,887	\$ 165,870
Capital projects	-	154,009
Other governmental		
State street aid	124,301	-
Internal service	31,938	10,037
Internal payable created by internal service fund elimination	-	642,328
	<u>336,126</u>	<u>972,244</u>
Net governmental activities payable		<b>\$ 636,118</b>
<b>Business-type Activities</b>		
Water and sewer	\$ 31	\$ 4,945
Emergency Communications District	-	1,296
Internal receivable created by internal service fund elimination	642,328	-
	<u>642,359</u>	<u>6,241</u>
Net business-type activities receivable	<b>\$ 636,118</b>	

Interfund transfers for the year ended June 30, 2021 are attributable to the budgeted allocation of resources from one fund to another, and consist of the following:

	<b>Transfers in</b>			
	<b>Debt service</b>	<b>Capital projects</b>	<b>ECD</b>	<b>Total</b>
<b>Transfers out</b>				
General	\$ 6,061,600	\$ 10,655,000	\$ 484,700	\$ 17,201,300
Other governmental				
Public works	-	500,000	-	500,000
Adequate facilities	-	1,450,000	-	1,450,000
Total transfers	<u>\$ 6,061,600</u>	<u>\$ 12,605,000</u>	<u>\$ 484,700</u>	<u>\$ 19,151,300</u>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 4. Interfund Balances and Transactions**

Interfund revenues and expenditures/expenses for the year ended June 30, 2021, included the following:

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

The general fund and ECD also paid the municipal center fund rents totaling \$695,000 and \$31,800, respectively, for the year ended June 30, 2021, 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 fund for the year.

The water and sewer fund paid the general fund \$125,000 and \$100,000 for its space at the City's service center and for the GIS mapping fee, respectively, for the year ended June 30, 2021. Such amounts are included in uses of money and property reported by the general fund and in operating expenses reported by the water and sewer fund for the year.

The water and sewer fund and ECD contributed a total of \$155,330 (\$108,010 and \$47,320, respectively) to the OPEB trust fund for retiree benefits for the year ended June 30, 2021. These amounts are included in expenses for the respective funds. The general fund transferred \$980,344 from the current year contributions to the OPEB trust for the year ended June 30, 2021 (see note 9).

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2021, was as follows:

	<b>Beginning balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending balance</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 129,851,689	\$ 8,903,102	\$ -	\$ 138,754,791
Construction in progress	<u>19,179,329</u>	<u>25,080,254</u>	<u>(42,986,617)</u>	<u>1,272,966</u>
Total capital assets not being depreciated	149,031,018	33,983,356	(42,986,617)	140,027,757
Capital assets being depreciated				
Buildings and structures	23,141,557	26,130,789	-	49,272,346
Improvements other than buildings	17,594,450	594,459	-	18,188,909
Furniture, machinery, and equipment	32,579,003	3,884,856	(907,703)	35,556,156
Infrastructure	<u>262,578,123</u>	<u>16,158,724</u>	<u>(20,781)</u>	<u>278,716,066</u>
Total capital assets being depreciated	335,893,133	46,768,828	(928,484)	381,733,477
Less: accumulated depreciation				
Buildings and structures	(9,283,305)	(543,537)	-	(9,826,842)
Improvements other than buildings	(12,219,302)	(576,422)	-	(12,795,724)
Furniture, machinery, and equipment	(21,084,082)	(2,654,312)	894,149	(22,844,245)
Infrastructure	<u>(162,309,956)</u>	<u>(8,890,410)</u>	<u>2,078</u>	<u>(171,198,288)</u>
Total accumulated depreciation	<u>(204,896,645)</u>	<u>(12,664,681)</u>	<u>896,227</u>	<u>(216,665,099)</u>
Governmental activities capital assets, net	<b>\$ 280,027,506</b>	<b>\$ 68,087,503</b>	<b>\$ (43,018,874)</b>	<b>\$ 305,096,135</b>

Depreciation expense was charged to functions/programs for the year ended June 30, 2021, as follows:

General government	\$ 509,852
Public safety	923,461
Roads and streets	9,197,971
Parks and recreation	1,529,236
Public library	465,371
Drug education	<u>38,790</u>
Total depreciation expense, governmental activities	<b>\$ 12,664,681</b>



**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 5. Capital Assets**

	<b>Beginning balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending balance</b>
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 1,254,971	\$ 39,696	\$ -	\$ 1,294,667
Construction in progress	<u>1,050,312</u>	<u>3,426,152</u>	<u>(2,125,451)</u>	<u>2,351,013</u>
Total capital assets not being depreciated	2,305,283	3,465,848	(2,125,451)	3,645,680
Capital assets being depreciated				
Utility plant in service	123,286,980	2,204,439	-	125,491,419
Buildings, structures, and improvements	4,589,485	21,325	-	4,610,810
Improvements other than buildings	2,644,935	17,420	-	2,662,355
Machinery, equipment, and vehicles	<u>5,538,687</u>	<u>195,952</u>	<u>(35,336)</u>	<u>5,699,303</u>
Total capital assets being depreciated	136,060,087	2,439,136	(35,336)	138,463,887
Less: accumulated depreciation				
Utility plant in service	(54,956,786)	(2,977,806)	-	(57,934,592)
Buildings, structures, and improvements	(3,306,554)	(128,496)	-	(3,435,050)
Improvements other than buildings	(1,795,876)	(128,259)	-	(1,924,135)
Machinery, equipment, and vehicles	<u>(4,522,694)</u>	<u>(251,002)</u>	<u>35,336</u>	<u>(4,738,360)</u>
Total accumulated depreciation	<u>(64,581,910)</u>	<u>(3,485,563)</u>	<u>35,336</u>	<u>(68,032,137)</u>
Business-type activities capital assets, net	<b>\$ 73,783,460</b>	<b>\$ 2,419,421</b>	<b>\$ (2,125,451)</b>	<b>\$ 74,077,430</b>

Depreciation expense was charged to funds for the year ended June 30, 2021, as follows:

Water and sewer	\$ 3,154,581
Municipal center	262,469
Emergency Communications District	<u>68,513</u>
Total depreciation expense, business-type activities	<b>\$ 3,485,563</b>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 6. Long-term Liabilities**

During the year ended June 30, 2021, the changes in long-term liabilities were as follows:

	<b>Beginning balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending balance</b>	<b>Due within one year</b>
<b>Governmental Activities</b>					
General obligation bonds	\$ 29,655,000	\$ -	\$ (1,490,000)	\$ 28,165,000	\$ 2,065,000
Notes from direct borrowings and direct placements	3,006,000	-	(3,006,000)	-	-
Unamortized (discount) premium	1,205,330	-	(184,640)	1,020,690	-
Total bonds and notes	33,866,330	-	(4,680,640)	29,185,690	2,065,000
Compensated absences	3,463,777	1,638,380	(1,442,411)	3,659,746	1,450,000
Total governmental activities long-term liabilities	<b>\$ 37,330,107</b>	<b>\$ 1,638,380</b>	<b>\$ (6,123,051)</b>	<b>\$ 32,845,436</b>	<b>\$ 3,515,000</b>
<b>Business-type Activities</b>					
General obligation bonds, pledge of net revenues	\$ 18,715,000	\$ -	\$ (1,750,000)	\$ 16,965,000	\$ 1,550,000
Unamortized (discount) premium	644,257	-	(152,985)	491,272	-
Total bonds	19,359,257	-	(1,902,985)	17,456,272	1,550,000
Compensated absences	394,113	171,725	(128,452)	437,386	145,000
Total business-type activities long-term liabilities	<b>\$ 19,753,370</b>	<b>\$ 171,725</b>	<b>\$ (2,031,437)</b>	<b>\$ 17,893,658</b>	<b>\$ 1,695,000</b>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 6. Long-term Liabilities**

Amounts payable for governmental activities at June 30, 2021, were as follows:

\$7,385,000 2011 General Obligation Public Improvement Refunding Bonds, due in varying annual installments through September 1, 2024, at varying rates of interest from 2.00% to 3.00%	\$ 795,000
\$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%	980,000
\$3,250,000 2012 General Obligation Public Improvement Refunding Bonds, due in increasing annual installments through September 1, 2025, at 2.00% interest rate	1,630,000
\$4,895,000 2013 General Obligation Refunding and Public Improvement Bonds, due in increasing annual installments through September 1, 2033, at varying rates of interest from 2.00% to 3.75%	3,465,000
\$3,035,000 2016 General Obligation Refunding Bonds, due in increasing annual installments through March 1, 2030, at a 2.00% interest rate	2,635,000
\$3,030,000 2017 General Obligation Refunding Bonds, due in increasing annual installments through September 1, 2027, at varying rates of interest from 2.00% to 3.00%	2,175,000
\$2,040,000 2017A General Obligation Refunding Bonds, due in increasing annual installments through September 1, 2031, at varying rates of interest from 2.50% to 4.00%	2,040,000
\$14,445,000 2019 General Obligation Public Improvement Bonds, due in increasing annual installments through September 1, 2039, at varying rates of interest from 2.00% to 5.00%	14,445,000
Total governmental activities	28,165,000
Unamortized premium	<u>1,020,690</u>
	<b>\$ 29,185,690</b>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 6. Long-term Liabilities**

Amounts payable for business-type activities at June 30, 2021, were as follows:

\$10,000,000 2010 General Obligation Public Improvement Bonds, due in increasing annual installments through March 1, 2025, at varying rates of interest from 2.00% to 4.00%	\$ 2,035,000
\$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%	4,110,000
\$3,300,000 2013 General Obligation Refunding and Public Improvement Bonds, due in increasing annual installments through September 1, 2033, at varying rates of interest from 2.00% to 3.75%	2,335,000
\$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%	4,990,000
\$3,495,000 2017A General Obligation Refunding Bonds, due in increasing annual installments through September 1, 2030, at varying rates of interest from 2.50% to 4.00%	3,495,000
Total business-type activities debt	16,965,000
Unamortized premium	<u>491,272</u>
	<b>\$ 17,456,272</b>

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 its full faith and credit are pledged. These obligations are payable from the assessment of ad valorem taxes.

The water and sewer fund issues revenue and tax bonds, which are collateralized by the revenues of the water services department. The fund has also issued general obligation bonds to provide resources 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 contain provisions that, in the event of default, the lenders can exercise one or more of the following options: 1) make the outstanding bond payable due and payable immediately, with accrued interest, or 2) use any other remedy permitted by state or federal law.

**Bond Refundings and Prepayments**

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 6. Long-term Liabilities**

**Bond Refundings and Prepayments**

Total defeased debt as of June 30, 2021, was \$3,006,000.

**Debt Service Requirements**

The annual debt service requirements to maturity for all long-term obligations outstanding as of June 30, 2021 are as follows:

Year	Governmental Activities		Business-type Activities		Total	
	Bonds		Bonds			
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 2,065,000	\$ 773,844	\$ 1,550,000	\$ 426,813	\$ 3,615,000	\$ 1,200,657
2023	2,115,000	712,419	1,585,000	392,553	3,700,000	1,104,972
2024	2,185,000	648,071	1,625,000	356,556	3,810,000	1,004,627
2025	2,245,000	580,456	1,665,000	319,382	3,910,000	899,838
2026	2,110,000	511,515	1,695,000	270,379	3,805,000	781,894
2027-2031	8,375,000	1,709,911	7,795,000	661,207	16,170,000	2,371,118
2032-2036	5,375,000	800,180	1,050,000	41,700	6,425,000	841,880
2037-2040	<u>3,695,000</u>	<u>197,071</u>	<u>-</u>	<u>-</u>	<u>3,695,000</u>	<u>197,071</u>
	<b>\$ 28,165,000</b>	<b>\$ 5,933,467</b>	<b>\$ 16,965,000</b>	<b>\$ 2,468,590</b>	<b>\$ 45,130,000</b>	<b>\$ 8,402,057</b>

**Note 7. Deferred Outflows and Inflows of Resources**

Deferred outflows of resources consist of the following at June 30, 2021:

	Governmental Activities	Business-type Activities
Deferred outflows of resources		
Advance refunding of debt	\$ 354,369	\$ 257,907
Pension related items	3,761,709	442,271
OPEB related items	<u>1,024,137</u>	<u>162,269</u>
	<b>\$ 5,140,215</b>	<b>\$ 862,447</b>

Deferred inflows of resources consist of the following at June 30, 2021:

	Governmental Activities	Business-type Activities
Deferred inflows of resources		
Property taxes		
2021 estimated levy	\$ 12,829,548	\$ -
Estimated Hall Income tax	575,000	-
Other	101,342	-
Pension related items	690,106	101,407
OPEB related items	<u>5,226,861</u>	<u>828,167</u>
	<b>\$ 19,422,857</b>	<b>\$ 929,574</b>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 7. Deferred Outflows and Inflows of Resources**

The general fund also reports deferred inflows of resources relating to delinquent property taxes of \$128,617.

**Note 8. Pension Plans**

**General Information**

*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 publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reportingand-Investment-Policies>.

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

*Benefits Provided – TCRS Legacy*

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

*Benefits Provided – TCRS Hybrid*

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 8. Pension Plans**

**General Information**

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

*Employees Covered by Benefit Terms*

At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

*TCRS Legacy*

	<b>City</b>	<b>ECD</b>
Inactive employees or beneficiaries currently receiving benefits	126	1
Inactive employees entitled to but not yet receiving benefits	224	6
Active employees	<u>230</u>	<u>9</u>
	<b>580</b>	<b>16</b>

*TCRS Hybrid*

	<b>City</b>	<b>ECD</b>
Inactive employees or beneficiaries currently receiving benefits	-	-
Inactive employees entitled to but not yet receiving benefits	5	-
Active employees	<u>25</u>	<u>2</u>
	<b>30</b>	<b>2</b>

The TCRS Legacy plans are closed to new entrants.

*Contributions – TCRS Legacy*

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5% of salary. 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, 2021, employer contributions for the City were \$2,114,414, based on a rate of 15.50% (public safety) and 12.00% (general government) of covered payroll. The employer contributions for the ECD were \$70,165 based on a rate of 12.00% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 8. Pension Plans**

**General Information**

*Contributions – TCRS Hybrid*

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5% of salary. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2021, the employer contributions for the City were \$43,532 based on a rate of 2.85% (public safety) and 2.00% (general government) of covered payroll. The employer contributions for the ECD were \$1,621 based on a rate of 1.10% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

**Net Pension Liabilities (Assets)**

The City's net pension liabilities (assets) were measured as of June 30, 2020, and the total pension liabilities used to calculate net pension liabilities (assets) were determined by actuarial valuations as of that date.

*Actuarial Assumptions*

The total pension liabilities as of the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Graded salary ranges from 8.72% to 3.44%, based on age, including inflation, and averaging 4.00%
Investment rate of return	7.25%, net of pension plan investment expenses, including inflation
Cost of living adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2020 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.

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%. 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:



**City of Brentwood, Tennessee**  
Notes to Financial Statements  
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**Note 8. Pension Plans**

**Net Pension Liabilities (Assets)**

<b>Asset class</b>	<b>Long-term expected real rate of return</b>	<b>Target allocation</b>
US 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%
US fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	1%
		<b>100%</b>

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 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.

