

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT  
(A COMPONENT UNIT OF THE CITY OF BRENTWOOD)

FINANCIAL STATEMENTS,  
ADDITIONAL INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2024 AND 2023

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT  
(A COMPONENT UNIT OF THE CITY OF BRENTWOOD)

FINANCIAL STATEMENTS,  
ADDITIONAL INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2024 AND 2023

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BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT  
(A COMPONENT UNIT OF THE CITY OF BRENTWOOD)

FINANCIAL STATEMENTS,  
ADDITIONAL INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2024 AND 2023

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## INTRODUCTORY SECTION

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

ROSTER OF OFFICIALS (UNAUDITED)

AS OF JUNE 30, 2024

**Board of Directors**

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

**Management**

Kirk Bednar	City Manager
Jay Evans	Assistant City Manager
Kristen Corn	City Attorney
Holly Earls	City Recorder
Karen Harper	City Finance Director
Julie Wilson	Assistant City Finance Director/ City Treasurer

## FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Brentwood Emergency Communications District  
Brentwood, Tennessee

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

We have audited the financial statements of Brentwood Emergency Communications District (a component unit of the City of Brentwood, Tennessee) (the "District"), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District'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 financial position of the District as of June 30, 2024 and 2023, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### BASIS FOR OPINION

We conducted our audits 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### 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 District'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.

**NASHVILLE**  
615-242-7351

555 Great Circle Road  
Nashville, TN 37228

**CHATTANOOGA**  
423-894-7400

6136 Shallowford Road, Suite 101  
Chattanooga, TN 37421

- 1 -

**COLUMBIA**  
931-388-3711

610 North Garden Street, Suite 200  
Columbia, TN 38401

**LEBANON**  
615-449-2334

105 Bay Court  
Lebanon, TN 37087

## 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 opinion. 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 District'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 District'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 4-7, schedules of changes in net pension liability (asset) and related ratios and employer contributions on pages 44-48, and schedule of the District's proportionate share of the collective net OPEB liability (asset) of the City of Brentwood OPEB plan and related schedules of employer contributions and investment returns on pages 49-52 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 GAAS, 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 an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary information on pages 53-54 is presented for purposes of additional analysis and is 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 GAAS. In our opinion, the supplementary information is 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 but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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 4, 2024 on our consideration of the District'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 District'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 the District's internal control over financial reporting and compliance.

*Kraft+CPAs PLLC*

Nashville, Tennessee  
December 4, 2024

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

INTRODUCTION

This section of Brentwood Emergency Communications District’s (the District) financial statement report presents our discussion and analysis of the District’s financial performance during the fiscal years ended June 30, 2024 and 2023. This section should be read in conjunction with the financial statements and accompanying notes, which follow this section.

The District is presented as a blended component unit within the proprietary funds of the City of Brentwood (the City or primary government), located in Williamson County, Tennessee. The District was authorized in September 2002 in accordance with §24-52 of the *Brentwood Municipal Code*, the Board of Commissioners of the City and pursuant to the Tennessee Emergency Communications District Law. The District provides for operation, maintenance, funding and enhancement of the City’s existing emergency communications system. The costs of these services are funded primarily by monthly telephone subscriber service fees collected by the State of Tennessee and remitted to local districts.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District’s financial statements. The financial report includes financial statements, including notes to the financial statements, and required and other supplementary information. The statement of net position presents information on the assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference 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 District is improving or deteriorating. The statement of revenues, expenses, and changes in net position presents information on the revenues and expenses of the District. The statement of cash flows presents the cash provided and used by operating activities as well as other cash sources and cash payments such as investment income, capital additions, and transfers to or from the City.

The financial statements provide both long-term and short-term information about the District’s overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The District’s financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred.

The following tables present a summary of the District's net position as of June 30, 2024, 2023, and 2022 and changes in net position for the years then ended.

### District's Net Position

	2024	2023	2022
Current assets	\$ 3,360,577	\$ 2,678,255	\$ 2,430,948
Capital and intangible assets	952,268	1,077,929	977,967
Net pension assets	256,870	231,765	294,101
Net OPEB asset	30,816	13,286	-
Total assets	4,600,531	4,001,235	3,703,016
Deferred outflows of resources	179,332	257,227	312,759
Current liabilities	186,915	152,830	203,056
Compensated absences, due in more than one year	64,669	46,500	-
Subscriptions, due in more than one year	9,723	4,988	-
Net OPEB liability	-	-	24,925
Total liabilities	261,307	204,318	227,981
Deferred inflows of resources	48,693	274,329	350,011
Net position			
Net investment in capital and intangible assets	928,103	1,068,313	977,967
Restricted for pensions and OPEB	287,686	245,051	294,101
Unrestricted	3,254,074	2,466,451	2,165,715
Total net position	\$ 4,469,863	\$ 3,779,815	\$ 3,437,783

