



CITY OF  
**BRENTWOOD**  
TENNESSEE



Annual Comprehensive  
Financial Report  
For Fiscal Year Ended  
June 30, 2022

# **City of Brentwood, Tennessee**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2022

Prepared by  
Department of Finance

**City of Brentwood, Tennessee**  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2022

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## Introductory Section



Rhea Little  
MAYOR

Nelson Andrews  
VICE MAYOR

Kirk Bednar  
CITY MANAGER



## BRENTWOOD TENNESSEE

### COMMISSIONERS

Anne Dunn

Mark Gorman

Susannah Macmillan

Regina Smithson

Ken Travis

December 30, 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, 2022, 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, 2022.

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, 2022, 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, 2022, 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 2020 decennial census of 45,373. The City of Brentwood is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation into the officially designated urban growth area, subject to property owner request or a successful referendum.

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

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



In early January, City departments begin assessing resource needs for the coming year relative to capital equipment, including fleet; maintenance requirements; technology; and, proposed new or expanded work programs. By late January, a work session is held with the City Commission to review initial revenue projections and receive initial policy guidance on appropriate service levels and personnel policies. Budget requests and supporting documentation are then prepared by individual departments and submitted in 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 2022 financial results reflect a mixture of factors including the easing a COVID related impacts, a Middle TN real estate frenzy, and the beginning of interest rate increases to try and temper inflation rates that have not been seen in several decades. Despite this mix of factors, the local economy continues to reflect strong activity as evidenced by the FY 2022 revenue results presented in this report. Local option sales tax results were especially strong. While a significant part of the strong sales tax results was due to the City realizing the benefits of the ½ cent local sales tax increase approved by voters in 2018, the City also continues to benefit from the situs-based collection and distribution of local sales taxes for online retail purchases. The June 2022 statistics indicate a 2.7 percent unemployment rate for Brentwood, up from 2.2 percent a year ago. This compares to the Williamson County rate of 2.8 percent, and the statewide rate of 3.3 percent.

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

The strength of the Brentwood economy is reflected in the growth in the tax base. The total valuation for new building related permits issued during the 2021 - 2022 fiscal year was \$313,849,920 with 978 permits being issued. In fiscal year 2022, Brentwood had a total assessed value of taxable property of \$4,315,300,992, 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, 2022, revealed a vacancy rate for office space of 13.6% in the Brentwood area submarket, compared to 19.7% for the Nashville office market overall and 22.8% for the Cool Springs/Franklin submarket. Note that this Brentwood vacancy rate includes office buildings in the portion of Nashville/Davidson County that is included in the Brentwood office market study area. Within Brentwood, a new 106,000 square foot office building in the Virginia Springs development opened 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 by mid-2023. A proposed master plan for redevelopment of the property consisting of three, four-story office buildings and approximately

43,000 square feet of retail and restaurant space will be presented to the Brentwood Planning Commission in January 2023. The initial phase of construction could begin in CY 2024 depending on leasing and market conditions.

Many companies locate their national/regional headquarters or offices in Brentwood. The diversity of employment opportunities in the community is significant with the City not dependent on a single, large employer. As employers, they represent diverse economic sectors that include health, retail, telecommunications, and financial services. Tractor Supply (retail), Comdata (financial services), CoreCivic (corrections), AT&T (communications), Brookdale Senior Living (senior residential management), GEODIS (logistics), naviHealth (healthcare), Quorum Health (hospital management), Lattimore, Black, Morgan & Cain, P.C. (financial services), Kirkland's (retail), 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 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-one (31) years through FY 2022.

The Brentwood/Williamson County community is firmly committed to providing a quality public education system second to none in the United States. Local students are routinely admitted to the highest ranked colleges and universities across the nation. Both Brentwood and Ravenwood High Schools are consistently ranked among the top schools in Tennessee and the nation. Williamson County provides first class facilities and strives to meet the growth in student enrollment by constructing new schools and expanding existing schools, as needed. In August 2018, the school district opened the new Jordan Elementary school in southeast Brentwood. A companion middle school on the same site has been approved and should start construction in 2023. The first phase of a multi-year rebuild of Brentwood Middle School began in summer 2022 and an expansion at Ravenwood High School to increase capacity by 550 students will be complete in early 2023.

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. In FY 2022, Brentwood's annual share of the local option sales tax increase was approximately \$6 million in additional revenue.

**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 2023-28 CIP include:

- Completion by the State of Tennessee of Franklin Road Widening Improvements (from Concord Rd to Moores Lane)
- Completion 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 and Split Log Road in southeast Brentwood
- Improvements to existing stormwater infrastructure within older subdivisions
- 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:

- ***Post-COVID-19 Impacts.*** While the City did not experience any significant negative financial impacts of COVID, there are other potential longer-term impacts to the region and society that could affect 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. However, actual office vacancy rates are lower than the region as a whole and redevelopment plans are moving forward for a couple of significant properties. 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 \$7,720,925 while expenditures were under the revised appropriation by \$1,364,395. Even after considering special year-end appropriations transfers from the General Fund to the Capital Projects Fund (\$9,100,000) for advance funding for various capital improvements in fiscal year 2023 and beyond and other component funds (\$980,000) for future facility maintenance and equipment purchases, the fund balance increased by \$10,483,977 from the previous fiscal year (from \$51,441,246 to \$61,925,223). As noted earlier, ability to complete these significant year-end transfers for future investments in projects and equipment with little impact on the City's General Fund balance was possible due to continued conservative revenue estimates and a surging local economy and associated

retail sales.

Looking ahead to fiscal year 2022 - 2023 and beyond, we anticipate continued moderate revenue growth from key revenue sources such as property taxes and local sales taxes, assuming the Federal Reserve can accurately manage monetary policy to curb the negative impacts of inflation without causing a deep, long-term recession. The impending closure of the tax-exempt Maryland Farms YMCA and the sale and redevelopment of that 17-acre tract in the middle of the Maryland Farms office park presents positive financial opportunities in the coming years. As noted previously, the City began receiving a significant influx of new revenue beginning in the last quarter of FY 2021 and continuing in FY 2022 from the local sales tax increase approved by voters in January of 2018. From a short-term perspective, the staff is confident that the upcoming fiscal year 2023 - 2024 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 2023 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 2022 totaled 125 compared to 168 in fiscal year 2021. Today, all new home development in Brentwood exceeds \$1,000,000, with many new homes in the \$2-\$5 million range. The resale of existing homes also shows strong activity, although the market slowed somewhat the second half of 2022 with recent interest rate increases.
- ***Demands on Infrastructure.*** As Brentwood moves closer to build out of available land within the city limits, attention must be given to ensuring that our infrastructure is sufficient to serve the community at build out. Pre-COVID, traffic was the primary infrastructure concern for most residents. While traffic volumes have increased again as COVID wanes, overall peak traffic congestion remains below where it was pre-COVID. Transportation improvements in the coming years will be focused on capacity and safety improvements in areas of town experiencing the most growth and those areas included in recent annexation efforts. Besides transportation, policies related to the long-term capacity of the water and sewer utility infrastructure are the other challenges facing the City in the next few years. An updated water and sewer rate study was recently completed with projected annual increases of 2.5% for both water and sewer over a four-year period beginning in FY 2023. These scheduled rate increases are intended to ensure the self-supporting utility system meets its adopted financial policies and maintains sufficient cash flow for both annual operating costs and long-term capital financing for system expansion and maintenance.
- ***Competitive Employee Pay and Benefit Programs.*** The strength of the Middle Tennessee economy provides benefits from a revenue perspective, but also creates pressures on the City's ability to maintain a competitive employee compensation and benefits program. Escalating wage rates in both the surrounding public and private sector job markets along with the advent of rising inflation rates necessitates that the City continually assess its classification and compensation plan. In addition, the increasing workforce presence of the

millennial generation presents unique challenges due to new and different employee expectations of the workplace, leave policies, benefit programs, etc. The City made significant pay and benefits adjustments as part of the FY 2023 budget, but additional significant adjustments are likely necessary in the coming fiscal year and beyond. A comprehensive classification and compensation study is underway, and the results of this study will drive FY 2024 compensation budgeting.

**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 2022 with an unassigned fund balance for the general fund of \$50,656,020, or 94.82% of FY 2022 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 2022 year-end unassigned fund balance was 117% of FY 2022 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 2022 with Debt Service Fund balance of \$2,845,180 or 121% of the FY 2023 budgeted debt service payments of \$2,336,660. The long-range cash flow model for the Debt Service Fund reflects fund balance levels remaining at or above the one-year goal.

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

**Major Initiatives for the Year** - The significant projects, events, and accomplishments during the City's 2021 - 2022 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 2022, the City initiated construction of a fifth fire station and a sewer equalization tank.
- *Stable Property Tax Rate* - The City of Brentwood property tax rate approved in June 2022 for the new fiscal year beginning July 1, 2022 - June 30, 2023, remains the same at \$.29 per \$100 of assessed value, which represents the same effective tax rate for the 32nd year in a

row. Brentwood continues to have one of the lowest tax rates in the State of Tennessee for any full-service municipality, with the City property tax bill for the average home valued at \$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 2022 - 2023 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 2022-2023 budget was 6.5 versus 8.5 in fiscal year 1990-1991 or 24% less.
- *New Commercial Development Activity* - Commercial development continued during FY 2022. Construction of the next phase of the Hill Center project was completed, including a new hotel that opened fall of 2021. Smaller scale commercial redevelopment of property is beginning to occur in the southern Franklin Road corridor coinciding with road widening improvements in this area. Finally, master planning for redevelopment of the 17-acre Maryland Farms YMCA property is underway with new construction potentially beginning in CY 2024.

## **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, 2021. This was the thirty-sixth (36th) consecutive year (fiscal years ended 1986 - 2021) that the government has achieved this award. The Certificate of Achievement is a prestigious national award that recognizes our conformance with the highest standards for preparation of a state and local government financial report.

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

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

*Distinguished Budget Presentation Award.* The City has been recognized by the Government Finance Officers Association of the United States and Canada (GFOA) with the Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2021. This represents the thirtieth (30th) consecutive year the City has met or exceeded the program's requirements. This award represents the highest recognition possible in governmental budgeting.

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

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

Also, the City acknowledges the staff of 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

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Brentwood  
Tennessee**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

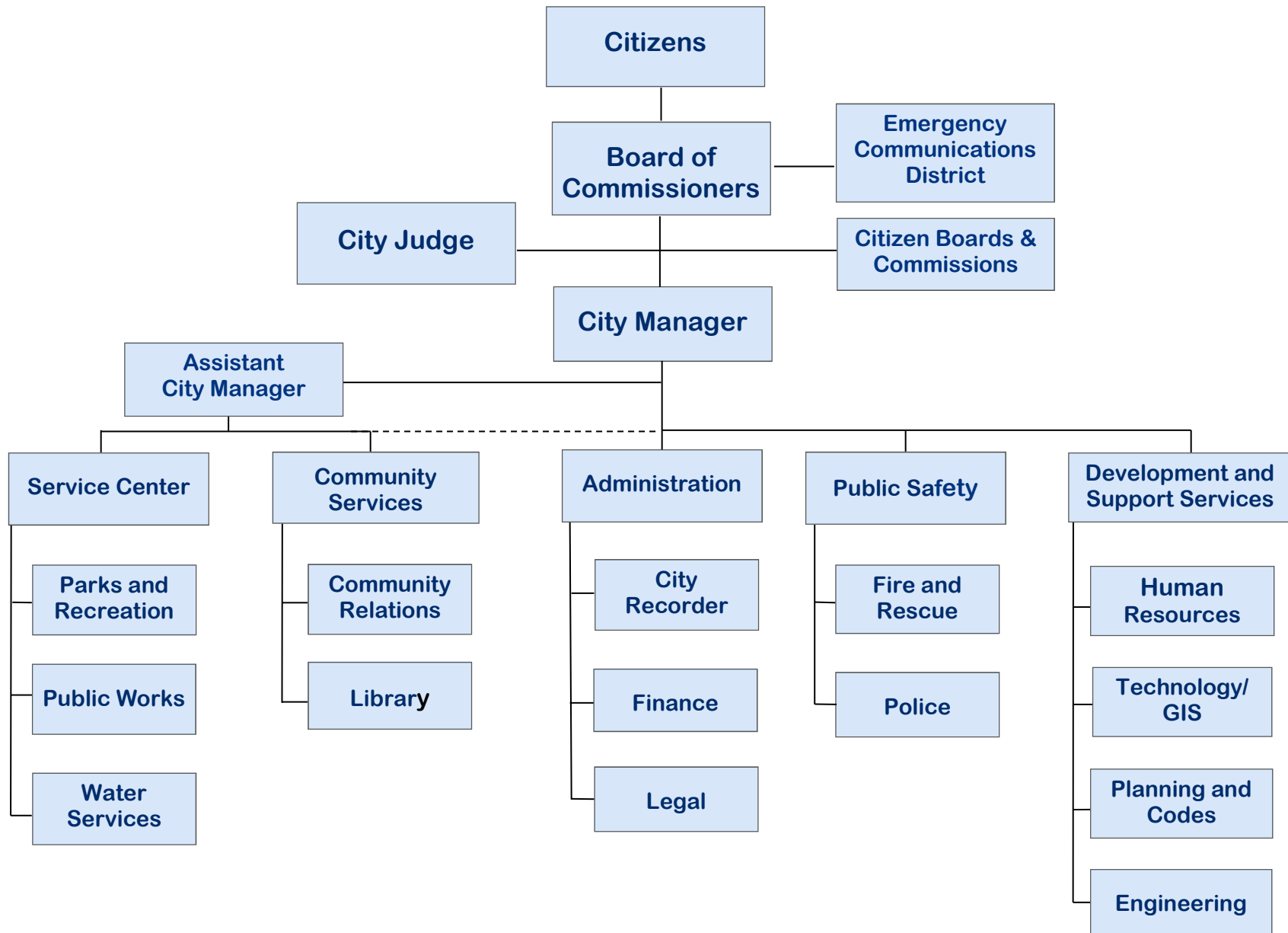
*Christopher P. Morill*

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, 2022

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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	April Curlin
Police Chief	Richard Hickey
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	Sarah VanWormer
City Judge	Laurie Jewett

## Financial Section





## Independent Auditor's Report

Honorable Mayor and Board of Commissioners  
City of Brentwood, Tennessee

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brentwood, Tennessee (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022 and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*) issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-18 and the schedules of changes in net pension and OPEB liability (asset) and related ratios and employer contributions and investment returns on pages 82-92 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules on pages 93-105, other schedules on pages 106-109 and 134 (including the schedule of expenditures of federal awards and state financial assistance as required by Title 2 *US Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, on page 134) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules on pages 93-105 and other schedules on pages 106-109 and 134 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, other schedules on pages 135-136, and statistical section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 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  
December 30, 2022

**City of Brentwood, Tennessee**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Fiscal Year Ended June 30, 2022**

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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, 2022. The analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City.

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

**Financial Highlights**

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$501,864,706 (net position). Of this amount, \$99,412,682 (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 \$50,131,454 compared to prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$92,365,475, an increase of \$13,196,286 in comparison with the prior year. Approximately 54.8% of this total amount, \$50,656,020 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 \$50,656,020, or 96.6% of fiscal year 2022 final general fund expenditures including transfers. This demonstrates the City's fiscal discipline and places the City in a strong financial position to meet unexpected emergencies, uncertainties at the State level or a slowdown in the economy.
- The City's total long-term debt principal decreased by \$270,000 during the current fiscal year. This decrease was due to scheduled debt service principal payments, refunding of certain debt issues, and early defeasement of two 2011 bond issues.

**Overview of the Financial Statements**

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

*Government-wide Financial Statements*

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

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



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

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

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

#### *Fund Financial Statements*

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

#### *Governmental Funds*

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

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

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

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

### *Budget to Actual Comparisons – General Fund*

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. Budget to actual comparisons for the General Fund can be found on pages 25-31 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 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 uses internal service funds to account for its fuel purchases and health insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

### *Fiduciary Funds*

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

The basic fiduciary fund financial statements can be found on pages 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 38-81 of this report.

### *Other Information*

Included in Required Supplementary Information, the City's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees is presented, which can be found on pages 82-92 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, as well as budgetary information for the debt service fund, are presented immediately following the required supplementary information on pensions and other postemployment benefits. Combining and individual fund statements can be found on pages 93-105 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$501,864,706 as of June 30, 2022.

### Net Position – Primary Government June 30, 2022 and 2021 (amounts expressed in thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Current and other assets	\$ 135,405	\$ 110,971	\$ 43,639	\$ 36,313	\$ 179,044	\$ 147,284
Capital assets	<u>329,028</u>	<u>305,096</u>	<u>76,349</u>	<u>74,077</u>	<u>405,377</u>	<u>379,173</u>
Total assets	<u>464,433</u>	<u>416,067</u>	<u>119,988</u>	<u>110,390</u>	<u>584,421</u>	<u>526,457</u>
Deferred outflows of resources	<u>11,250</u>	<u>5,140</u>	<u>1,776</u>	<u>862</u>	<u>13,026</u>	<u>6,002</u>
Long-term liabilities	29,675	32,846	21,497	17,894	51,172	50,740
Other liabilities	<u>11,265</u>	<u>7,397</u>	<u>3,125</u>	<u>2,237</u>	<u>14,390</u>	<u>9,634</u>
Total liabilities	<u>40,940</u>	<u>40,243</u>	<u>24,622</u>	<u>20,131</u>	<u>65,562</u>	<u>60,374</u>
Deferred inflows of resources	28,110	19,423	1,911	929	30,021	20,352
Net position						
Net investment in capital assets	303,610	276,265	55,300	54,853	358,910	331,118
Restricted	41,806	29,500	1,736	733	43,542	30,233
Unrestricted	<u>61,217</u>	<u>55,776</u>	<u>38,195</u>	<u>34,606</u>	<u>99,412</u>	<u>90,382</u>
Total net position	<b>\$ 406,633</b>	<b>\$ 361,541</b>	<b>\$ 95,231</b>	<b>\$ 90,192</b>	<b>\$ 501,864</b>	<b>\$ 451,733</b>

By far the largest portion of the City's net position (71.5%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position represents resources that are subject to restrictions as to how they may be used. These include net position restricted for pensions (\$15,947,088), roads and streets (\$2,274,763), capital projects (\$24,866,689), drug enforcement and education (\$451,043) and citation equipment (\$2,577).

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

#### Governmental Activities

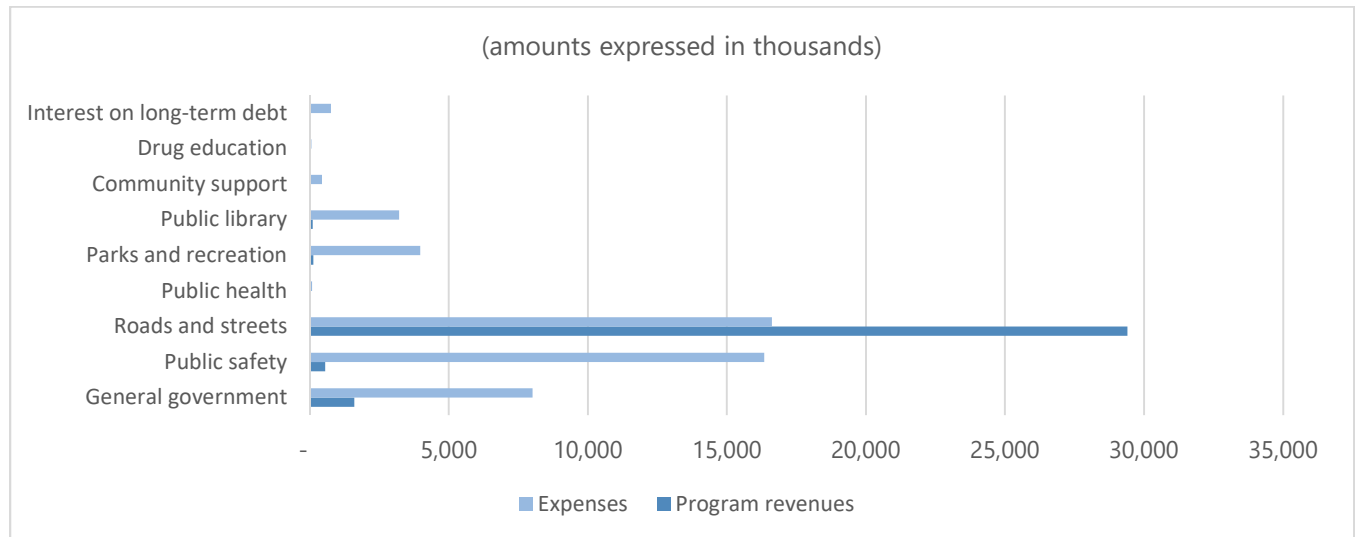
Governmental activities increase in net position from FY 2021 to FY 2022 is \$45,081,254. The primary factor underlying this increase is sales tax collections and the impact of the City's share of the ½ cent local sales tax increase approved by voters in January 2018 now being returned to the City beginning April 2021. Local sales tax collections were \$31,779,250, an \$8,385,518 (35.8%) increase over last year's collections. Other factors include increase in net investment in capital assets, pensions, roads and streets, capital projects.