**Changes in the Net Pension Liability (Asset) – TCRS Legacy**

*City Plan*

	<b>Total pension liability (a)</b>	<b>Plan fiduciary net position (b)</b>	<b>Net pension liability (asset) (a)-(b)</b>
Balance, June 30, 2019	\$ 64,371,911	\$ 70,957,763	\$ (6,585,852)
Service cost	1,444,859	-	1,444,859
Interest	4,692,340	-	4,692,340
Experience differences	191,599	-	191,599
Changes in assumptions	-	-	-
Contributions, employer	-	2,184,009	(2,184,009)
Contributions, employee	-	313,494	(313,494)
Net investment income	-	3,526,683	(3,526,683)
Benefit payments, including refunds of employee contributions	(2,189,682)	(2,189,682)	-
Administrative expenses	-	(20,951)	20,951
Net change	<u>4,139,116</u>	<u>3,813,553</u>	<u>325,563</u>
Balance, June 30, 2020	<b>\$ 68,511,027</b>	<b>\$ 74,771,316</b>	<b>\$ (6,260,289)</b>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 8. Pension Plans**

**Changes in the Net Pension Liability (Asset) – TCRS Legacy**

*ECD Plan*

	<b>Total pension liability (a)</b>	<b>Plan fiduciary net position (b)</b>	<b>Net pension liability (asset) (a)-(b)</b>
Balance, June 30, 2019	\$ 187,989	\$ 357,288	\$ (169,299)
Service cost	73,421	-	73,421
Interest	18,915	-	18,915
Experience differences	(21,609)	-	(21,609)
Changes in assumptions	-	-	-
Contributions, employer	-	66,337	(66,337)
Contributions, employee	-	27,641	(27,641)
Net investment income	-	20,007	(20,007)
Benefit payments, including refunds of employee contributions	(1,015)	(1,015)	-
Administrative expenses	-	(797)	797
Net change	<u>69,712</u>	<u>112,173</u>	<u>(42,461)</u>
Balance, June 30, 2020	<b>\$ 257,701</b>	<b>\$ 469,461</b>	<b>\$ (211,760)</b>

**Changes in the Net Pension Liability (Asset) – TCRS Hybrid**

*City Plan*

	<b>Total pension liability (a)</b>	<b>Plan fiduciary net position (b)</b>	<b>Net pension liability (asset) (a)-(b)</b>
Balance, June 30, 2019	\$ -	\$ 673	\$ (673)
Service cost	3,552	-	3,552
Interest	207	-	207
Experience differences	56,721	-	56,721
Changes in benefit terms	-	-	-
Contributions, employer	-	16,780	(16,780)
Contributions, employee	-	40,911	(40,911)
Net investment income	-	1,384	(1,384)
Benefit payments, including refunds of employee contributions	(1,384)	(1,384)	-
Administrative expenses	-	(1,875)	1,875
Net change	<u>59,096</u>	<u>55,816</u>	<u>3,280</u>
Balance, June 30, 2020	<b>\$ 59,096</b>	<b>\$ 56,489</b>	<b>\$ 2,607</b>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 8. Pension Plans**

**Changes in the Net Pension Liability (Asset) – TCRS Hybrid**

*ECD Plan*

	<b>Total pension liability (a)</b>	<b>Plan fiduciary net position (b)</b>	<b>Net pension liability (asset) (a)-(b)</b>
Balance, June 30, 2019	\$ -	\$ -	\$ -
Service cost	-	-	-
Interest	-	-	-
Experience differences	-	-	-
Changes in benefit terms	2,568	-	2,568
Contributions, employer	-	803	(803)
Contributions, employee	-	3,650	(3,650)
Net investment income	-	106	(106)
Benefit payments, including refunds of employee contributions	-	-	-
Administrative expenses	-	(177)	177
Net change	<u>2,568</u>	<u>4,382</u>	<u>(1,814)</u>
Balance, June 30, 2020	<b>\$ 2,568</b>	<b>\$ 4,382</b>	<b>\$ (1,814)</b>

*Sensitivity of the Net Pension Liability 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% lower (6.25%) or 1% higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
City TCRS Legacy net pension liability (asset)	\$ 3,254,594	\$ (6,260,289)	\$ (14,150,635)
ECD TCRS Legacy net pension liability (asset)	(160,379)	(211,760)	(252,386)
City TCRS Hybrid net pension liability (asset)	20,996	2,607	(10,795)
ECD TCRS Hybrid net pension liability (asset)	(702)	(1,814)	(2,563)

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

*Pension Expense (Negative Pension Expense)*

For the year ended June 30, 2021, the City recognized pension expense (negative pension expense) of \$1,203,710 and \$51,737 for the City and ECD Legacy plans, respectively, and (\$48,322) and (\$1,050) for the City and ECD Hybrid plans, respectively.

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 8. Pension Plans**

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

*Deferred Outflows of Resources and Deferred Inflows of Resources*

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the Legacy pension plans from the following sources:

*City TCRS Legacy Plan*

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Change in proportion on conversion from City Plan to ECD Plan in 2018	\$ -	\$ 43,976
Differences between expected and actual experience	950,599	703,079
Changes in assumptions	354,082	-
Net difference between projected and actual earnings on pension plan investments	568,555	-
Contributions subsequent to the measurement date of June 30, 2020	<u>2,114,414</u>	<u>-</u>
	<b>\$ 3,987,650</b>	<b>\$ 747,055</b>

*ECD TCRS Legacy Plan*

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Change in proportion on conversion from City Plan to ECD Plan in 2018	\$ 43,976	\$ -
Differences between expected and actual experience	-	44,458
Net difference between projected and actual earnings on pension plan investments	6,068	-
Contributions subsequent to the measurement date of June 30, 2020	<u>70,165</u>	<u>-</u>
	<b>\$ 120,209</b>	<b>\$ 44,458</b>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2020," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

<b>Year ended June 30,</b>	<b>City</b>	<b>ECD</b>
2022	\$ 46,338	\$ 15,489
2023	473,644	15,832
2024	220,710	(5,832)
2025	473,411	(5,721)
2026	-	(7,568)
Thereafter	-	(6,614)

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 8. Pension Plans**

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

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the Hybrid pension plans from the following sources:

*City TCRS Hybrid Plan*

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ 50,419	\$ -
Net difference between projected and actual earnings on pension plan investments	510	-
Contributions subsequent to the measurement date of June 30, 2020	<u>43,532</u>	<u>-</u>
	<b>\$ 94,461</b>	<b>\$ -</b>

*ECD TCRS Hybrid Plan*

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	39	-
Contributions subsequent to the measurement date of June 30, 2020	<u>1,621</u>	<u>-</u>
	<b>\$ 1,660</b>	<b>\$ -</b>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2020," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

<b>Year ended June 30,</b>	<b>City</b>	<b>ECD</b>
2022	\$ 6,430	\$ 10
2023	6,430	10
2024	6,430	10
2025	6,430	9
2026	6,302	-
Thereafter	18,907	-

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 8. Pension Plans**

**Payable to the Pension Plans**

At June 30, 2021, the City had payables in the amount of \$191,490 and \$7,212 relating to required contributions to the City and ECD plans, respectively.

**Allocation of Pension-related Activity**

The pension-related activity has been allocated to the governmental activities and respective business-type activities by use of an allocation ratio derived from the fiscal year 2021 pension contributions. A summary of the pension-related activity follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Net pension liabilities (assets)	\$ (5,739,985)	\$ (731,271)
Deferred outflows	3,761,709	442,271
Deferred inflows	690,106	101,407

**Note 9. OPEB Plan and Trust**

**General Information about the OPEB Plan**

*Plan Administration*

The City's OPEB Plan is administered through a trust that meets the definition set forth in GASB Statement No. 74. The plan does not issue separate financial statements and, accordingly, all required disclosures are included in the City's financial statements. The management of the OPEB Plan is vested in the Board.

*Plan Description*

The City administers a postemployment 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 benefit levels, employee contributions, and employer contributions are governed by the City and can be amended by the City, through the Board.

*Plan Membership*

Membership in the plan consisted of the following at January 1, 2021, the date of the latest actuarial valuation:

Active participants	277
Vested former participants	2
Retired participants	35
Total	<u>314</u>

*Benefits Provided*

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 9. OPEB Plan and Trust**

**General Information about the OPEB Plan**

For eligible employees hired post July 1, 2005 who are not eligible for health insurance coverage from or through another employer, the City pays a share of the cost for group health insurance coverage for the retired employee based upon years of full-time service at the time of retirement. If the retiree elects to cover their eligible dependents, the retiree will be required to pay 100% of the additional cost for this dependent coverage. The retiree medical plan is assumed to be the primary source of benefits prior to age 65. For eligible retirees who have reached age 65, and who were hired prior to July 1, 2005, the City reimburses the cost of the Medicare supplement plan for the retiree. For those eligible retirees who have reached age 65, were hired prior to July 1, 2005, and retired after July 1, 2002, the City's reimbursement of the cost of a Medicare supplement plan is limited to the actual cost of the supplemental policy or 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. 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 2021, the City's general fund, water and sewer fund, and ECD collectively contributed \$1,198,912 to the Trust and withdrew \$312,849 to pay benefits. All contributions were made by the employer (no contributions by active or retired employees). Employer contributions are calculated as 7.07% of covered payroll for fiscal year 2021.

**Investments**

*Investment Policy*

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

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

**Investments**

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

	<b>Target allocation</b>	<b>Investment mix</b>
Core bond index	30%	75% bonds; 25% stocks
Conservative balanced portfolio	40%	60% bonds; 40% stocks
Moderate balanced portfolio	30%	40% bonds; 60% stocks

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 9. OPEB Plan and Trust**

**Investments**

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

*Rate of Return*

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 17.1%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for changing amounts actually invested.

**Total OPEB Liability**

*Actuarial Assumptions*

The total OPEB liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all parties included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	4.00% per annum, average, including inflation
Investment rate of return	6.75%, net of expenses, including inflation
Mortality	PubS-2010 (Fire/Police) and PubG-2010 (non-uniformed employees) head-count weighted mortality tables, including rates for disabled retirees; rates projected generationally using Scale MP-2020 to reflect mortality improvement

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

*Changes in Assumptions*

In 2021, the trend assumption was updated from 7.50% to 5.50%. The mortality assumption was also updated. It is now assumed that Police and Fire supervisors are to retire upon reaching age 62 and 20 years of service. For active employees, spouses are assumed to be the same age.

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, 2021 (see the discussion of the OPEB investment policy) are summarized in the following table:

<b>Asset class</b>	<b>Investment mix</b>	<b>Long-term expected real rate of return</b>
Core bond index	96% bonds, 0% stocks, 4% other	4.50%
Conservative balanced portfolio	60% bonds, 40% stocks, 0% other	6.15%
Moderate balanced portfolio	40% bonds, 60% stocks, 0% other	6.80%



**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 9. OPEB Plan and Trust**

**Total OPEB Liability**

*Discount Rate*

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

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

	<b>Total OPEB liability (a)</b>	<b>Plan fiduciary net position (b)</b>	<b>Net OPEB liability (asset) (a)-(b)</b>
Balance, June 30, 2020	\$ 18,929,457	\$ 12,120,178	\$ 6,809,279
Service cost	540,999	-	540,999
Interest	1,302,370	-	1,302,370
Difference between expected and actual experience	(6,457,501)	-	(6,457,501)
Changes in assumptions	(203,029)	-	(203,029)
Contributions, employer	-	1,198,912	(1,198,912)
Net investment income	-	2,163,268	(2,163,268)
Benefits paid, including refunds of employee contributions	(312,849)	(312,849)	-
Other	(12,238)	-	(12,238)
Administrative expenses	-	(7,299)	7,299
Net change	<u>(5,142,248)</u>	<u>3,042,032</u>	<u>(8,184,280)</u>
Balance, June 30, 2021	<b>\$ 13,787,209</b>	<b>\$ 15,162,210</b>	<b>\$ (1,375,001)</b>

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

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

	<b>1% Decrease (5.75%)</b>	<b>Current rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
Net OPEB liability (asset)	\$ 118,600	\$ (1,375,001)	\$ (2,340,740)

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 9. OPEB Plan and Trust**

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

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

The following presents the net OPEB liability (asset) of the City, as well as what the City's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1% lower (4.50% decreasing to 3.00%) or 1% higher (6.50% decreasing to 5.00%) over 54 years than the current healthcare cost trend rates:

	<b>4.50% decreasing to 3.00% over 54 years</b>	<b>5.50% decreasing to 4.00% over 54 years</b>	<b>6.50% decreasing to 5.00% over 54 years</b>
Net OPEB liability (asset)	\$ (2,339,488)	\$ (1,375,001)	\$ 130,495

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

*OPEB Expense*

For the year ended June 30, 2021, the City recognized negative OPEB expense of (\$1,484,697).

*Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Difference between expected and actual experience	\$ 17,947	\$ 5,870,455
Changes in assumptions	1,157,330	184,572
Net difference between projected and actual earnings	<u>11,129</u>	<u>-</u>
	<b>\$ 1,186,406</b>	<b>\$ 6,055,027</b>

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

<b>Year ended June 30,</b>	
2022	\$ (367,475)
2023	(367,476)
2024	(409,669)
2025	(493,655)
2026	(412,351)
Thereafter	(2,817,997)

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 9. OPEB Plan and Trust**

**Amounts Payable to the OPEB Plan**

At June 30, 2021, the City had no payables relating to contributions to the Plan.

**Allocation of OPEB-related Activity**

The OPEB-related activity has been allocated to the governmental activities and respective business-type activities of the City by use of an allocation ratio derived from the fiscal year 2021 OPEB contributions. A summary of the OPEB-related activity follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Net OPEB liability (asset)	\$ (1,186,896)	\$ (188,105)
Deferred outflows	1,024,137	162,269
Deferred inflows	5,226,861	828,167

**Note 10. Deferred Compensation Plans**

The City offers its employees deferred compensation plans created in accordance with Internal Revenue Code Sections 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 to 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 contributed to 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. 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 contributed to 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. The City's match for the year ended June 30, 2021 totaled \$386,190.

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 11. Reconciliation of General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to Expenditures on the Budgetary Comparison Statement**

For the budget ordinance, the City budgets separately for two funds previously reported as special revenue funds, but which no longer meet the definition 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 changes in fund balance - governmental funds and general fund budget to actual to demonstrate how the two statements reconcile in terms of the total change in fund balance:

	<b>Governmental funds statement</b>	<b>Budget to actual statement</b>	<b>Difference</b>
<b>Revenues</b>			
Uses of money and property	\$ 686,965	\$ 474,403	\$ 212,562
Other	-	172,390	(172,390)
<b>Expenditures</b>			
General government	7,693,738	7,973,219	279,481
Public safety	17,338,330	17,303,590	(34,740)
Roads and streets	5,848,161	5,445,257	(402,904)
Parks and recreation	2,751,341	2,431,271	(320,070)
Public library	2,909,391	2,541,865	(367,526)
Community support	438,136	410,780	(27,356)
<b>Other Financing Uses</b>			
Transfers out	17,201,300	19,301,300	2,100,000
<b>Committed Activity Budgeted Separately</b>			
Net change			
Equipment replacement	-	947,605	(947,605)
Facilities maintenance	-	479,370	(479,370)
Postemployment benefits	-	(144,918)	144,918
Net change in fund balance	<b>\$ (2,026,599)</b>	<b>\$ (2,026,599)</b>	<b>\$ -</b>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 12. Risk Management**

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

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

Effective January 1, 2011, the City terminated its fully-insured employee group health insurance plan, and established a partially self-funded insurance plan, coupled with the existing city-funded HRA. Under the partially self-funded insurance plan, which is administered by Blue Cross Blue Shield of Tennessee, the City is liable through the HRA for up to \$5,500 of the first \$6,500 of individual employee claims, with the employee being liable for up to \$1,000 out of pocket. The City then assumes liability for additional individual medical claims up to \$85,000. To help mitigate losses from high-dollar medical claims beyond the HRA-combined City and employee liability of \$90,500 and the employee's out-of-pocket maximum of \$1,000 (total of \$91,500 funded amount), the City purchased catastrophic insurance coverage plans for specific stop loss and aggregate stop loss coverage. Specific stop loss coverage limits the City's potential liability for individual catastrophic claims by covering all costs for an individual member once those costs exceed \$85,000 over and above the HRA-funded amount and employee out-of-pocket maximum. Aggregate stop loss coverage caps the City's liability for all claims in the entire plan at an agreed-upon dollar amount. In calendar year 2021, the aggregate stop loss threshold is \$3.848 million.

Revenues of the fund include budgeted amounts from each City fund with personnel assigned to it, as well as employee payroll deductions from those employees who elect to cover dependents under the City's plan. Expenses of the fund include premium costs for the City's stop-loss coverage, administrative fees charged by Blue Cross Blue Shield, HRA claims expenses, and medical claims expenses from the partially self-funded health plans and fully-insured vision plans. Other expenses include the CareHere Clinic and healthcare consultant services. The HRA and partially self-funded plans are administered by Blue Cross Blue Shield and the City is invoiced weekly for such claims. HRA liabilities also include an amount for claims that have been incurred prior to June 30, 2021, but not reported.

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**Note 12. Risk Management**

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

	<b>2021</b>	<b>2020</b>
Unpaid claims, beginning of fiscal year	\$ 111,953	\$ 198,911
Incurred claims	3,216,544	2,635,032
Claim payments	<u>(3,207,989)</u>	<u>(2,721,990)</u>
Unpaid claims, end of fiscal year	<b>\$ 120,508</b>	<b>\$ 111,953</b>

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

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

**Note 13. Contingent Liabilities**

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

**Note 14. Commitments**

Construction commitments amounting to approximately \$1,644,000 and \$974,000 were outstanding as of June 30, 2021, for governmental activities and business-type activities (Water and Sewer Fund), respectively.