### District's Changes in Net Position

#### District's Changes in Net Position

	2024	2023	2022
Operating revenues	\$ 1,384,333	\$ 1,364,778	\$ 1,263,079
Operating expenses	1,503,891	1,569,434	1,347,285
Operating loss	(119,558)	(204,656)	(84,206)
Contributions from the primary government	533,000	488,000	484,700
TECB subsidies	44,000	44,000	44,000
Loss on disposal of assets	(1,255)	(80,268)	-
Interest income (expense), net	161,929	94,956	10,852
Other nonoperating revenue	71,932	-	-
Change in net position	690,048	342,032	455,346
Net position, beginning of year	3,779,815	3,437,783	2,982,437
Net position, end of year	\$ 4,469,863	\$ 3,779,815	\$ 3,437,783

## OPERATING AND NONOPERATING REVENUES

The District's total operating revenue was \$1,384,333, \$1,364,778, and \$1,263,079 for the years ended June 30, 2024, 2023, and 2022, respectively.

Beginning January 1, 2015, the service fee formula for funding 911 services in Tennessee changed to a uniform statewide fee for all communication devices capable of contacting the 911 system. The current fee of \$1.50 per month was effective January 1, 2021, and is collected by the state and returned to local districts.

With the change in the collection of service fees, no fees were collected directly by the District in fiscal years 2024, 2023, or 2022. Base and excess funding received through the Tennessee Emergency Communications Board (TECB) increased to \$1,384,333 in fiscal year 2024 from \$1,364,778 in fiscal year 2023, compared with \$1,263,079 in fiscal year 2022.

Due to the changes in collection methods, the categories of operating revenues have changed in the past three fiscal years. Total operating revenue has increased 1.43% in fiscal year 2024, increased 8.05% in fiscal year 2023, and decreased 1.87% in fiscal year 2022.

During 2024, 2023, and 2022, the District had nonoperating revenue, excluding contributions from the primary government, of \$276,606, \$58,688, and \$54,852 respectively, resulting primarily from TECB subsidies and interest income in 2024, 2023 and 2022.

## OPERATING EXPENSES

Operating expenses of the District decreased to \$1,503,891 for fiscal year 2024 compared to \$1,569,434 for fiscal year 2023, due primarily to decreases in employee benefits, administration, and communications. Operating expenses of the District increased to \$1,569,434 for fiscal year 2023, compared with \$1,347,285 for fiscal year 2022, due primarily to increases in employee benefits, buildings and facilities, communications, and depreciation.

## CONTRIBUTIONS TO AND FROM THE CITY

The District received budgeted contributions from the City of \$533,000, \$488,000 and \$484,700 in fiscal years 2024, 2023 and 2022, respectively.

Effective May 22, 2017 the District entered into an Interlocal Agreement with the City, which provides for funding of equipment, programs and projects by the City and District that are in furtherance of the District's purpose. The Interlocal Agreement allows either party to transfer funds to the other for purchasing equipment, employing personnel, or carrying out programs or projects that will assist the District in fulfilling its purpose.

## CAPITAL EXPENSES

The District did not add any capital assets in fiscal year 2024. Asset disposals totaled \$17,555 for furniture and fixtures, office equipment, and communications equipment. Depreciation of capital assets totaled \$139,712, \$93,493, and \$55,711 for fiscal years 2024, 2023, and 2022, respectively. The District added one intangible subscription asset in the amount of \$29,177 in fiscal year 2024. Amortization of intangible assets was \$13,289 in 2024 and \$700 in 2023. Further information regarding capital and intangible assets can be found in note 4 to the financial statements.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District'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)

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

STATEMENTS OF NET POSITION

JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,327,981	\$ 2,525,418
Accounts receivable	14,096	18,757
Prepaid items	18,500	29,882
Due from primary government	<u>-</u>	<u>104,198</u>
TOTAL CURRENT ASSETS	<u>3,360,577</u>	<u>2,678,255</u>
NONCURRENT ASSETS		
Capital and intangible assets		
Subscription-based information technology arrangements, net	29,443	13,555
Capital assets, net	922,825	1,064,374
Net pension assets	256,870	231,765
Net OPEB asset	<u>30,816</u>	<u>13,286</u>
TOTAL NONCURRENT ASSETS	<u>1,239,954</u>	<u>1,322,980</u>
TOTAL ASSETS	<u>4,600,531</u>	<u>4,001,235</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension related items	147,614	129,711
OPEB related items	<u>31,718</u>	<u>127,516</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>179,332</u>	<u>257,227</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable	52,701	44,314
Accrued liabilities	38,154	30,784
Accrued interest payable	498	36
Due to primary government	42,102	33,426
Compensated absences, due within one year	39,018	39,642
Subscriptions, due within one year	<u>14,442</u>	<u>4,628</u>
TOTAL CURRENT LIABILITIES	<u>186,915</u>	<u>152,830</u>
NONCURRENT LIABILITIES		
Compensated absences, due in more than one year	64,669	46,500
Subscriptions, due in more than one year	<u>9,723</u>	<u>4,988</u>
TOTAL NONCURRENT LIABILITIES	<u>74,392</u>	<u>51,488</u>
TOTAL LIABILITIES	<u>261,307</u>	<u>204,318</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension related items	25,652	29,322
OPEB related items	<u>23,041</u>	<u>245,007</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>48,693</u>	<u>274,329</u>
<u>NET POSITION</u>		
Net investment in capital and intangible assets	928,103	1,068,313
Restricted for pensions and OPEB	287,686	245,051
Unrestricted	<u>3,254,074</u>	<u>2,466,451</u>
TOTAL NET POSITION	<u>\$ 4,469,863</u>	<u>\$ 3,779,815</u>