**The City's Changes in Net Position**  
**For the years ended June 30, 2022 and 2021**  
(amounts expressed in thousands)

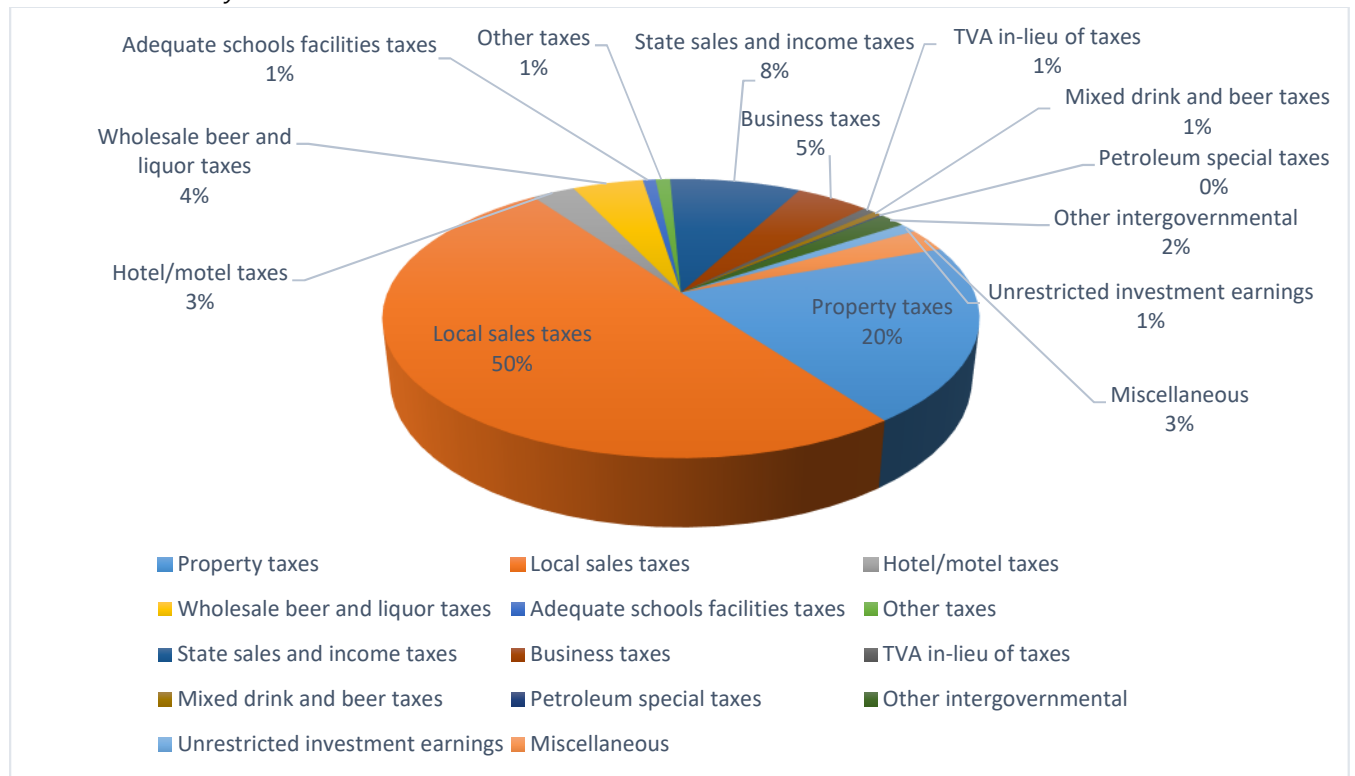
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Revenues						
Charges for services	\$ 2,394	\$ 2,307	\$ 20,797	\$ 20,235	\$ 23,191	\$ 22,542
Operating grants and contributions	2,138	1,603	1,307	1,331	3,445	2,934
Capital grants and contributions	27,268	9,012	939	1,336	28,207	10,348
General revenues						
Property taxes	12,982	12,661	-	-	12,982	12,661
Local option sales tax	31,779	23,394	-	-	31,779	23,394
Hotel/motel tax	1,764	845	-	-	1,764	845
Wholesale beer and liquor tax	2,889	2,197	-	-	2,889	2,197
Adequate schools facilities tax	528	593	-	-	528	593
Other taxes	596	611	-	-	596	611
State sales and use tax	5,164	4,656	-	-	5,164	4,656
State income tax	206	1,182	-	-	206	1,182
Business tax	2,991	2,232	-	-	2,991	2,232
TVA in-lieu of tax	471	502	-	-	471	502
Mixed drink and beer tax	361	290	-	-	361	290
Petroleum special tax	84	87	-	-	84	87
Corporate excise tax	210	295	-	-	210	295
Telecommunications tax	19	20	-	-	19	20
Grants and other intergovernmental	827	2,771	2,504	-	3,331	2,771
Unrestricted investment earnings	702	509	130	73	832	582
Miscellaneous	<u>1,710</u>	<u>211</u>	<u>163</u>	<u>34</u>	<u>1,873</u>	<u>245</u>
Total revenues	95,083	65,978	25,840	23,009	120,923	88,987
Expenses						
General government	8,014	8,008	-	-	8,014	8,008
Public safety	16,343	15,683	-	-	16,343	15,683
Roads and streets	16,621	13,242	-	-	16,621	13,242
Public health	90	90	-	-	90	90
Parks and recreation	3,973	3,715	-	-	3,973	3,715
Public library	3,217	2,891	-	-	3,217	2,891
Community support	442	411	-	-	442	411
Drug education	57	59	-	-	57	59
Interest on long-term debt	760	710	-	-	760	710
Water and sewer	-	-	19,157	19,270	19,157	19,270
Rental facilities	-	-	782	728	782	728
Emergency communications	<u>-</u>	<u>-</u>	<u>1,347</u>	<u>1,452</u>	<u>1,347</u>	<u>1,452</u>
Total expenses	49,517	44,809	21,286	21,450	70,803	66,259
Increase in net position before transfers	45,566	21,169	4,554	1,559	50,120	22,728
Transfers	<u>(485)</u>	<u>(485)</u>	<u>485</u>	<u>485</u>	<u>-</u>	<u>-</u>
Increase in net position	45,081	20,684	5,039	2,044	50,120	22,728
Net position - beginning	361,541	340,857	90,192	88,148	451,733	429,005
Prior period adjustment	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>-</u>
Net position - ending	<b>\$ 406,633</b>	<b>\$ 361,541</b>	<b>\$ 95,231</b>	<b>\$ 90,192</b>	<b>\$ 501,864</b>	<b>\$ 451,733</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

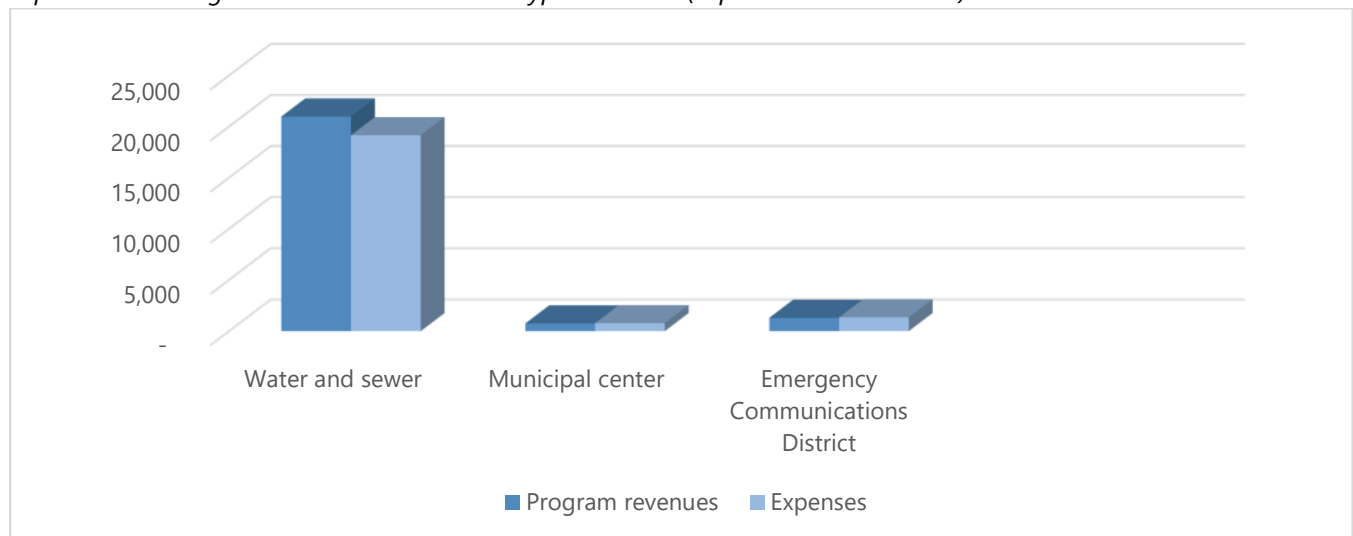


### *Business-type Activities*

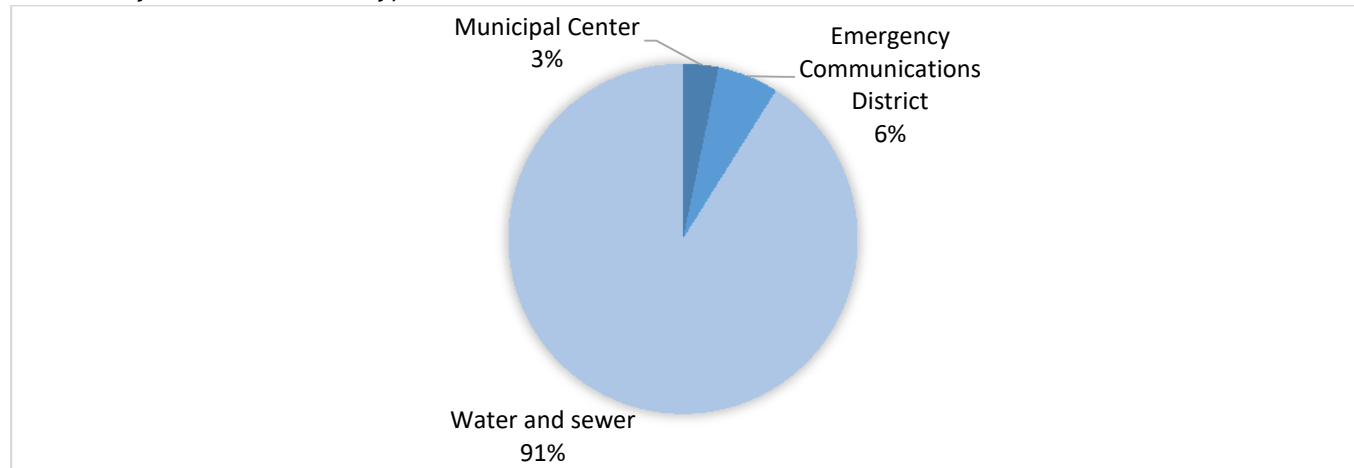
Business-type activities increased the City's net position by \$5,039,177 accounting for 10.1% of the total growth in the government's net position. Key elements of this increase are as follows:

- The City's water and sewer fund accounts for 91.5% of the increase in business-type net position, with a change in net position of \$4,611,355 for the year. This reflects an increase of \$3,017,319 in year over year net position change compared to the prior year increase. Factors affecting this amount include:
  - An operating income increase from \$676,935 to \$1,256,311 primarily driven by increases in water sales and sewer service charges.
  - An increase in interest income from \$58,844 to \$104,222 driven by the increase in rates paid on cash balances.
- The City's municipal center fund accounts had a negative change in net position of \$13,249. This decrease was driven primarily by an increase in maintenance related expenses.
- The Emergency Communications District (ECD) had a positive change in net position, including transfers, of \$455,346. This is more than the previous year's change in net position, driven primarily by a reduction in operating expenses associated with staffing vacancies.
- The allocation of the internal service fund net position to the business-type activities resulted in a decrease of \$14,275 in net position at an entity-wide level.

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



### Revenues by Source – Business-type Activities



### Financial Analysis of the Government's Funds

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

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

	2022	2021
Total assets	\$ 128,700,835	\$ 100,025,694
Total liabilities	22,455,698	7,263,870
Total deferred inflows of resources	13,879,662	13,592,635
Fund balances:		
Nonspendable	243,256	309,872
Restricted	27,697,396	23,760,072
Committed	13,768,803	13,613,316
Unassigned	<u>50,656,020</u>	<u>41,485,929</u>
Total fund balances	92,365,475	79,169,189
Total liabilities, deferred inflows of resources, and fund balances	\$ 128,700,835	\$ 100,025,694

### *Governmental Funds*

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$92,365,475, an increase of \$13,196,286 in comparison with the prior year amount. Approximately 54.8% of this total amount (\$50,656,020) 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 (\$243,256), restricted for a specific purpose per enabling legislation (pensions - \$102,324, street repairs - \$2,274,763, drug enforcement and education - \$451,043, citation equipment - \$2,577, and capital projects - \$24,866,689) and committed for a specific purpose per action by the Board of Commissioners (debt service - \$2,845,180, equipment replacement - \$8,259,475, facilities maintenance - \$1,771,133 and post-employment benefits - \$893,015).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$50,656,020. 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 96.6% of total fiscal year 2022 general fund expenditures (including budgeted transfers and year-end discretionary transfers).



**Changes in Fund Balances of Governmental Funds**  
**For the years ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Revenues</b>		
Taxes	\$ 49,885,653	\$ 39,750,264
Licenses and permits	1,657,116	1,707,172
Fines and fees	127,598	115,715
Charges for services	586,573	462,185
Intergovernmental	12,444,698	14,215,970
Uses of money and property	701,659	749,342
Other	<u>2,287,405</u>	<u>66,999</u>
Total revenues	67,690,702	57,067,647
<b>Expenditures</b>		
Current		
General government	8,096,820	7,693,738
Public safety	19,495,118	17,338,330
Roads and streets	6,803,755	6,346,008
Public health	90,498	90,425
Parks and recreation	2,782,031	2,751,341
Public library	3,244,856	2,909,391
Community support	484,236	438,136
Drug education	12,954	39,139
Capital outlay	8,817,334	25,076,754
Debt service	<u>4,284,296</u>	<u>5,385,364</u>
Total expenditures	<u>54,111,898</u>	<u>68,068,626</u>
Excess (deficiency) of revenues over (under) expenditures	13,578,804	(11,000,979)
<b>Other financing sources (uses)</b>		
Transfers in/(out), net	(484,700)	(484,700)
Issuance of debt	2,810,000	-
Payments to refunded bond escrow agent	(2,906,872)	-
Bond premium/(discount), net	<u>188,031</u>	<u>-</u>
Total other financing sources (uses)	<u>(393,541)</u>	<u>(484,700)</u>
Net change in fund balances	13,185,263	(11,485,679)
Fund balances, beginning of year	79,169,189	89,048,858
Prior period adjustment	<u>11,023</u>	<u>1,606,010</u>
Fund balances, end of year	<b>\$ 92,365,475</b>	<b>\$ 79,169,189</b>

The fund balance of the City's general fund (including committed activity budgeted separately) increased by \$10,483,977 during the current fiscal year due to strong revenue growth and conservative budgeting practices.

The debt service fund has a total fund balance of \$2,845,180. The net decrease in fund balance during the current year in the debt service fund was \$1,182,885 primarily due to the use of \$1,345,000 of available fund balance to directly redeem the outstanding balance of two 2011 bond issues. Please see note 7 for additional information on the City's long-term liabilities.

The capital projects fund has a total fund balance of \$21,960,227 all of which is restricted or committed for the funding of major capital improvements of the City. The current year net increase of \$2,670,571 includes transfers of \$9,100,000, from the general fund to fund certain capital projects in FY 2023 and beyond. Given the multi-year duration of significant capital projects, year-to-year fluctuations in fund balance are to be expected. Additional details of major capital expenditures are addressed on page 16 of this narrative overview.

#### *Proprietary Funds*

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

Unrestricted net position of the water and sewer fund at the end of the year amounted to \$31,955,545, for the municipal center fund, \$3,445,930, and for the Emergency Communications District, \$2,165,715. The total changes in net position for the funds were \$4,611,355 (increase) for water and sewer, \$13,249 (decrease) for municipal center fund, and \$455,346 (increase) for Emergency Communications District. Other factors concerning the finances of these funds have previously been addressed in the discussion of the City's business-type activities.

#### **General Fund Budgetary Highlights**

Differences between the original budget and final amended budget (\$11,403,015 increase in revenues) 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 of the local option sales tax increase approved by voters in January of 2018:

Taxes	
Local sales tax	\$ 10,000,000
Real and personal property	100,000
Wholesale liquor tax	500,000
Intergovernmental	
State sales and use tax	600,000
Other	<u>203,015</u>
Total change in budgeted revenues	<b>\$ 11,403,015</b>

Current year appropriation increases of \$11,356,370, including transfers can be summarized as follows:

*Appropriations*

1. A special FY 2022 year-end appropriation transfer of \$9,100,000 from the General Fund to the Capital Projects Fund to pay for certain proposed FY 2023 and beyond capital projects and equipment. (See attachment A for projects list.)
2. A special FY 2022 year-end transfer of \$785,000 from the General Fund to the Equipment Replacement Fund for the FY 2023 purchases of equipment. (See attachment A for equipment list.)
3. A special FY 2022 year-end transfer of \$195,000 from the General Fund to the Facilities Maintenance Fund for FY 2023 repairs to the Service Center Fuel Tanks and Ravenswood Mansion non-event repairs.
4. Appropriation increases totaling \$733,795 for all General Fund budget activities that include personnel for mid-year salary increases and one-time lump sum payments as approved by the City Commission via Resolution 2022-36 on March 28, 2022.
5. An appropriation increase in the City Recorder activity of \$9,500 for unanticipated cost for MuniCode updates.
6. An appropriation increase in the Information and Technology activity of \$43,260 for one-time unbudgeted cost for consultant assistance with the hiring of Technology Director.
7. An appropriation increase in the Information and Technology activity of \$69,215 for accrued terminal leave payment for FY 2022 retirement of one 30+ year employee.
8. An appropriation increase in the Planning activity of \$46,400 for contractual services for flood ordinance review.
9. An appropriation increase in the Planning activity of \$64,185 for accrued terminal leave payment for FY 2022 for the retirement of one 28-year employee.
10. An appropriation increase in the Police Headquarter activity of \$50,000 for higher than anticipated utility and grounds maintenance costs.
11. An appropriation increase in the Fire and Rescue activity of \$42,365 for accrued terminal leave payment in FY 2022 for the retirement of one 30+ year employee.
12. An appropriation increase in the Fire and Rescue activity of \$98,000 to cover motor vehicle repairs and maintenance.
13. An appropriation increase in the Public Works activity of \$75,000 for additional unanticipated landfill fees.
14. An appropriation increase in the Public Library Activity of \$27,250 for accrued terminal leave payment for FY 2022 for the retirement of one 30+ year employee.
15. An appropriation increase in the Public Library Activity of \$17,400 for the replacement of inside and outside cameras.

The general fund unassigned fund balance at June 30, 2022, is \$50,656,020, 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 \$4,003,139 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 option 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. Hotel/motel tax collections were \$764,407 more than budgeted due to the continued rebound of leisure travel following COVID.
3. Business tax collections were \$1,060,563 more than budgeted due to continued improvement of the Middle TN economy.
4. Equipment replacement expenditures were \$1,107,646 less than budgeted mainly due to supply chain issues, particularly for purchases of vehicles and large equipment.

### **Capital Asset and Debt Administration**

#### *Capital Assets*

The City's capital assets for its governmental and business type activities as of June 30, 2022 amounts to \$405,376,859 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, utility plant in service, improvements, machinery and equipment, park facilities, roads and bridges. Major capital asset events during the current fiscal year included the following:

- Radio Equipment– Police
- Mission Darkness Blocker Locker – Police
- Records Management System - Police
- Amkus Combi Tool – Fire and Rescue
- Roll-n-Rack Hose System – Fire and Rescues
- Reflective Signal Back Plates – Traffic Signalization
- Hustler Super Z Zero Turn Mower - Parks
- The acceptance of streets (or sections of streets) within the city limits as public streets, with a valuation (including right-of-way and easements) of \$27,267,256.
- Various system additions and improvements were completed in the Water and Sewer Fund at a cost of \$4,719,661.

**Capital Assets (net of depreciation)**  
**June 30, 2022 and 2021**  
(amounts expressed in thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Land	\$ 147,079	\$ 138,755	\$ 1,634	\$ 1,295	\$ 148,713	\$ 140,050
Buildings and improvements	38,559	39,445	1,096	1,176	39,655	40,621
Utility plant in service	-	-	65,163	67,556	65,163	67,556
Improvements other than buildings	5,614	5,393	611	738	6,225	6,131
Machinery and equipment	11,095	12,712	754	961	11,849	13,673
Infrastructure	117,690	107,518	-	-	117,690	107,518
Construction in progress	<u>8,991</u>	<u>1,273</u>	<u>7,091</u>	<u>2,351</u>	<u>16,082</u>	<u>3,624</u>
Net capital assets	<b>\$ 329,028</b>	<b>\$ 305,096</b>	<b>\$ 76,349</b>	<b>\$ 74,077</b>	<b>\$ 405,377</b>	<b>\$ 379,173</b>

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

*Long-term Bonded Debt*

At the end of the current fiscal year, the City had total long-term bonded debt outstanding of \$44,860,000. All the City's debt is secured by a general obligation pledge. Debt of business-type activities (water and sewer fund) comprises bonds payable primarily from the net revenues to be derived from the operation of the water and/or sewer systems. In the event of a deficiency in such net revenues, the bonds are payable from unlimited ad valorem taxes on all taxable property within the corporate limits of the City. For prompt payment of principal and interest on the bonds the full faith and credit of the City are irrevocably pledged. All debt is through the issuance of bonds and/or notes for periods not exceeding 20 years at fixed interest rates.

**Outstanding Debt**  
**June 30, 2022 and 2021**  
(amounts expressed in thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
General obligation bonds and notes payable	\$ 24,790	\$ 28,165	\$ 20,070	\$ 16,965	\$ 44,860	\$ 45,130
Unamortized (discount) premium	<u>974</u>	<u>1,021</u>	<u>939</u>	<u>491</u>	<u>1,913</u>	<u>1,512</u>
Total	<b>\$ 25,764</b>	<b>\$ 29,186</b>	<b>\$ 21,009</b>	<b>\$ 17,456</b>	<b>\$ 46,773</b>	<b>\$ 46,642</b>

The City's total long-term debt principal decreased by \$270,000 during the current fiscal year. This decrease was due to scheduled debt service principal payments and early defeasement of two 2011 bond issues.

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

State statutes set no limit for the amount of general obligation debt a governmental entity may issue. The total long-term bonded debt outstanding for the City of \$44,860,000 translates to approximately \$989 per capita using the 2020 Census Certified Population of 45,373.

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

### **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the City in June 2022 was 2.7%, compared to 2.2% a year ago. This compares to the county's rate of 2.8%, the state's average unemployment rate of 3.3% 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 14.6% as of June 2022 and 13.6% as of September 30, 2022.

Each of these factors were considered in preparing the City's budget for the 2023 fiscal year.

During the current fiscal year, the total unassigned fund balance in the general fund increased to \$50,656,020. The City has not appropriated any of this amount for spending in the 2023 fiscal year budget but may consider doing so at the end of FY 2023 to fund future capital projects subject to continued strong revenue performance.