**Note 15. Economic Dependency**

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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**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 each year for a 10-year period and the company maintains its headquarters within the City. The company also committed to certain full-time equivalent employee levels. The City's portion of the abatement cannot exceed \$37,500 annually and \$375,000 in the aggregate. For the fiscal year ended June 30, 2021, the City abated property taxes totaling \$37,500. Future abatements are expected to be \$112,500 over the remainder of the agreement.

**Note 17. Prior Period Adjustment**

A prior period adjustment of \$1,606,010 was made to the governmental activities and general fund to increase previously stated net positions of \$339,250,994 and \$51,861,835, respectively. The correction of an error was made to properly state various taxes collected by the state and remitted to the City.

In addition, certain reclassifications have been made to the beginning balances of the business-type activities (Water and Sewer Fund) to conform to the current year presentation.

**Note 18. Subsequent Events**

On July 9, 2021, the City received \$483,081, a direct appropriation grant from the State of Tennessee. There was no requirement to file a plan of use for the grant funds. This appropriation is intended to assist local governments due to the COVID-19 pandemic.

On November 1, 2021, the City, as a non-entitlement unit of local government, received \$6,347,146, passed through the State, from the U.S. Treasury. This amount represents the first half of the City's total \$12,694,292 allocation from the Coronavirus State and Local Fiscal Recovery Funds, a part of the American Rescue Plan Act of 2021.

On December 3, 2021, The City issued \$4,790,000 in General Obligation Public Improvement Bonds (Series 2021A, tax-exempt). The bonds were issued to finance the construction of extensions and improvements to the water and sewer system. The City also issued \$6,910,000 in General Obligation Refunding Bonds (Series 2021B, federally taxable). The Series 2021B bonds partially refunded Series 2012 General Obligation Public Improvement Bonds and Series 2013 General Obligation Refunding and Public Improvement Bonds.

On December 10, 2021, the City used \$1,345,000 in available reserves in the Debt Service Fund to redeem the outstanding maturities of Series 2011 General Obligation Public Improvement Refunding Bonds (\$600,000) and the Series 2011 General Obligation Public Improvement Bonds (\$745,000).

## Required Supplementary Information





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

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 1,444,859	\$ 1,385,143	\$ 1,327,442	\$ 1,156,664	\$ 1,150,624	\$ 1,150,999	\$ 1,122,965
Interest	4,692,340	4,377,106	4,201,625	3,902,973	3,650,234	3,399,040	3,254,114
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	191,599	656,937	(1,361,854)	1,078,095	(132,928)	(47,643)	(1,467,509)
Changes in assumptions	-	-	-	1,062,242	-	-	-
Benefit payments/refunds	<u>(2,189,682)</u>	<u>(2,072,008)</u>	<u>(1,536,967)</u>	<u>(1,376,938)</u>	<u>(1,231,286)</u>	<u>(1,074,254)</u>	<u>(936,262)</u>
Net change in total pension liability	4,139,116	4,347,178	2,630,246	5,823,036	3,436,644	3,428,142	1,973,308
Total pension liability, beginning	<u>64,371,911</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>	<u>42,733,357</u>
Total pension liability, ending (a)	68,511,027	64,371,911	60,024,733	57,394,487	51,571,451	48,134,807	44,706,665
<b>Plan Fiduciary Net Position</b>							
Contributions, employer	2,184,009	2,486,210	2,358,892	2,709,932	2,306,684	2,329,112	2,269,893
Contributions, employee	313,494	314,511	262,129	229,356	161,462	141,959	117,752
Net investment income	3,526,683	4,892,886	4,968,751	5,969,974	1,363,718	1,454,368	6,499,814
Benefit payments, including refunds of employee contributions	<u>(2,189,682)</u>	<u>(2,072,008)</u>	<u>(1,536,967)</u>	<u>(1,376,938)</u>	<u>(1,231,286)</u>	<u>(1,074,254)</u>	<u>(936,262)</u>
Administrative expenses	<u>(20,951)</u>	<u>(22,778)</u>	<u>(24,115)</u>	<u>(20,973)</u>	<u>(18,055)</u>	<u>(12,513)</u>	<u>(11,223)</u>
Net change in plan fiduciary net position	3,813,553	5,598,821	6,028,690	7,511,351	2,582,523	2,838,672	7,939,974
Plan fiduciary net position, beginning	<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>	<u>38,457,732</u>
Plan fiduciary net position, ending (b)	74,771,316	70,957,763	65,358,942	59,330,252	51,818,901	49,236,378	46,397,706
Net pension liability (asset), ending (a)-(b)	<b>\$ (6,260,289)</b>	<b>\$ (6,585,852)</b>	<b>\$ (5,334,209)</b>	<b>\$ (1,935,765)</b>	<b>\$ (247,450)</b>	<b>\$ (1,101,571)</b>	<b>\$ (1,691,041)</b>
Plan fiduciary net position as a percentage of total pension liability	109.14%	110.23%	108.89%	103.37%	100.48%	102.29%	103.78%
Covered payroll	\$ 15,741,010	\$ 15,695,065	\$ 14,892,532	\$ 14,575,800	\$ 13,431,688	\$ 13,642,197	\$ 13,468,614
Net pension liability (asset) as a percentage of covered payroll	-39.77%	-41.96%	-35.82%	-13.28%	-1.84%	-8.07%	-12.56%

**Notes to Schedule**

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

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

Information in this schedule is presented for the fiscal year. The measurement year is the prior period (i.e., the measurement date for fiscal year 2021, is June 30, 2020).

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

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially-determined contribution	\$ 2,113,794	\$ 1,132,510	\$ 1,375,000	\$ 1,304,501	\$ 2,300,061	\$ 2,306,684	\$ 2,329,112	\$ 2,269,893
Contributions in relation to the								
actuarially-determined contribution	2,114,414	2,184,009	2,486,210	2,358,892	2,709,932	2,306,684	2,329,112	2,269,893
Contribution deficiency (excess)	<u>\$ (620)</u>	<u>\$ (1,051,499)</u>	<u>\$ (1,111,210)</u>	<u>\$ (1,054,391)</u>	<u>\$ (409,871)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 15,240,374	\$ 15,741,010	\$ 15,695,065	\$ 14,892,532	\$ 14,575,800	\$ 13,431,688	\$ 13,642,197	\$ 13,468,614
Contributions as a percentage of covered payroll	13.87%	13.87%	15.84%	15.84%	18.59%	17.17%	17.07%	16.85%

**Notes to Schedule**

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

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

Actuarially determined contribution rates for fiscal year 2021 were calculated based on the June 30, 2019 actuarial valuation.

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Amortization period	Varies by year
Asset valuation	10-year smoothed, within a 20.00% corridor to market value
Inflation	2.50%
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 adjustment for some anticipated improvement
Cost-of-living adjustment	2.25%

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

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 3,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	207	-	-	-	-	-	-
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	56,721	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-
Benefit payments/refunds	(1,384)	-	-	-	-	-	-
Net change in total pension liability	59,096	-	-	-	-	-	-
Total pension liability, beginning	-	-	-	-	-	-	-
Total pension liability, ending (a)	59,096	-	-	-	-	-	-
<b>Plan Fiduciary Net Position</b>							
Contributions, employer	16,780	199	-	-	-	-	-
Contributions, employee	40,911	542	-	-	-	-	-
Net investment income	1,384	23	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,384)	-	-	-	-	-	-
Administrative expenses	(1,875)	(91)	-	-	-	-	-
Net change in plan fiduciary net position	55,816	673	-	-	-	-	-
Plan fiduciary net position, beginning	673	-	-	-	-	-	-
Plan fiduciary net position, ending (b)	56,489	673	-	-	-	-	-
Net pension liability (asset), ending (a)-(b)	\$ 2,607	\$ (673)	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position as a percentage of total pension liability	95.59%	0.00%	n/a	n/a	n/a	n/a	n/a
Covered payroll	\$ 818,205	\$ 10,844	n/a	n/a	n/a	n/a	n/a
Net pension liability (asset) as a percentage of covered payroll	0.32%	-6.21%	n/a	n/a	n/a	n/a	n/a

**Notes to Schedule**

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

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 2021, is June 30, 2020).

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

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially-determined contribution	\$ 43,532	\$ 16,780	\$ 199	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially-determined contribution	43,532	16,780	199	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,806,645	\$ 818,205	\$ 10,844	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	2.41%	2.05%	1.84%	n/a	n/a	n/a	n/a	n/a

**Notes to Schedule**

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

Actuarially determined contribution rates for fiscal year 2021 were calculated based on the June 30, 2019 actuarial valuation.

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Amortization period	Varies by year
Asset valuation	10-year smoothed, within a 20.00% corridor to market value
Inflation	2.50%
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 adjustment for some anticipated improvement
Cost-of-living adjustment	2.25%

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

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 73,421	\$ 79,353	\$ 71,053	\$ -	\$ -	\$ -	\$ -
Interest	18,915	13,236	9,202	-	-	-	-
Changes in benefit terms	-	-	-	55,869	-	-	-
Differences between expected and actual experience	(21,609)	(6,662)	(31,765)	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-
Benefit payments/refunds	(1,015)	(2,297)	-	-	-	-	-
Net change in total pension liability	69,712	83,630	48,490	55,869	-	-	-
Total pension liability, beginning	187,989	104,359	55,869	-	-	-	-
Total pension liability, ending (a)	257,701	187,989	104,359	55,869	-	-	-
<b>Plan Fiduciary Net Position</b>							
Contributions, employer	66,337	82,802	91,689	68,554	-	-	-
Contributions, employee	27,641	29,572	29,053	21,722	-	-	-
Net investment income	20,007	20,978	12,819	5,069	-	-	-
Benefit payments, including refunds of employee contributions	(1,015)	(2,297)	-	-	-	-	-
Administrative expenses	(797)	(906)	(974)	(793)	-	-	-
Net change in plan fiduciary net position	112,173	130,149	132,587	94,552	-	-	-
Plan fiduciary net position, beginning	357,288	227,139	94,552	-	-	-	-
Plan fiduciary net position, ending (b)	469,461	357,288	227,139	94,552	-	-	-
Net pension liability (asset), ending (a)-(b)	\$ (211,760)	\$ (169,299)	\$ (122,780)	\$ (38,683)	\$ -	\$ -	\$ -
Plan fiduciary net position as a percentage of total pension liability	182.17%	190.06%	217.65%	169.24%	n/a	n/a	n/a
Covered payroll	\$ 552,811	\$ 591,445	\$ 581,046	\$ 434,433	n/a	n/a	n/a
Net pension liability (asset) as a percentage of covered payroll	-38.31%	-28.62%	-21.13%	-8.90%	n/a	n/a	n/a

**Notes to Schedule**

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

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

Information in this schedule is presented for the fiscal year. The measurement year is the prior period (i.e., the measurement date for fiscal year 2021, is June 30, 2020).

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

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially-determined contribution	\$ 33,504	\$ 38,531	\$ 44,122	\$ 91,689	\$ 68,554	\$ -	\$ -	\$ -
Contributions in relation to the								
actuarially-determined contribution	70,165	66,337	82,802	91,689	68,554	-	-	-
Contribution deficiency (excess)	<b>\$ (36,661)</b>	<b>\$ (27,806)</b>	<b>\$ (38,680)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 584,708	\$ 552,811	\$ 591,445	\$ 581,046	\$ 434,433	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	12.00%	12.00%	14.00%	15.78%	15.78%	n/a	n/a	n/a

**Notes to Schedule**

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

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

Actuarially determined contribution rates for fiscal year 2021 were calculated based on the June 30, 2019 actuarial valuation.

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Amortization period	Varies by year
Asset valuation	10-year smoothed, within a 20.00% corridor to market value
Inflation	2.50%
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 adjustment for some anticipated improvement
Cost-of-living adjustment	2.25%

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

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-
Changes in benefit terms	2,568	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-
Benefit payments/refunds	-	-	-	-	-	-	-
Net change in total pension liability	2,568	-	-	-	-	-	-
Total pension liability, beginning	-	-	-	-	-	-	-
Total pension liability, ending (a)	2,568	-	-	-	-	-	-
<b>Plan Fiduciary Net Position</b>							
Contributions, employer	803	-	-	-	-	-	-
Contributions, employee	3,650	-	-	-	-	-	-
Net investment income	106	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-	-	-	-	-
Administrative expenses	(177)	-	-	-	-	-	-
Net change in plan fiduciary net position	4,382	-	-	-	-	-	-
Plan fiduciary net position, beginning	-	-	-	-	-	-	-
Plan fiduciary net position, ending (b)	4,382	-	-	-	-	-	-
Net pension liability (asset), ending (a)-(b)	\$ (1,814)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position as a percentage of total pension liability	170.64%	n/a	n/a	n/a	n/a	n/a	n/a
Covered payroll	\$ 73,008	n/a	n/a	n/a	n/a	n/a	n/a
Net pension liability (asset) as a percentage of covered payroll	-2.48%	n/a	n/a	n/a	n/a	n/a	n/a

**Notes to Schedule**

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

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 2021, is June 30, 2020).

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

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially-determined contribution	\$ 1,621	\$ 803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially-determined contribution	1,621	803	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 147,364	\$ 73,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	1.10%	1.10%	n/a	n/a	n/a	n/a	n/a	n/a

**Notes to Schedule**

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

Actuarially determined contribution rates for fiscal year 2021 were calculated based on the June 30, 2019 actuarial valuation.

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Amortization period	Varies by year
Asset valuation	10-year smoothed, within a 20.00% corridor to market value
Inflation	2.50%
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 adjustment for some anticipated improvement
Cost-of-living adjustment	2.25%



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

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

**Notes to Schedule**

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

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

	2021	2020	2019	2018	2017
Actuarially-determined contribution	\$ 1,198,912	\$ 1,169,119	\$ 957,978	\$ 968,650	\$ 740,388
Contributions in relation to the					
actuarially-determined contribution	1,198,912	1,169,119	957,978	968,650	740,388
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 16,947,057	\$ 15,983,860	\$ 15,218,908	\$ 13,693,223	\$ 13,294,391
Contributions as a percentage					
of covered-employee payroll	7.07%	7.31%	6.29%	7.07%	5.57%

**Notes to Schedule**

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

In 2021, the trend assumption was updated from 7.50% to 5.50%. The mortality assumption was also updated. It is now assumed that Police and Fire supervisors are to retire upon reaching age 62 and 20 years of service. For active employees, spouses are assumed to be the same age.

Actuarial valuation as of January 1, 2021 for the fiscal year ended June 30, 2021.