See accompanying notes to financial statements.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
TCA Section 7-86-303 receipts (base amount)	\$ 864,126	\$ 864,126
TCA Section 7-86-130 receipts (excess)	<u>520,207</u>	<u>500,652</u>
TOTAL OPERATING REVENUES	<u>1,384,333</u>	<u>1,364,778</u>
OPERATING EXPENSES		
Salaries and wages	866,082	752,582
Employee benefits	153,794	347,275
Administration	22,508	22,995
Building and facilities	94,000	69,408
Communications - operations	214,506	282,981
Depreciation	139,712	93,493
Amortization	<u>13,289</u>	<u>700</u>
TOTAL OPERATING EXPENSES	<u>1,503,891</u>	<u>1,569,434</u>
OPERATING INCOME (LOSS)	<u>(119,558)</u>	<u>(204,656)</u>
NONOPERATING REVENUES (EXPENSES)		
Primary government subsidies	533,000	488,000
TECB subsidies	44,000	44,000
Loss on disposal of assets	(1,255)	(80,268)
Interest income	162,634	94,992
Interest expense	(705)	(36)
Other nonoperating revenues	<u>71,932</u>	<u>-</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>809,606</u>	<u>546,688</u>
CHANGE IN NET POSITION	690,048	342,032
NET POSITION - BEGINNING OF YEAR	<u>3,779,815</u>	<u>3,437,783</u>
NET POSITION - END OF YEAR	<u>\$ 4,469,863</u>	<u>\$ 3,779,815</u>

See accompanying notes to financial statements.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from surcharges and other revenues	\$ 1,388,994	\$ 1,349,982
Payments to employees for salaries and benefits	(1,170,151)	(1,097,799)
Payments to suppliers	<u>(213,557)</u>	<u>(508,443)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>5,286</u>	<u>(256,260)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Primary government subsidies	533,000	488,000
TECB subsidies	44,000	44,000
Other revenue	<u>71,932</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	<u>648,932</u>	<u>532,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital and intangible assets	-	(315,683)
Proceeds from the sale of capital assets	582	55,515
Payments made on subscription liabilities	(14,628)	(4,639)
Interest paid on subscriptions	<u>(243)</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(14,289)</u>	<u>(264,807)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and other income received	<u>162,634</u>	<u>94,992</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>162,634</u>	<u>94,992</u>
CHANGE IN CASH AND CASH EQUIVALENTS	802,563	105,925
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,525,418</u>	<u>2,419,493</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,327,981</u>	<u>\$ 2,525,418</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	\$ (119,558)	\$ (204,656)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	139,712	93,493
Amortization	13,289	700
(Increase) decrease in:		
Accounts receivable	4,661	(14,796)
Prepaid items	11,382	(22,388)
Due from primary government	104,198	(70,772)
Net pension and OPEB assets and liabilities	(42,635)	24,125
Deferred outflows of resources related to pensions and OPEB	77,895	55,532
Increase (decrease) in:		
Accounts payable	8,387	5,209
Accrued liabilities	7,370	9,372
Due to primary government	8,676	(56,397)
Compensated absences	17,545	
Deferred inflows of resources related to pensions and OPEB	<u>(225,636)</u>	<u>(75,682)</u>
TOTAL ADJUSTMENTS	<u>124,844</u>	<u>(51,604)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 5,286</u>	<u>\$ (256,260)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING		
Intangible subscription assets financed with subscription liabilities	<u>\$ 29,177</u>	<u>\$ 14,255</u>
See accompanying notes to financial statements		



BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 1 - NATURE OF ORGANIZATION

Brentwood Emergency Communications District (the District) was authorized by the Board of Commissioners of the City of Brentwood, Tennessee (the City) on September 10, 2002, in accordance with §24-52 of the *Brentwood Municipal Code*, and the Tennessee Emergency Communications District Law. This authorization occurred after the citizens of the City approved by a majority vote in August 2002, the creation of a Brentwood Emergency Communications District. The purpose of the District is to provide for public health, safety, and welfare through effective and efficient emergency communications services which will result in saving lives, preventing and mitigating injuries, reducing the destruction of property, and facilitating faster apprehension of criminals. Prior to authorization of the District, the City's general fund reported all related costs for emergency communications activities and expenditures.

During fiscal year 2015, the Tennessee Emergency Communication Board began the roll out of the Next Generation 911 (NG911), and the City was connected to the state's new IP network. This network is how the 911 calls are currently delivered.