### **Requests for Information**

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

City of Brentwood  
Attn: Finance Director  
PO Box 788  
Brentwood, Tennessee 37024-0788  
E-mail: [finance.director@brentwoodtn.gov](mailto:finance.director@brentwoodtn.gov)  
[www.brentwoodtn.gov](http://www.brentwoodtn.gov)

**City of Brentwood, Tennessee**

Statement of Net Position

June 30, 2022

	<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	\$ 98,505,083	\$ 31,810,137	\$ 130,315,220
Property tax receivable	13,171,667	-	13,171,667
Sales and use tax receivable	5,934,884	-	5,934,884
Intergovernmental revenues receivable	1,649,644	-	1,649,644
Accounts receivable	805,006	4,067,518	4,872,524
Leases receivable	698,806	-	698,806
Internal balances	(500,676)	500,676	-
Inventories	126,685	165,867	292,552
Prepaid expenses	258,102	11,560	269,662
Restricted cash and cash equivalents	647,355	5,351,361	5,998,716
Capital assets not being depreciated	156,070,253	8,724,702	164,794,955
Capital assets, net	172,957,845	67,624,059	240,581,904
Net pension assets	14,108,299	1,732,684	15,840,983
Total assets	<u>464,432,953</u>	<u>119,988,564</u>	<u>584,421,517</u>
<b>Deferred Outflows of Resources</b>	11,250,315	1,775,982	13,026,297
<b>Liabilities</b>			
Accounts payable	3,491,985	2,929,005	6,420,990
Claims payable	86,187	-	86,187
Accrued salaries and benefits	582,383	70,530	652,913
Accrued interest	238,130	125,781	363,911
Unearned revenues	3,694,538	-	3,694,538
Other payables	3,171,924	-	3,171,924
Net pension liability	5,933	-	5,933
Net OPEB liability	486,044	77,268	563,312
Noncurrent liabilities			
Due within one year	3,515,000	1,910,000	5,425,000
Due in more than one year	<u>25,667,895</u>	<u>19,509,701</u>	<u>45,177,596</u>
Total liabilities	40,940,019	24,622,285	65,562,304
<b>Deferred Inflows of Resources</b>	28,110,029	1,910,775	30,020,804
<b>Net Position</b>			
Net investment in capital assets	303,610,086	55,299,778	358,909,864
Restricted for			
Pensions	14,210,623	1,736,465	15,947,088
Roads and streets	2,274,763	-	2,274,763
Capital projects	24,866,689	-	24,866,689
Drug enforcement and education	451,043	-	451,043
Citation equipment	2,577	-	2,577
Unrestricted	<u>61,217,439</u>	<u>38,195,243</u>	<u>99,412,682</u>
Total net position	<u>\$ 406,633,220</u>	<u>\$ 95,231,486</u>	<u>\$ 501,864,706</u>

**City of Brentwood, Tennessee**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2022

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	8,013,903	\$ 1,607,421	\$ -	\$ -	\$ (6,406,482)	\$ -	\$ (6,406,482)
Public safety	16,343,137	-	552,997	-	(15,790,140)	-	(15,790,140)
Roads and streets	16,620,953	549,607	1,584,932	27,267,525	12,781,111	-	12,781,111
Public health	90,498	-	-	-	(90,498)	-	(90,498)
Parks and recreation	3,972,512	130,069	-	-	(3,842,443)	-	(3,842,443)
Public library	3,216,978	106,994	-	-	(3,109,984)	-	(3,109,984)
Community support	442,202	-	-	-	(442,202)	-	(442,202)
Drug education	56,792	-	-	-	(56,792)	-	(56,792)
Interest on long-term debt	760,010	-	-	-	(760,010)	-	(760,010)
Total governmental activities	49,516,985	2,394,091	2,137,929	27,267,525	(17,717,440)	-	(17,717,440)
<b>Business-type Activities</b>							
Water and sewer	19,157,432	20,043,313	-	939,437	-	1,825,318	1,825,318
Rental facilities	781,877	753,695	-	-	-	(28,182)	(28,182)
Emergency Communications District	1,346,953	-	1,307,079	-	-	(39,874)	(39,874)
Total business-type activities	21,286,262	20,797,008	1,307,079	939,437	-	1,757,262	1,757,262
Total primary government	<b>\$ 70,803,247</b>	<b>\$ 23,191,099</b>	<b>\$ 3,445,008</b>	<b>\$ 28,206,962</b>	(17,717,440)	1,757,262	(15,960,178)
<b>General Revenues and Transfers</b>							
<b>General Revenues</b>							
Taxes							
Property tax					12,981,593	-	12,981,593
Local option sales tax					31,779,250	-	31,779,250
Hotel/motel tax					1,764,407	-	1,764,407
Wholesale beer and liquor taxes					2,889,306	-	2,889,306
Adequate schools facilities taxes					528,221	-	528,221
Other taxes					595,810	-	595,810
Unrestricted intergovernmental taxes							
State sales and use tax					5,163,889	-	5,163,889
State income tax					205,982	-	205,982
Business tax					2,990,563	-	2,990,563
TVA in-lieu tax					471,095	-	471,095
Mixed drink and beer tax					360,635	-	360,635
Petroleum special tax					83,505	-	83,505
Corporate excise tax					209,951	-	209,951
Telecommunications tax					19,260	-	19,260
Grants and contributions not restricted							
to specific programs					826,665	2,503,750	3,330,415
Investment earnings					701,659	130,007	831,666
Miscellaneous revenues					1,711,603	163,458	1,875,061
<b>Transfers</b>					(484,700)	484,700	-
Total general revenues and transfers					62,798,694	3,281,915	66,080,609
Change in net position					45,081,254	5,039,177	50,120,431
Net position, beginning of year					361,540,943	90,192,309	451,733,252
Prior period adjustment					11,023	-	11,023
Net position, end of year					<b>\$ 406,633,220</b>	<b>\$ 95,231,486</b>	<b>\$ 501,864,706</b>



**City of Brentwood, Tennessee**

Balance Sheet

Governmental Funds

June 30, 2022

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Other Governmental</b>	<b>Total Governmental</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 68,870,919	\$ 2,842,728	\$ 17,569,312	\$ 5,234,679	\$ 94,517,638
Receivables					
Property taxes	13,171,667	-	-	-	13,171,667
Sales and use tax	5,633,522	-	-	-	5,633,522
Intergovernmental	1,649,644	-	-	301,362	1,951,006
Accounts	506,092	2,452	149,400	4,823	662,767
Leases	698,806	-	-	-	698,806
Due from other funds	1,254,396	-	9,920,342	80	11,174,818
Prepaid items and deposits	243,102	-	-	-	243,102
Inventories of supplies	154	-	-	-	154
Restricted cash and cash equivalents	174,798	-	-	472,557	647,355
Total assets	<b>\$ 92,203,100</b>	<b>\$ 2,845,180</b>	<b>\$ 27,639,054</b>	<b>\$ 6,013,501</b>	<b>\$ 128,700,835</b>
<b>Liabilities</b>					
Accounts payable	\$ 1,450,621	\$ -	\$ 1,974,293	\$ 6,958	\$ 3,431,872
Accrued salaries	582,383	-	-	-	582,383
Due to other funds	11,193,287	-	9,996	371,698	11,574,981
Unearned revenues	-	-	3,694,538	-	3,694,538
Other payables	3,171,924	-	-	-	3,171,924
Total liabilities	16,398,215	-	5,678,827	378,656	22,455,698
<b>Deferred Inflows of Resources</b>	13,879,662	-	-	-	13,879,662
<b>Fund Balances</b>					
Nonspendable	243,256	-	-	-	243,256
Restricted for					
Pensions	102,324	-	-	-	102,324
Capital projects	-	-	21,960,227	2,906,462	24,866,689
Street repairs	-	-	-	2,274,763	2,274,763
Drug enforcement and education	-	-	-	451,043	451,043
Citation equipment	-	-	-	2,577	2,577
Committed to					
Debt service	-	2,845,180	-	-	2,845,180
Equipment replacement	8,259,475	-	-	-	8,259,475
Facilities maintenance	1,771,133	-	-	-	1,771,133
Funding postemployment benefits	893,015	-	-	-	893,015
Unassigned	50,656,020	-	-	-	50,656,020
Total fund balances	61,925,223	2,845,180	21,960,227	5,634,845	92,365,475
Total liabilities, deferred inflows of resources, and fund balances	<b>\$ 92,203,100</b>	<b>\$ 2,845,180</b>	<b>\$ 27,639,054</b>	<b>\$ 6,013,501</b>	<b>\$ 128,700,835</b>

**City of Brentwood, Tennessee**  
Reconciliation of Balance Sheet - Governmental Funds to  
Government-wide Statement of Net Position  
June 30, 2022

<b>Amounts reported for fund balances, total governmental funds</b>	<b>\$ 92,365,475</b>
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.	329,028,098
Receivables are not available to pay for current expenditures and, therefore, are not reported in the funds balance sheet.	210,162
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	(24,790,000)
Less: deferred charges on refunding bonds	346,293
Add: bond premiums	(974,305)
Compensated absences payable	(3,418,590)
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.	4,025,698
In the statement of net position, interest is accrued on outstanding bonds whereas, in the governmental funds, interest expenditures are reported when due.	(238,130)
Pension amounts not reported in the funds:	
Net pension assets (liabilities)	14,102,366
Deferred outflows of resources related to pensions	7,237,011
Deferred inflows of resources related to pensions	(9,739,795)
OPEB amounts not reported in the funds:	
Net OPEB asset (liability)	(486,044)
Deferred outflows of resources related to OPEB	3,667,011
Deferred inflows of resources related to OPEB	(4,702,030)
<b>Net position of governmental activities</b>	<b>\$ 406,633,220</b>

**City of Brentwood, Tennessee**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
For the Fiscal Year Ended June 30, 2022

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Other Governmental</b>	<b>Total Governmental</b>
<b>Revenues</b>					
Taxes	\$ 49,885,653	\$ -	\$ -	\$ -	\$ 49,885,653
Licenses and permits	1,107,509	-	-	549,607	1,657,116
Fines and fees	126,091	-	-	1,507	127,598
Charges for services	586,573	-	-	-	586,573
Intergovernmental	10,033,923	-	297,622	2,113,153	12,444,698
Uses of money and property	584,244	15,252	80,283	21,880	701,659
Other	606,728	-	1,660,000	20,677	2,287,405
Total revenues	62,930,721	15,252	2,037,905	2,706,824	67,690,702
<b>Expenditures</b>					
Current					
General government	8,096,820	-	-	-	8,096,820
Public safety	19,495,118	-	-	-	19,495,118
Roads and streets, street repairs	5,684,508	-	-	1,119,247	6,803,755
Public health	90,498	-	-	-	90,498
Parks and recreation	2,782,031	-	-	-	2,782,031
Public library	3,244,856	-	-	-	3,244,856
Community support	484,236	-	-	-	484,236
Drug education	-	-	-	12,954	12,954
Capital outlay	-	-	8,817,334	-	8,817,334
Debt service	-	4,284,296	-	-	4,284,296
Total expenditures	39,878,067	4,284,296	8,817,334	1,132,201	54,111,898
Excess (deficiency) of revenues over expenditures	23,052,654	(4,269,044)	(6,779,429)	1,574,623	13,578,804
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	2,995,000	9,450,000	-	12,445,000
Transfers out	(12,579,700)	-	-	(350,000)	(12,929,700)
Refunding bonds issued	-	2,810,000	-	-	2,810,000
Premium on refunding bonds issued	-	188,031	-	-	188,031
Payments to refunded bond escrow agent	-	(2,906,872)	-	-	(2,906,872)
Total other financing sources (uses)	(12,579,700)	3,086,159	9,450,000	(350,000)	(393,541)
Net change in fund balances	10,472,954	(1,182,885)	2,670,571	1,224,623	13,185,263
Fund balances, beginning of year	51,441,246	4,028,065	19,289,656	4,410,222	79,169,189
Prior period adjustment	11,023	-	-	-	11,023
Fund balances, end of year	\$ 61,925,223	\$ 2,845,180	\$ 21,960,227	\$ 5,634,845	\$ 92,365,475

# 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, 2022

**Amounts reported for net change in fund balance, total governmental funds** \$ 13,185,263

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	10,986,966
Disposal of capital assets	(9,973)
Contributions of capital assets	27,267,525
Depreciation expense	(14,312,555)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	124,744
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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.

Refunding bonds issued	(2,810,000)
Payment to transfer agent	2,906,872
Premium on refunding bonds issued	(188,031)
Payments on long-term debt	3,410,000

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.	(117,757)
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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, 2022	(238,130)
Accrued interest on debt obligations at June 30, 2021	257,948
Amortization of bond premium/discount	200,209
Amortization of deferred amount on refunding	(105,741)
Change in accrual for compensated absences	241,156
Changes in pension assets and liabilities and related deferred outflows and inflows of resources	2,787,994
Changes in OPEB asset and liability and related deferred outflows and inflows of resources	1,494,764
<b>Change in net position of governmental activities</b>	<b>\$ 45,081,254</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, 2022

	Budgeted amounts		Actual amounts	Variance from final budget +/-
	Original	Final		
<b>Revenues</b>				
Taxes				
Local sales tax	\$ 18,540,000	\$ 28,540,000	\$ 31,779,250	\$ 3,239,250
Real and personal property	12,550,000	12,650,000	12,772,808	122,808
Public utility property tax	75,000	75,000	84,072	9,072
Hotel/motel tax	1,000,000	1,000,000	1,764,407	764,407
Wholesale beer tax	675,000	675,000	921,868	246,868
Wholesale liquor tax	975,000	1,475,000	1,967,438	492,438
Television franchise tax	475,000	475,000	491,078	16,078
Other	105,000	105,000	104,732	(268)
Total taxes	34,395,000	44,995,000	49,885,653	4,890,653
Licenses and permits	819,300	819,300	1,107,509	288,209
Fines and fees	165,000	165,000	126,091	(38,909)
Charges for services	594,250	594,250	586,573	(7,677)
Intergovernmental revenues				
State sales and use tax	3,800,000	4,400,000	5,163,889	763,889
State income tax	-	-	205,982	205,982
Business tax	1,900,000	1,900,000	2,990,563	1,090,563
TVA in-lieu of tax	500,000	500,000	471,095	(28,905)
Mixed drink tax	225,000	225,000	339,909	114,909
Beer tax	20,000	20,000	20,726	726
Petroleum special tax	85,000	85,000	83,505	(1,495)
Corporate excise tax	125,000	125,000	209,951	84,951
Telecommunications tax	15,000	15,000	19,260	4,260
Other	375,950	375,950	529,043	153,093
Total intergovernmental revenues	7,045,950	7,645,950	10,033,923	2,387,973
Uses of money and property				
Interest income	90,000	90,000	203,792	113,792
Other	260,600	260,600	337,447	76,847
Total uses of property and money	350,600	350,600	541,239	190,639
Other revenues	62,000	265,015	275,058	10,043
Total revenues	43,432,100	54,835,115	62,556,046	7,720,931

*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, 2022

	Budgeted amounts		Actual amounts	Variance from final budget +/-
	Original	Final		
<b>Expenditures</b>				
General government				
City commission				
Personnel service	\$ 199,805	\$ 199,805	\$ 196,594	\$ 3,211
Supplies and materials	6,000	6,000	561	5,439
Professional services	13,000	13,000	10,990	2,010
Repairs and maintenance	2,000	2,000	2,085	(85)
Other costs	6,000	6,000	5,567	433
Total city commission	226,805	226,805	215,797	11,008
City court				
Personnel services	-	-	-	-
Supplies and materials	500	500	-	500
Professional services	29,600	29,600	26,157	3,443
Repairs and maintenance	14,200	14,200	14,214	(14)
Total city court	44,300	44,300	40,371	3,929
City manager's office				
Personnel services	466,805	474,165	463,871	10,294
Supplies and materials	6,250	6,250	3,613	2,637
Professional services	2,000	2,000	-	2,000
Repairs and maintenance	700	700	1,421	(721)
Other costs	1,500	1,500	1,120	380
Total city manager's office	477,255	484,615	470,025	14,590
Elections				
Board of commission	-	-	-	-
Finance				
Personnel services	803,455	822,970	814,280	8,690
Supplies and materials	35,000	35,000	25,881	9,119
Professional services	136,600	136,600	97,326	39,274
Repairs and maintenance	71,220	71,220	49,343	21,877
Other costs	1,000	1,000	11,567	(10,567)
Total finance	1,047,275	1,066,790	998,397	68,393
City recorder				
Personnel services	113,485	116,320	105,798	10,522
Supplies and materials	1,700	1,700	1,259	441
Professional services	5,500	15,000	13,867	1,133
Repairs and maintenance	40,720	40,720	38,026	2,694
Other costs	5,000	5,000	7,731	(2,731)
Total city recorder	166,405	178,740	166,681	12,059
Legal services				
Personnel services	190,515	193,885	190,638	3,247
Supplies and materials	22,800	22,800	8,768	14,032
Professional services	50,000	50,000	37,358	12,642
Repairs and maintenance	680	680	752	(72)
Other costs	-	-	11,655	(11,655)
Total legal services	263,995	267,365	249,171	18,194

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, 2022

	<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	\$ 911,165	\$ 1,002,845	\$ 960,475	\$ 42,370
Supplies and materials	35,000	35,000	23,378	11,622
Professional services	109,200	152,460	73,538	78,922
Repairs and maintenance	436,610	436,610	360,852	75,758
Other costs	74,200	74,200	177,797	(103,597)
Capital outlay	42,000	42,000	-	42,000
Total information/technology	1,608,175	1,743,115	1,596,040	147,075
GIS				
Personnel services	327,105	335,130	327,485	7,645
Supplies and materials	9,000	9,000	6,638	2,362
Professional services	13,000	13,000	12,240	760
Repairs and maintenance	34,700	34,700	29,967	4,733
Other costs	990	990	960	30
Capital outlay	8,500	8,500	-	8,500
Total GIS	393,295	401,320	377,290	24,030
Human resources				
Personnel services	380,240	390,465	321,259	69,206
Supplies and materials	13,400	13,400	15,016	(1,616)
Professional services	100,550	100,550	65,099	35,451
Repairs and maintenance	34,950	34,950	20,711	14,239
Other costs	42,750	42,750	42,600	150
Total human resources	571,890	582,115	464,685	117,430
Community relations				
Personnel services	241,275	246,770	247,989	(1,219)
Supplies and materials	32,250	32,250	38,916	(6,666)
Professional services	30,490	30,490	33,700	(3,210)
Repairs and maintenance	6,070	6,070	6,307	(237)
Other costs	46,840	46,840	45,352	1,488
Total community relations	356,925	362,420	372,264	(9,844)
Planning and development				
Personnel services	398,770	471,855	459,850	12,005
Supplies and materials	22,000	22,000	2,691	19,309
Professional services	22,000	68,400	64,427	3,973
Repairs and maintenance	48,000	48,000	36,338	11,662
Other costs	4,000	4,000	3,694	306
Total planning and development	494,770	614,255	567,000	47,255
Codes enforcement				
Personnel services	861,160	886,080	816,829	69,251
Supplies and materials	34,500	34,500	16,840	17,660
Professional services	7,500	7,500	-	7,500
Repairs and maintenance	11,500	11,500	7,796	3,704
Other costs	8,850	8,850	5,858	2,992
Total codes enforcement	923,510	948,430	847,323	101,107
Municipal center				
Rent expense	695,000	695,000	695,000	-

*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, 2022

	<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				
Insurance/other benefits				
Personnel	\$ 775,300	\$ 775,300	\$ 745,048	\$ 30,252
Other	91,100	91,100	46,562	44,538
Total insurance/other benefits	<u>866,400</u>	<u>866,400</u>	<u>791,610</u>	<u>74,790</u>
Total general government	8,136,000	8,481,670	7,851,654	630,016
Public safety				
Police				
Personnel services	7,853,220	8,044,365	7,856,747	187,618
Supplies and materials	369,900	369,900	357,126	12,774
Professional services	115,350	115,350	122,246	(6,896)
Repairs and maintenance	360,075	360,075	421,085	(61,010)
Other costs	148,240	148,240	203,058	(54,818)
Capital outlay	<u>34,100</u>	<u>34,100</u>	<u>11,003</u>	<u>23,097</u>
Total police	8,880,885	9,072,030	8,971,265	100,765
Police headquarters				
Supplies and materials	9,300	9,300	23,906	(14,606)
Professional services	20,000	20,000	1,087	18,913
Repairs and maintenance	204,580	220,505	149,831	70,674
Utilities	164,000	198,075	211,817	(13,742)
Other costs	<u>41,420</u>	<u>41,420</u>	<u>73,611</u>	<u>(32,191)</u>
Total police headquarters	439,300	489,300	460,252	29,048
Fire and rescue				
Personnel services	7,716,910	7,966,825	7,896,389	70,436
Supplies and materials	256,970	256,970	239,216	17,754
Professional services	16,000	16,000	20,898	(4,898)
Repairs and maintenance	215,245	313,245	321,902	(8,657)
Utilities	12,500	12,500	13,956	(1,456)
Other costs	183,150	183,150	175,516	7,634
Capital outlay	<u>68,080</u>	<u>68,080</u>	<u>31,807</u>	<u>36,273</u>
Total fire and rescue	8,468,855	8,816,770	8,699,684	117,086
Brentwood Safety Center East				
Supplies and materials	16,250	16,250	10,144	6,106
Professional services	750	750	213	537
Repairs and maintenance	38,650	38,650	49,747	(11,097)
Utilities	23,800	23,800	22,766	1,034
Other costs	5,150	5,150	4,086	1,064
Capital outlay	<u>-</u>	<u>-</u>	<u>7,280</u>	<u>(7,280)</u>
Total Brentwood Safety Center East	84,600	84,600	94,236	(9,636)
Total public safety	17,873,640	18,462,700	18,225,437	237,263
Roads and streets				
Public works				
Personnel services	1,814,620	1,877,430	1,777,686	99,744
Supplies and materials	241,400	241,400	260,313	(18,913)
Professional services	12,000	12,000	34,963	(22,963)
Repairs and maintenance	1,254,750	1,254,750	1,225,939	28,811
Utilities	375	375	367	8
Other costs	48,540	123,540	160,529	(36,989)
Capital outlay	<u>41,000</u>	<u>41,000</u>	<u>-</u>	<u>41,000</u>
Total public works	3,412,685	3,550,495	3,459,797	90,698

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, 2022

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance from final budget +/-</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures</b>				
Roads and streets				
Storm drainage				
Professional services	\$ -	\$ -	\$ 69	\$ (69)
Capital outlay	50,000	50,000	44,630	5,370
Total storm drainage	50,000	50,000	44,699	5,301
Traffic signalization				
Street lighting	405,000	405,000	418,564	(13,564)
Personnel services	194,355	201,060	203,967	(2,907)
Supplies and materials	35,430	35,430	43,317	(7,887)
Professional services	20,000	20,000	-	20,000
Repairs and maintenance	60,000	60,000	52,787	7,213
Utilities	19,000	19,000	24,512	(5,512)
Other costs	36,500	36,500	32,822	3,678
Capital outlay	12,500	12,500	-	12,500
Total traffic signalization	782,785	789,490	775,969	13,521
Service center				
Personnel services	132,445	137,595	138,131	(536)
Supplies and materials	29,250	29,250	21,223	8,027
Professional services	7,000	7,000	4,513	2,487
Repairs and maintenance	126,300	126,300	165,822	(39,522)
Utilities	67,000	67,000	59,453	7,547
Other costs	7,200	7,200	6,723	477
Total service center	369,195	374,345	395,865	(21,520)
Engineering services				
Personnel services	722,245	737,795	720,275	17,520
Supplies and materials	17,600	17,600	9,675	7,925
Professional services	40,500	40,500	22,504	17,996
Repairs and maintenance	6,300	6,300	3,548	2,752
Other costs	31,935	31,935	35,353	(3,418)
Capital outlay	33,000	33,000	-	33,000
Total engineering services	851,580	867,130	791,355	75,775
Total roads and streets	5,466,245	5,631,460	5,467,685	163,775
Public health				
County Health Dept. Contract	15,000	15,000	15,000	-
County Animal Control Contract	77,690	77,690	75,498	2,192
Total public health	92,690	92,690	90,498	2,192
Parks and recreation				
Personnel services	1,479,465	1,522,830	1,404,817	118,013
Supplies and materials	125,600	125,600	106,041	19,559
Professional services	1,000	1,000	-	1,000
Repairs and maintenance	624,360	624,360	583,097	41,263
Other costs	141,500	141,500	133,379	8,121
Utilities	246,100	246,100	211,540	34,560
Capital outlay	79,000	79,000	13,362	65,638
Total parks and recreation	2,697,025	2,740,390	2,452,236	288,154