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Average working lifetime of all participants, currently 10 years
Asset valuation	3-year smoothed market
Inflation	3.00%
Healthcare cost trend rate	5.50% in 2020 through 2023, grading uniformly from 5.40% in 2024 to 4.00% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
Salary increases	4.00% average annually, including inflation
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Vary by age from 10% at age 55 to 100% at age 65, with 20 years of City service
	50% at age 55 to 100% at age 60 for Fire/Police (Non-Supv), w/ 20 yrs of svc
	100% at age 62 with 20 years of service for Fire/Police (Supv), w/ 20 yrs of svc
Mortality	PubS-2010 (Fire/Police) and PubG-2010 (non-uniformed employees) head-count weighted mortality tables, including rates for disabled retirees; rates projected generationally using Scale MP-2020 to reflect mortality improvement

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

	2021	2020	2019	2018	2017
Annual money-weighted rate of return	17.10%	4.89%	5.58%	4.71%	7.82%

**Notes to Schedule**

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

## **Combining and Individual Fund Financial Statements and Schedules**



## **City of Brentwood, Tennessee**

### **Nonmajor Governmental Funds**

#### **Special Revenue Funds**

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

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

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

#### **Nonmajor Capital Projects Funds**

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

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

**City of Brentwood, Tennessee**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021

	<b>Special Revenue</b>			<b>Capital Projects</b>		<b>Total</b>
	<b>State Street Aid</b>	<b>Drug</b>	<b>e-Citation</b>	<b>Public Works</b>	<b>Adequate School Facilities</b>	<b>Nonmajor Governmental</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 1,736,559	\$ -	\$ 1,046	\$ 1,336,192	\$ 770,764	\$ 3,844,561
Receivables						
Taxes	292,478	-	-	-	59,818	352,296
Accounts	416	118	19	320	185	1,058
Due from other funds	124,301	-	-	-	-	124,301
Prepaid items and deposits	-	260	-	-	-	260
Restricted cash and cash equivalents	-	459,859	-	-	-	459,859
Total assets	<b>\$ 2,153,754</b>	<b>\$ 460,237</b>	<b>\$ 1,065</b>	<b>\$ 1,336,512</b>	<b>\$ 830,767</b>	<b>\$ 4,782,335</b>
<b>Liabilities and Fund Balances</b>						
Liabilities						
Accounts payable	\$ 353,305	\$ 18,808	\$ -	\$ -	\$ -	\$ 372,113
Fund balances						
Nonspendable	-	260	-	-	-	260
Restricted for						
Capital projects	-	-	-	1,336,512	830,767	2,167,279
Street repairs	1,800,449	-	-	-	-	1,800,449
Drug enforcement and education	-	441,169	-	-	-	441,169
Citation equipment	-	-	1,065	-	-	1,065
Total fund balances	<u>1,800,449</u>	<u>441,429</u>	<u>1,065</u>	<u>1,336,512</u>	<u>830,767</u>	<u>4,410,222</u>
Total liabilities and fund balances	<b>\$ 2,153,754</b>	<b>\$ 460,237</b>	<b>\$ 1,065</b>	<b>\$ 1,336,512</b>	<b>\$ 830,767</b>	<b>\$ 4,782,335</b>

**City of Brentwood, Tennessee**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2021

	<b>Special Revenue</b>			<b>Capital Projects</b>		<b>Total Nonmajor Governmental</b>
	<b>State Street Aid</b>	<b>Drug</b>	<b>e-Citation</b>	<b>Public Works</b>	<b>Adequate School Facilities</b>	
<b>Revenues</b>						
Licenses and permits	\$ -	\$ -	\$ -	\$ 839,342	\$ -	\$ 839,342
Fines and fees	-	-	1,064	-	-	1,064
Intergovernmental						
Gasoline and motor fuel tax	815,461	-	-	-	-	815,461
Three cent tax	235,568	-	-	-	-	235,568
Gas 1989 tax	127,132	-	-	-	-	127,132
Gas 2017 tax	410,158	-	-	-	-	410,158
Adequate school facilities tax	-	-	-	-	592,369	592,369
Uses of money and property	2,582	1,044	1	2,934	1,175	7,736
Other	-	21,892	-	-	-	21,892
Total revenues	1,590,901	22,936	1,065	842,276	593,544	3,050,722
<b>Expenditures</b>						
Roads and streets, street repairs	497,847	-	-	-	-	497,847
Drug education	-	39,139	-	-	-	39,139
Total expenditures	497,847	39,139	-	-	-	536,986
Excess (deficiency) of revenues over expenditures	1,093,054	(16,203)	1,065	842,276	593,544	2,513,736
<b>Other Financing Sources (Uses)</b>						
Transfers in (out)	-	-	-	(500,000)	(1,450,000)	(1,950,000)
Net change in fund balances	1,093,054	(16,203)	1,065	342,276	(856,456)	563,736
Fund balances, beginning of year	707,395	457,632	-	994,236	1,687,223	3,846,486
Fund balances, end of year	<b>\$ 1,800,449</b>	<b>\$ 441,429</b>	<b>\$ 1,065</b>	<b>\$ 1,336,512</b>	<b>\$ 830,767</b>	<b>\$ 4,410,222</b>

**City of Brentwood, Tennessee**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds  
State Street Aid  
For the Fiscal Year Ended June 30, 2021

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance from final budget + / (-)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Licenses and permits				
Public works project fees	\$ -	\$ -	\$ -	\$ -
Fines and fees				
e-Citation fees	-	-	-	-
Intergovernmental				
Gasoline and motor fuel tax	1,405,000	1,405,000	815,461	(589,539)
Three cent tax	-	-	235,568	235,568
Gas 1989 tax	-	-	127,132	127,132
Gas 2017 tax	-	-	410,158	410,158
Adequate school facilities tax	-	-	-	-
Uses of money and property	500	500	2,582	2,082
Other				
Drug-related fines and contributions	-	-	-	-
Total revenues	<u>1,405,500</u>	<u>1,405,500</u>	<u>1,590,901</u>	<u>185,401</u>
<b>Expenditures</b>				
Roads and streets, street repairs	1,135,000	1,135,000	497,847	637,153
Drug education	-	-	-	-
Total expenditures	<u>1,135,000</u>	<u>1,135,000</u>	<u>497,847</u>	<u>637,153</u>
Excess (deficiency) of revenues over expenditures	270,500	270,500	1,093,054	(451,752)
<b>Other Financing Sources (Uses)</b>				
Transfers	-	-	-	-
Net change in fund balance	270,500	270,500	1,093,054	(451,752)
Fund balance, beginning of year	<u>707,395</u>	<u>707,395</u>	<u>707,395</u>	
Fund balance, end of year	<b>\$ 977,895</b>	<b>\$ 977,895</b>	<b>\$ 1,800,449</b>	



**City of Brentwood, Tennessee**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds  
Drug  
For the Fiscal Year Ended June 30, 2021

	<b>Budgeted amounts</b>		<b>Actual</b>	<b>Variance from</b>
	<b>Original</b>	<b>Final</b>	<b>amounts</b>	<b>final budget</b>
				<b>+ / (-)</b>
<b>Revenues</b>				
Licenses and permits				
Public works project fees	\$ -	\$ -	\$ -	\$ -
Fines and fees				
e-Citation fees	-	-	-	-
Intergovernmental				
Gasoline and motor fuel tax	-	-	-	-
Three cent tax	-	-	-	-
Gas 1989 tax	-	-	-	-
Gas 2017 tax	-	-	-	-
Adequate school facilities tax	-	-	-	-
Uses of money and property	50	50	1,044	994
Other				
Drug-related fines and contributions	<u>20,000</u>	<u>20,000</u>	<u>21,892</u>	<u>1,892</u>
Total revenues	<u>20,050</u>	<u>20,050</u>	<u>22,936</u>	<u>2,886</u>
<b>Expenditures</b>				
Roads and streets, street repairs	-	-	-	-
Drug education	<u>20,000</u>	<u>38,323</u>	<u>39,139</u>	<u>816</u>
Total expenditures	<u>20,000</u>	<u>38,323</u>	<u>39,139</u>	<u>816</u>
Excess (deficiency) of revenues over expenditures	50	(18,273)	(16,203)	2,070
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	-	-	-
Net change in fund balance	50	(18,273)	(16,203)	2,070
Fund balance, beginning of year	<u>457,632</u>	<u>457,632</u>	<u>457,632</u>	
Fund balance, end of year	<b>\$ 457,682</b>	<b>\$ 439,359</b>	<b>\$ 441,429</b>	

**City of Brentwood, Tennessee**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds  
e-Citation  
For the Fiscal Year Ended June 30, 2021

	<b>Budgeted amounts</b>		<b>Actual</b>	<b>Variance from</b>
	<b>Original</b>	<b>Final</b>	<b>amounts</b>	<b>final budget</b>
				<b>+ / (-)</b>
<b>Revenues</b>				
Licenses and permits				
Public works project fees	\$ -	\$ -	\$ -	\$ -
Fines and fees				
e-Citation fees	4,500	4,500	1,064	(3,436)
Intergovernmental				
Gasoline and motor fuel tax	-	-	-	-
Three cent tax	-	-	-	-
Gas 1989 tax	-	-	-	-
Gas 2017 tax	-	-	-	-
Adequate school facilities tax	-	-	-	-
Uses of money and property	-	-	1	1
Other				
Drug-related fines and contributions	-	-	-	-
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>1,065</u>	<u>(3,435)</u>
<b>Expenditures</b>				
Roads and streets, street repairs	-	-	-	-
Drug education	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	4,500	4,500	1,065	(3,435)
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	-	-	-
Net change in fund balance	4,500	4,500	1,065	(3,435)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance, end of year	<b>\$ 4,500</b>	<b>\$ 4,500</b>	<b>\$ 1,065</b>	

**City of Brentwood, Tennessee**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds  
Public Works Projects  
For the Fiscal Year Ended June 30, 2021

	<b>Budgeted amounts</b>		<b>Actual</b>	<b>Variance from</b>
	<b>Original</b>	<b>Final</b>	<b>amounts</b>	<b>final budget</b>
				<b>+ / (-)</b>
<b>Revenues</b>				
Licenses and permits				
Public works project fees	\$ 610,000	\$ 610,000	\$ 839,342	\$ 229,342
Fines and fees				
e-Citation fees	-	-	-	-
Intergovernmental				
Gasoline and motor fuel tax	-	-	-	-
Three cent tax	-	-	-	-
Gas 1989 tax	-	-	-	-
Gas 2017 tax	-	-	-	-
Adequate school facilities tax	-	-	-	-
Uses of money and property	150	150	2,934	2,784
Other				
Drug-related fines and contributions	-	-	-	-
Total revenues	<u>610,150</u>	<u>610,150</u>	<u>842,276</u>	<u>232,126</u>
<b>Expenditures</b>				
Roads and streets, street repairs	-	-	-	-
Drug education	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	610,150	610,150	842,276	232,126
<b>Other Financing Sources (Uses)</b>				
Transfers out	(500,000)	(500,000)	(500,000)	-
Net change in fund balance	110,150	110,150	342,276	232,126
Fund balance, beginning of year	<u>994,236</u>	<u>994,236</u>	<u>994,236</u>	
Fund balance, end of year	<b>\$ 1,104,386</b>	<b>\$ 1,104,386</b>	<b>\$ 1,336,512</b>	

**City of Brentwood, Tennessee**

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds  
Adequate School Facilities  
For the Fiscal Year Ended June 30, 2021

	<b>Budgeted amounts</b>		<b>Actual</b>	<b>Variance from</b>
	<b>Original</b>	<b>Final</b>	<b>amounts</b>	<b>final budget</b>
				<b>+ / (-)</b>
<b>Revenues</b>				
Licenses and permits				
Public works project fees	\$ -	\$ -	\$ -	\$ -
Fines and fees				
e-Citation fees	-	-	-	-
Intergovernmental				
Gasoline and motor fuel tax	-	-	-	-
Three cent tax	-	-	-	-
Gas 1989 tax	-	-	-	-
Gas 2017 tax	-	-	-	-
Adequate school facilities tax	450,000	450,000	592,369	142,369
Uses of money and property	500	500	1,175	675
Other				
Drug-related fines and contributions	-	-	-	-
Total revenues	<u>450,500</u>	<u>450,500</u>	<u>593,544</u>	<u>143,044</u>
<b>Expenditures</b>				
Roads and streets, street repairs	-	-	-	-
Drug education	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	450,500	450,500	593,544	143,044
<b>Other Financing Sources (Uses)</b>				
Transfers out	(1,450,000)	(1,450,000)	(1,450,000)	-
Net change in fund balance	(999,500)	(999,500)	(856,456)	143,044
Fund balance, beginning of year	<u>1,687,223</u>	<u>1,687,223</u>	<u>1,687,223</u>	
Fund balance, end of year	<b>\$ 687,723</b>	<b>\$ 687,723</b>	<b>\$ 830,767</b>	

**City of Brentwood, Tennessee**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
Debt Service  
For the Year Ended June 30, 2021

	<b>Budgeted amounts</b>		<b>Actual</b>	<b>Variance from</b>
	<b>Original</b>	<b>Final</b>	<b>amounts</b>	<b>final budget</b>
				<b>+ / (-)</b>
<b>Revenues</b>				
Uses of money and property				
Interest	\$ 2,000	\$ 2,000	\$ 4,330	\$ 2,330
<b>Expenditures</b>				
Debt service				
Principal	1,490,000	1,490,000	1,490,000	-
Interest	917,315	917,315	884,031	33,284
Other				
Bank service charges	6,000	6,000	5,333	667
Total expenditures	2,413,315	2,413,315	2,379,364	33,951
Deficiency of revenues under expenditures	(2,411,315)	(2,411,315)	(2,375,034)	36,281
<b>Other Financing Sources (Uses)</b>				
Transfers in from general fund	3,350,000	6,061,600	6,061,600	-
Payments to refunded bond escrow agent	(260,000)	(2,971,600)	(3,006,000)	(34,400)
Total other financing sources (uses)	3,090,000	3,090,000	3,055,600	(34,400)
Net change in fund balance	678,685	678,685	680,566	1,881
Fund balance, beginning of year	3,347,499	3,347,499	3,347,499	
Fund balance, end of year	<b>\$ 4,026,184</b>	<b>\$ 4,026,184</b>	<b>\$ 4,028,065</b>	

**City of Brentwood, Tennessee**  
Internal Service Funds

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

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

**City of Brentwood, Tennessee**  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2021

	Fuel	Insurance	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 827,594	\$ 3,891,695	\$ 4,719,289
Receivables			
Accounts	204	180,764	180,968
Due from other funds	28,058	3,880	31,938
Inventory	<u>59,926</u>	<u>-</u>	<u>59,926</u>
Total assets	915,782	4,076,339	4,992,121
<b>Liabilities</b>			
Accounts payable	\$ 22,790	\$ 53,003	\$ 75,793
Claims payable	-	120,508	120,508
Due to other funds	<u>-</u>	<u>10,037</u>	<u>10,037</u>
Total liabilities	22,790	183,548	206,338
<b>Net Position</b>			
Unrestricted	<u>892,992</u>	<u>3,892,791</u>	<u>4,785,783</u>
Total net position	\$ 892,992	\$ 3,892,791	\$ 4,785,783

**City of Brentwood, Tennessee**  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2021

	<b>Fuel</b>	<b>Insurance</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for sales and services	\$ 313,860	\$ 4,074,382	\$ 4,388,242
Other	<u>-</u>	<u>839,258</u>	<u>839,258</u>
Total operating revenues	313,860	4,913,640	5,227,500
<b>Operating Expenses</b>			
Cost of sales and services	279,096	4,511,665	4,790,761
Operating income (loss)	34,764	401,975	436,739
Nonoperating revenues			
Other income	1,906	9,326	11,232
Net change in net position	36,670	411,301	447,971
Net position, beginning of year	<u>856,322</u>	<u>3,481,490</u>	<u>4,337,812</u>
Net position, end of year	<b>\$ 892,992</b>	<b>\$ 3,892,791</b>	<b>\$ 4,785,783</b>



**City of Brentwood, Tennessee**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2021

	Fuel	Insurance	Total
<b>Cash flows from operating activities</b>			
Receipts from interfund services provided	\$ 321,174	\$ 4,739,028	\$ 5,060,202
Payments to suppliers	<u>(295,300)</u>	<u>(4,519,071)</u>	<u>(4,814,371)</u>
Net cash provided (used) by operating activities	25,874	219,957	245,831
<b>Cash flows from investing activities</b>			
Other income received	1,906	9,326	11,232
Net change in cash	27,780	229,283	257,063
Cash and cash equivalents, beginning of year	<u>799,814</u>	<u>3,662,412</u>	<u>4,462,226</u>
Cash and cash equivalents, end of year	<b>\$ 827,594</b>	<b>\$ 3,891,695</b>	<b>\$ 4,719,289</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>			
Operating income (loss)	\$ 34,764	\$ 401,975	\$ 436,739
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Change in:			
Receivables			
Accounts	(205)	(180,769)	(180,974)
Due from other funds	7,519	(3,880)	3,639
Inventory	(37,442)	-	(37,442)
Accounts payable	21,238	(15,961)	5,277
Claims payable	-	8,555	8,555
Due to other funds	<u>-</u>	<u>10,037</u>	<u>10,037</u>
Net cash provided (used) by operating activities	<b>\$ 25,874</b>	<b>\$ 219,957</b>	<b>\$ 245,831</b>

## Other Schedules



**City of Brentwood, Tennessee**  
Schedule of Changes in Property Tax Receivable  
General Fund  
For the Fiscal Year Ended June 30, 2021

<b>Tax Year</b>	<b>Balance July 1, 2020</b>	<b>Property tax levied</b>	<b>Anticipated levy</b>	<b>Abatements and adjustments</b>	<b>Collections</b>	<b>Balance June 30, 2021</b>
2021	\$ -	\$ -	\$ 12,829,548	\$ -	\$ -	\$ 12,829,548
2020	12,615,625	12,591,085	(12,615,625)	(33,823)	(12,459,117)	98,145
2019	140,491	-	-	3,036	(127,445)	16,082
2018	27,391	-	-	(3,179)	(20,697)	3,515
2017	3,699	-	-	(75)	(1,144)	2,480
2016	2,217	-	-	(74)	(512)	1,631
2015	2,437	-	-	(86)	(243)	2,108
2014	1,215	-	-	(17)	(218)	980
2013	1,089	-	-	-	(16)	1,073
2012	1,210	-	-	-	-	1,210
2011	1,393	-	-	-	-	1,393
2010	5,452	-	-	(5,452)	-	-
	<b>\$ 12,802,219</b>	<b>\$ 12,591,085</b>	<b>\$ 213,923</b>	<b>\$ (39,670)</b>	<b>\$ (12,609,392)</b>	<b>\$ 12,958,165</b>