The accompanying financial statements encompass the financial activities of the District, a component unit of the City, which is the principal reporting entity and primary government. Pursuant to T.C.A. §7-86-105(b)(7), the Board of Commissioners of the City is designated as the Board of Directors for the District, and all duly elected members of the Board of Commissioners serve as members of the District's Board of Directors, unless any member is removed pursuant to state law.

The terms of the members of the Board of Commissioners run concurrently with their terms as members of the District's Board of Directors. Unless otherwise decided by majority vote of the members of the Board of Directors, the mayor shall serve as chair and the vice-mayor as vice-chair of the Board of Directors.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation, Measurement Focus, and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded in the financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. The District's 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 flow. Grants and similar items are recognized as revenue as soon as all eligible requirements imposed by the provider have been met. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with operations are included in the statement of net position. Net position is separated between investment in capital assets, restricted, and unrestricted components.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Cash and Cash Equivalents

The District defines its cash and cash equivalents to include only cash on hand, demand deposits, and all highly liquid investments with original maturities of three months or less from the date of acquisition.

Capital Assets

Building and building improvements, furniture and fixtures, and equipment are reported at cost at the date of purchase. The District's policy is to generally capitalize purchases of \$5,000 or more and an expected useful life greater than one year. Depreciation is calculated by the straight-line method over estimated useful lives of 3 to 20 years. When depreciable assets are sold, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is recognized. Costs of maintenance and repairs are charged to expense as incurred.

Intangible (Right-to-Use) Subscription-Based Information Technology Arrangements (SBITA) Assets and Liabilities

A SBITA is a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The District recognizes a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. The District will recognize amortization of the discount on the subscription liability as an outflow of resources in subsequent financial reporting periods.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The District's employees are considered employees of the City. The City's personnel 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 a portion of the 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. A liability for accumulated compensated absences is accrued when incurred. The District adopted provisions of GASB Statement No. 101, *Compensated Absences* effective July 1, 2022.

Pensions - TCRS Legacy and Hybrid Plans

For purposes of measuring the net pension liabilities (assets), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the District'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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

At June 30, 2024 and 2023, the District's deferred outflows and inflows of resources relate to its participation in the pension and other postretirement benefit plans. The District reports deferred outflows of resources relating to contributions made after the measurement date, and when applicable, reports deferred outflows and inflows of resources relating to differences between actual and expected experience and differences between actual and projected investment earnings related to the plans.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is divided into three components:

Net investment in capital and intangible assets - consist of capital assets, net of accumulated depreciation and SBITA assets, net of accumulated amortization and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or 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. The District had no such debt or deferred outflows or inflows of resources at June 30, 2024 or 2023.

Restricted - consist of restricted assets with constraints placed on their use by contractual agreement with other parties, revenue bonds and loan resolutions, or enabling legislation, reduced by liabilities and deferred inflows of resources related to those assets. The District's restricted net position relates to its net pension assets at June 30, 2024 and 2023.

Unrestricted - consist of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted assets are available, it is the District's policy to expend restricted resources prior to expending unrestricted resources.

Operating and Nonoperating Revenues and Expenses

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses of the District generally result from the primary operations of the District. The operating revenues of the District include base funding authorized by TCA § 7-86-303, excess funding authorized by TCA § 7-86-130, and other miscellaneous operating revenues. Operating expenses include the costs to provide emergency communication services, administrative expenses, and depreciation/amortization on capital and intangible assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Expense Recognition

On April 25, 2014, the Tennessee General Assembly passed the 911 Funding Modernization and IP Transition Act of 2014 (the Act). The Act, which was effective January 1, 2015, updates the model for 911 funding to account for changes in technology and consumer choice.

The resulting service fee formula for funding 911 services in Tennessee is based on a uniform statewide fee for all communication devices capable of contacting the 911 system. This fee is collected by the state and returned to local districts. Effective January 1, 2021, this fee increased from \$1.16 to \$1.50 per month. The funding distribution model includes a minimum amount for each district based on the three-year average of recurring revenue for the district between fiscal years 2010-2012 or the recurring revenue amount from fiscal year 2012, whichever is greater. For Brentwood, the minimum distribution is based on the fiscal year 2012 amount of approximately \$864,000.

Grant revenue is recognized in the period a liability is incurred for eligible expenses under the terms of the grant.

Budget

Prior to May 15 of each year, the City Manager submits a proposed operating budget for the fiscal year commencing the following July 1. Prior to June 30, the budget is legally enacted through passage of an ordinance by the City's Board of Commissioners. The budget prepared is consistent with GAAP. The City Manager is authorized to transfer budgeted amounts between categories within the District; any revisions that alter the total appropriations for the District must be approved through the passage of an ordinance by the Board of Commissioners. The Accounting and Reporting Manual for Tennessee Emergency Communications Districts requires the legal level of control to be at the line-item level. Budget-to-actual financial statements are provided to the Board of Directors monthly.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 3 - CUSTODIAL CREDIT RISK - DEPOSITS

Statutes authorize the District to invest in: (1) U.S. Government securities and obligations guaranteed by the U.S. Government; (2) deposit accounts at state and federal chartered banks and savings and loan associations; and (3) the Local Government Investment Pool of the State of Tennessee. The District's cash is held by a financial institution that participates in the bank collateral pool administered by the Treasurer of the State of Tennessee. Deposits in financial institutions are required by State statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's bank collateral pool.