*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, 2022

	<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	\$ 1,544,975	\$ 1,654,495	\$ 1,708,699	\$ (54,204)
Supplies and materials	538,935	556,335	440,714	115,621
Professional services	60,025	60,025	56,847	3,178
Repairs and maintenance	459,685	459,685	478,811	(19,126)
Utilities	142,500	142,500	158,187	(15,687)
Other costs	64,500	64,500	51,805	12,695
Capital outlay	1,000	1,000	6,990	(5,990)
Total public library	2,811,620	2,938,540	2,902,053	36,487
Community support				
Education	244,400	244,400	238,785	5,615
Chamber of Commerce	10,000	10,000	10,000	-
Historic sites	188,170	194,310	193,417	893
Capital outlay	-	-	-	-
Total community support	442,570	448,710	442,202	6,508
Total expenditures	37,519,790	38,796,160	37,431,765	1,364,395
Excess of revenues over (under) expenditures	5,912,310	16,038,955	25,124,281	(9,085,326)
Other financing sources (uses)				
Transfers to:				-
Debt service fund	2,995,000	2,995,000	2,995,000	-
Capital projects fund	-	9,100,000	9,100,000	-
Emergency Communication District	484,700	484,700	484,700	-
Committed, equipment replacement	2,055,000	2,840,000	2,840,000	-
Committed, facilities maintenance	350,000	545,000	545,000	-
Committed, postemployment benefits	25,000	25,000	25,000	-
Total other financing sources (uses)	5,909,700	15,989,700	15,989,700	-
Change in fund balance, general	2,610	49,255	9,134,581	(9,085,326)

*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, 2022

	Budgeted amounts		Actual amounts	Variance from final budget +/-
	Original	Final		
<b>Committed activity, budgeted separately</b>				
Equipment replacement				
Transfers from other departments	\$ 2,055,000	\$ 2,840,000	\$ 2,840,000	\$ -
Interest income	25,000	25,000	31,663	6,663
Other income	533,000	533,000	534,685	1,685
Equipment expenditures	(3,391,625)	(3,391,625)	(2,103,499)	1,288,126
Total equipment replacement	(778,625)	6,375	1,302,849	1,296,474
Facilities maintenance				
Committed transfer from general fund	350,000	545,000	545,000	-
Interest income	3,500	3,500	8,574	5,074
Other income	-	-	-	-
Maintenance expenditures	(435,000)	(435,000)	(342,803)	92,197
Total facilities maintenance	(81,500)	113,500	210,771	97,271
Postemployment benefits				
Transfers from other departments	25,000	25,000	25,000	-
Interest income	1,200	1,200	2,768	1,568
Transfers to other departments	-	(203,015)	(203,015)	-
Total postemployment benefits	26,200	(176,815)	(175,247)	1,568
Change in fund balance	(831,315)	(7,685)	10,472,954	10,480,639
Fund balance, beginning of year	51,441,246	51,441,246	51,441,246	-
Prior period adjustment	11,023	11,023	11,023	-
Fund balance, end of year	<b>\$ 50,620,954</b>	<b>\$ 51,444,584</b>	<b>\$ 61,925,223</b>	<b>\$ 10,480,639</b>

**City of Brentwood, Tennessee**

Statement of Net Position

Proprietary Funds

June 30, 2022

	<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	\$ 25,895,853	\$ 3,494,791	\$ 2,419,493	\$ 31,810,137	\$ 3,987,445
Receivables					
Accounts	2,024,129	7,594	3,961	2,035,684	158,535
Due from other funds	-	-	-	-	529,277
Unbilled utility revenues	2,031,834	-	-	2,031,834	-
Inventories of supplies	165,867	-	-	165,867	126,531
Prepaid expenses	4,066	-	7,494	11,560	-
Restricted cash and cash equivalents	5,351,361	-	-	5,351,361	-
Total current assets	35,473,110	3,502,385	2,430,948	41,406,443	4,801,788
Noncurrent assets					
Capital assets, net of accumulated depreciation	73,581,134	1,789,660	977,967	76,348,761	-
Net pension assets	1,438,583	-	294,101	1,732,684	-
Total noncurrent assets	75,019,717	1,789,660	1,272,068	78,081,445	-
Total assets	110,492,827	5,292,045	3,703,016	119,487,888	4,801,788
<b>Deferred Outflows of Resources</b>					
Advance refundings of debt	388,092	-	-	388,092	-
Pension related items	680,226	-	124,709	804,935	-
OPEB related items	394,905	-	188,050	582,955	-
Total deferred outflows of resources	1,463,223	-	312,759	1,775,982	-
<b>Liabilities</b>					
Current liabilities (payable from current assets)					
Accounts payable	2,831,889	56,455	40,661	2,929,005	60,113
Claims payable	-	-	-	-	86,187
Accrued salaries	49,312	-	21,218	70,530	-
Accrued interest	125,781	-	-	125,781	-
Due to other funds	70,980	-	56,397	127,377	1,737
Compensated absences, current portion	108,750	-	36,250	145,000	-
Current maturities of long-term debt	1,765,000	-	-	1,765,000	-
Total current liabilities	4,951,712	56,455	154,526	5,162,693	148,037
Noncurrent liabilities					
Net OPEB liability	52,343	-	24,925	77,268	-
Compensated absences, net of current portion	216,868	-	48,530	265,398	-
Long-term debt, net of current maturities	19,244,303	-	-	19,244,303	-
Total noncurrent liabilities	19,513,514	-	73,455	19,586,969	-
Total liabilities	24,465,226	56,455	227,981	24,749,662	148,037
<b>Deferred Inflows of Resources</b>					
Pension related items	1,054,397	-	108,884	1,163,281	-
OPEB related items	506,367	-	241,127	747,494	-
Total deferred inflows of resources	1,560,764	-	350,011	1,910,775	-
<b>Net Position</b>					
Net investment in capital assets	52,532,151	1,789,660	977,967	55,299,778	-
Restricted for pensions	1,442,364	-	294,101	1,736,465	-
Unrestricted	31,955,545	3,445,930	2,165,715	37,567,190	4,653,751
Total net position	\$ 85,930,060	\$ 5,235,590	\$ 3,437,783	94,603,433	\$ 4,653,751
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				628,053	
Net position of business-type activities				<u>\$ 95,231,486</u>	

**City of Brentwood, Tennessee**  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2022

	<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	\$ 11,328,326	\$ -	\$ -	\$ 11,328,326	\$ -
Sewer service charges	8,121,800	-	-	8,121,800	-
Rental income	-	753,695	-	753,695	-
Tennessee Emergency Communications Board 911 funding	-	-	1,263,555	1,263,555	-
Internal charges	-	-	-	-	4,520,775
Other	593,187	-	(476)	592,711	824,691
Total operating revenues	20,043,313	753,695	1,263,079	22,060,087	5,345,466
<b>Operating Expenses</b>					
Water purchased	7,681,470	-	-	7,681,470	-
Depreciation and amortization	3,198,324	266,703	55,711	3,520,738	-
Materials and supplies	127,406	-	31,800	159,206	462,425
Sewage treatment charges	3,536,194	-	-	3,536,194	-
Salaries and benefits	1,946,705	-	998,954	2,945,659	5,031,573
Maintenance	1,010,896	321,546	-	1,332,442	-
Utilities	387,156	149,273	-	536,429	-
Professional services	448,357	36,234	9,718	494,309	-
Communications	14,366	6,285	240,570	261,221	-
Other	436,128	1,836	10,532	448,496	-
Total operating expenses	18,787,002	781,877	1,347,285	20,916,164	5,493,998
Operating income (loss)	1,256,311	(28,182)	(84,206)	1,143,923	(148,532)
Nonoperating revenues (expenses)					
Interest income	104,222	14,933	10,852	130,007	16,500
Grants and other	2,667,208	-	44,000	2,711,208	-
Bond issuance costs	(112,345)	-	-	(112,345)	-
Interest expense	(243,478)	-	-	(243,478)	-
Total nonoperating revenues (expenses)	2,415,607	14,933	54,852	2,485,392	16,500
Income (loss) before contributions and transfers	3,671,918	(13,249)	(29,354)	3,629,315	(132,032)
Capital contributions, tap fees	939,437	-	-	939,437	-
Transfers in	-	-	484,700	484,700	-
Change in net position	4,611,355	(13,249)	455,346	5,053,452	(132,032)
Net position, beginning of year	81,318,705	5,248,839	2,982,437		4,785,783
Net position, end of year	<b>\$ 85,930,060</b>	<b>\$ 5,235,590</b>	<b>\$ 3,437,783</b>		<b>\$ 4,653,751</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(14,275)	
Change in net position of business-type activities				<b>\$ 5,039,177</b>	

**City of Brentwood, Tennessee**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2022

	<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	\$ 19,468,001	\$ 753,679	\$ 1,261,588	\$ 21,483,268	\$ -
Receipts from internal services provided	-	-	-	-	4,862,260
Payments to suppliers	(12,746,741)	(513,102)	(216,186)	(13,476,029)	(5,610,604)
Payments to employees	(2,676,509)	-	(1,111,430)	(3,787,939)	-
Payments to other City funds	66,066	-	-	66,066	-
Net cash provided (used) by operating activities	4,110,817	240,577	(66,028)	4,285,366	(748,344)
<b>Cash flows from noncapital financing activities</b>					
Transfers from general fund	-	-	484,700	484,700	-
TECB subsidies	-	-	44,000	44,000	-
Net cash provided (used) by noncapital financing activities	-	-	528,700	528,700	-
<b>Cash flows from capital and related financing activities</b>					
Connection fees	939,437	-	-	939,437	-
Capital grants	2,503,750	-	-	2,503,750	-
Acquisition and construction of capital assets	(4,942,148)	(30,353)	(819,567)	(5,792,068)	-
Proceeds from issuance of debt, including premium	9,470,527	-	-	9,470,527	-
Amount placed with refunded bond escrow agent	(4,367,874)	-	-	(4,367,874)	-
Principal paid on long-term debt	(1,550,000)	-	-	(1,550,000)	-
Interest paid on long-term debt	(243,478)	-	-	(243,478)	-
Net cash provided (used) by capital and related financing activities	1,810,214	(30,353)	(819,567)	960,294	-
<b>Cash flows from investing activities</b>					
Interest and other income received	267,680	14,933	10,852	293,465	16,500
Net cash provided (used) by investing activities	267,680	14,933	10,852	293,465	16,500
Net change in cash and cash equivalents	6,188,711	225,157	(346,043)	6,067,825	(731,844)
Cash and cash equivalents, beginning of year	25,058,503	3,269,634	2,765,536	31,093,673	4,719,289
Cash and cash equivalents, end of year	<b>\$ 31,247,214</b>	<b>\$ 3,494,791</b>	<b>\$ 2,419,493</b>	<b>\$ 37,161,498</b>	<b>\$ 3,987,445</b>
<b>Reconciliation of amounts to statement of net position</b>					
Cash and cash equivalents	\$ 25,895,853	\$ 3,494,791	\$ 2,419,493	\$ 31,810,137	\$ 3,987,445
Restricted cash and cash equivalents	5,351,361	-	-	5,351,361	-
Cash and cash equivalents, end of year	<b>\$ 31,247,214</b>	<b>\$ 3,494,791</b>	<b>\$ 2,419,493</b>	<b>\$ 37,161,498</b>	<b>\$ 3,987,445</b>

Continued

**City of Brentwood, Tennessee**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2022

	<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)	\$ 1,256,311	\$ (28,182)	\$ (84,206)	\$ 1,143,923	\$ (148,532)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation and amortization	3,198,324	266,703	55,711	3,520,738	-
Change in:					
Accounts receivable	(268,604)	(16)	(1,491)	(270,111)	22,433
Due from other funds	31	-	-	31	(497,339)
Unbilled utility revenues	(306,708)	-	-	(306,708)	-
Inventories of supplies	(775)	-	-	(775)	(66,605)
Prepaid expenses	(327)	301	(3,696)	(3,722)	-
Accounts payable	896,334	1,771	25,021	923,126	(15,680)
Claims payable	-	-	-	-	(34,321)
Accrued salaries	(2,425)	-	(26,010)	(28,435)	-
Due to other funds	66,035	-	55,109	121,144	(8,300)
Compensated absences, current portion	-	-	-	-	-
Net pension and OPEB assets and liabilities	842,457	-	1,731	844,188	-
Deferred outflows of resources related to pensions and OPEB	(641,894)	-	(141,456)	(783,350)	-
Deferred inflows of resources related to pensions and OPEB	(927,942)	-	53,259	(874,683)	-
Net cash provided (used) by operating activities	<b>\$ 4,110,817</b>	<b>\$ 240,577</b>	<b>\$ (66,028)</b>	<b>\$ 4,285,366</b>	<b>\$ (748,344)</b>
<b>Supplemental disclosure of noncash capital and related financing activities</b>					
Payment to refunding bond escrow agent	\$ 7,329,388	\$ -	\$ -	\$ 7,329,388	\$ -

**City of Brentwood, Tennessee**  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2022

	<b>OPEB Trust</b>	<b>Custodial Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,326	\$ 5,374,633
Accounts receivable	4	4,634
Investments, mutual funds	14,023,104	-
Total assets	<u>14,025,434</u>	<u>5,379,267</u>
<b>Liabilities</b>		
Accounts payable	125,799	4,331
Due to general fund	-	15,000
Total liabilities	<u>125,799</u>	<u>19,331</u>
<b>Net Position</b>		
Restricted for		
OPEB	13,899,635	-
Individuals and organizations	-	5,359,936
Total net position	<u>\$ 13,899,635</u>	<u>\$ 5,359,936</u>



**City of Brentwood, Tennessee**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2022

	<b>OPEB Trust</b>	<b>Custodial Funds</b>
<b>Additions</b>		
Contributions		
Employer	\$ 1,340,374	\$ -
Private contributions	<u>-</u>	<u>311,850</u>
Total contributions	1,340,374	311,850
Investment earnings		
Interest	-	21,409
Net increase (decrease) in the fair value of investments	<u>(1,745,327)</u>	<u>-</u>
Net investment earnings	(1,745,327)	21,409
Total additions	(404,953)	333,259
<b>Deductions</b>		
Benefits	857,622	-
Administrative expenses	-	-
Recipient payments	<u>-</u>	<u>61,425</u>
Total deductions	857,622	61,425
Change in fiduciary net position	(1,262,575)	271,834
Net position, beginning of year	<u>15,162,210</u>	<u>5,088,102</u>
Net position, end of year	<b>\$ 13,899,635</b>	<b>\$ 5,359,936</b>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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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, 2022 and for the year then ended, the City had no discretely presented component units which were required to be included in these financial statements.

**Government-wide and Fund Financial Statements**

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

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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

**Government-wide and Fund Financial Statements**

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

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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

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

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 10).

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

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

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

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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

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

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

**Use of Estimates**

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

**Cash and Cash Equivalents**

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

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, 2022).

**Interfund Receivable/Payables**

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

**Inventories of Supplies and Prepaid Items**

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

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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

**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, 2022

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

**Leases**

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

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

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

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

**Compensated Absences**

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

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

**Long-term Obligations**

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



**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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

**Long-term Obligations**

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

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

**Governmental Fund Equity Classification**

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

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

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

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

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

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.

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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

**Governmental Fund Equity Classification**

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.

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.

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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

**Governmental Fund Equity Classification**

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. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category: (1) deferred charge on bond refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt; (2) amounts relating to pensions and other postretirement benefits which may result from differences between expected and actual actuarial experience, differences between expected and actual investment earnings of the pension plan, certain changes in actuarial assumptions, and amounts of employer contributions to the plans made subsequent to the measurement date.

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

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

**Property Tax**

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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

**Property Tax**

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

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

Taxes were levied at a rate of \$0.29 per \$100 of assessed value for the year ended June 30, 2022. 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 \$12,669,381 for the fiscal year ended June 30, 2022 were approximately 99.10% of the tax levy.

Of the \$13,171,667 of property taxes receivable at June 30, 2022, \$12,992,208 represents the estimated 2022 property taxes to be billed in October 2022. This receivable is reported in the balance sheet – governmental funds with offsetting deferred inflows of resources for the amounts not available at June 30, 2022. Amounts available at June 30, 2022 have been recorded as revenues in the governmental fund statements.

**Pensions – TCRS Legacy and Hybrid Plans**

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

**Other Postemployment Benefits (OPEB)**

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

**New Accounting Pronouncements**

In June 2017, the GASB issued GASB Statement No. 87, *Leases* (Statement No. 87). This Statement requires recognition of certain assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources or an intangible right of use asset and a lease liability. Statement No. 87 is effective for fiscal years beginning after June 15, 2021. Adoption of this Statement is reflected on the City's financial statements

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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

**New Accounting Pronouncements**

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (Statement No. 97). The objectives of this Statement are to (a) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (b) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (c) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Statement No. 97 is effective for fiscal years beginning after June 15, 2021. Adoption of this Statement did not have a significant impact on the City's financial statements.

**Budgetary Information**

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

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

**Note 3. Deposits and Investments**

**Cash Deposits and Certificates of Deposit**

The City's cash and cash equivalents at June 30, 2022 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, 2022

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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, 2022, the City's deposits were fully insured or collateralized.

The City's cash is comprised of deposits and is reported in the financial statements as follows:

**Government-wide Statement of Net Position**

*Governmental Activities*

Cash and cash equivalents	\$ 98,505,083
Restricted cash and cash equivalents	647,355

*Business Type Activities*

Cash and cash equivalents	31,810,137
Restricted cash and cash equivalents	5,351,361

**Fiduciary Funds Statement of Fiduciary Net Position**

OPEB trust	2,326
Custodial funds	<u>5,374,633</u>
Total	<b>\$ 141,690,895</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.

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

**Note 3. Deposits and Investments**

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

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

**Investments of OPEB Trust Fund**

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

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

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

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

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

The City has the following recurring fair value measurements as of June 30, 2022:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
MSQ Core Bond Index	\$ -	\$ 1,858,444	\$ -	\$ 1,858,444
MSQ Inflation focused	-	68,807	-	68,807
MSQ Model Portfolio Conservative	-	6,920,229	-	6,920,229
MSQ Model Portfolio Moderate	-	5,175,624	-	5,175,624
	<u>\$ -</u>	<u>\$ 14,023,104</u>	<u>\$ -</u>	<u>\$ 14,023,104</u>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

**Note 3. Deposits and Investments**

**Investments of OPEB Trust Fund**

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

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

**Note 4. Interfund Balances and Transactions**

Interfund receivables and payables are attributable to charges between funds that are outstanding as of June 30, 2022 and are as follows:

	<b>Interfund receivable</b>	<b>Interfund payable</b>
<b>Governmental Activities</b>		
General	\$ 1,254,396	\$ 11,193,287
Capital projects	9,920,342	9,996
Other governmental		
State street aid	80	371,698
Internal service	529,277	1,737
Internal payable created by internal service fund elimination	<u>-</u>	<u>628,053</u>
	<u>11,704,095</u>	<u>12,204,771</u>
Net governmental activities payable		<b>\$ (500,676)</b>
<b>Business-type Activities</b>		
Water and sewer	\$ -	\$ 70,980
Emergency Communication District	-	56,397
Internal receivable created by internal service fund eliminations	<u>628,053</u>	<u>-</u>
	<u>628,053</u>	<u>127,377</u>
Net business-type activities receivable	<b>\$ 500,676</b>	

Interfund transfers for the year ended June 30, 2022 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>
Transfers out				
General	\$ 2,995,000	\$ 9,100,000	\$ 484,700	\$ 12,579,700
Other governmental				
Public works	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>350,000</u>
Total transfers	<b>\$ 2,995,000</b>	<b>\$ 9,450,000</b>	<b>\$ 484,700</b>	<b>\$ 12,929,700</b>



**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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**Note 4. Interfund Balances and Transactions**

Interfund revenues and expenditures/expenses for the year ended June 30, 2022, 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, 2022, for its use of the municipal center building. Such amounts are included in the general government expenditures reported by the general fund, operating expenses reported by ECD, and operating revenues reported by the municipal center fund for the year.

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, 2022. 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 \$155,775 (\$105,525 and \$50,250, respectively) to the OPEB trust fund for retiree benefits for the year ended June 30, 2022. These amounts are included in expenses for the respective funds. The general fund transferred \$979,885 from the current year contributions to the OPEB trust for the year ended June 30, 2022 (see note 10).