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

**City of Brentwood, Tennessee**  
Schedule of Changes in Long-term Debt by Individual Issue  
For the Fiscal Year Ended June 30, 2021

Description of indebtedness	Original amount of issue	Interest rate	Date of issue	Last maturity date	Outstanding July 1, 2020	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding June 30, 2021
<b>Governmental Activities</b>									
<i>General obligation bonds</i>									
Payable through debt service fund									
2011 General Obligation Public Improvement Refunding Bonds	\$ 7,385,000	2.00 to 3.00%	9/12/2011	9/1/2024	\$ 985,000	\$ -	\$ (190,000)	\$ -	\$ 795,000
2011 General Obligation Public Improvement Bonds	4,845,000	3.00 to 3.625%	9/12/2011	9/1/2031	1,205,000	-	(225,000)	-	980,000
2012 General Obligation Public Improvement Refunding Bonds	3,250,000	2.00%	5/4/2012	9/1/2025	1,935,000	-	(305,000)	-	1,630,000
2013 General Obligation Refunding and Public Improvement Bonds	4,895,000	2.00 to 3.75%	9/4/2013	9/1/2033	3,685,000	-	(220,000)	-	3,465,000
2016 General Obligation Refunding Bonds	3,035,000	2.00%	6/3/2016	3/1/2030	2,900,000	-	(265,000)	-	2,635,000
2017 General Obligation Refunding Bonds	3,030,000	2.00 to 3.00%	2/3/2017	9/1/2027	2,460,000	-	(285,000)	-	2,175,000
2017A General Obligation Refunding Bonds	2,040,000	2.50 to 4.00%	12/7/2017	9/1/2031	2,040,000	-	-	-	2,040,000
2019 General Obligation Public Improvement Bonds	14,445,000	2.00 to 5.00%	9/12/2019	9/1/2039	14,445,000	-	-	-	14,445,000
Total bonds payable through debt service fund					<b>\$ 29,655,000</b>	<b>\$ -</b>	<b>\$ (1,490,000)</b>	<b>\$ -</b>	<b>\$ 28,165,000</b>
<i>Notes from direct borrowings and direct placements</i>									
Payable through capital projects fund									
2018A General Obligation Capital Outlay Note	\$ 1,750,000	3.24%	2/21/2018	3/1/2030	\$ 1,503,000	\$ -	\$ (130,000)	\$ (1,373,000)	\$ -
2018B General Obligation Capital Outlay Note	1,750,000	3.24%	3/21/2018	3/1/2030	1,503,000	-	(130,000)	(1,373,000)	-
Total notes payable through capital projects fund					<b>\$ 3,006,000</b>	<b>\$ -</b>	<b>\$ (260,000)</b>	<b>\$ (2,746,000)</b>	<b>\$ -</b>
<b>Business-type Activities</b>									
<i>General obligation bonds, pledge of net revenues</i>									
Payable through water and sewer fund									
2010 Water and Sewer Improvements Bonds	\$ 10,000,000	2.00 to 4.00%	9/21/2010	3/1/2031	\$ 2,515,000	\$ -	\$ (480,000)	\$ -	\$ 2,035,000
2012 Water and Sewer Improvements Bonds	6,560,000	2.00 to 2.625%	5/4/2012	9/1/2031	4,440,000	-	(330,000)	-	4,110,000
2013 Water and Sewer Improvements Bonds	3,300,000	2.00 to 3.75%	9/4/2013	9/1/2033	2,485,000	-	(150,000)	-	2,335,000
2016 Water and Sewer Refunding Bonds	6,315,000	2.00%	6/3/2016	3/1/2029	5,555,000	-	(565,000)	-	4,990,000
2017 Water and Sewer Refunding Bonds	860,000	2.00 to 3.00%	2/3/2017	9/1/2027	225,000	-	(225,000)	-	-
2017A Water and Sewer Refunding Bonds	3,495,000	2.50 to 4.00%	12/7/2017	9/1/2031	3,495,000	-	-	-	3,495,000
Total bonds payable through water and sewer fund					<b>\$ 18,715,000</b>	<b>\$ -</b>	<b>\$ (1,750,000)</b>	<b>\$ -</b>	<b>\$ 16,965,000</b>

**City of Brentwood, Tennessee**  
Schedule of Debt Service Requirements - General Obligation Bonds  
June 30, 2021

Year	2011 G.O. Refunding Bonds		2011 G.O. Public Improvement Bonds		2012 G.O. Refunding Bonds		2013 G.O. Public Improvement Bonds		2016 G.O. Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 195,000	\$ 18,469	\$ 235,000	\$ 25,875	\$ 315,000	\$ 29,450	\$ 225,000	\$ 104,388	\$ 270,000	\$ 52,700
2023	195,000	13,838	240,000	18,750	320,000	23,100	230,000	99,694	275,000	47,300
2024	200,000	8,775	250,000	11,400	325,000	16,650	235,000	94,459	280,000	41,800
2025	205,000	3,075	255,000	3,825	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	-	-
Total	\$ 795,000	\$ 44,157	\$ 980,000	\$ 59,850	\$ 1,630,000	\$ 82,700	\$ 3,465,000	\$ 815,947	\$ 2,635,000	\$ 270,900

Year	2017 G.O. Refunding Bonds		2017A G.O. Refunding Bonds		2019 G.O. Public Improvement Bond		Total G.O. Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 290,000	\$ 40,768	\$ -	\$ 63,300	\$ 535,000	\$ 438,894	\$ 2,065,000	\$ 773,844
2023	295,000	34,918	-	63,300	560,000	411,519	2,115,000	712,419
2024	305,000	28,918	-	63,300	590,000	382,769	2,185,000	648,071
2025	310,000	22,768	-	63,300	620,000	352,519	2,245,000	580,456
2026	315,000	16,518	265,000	58,000	655,000	320,644	2,110,000	511,515
2027	325,000	10,118	270,000	47,300	685,000	287,144	1,835,000	444,675
2028	335,000	3,434	285,000	36,200	715,000	255,719	1,900,000	381,741
2029	-	-	295,000	26,812	740,000	234,019	1,615,000	332,831
2030	-	-	300,000	19,375	755,000	219,069	1,655,000	294,957
2031	-	-	310,000	11,750	770,000	203,819	1,370,000	255,707
2032	-	-	315,000	3,938	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
Total	\$ 2,175,000	\$ 157,442	\$ 2,040,000	\$ 456,575	\$ 14,445,000	\$ 4,045,896	\$ 28,165,000	\$ 5,933,467

**City of Brentwood, Tennessee**  
Schedule of Debt Service Requirements - Business-type Activities Debt Obligations  
June 30, 2021

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		2017A Water and Sewer Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 490,000	\$ 55,350	\$ 335,000	\$ 88,888	\$ 150,000	\$ 70,350	\$ 575,000	\$ 99,800	\$ -	\$ 112,425
2023	500,000	42,487	340,000	82,138	155,000	67,203	590,000	88,300	-	112,425
2024	515,000	28,737	350,000	75,238	160,000	63,656	600,000	76,500	-	112,425
2025	530,000	14,575	355,000	68,188	165,000	59,694	615,000	64,500	-	112,425
2026	-	-	365,000	60,988	165,000	55,466	630,000	52,200	535,000	101,725
2027	-	-	370,000	53,406	170,000	50,750	645,000	39,600	555,000	79,925
2028	-	-	380,000	45,200	175,000	45,575	660,000	26,700	580,000	57,225
2029	-	-	390,000	36,294	180,000	40,025	675,000	13,500	595,000	38,188
2030	-	-	395,000	26,725	190,000	33,775	-	-	610,000	23,125
2031	-	-	410,000	16,406	195,000	27,038	-	-	620,000	7,750
2032	-	-	420,000	5,512	200,000	19,875	-	-	-	-
2033	-	-	-	-	210,000	12,188	-	-	-	-
2034	-	-	-	-	220,000	4,125	-	-	-	-
Total	<b>\$ 2,035,000</b>	<b>\$ 141,149</b>	<b>\$ 4,110,000</b>	<b>\$ 558,983</b>	<b>\$ 2,335,000</b>	<b>\$ 549,720</b>	<b>\$ 4,990,000</b>	<b>\$ 461,100</b>	<b>\$ 3,495,000</b>	<b>\$ 757,638</b>

Year	Total BTA Debt Obligations	
	Principal	Interest
2022	\$ 1,550,000	\$ 426,813
2023	1,585,000	392,553
2024	1,625,000	356,556
2025	1,665,000	319,382
2026	1,695,000	270,379
2027	1,740,000	223,681
2028	1,795,000	174,700
2029	1,840,000	128,007
2030	1,195,000	83,625
2031	1,225,000	51,194
2032	620,000	25,387
2033	210,000	12,188
2034	220,000	4,125
Total	<b>\$ 16,965,000</b>	<b>\$ 2,468,590</b>

**City of Brentwood, Tennessee**  
Schedule of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2021

Grantor / Pass-through Grantor	Program name	Assistance listing	Contract number	Expenditures
<b>Federal Awards</b>				
Department of Justice / N/A - Direct	Equitable Sharing Program	16.922	N/A	\$ 18,323
Department of Transportation/ Tennessee Department of Transportation	<u>Highway Planning and Construction Cluster</u> Highway Planning and Construction (Federal-Aid Highway Program)	20.205	94946-2634-14	80,000
U.S. Department of the Treasury / Tennessee Department of Finance and Administration	COVID-19 - Coronavirus Relief Fund	21.019	N/A	637,530
Department of Homeland Security / Tennessee Emergency Management Agency	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	EMAC 1883-RSA-10022	2,190
		97.036	EMAC 1885-RSA-10042	<u>2,919</u>
Total disaster grants-public assistance				5,109
Total federal awards				740,962
<b>State Financial Assistance</b>				
Tennessee Department of Revenue	Governors Relief Grant	N/A	N/A	967,954
Total federal awards and state financial assistance				<b>\$ 1,708,916</b>

**Notes**

Note 1. **Basis of Presentation**

This schedule of expenditures of federal awards and state financial assistance summarizes the expenditures of the City under programs of the federal and state governments for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, change in net position, or cash flows of the City. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2. **Indirect Cost Rate**

The City has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

## Statistical Section





## Statistical Section (Unaudited)

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

### Contents

	Page
Financial Trends These schedules contain trend information to help readers understand how the City's financial performance and well-being have changed over time.	106 – 112
Revenue Capacity These schedules contain information to help reader assess the factors affecting the City's ability to generate its property and sales taxes.	113 – 119
Debt Capacity These schedules present information to help readers assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.	120 – 123
Demographic and Economic Information These schedules offer demographic and economic indicators to help reader understand the environment within which the City's financial activities take place, and to help make comparisons over time and with other governments.	124 – 125
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.	126 – 128

#### *Sources*

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 276,264,814	\$ 254,765,379	\$ 244,934,746	\$ 223,486,612	\$ 217,276,026	\$ 205,432,637	\$ 206,296,175	\$ 190,264,011	\$ 185,860,823	\$ 178,649,136
Restricted	29,500,057	17,356,834	14,485,669	11,249,180	5,426,005	8,845,277	6,632,641	4,153,551	4,960,235 (2)	5,521,606
Unrestricted	<u>55,776,072</u>	<u>67,128,781</u>	<u>63,695,869</u>	<u>63,394,779</u>	<u>64,734,747</u> (4)	<u>64,855,829</u>	<u>55,659,774</u>	<u>49,687,981</u> (3)	<u>46,285,157</u> (1)	<u>40,473,973</u>
Total governmental activities net position	<b>\$ 361,540,943</b>	<b>\$ 339,250,994</b>	<b>\$ 323,116,284</b>	<b>\$ 298,130,571</b>	<b>\$ 287,436,778</b>	<b>\$ 279,133,743</b>	<b>\$ 268,588,590</b>	<b>\$ 244,105,543</b>	<b>\$ 237,106,215</b>	<b>\$ 224,644,715</b>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 54,853,056	\$ 55,065,405	\$ 51,841,573	\$ 49,750,372	\$ 47,811,476	\$ 48,665,593	\$ 48,883,727	\$ 50,452,428	\$ 51,490,226	\$ 51,006,423
Restricted	733,260	713,517	554,851	195,480	29,223	126,540	197,926	-	- (2)	120,000
Unrestricted	<u>34,605,993</u>	<u>32,368,547</u>	<u>33,607,174</u>	<u>33,380,392</u>	<u>32,601,093</u> (4)	<u>30,228,416</u>	<u>29,303,286</u>	<u>26,032,698</u> (3)	<u>23,873,374</u> (1)	<u>21,681,193</u>
Total business-type activities net position	<b>\$ 90,192,309</b>	<b>\$ 88,147,469</b>	<b>\$ 86,003,598</b>	<b>\$ 83,326,244</b>	<b>\$ 80,441,792</b>	<b>\$ 79,020,549</b>	<b>\$ 78,384,939</b>	<b>\$ 76,485,126</b>	<b>\$ 75,363,600</b>	<b>\$ 72,807,616</b>
<b>Primary Government</b>										
Net investment in capital assets	\$ 331,117,870	\$ 309,830,784	\$ 296,776,319	\$ 273,236,984	\$ 265,087,502	\$ 254,098,230	\$ 255,179,902	\$ 240,716,439	\$ 237,351,049	\$ 229,655,559
Restricted	30,233,317	18,070,351	15,040,520	11,444,660	5,455,228	8,971,817	6,830,567	4,153,551	4,960,235 (2)	5,641,606
Unrestricted	<u>90,382,065</u>	<u>99,497,328</u>	<u>97,303,043</u>	<u>96,775,171</u>	<u>97,335,840</u> (4)	<u>95,084,245</u>	<u>84,963,060</u>	<u>75,720,679</u> (3)	<u>70,158,531</u> (1)	<u>62,155,166</u>
Total primary government net position	<b>\$ 451,733,252</b>	<b>\$ 427,398,463</b>	<b>\$ 409,119,882</b>	<b>\$ 381,456,815</b>	<b>\$ 367,878,570</b>	<b>\$ 358,154,292</b>	<b>\$ 346,973,529</b>	<b>\$ 320,590,669</b>	<b>\$ 312,469,815</b>	<b>\$ 297,452,331</b>

**Notes to Schedule**

(1) GASB Statement Nos. 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

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenses</b>										
Governmental activities										
General government	\$ 8,007,655	\$ 7,891,291	\$ 7,076,274	\$ 7,048,669	\$ 6,629,447	\$ 6,502,351	\$ 6,364,225	\$ 6,674,735	\$ 6,853,667	\$ 6,597,201
Public safety	15,683,487	13,691,469	16,718,675	13,258,098	13,348,931	12,606,876	11,769,252	12,623,784	12,274,641	12,123,456
Roads and streets	13,241,798	15,656,127	12,756,380	10,527,353	1,264,108	13,980,844	10,899,396	9,317,989	9,340,924	8,724,793
Public health	90,425	88,454	77,876	74,054	70,563	67,917	88,524	88,068	81,182	79,638
Parks and recreation	3,714,794	3,179,627	3,714,633	3,234,748	3,047,509	3,098,376	2,720,304	2,630,573	2,635,324	2,527,115
Public library	2,890,648	3,069,905	3,029,660	2,977,285	2,702,615	2,656,773	2,582,263	2,695,163	2,573,378	2,422,613
Community support	410,780	368,331	368,059	764,894	2,365,054	322,525	336,562	312,295	280,627	294,259
Drug education	59,605	81,164	58,736	44,310	49,292	38,627	53,330	53,055	24,818	74,485
Facilities maintenance projects	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	709,787	1,015,477	596,931	785,574	727,578	841,063	838,018	1,198,233	925,012	930,474
Total governmental activities	44,808,979	45,041,845	44,397,224	38,714,985	30,205,097	40,115,352	35,651,874	35,593,895	34,989,573	33,774,034
Business-type activities										
Water and sewer	19,270,305	18,654,832	18,146,325	17,787,324	17,486,681	16,792,536	15,569,461	15,954,570	14,507,961	13,140,446
Rental facilities	727,618	663,592	677,105	643,934	704,672	723,559	699,412	656,642	635,621	613,469
911 operations	1,451,454	1,360,113	1,418,761	1,186,228	1,208,410	1,191,793	1,130,021	1,224,118	1,194,308	1,149,062
Total business-type activities	21,449,377	20,678,537	20,242,191	19,617,486	19,399,763	18,707,888	17,398,894	17,835,330	16,337,890	14,902,977
Total primary government expenses	\$ 66,258,356	\$ 65,720,382	\$ 64,639,415	\$ 58,332,471	\$ 49,604,860	\$ 58,823,240	\$ 53,050,768	\$ 53,429,225	\$ 51,327,463	\$ 48,677,011