Custodial risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The City, which includes the District, minimizes this risk by requiring full collateralization on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit, except when the institution issuing the certificate of deposit belongs to the State of Tennessee bank collateral pool. As of June 30, 2024 and 2023, the District's deposits were fully insured or collateralized.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 4 - CAPITAL AND INTANGIBLE ASSETS

Schedules of changes in capital and intangible assets follow for the years ended June 30, 2024 and 2023:

	2024			
	Beginning Balance	Additions	Retirements and Transfers	Ending Balance
<b>Intangible assets - subscriptions</b>				
Subscription-based IT arrangements	\$ 14,255	\$ 29,177	\$ -	\$ 43,432
Less: accumulated amortization	(700)	(13,289)	-	(13,989)
<b>Intangible assets - subscriptions, net</b>	<u>\$ 13,555</u>	<u>\$ 15,888</u>	<u>\$ -</u>	<u>\$ 29,443</u>
<b>Capital assets being depreciated</b>				
Furniture and fixtures	180,487	-	(7,009)	173,478
Equipment	997,894	-	(10,546)	987,348
	<u>1,178,381</u>	<u>-</u>	<u>(17,555)</u>	<u>1,160,826</u>
<b>Less: accumulated depreciation</b>				
Furniture and fixtures	(19,379)	(25,032)	5,172	(39,239)
Equipment	(94,628)	(114,680)	10,546	(198,762)
	<u>(114,007)</u>	<u>(139,712)</u>	<u>15,718</u>	<u>(238,001)</u>
<b>Capital assets, net</b>	<u>\$ 1,064,374</u>	<u>\$ (139,712)</u>	<u>\$ (1,837)</u>	<u>\$ 922,825</u>

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 4 - CAPITAL AND INTANGIBLE ASSETS (CONTINUED)

	2023			
	Beginning Balance	Additions	Retirements and Transfers	Ending Balance
<b>Intangible assets - subscriptions</b>				
Subscription-based IT arrangements	\$ 14,255	\$ -	\$ -	\$ 14,255
Less: accumulated amortization	-	(700)	-	(700)
<b>Intangible assets - subscriptions, net</b>	<u>\$ 14,255</u>	<u>\$ (700)</u>	<u>\$ -</u>	<u>\$ 13,555</u>
<b>Capital assets not being depreciated</b>				
Construction in progress	\$ 819,567	\$ -	\$ (819,567)	\$ -
<b>Capital assets being depreciated</b>				
Buildings and building improvements	320,072	-	(320,072)	-
Furniture and fixtures	87,270	173,478	(80,261)	180,487
Equipment	<u>1,662,138</u>	<u>961,772</u>	<u>(1,626,016)</u>	<u>997,894</u>
	<u>2,069,480</u>	<u>1,135,250</u>	<u>(2,026,349)</u>	<u>1,178,381</u>
<b>Less: accumulated depreciation</b>				
Buildings and building improvements	(239,293)	(7,870)	247,163	-
Furniture and fixtures	(84,181)	(15,459)	80,261	(19,379)
Equipment	<u>(1,587,606)</u>	<u>(70,164)</u>	<u>1,563,142</u>	<u>(94,628)</u>
	<u>(1,911,080)</u>	<u>(93,493)</u>	<u>1,890,566</u>	<u>(114,007)</u>
<b>Capital assets, net</b>	<u>\$ 977,967</u>	<u>\$ 1,041,757</u>	<u>\$ (955,350)</u>	<u>\$ 1,064,374</u>



BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 5 - SBITA LIABILITIES

The District has two SBITAs (one SBITA in 2023) with terms expiring in 2025 and 2026. Payments range from \$5,114 to \$10,000 per year with interest from 2.53% to 2.85%. The corresponding asset is recorded as an intangible (right-to-use) SBITA asset and is disclosed in Note 4. Activity for the SBITA liability for the year ended June 30, 2024 is as follows:

	Balance as of July 1, 2023	Additions	Reductions	Balance as of June 30, 2024	Due in One Year
SBITA liabilities	\$ 9,616	\$ 29,177	\$ (14,628)	\$ 24,165	\$ 14,442

  

	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023	Due in One Year
SBITA liabilities	\$ 14,255	\$ -	\$ (4,639)	\$ 9,616	\$ 4,628

Annual required minimum payments for SBITA liabilities is as follows:

	Principal	Interest	Total
<u>Year Ending June 30:</u>			
2025	\$ 14,442	\$ 672	\$ 15,114
2026	9,723	277	10,000
	<u>\$ 24,165</u>	<u>\$ 949</u>	<u>\$ 25,114</u>

NOTE 6 - DEFINED BENEFIT PENSION PLANS

General Information about the Pension Plans

*Plan Descriptions*

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

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Plan Descriptions (Continued)*

The District contributes to two defined benefit pension plans: the Public Employee Retirement Plan (Legacy) of the TCRS (TCRS Legacy) and the Public Employee Retirement Plan (Hybrid without Cost Controls) of the TCRS (TCRS Hybrid).