**City of Brentwood, Tennessee**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2022, 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	\$ 138,754,791	\$ 8,324,550	\$ -	\$147,079,341
Construction in progress	<u>1,272,966</u>	<u>10,006,851</u>	<u>(2,288,905)</u>	<u>8,990,912</u>
Total capital assets not being depreciated	140,027,757	18,331,401	(2,288,905)	156,070,253
Capital assets being depreciated				
Buildings and structures	49,272,346	185,230	-	49,457,576
Improvements other than buildings	18,188,909	790,753	-	18,979,662
Furniture, machinery, and equipment	35,556,156	1,508,978	(138,931)	36,926,203
Infrastructure	<u>278,716,066</u>	<u>19,727,034</u>	<u>-</u>	<u>298,443,100</u>
Total capital assets being depreciated	381,733,477	22,211,995	(138,931)	403,806,541
Less: accumulated depreciation				
Buildings and structures	(9,826,842)	(1,071,986)	-	(10,898,828)
Improvements other than buildings	(12,795,724)	(569,692)	-	(13,365,416)
Furniture, machinery, and equipment	(22,844,245)	(3,116,110)	128,958	(25,831,397)
Infrastructure	<u>(171,198,288)</u>	<u>(9,554,767)</u>	<u>-</u>	<u>(180,753,055)</u>
Total accumulated depreciation	<u>(216,665,099)</u>	<u>(14,312,555)</u>	<u>128,958</u>	<u>(230,848,696)</u>
Governmental activities capital assets, net	<b>\$ 305,096,135</b>	<b>\$ 26,230,841</b>	<b>\$ (2,298,878)</b>	<b>\$329,028,098</b>

Depreciation expense was charged to functions/programs for the year ended June 30, 2022, as follows:

General government	\$ 576,192
Public safety	1,043,617
Roads and streets	10,394,772
Parks and recreation	1,728,213
Public library	525,923
Drug education	<u>43,838</u>
Total depreciation expense, governmental activities	<b>\$ 14,312,555</b>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

**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	\$ 1,294,667	\$ 339,130	\$ -	\$ 1,633,797
Construction in progress	<u>2,351,013</u>	<u>5,699,169</u>	<u>(959,277)</u>	<u>7,090,905</u>
Total capital assets not being depreciated	3,645,680	6,038,299	(959,277)	8,724,702
Capital assets being depreciated				
Utility plant in service	125,491,419	638,120	-	126,129,539
Buildings and structures, and improvements	4,610,810	50,197	-	4,661,007
Improvements other than buildings	2,662,355	-	-	2,662,355
Machinery, equipment, and vehicles	<u>5,699,303</u>	<u>24,730</u>	<u>-</u>	<u>5,724,033</u>
Total capital assets being depreciated	138,463,887	713,047	-	139,176,934
Less: accumulated depreciation				
Utility plant in service	(57,934,592)	(3,032,941)	-	(60,967,533)
Buildings, structure, and improvements	(3,435,050)	(129,809)	-	(3,564,859)
Improvements other than buildings	(1,924,135)	(126,753)	-	(2,050,888)
Machinery, equipment, and vehicles	<u>(4,738,360)</u>	<u>(231,235)</u>	<u>-</u>	<u>(4,969,595)</u>
Total accumulated depreciation	<u>(68,032,137)</u>	<u>(3,520,738)</u>	<u>-</u>	<u>(71,552,875)</u>
Business-type activities capital assets, net	<b>\$ 74,077,430</b>	<b>\$ 3,230,608</b>	<b>\$ (959,277)</b>	<b>\$ 76,348,761</b>

Depreciation expense was charged to funds for the year ended June 30, 2022, as follows:

Water and sewer	\$ 3,198,324
Municipal center	266,703
Emergency Communications District	<u>55,711</u>
Total depreciation expense, business-type activities	<b>\$ 3,520,738</b>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

**Note 6. Leases**

**Lessor**

The City, as lessor, leases land for a cell tower under a non-cancelable lease arrangement. Term of the lease is 25 years and contains fixed payment terms that increases 10% every five years. The lease contains options to renew that has been considered in the lease receivable when the lessee is reasonably certain to exercise the renewal option. The City received a total of \$30,000 in payments on the lease during the year. The City recognized lease revenue, which is included in other operating revenues, of \$29,391 in 2022. Total lease receivables were \$698,806 (\$17,914 current) as of June 30, 2022, and are included as a lease receivable on the statement of net position.

**Lessee**

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

**Note 7. Long-term Liabilities**

During the year ended June 30, 2022, 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	\$ 28,165,000	\$ 2,810,000	\$ (6,185,000)	\$ 24,790,000	\$ 1,680,000
Unamortized premium	<u>1,020,690</u>	<u>188,031</u>	<u>(234,416)</u>	<u>974,305</u>	<u>-</u>
Total bonds and notes	29,185,690	2,998,031	(6,419,416)	25,764,305	1,680,000
Compensated absences	<u>3,659,746</u>	<u>1,739,858</u>	<u>(1,981,014)</u>	<u>3,418,590</u>	<u>1,450,000</u>
Total governmental activities	<b>\$32,845,436</b>	<b>\$ 4,737,889</b>	<b>\$ (8,400,430)</b>	<b>\$29,182,895</b>	<b>\$ 3,130,000</b>
<b>Business-type Activities</b>					
General obligation bonds	\$ 16,965,000	\$ 8,890,000	\$(5,785,000)	\$ 20,070,000	\$ 1,765,000
Unamortized premium	<u>491,272</u>	<u>597,004</u>	<u>(148,973)</u>	<u>939,303</u>	<u>-</u>
Total bonds	17,456,272	9,487,004	(5,933,973)	21,009,303	1,765,000
Compensated absences	<u>437,386</u>	<u>235,570</u>	<u>(262,558)</u>	<u>410,398</u>	<u>145,000</u>
Total business-type activities	<b>\$17,893,658</b>	<b>\$ 9,722,574</b>	<b>\$ (6,196,531)</b>	<b>\$21,419,701</b>	<b>\$ 1,910,000</b>

**City of Brentwood, Tennessee**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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**Note 7. Long-term Liabilities**

Amounts payable for governmental activities at June 30, 2022, were as follows:

\$3,250,000 2012 General Obligation Public Improvement Refunding Bonds, due in increasing annual installments through September 1, 2025, at 2.00% interest rate	\$ 1,315,000
\$4,895,000 2013 General Obligation Refunding and Public Improvement Bonds, due in increasing annual installments through September 1, 2023, at varying rates of interest from 2.00% to 3.75%	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	2,365,000
\$3,030,000 2017 General Obligation Refunding Bonds, due in increasing annual installments through September 1, 2027, at varying rates of interest from 2.00% to 3.00%	1,885,000
\$2,040,000 2017A General Obligation Refunding Bonds, due in increasing annual installments through September 1, 2031, at varying rates of interest from 2.50% to 4.00%	2,040,000
\$14,445,000 2019 General Obligation Public Improvement Bonds, due in increasing annual installments through September 1, 2039, at varying rates of interest from 2.00% to 5.00%	13,910,000
\$2,810,000 2021B General Obligation Public Refunding Bonds, due in increasing annual installments through September 1, 2033, at varying rates of interest from 1.85% to 5.00%	2,810,000
Total governmental activities	24,790,000
Unamortized premium	974,305
	<b>\$ 25,764,305</b>

**City of Brentwood, Tennessee**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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**Note 7. Long-term Liabilities**

Amount payable for business-type activities at June 30, 2022, were as follows:

\$10,000,000 2010 General Obligation Public Improvement Bonds, due in increasing annual installments through March 1, 2025, at varying rates of interest from 2.00% to 4.00%	\$ 1,545,000
\$6,560,000 2012 General Obligation Public Improvement Bonds, due in increasing annual installments through September 1, 2025, at varying rates of interest from 2.00% to 2.63%	1,410,000
\$3,300,000 2013 General Obligation Refunding and Public Improvement Bonds, due in increasing annual installments through September 1, 2023, at varying rates of interest from 2.00% to 3.75%	315,000
\$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%	4,415,000
\$3,495,000 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%	3,495,000
\$4,790,000 2021A General Obligation Public Improvement Bonds, due in increasing annual installments through September 1, 2041, at varying rates of interest from 2.00% to 4.00%	4,790,000
\$4,100,000 2021B General Obligation Refunding Bonds, due in increasing annual installments through September 1, 2033, at varying rates of interest from 1.85% to 5.00%	4,100,000
Total business-type activities	20,070,000
Unamortized premium	<u>939,303</u>
	<b>\$ 21,009,303</b>

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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**Note 7. Long-term Liabilities**

**New Debt**

In the current fiscal year, the City issued \$4,790,000 general obligation public improvement bonds, series 2021A, to finance the construction of extensions and improvements to the City's water and sewer system. The bonds are due in increasing annual installments from \$180,000 to \$295,000 through September 1, 2041, at varying rates of interest from 2.00% to 4.00%. Federal arbitrage regulations apply to this issue.

The City also issued \$6,910,000 general obligation refunding bonds, series 2021B, as further described below. The bonds are due in varying annual installments from \$395,000 to \$900,000 through September 1, 2033, at varying rates of interest from 1.85% to 5.00%.

**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.

*Governmental Activities*

In the current fiscal year, the City issued \$2,810,000 in general obligation refunding bonds, series 2021B, to advance refund \$2,775,000 of outstanding general obligation public improvement bonds, series 2013 which had interest rates ranging from 2.00% to 3.75%. The net proceeds of \$2,931,745 (including a \$188,030 premium and after payment of \$91,159 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the series 2013 bonds is considered defeased and the liability for those bonds has been removed from the statement of net position. The net carrying amount of the old debt exceeded the reacquisition price by \$97,665. This amount is reported as a deferred inflow of resources and amortized over the remaining life of the refunding debt, which has the same remaining life as the refunded debt.

*Business Type Activities*

In the current fiscal year, the City issued \$4,100,000 in general obligation refunding bonds, series 2021B to advance refund \$4,235,000 of outstanding general obligation public improvement bonds, series 2012, and general obligation refunding and public improvement bonds, series 2013, which had interest rates ranging from 2.00% to 3.75%. The net proceeds of \$4,397,643 (including a \$293,089 premium and after payment of \$25,214 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the series 2012, and series 2013 bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The net carrying amount of the old debt exceeded the reacquisition price by \$72,039. This amount is reported as a deferred inflow of resources and amortized over the remaining life of the refunding debt, which has the same remaining life as the refunded debt.

The advance refundings reduced the City's total debt service payments by \$367,988 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$323,387.

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

**Note 7. Long-term Liabilities**

**Bond Refundings and Prepayments**

Total defeased debt as of June 30, 2022, was \$8,355,000.

**Debt Service Requirements**

The annual debt service requirements to maturity for all long-term obligations outstanding as of June 30, 2022 are as follows:

Year	Governmental Activities		Business-type Activities		Total	
	Bonds		Bonds			
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,680,000	674,655	\$ 1,765,000	\$ 514,716	\$ 3,445,000	\$ 1,189,371
2024	1,735,000	622,721	1,810,000	471,420	3,545,000	1,094,141
2025	1,780,000	565,505	1,855,000	424,708	3,635,000	990,213
2026	2,110,000	497,680	1,890,000	364,033	4,000,000	861,713
2027	1,845,000	425,130	1,925,000	301,958	3,770,000	727,088
2028-2032	7,985,000	1,385,915	7,725,000	719,424	15,710,000	2,105,339
2033-2037	4,850,000	653,230	1,690,000	214,100	6,540,000	867,330
2038-2042	<u>2,805,000</u>	<u>111,759</u>	<u>1,410,000</u>	<u>71,800</u>	<u>4,215,000</u>	<u>183,559</u>
	<b>\$ 24,790,000</b>	<b>\$ 4,936,595</b>	<b>\$ 20,070,000</b>	<b>\$ 3,082,159</b>	<b>\$ 44,860,000</b>	<b>\$ 8,018,754</b>

**Note 8. Deferred Outflows and Inflows of Resources**

Deferred outflows of resources consist of the following at June 30, 2022:

	Governmental Activities	Business-type Activities
Debt refundings	\$ 346,293	\$ 388,092
Pension related items	7,237,011	804,935
OPEB related items	<u>3,667,011</u>	<u>582,955</u>
	<b>\$ 11,250,315</b>	<b>\$ 1,775,982</b>

Deferred inflows of resources consist of the following at June 30, 2022:

	Governmental Activities	Business-type Activities
Property taxes		
2022 estimated levy	\$ 12,992,208	\$ -
Leases	675,996	-
Pension related items	9,739,795	1,163,281
OPEB related items	<u>4,702,030</u>	<u>747,494</u>
	<b>\$ 28,110,029</b>	<b>\$ 1,910,775</b>

The general fund also reports deferred inflows of resources relating to unavailable property taxes of \$179,459.



**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

**Note 9. Defined Benefit Pension Plans**

**General Information about the Pension Plans**

*Plans*

The City contributes to four defined benefit pension plans, the Public Employee Retirement Plan (Legacy) of the TCRS (City TCRS Legacy), the Public Employee Retirement Plan (Hybrid with cost controls) of the TCRS (City TCRS Hybrid), the ECD Public Employee Retirement Plan (ECD Legacy) of the TCRS (ECD TCRS Legacy), the ECD Public Employee Retirement Plan (ECD Hybrid without cost controls) of the TCRS (ECD TCRS Hybrid). As of and for the year ended June 30, 2022, the four plans had the following balances reported in the financial statements:

	<b>Total pension liability</b>	<b>Net pension asset</b>	<b>Net pension liability</b>
City TCRS Legacy	\$ 78,605,566	\$ 15,546,882	\$ -
ECD TCRS Legacy	392,298	290,981	-
City TCRS Hybrid	222,849	-	5,933
ECD TCRS Hybrid	11,846	3,120	-
<b>Total</b>	<b>\$ 79,232,559</b>	<b>\$ 15,840,983</b>	<b>\$ 5,933</b>

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>	<b>(Negative) pension expense</b>
City TCRS Legacy	\$ 7,710,338	\$ 10,776,609	\$ (845,990)
ECD TCRS Legacy	118,408	107,641	43,543
City TCRS Hybrid	206,899	17,583	2,226
ECD TCRS Hybrid	6,301	1,243	(2,284)
<b>Total</b>	<b>\$ 8,041,946</b>	<b>\$ 10,903,076</b>	<b>\$ (802,505)</b>

*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/Reporting-and-Investment-Policies>.

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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**Note 9. Defined Benefit Pension Plans**

**General Information about the Pension Plans**

*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 years of service credit. Reduced benefits for early retirement are available at age 60 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria.

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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**Note 9. Defined Benefit Pension Plans**

**General Information about the Pension Plans**

*Employees Covered by Benefit Terms*

At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

*TCRS Legacy*

	<b>City</b>	<b>ECD</b>
Inactive employees or beneficiaries currently receiving benefits	139	1
Inactive employees entitled to but not yet receiving benefits	225	5
Active employees	<u>212</u>	<u>8</u>
Total employees	<b>576</b>	<b>14</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	10	-
Active employees	<u>46</u>	<u>4</u>
Total employees	<b>56</b>	<b>4</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 hired on or after January 1, 2010 contribute 5% of salary. Employees hired prior to then do not contribute. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022, employer contributions for the City were \$2,112,369, based on a rate of 15.50% (public safety) and 12.00% (general government) of covered payroll. The employer contributions for the ECD were \$57,780 based on a rate of 12.00% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

*Contributions – TCRS Hybrid*

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5% of salary. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4%, except in years when the maximum funded level, as established by the TCRS Board of Trustees is reached. For the year ended June 30, 2022, the employer contributions for the City were \$93,715 based on a rate of 3.27% (public safety) and 2.43% (general government) of covered payroll. The employer contributions for the ECD were \$2,470 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.

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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**Note 9. Defined Benefit Pension Plans**

**General Information about the Pension Plans**

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

**Net Pension Liabilities (Assets)**

The City's net pension liabilities (assets) were measured as of June 30, 2021, 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, 2021 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

*Changes in Assumptions*

In 2021, the following assumptions were changed: decreased inflation rate from 2.50% to 2.25%; decreased the investment rate of return from 7.25% to 6.75%; decreased the cost-of-living adjustment from 2.25% to 2.125%; and modified mortality assumptions.

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

**Note 9. Defined Benefit 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	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
US fixed income	1.20%	20%
Real estate	4.38%	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 6.75% based on a blending of the factors described above.

*Discount Rate*

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

**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, 2020	\$ 68,511,027	\$ 74,771,316	\$ (6,260,289)
Service cost	1,415,440	-	1,415,440
Interest	4,986,137	-	4,986,137
Experience differences	1,224,164	-	1,224,164
Changes in assumptions	4,773,112	-	4,773,112
Contributions, employer	-	2,113,794	(2,113,794)
Contributions, employee	-	292,047	(292,047)
Net investment income	-	19,299,236	(19,299,236)
Benefit payments, including refunds of employee contributions	(2,304,314)	(2,304,314)	-
Administrative expenses	-	(19,631)	19,631
Net change	<u>10,094,539</u>	<u>19,381,132</u>	<u>(9,286,593)</u>
Balance, June 30, 2021	<b>\$ 78,605,566</b>	<b>\$ 94,152,448</b>	<b>\$ (15,546,882)</b>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

**Note 9. Defined Benefit 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, 2020	\$ 257,701	\$ 469,461	\$ (211,760)
Service cost	71,029	-	71,029
Interest	23,601	-	23,601
Experience differences	21,628	-	21,628
Changes in assumptions	24,741	-	24,741
Contributions, employer	-	62,991	(62,991)
Contributions, employee	-	26,246	(26,246)
Net investment income	-	131,698	(131,698)
Benefit payments, including refunds of employee contributions	(6,402)	(6,402)	-
Administrative expenses	-	(715)	715
Net change	<u>134,597</u>	<u>213,818</u>	<u>(79,221)</u>
Balance, June 30, 2021	<b>\$ 392,298</b>	<b>\$ 683,279</b>	<b>\$ (290,981)</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, 2020	\$ 59,096	\$ 56,489	\$ 2,607
Service cost	78,200	-	78,200
Interest	9,914	-	9,914
Experience differences	58,501	-	58,501
Changes in assumptions	18,240	-	18,240
Contributions, employer	-	43,571	(43,571)
Contributions, employee	-	90,333	(90,333)
Net investment income	-	31,236	(31,236)
Benefit payments, including refunds of employee contributions	(1,102)	(1,102)	-
Administrative expenses	-	(3,611)	3,611
Net change	<u>163,753</u>	<u>160,427</u>	<u>3,326</u>
Balance, June 30, 2021	<b>\$ 222,849</b>	<b>\$ 216,916</b>	<b>\$ 5,933</b>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

**Note 9. Defined Benefit 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, 2020	\$ 2,568	\$ 4,382	\$ (1,814)
Service cost	4,580	-	4,580
Interest	518	-	518
Experience differences	3,093	-	3,093
Changes in assumptions	1,087	-	1,087
Contributions, employer	-	1,571	(1,571)
Contributions, employee	-	7,141	(7,141)
Net investment income	-	2,211	(2,211)
Benefit payments, including refunds of employee contributions	-	-	-
Administrative expenses	-	(339)	339
Net change	<u>9,278</u>	<u>10,584</u>	<u>(1,306)</u>
Balance, June 30, 2021	<b>\$ 11,846</b>	<b>\$ 14,966</b>	<b>\$ (3,120)</b>

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

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

	<b>1% Decrease (5.75%)</b>	<b>Current rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
City TCRS Legacy net pension liability (asset)	\$ (4,122,858)	\$ (15,546,882)	\$ (24,945,832)
ECD TCRS Legacy net pension liability (asset)	(218,018)	(290,981)	(349,787)
City TCRS Hybrid net pension liability (asset)	72,458	5,933	(43,456)
ECD TCRS Hybrid net pension liability (asset)	1,843	(3,120)	(6,578)

**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, 2022, the City recognized pension expense (negative pension expense) of (\$845,990) and \$43,543 for the City and ECD Legacy plans, respectively, and \$2,226 and (\$2,284) for the City and ECD Hybrid plans, respectively.

*Deferred Outflows of Resources and Deferred Inflows of Resources*

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the Legacy pension plans from the following sources:

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

**Note 9. Defined Benefit Pension Plans**

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

*City TCRS Legacy Plan*

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Change in proportion on conversion from City to ECD plan in 2018	\$ -	\$ 21,988
Differences between expected and actual experience	1,602,437	453,950
Changes in assumptions	3,995,532	-
Net difference between projected and actual earnings on pension plan investments	-	10,300,671
Contributions subsequent to the measurement date of June 30, 2021	<u>2,112,369</u>	<u>-</u>
	<b>\$ 7,710,338</b>	<b>\$ 10,776,609</b>

*ECD TCRS Legacy Plan*

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Change in proportion on conversion from City to ECD plan in 2018	\$ 21,988	\$ -
Differences between expected and actual experience	18,023	36,890
Net difference between projected and actual earnings on pension plan investments	-	70,751
Changes in assumptions	20,617	-
Contributions subsequent to the measurement date of June 30, 2021	<u>57,780</u>	<u>-</u>
	<b>\$ 118,408</b>	<b>\$ 107,641</b>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2021," 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>
2023	\$ (1,145,946)	\$ 4,619
2024	(1,354,904)	(17,040)
2025	(1,102,173)	(16,929)
2026	(1,575,617)	(18,776)
2027	-	1,113
Thereafter	-	-

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, 2022

**Note 9. Defined Benefit Pension Plans**

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

At June 30, 2022, 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	\$ 96,768	\$ -
Net difference between projected and actual earnings on pension plan investments	-	17,583
Changes in assumptions	16,416	-
Contributions subsequent to the measurement date of June 30, 2021	93,715	-
	<u>\$ 206,899</u>	<u>\$ 17,583</u>

*ECD TCRS Hybrid Plan*

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ 2,835	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,243
Changes in assumptions	996	-
Contributions subsequent to the measurement date of June 30, 2021	2,470	-
	<u>\$ 6,301</u>	<u>\$ 1,243</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2021," 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>
2023	\$ 9,613	\$ 41
2024	9,613	41
2025	9,613	41
2026	9,485	31
2027	13,976	349
Thereafter	43,301	2,085

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, 2022

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**Note 9. Defined Benefit Pension Plans**

**Payable to the Pension Plans**

At June 30, 2022, the City had payables in the amount of \$197,144 and \$6,890 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 2022 pension contributions. A summary of the pension-related activity follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Net pension assets	\$ (14,273,295)	\$ (1,567,688)
Net pension liabilities	5,933	-
Deferred outflows	7,237,011	804,935
Deferred inflows	9,918,833	984,243

**Note 10. OPEB Plan and Trust**

**General Information about the OPEB Plan**

*Plan Administration*

The City of Brentwood Postemployment Benefits Plan (OPEB Plan) is administered through a trust that meets the definition set forth in GASB Statement No. 74. The plan does not issue separate financial statements and, accordingly, all required disclosures are included in the City's financial statements. The management of the OPEB Plan is vested in the Board. The City's latest actuarial valuation was prepared as of January 1, 2021 for the fiscal year ended June 30, 2022. Update procedures were used to roll forward the total OPEB liability to the OPEB plan's fiscal year-end.

*Plan Description*

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

*Plan Membership*

Membership in the plan consisted of the following at June 30, 2022:

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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**Note 10. OPEB Plan and Trust**

**General Information about the OPEB Plan**

*Benefits Provided*

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

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

*Funding Policy and Contributions*

The contribution requirements are established and may be amended by the Board. The required contribution is based on an actuarial valuation utilizing the entry age normal method. During 2008, the City prefunded a trust account, administered by MissionSquare Retirement, in the amount of \$2,260,000, which included the 2008 annual required contribution of \$598,000, less amounts paid as premium benefits. The prefunding will reduce the annual required contribution in future years. For fiscal year 2022, the City's general fund, water and sewer fund, and ECD collectively contributed \$1,340,374 to the Trust and withdrew \$857,622 to pay benefits. All contributions were made by the employer (no contributions by active or retired employees). Employer contributions are calculated as 7.60% of covered-employee payroll for fiscal year 2022.

**Investments**

*Investment Policy*

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

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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**Note 10. OPEB Plan and Trust**

**Investments**

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

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

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

*Rate of Return*

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (10.7%). 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-2021 to reflect mortality improvement

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

*Changes in Assumptions*

In 2021, the healthcare cost trend assumption was updated from 7.50% to 5.50% in 2021, 6.50% in 2022, 6.00% in 2023, and 5.50% in 2024 through 2025 with further decreases from 5.40% in 2026 to 3.90% in 2075 and later. The mortality assumption was also updated.