Continued

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Program Revenues</b>										
Governmental activities										
Charges for services										
General government	\$ 1,282,462	\$ 1,113,271	\$ 840,366	\$ 1,108,463	\$ 984,627	\$ 1,021,064	\$ 1,268,909	\$ 1,273,686	\$ 1,332,955	\$ 1,206,745
Roads and streets	839,342	1,012,766	723,758	947,462	1,016,607	1,805,840	1,185,065	703,350	1,514,944	676,355
Park and recreation	86,734	56,581	119,005	125,737	122,130	116,658	109,739	124,736	112,905	125,154
Public library	98,426	102,058	130,234	121,657	128,352	134,450	143,688	148,520	140,832	156,636
Community support	-	-	-	-	34,625	35,250	31,738	27,850	29,977	29,631
Operating grants and contributions	1,602,554	1,573,189	1,617,529	1,427,814	1,154,251	1,228,771	1,724,759	1,004,056	1,020,125	1,006,999
Capital grants and contributions	9,012,420	8,864,603	18,345,389	430,798	8,179,647	3,460,350	16,726,448	4,107,635	7,833,395	7,711,481
Total governmental activities program revenues	12,921,938	12,722,468	21,776,281	4,161,931	11,620,239	7,802,383	21,190,346	7,389,833	11,985,133	10,913,001
Business-type activities										
Charges for services										
Water and sewer	19,483,329	19,042,972	18,904,147	17,676,055	17,723,077	15,213,756	15,011,973	14,434,478	13,946,250	14,539,927
Rental facilities	751,621	740,509	742,237	725,811	724,310	733,227	723,714	675,285	728,213	676,488
911 operations	-	-	-	-	-	-	269,612	576,880	626,587	660,316
Operating grants and contributions	1,331,086	950,890	1,037,511	913,910	972,979	880,775	562,808	238,727	271,154	207,911
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
contributions	1,336,175	1,168,824	978,639	2,104,515	2,055,106	1,867,085	2,192,730	2,762,989	2,822,068	3,163,900
Total business-type activities program revenues	22,902,211	21,903,195	21,662,534	21,420,291	21,475,472	18,694,843	18,760,837	18,688,359	18,394,272	19,248,542
Total primary government program revenues	35,824,149	34,625,663	43,438,815	25,582,222	33,095,711	26,497,226	39,951,183	26,078,192	30,379,405	30,161,543
<b>Net (Expenses)/Revenues</b>										
Governmental activities	(31,887,041)	(32,319,377)	(22,620,943)	(34,553,054)	(30,284,858)	(32,312,969)	(14,461,528)	(28,204,062)	(23,004,440)	(22,861,033)
Business-type activities	1,452,834	1,224,658	1,420,343	1,802,805	2,075,709	(13,045)	1,361,943	853,029	2,056,382	4,345,565
Total primary government net (expenses)/revenues	\$ (30,434,207)	\$ (31,094,719)	\$ (21,200,600)	\$ (32,750,249)	\$ (28,209,149)	\$ (32,326,014)	\$ (13,099,585)	\$ (27,351,033)	\$ (20,948,058)	\$ (18,515,468)

Continued

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Revenues and Other</b>										
<b>Changes in Net Position</b>										
Governmental activities										
Taxes										
Property	\$ 12,661,300	\$ 12,488,209	\$ 12,133,252	\$ 12,034,282	\$ 11,632,351	\$ 11,732,828	\$ 11,290,941	\$ 11,030,338	\$ 10,738,390	\$ 10,857,220
Local option	23,393,732	19,098,477	17,462,917	16,569,064	15,910,640	15,203,893	13,820,565	12,954,622	12,762,673	12,005,650
Hotel/motel	844,782	1,410,421	1,760,408	1,853,455	1,843,667	1,705,447	1,439,717	1,362,325	1,164,600	1,144,406 (1)
Wholesale beer and liquor	2,196,618	1,941,211	1,738,158	1,686,036	1,623,339	1,441,703	1,337,106	1,282,506	1,286,492	1,230,697 (1)
State sales and income	-	-	-	-	-	-	-	-	-	- (1)
Other business	-	-	-	-	-	-	-	-	-	- (1)
Adequate schools facilities	592,369	551,953	483,726	586,041	669,388	713,422	618,838	616,142	494,233	412,451
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Other	611,446	714,726	806,570	856,827	873,811	896,283	561,144	536,418	526,677	536,547 (1)
State sales, income, and other	-	-	-	-	-	-	-	-	-	-
Unrestricted intergovernmental taxes										
State sales and use	4,656,467	3,998,511	3,892,586	3,469,845	3,348,363	3,267,781	2,829,973	2,647,788	2,561,661	2,513,971 (1)
Income	1,182,372	3,120,309	3,328,145	3,407,502	3,132,222	4,420,212	4,004,352	3,237,239	3,269,643	2,284,851 (1)
Business	2,231,969	2,564,412	2,383,963	2,199,950	1,956,708	1,851,846	1,667,422	1,881,556	1,639,950	1,339,121 (1)
TVA in-lieu	501,677	539,809	519,734	458,127	455,842	474,106	429,531	410,018	422,625	428,175 (1)
Mixed drink and beer	290,015	257,681	317,134	320,499	257,386	192,560	178,237	182,131	160,299	152,273 (1)
Petroleum special	87,133	87,133	87,146	81,865	81,603	82,194	76,169	75,841	75,935	76,063 (1)
Corporate excise	294,781	242,570	133,002	125,704	115,679	77,998	57,008	48,993	20,662	11,633 (1)
Telecommunications	19,501	17,650	16,705	19,609	4,084	3,433	3,654	3,791	3,312	2,301 (1)
Other intergovernmental	2,771,367	435,719	389,651	367,487	329,678	335,036	321,960	343,912	134,971	142,463 (1)
Unrestricted earnings	509,022	1,383,087	2,127,442	1,499,832	965,518	676,321	538,317	566,443	621,825	578,871
Miscellaneous	211,129	86,909	510,817	195,422	882,006	201,759	188,341	213,000	481,604	293,655
Transfers	(484,700)	(484,700)	(484,700)	(484,700)	265,300	(418,700)	(418,700)	(418,700)	(548,700)	(422,950)
Total governmental activities	52,570,980	48,454,087	47,606,656	45,246,847	44,347,585	42,858,122	38,944,575	36,974,363	35,816,852	33,587,398
Business-type activities										
Unrestricted investment earnings	72,821	434,513	772,311	596,947	311,849	198,789	119,170	84,556	173,623	156,503
Miscellaneous	34,485	-	-	-	-	31,166	-	-	-	196,352
Transfers	484,700	484,700	484,700	484,700	(265,300)	418,700	418,700	418,700	548,700	422,950
Total business-type activities	592,006	919,213	1,257,011	1,081,647	46,549	648,655	537,870	503,256	722,323	775,805
Total general revenues/other changes	53,162,986	49,373,300	48,863,667	46,328,494	44,394,134	43,506,777	39,482,445	37,477,619	36,539,175	34,363,203
<b>Change in Net Position</b>										
Governmental activities	20,683,939	16,134,710	24,985,713	10,693,793	14,062,727	10,545,153	24,483,047	8,770,301	12,812,412	10,726,365
Business-type activities	2,044,840	2,143,871	2,677,354	2,884,452	2,122,258	635,610	1,899,813	1,356,285	2,778,705	5,121,370
Total primary government	<b>\$ 22,728,779</b>	<b>\$ 18,278,581</b>	<b>\$ 27,663,067</b>	<b>\$ 13,578,245</b>	<b>\$ 16,184,985</b>	<b>\$ 11,180,763</b>	<b>\$ 26,382,860</b>	<b>\$ 10,126,586</b>	<b>\$ 15,591,117</b>	<b>\$ 15,847,735</b>

**Notes to Schedule**

See notes on page 106

**City of Brentwood, Tennessee**  
Fund Balance of Governmental Funds (Unaudited)  
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Governmental Funds</b>										
General fund										
Nonspendable	\$ 309,612	\$ 116,577	\$ 112,159	\$ 119,832	\$ 141,698	\$ 91,108	\$ 88,444	\$ 23,877	\$ 283,514	\$ 40,995
Restricted	60,454	-	-	-	-	-	-	-	-	-
Committed	9,585,251	8,303,195	6,988,945	6,493,096	6,088,103	5,493,492	4,922,928	4,673,661	4,191,394	3,841,285
Unassigned	<u>41,485,929</u>	<u>43,442,063</u>	<u>40,746,159</u>	<u>37,878,787</u>	<u>35,663,339</u>	<u>32,323,955</u>	<u>32,847,950</u>	<u>30,701,075</u>	<u>29,560,931</u>	<u>26,545,794</u>
Total general fund	51,441,246	51,861,835	47,847,263	44,491,715	41,893,140	37,908,555	37,859,322	35,398,613	34,035,839	30,428,074
All other governmental funds										
Nonspendable	260	-	-	-	5,418	-	-	-	-	-
Restricted										
Capital projects	21,456,935	10,149,528	7,410,031	8,271,249	4,263,761	6,391,312	4,541,268	2,232,769	3,161,408	2,237,084
Street repairs	1,800,449	707,395	1,698,666	809,318	430,928	1,012,840	777,195	382,211	461,649	358,999
Drug enforcement and education	441,169	457,632	474,834	389,645	513,089	466,094	448,992	408,363	352,764	284,486
Citation equipment	1,065	-	-	-	-	-	-	-	-	-
Committed										
Capital projects	-	22,524,969	19,302,862	20,558,427	21,988,017	21,517,308	15,030,317	13,429,400	9,387,496	8,600,375
Debt service	<u>4,028,065</u>	<u>3,347,499</u>	<u>2,887,329</u>	<u>2,352,571</u>	<u>1,971,795</u>	<u>3,558,909</u>	<u>3,621,272</u>	<u>3,706,319</u>	<u>3,712,435</u>	<u>3,793,311</u>
Total all other governmental funds	<u>27,727,943</u>	<u>37,187,023</u>	<u>31,773,722</u>	<u>32,381,210</u>	<u>29,173,008</u>	<u>32,946,463</u>	<u>24,419,044</u>	<u>20,159,062</u>	<u>17,075,752</u>	<u>15,274,255</u>
Total governmental funds	<b>\$ 79,169,189</b>	<b>\$ 89,048,858</b>	<b>\$ 79,620,985</b>	<b>\$ 76,872,925</b>	<b>\$ 71,066,148</b>	<b>\$ 70,855,018</b>	<b>\$ 62,278,366</b>	<b>\$ 55,557,675</b>	<b>\$ 51,111,591</b>	<b>\$ 45,702,329</b>

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues</b>										
Taxes	\$ 39,750,264	\$ 35,422,210	\$ 33,735,437	\$ 32,747,979	\$ 31,684,419	\$ 30,519,071	\$ 28,453,126	\$ 27,166,209	\$ 26,478,832	\$ 25,774,520
Licenses and permits	1,707,172	1,875,250	1,538,010	2,022,694	1,942,215	2,759,952	2,077,151	1,609,529	2,419,665	1,448,508
Fines and fees	115,715	169,187	242,555	289,124	217,223	261,639	306,362	307,980	367,427	373,100
Charges for services	462,185	409,426	275,353	280,625	344,126	353,310	355,626	360,633	344,521	372,913
Intergovernmental	14,215,970	14,023,331	13,171,821	12,895,241	11,952,530	16,107,709	11,908,249	10,496,352	9,803,416	9,411,861
Uses of money and property	749,342	1,383,087	2,127,442	1,499,832	965,518	676,321	538,317	566,443	621,825	571,595
Other revenues	66,999	86,909	510,817	195,422	882,005	201,759	188,341	213,000	481,604	293,655
Total revenues	57,067,647	53,369,400	51,601,435	49,930,917	47,988,036	50,879,761	43,827,172	40,720,146	40,517,290	38,246,152
<b>Expenditures</b>										
General government	7,693,738	7,694,798	7,304,687	7,132,889	6,858,462	6,603,299	6,388,722	6,061,451	6,130,364	5,710,028
Public safety	17,338,330	16,332,727	16,420,865	14,795,938	14,074,463	13,211,939	13,237,000	12,898,119	12,178,507	11,859,078
Roads and streets	6,346,008	7,945,345	5,631,308	5,952,969	6,410,724	5,375,950	4,874,736	5,146,761	4,631,107	4,739,856
Public health	90,425	88,454	77,876	74,054	70,563	67,917	88,524	88,068	81,182	79,638
Parks and recreation	2,751,341	2,501,432	2,407,069	2,210,780	2,198,078	2,300,504	2,311,010	1,993,508	1,969,273	1,794,215
Public library	2,909,391	2,686,640	2,649,340	2,744,564	2,449,069	2,389,052	2,291,101	2,255,226	2,141,269	2,001,510
Community support	438,136	368,331	368,059	764,894	2,365,054	322,525	336,562	312,295	280,627	294,259
Drug education	39,139	43,363	24,478	13,740	19,732	18,862	17,501	30,717	11,879	14,935
Facility maintenance	-	-	-	-	-	-	-	-	-	-
Capital outlay	25,076,754	17,964,693	10,842,836	10,830,076	9,038,180	8,162,423	3,700,604	8,611,260	3,783,204	8,914,483
Debt service										
Principal	1,490,000	2,115,000	2,064,000	2,085,000	3,885,000	2,615,000	2,555,000	2,475,000	2,465,555	2,243,292
Interest and other	889,364	859,350	578,157	532,536	607,675	816,938	887,021	892,672	886,361	1,021,856
Bond issuance costs	-	-	-	24,547	54,934	44,710	-	80,109	-	198,078
Total expenditures	65,062,626	58,600,133	48,368,675	47,161,987	48,031,934	41,929,119	36,687,781	40,845,186	34,559,328	38,871,228
Excess (deficiency) of revenues over expenditures	\$ (7,994,979)	\$ (5,230,733)	\$ 3,232,760	\$ 2,768,930	\$ (43,898)	\$ 8,950,642	\$ 7,139,391	\$ (125,040)	\$ 5,957,962	\$ (625,076)

*Continued*

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Other Financing Sources (Uses)</b>										
Transfers in	\$ 18,666,600	\$ 12,340,000	\$ 11,960,000	\$ 11,555,000	\$ 11,105,000	\$ 13,845,000	\$ 8,495,000	\$ 11,031,520	\$ 7,490,000	\$ 5,582,436
Transfers out	(19,151,300)	(12,824,700)	(12,444,700)	(12,039,700)	(10,839,700)	(14,263,700)	(8,913,700)	(11,450,220)	(8,038,700)	(6,155,386)
Proceeds of general obligation bonds	-	14,445,000	-	-	-	-	-	4,895,000	-	4,845,000
Proceeds of refunding bonds	-	-	-	5,540,000	3,030,000	3,035,000	-	1,005,000	-	10,635,000
Payments to refunded bond escrow agent	(3,006,000)	-	-	(2,155,080)	(3,083,485)	(3,109,283)	-	(1,035,464)	-	(10,924,444)
Bond discounts	-	-	-	-	-	-	-	-	-	-
Bond premiums	-	698,306	-	137,627	43,213	118,993	-	125,288	-	583,545
Total other financing sources and uses	(3,490,700)	14,658,606	(484,700)	3,037,847	255,028	(373,990)	(418,700)	4,571,124	(548,700)	4,566,151
Net change in fund balance	<b>\$ (11,485,679)</b>	<b>\$ 9,427,873</b>	<b>\$ 2,748,060</b>	<b>\$ 5,806,777</b>	<b>\$ 211,130</b>	<b>\$ 8,576,652</b>	<b>\$ 6,720,691</b>	<b>\$ 4,446,084</b>	<b>\$ 5,409,262</b>	<b>\$ 3,941,075</b>
Debt service as a percentage of noncapital expenditures	6.6%	8.2%	7.4%	7.9%	11.8%	9.7%	11.0%	11.4%	11.4%	11.5%