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.

As of and for the years ended June 30, the two plans had the following balances reported in the financial statements:

	2024		
	TCRS Legacy	TCRS Hybrid	Total Pension Plans
Total pension liabilities	\$ 605,332	\$ 40,072	\$ 645,404
Net pension assets	252,392	4,478	256,870
Deferred outflows of resources	138,707	8,907	147,614
Deferred inflows of resources	21,754	3,898	25,652
Pension expense (negative pension expense)	24,909	5,021	29,930

  

	2023		
	TCRS Legacy	TCRS Hybrid	Total Pension Plans
Total pension liabilities	\$ 498,259	\$ 26,335	\$ 524,594
Net pension assets	230,733	1,032	231,765
Deferred outflows of resources	120,208	9,503	129,711
Deferred inflows of resources	29,322	-	29,322
Pension expense (negative pension expense)	27,798	291	28,089

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Benefits Provided - TCRS Legacy*

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

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

*Benefits Provided - TCRS Hybrid*

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

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.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Employees Covered by Benefit Terms*

At the measurement date of June 30, 2023 (fiscal year 2024) and 2022 (fiscal year 2023), the following employees were covered by the benefit terms:

	2024	
	TCRS Legacy	TCRS Hybrid
Inactive employees or beneficiaries currently receiving benefits	2	-
Inactive employees entitled to but not yet receiving benefits	3	4
Active employees	8	4
Total employees	13	8

  

	2023	
	TCRS Legacy	TCRS Hybrid
Inactive employees or beneficiaries currently receiving benefits	2	-
Inactive employees entitled to but not yet receiving benefits	4	1
Active employees	7	5
Total employees	13	6

The TCRS Legacy plan is closed to new entrants.

*Contributions - TCRS Legacy*

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5% of salary. The District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024 and 2023, the employer contributions for the District were and \$82,663 and \$59,629, respectively, based on a rate of 12.00% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the District'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.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*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 District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024 and 2023, the employer contributions for the District were \$2,790 based on a rate of 1.85% and \$3,381 based on a rate of 1.70% of covered payroll, respectively. By law, employer contributions are required to be paid. The TCRS may intercept the District'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.

Net Pension Liabilities (Assets)

*Pension Liabilities (Assets)*

The District's net pension liabilities (assets) were measured as of June 30, 2023 for fiscal year 2024 and June 30, 2022 for fiscal year 2023, and the total pension liabilities used to calculate net pension liabilities (assets) were determined by actuarial valuations as of those dates.

*Actuarial Assumptions*

The total pension liabilities as of the June 30, 2023 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, 2023 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.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Net Pension Liabilities (Assets) (Continued)*

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

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

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

*Discount Rate*

The discount rate used to measure the total pension liabilities 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 District 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 plans' 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 liabilities.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
BALANCE - JUNE 30, 2022	\$ 392,298	\$ 683,279	\$ (290,981)
Service cost	69,030	-	69,030
Interest	30,873	-	30,873
Experience differences	13,949	-	13,949
Changes in assumptions	-	-	-
Contributions, employer	-	57,780	(57,780)
Contributions, employee	-	24,075	(24,075)
Net investment income	-	(27,541)	27,541
Benefit payments/refunds	(7,891)	(7,891)	-
Administrative expenses	-	(710)	710
Net changes	105,961	45,713	60,248
BALANCES - JUNE 30, 2023	498,259	728,992	(230,733)
Service cost	61,068	-	61,068
Interest	37,526	-	37,526
Experience differences	15,248	-	15,248
Changes in assumptions	-	-	-
Contributions, employer	-	59,629	(59,629)
Contributions, employee	-	24,846	(24,846)
Net investment income	-	51,594	(51,594)
Benefit payments/refunds	(6,769)	(6,769)	-
Administrative expenses	-	(568)	568
Net changes	107,073	128,732	(21,659)
BALANCES - JUNE 30, 2024	\$ 605,332	\$ 857,724	\$ (252,392)

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
BALANCE - JUNE 30, 2022	\$ 11,846	\$ 14,966	\$ (3,120)
Service cost	10,266	-	10,266
Interest	1,493	-	1,493
Experience differences	2,730	-	2,730
Changes in assumptions	-	-	-
Contributions, employer	-	2,470	(2,470)
Contributions, employee	-	11,227	(11,227)
Net investment income	-	(826)	826
Benefit payments/refunds	-	-	-
Administrative expenses	-	(470)	470
Net changes	14,489	12,401	2,088
BALANCES - JUNE 30, 2023	26,335	27,367	(1,032)
Service cost	15,260	-	15,260
Interest	2,808	-	2,808
Experience differences	(4,331)	-	(4,331)
Changes in assumptions	-	-	-
Contributions, employer	-	3,831	(3,831)
Contributions, employee	-	11,267	(11,267)
Net investment income	-	2,338	(2,338)
Benefit payments/refunds	-	-	-
Administrative expenses	-	(253)	253
Net changes	13,737	17,183	(3,446)
BALANCES - JUNE 30, 2024	\$ 40,072	\$ 44,550	\$ (4,478)



BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

The following presents the net pension liability (asset) of the District 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:

	2024		
	1% Decrease	Current rate	1% Increase
	(5.75%)	(6.75%)	(7.75%)
TCRS Legacy net pension liability (asset)	\$ (143,358)	\$ (252,392)	\$ (340,551)
TCRS Hybrid net pension liability (asset)	8,880	(4,478)	(13,629)

	2023		
	1% Decrease	Current rate	1% Increase
	(5.75%)	(6.75%)	(7.75%)
TCRS Legacy net pension liability (asset)	\$ (140,199)	\$ (230,733)	\$ (303,670)
TCRS Hybrid net pension liability (asset)	9,028	(1,032)	(8,171)

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

*Pension Expense (Negative Pension Expense)*

For the year ended June 30, 2024, the District recognized pension expense of \$24,909 for the Legacy plan and \$5,021 for the Hybrid plan.

For the year ended June 30, 2023, the District recognized pension expense of \$27,798 for the Legacy plan and \$291 for the Hybrid plan.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Deferred Outflows of Resources and Deferred Inflows of Resources (Legacy)*

At June 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the Legacy pension plan from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,846	\$ 21,754
Net difference between projected and actual earnings on pension plan investments	9,829	-
Changes in assumptions	12,369	-
Contributions subsequent to the measurement date of June 30, 2023	82,663	-
	<u>\$ 138,707</u>	<u>\$ 21,754</u>
	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,374	\$ 29,322
Net difference between projected and actual earnings on pension plan investments	7,684	-
Changes in assumptions	16,493	-
Contributions subsequent to the measurement date of June 30, 2022	69,657	-
	<u>\$ 120,208</u>	<u>\$ 29,322</u>

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

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

*Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)*

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

2025	\$	2,512
2026		665
2027		20,554
2028		4,214
2029		4,171
Thereafter		<u>2,178</u>
	\$	<u><u>34,294</u></u>

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

*Deferred Outflows of Resources and Deferred Inflows of Resources (Hybrid)*

At June 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the Hybrid pension plan from the following sources:

	<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,553	\$ 3,898
Net difference between projected and actual earnings on pension plan investments	750	-
Changes in assumptions	814	-
Contributions subsequent to the measurement date of June 30, 2023	<u>2,790</u>	<u>-</u>
	<u><u>\$ 8,907</u></u>	<u><u>\$ 3,898</u></u>

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,059	\$ -
Net difference between projected and actual earnings on pension plan investments	891	-
Changes in assumptions	905	-
Contributions subsequent to the measurement date of June 30, 2022	2,648	-
	<u>\$ 9,503</u>	<u>\$ -</u>

The amount shown above for contributions subsequent to the measurement date 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 plan will be recognized in pension expense as follows:

Year ended June 30

2025	\$ 315
2026	305
2027	623
2028	166
2029	164
Thereafter	656
	<u>\$ 2,229</u>

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

*Payable to the Pension Plans*

At June 30 2024, the District reported payables in the amount of \$8,867 for the outstanding amount of required contributions to the plans (\$8,845 was payable at June 30, 2023).

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 7 - OPEB PLAN

General Information about the OPEB Plan

*Plan Description*

Employees of the District are included with the employees of the City in the City of Brentwood Postemployment Benefits Plan (OPEB Plan), which is a single-employer defined benefit plan administered by the City. 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. The City's latest actuarial valuation was prepared as of January 1, 2023 for the fiscal years ended June 30, 2024 and June 30, 2023. Update procedures were used to roll forward the total OPEB liability (asset) to the OPEB plan's fiscal year-end.

At June 30, 2024, the District reported an asset of \$30,816 for its proportionate share of the collective net OPEB asset. The collective net OPEB asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB asset was determined by an actuarial valuation.

At June 30, 2023, the District reported an asset of \$13,286 for its proportionate share of the collective net OPEB asset. The collective net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the collective net OPEB asset was determined by an actuarial valuation.

The District's proportion of the collective net OPEB (asset) liability at June 30, 2023 was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the total projected contributions. The District's proportion of the collective net OPEB (asset) liability at June 30, 2024 was based on the actuarial breakout of total share of the (asset) liability. At June 30, 2024 and 2023, the District's proportion of the net OPEB (asset) liability was 3.82% and 4.08%, respectively.

*Employees Covered by Benefit Terms*

The City issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes the financial statements and certain required supplementary information of the OPEB Plan. That report may be obtained by writing to the City of Brentwood, Attn: Finance Director, P.O. Box 788, Brentwood, Tennessee 37024-0788, email: [finance.director@brentwoodtn.gov](mailto:finance.director@brentwoodtn.gov).

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 7 - OPEB PLAN (CONTINUED)

*Employees Covered by Benefit Terms (Continued)*

The City has adopted the provisions of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the OPEB Plan within the City's ACFR. All information presented in this note is based on the District's proportionate share of the OPEB Plan.