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

**Note 10. OPEB Plan and Trust**

**Total OPEB Liability**

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, 2022 (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>
MSQ Core Bond Index	80% fixed income; 20% multi-strategy	4.50%
MSQ Inflation Focused	100% fixed income	4.50%
MSQ Model Portfolio Conservative	62% fixed income; 34% equity; 4% multi-strategy	6.15%
MSQ Model Portfolio Moderate	33% fixed income; 60% equity; 7% multi-strategy	6.80%

*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, 2021	\$ 13,787,209	\$ 15,162,210	\$ (1,375,001)
Service cost	525,558	-	525,558
Interest	947,876	-	947,876
Changes in assumptions	59,926	-	59,926
Contributions, employer	-	1,340,374	(1,340,374)
Net investment income	-	(1,745,327)	1,745,327
Benefits paid, including refunds of employee contributions	(857,622)	(857,622)	-
Other	-	-	-
Administrative expenses	-	-	-
Net change	675,738	(1,262,575)	1,938,313
Balance, June 30, 2022	<b>\$ 14,462,947</b>	<b>\$ 13,899,635</b>	<b>\$ 563,312</b>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

**Note 10. OPEB Plan and Trust**

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

*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)	\$ 1,915,107	\$ 563,312	\$ (631,004)

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

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

	<b>5.50% decreasing to 2.90% over 53 years</b>	<b>6.50% decreasing to 3.90% over 53 years</b>	<b>7.50% decreasing to 4.90% over 53 years</b>
Net OPEB liability (asset)	\$ (731,246)	\$ 563,312	\$ 2,050,864

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

*OPEB Expense*

For the year ended June 30, 2022, the City recognized negative OPEB expense of (\$1,730,750).

*Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended June 30, 2022, 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	\$ 14,996	\$ 5,283,409
Changes in assumptions	1,021,606	166,115
Net difference between projected and actual earnings of OPEB plan investments	3,213,364	-
	<b>\$ 4,249,966</b>	<b>\$ 5,449,524</b>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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**Note 10. OPEB Plan and Trust**

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

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

Year ended June 30,	
2023	\$ 260,833
2024	218,640
2025	134,652
2026	245,690
2027	319,033
Thereafter	(2,378,406)

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

**Amounts Payable to the OPEB Plan**

At June 30, 2022, 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 2022 OPEB contributions. A summary of the OPEB-related activity follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Net OPEB liability (asset)	\$ 486,044	\$ 77,268
Deferred outflows	3,667,011	582,955
Deferred inflows	4,702,030	747,494

**Note 11. Defined Contribution Pension Plans**

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

Plan name	Plan administrator	Plan type
City of Brentwood Governmental Money Purchase Plan (frozen)	City	401(a)/457(b)
City of Brentwood Money Purchase Plan (frozen)	City	401(a)/457(b)
State of Tennessee Deferred Compensation Plan II – 401(k)	TCRS	401(k)
Tennessee State Employees Deferred Compensation Plan and Trust – 457(b)	TCRS	457(b)

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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**Note 11. Defined Contribution Pension Plans**

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

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

**City of Brentwood Governmental Money Purchase Plan (Frozen)**

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

**City of Brentwood Money Purchase Plan (Frozen)**

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

**State of Tennessee Deferred Compensation Plan II – 401(k)**

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

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



**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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**Note 11. Defined Contribution Pension Plans**

**State of Tennessee Deferred Compensation Plan II – 401(k)**

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

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

The City's contributions to the State 401(k) Plan recognized in pension expense for the year totaled \$573,255. The ECD's contributions to the State 401(k) Plan recognized in pension expense for the year totaled \$20,598. No forfeitures were used by the City during the year. At June 30, 2022, there were no amounts relating to required contributions payable to the plan.

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

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

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

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

**Note 12. 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 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	\$ 584,244	\$ 541,239	\$ 43,005
Other	606,728	275,058	331,670
<b>Expenditures</b>			
General government	8,096,820	7,851,654	(245,166)
Public safety	19,495,118	18,225,437	(1,269,681)
Roads and streets	5,684,508	5,467,685	(216,823)
Parks and recreation	2,782,031	2,452,236	(329,795)
Public library	3,244,856	2,902,053	(342,803)
Community support	484,236	442,202	(42,034)
<b>Other Financing Uses</b>			
Transfers out	12,579,700	15,989,700	3,410,000
<b>Committed Activity Budgeted Separately</b>			
Net change			
Equipment replacement	-	1,302,849	(1,302,849)
Facilities maintenance	-	210,771	(210,771)
Postemployment benefits	-	(175,247)	175,247
Net change in fund balance	<b>\$ 10,472,954</b>	<b>\$ 10,472,954</b>	<b>\$ -</b>

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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**Note 13. 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 2022, the aggregate stop loss threshold is approximately \$4.079 million.

Revenues of the fund include budgeted amounts from each City fund with personnel assigned to it, as well as employee payroll deductions from those employees who elect to cover dependents under the City's plan. Expenses of the fund include premium costs for the City's stop-loss coverage, administrative fees charged by Blue Cross Blue Shield, HRA claims expenses, and medical claims expenses from the partially self-funded health plans and fully-insured vision plans. Other expenses include the CareHere Clinic and healthcare consultant services. The HRA and partially self-funded plans are administered by Blue Cross Blue Shield and the City is invoiced weekly for such claims. HRA liabilities also include an amount for claims that have been incurred prior to June 30, 2022, but not reported.

**City of Brentwood, Tennessee**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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**Note 13. Risk Management**

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

	<b>2022</b>	<b>2021</b>
Unpaid claims, beginning of fiscal year	\$ 120,508	\$ 111,953
Incurred claims	4,021,061	3,216,544
Claim payments	<u>(4,055,382)</u>	<u>(3,207,989)</u>
Unpaid claims, end of fiscal year	<b>\$ 86,187</b>	<b>\$ 120,508</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 14. 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 15. Commitments**

Construction commitments amounting to approximately \$3,960,000 and \$1,932,000 were outstanding as of June 30, 2022, for governmental activities and business-type activities (Water and Sewer Fund), respectively.

**Note 16. 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, 2022

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**Note 17. 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, 2022, the City abated property taxes totaling \$37,500. Future abatements are expected to be \$75,000 over the remainder of the agreement.

**Note 18. Prior Period Adjustment**

In June 2017, the GASB issued GASB Statement No. 87, *Leases* (Statement No. 87). This Statement requires recognition of certain assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources or an intangible right of use asset and a lease liability. Statement No. 87 is effective for fiscal years beginning after June 15, 2021.

Adoption of this Statement is reflected on the City's financial statements. The accompanying financial statements as of and for the year ended June 30, 2021, have been restated for the change, which increased net position by \$11,023. As a result of adopting GASB 87 and 92, the City recorded a lease receivable of \$716,410 and a deferred inflow of resources of \$705,387.

## 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

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service cost	\$ 1,415,440	\$ 1,444,859	\$ 1,385,143	\$ 1,327,442	\$ 1,156,664	\$ 1,150,624	\$ 1,150,999	\$ 1,122,965
Interest	4,986,137	4,692,340	4,377,106	4,201,625	3,902,973	3,650,234	3,399,040	3,254,114
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	1,224,164	191,599	656,937	(1,361,854)	1,078,095	(132,928)	(47,643)	(1,467,509)
Changes in assumptions	4,773,112	-	-	-	1,062,242	-	-	-
Benefit payments/refunds	(2,304,314)	(2,189,682)	(2,072,008)	(1,536,967)	(1,376,938)	(1,231,286)	(1,074,254)	(936,262)
Net change in total pension liability	10,094,539	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	68,511,027	64,371,911	60,024,733	57,394,487	51,571,451	48,134,807	44,706,665	42,733,357
Total pension liability, ending (a)	78,605,566	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	2,113,794	2,184,009	2,486,210	2,358,892	2,709,932	2,306,684	2,329,112	2,269,893
Contributions, employee	292,047	313,494	314,511	262,129	229,356	161,462	141,959	117,752
Net investment income	19,299,236	3,526,683	4,892,886	4,968,751	5,969,974	1,363,718	1,454,368	6,499,814
Benefit payments, including refunds of employee contributions	(2,304,314)	(2,189,682)	(2,072,008)	(1,536,967)	(1,376,938)	(1,231,286)	(1,074,254)	(936,262)
Administrative expenses	(19,631)	(20,951)	(22,778)	(24,115)	(20,973)	(18,055)	(12,513)	(11,223)
Net change in plan fiduciary net position	19,381,132	3,813,553	5,598,821	6,028,690	7,511,351	2,582,523	2,838,672	7,939,974
Plan fiduciary net position, beginning	74,771,316	70,957,763	65,358,942	59,330,252	51,818,901	49,236,378	46,397,706	38,457,732
Plan fiduciary net position, ending (b)	94,152,448	74,771,316	70,957,763	65,358,942	59,330,252	51,818,901	49,236,378	46,397,706
Net pension liability (asset), ending (a)-(b)	<b>\$ (15,546,882)</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	119.78%	109.14%	110.23%	108.89%	103.37%	100.48%	102.29%	103.78%
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
Net pension liability (asset) as a percentage of covered payroll	-102.01%	-39.77%	-41.96%	-35.82%	-13.28%	-1.84%	-8.07%	-12.56%

**Notes to Schedule**

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

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

Information in this schedule is presented for the fiscal year. The measurement year is the prior period (i.e., the measurement date for fiscal year 2022, is June 30, 2021).

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially-determined contribution	\$ 729,972	\$ 1,095,737	\$ 1,132,510	\$ 1,375,000	\$ 1,304,501	\$ 2,300,061	\$ 2,306,684	\$ 2,329,112	\$ 2,269,893
Contributions in relation to the actuarially-determined contribution	2,112,369	2,113,794	2,184,009	2,486,210	2,358,892	2,709,932	2,306,684	2,329,112	2,269,893
Contribution deficiency (excess)	<b>\$ (1,382,397)</b>	<b>\$ (1,018,057)</b>	<b>\$ (1,051,499)</b>	<b>\$ (1,111,210)</b>	<b>\$ (1,054,391)</b>	<b>\$ (409,871)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 15,176,122	\$ 15,240,374	\$ 15,741,010	\$ 15,695,065	\$ 14,892,532	\$ 14,575,800	\$ 13,431,688	\$ 13,642,197	\$ 13,468,614
Contributions as a percentage of covered payroll	13.92%	13.87%	13.87%	15.84%	15.84%	18.59%	17.17%	17.07%	16.85%

**Notes to Schedule**

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

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

Actuarially determined contribution rates for fiscal year 2022 were calculated based on the June 30, 2020 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

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

**Notes to Schedule**

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

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

Information in this schedule is presented for the fiscal year. The measurement year is the prior period (i.e., the measurement date for fiscal year 2022, is June 30, 2021).

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

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

**Notes to Schedule**

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

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

Actuarially determined contribution rates for fiscal year 2022 were calculated based on the June 30, 2020 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

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

**Notes to Schedule**

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

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

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

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

**Notes to Schedule**

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

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

Actuarially determined contribution rates for fiscal year 2022 were calculated based on the June 30, 2020 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

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

**Notes to Schedule**

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

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

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

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

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

**Notes to Schedule**

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

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

Actuarially determined contribution rates for fiscal year 2022 were calculated based on the June 30, 2020 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

	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>						
Service cost	\$ 525,558	\$ 540,999	\$ 520,191	\$ 495,420	\$ 424,946	\$ 404,710
Interest	947,876	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	59,926	(203,029)	-	1,727,936	-	-
Benefit payments/refunds	(857,622)	(312,849)	(339,071)	(460,644)	(547,538)	(494,941)
Other	-	(12,238)	-	-	-	-
Net change in total OPEB liability	675,738	(5,142,248)	1,303,902	3,015,439	1,074,761	996,300
Total OPEB liability, beginning	13,787,209	18,929,457	17,625,555	14,610,116	13,535,355	12,539,055
Total OPEB liability, ending (a)	14,462,947	13,787,209	18,929,457	17,625,555	14,610,116	13,535,355
<b>Plan Fiduciary Net Position</b>						
Contributions, employer	1,340,374	1,198,912	1,169,119	957,978	968,650	740,388
Contributions, employee	-	-	-	-	-	-
Net investment income	(1,745,327)	2,163,268	552,538	575,694	438,726	654,925
Benefit payments, including refunds of employee contributions	(857,622)	(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	(1,262,575)	3,042,032	1,382,586	1,063,528	850,338	900,372
Plan fiduciary net position, beginning	15,162,210	12,120,178	10,737,592	9,674,064	8,823,726	7,923,354
Plan fiduciary net position, ending (b)	13,899,635	15,162,210	12,120,178	10,737,592	9,674,064	8,823,726
Net OPEB liability (asset), ending (a)-(b)	<b>\$ 563,312</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	96.11%	109.97%	64.03%	60.92%	66.21%	65.19%
Covered-employee payroll	\$ 17,624,939	\$ 16,947,057	\$ 15,827,664	\$ 15,218,908	\$ 13,693,223	\$ 13,294,391
Net OPEB liability (asset) as a percentage of covered-employee payroll	3.20%	-8.11%	43.02%	45.26%	36.05%	35.44%

**Notes to Schedule**

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

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

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

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

**Notes to Schedule**

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

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

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

Information in this schedule is presented for the fiscal year. The measurement year is the prior period (i.e., the measurement date for fiscal year 2022, is 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	5.5% in 2021, 6.5% in 2022, 6.0% in 2023, and 5.5% in 2024 through 2025. Rates gradually decrease from 5.4% in 2026 to 3.9% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model
Salary increases	4.00% average annually, including inflation
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Vary by age from 10% at age 55 to 100% at age 65, with 20 years of City service 50% at age 55 to 100% at age 60 for Fire/Police (Non-Supv), w/ 20 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-2021 to reflect mortality improvement



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

	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return	-10.70%	17.10%	4.89%	5.58%	4.71%	7.82%

**Notes to Schedule**

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

## **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, 2022

	<b>Special Revenue</b>			<b>Capital Projects</b>		
	<b>State Street Aid</b>	<b>Drug</b>	<b>e-Citation</b>	<b>Public Works</b>	<b>Adequate School Facilities</b>	<b>Total Nonmajor Governmental</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 2,004,915	\$ -	\$ 2,476	\$ 1,891,347	\$ 1,335,941	\$ 5,234,679
Receivables						
Taxes	274,924	-	-	-	26,438	301,362
Accounts	1,657	409	21	1,609	1,127	4,823
Due from other funds	-	-	80	-	-	80
Restricted cash and cash equivalents	-	472,557	-	-	-	472,557
Total assets	<b>\$ 2,281,496</b>	<b>\$ 472,966</b>	<b>\$ 2,577</b>	<b>\$ 1,892,956</b>	<b>\$ 1,363,506</b>	<b>\$ 6,013,501</b>
<b>Liabilities and Fund Balances</b>						
Liabilities						
Accounts payable	\$ 6,733	\$ 225	\$ -	\$ -	\$ -	\$ 6,958
Due to other funds	-	21,698	-	350,000	-	371,698
Total liabilities	6,733	21,923	-	350,000	-	378,656
Fund balances						
Restricted for						
Capital projects	-	-	-	1,542,956	1,363,506	2,906,462
Street repairs	2,274,763	-	-	-	-	2,274,763
Drug enforcement and education	-	451,043	-	-	-	451,043
Citation equipment	-	-	2,577	-	-	2,577
Total fund balances	2,274,763	451,043	2,577	1,542,956	1,363,506	5,634,845
Total liabilities and fund balances	<b>\$ 2,281,496</b>	<b>\$ 472,966</b>	<b>\$ 2,577</b>	<b>\$ 1,892,956</b>	<b>\$ 1,363,506</b>	<b>\$ 6,013,501</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, 2022

	<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>Revenues</b>						
Licenses and permits	\$ -	\$ -	\$ -	\$ 549,607	\$ -	\$ 549,607
Fines and fees	-	-	1,507	-	-	1,507
Intergovernmental						
Gasoline and motor fuel tax	814,043	-	-	-	-	814,043
Three cent tax	234,589	-	-	-	-	234,589
Gas 1989 tax	126,642	-	-	-	-	126,642
Gas 2017 tax	409,658	-	-	-	-	409,658
Adequate school facilities tax	-	-	-	-	528,221	528,221
Uses of money and property	8,629	1,891	5	6,837	4,518	21,880
Other	-	20,677	-	-	-	20,677
Total revenues	1,593,561	22,568	1,512	556,444	532,739	2,706,824
<b>Expenditures</b>						
Roads and streets, street repairs	1,119,247	-	-	-	-	1,119,247
Drug education	-	12,954	-	-	-	12,954
Total expenditures	1,119,247	12,954	-	-	-	1,132,201
Excess (deficiency) of revenues over expenditures	474,314	9,614	1,512	556,444	532,739	1,574,623
<b>Other Financing Sources (Uses)</b>						
Transfers in (out)	-	-	-	(350,000)	-	(350,000)
Net change in fund balances	474,314	9,614	1,512	206,444	532,739	1,224,623
Fund balances, beginning of year	1,800,449	441,429	1,065	1,336,512	830,767	4,410,222
Fund balances, end of year	<b>\$ 2,274,763</b>	<b>\$ 451,043</b>	<b>\$ 2,577</b>	<b>\$ 1,542,956</b>	<b>\$ 1,363,506</b>	<b>\$ 5,634,845</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, 2022

	<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	1,600,000	1,600,000	814,043	(785,957)
Three cent tax	-	-	234,589	234,589
Gas 1989 tax	-	-	126,642	126,642
Gas 2017 tax	-	-	409,658	409,658
Adequate school facilities tax	-	-	-	-
Uses of money and property	2,000	2,000	8,629	6,629
Other				
Drug-related fines and contributions	-	-	-	-
Total revenues	<u>1,602,000</u>	<u>1,602,000</u>	<u>1,593,561</u>	<u>(8,439)</u>
<b>Expenditures</b>				
Roads and streets, street repairs	1,700,000	1,700,000	1,119,247	580,753
Drug education	-	-	-	-
Total expenditures	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,119,247</u>	<u>580,753</u>
Excess (deficiency) of revenues over expenditures	(98,000)	(98,000)	474,314	572,314
<b>Other Financing Sources (Uses)</b>				
Transfers	-	-	-	-
Net change in fund balance	(98,000)	(98,000)	474,314	572,314
Fund balance, beginning of year	<u>1,800,449</u>	<u>1,800,449</u>	<u>1,800,449</u>	
Fund balance, end of year	<b>\$ 1,702,449</b>	<b>\$ 1,702,449</b>	<b>\$ 2,274,763</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, 2022

	<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	1,500	1,500	1,891	391
Other				
Drug-related fines and contributions	20,000	20,000	20,677	677
Total revenues	21,500	21,500	22,568	1,068
<b>Expenditures</b>				
Roads and streets, street repairs	-	-	-	-
Drug education	20,000	20,000	12,954	7,046
Total expenditures	20,000	20,000	12,954	7,046
Excess (deficiency) of revenues over expenditures	1,500	1,500	9,614	8,114
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	-	-	-
Net change in fund balance	1,500	1,500	9,614	8,114
Fund balance, beginning of year	441,429	441,429	441,429	
Fund balance, end of year	\$ 442,929	\$ 442,929	\$ 451,043	

**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, 2022

	<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	1,000	1,000	1,507	507
Intergovernmental				
Gasoline and motor fuel tax	-	-	-	-
Three cent tax	-	-	-	-
Gas 1989 tax	-	-	-	-
Gas 2017 tax	-	-	-	-
Adequate school facilities tax	-	-	-	-
Uses of money and property	-	-	5	5
Other				
Drug-related fines and contributions	-	-	-	-
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,512</u>	<u>512</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	1,000	1,000	1,512	512
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	-	-	-
Net change in fund balance	1,000	1,000	1,512	512
Fund balance, beginning of year	<u>1,065</u>	<u>1,065</u>	<u>1,065</u>	
Fund balance, end of year	<b>\$ 2,065</b>	<b>\$ 2,065</b>	<b>\$ 2,577</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, 2022

	<u>Budgeted amounts</u>		<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	\$ 650,000	\$ 650,000	\$ 549,607	\$ (100,393)
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	5,000	5,000	6,837	1,837
Other				
Drug-related fines and contributions	-	-	-	-
Total revenues	<u>655,000</u>	<u>655,000</u>	<u>556,444</u>	<u>(98,556)</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	655,000	655,000	556,444	(98,556)
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	(350,000)	(350,000)	-
Net change in fund balance	655,000	305,000	206,444	(98,556)
Fund balance, beginning of year	<u>1,336,512</u>	<u>1,336,512</u>	<u>1,336,512</u>	
Fund balance, end of year	<b>\$ 1,991,512</b>	<b>\$ 1,641,512</b>	<b>\$ 1,542,956</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, 2022

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance from final budget + / (-)</u>
	<u>Original</u>	<u>Final</u>		
<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	528,221	78,221
Uses of money and property	1,000	1,000	4,518	3,518
Other				
Drug-related fines and contributions	-	-	-	-
Total revenues	<u>451,000</u>	<u>451,000</u>	<u>532,739</u>	<u>81,739</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	451,000	451,000	532,739	81,739
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	-	-	-
Net change in fund balance	451,000	451,000	532,739	81,739
Fund balance, beginning of year	<u>830,767</u>	<u>830,767</u>	<u>830,767</u>	
Fund balance, end of year	<b>\$ 1,281,767</b>	<b>\$ 1,281,767</b>	<b>\$ 1,363,506</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, 2022

	<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	\$ 15,252	\$ 13,252
<b>Expenditures</b>				
Debt service				
Principal	1,530,000	3,410,000	3,410,000	-
Bond issuance cost	-	88,000	87,159	841
Interest	773,850	811,125	781,832	29,293
Other				
Bank service charges	6,000	6,000	5,305	695
Total expenditures	2,309,850	4,315,125	4,284,296	30,829
Deficiency of revenues under expenditures	(2,307,850)	(4,313,125)	(4,269,044)	44,081
<b>Other Financing Sources (Uses)</b>				
Transfers in from general fund	2,995,000	2,995,000	2,995,000	-
Refunding bonds issued	-	-	2,810,000	2,810,000
Premium on refunding bonds issued	-	-	188,031	188,031
Payments to refunded bond escrow agent	-	-	(2,906,872)	(2,906,872)
Total other financing sources (uses)	2,995,000	2,995,000	3,086,159	91,159
Net change in fund balance	687,150	(1,318,125)	(1,182,885)	135,240
Fund balance, beginning of year	4,028,065	4,028,065	4,028,065	
Fund balance, end of year	<b>\$ 4,715,215</b>	<b>\$ 2,709,940</b>	<b>\$ 2,845,180</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, 2022

	Fuel	Insurance	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 607,237	\$ 3,380,208	\$ 3,987,445
Receivables			
Accounts	535	158,000	158,535
Due from other funds	28,836	500,441	529,277
Inventory	<u>126,531</u>	<u>-</u>	<u>126,531</u>
Total assets	763,139	4,038,649	4,801,788
<b>Liabilities</b>			
Accounts payable	10,535	49,578	60,113
Claims payable	-	86,187	86,187
Due to other funds	<u>-</u>	<u>1,737</u>	<u>1,737</u>
Total liabilities	10,535	137,502	148,037
<b>Net Position</b>			
Unrestricted	<u>752,604</u>	<u>3,901,147</u>	<u>4,653,751</u>
Total net position	<b>\$ 752,604</b>	<b>\$ 3,901,147</b>	<b>\$ 4,653,751</b>