**City of Brentwood, Tennessee**  
Assessed Value and Estimated Actual Value of Taxable Property (Unaudited)  
Last 10 Fiscal Years

<b>Fiscal Year *</b>	<b>Commercial</b>	<b>Residential</b>	<b>Farm</b>	<b>Personal Property</b>	<b>Total Taxable Assessed Value **</b>	<b>Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
2021	\$ 970,265,370	\$ 2,389,077,015	\$ 22,267,900	\$ 91,805,992	\$ 3,473,416,277	\$ 0.29	\$ 12,590,149,841	27.59%
2020	961,493,480	2,344,930,115	24,217,550	88,984,205	3,419,625,350	0.36	12,351,335,527	27.69%
2019	886,525,241	2,346,583,730	25,094,750	91,063,943	3,349,267,664	0.36	12,080,956,583	27.72%
2018	869,353,401	2,290,626,055	28,596,815	98,770,073	3,287,346,344	0.36	11,831,489,089	27.78%
2017	873,720,506	2,203,439,215	25,189,790	83,876,480	3,186,225,991	0.36	11,631,409,401	27.39%
2016	680,612,202	1,821,494,380	19,043,950	75,805,127	2,596,955,659	0.44	9,553,528,835	27.18%
2015	677,127,197	1,746,730,160	20,910,225	78,099,066	2,522,866,648	0.44	9,029,245,645	27.94%
2014	620,333,962	1,703,757,635	18,731,900	74,740,734	2,417,564,231	0.44	8,693,902,911	27.81%
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%
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%

\* The fiscal year listed corresponds to the preceding tax year levy (2021 fiscal year would represent the 2020 tax levy).  
This represents the period for which the taxes were levied

\*\* Does not include public utilities assessed value

**City of Brentwood, Tennessee**  
Direct and Overlapping Property Tax Rates (Unaudited)  
Last 10 Fiscal Years

Fiscal Year **	Direct Rate	Overlapping
	City of Brentwood	Rate * Williamson County
2021	\$0.29 / 100	\$1.88 / 100
2020	\$0.36 / 100	\$2.22 / 100
2019	\$0.36 / 100	\$2.22 / 100
2018	\$0.36 / 100	\$2.10 / 100
2017	\$0.36 / 100	\$2.10 / 100
2016	\$0.44 / 100	\$2.26 / 100
2015	\$0.44 / 100	\$2.26 / 100
2014	\$0.44 / 100	\$2.26 / 100
2013	\$0.44 / 100	\$2.26 / 100
2012	\$0.44 / 100	\$2.26 / 100

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

\*\* The fiscal year listed corresponds to the preceding tax year levy (2021 fiscal year would represent the 2020 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

	FY2021			FY2012		
	Taxable Assessed Value *	Rank	% of Total City Taxable Assessed Value	Taxable Assessed Value *	Rank	% of Total City Taxable Assessed Value
<b>Taxpayer</b>						
Highwoods	\$ 121,756,600	1	3.48%	\$ 54,053,612	1	2.20%
Boyle (Mooreland Inv)	75,403,000	2	2.16%	-		
Hill Center Brentwood	58,408,900	3	1.67%	-		
Brent Creek LLC	50,681,900	4	1.45%	-		
Park Center Partnership	40,184,500	5	1.15%	-		
Mapletree Investments Hudson DC Assets	36,975,600	6	1.06%	-		
VRE-NRE Maryland Farms	31,959,200	7	0.91%	-		
Brentwood Place (Sarofim Realty)	31,037,900	8	0.89%	23,487,672	5	0.95%
Cool Springs Commons	25,901,300	9	0.74%	-		
SRE TENN	19,691,300	10	0.56%	-		
Bellsouth Telecommunications	-			44,006,672	2	1.79%
AT&T Mobility LLC	-			28,875,712	3	1.17%
Duke Realty	-			28,155,880	4	1.14%
Heritage Retirement Facility	-			18,802,037	6	0.76%
PEM Cool Springs	-			16,385,360	7	0.67%
DDR MDT Cool Springs Point	-			12,072,160	8	0.49%
Gateway Kentfield Inc	-			11,257,680	9	0.46%
Wells Fargo XII-Reit Joint	-			10,986,680	10	0.45%
Totals	<b>\$ 492,000,200</b>		<b>14.07%</b>	<b>\$ 248,083,465</b>		<b>10.07%</b>
Total assessment	\$ 3,497,511,879	**		\$ 2,462,373,524	**	

\* Source: 2021 and 2012 Williamson County property tax assessments

\*\* Value for tax year 2021 (includes public utility assessment)

**City of Brentwood, Tennessee**  
Property Tax Levies and Collections (Unaudited)  
Last 10 Fiscal Years

Fiscal year ended June 30, *	Taxes levied for the fiscal year	Collected within the fiscal year of the levy			Total collections to date	
		Amount	% of levy	Collections in subsequent years	Amount	% of levy
2021	\$ 12,591,085	\$ 12,492,940	99.2%	\$ -	\$ 12,492,940	99.2%
2020	12,310,657	12,174,558	98.9%	114,445	12,294,575	99.9%
2019	12,056,922	11,954,104	99.1%	99,303	12,053,407	100.0%
2018	11,834,452	11,736,833	99.2%	95,139	11,831,972	100.0%
2017	11,503,337	11,373,664	98.9%	128,042	11,501,706	100.0%
2016	11,426,757	11,269,592	98.6%	155,057	11,424,649	100.0%
2015	11,085,456	11,057,548	99.7%	26,928	11,084,476	100.0%
2014	10,637,930	10,473,750	98.5%	163,107	10,636,857	100.0%
2013	10,453,923	10,297,356	98.5%	155,357	10,452,713	100.0%
2012	10,335,554	10,224,371	98.9%	109,790	10,334,161	100.0%

**Notes to Schedule**

Taxes are assessed as of January 1 and are due on October 1 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 (2021 fiscal year would represent the 2020 tax levy).  
This represents the period for which the taxes were levied

**City of Brentwood, Tennessee**  
Local Taxable Sales By Category (Unaudited)  
Last 10 Calendar Years

Category	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1 Apparel stores	\$ 57,983,084	\$ 81,611,611	\$ 80,176,133	\$ 78,614,628	\$ 74,265,860	\$ 70,644,006	\$ 58,605,429	\$ 46,359,901	\$ 44,738,731	\$ 42,427,613
2 General merchandise stores	286,847,864	232,748,381	213,189,121	203,611,708	169,425,899	158,810,653	143,626,992	133,660,538	124,020,931	112,677,316
3 Food stores	169,013,033	154,122,740	149,806,543	147,582,272	141,610,787	136,326,653	135,950,643	135,436,755	131,410,673	129,922,134
4 Eating and drinking places	86,498,011	110,892,266	110,460,087	111,791,714	103,962,771	92,505,802	83,830,439	77,800,464	74,552,538	69,334,673
5 Furniture stores	113,194,767	132,337,877	129,536,000	128,315,206	128,910,587	118,562,629	108,254,494	101,560,402	99,785,158	95,062,055
6 Building materials	98,965,327	76,017,576	74,798,615	71,300,842	68,091,931	64,117,810	58,751,290	55,344,304	54,197,346	45,675,018
7 Motor vehicle dealers and service stations	70,703,495	73,412,445	67,845,923	58,791,424	55,716,527	54,046,805	42,781,718	34,299,124	32,776,910	30,486,891
8 Other retail	138,644,768	153,795,923	131,336,467	133,515,763	159,975,458	145,806,779	140,904,812	143,958,140	135,444,730	124,362,484
9 All other outlets	266,280,676	300,778,711	297,206,812	303,229,238	298,170,934	296,084,520	255,795,448	283,444,183	286,919,496	228,466,741
	<b>\$ 1,288,131,025</b>	<b>\$ 1,315,717,530</b>	<b>\$ 1,254,355,701</b>	<b>\$ 1,236,752,795</b>	<b>\$ 1,200,130,754</b>	<b>\$ 1,136,905,657</b>	<b>\$ 1,028,501,265</b>	<b>\$ 1,011,863,811</b>	<b>\$ 983,846,513</b>	<b>\$ 878,414,925</b>

Source: Tennessee Department of Revenue, Research Section

**Note to Schedule**

Amounts are subject to revision due to amended taxpayer returns

**City of Brentwood, Tennessee**  
Direct and Overlapping Sales and Use Tax Rates (Unaudited)  
Last 10 Fiscal Years

<b>Fiscal year</b>	<b>City Direct Rate</b>	<b>Williamson County</b>	<b>Williamson County Schools</b>	<b>State of Tennessee</b>	<b>Total</b>
2021	1.125%/1.625%	1.125%	0.50%/0%	7.00%	9.75%
2020	1.125%	1.125%	0.50%	7.00%	9.75%
2019	1.125%	1.125%	0.50%	7.00%	9.75%
2018	1.125%	1.125%	0.50% *	7.00%	9.75%
2017	1.125%	1.125%		7.00%	9.25%
2016	1.125%	1.125%		7.00%	9.25%
2015	1.125%	1.125%		7.00%	9.25%
2014	1.125%	1.125%		7.00%	9.25%
2013	1.125%	1.125%		7.00%	9.25%
2012	1.125%	1.125%		7.00%	9.25%

**Notes to Schedule**

The total local option sales tax of 2.25% consists of the City's rate of 1.125% and the County's rate of 1.125%, with the combined amount earmarked for Williamson County schools. The local option tax can be increased by a maximum of 0.50% to 1.625% by a referendum vote of the citizens

\* The local option tax was increased effective April 1, 2018 by 0.50% to 1.625%, with Williamson County schools receiving 100% of the increase for the next three years, as approved by referendum vote of the citizens. Effective on April 1, 2021, the City began receiving the additional 0.50%

**City of Brentwood, Tennessee**  
Revenue Capacity Information (Unaudited)  
Local Sales Tax Revenue by Industry, Principal Employers  
Current Year and Nine Years Ago

Sector	2021				2012			
	Number of filers	% of total	Tax liability	% of total	Number of filers	% of total	Tax liability	% of total
1 Retail trade	572	39.34%	\$ 30,576,570	79.19%	626	47.50%	\$ 15,139,529	72.32%
2 Services	492	33.84%	3,596,572	9.31%	405	30.73%	3,695,805	17.65%
3 Manufacturing	64	4.40%	517,181	1.34%	61	4.63%	322,023	1.54%
4 Wholesale trade	99	6.81%	608,662	1.58%	95	7.21%	754,717	3.61%
5 Construction	41	2.82%	984,451	2.55%	17	1.29%	148,920	0.71%
6 Finance/insurance/real estate	23	1.58%	258,404	0.67%	16	1.21%	66,810	0.32%
7 Transportation and Utilities	32	2.20%	482,418	1.25%	12	0.91%	393,162	1.88%
8 Agriculture	14	0.96%	34,257	0.09%	13	0.99%	18,682	0.09%
9 Other, nonclassified	117	8.05%	1,552,672	4.02%	73	5.54%	394,465	1.88%
Total	<b>1,454</b>	<b>100.00%</b>	<b>\$ 38,611,187</b>	<b>100.00%</b>	<b>1,318</b>	<b>100.00%</b>	<b>\$ 20,934,113</b>	<b>100.00%</b>

Source: Tennessee Department of Revenue, Research Section

**Notes to Schedule**

Amounts subject to revision due to amended taxpayer returns

Amounts represent local sales tax collected by taxpayers during the period, not disbursements from the Department of Revenue. Thus, amounts presented above do not match the amounts reported on the financial statements

Amounts do not include the City's share of county clerk or out-of-state taxpayer amounts

**City of Brentwood, Tennessee**  
Ratios of Outstanding Debt by Type (Unaudited)  
Last 10 Fiscal Years

Fiscal year	Governmental activities		Business-type activities		Total primary government	Percentage of personal income *	Per capita *
	GO bonds and construction notes		Water and sewer bonds				
2021	\$	29,185,690	\$	17,456,272	\$ 46,641,962	1.4%	\$ 1,028
2020		33,866,330		19,038,820	52,905,150	1.8%	1,205
2019		20,916,461		20,835,598	41,752,059	1.4%	951
2018		23,058,898		22,522,764	45,581,662	1.6%	1,039
2017		21,579,708		24,342,973	45,922,681	1.8%	1,137
2016		25,380,759		26,176,946	51,557,705	2.2%	1,276
2015		27,790,080		27,175,100	54,965,180	2.3%	1,360
2014		30,406,988		28,821,143	59,228,131	2.6%	1,480
2013		27,926,990		27,068,131	54,995,121	2.3%	1,484
2012		29,436,074		28,318,417	57,754,491	2.4%	1,558

**Notes to Schedule**

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

\* Calculated information provided on page 124 (Demographic and Economic Statistics)



**City of Brentwood, Tennessee**  
Ratios of General Bonded Debt Outstanding and Legal Debt Margin (Unaudited)  
Last 10 Fiscal Years

(in \$000s, except per capita)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General bonded debt outstanding - general obligation bonds	\$ 29,186	\$ 33,866	\$ 20,916	\$ 23,059	\$ 21,580	\$ 25,381	\$ 27,790	\$ 30,407	\$ 27,927	\$ 29,436
Percentage of estimated actual property value **	0.84%	0.99%	0.62%	0.70%	0.68%	0.98%	1.10%	1.26%	1.18%	1.25%
Per capita ***	\$ 643.24	\$ 771.64	\$ 476.58	\$ 525.39	\$ 534.14	\$ 628.22	\$ 687.86	\$ 759.78	\$ 753.56	\$ 794.28
Less: amounts set aside to repay general debt	<u>4,028</u>	<u>3,347</u>	<u>2,887</u>	<u>1,039</u>	<u>1,977</u>	<u>3,558</u>	<u>3,621</u>	<u>3,706</u>	<u>3,712</u>	<u>3,793</u>
Total net debt applicable to debt limit	<b>\$ 25,158</b>	<b>\$ 30,519</b>	<b>\$ 18,029</b>	<b>\$ 22,020</b>	<b>\$ 19,603</b>	<b>\$ 21,823</b>	<b>\$ 24,169</b>	<b>\$ 26,701</b>	<b>\$ 24,215</b>	<b>\$ 25,643</b>
Legal debt limit	-	-	-	-	-	-	-	-	-	-
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 113 [Assessed Value and Estimated Actual Value of Taxable Property (Unaudited)]

\*\*\* Per capita information calculated using information obtained on page 124 [Demographic and Economic Statistics (Unaudited)]

**City of Brentwood, Tennessee**  
Direct and Overlapping Governmental Activities Debt (Unaudited)  
As of June 30, 2021

<b>Governmental unit</b>	<b>Debt outstanding (in \$000s)</b>	<b>Estimated percentage applicable (1)</b>	<b>Estimated share of direct and overlapping debt (2)</b>
Direct			
City of Brentwood	\$ 29,186	100.00%	\$ 29,186
Overlapping			
Williamson County	748,400	25.74%	192,638
	<b>\$ 777,586</b>		<b>\$ 221,824</b>

(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, 2021

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

**City of Brentwood, Tennessee**  
Pledged Revenue Coverage (Unaudited)  
Last 10 Fiscal Years

Fiscal Year	Water and Sewer Revenue Bonds			Debt Service Requirements			Coverage
	Utility service charges *	Less: operating expenses **	Net available revenues	Principal	Interest	Total	
2021	\$ 20,912,833	\$ 15,651,813	\$ 5,261,020	\$ 1,750,000	\$ 512,403	\$ 2,262,403	2.33
2020	20,579,564	15,130,478	5,449,086	1,700,000	534,052	2,234,052	2.44
2019	20,533,227	14,595,238	5,937,989	1,655,000	596,482	2,251,482	2.64
2018	20,293,295	14,299,759	5,993,536	1,830,000	592,593	2,422,593	2.47
2017	20,043,803	13,983,189	6,060,614	1,810,000	647,426	2,457,426	2.47
2016	17,286,453	13,245,935	4,040,518	1,670,000	816,550	2,486,550	1.62
2015	17,313,610	11,977,861	5,335,749	1,640,000	844,340	2,484,340	2.15
2014	17,181,977	12,394,282	4,787,695	2,220,000	873,342	3,093,342	1.55
2013	16,625,776	11,119,462	5,506,314	1,300,000	840,405	2,140,405	2.57
2012	17,844,323	9,834,663	8,009,660	1,480,000	795,532	2,275,532	3.52