**City of Brentwood, Tennessee**  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2022

	Fuel	Insurance	Total
<b>Operating Revenues</b>			
Charges for sales and services	\$ 319,054	\$ 4,201,721	\$ 4,520,775
Other	<u>-</u>	<u>824,691</u>	<u>824,691</u>
Total operating revenues	319,054	5,026,412	5,345,466
<b>Operating Expenses</b>			
Cost of sales and services	462,425	5,031,573	5,493,998
Operating income (loss)	(143,371)	(5,161)	(148,532)
Nonoperating revenues			
Other income	2,983	13,517	16,500
Net change in net position	(140,388)	8,356	(132,032)
Net position, beginning of year	<u>892,992</u>	<u>3,892,791</u>	<u>4,785,783</u>
Net position, end of year	<b>\$ 752,604</b>	<b>\$ 3,901,147</b>	<b>\$ 4,653,751</b>

**City of Brentwood, Tennessee**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2022

	Fuel	Insurance	Total
<b>Cash flows from operating activities</b>			
Receipts from interfund services provided	\$ 317,945	\$ 4,544,315	\$ 4,862,260
Payments to suppliers	<u>(541,285)</u>	<u>(5,069,319)</u>	<u>(5,610,604)</u>
Net cash provided (used) by operating activities	(223,340)	(525,004)	(748,344)
<b>Cash flows from investing activities</b>			
Other income received	2,983	13,517	16,500
Net change in cash	(220,357)	(511,487)	(731,844)
Cash and cash equivalents, beginning of year	<u>827,594</u>	<u>3,891,695</u>	<u>4,719,289</u>
Cash and cash equivalents, end of year	<b>\$ 607,237</b>	<b>\$ 3,380,208</b>	<b>\$ 3,987,445</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>			
Operating income (loss)	\$ (143,371)	\$ (5,161)	\$ (148,532)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Change in:			
Receivables			
Accounts	(331)	22,764	22,433
Due from other funds	(778)	(496,561)	(497,339)
Inventory	(66,605)	-	(66,605)
Accounts payable	(12,255)	(3,425)	(15,680)
Claims payable	-	(34,321)	(34,321)
Due to other funds	<u>-</u>	<u>(8,300)</u>	<u>(8,300)</u>
Net cash provided (used) by operating activities	<b>\$ (223,340)</b>	<b>\$ (525,004)</b>	<b>\$ (748,344)</b>

## Other Schedules





**City of Brentwood, Tennessee**  
Schedule of Changes in Property Tax Receivable  
General Fund  
For the Fiscal Year Ended June 30, 2022

<b>Tax Year</b>	<b>Balance July 1, 2021</b>	<b>Property tax levied</b>	<b>Anticipated levy</b>	<b>Abatements and adjustments</b>	<b>Collections</b>	<b>Balance June 30, 2022</b>
2022	\$ -	\$ -	\$ 12,992,208	\$ -	\$ -	12,992,208
2021	12,829,548	12,784,063	(12,829,548)	13,741	(12,669,381)	128,423
2020	98,145	-	-	30,036	(99,223)	28,958
2019	16,082	-	-	6,168	(12,509)	9,741
2018	3,515	-	-	1,727	(1,961)	3,281
2017	2,480	-	-	552	(508)	2,524
2016	1,631	-	-	-	(251)	1,380
2015	2,108	-	-	-	(199)	1,909
2014	980	-	-	-	(20)	960
2013	1,073	-	-	-	-	1,073
2012	1,210	-	-	-	-	1,210
2011	1,393	-	-	(1,393)	-	-
	<b>\$ 12,958,165</b>	<b>\$ 12,784,063</b>	<b>\$ 162,660</b>	<b>\$ 50,831</b>	<b>\$ (12,784,052)</b>	<b>\$ 13,171,667</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, 2022

Description of indebtedness	Original amount of issue	Interest rate	Date of issue	Last maturity date	Outstanding July 1, 2021	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding June 30, 2022
<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	\$ 795,000	\$ -	\$ (795,000)	\$ -	\$ -
2011 General Obligation Public Improvement Bonds	4,845,000	3.00 to 3.625%	9/12/2011	9/1/2031	980,000	-	(980,000)	-	-
2012 General Obligation Public Improvement Refunding Bonds	3,250,000	2.00%	5/4/2012	9/1/2025	1,630,000	-	(315,000)	-	1,315,000
2013 General Obligation Refunding and Public Improvement Bonds	4,895,000	2.00 to 3.75%	9/4/2013	9/1/2023	3,465,000	-	(225,000)	(2,775,000)	465,000
2016 General Obligation Refunding Bonds	3,035,000	2.00%	6/3/2016	3/1/2030	2,635,000	-	(270,000)	-	2,365,000
2017 General Obligation Refunding Bonds	3,030,000	2.00 to 3.00%	2/3/2017	9/1/2027	2,175,000	-	(290,000)	-	1,885,000
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	-	(535,000)	-	13,910,000
2021B General Obligation Refunding Bonds	2,810,000	1.85 to 5.00%	12/3/2021	9/1/2033	-	2,810,000	-	-	2,810,000
Total bonds payable through debt service fund					<b>\$ 28,165,000</b>	<b>\$ 2,810,000</b>	<b>\$ (3,410,000)</b>	<b>\$ (2,775,000)</b>	<b>\$ 24,790,000</b>
<b>Business-type Activities</b>									
<i>General obligation bonds, pledge of net revenues</i>									
Payable through water and sewer fund									
2010 General Obligation Public Improvement Bonds	\$ 10,000,000	2.00 to 4.00%	9/21/2010	3/1/2025	\$ 2,035,000	\$ -	\$ (490,000)	\$ -	\$ 1,545,000
2012 General Obligation Public Improvement Bonds	6,560,000	2.00 to 2.625%	5/4/2012	9/1/2025	4,110,000	-	(335,000)	(2,365,000)	1,410,000
2013 General Obligation Refunding and Public Improvement Bonds	3,300,000	2.00 to 3.75%	9/4/2013	9/1/2023	2,335,000	-	(150,000)	(1,870,000)	315,000
2016 General Obligation Public Refunding Bonds	6,315,000	2.00%	6/3/2016	3/1/2029	4,990,000	-	(575,000)	-	4,415,000
2017A General Obligation Refunding Bonds	3,495,000	2.50 to 4.00%	12/7/2017	9/1/2031	3,495,000	-	-	-	3,495,000
2021A General Obligation Public Improvement Bonds	4,790,000	2.00 to 4.00%	12/3/2021	9/1/2041	-	4,790,000	-	-	4,790,000
2021B General Obligation Refunding Bonds	4,100,000	1.85 to 5.00%	12/3/2021	9/1/2033	-	4,100,000	-	-	4,100,000
Total bonds payable through water and sewer fund					<b>\$ 16,965,000</b>	<b>\$ 8,890,000</b>	<b>\$ (1,550,000)</b>	<b>\$ (4,235,000)</b>	<b>\$ 20,070,000</b>

**City of Brentwood, Tennessee**  
Schedule of Debt Service Requirements - Governmental Activities General Obligation Bonds  
June 30, 2022

Year	2012 G.O. Public Improvement Refunding Bonds		2013 G.O. Refunding and Public Improvement Bonds		2016 G.O. Refunding Bonds		2017 G.O. Refunding Bonds		2017A G.O. Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 320,000	\$ 23,100	\$ 230,000	\$ 8,025	\$ 275,000	\$ 47,300	\$ 295,000	\$ 34,918	\$ -	\$ 63,300
2024	325,000	16,650	235,000	2,791	280,000	41,800	305,000	28,918	-	63,300
2025	330,000	10,100	-	-	285,000	36,200	310,000	22,768	-	63,300
2026	340,000	3,400	-	-	290,000	30,500	315,000	16,518	265,000	58,000
2027	-	-	-	-	300,000	24,700	325,000	10,118	270,000	47,300
2028	-	-	-	-	305,000	18,700	335,000	3,434	285,000	36,200
2029	-	-	-	-	310,000	12,600	-	-	295,000	26,812
2030	-	-	-	-	320,000	6,400	-	-	300,000	19,375
2031	-	-	-	-	-	-	-	-	310,000	11,750
2032	-	-	-	-	-	-	-	-	315,000	3,938
2033	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-
Total	\$ 1,315,000	\$ 53,250	\$ 465,000	\$ 10,816	\$ 2,365,000	\$ 218,200	\$ 1,885,000	\$ 116,674	\$ 2,040,000	\$ 393,275

Year	2019 G.O. Public Improvement Bonds		2021B G.O. Refunding Bonds		Total G.O. Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 560,000	\$ 411,519	\$ -	\$ 86,493	\$ 1,680,000	\$ 674,655
2024	590,000	382,769	-	86,493	1,735,000	622,721
2025	620,000	352,519	235,000	80,618	1,780,000	565,505
2026	655,000	320,644	245,000	68,618	2,110,000	497,680
2027	685,000	287,144	265,000	55,868	1,845,000	425,130
2028	715,000	255,719	270,000	45,193	1,910,000	359,246
2029	740,000	234,019	280,000	36,943	1,625,000	310,374
2030	755,000	219,069	290,000	28,393	1,665,000	273,237
2031	770,000	203,819	300,000	21,043	1,380,000	236,612
2032	785,000	187,287	305,000	15,221	1,405,000	206,446
2033	805,000	168,896	305,000	9,350	1,110,000	178,246
2034	825,000	149,540	315,000	3,145	1,140,000	152,685
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	\$ 13,910,000	\$ 3,607,002	\$ 2,810,000	\$ 537,378	\$ 24,790,000	\$ 4,936,595

**City of Brentwood, Tennessee**  
Schedule of Debt Service Requirements - Business-type Activities Debt Obligations  
June 30, 2022

Year	2010 G.O. Public Improvement Bonds		2012 G.O. Public Improvement Bonds		2013 G.O. Refunding and Public Improvement Bonds		2016 G.O. Public Refunding Bonds		2017A G.O. Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	500,000	42,487	340,000	24,800	155,000	5,447	590,000	88,300	-	112,425
2024	515,000	28,737	350,000	17,900	160,000	1,900	600,000	76,500	-	112,425
2025	530,000	14,575	355,000	10,850	-	-	615,000	64,500	-	112,425
2026	-	-	365,000	3,650	-	-	630,000	52,200	535,000	101,725
2027	-	-	-	-	-	-	645,000	39,600	555,000	79,925
2028	-	-	-	-	-	-	660,000	26,700	580,000	57,225
2029	-	-	-	-	-	-	675,000	13,500	595,000	38,188
2030	-	-	-	-	-	-	-	-	610,000	23,125
2031	-	-	-	-	-	-	-	-	620,000	7,750
2032	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-
Total	\$ 1,545,000	\$ 85,799	\$ 1,410,000	\$ 57,200	\$ 315,000	\$ 7,347	\$ 4,415,000	\$ 361,300	\$ 3,495,000	\$ 645,213

Year	2021A G.O. Public Improvement Bonds		2021B G.O. Refunding Bonds		Total BTA Debt Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	180,000	118,450	-	122,807	1,765,000	514,716
2024	185,000	111,150	-	122,808	1,810,000	471,420
2025	195,000	103,550	160,000	118,808	1,855,000	424,708
2026	200,000	95,650	160,000	110,808	1,890,000	364,033
2027	210,000	88,500	515,000	93,933	1,925,000	301,958
2028	215,000	82,125	540,000	72,958	1,995,000	239,008
2029	220,000	75,600	555,000	56,533	2,045,000	183,821
2030	225,000	68,925	570,000	39,658	1,405,000	131,708
2031	235,000	62,025	590,000	25,208	1,445,000	94,983
2032	240,000	56,100	595,000	13,804	835,000	69,904
2033	245,000	51,250	205,000	6,250	450,000	57,500
2034	250,000	46,300	210,000	2,100	460,000	48,400
2035	255,000	41,250	-	-	255,000	41,250
2036	260,000	36,100	-	-	260,000	36,100
2037	265,000	30,850	-	-	265,000	30,850
2038	270,000	25,500	-	-	270,000	25,500
2039	275,000	20,050	-	-	275,000	20,050
2040	280,000	14,500	-	-	280,000	14,500
2041	290,000	8,800	-	-	290,000	8,800
2042	295,000	2,950	-	-	295,000	2,950
Total	\$ 4,790,000	\$ 1,139,625	\$ 4,100,000	\$ 785,675	\$ 20,070,000	\$ 3,082,159

## 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.	111 – 117
Revenue Capacity These schedules contain information to help reader assess the factors affecting the City's ability to generate its property and sales taxes.	118 – 124
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.	125 – 128
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.	129 – 130
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.	131 – 133

#### *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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 303,610,086	\$ 276,264,814	\$ 254,765,379	\$ 244,934,746	\$ 223,486,612	\$ 217,276,026	\$ 205,432,637	\$ 206,296,175	\$ 190,264,011	\$ 185,860,823
Restricted	41,805,695	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)
Unrestricted	<u>61,217,439 (5)</u>	<u>55,776,072</u>	<u>67,128,781</u>	<u>63,695,869</u>	<u>63,394,779</u>	<u>64,734,747 (4)</u>	<u>64,855,829</u>	<u>55,659,774</u>	<u>49,687,981 (3)</u>	<u>46,285,157 (1)</u>
Total governmental activities net position	<b>\$ 406,633,220</b>	<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>Business-type Activities</b>										
Net investment in capital assets	\$ 55,299,778	\$ 56,879,065	\$ 55,065,405	\$ 51,841,573	\$ 49,750,372	\$ 47,811,476	\$ 48,665,593	\$ 48,883,727	\$ 50,452,428	\$ 51,490,226
Restricted	1,736,465	733,260	713,517	554,851	195,480	29,223	126,540	197,926	-	- (2)
Unrestricted	<u>38,195,243</u>	<u>32,579,984</u>	<u>32,368,547</u>	<u>33,607,174</u>	<u>33,380,392</u>	<u>32,601,093 (4)</u>	<u>30,228,416</u>	<u>29,303,286</u>	<u>26,032,698 (3)</u>	<u>23,873,374 (1)</u>
Total business-type activities net position	<b>\$ 95,231,486</b>	<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>Primary Government</b>										
Net investment in capital assets	\$ 358,909,864	\$ 333,143,879	\$ 309,830,784	\$ 296,776,319	\$ 273,236,984	\$ 265,087,502	\$ 254,098,230	\$ 255,179,902	\$ 240,716,439	\$ 237,351,049
Restricted	43,542,160	30,233,317	18,070,351	15,040,520	11,444,660	5,455,228	8,971,817	6,830,567	4,153,551	4,960,235 (2)
Unrestricted	<u>99,412,682 (5)</u>	<u>88,356,056</u>	<u>99,497,328</u>	<u>97,303,043</u>	<u>96,775,171</u>	<u>97,335,840 (4)</u>	<u>95,084,245</u>	<u>84,963,060</u>	<u>75,720,679 (3)</u>	<u>70,158,531 (1)</u>
Total primary government net position	<b>\$ 501,864,706</b>	<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>

**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

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Expenses</b>										
Governmental activities										
General government	\$ 8,013,903	\$ 8,007,655	\$ 7,891,291	\$ 7,076,274	\$ 7,048,669	\$ 6,629,447	\$ 6,502,351	\$ 6,364,225	\$ 6,674,735	\$ 6,853,667
Public safety	16,343,137	15,683,487	13,691,469	16,718,675	13,258,098	13,348,931	12,606,876	11,769,252	12,623,784	12,274,641
Roads and streets	16,620,953	13,241,798	15,656,127	12,756,380	10,527,353	1,264,108	13,980,844	10,899,396	9,317,989	9,340,924
Public health	90,498	90,425	88,454	77,876	74,054	70,563	67,917	88,524	88,068	81,182
Parks and recreation	3,972,512	3,714,794	3,179,627	3,714,633	3,234,748	3,047,509	3,098,376	2,720,304	2,630,573	2,635,324
Public library	3,216,978	2,890,648	3,069,905	3,029,660	2,977,285	2,702,615	2,656,773	2,582,263	2,695,163	2,573,378
Community support	442,202	410,780	368,331	368,059	764,894	2,365,054	322,525	336,562	312,295	280,627
Drug education	56,792	59,605	81,164	58,736	44,310	49,292	38,627	53,330	53,055	24,818
Facilities maintenance projects	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	760,010	709,787	1,015,477	596,931	785,574	727,578	841,063	838,018	1,198,233	925,012
Total governmental activities	49,516,985	44,808,979	45,041,845	44,397,224	38,714,985	30,205,097	40,115,352	35,651,874	35,593,895	34,989,573
Business-type activities										
Water and sewer	19,157,432	19,270,305	18,654,832	18,146,325	17,787,324	17,486,681	16,792,536	15,569,461	15,954,570	14,507,961
Rental facilities	781,877	727,618	663,592	677,105	643,934	704,672	723,559	699,412	656,642	635,621
911 operations	1,346,953	1,451,454	1,360,113	1,418,761	1,186,228	1,208,410	1,191,793	1,130,021	1,224,118	1,194,308
Total business-type activities	21,286,262	21,449,377	20,678,537	20,242,191	19,617,486	19,399,763	18,707,888	17,398,894	17,835,330	16,337,890
Total primary government expenses	<b>\$ 70,803,247</b>	<b>\$ 66,258,356</b>	<b>\$ 65,720,382</b>	<b>\$ 64,639,415</b>	<b>\$ 58,332,471</b>	<b>\$ 49,604,860</b>	<b>\$ 58,823,240</b>	<b>\$ 53,050,768</b>	<b>\$ 53,429,225</b>	<b>\$ 51,327,463</b>

Continued



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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Program Revenues</b>										
Governmental activities										
Charges for services										
General government	\$ 1,607,421	\$ 1,282,462	\$ 1,113,271	\$ 840,366	\$ 1,108,463	\$ 984,627	\$ 1,021,064	\$ 1,268,909	\$ 1,273,686	\$ 1,332,955
Roads and streets	549,607	839,342	1,012,766	723,758	947,462	1,016,607	1,805,840	1,185,065	703,350	1,514,944
Parks and recreation	130,069	86,734	56,581	119,005	125,737	122,130	116,658	109,739	124,736	112,905
Public library	106,994	98,426	102,058	130,234	121,657	128,352	134,450	143,688	148,520	140,832
Community support	-	-	-	-	-	34,625	35,250	31,738	27,850	29,977
Operating grants and contributions	2,137,929	1,602,554	1,573,189	1,617,529	1,427,814	1,154,251	1,228,771	1,724,759	1,004,056	1,020,125
Capital grants and contributions	27,267,525	9,012,420	8,864,603	18,345,389	430,798	8,179,647	3,460,350	16,726,448	4,107,635	7,833,395
Total governmental activities program revenues	31,799,545	12,921,938	12,722,468	21,776,281	4,161,931	11,620,239	7,802,383	21,190,346	7,389,833	11,985,133
Business-type activities										
Charges for services										
Water and sewer	20,043,313	19,483,329	19,042,972	18,904,147	17,676,055	17,723,077	15,213,756	15,011,973	14,434,478	13,946,250
Rental facilities	753,695	751,621	740,509	742,237	725,811	724,310	733,227	723,714	675,285	728,213
911 operations	-	-	-	-	-	-	-	269,612	576,880	626,587
Operating grants and contributions	1,307,079	1,331,086	950,890	1,037,511	913,910	972,979	880,775	562,808	238,727	271,154
Capital grants and contributions	939,437	1,336,175	1,168,824	978,639	2,104,515	2,055,106	1,867,085	2,192,730	2,762,989	2,822,068
Total business-type activities program revenues	23,043,524	22,902,211	21,903,195	21,662,534	21,420,291	21,475,472	18,694,843	18,760,837	18,688,359	18,394,272
Total primary government program revenues	54,843,069	35,824,149	34,625,663	43,438,815	25,582,222	33,095,711	26,497,226	39,951,183	26,078,192	30,379,405
<b>Net (Expenses)/Revenues</b>										
Governmental activities	(17,717,440)	(31,887,041)	(32,319,377)	(22,620,943)	(34,553,054)	(30,284,858)	(32,312,969)	(14,461,528)	(28,204,062)	(23,004,440)
Business-type activities	1,757,262	1,452,834	1,224,658	1,420,343	1,802,805	2,075,709	(13,045)	1,361,943	853,029	2,056,382
Total primary government net (expenses)/revenues	\$ (15,960,178)	\$ (30,434,207)	\$ (31,094,719)	\$ (21,200,600)	\$ (32,750,249)	\$ (28,209,149)	\$ (32,326,014)	\$ (13,099,585)	\$ (27,351,033)	\$ (20,948,058)

Continued

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>General Revenues and Other</b>										
<b>Changes in Net Position</b>										
Governmental activities										
Taxes										
Property	\$ 12,981,593	\$ 12,661,300	\$ 12,488,209	\$ 12,133,252	\$ 12,034,282	\$ 11,632,351	\$ 11,732,828	\$ 11,290,941	\$ 11,030,338	\$ 10,738,390
Local option	31,779,250	23,393,732	19,098,477	17,462,917	16,569,064	15,910,640	15,203,893	13,820,565	12,954,622	12,762,673
Hotel/motel	1,764,407	844,782	1,410,421	1,760,408	1,853,455	1,843,667	1,705,447	1,439,717	1,362,325	1,164,600 (1)
Wholesale beer and liquor	2,889,306	2,196,618	1,941,211	1,738,158	1,686,036	1,623,339	1,441,703	1,337,106	1,282,506	1,286,492 (1)
State sales and income	-	-	-	-	-	-	-	-	-	- (1)
Other business	-	-	-	-	-	-	-	-	-	- (1)
Adequate schools facilities	528,221	592,369	551,953	483,726	586,041	669,388	713,422	618,838	616,142	494,233
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Other	595,810	611,446	714,726	806,570	856,827	873,811	896,283	561,144	536,418	526,677 (1)
State sales, income, and other	-	-	-	-	-	-	-	-	-	-
Unrestricted intergovernmental taxes										
State sales and use	5,163,889	4,656,467	3,998,511	3,892,586	3,469,845	3,348,363	3,267,781	2,829,973	2,647,788	2,561,661 (1)
Income	205,982	1,182,372	3,120,309	3,328,145	3,407,502	3,132,222	4,420,212	4,004,352	3,237,239	3,269,643 (1)
Business	2,990,563	2,231,969	2,564,412	2,383,963	2,199,950	1,956,708	1,851,846	1,667,422	1,881,556	1,639,950 (1)
TVA in-lieu	471,095	501,677	539,809	519,734	458,127	455,842	474,106	429,531	410,018	422,625 (1)
Mixed drink and beer	360,635	290,015	257,681	317,134	320,499	257,386	192,560	178,237	182,131	160,299 (1)
Petroleum special	83,505	87,133	87,133	87,146	81,865	81,603	82,194	76,169	75,841	75,935 (1)
Corporate excise	209,951	294,781	242,570	133,002	125,704	115,679	77,998	57,008	48,993	20,662 (1)
Telecommunications	19,260	19,501	17,650	16,705	19,609	4,084	3,433	3,654	3,791	3,312 (1)
Other intergovernmental	826,665	2,771,367	435,719	389,651	367,487	329,678	335,036	321,960	343,912	134,971 (1)
Unrestricted earnings	701,659	509,022	1,383,087	2,127,442	1,499,832	965,518	676,321	538,317	566,443	621,825
Miscellaneous	1,711,603	211,129	86,909	510,817	195,422	882,006	201,759	188,341	213,000	481,604
Transfers	(484,700)	(484,700)	(484,700)	(484,700)	(484,700)	265,300	(418,700)	(418,700)	(418,700)	(548,700)
Total governmental activities	62,798,694	52,570,980	48,454,087	47,606,656	45,246,847	44,347,585	42,858,122	38,944,575	36,974,363	35,816,852
Business-type activities										
Unrestricted investment earnings	130,007	72,821	434,513	772,311	596,947	311,849	198,789	119,170	84,556	173,623
Miscellaneous	2,667,208	34,485	-	-	-	-	31,166	-	-	-
Transfers	484,700	484,700	484,700	484,700	484,700	(265,300)	418,700	418,700	418,700	548,700
Total business-type activities	3,281,915	592,006	919,213	1,257,011	1,081,647	46,549	648,655	537,870	503,256	722,323
Total general revenues/other changes	66,080,609	53,162,986	49,373,300	48,863,667	46,328,494	44,394,134	43,506,777	39,482,445	37,477,619	36,539,175
<b>Change in Net Position</b>										
Governmental activities	45,081,254	20,683,939	16,134,710	24,985,713	10,693,793	14,062,727	10,545,153	24,483,047	8,770,301	12,812,412
Business-type activities	5,039,177	2,044,840	2,143,871	2,677,354	2,884,452	2,122,258	635,610	1,899,813	1,356,285	2,778,705
Total primary government	\$ 50,120,431	\$ 22,728,779	\$ 18,278,581	\$ 27,663,067	\$ 13,578,245	\$ 16,184,985	\$ 11,180,763	\$ 26,382,860	\$ 10,126,586	\$ 15,591,117