\* Includes nonoperating revenues and water and sewer tap fees

\*\* Does not include depreciation and amortization

**City of Brentwood, Tennessee**  
Demographic and Economic Statistics (Unaudited)  
Last 10 Calendar Years

Year	Population*	Personal income (\$000s) *	Per capita personal income *	Median age *	School enrollment **	Unemployment rate ***
2021	45,373 <sup>5</sup>	\$ 3,283,644	\$ 72,370	45.0	11,663	3.4%
2020	43,889 <sup>4</sup>	3,002,271	68,406	44.8	11,681	6.1%
2019	43,889 <sup>4</sup>	2,901,326	66,106	41.2	12,151	2.5%
2018	43,889 <sup>4</sup>	2,835,537	64,607	41.4	11,879	2.2%
2017	40,401 <sup>3</sup>	2,534,395	62,731	41.3	11,510	2.2%
2016	40,401 <sup>3</sup>	2,373,357	58,745	41.0	11,811	4.2%
2015	40,401 <sup>3</sup>	2,384,629	59,024	43.6	11,703	4.9%
2014	40,021 <sup>2</sup>	2,280,357	56,979	43.3	11,312	5.7%
2013	37,060 <sup>1</sup>	2,380,030	64,221	40.3	11,078	6.2%
2012	37,060 <sup>1</sup>	2,380,030	64,221	44.0	11,155	5.9%

<sup>1</sup> Based on 2010 US Bureau of the Census report

<sup>2</sup> Based on 2014 US Bureau of the Census estimate

<sup>3</sup> Based on 2015 City Special Census Certified Report

<sup>4</sup> Based on 2018 City Special Census Certified Report

<sup>5</sup> Based on 2020 City Special Census Certified Report

Source:

\* Williamson Economic Development Council/ESRI Market Profile

\*\* Williamson County Public Schools and Private School with Brentwood Student Enrollment

\*\*\* US Department of Labor, Bureau of Labor Statistics/TN Department of Labor and Workforce Development

**City of Brentwood, Tennessee**  
Principal Employers (Unaudited)  
Current Year and Nine Years Ago

	2021			2012		
	Employees	Rank	% of total City employment	Employees	Rank	% of total City employment
<b>Employer</b>						
Tractor Supply Company	1,431	1	5.36%	664	2	3.83%
Comdata Inc.	1,000	2	3.74%	890	1	5.13%
DaVita HealthCare Partners	650	3	2.43%	455	4	2.62%
GEODIS	646	4	2.42%			
Brookdale Senior Living Inc.	606	5	2.27%	450	7	2.59%
LBMC	525	6	1.97%	270	8	1.56%
Premise Health	457	7	1.71%			
CoreCivic	419	8	1.57%			
American Addiction Centers	350	9	1.31%			
City of Brentwood	296	10	1.11%	244	9	1.41%
AT&T				500	3	2.88%
The Lampo Group (Dave Ramsey)				340	6	1.96%
Corizin				200	10	1.15%
LifePoint Hospitals Inc.				415	5	2.39%
	<b>6,380</b>		<b>23.89%</b>	<b>4,428</b>		<b>25.52%</b>
Total estimated City-wide employment	26,708			17,350		

Source: Nashville Business Journal, as of March 2021/Williamson, Inc./directly from company representative

**City of Brentwood, Tennessee**  
Full-time Equivalent City Government Employees by Function/Program (Unaudited)  
Last 10 Fiscal Years

<b>Function/Program</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
General government										
City manager	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Administration	4.0	4.5	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
Finance	8.0	8.0	8.0	7.5	7.5	7.5	7.5	7.0	7.5	7.5
Human resources	2.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Information technology	7.5	6.0	5.5	5.5	4.5	4.5	4.5	4.5	4.5	5.5
Planning and development	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Codes	7.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	9.0	8.5
GIS	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
	<u>37.5</u>	<u>38.0</u>	<u>37.0</u>	<u>36.5</u>	<u>35.5</u>	<u>35.5</u>	<u>34.5</u>	<u>34.0</u>	<u>35.0</u>	<u>35.5</u>
Police										
Officers	66.0	64.0	64.0	63.0	61.0	59.0	58.0	56.0	54.0	56.0
Civilians	18.5	18.5	16.5	16.0	16.0	16.0	15.5	16.5	14.0	15.0
Fire										
Firefighters and officers	68.5	69.0	65.0	65.0	65.0	62.0	61.0	62.0	63.0	61.0
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public works										
Engineering	5.5	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Public works, streets	26.0	26.0	25.0	25.0	25.0	25.0	23.0	23.0	22.0	22.0
Utilities										
Water	12.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Wastewater	12.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0	12.0	13.0
Parks and recreation	19.0	20.0	21.0	21.0	21.0	20.0	20.0	21.0	20.0	17.0
Library	<u>30.5</u>	<u>29.0</u>	<u>29.0</u>	<u>29.0</u>	<u>29.0</u>	<u>29.0</u>	<u>29.0</u>	<u>26.0</u>	<u>29.0</u>	<u>28.5</u>
	<b>296.5</b>	<b>294.5</b>	<b>288.5</b>	<b>286.5</b>	<b>283.5</b>	<b>277.5</b>	<b>272.0</b>	<b>269.5</b>	<b>267.0</b>	<b>266.0</b>

Source: City of Brentwood personnel department

**City of Brentwood, Tennessee**  
Operating Indicators by Function/Program (Unaudited)  
Last 10 Fiscal Years

<b>Function/Program</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
General government										
Building permits issued	1,017	833	738	743	949	903	931	971	974	979
Building related inspections	10,774	9,895	10,690	12,452	14,227	9,035	9,927	10,095	10,639	10,318
Police										
Physical arrests	942	1,121	1,490	1,816	917	832	960	1,137	1,078	1,244
Parking violations	5	8	28	41	20	81	24	95	68	70
Traffic violations	1,509	2,642	3,788	6,349	3,292	3,512	3,906	5,019	5,875	6,282
Fire										
Emergency responses	3,704	3,683	3,633	3,535	3,431	3,291	3,018	2,961	2,721	2,742
Fires extinguished	77	83	81	65	99	82	67	79	81	92
Inspections (commercial)	1,010	528	853	1,476	801	744	704	732	716	1,407
Public works										
Street resurfacing (in miles)	12	10	9	21	24	19	19	22	17	18
Potholes repaired	69	94	133	139	75	408	408	285	188	389
Library										
Volumes in collection	436,470	415,307	407,964	388,563	383,115	399,248	361,486	316,811	270,953	226,180
Total volumes borrowed	703,210	654,029	722,226	733,792	752,393	745,386	677,261	680,510	655,761	653,297
Water										
New connections	129	124	99	134	164	135	182	176	161	172
Water main breaks	24	9	9	10	95	12	7	12	13	12
Monthly average flow (in 000s of gallons)	168,360	182,005	164,334	161,110	184,543	192,900	170,300	156,000	150,165	153,415
Wastewater										
Average daily sewage treatment (in 000s of gallons)	5,241	5,493	5,746	5,717	5,131	5,236	5,187	5,050	5,200	4,400

Source: Various City departments

**City of Brentwood, Tennessee**  
Capital Assets Statistics by Function/Program (Unaudited)  
Last 10 Fiscal Years

<b>Function/Program</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	78	80	72	72	72	69	67	67	65	66
Fire stations	4	4	4	4	4	4	4	4	4	4
Public works										
Streets (in miles)	494	491	488	482	482	479	479	469	466	461
Streetlights	3,861	3,809	3,763	3,652	3,652	3,614	3,614	3,513	3,491	3,439
Traffic signals	53	53	48	48	47	47	47	46	46	46
Parks and recreation										
Acreage	1,027	965	965	965	965	965	965	965	965	862
Baseball/softball diamonds	12	12	11	11	11	11	11	11	11	11
Soccer/football fields	18	18	17	17	17	17	15	15	15	15
Water										
Water mains (in miles)	234	231	226	224	223	219	217	213	208	206
Fire hydrants	1,685	1,678	1,672	2,588	2,548	2,501	2,475	2,438	2,411	2,036
Storage capacity (in 000s of gallons)	14,026	14,026	14,026	14,025	14,025	14,025	14,025	14,020	14,020	14,020
Wastewater										
Sanitary sewers (in miles)	302	299	293	292	289	285	285	281	277	268

Source: Various City departments



## **Internal Control and Compliance Section**



**City of Brentwood, Tennessee**  
**Schedules of Utility Rates Structure**  
**and Number of Customers (Unaudited)**  
**For the Year Ended June 30, 2021**

<b>Services</b>	<b>Number of customers</b>	
Water	9,969	
Sewer	11,752	
<b>Water</b>		
Residential, institutional, retail, and certain other commercial customers		
First 2,000 gallons	\$ 12.97	(minimum bill)
Next 8,000 gallons	\$ 4.55	per 1,000 gallons
Thereafter	\$ 6.60	per 1,000 gallons
Commercial office customers		
Gallons equivalent to total square footage of building space	\$ 0.006485	(approx. per sqft)
Usage exceeding 1 gallon per square foot (up to 10,000 gallons)	\$ 4.55	per 1,000 gallons
Thereafter	\$ 6.60	per 1,000 gallons
Water surcharge	\$ 1.20	per 1,000 gallons
<b>Sewer</b>		
In City limits		
Residential customers		
First 2,000 gallons	\$ 16.22	(minimum bill)
Next 8,000 gallons	\$ 5.69	per 1,000 gallons
Over 10,000 gallons	\$ 6.50	per 1,000 gallons
Commercial office, institutional, and certain other commercial customers		
Minimum bill, per square foot of building	\$ 0.010130	(approx. per sqft)
Up to 10,000 gallons total usage	\$ 7.11	per 1,000 gallons
Over 10,000 gallons	\$ 8.11	per 1,000 gallons
Commercial retail customers		
Minimum bill, per unit or tenant space	\$ 20.26	(minimum bill)
Up to 10,000 gallons total usage	\$ 7.11	per 1,000 gallons
Over 10,000 gallons	\$ 8.11	per 1,000 gallons
Outside City limits (sewer only customers)		
Residential customers		
First 2,000 gallons	\$ 17.03	(minimum bill)
Next 8,000 gallons	\$ 5.97	per 1,000 gallons
Over 10,000 gallons	\$ 6.83	per 1,000 gallons
Commercial office, institutional, and certain other commercial customers		
Minimum bill, per square foot of building	\$ 0.010635	(approx. per sqft)
Up to 10,000 gallons total usage	\$ 7.47	per 1,000 gallons
Over 10,000 gallons	\$ 8.51	per 1,000 gallons
Commercial retail customers (sewer only); 105% institutional		
Minimum bill, per unit or tenant space	\$ 21.27	(minimum bill)
Up to 10,000 gallons total usage	\$ 7.47	per 1,000 gallons
Over 10,000 gallons	\$ 8.51	per 1,000 gallons
Wastewater treatment surcharge for all Brentwood sewer customers	\$ 1.04	per 1,000 gallons

# City of Brentwood, Tennessee

## AWWA Water Schedule (Unaudited)

### For the Fiscal Year Ended June 30, 2021

**AWWA Free Water Audit Software:**  
**Reporting Worksheet**

WAS v5.0  
American Water Works Association

?

+

Click to access definition

Click to add a comment

**Water Audit Report for:** **Brentwood Water Services (TN0000069)**

**Reporting Year:** **2021**    **7/2020 - 6/2021**

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

---

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and

----- Enter grading in column 'E' and 'J' ----->

**WATER SUPPLIED**

Volume from own sources:	+	?	9	0.000	MG/Yr
Water imported:	+	?	9	2,030.656	MG/Yr
Water exported:	+	?	9	0.000	MG/Yr

**WATER SUPPLIED:**
**2,030.656** MG/Yr

**AUTHORIZED CONSUMPTION**

Billed metered:	+	?	9	1,491.716	MG/Yr
Billed unmetered:	+	?	10	0.000	MG/Yr
Unbilled metered:	+	?	10	17.583	MG/Yr
Unbilled unmetered:	+	?	8	73.380	MG/Yr

Unbilled Unmetered volume entered is greater than the recommended default value

**AUTHORIZED CONSUMPTION:**
**1,582.679** MG/Yr

**WATER LOSSES (Water Supplied - Authorized Consumption)**

**447.977** MG/Yr

**Apparent Losses**

Unauthorized consumption:

**5.077** MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:

**15.245** MG/Yr

Systematic data handling errors:

**3.729** MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses:

**24.051** MG/Yr

**Real Losses (Current Annual Real Losses or CARL)**

Real Losses = Water Losses - Apparent Losses:

**423.926** MG/Yr

**WATER LOSSES:**
**447.977** MG/Yr

**Master Meter and Supply Error Adjustments**

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**City of Brentwood, Tennessee**  
**AWWA Water Schedule (Unaudited)**  
**For the Fiscal Year Ended June 30, 2021**

**AWWA Free Water Audit Software:**  
**System Attributes and Performance Indicators**

WAS  
v5.0  
American Water Works Association

Water Audit Report for: Brentwood Water Services (TN0000069)  
Reporting Year: 2021 7/2020 - 6/2021

**\*\*\* YOUR WATER AUDIT DATA VALIDITY SCORE IS: 86 out of 100 \*\*\***

System Attributes:

Apparent Losses:	24.051	MG/Yr
+	Real Losses:	423.926
=	<b>Water Losses:</b>	<b>447.977</b>
Unavoidable Annual Real Losses (UARL): <span style="float: right;">88.66 MG/Yr</span>		
Annual cost of Apparent Losses:		\$174,613
Annual cost of Real Losses:		\$1,182,326

Valued at **Variable Production Cost**  
Return to Reporting Worksheet to change this assumption

Performance Indicators:

<b>Financial:</b> Non-revenue water as percent by volume of Water Supplied: Non-revenue water as percent by cost of operating system:	<span style="border: 1px solid black; padding: 2px;">26.5%</span> <span style="border: 1px solid black; padding: 2px;">14.2%</span>	Real Losses valued at Variable Production Cost
<b>Operational Efficiency:</b>	Apparent Losses per service connection per day: <span style="border: 1px solid black; padding: 2px;">6.42</span> Real Losses per service connection per day: <span style="border: 1px solid black; padding: 2px;">113.16</span> Real Losses per length of main per day*: <span style="border: 1px solid black; padding: 2px;">N/A</span> Real Losses per service connection per day per psi pressure: <span style="border: 1px solid black; padding: 2px;">1.30</span>	gallons/connection/day gallons/connection/day  gallons/connection/day/psi
From Above, Real Losses = Current Annual Real Losses (CARL): <span style="border: 1px solid black; padding: 2px;">423.93</span> million gallons/year Infrastructure Leakage Index (ILI) [CARL/UARL]: <span style="border: 1px solid black; padding: 2px;">4.78</span>		

\* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

**City of Brentwood, Tennessee**  
List of Official Bonds of Principal Officials and Bonded Amounts (Unaudited)  
As of June 30, 2021

---

<b>Elected</b>		
<b>Title</b>	<b>Name</b>	<b>Amount</b>
Mayor	Rhea Little III	\$500,000
Vice Mayor	Nelson Andrews	\$500,000
Commissioner	Anne Dunn	\$500,000
Commissioner	Mark Gorman	\$500,000
Commissioner	Susannah Macmillan	\$500,000
Commissioner	Regina Smithson	\$500,000
Commissioner	Ken Travis	\$500,000

**City of Brentwood, Tennessee**  
List of Official Bonds of Principal Officials and Bonded Amounts (Unaudited)  
As of June 30, 2021

---

<b>Appointed</b>		
<b>Title</b>	<b>Name</b>	<b>Amount</b>
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	Lori Lange	\$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***

Honorable Mayor and Board of Commissioners  
City of Brentwood, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brentwood, Tennessee (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 28, 2022.

**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.

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.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC  
Brentwood, Tennessee  
January 28, 2022



**City of Brentwood, Tennessee**  
Summary Schedule of Prior Year Findings  
For the Year Ended June 30, 2021

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**Financial Statement Findings**

<b>Finding Number</b>	<b>Finding Title</b>	<b>Status</b>
N/A	There were no prior findings reported.	N/A

**Federal Award Findings and Questioned Costs**

<b>Finding Number</b>	<b>Finding Title</b>	<b>Status</b>
N/A	There were no prior findings reported.	N/A