**Notes to Schedule**

See notes on page 111

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Governmental Funds</b>										
General fund										
Nonspendable	\$ 243,256	\$ 309,612	\$ 116,577	\$ 112,159	\$ 119,832	\$ 141,698	\$ 91,108	\$ 88,444	\$ 23,877	\$ 283,514
Restricted	102,324	60,454	-	-	-	-	-	-	-	-
Committed	10,923,623	9,585,251	8,303,195	6,988,945	6,493,096	6,088,103	5,493,492	4,922,928	4,673,661	4,191,394
Unassigned	<u>50,656,020</u>	<u>41,485,929</u>	<u>43,442,063</u>	<u>40,746,159</u>	<u>37,878,787</u>	<u>35,663,339</u>	<u>32,323,955</u>	<u>32,847,950</u>	<u>30,701,075</u>	<u>29,560,931</u>
Total general fund	61,925,223	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
All other governmental funds										
Nonspendable	-	260	-	-	-	5,418	-	-	-	-
Restricted										
Capital projects	24,866,689	21,456,935	10,149,528	7,410,031	8,271,249	4,263,761	6,391,312	4,541,268	2,232,769	3,161,408
Street repairs	2,274,763	1,800,449	707,395	1,698,666	809,318	430,928	1,012,840	777,195	382,211	461,649
Drug enforcement and education	451,043	441,169	457,632	474,834	389,645	513,089	466,094	448,992	408,363	352,764
Citation equipment	2,577	1,065	-	-	-	-	-	-	-	-
Committed										
Capital projects	-	-	22,524,969	19,302,862	20,558,427	21,988,017	21,517,308	15,030,317	13,429,400	9,387,496
Debt service	<u>2,845,180</u>	<u>4,028,065</u>	<u>3,347,499</u>	<u>2,887,329</u>	<u>2,352,571</u>	<u>1,971,795</u>	<u>3,558,909</u>	<u>3,621,272</u>	<u>3,706,319</u>	<u>3,712,435</u>
Total all other governmental funds	<u>30,440,252</u>	<u>27,727,943</u>	<u>37,187,023</u>	<u>31,773,722</u>	<u>32,381,210</u>	<u>29,173,008</u>	<u>32,946,463</u>	<u>24,419,044</u>	<u>20,159,062</u>	<u>17,075,752</u>
Total governmental funds	<b>\$ 92,365,475</b>	<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>

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

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

Continued

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Other Financing Sources (Uses)</b>										
Transfers in	\$ 12,445,000	\$ 18,666,600	\$ 12,340,000	\$ 11,960,000	\$ 11,555,000	\$ 11,105,000	\$ 13,845,000	\$ 8,495,000	\$ 11,031,520	\$ 7,490,000
Transfers out	(12,929,700)	(19,151,300)	(12,824,700)	(12,444,700)	(12,039,700)	(10,839,700)	(14,263,700)	(8,913,700)	(11,450,220)	(8,038,700)
General obligation bonds issued	-	-	14,445,000	-	-	-	-	-	4,895,000	-
Refunding bonds issued	2,810,000	-	-	-	5,540,000	3,030,000	3,035,000	-	1,005,000	-
Payments to refunded bond escrow agent	(2,906,872)	-	-	-	(2,155,080)	(3,083,485)	(3,109,283)	-	(1,035,464)	-
Bond discounts	-	-	-	-	-	-	-	-	-	-
Bond premiums	188,031	-	698,306	-	137,627	43,213	118,993	-	125,288	-
Total other financing sources and uses	(393,541)	(484,700)	14,658,606	(484,700)	3,037,847	255,028	(373,990)	(418,700)	4,571,124	(548,700)
Net change in fund balance	<b>\$ 13,185,263</b>	<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>
Debt service as a percentage of noncapital expenditures	16.6%	13.7%	8.2%	7.4%	7.9%	11.8%	9.7%	11.0%	11.4%	11.4%

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

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

\* The fiscal year listed corresponds to the preceding tax year levy (2022 fiscal year would represent the 2021 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
2022	\$0.29 / 100	\$1.88 / 100
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

\* 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 (2022 fiscal year would represent the 2021 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

	FY2022			FY2013		
	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	2.76%	54,053,612	1	2.20%
Boyle (Mooreland Inv)	75,403,000	2	1.71%			
Hill Center Brentwood	58,408,900	3	1.32%			
Brent Creek LLC	50,681,900	4	1.15%			
Park Center Partnership	40,184,500	5	0.91%			
Mapletree Investments Hudson DC Assets	36,975,600	6	0.84%			
VRE-NRE Maryland Farms	31,959,200	7	0.72%			
Brentwood Place (Sarofim Realty)	31,037,900	8	0.70%	23,487,672	5	0.95%
Cool Springs Commons	25,901,300	9	0.59%			
SRE TENN	19,691,300	10	0.45%			
Bellsouth Telecommunications				43,737,584	2	1.78%
AT&T Mobility LLC				25,532,336	4	1.04%
Duke Realty				28,155,880	3	1.14%
Heritage Retirement Facility				17,840,000	7	0.72%
PEM Cool Springs				19,471,360	6	0.79%
Gateway Kentfield Inc				11,257,680	8	0.46%
Wells Fargo XII-Reit Joint				10,986,680	9	0.45%
Northwestern Mutual Life Insurance				10,752,798	10	0.44%
Totals	<b>\$ 492,000,200</b>		<b>11.16%</b>	<b>\$ 245,275,602</b>		<b>9.96%</b>
Total assessment	\$ 4,408,267,263	**		\$ 2,462,267,779	**	

\* Source: 2022 and 2013 Williamson County property tax assessments

\*\* Value for tax year 2022 (includes public utility assessment)



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

Fiscal year ended June 30, *	Taxes levied for the fiscal year	Collected within the fiscal year of the levy			Total collections to date	
		Amount	% of levy	Collections in subsequent years	Amount	% of levy
2022	\$ 12,784,063	\$ 12,655,640	99.0%	\$ -	\$ 12,655,640	99.0%
2021	12,591,085	12,492,940	99.2%	69,186	12,562,126	99.8%
2020	12,310,657	12,174,558	98.9%	126,357	12,300,915	99.9%
2019	12,056,922	11,954,104	99.1%	99,537	12,053,641	100.0%
2018	11,834,452	11,736,833	99.2%	95,096	11,831,929	100.0%
2017	11,503,337	11,373,664	98.9%	128,293	11,501,957	100.0%
2016	11,426,757	11,269,592	98.6%	155,256	11,424,848	100.0%
2015	11,085,456	11,057,548	99.7%	26,948	11,084,496	100.0%
2014	10,637,930	10,473,750	98.5%	163,107	10,636,857	100.0%
2013	10,453,923	10,297,356	98.5%	155,357	10,452,713	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 (2022 fiscal year would represent the 2021 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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
1 Apparel stores	\$ 81,226,278	\$ 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
2 General merchandise stores	325,602,944	286,847,864	232,748,381	213,189,121	203,611,708	169,425,899	158,810,653	143,626,992	133,660,538	124,020,931
3 Food stores	175,824,584	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
4 Eating and drinking places	112,407,832	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
5 Furniture stores	158,029,924	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
6 Building materials	119,859,552	98,965,327	76,017,576	74,798,615	71,300,842	68,091,931	64,117,810	58,751,290	55,344,304	54,197,346
7 Motor vehicle dealers and service stations	83,384,333	70,703,495	73,412,445	67,845,923	58,791,424	55,716,527	54,046,805	42,781,718	34,299,124	32,776,910
8 Other retail	142,960,762	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
9 All other outlets	<u>316,952,464</u>	<u>266,280,676</u>	<u>300,778,711</u>	<u>297,206,812</u>	<u>303,229,238</u>	<u>298,170,934</u>	<u>296,084,520</u>	<u>255,795,448</u>	<u>283,444,183</u>	<u>286,919,496</u>
	<b>\$ 1,516,248,673</b>	<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>

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>
2022	1.625%	1.125%	0.00%	7.00%	9.75%
2021	1.125%/1.625%	1.125%	0.50%/0% *	7.00%	9.75%
2020	1.125%	1.125%	0.50%	7.00%	9.75%
2019	1.125%	1.125%	0.50%	7.00%	9.75%
2018	1.125%	1.125%	0.50% *	7.00%	9.75%
2017	1.125%	1.125%		7.00%	9.25%
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%

**Notes to Schedule**

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

\* 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 following 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  
Current Year and Nine Years Ago

	2022				2013			
	Number of filers	% of total	Tax liability	% of total	Number of filers	% of total	Tax liability	% of total
<b>Sector</b>								
1 Retail trade	562	38.28%	\$ 34,399,725	78.48%	591	46.17%	\$ 16,110,045	71.52%
2 Services	497	33.86%	5,876,853	13.41%	380	29.69%	4,000,709	17.76%
3 Manufacturing	67	4.56%	687,082	1.57%	57	4.45%	295,724	1.31%
4 Wholesale trade	100	6.81%	808,521	1.84%	107	8.36%	903,861	4.01%
5 Construction	38	2.59%	958,236	2.19%	21	1.64%	195,132	0.87%
6 Finance/insurance/real estate	22	1.50%	324,291	0.74%	13	1.02%	68,200	0.30%
7 Transportation and Utilities	32	2.18%	480,813	1.10%	14	1.09%	436,863	1.94%
8 Agriculture	15	1.02%	19,385	0.04%	13	1.02%	18,568	0.08%
9 Other, nonclassified	135	9.20%	277,204	0.63%	84	6.56%	496,536	2.20%
Total	<b>1,468</b>	<b>100.00%</b>	<b>\$ 43,832,110</b>	<b>100.00%</b>	<b>1,280</b>	<b>100.00%</b>	<b>\$ 22,525,638</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		GO bonds				
2022	\$	25,764,305	\$	21,009,303	\$ 46,773,608	1.4%	\$ 1,029
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

**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 129 (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)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General bonded debt outstanding - general obligation bonds	\$ 25,764	\$ 29,186	\$ 33,866	\$ 20,916	\$ 23,059	\$ 21,580	\$ 25,381	\$ 27,790	\$ 30,407	\$ 27,927
Percentage of estimated actual property value **	0.59%	0.84%	0.99%	0.62%	0.70%	0.68%	0.98%	1.10%	1.26%	1.18%
Per capita ***	\$ 567.83	\$ 643.24	\$ 771.64	\$ 476.58	\$ 525.39	\$ 534.14	\$ 628.22	\$ 687.86	\$ 759.78	\$ 753.56
Less: amounts set aside to repay general debt	<u>2,845</u>	<u>4,028</u>	<u>3,347</u>	<u>2,887</u>	<u>1,039</u>	<u>1,977</u>	<u>3,558</u>	<u>3,621</u>	<u>3,706</u>	<u>3,712</u>
Total net debt applicable to debt limit	<b>\$ 22,919</b>	<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>
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 118 [Assessed Value and Estimated Actual Value of Taxable Property (Unaudited)]

\*\*\* Per capita information calculated using information obtained on page 129 [Demographic and Economic Statistics (Unaudited)]

**City of Brentwood, Tennessee**  
Direct and Overlapping Governmental Activities Debt (Unaudited)  
As of June 30, 2022

<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	\$ 25,764	100.00%	\$ 25,764
Overlapping			
Williamson County	<u>748,400</u>	24.82%	<u>185,782</u>
	<b>\$ 774,164</b>		<b>\$ 211,546</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, 2022

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

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

Fiscal Year	Water and Sewer Revenue Bonds ***			Debt Service Requirements			Coverage
	Utility service charges *	Less: operating expenses **	Net available revenues	Principal	Interest	Total	
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00
2021	-	-	-	-	-	-	0.00
2020	-	-	-	-	-	-	0.00
2019	-	-	-	-	-	-	0.00
2018	-	-	-	-	-	-	0.00
2017	-	-	-	-	-	-	0.00
2016	-	-	-	-	-	-	0.00
2015	-	-	-	-	-	-	0.00
2014	-	-	-	-	-	-	0.00
2013	-	-	-	-	-	-	0.00

\* Includes nonoperating revenues and water and sewer tap fees

\*\* Does not include depreciation and amortization

\*\*\* Years with zero amounts represent years with no revenue bonds outstanding



**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 ***
2022	45,373 <sup>5</sup>	\$ 3,329,425	\$ 73,379	45.2	11,639	2.7%
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%

<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 US Bureau of the Census 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

	2022			2013		
	Employees	Rank	% of total City employment	Employees	Rank	% of total City employment
<b>Employer</b>						
Tractor Supply Company	1,587	1	5.59%	747	2	4.13%
Comdata Inc.	1,000	2	3.52%	872	1	4.82%
DaVita HealthCare Partners Inc.	719	3	2.53%	450	4	2.49%
LBMC	617	4	2.17%	296	8	1.64%
GEODIS	588	5	2.07%			
Premise Health	464	6	1.63%			
Brookdale Senior Living Inc.	446	7	1.57%	450	5	2.49%
American Addiction Centers	350	8	1.23%			
City of Brentwood	297	9	1.05%	246	9	1.36%
Quorum Health Resources, LLC	282	10	0.99%			
AT&T				400	7	2.21%
The Lampo Group (Dave Ramsey)				460	3	2.54%
Corizin				200	10	1.11%
LifePoint Hospitals Inc				435	6	2.40%
	<b>6,350</b>		<b>22.37%</b>	<b>4,556</b>		<b>25.18%</b>
Total estimated City-wide employment	28,380			18,093		

Source: Nashville Business Journal, as of March 2022/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>2022</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>
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	4.0	4.5	4.0	4.0	4.0	4.0	3.0	3.0	3.0
Finance	8.0	8.0	8.0	8.0	7.5	7.5	7.5	7.5	7.0	7.5
Human resources	3.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Information technology	7.5	7.5	6.0	5.5	5.5	4.5	4.5	4.5	4.5	4.5
Planning and development	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Codes	7.5	7.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	9.0
GIS	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
	<u>38.5</u>	<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>
Police										
Officers	62.0	66.0	64.0	64.0	63.0	61.0	59.0	58.0	56.0	54.0
Civilians	18.0	18.5	18.5	16.5	16.0	16.0	16.0	15.5	16.5	14.0
Fire										
Firefighters and officers	74.5	68.5	69.0	65.0	65.0	65.0	62.0	61.0	62.0	63.0
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	5.5	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Public works, streets	25.5	26.0	26.0	25.0	25.0	25.0	25.0	23.0	23.0	22.0
Utilities										
Water	10.0	12.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Wastewater	10.0	12.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0	12.0
Parks and recreation	14.0	19.0	20.0	21.0	21.0	21.0	20.0	20.0	21.0	20.0
Library	<u>38.0</u>	<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>
	<b>297.0</b>	<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>

Source: City of Brentwood Human Resources Department

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

<b>Function/Program</b>	<b>2022</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>
General government										
Building permits issued	878	1,017	833	738	743	949	903	931	971	974
Building related inspections	9,246	10,774	9,895	10,690	12,452	14,227	9,035	9,927	10,095	10,639
Police										
Physical arrests	711	942	1,121	1,490	1,816	917	832	960	1,137	1,078
Parking violations	29	5	8	28	41	20	81	24	95	68
Traffic violations	977	1,509	2,642	3,788	6,349	3,292	3,512	3,906	5,019	5,875
Fire										
Emergency responses	4,078	3,704	3,683	3,633	3,535	3,431	3,291	3,018	2,961	2,721
Fires extinguished	57	77	83	81	65	99	82	67	79	81
Inspections (commercial)	535	1,010	528	853	1,476	801	744	704	732	716
Public works										
Street resurfacing (in miles)	6	12	10	9	21	24	19	19	22	17
Potholes repaired	193	69	94	133	139	75	408	408	285	188
Library										
Volumes in collection	559,610	436,470	415,307	407,964	388,563	383,115	399,248	361,486	316,811	270,953
Total volumes borrowed	623,322	703,210	654,029	722,226	733,792	752,393	745,386	677,261	680,510	655,761
Water										
New connections	74	129	124	99	134	164	135	182	176	161
Water main breaks	10	24	9	9	10	95	12	7	12	13
Monthly average flow (in 000s of gallons)	165,987	168,360	182,005	164,334	161,110	184,543	192,900	170,300	156,000	150,165
Wastewater										
Average daily sewage treatment (in 000s of gallons)	5,580	5,241	5,493	5,746	5,717	5,131	5,236	5,187	5,050	5,200

Source: Various City departments

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

<b>Function/Program</b>	<b>2022</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>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	81	78	80	72	72	72	69	67	67	65
Fire stations	4	4	4	4	4	4	4	4	4	4
Public works										
Streets (in miles)	526	494	491	488	482	482	479	479	469	466
Streetlights	3,999	3,861	3,809	3,763	3,652	3,652	3,614	3,614	3,513	3,491
Traffic signals	51	53	53	48	48	47	47	47	46	46
Parks and recreation										
Acreage	1,027	1,027	965	965	965	965	965	965	965	965
Baseball/softball diamonds	12	12	12	11	11	11	11	11	11	11
Soccer/football fields	18	18	18	17	17	17	17	15	15	15
Water										
Water mains (in miles)	234	234	231	226	224	223	219	217	213	208
Fire hydrants	1,816	1,685	1,678	1,672	2,588	2,548	2,501	2,475	2,438	2,411
Storage capacity (in 000s of gallons)	14,026	14,026	14,026	14,026	14,025	14,025	14,025	14,025	14,020	14,020
Wastewater										
Sanitary sewers (in miles)	304	302	299	293	292	289	285	285	281	277

Source: Various City departments

## Compliance Section



**City of Brentwood, Tennessee**  
Schedule of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2022

Grantor / Pass-through Grantor	Program name	Assistance listing	Contract number	Expenditures
<b>Federal Awards</b>				
Department of Transportation/ Tennessee Department of Transportation	<u>Highway Planning and Construction Cluster</u> Highway Planning and Construction (Federal-Aid Highway Program)	20.205	2021-189	\$ 144,708
U.S. Department of the Treasury / Tennessee Department of Finance and Administration	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	2,652,608
Department of Homeland Security / Tennessee Emergency Management Agency	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4601-DR-TN	63,679
Total federal awards				2,860,995
<b>State Financial Assistance</b>				
Tennessee Department of Revenue	Governors Relief Grant	N/A	N/A	483,081
Tennessee Emergency Management Agency	Disaster Grants-Public Assistance	N/A	FEMA-4601-DR-TN	10,612
Total state financial assistance				493,693
Total federal awards and state financial assistance				<b>\$ 3,354,688</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, 2022. 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.

**City of Brentwood, Tennessee**  
Schedule of Utility Rates Structure  
and Number of Customers (Unaudited)  
For the Year Ended June 30, 2022

<b>Services</b>	<b>Number of customers</b>	
Water	10,030	
Sewer	11,819	
<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	\$ 1.25	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

### List of Bonds of Principal Officials and Bonded Amounts (Unaudited)

As of June 30, 2022

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<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 Bonds of Principal Officials and Bonded Amounts (Unaudited)  
As of June 30, 2022

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Title	Appointed	Amount
City Manager	Kirk Bednar	\$500,000
Assistant City Manager	Jay Evans	\$500,000
City Attorney	Kristen Corn	\$500,000
City Recorder	Holly Earls	\$500,000
Finance Director	Karen Harper	\$500,000
Asst. Finance Director/City Treasurer	Julie Wilson	\$500,000
Human Resource Director	April Curlin	\$500,000
Police Chief	Richard Hickey	\$500,000
Fire Chief	Brian Goss	\$500,000
Planning and Codes Director	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	Sarah VanWormer	\$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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brentwood, Tennessee (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 30, 2022.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

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

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC  
Brentwood, Tennessee  
December 30, 2022



**Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by the Uniform Guidance**

Honorable Mayor and Board of Commissioners  
City of Brentwood, Tennessee

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Brentwood, Tennessee's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC  
Brentwood, Tennessee  
December 30, 2022

**City of Brentwood, Tennessee**  
Summary Schedule of Prior Year Findings  
For the Year Ended June 30, 2022

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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



**City of Brentwood, Tennessee**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

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**Section I. Summary of Auditor's Results**

*Financial Statements*

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

Internal control over financial reporting:

Material weakness(es) identified?	<u>      </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	<u>      </u> Yes	<u>  X  </u> None Reported
Noncompliance material to financial statements noted?	<u>      </u> Yes	<u>  X  </u> No

*Federal Awards*

Internal control over major federal programs:

Material weakness(es) identified?	<u>      </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	<u>      </u> Yes	<u>  X  </u> None Reported

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

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

Identification of major programs:

<b>Assistance Listing Number</b>	<b>Name of Federal Program or Cluster</b>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs \$ 750,000

Auditee qualified as low-risk auditee?        Yes   X   No

**Section II. Financial Statement Findings**

None

**Section IV. Summary of Prior Audit Findings**

None