District membership in the plan consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Active participants	11	11
Retired participants entitled to but not yet receiving benefits	-	-
Retired participants currently receiving benefits	<u>2</u>	<u>2</u>
	<u>13</u>	<u>13</u>

*Benefits Provided*

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

For eligible employees hired post July 1, 2005, who are not eligible for health insurance coverage from or through another employer, the City pays a share of the cost for group health insurance coverage for the retired employee based upon years of full-time service at the time of retirement. If the retiree elects to cover their eligible dependents, the retiree will be required to pay 100% of the additional cost for this dependent coverage. The retiree medical plan is assumed to be the primary plan of benefits prior to age 65. For eligible retirees who have reached age 65, and were hired prior to July 1, 2005, the City reimburses the cost of a 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.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 7 - OPEB PLAN (CONTINUED)

*Funding Policy and Contributions*

The contribution requirements are established and may be amended by the City's Board of Commissioners. The required contribution is based on an actuarial valuation utilizing the entry age normal method. During 2008, the City prefunded a trust account, administered by MissionSquare Retirement Corporation, in the amount of \$2,260,000, which included the 2008 annual required contribution of \$598,000, less amounts paid as premium benefits. The prefunding will reduce the annual required contribution in future years. For fiscal year 2024, the District contributed \$40,291 to the Trust and withdrew \$48,645 to pay benefits. For fiscal year 2023, the District contributed \$46,355 to the Trust and withdrew \$28,331 to pay benefits. All contributions were made by the employer (no contributions by active or retired employees). Employer contributions are calculated at 4.72% and 7.42% of covered-employee payroll for 2024 and 2023, respectively.

Investments

*Investment Policy*

The City's policy in regard to the allocation of invested assets is established and may be amended by the City's Board of Commissioners. The Board has established an Investment Policy and Investment Allocation for the City's OPEB Trust. 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.

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

	<u>Target allocation</u>	<u>Investment mix</u>
MSQ Inflation Focused	20%	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

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 7 - OPEB PLAN (CONTINUED)

*Investment Policy (Continued)*

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 years ended June 30, 2024 and 2023, the annual money-weighted rate of return on investments, net of investment expense, was 10.30% and 6.97% , respectively. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for changing amounts actually invested.

*Net OPEB Liability (Asset)*

The District's net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate net pension liability (asset) was determined by an actuarial value as of January 1, 2023 rolled forward through that date.

*Actuarial Assumptions*

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

Inflation	3.00%
Salary 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.



BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 7 - OPEB PLAN (CONTINUED)

*Changes in Assumptions*

The healthcare cost trend assumption was updated to 7.0% in 2023 with a 0.5% decrease per year until 5.5% in 2026. Rates gradually decrease from 5.4% in 2027 to 4.1% in 2075 and later. Assumptions for withdrawal and disability withdrawal were updated based on TCRS. Officials are now assumed to be able to retire at age 55 with 10 years of service. It is now assumed that wives are 2 years younger than their husbands. All retiree contributions are now assumed to increase at the health care cost trend rate. The per capita claims cost is now based on the funding factor, administration fee, and stop loss premium with the HRA premium being added separately.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024 and 2023 (see the discussion of the OPEB investment policy) are summarized in the following table:

<u>Asset class</u>	<u>Investment mix</u>	<u>Long-term expected real rate of return</u>
MSQ 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 OPEB payments of current active and inactive employees. 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.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 7 - OPEB PLAN (CONTINUED)

Changes in the Net OPEB Liability (Asset)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
BALANCE - JUNE 30, 2022	\$ 639,948	\$ 615,023	\$ 24,925
Service cost	22,078	-	22,078
Interest	41,420	-	41,420
Benefit changes	38,396	-	38,396
Experience losses (gains)	(102,805)	-	(102,805)
Changes in assumptions	8,314	-	8,314
Contributions, employer	-	46,355	(46,355)
Net investment income (loss)	-	(5,987)	5,987
Benefit payments/refunds	(28,331)	(28,331)	-
Other	-	5,246	(5,246)
Administrative expenses	-	-	-
Net changes	(20,928)	17,283	(38,211)
BALANCE - JUNE 30, 2023	619,020	632,306	(13,286)
Service cost	12,236	-	12,236
Interest	37,548	-	37,548
Benefit changes	-	-	-
Experience losses (gains)	-	-	-
Changes in assumptions	9,440	-	9,440
Contributions, employer	-	31,375	(31,375)
Net investment income (loss)	-	48,063	(48,063)
Benefit payments/refunds	(48,645)	(48,645)	-
Other	(48,638)	(51,322)	2,684
Administrative expenses	-	-	-
Net changes	(38,059)	(20,529)	(17,530)
BALANCE - JUNE 30, 2024	\$ 580,961	\$ 611,777	\$ (30,816)

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 7 - OPEB PLAN (CONTINUED)

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

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB 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:

	2024		
	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net OPEB liability (asset)	\$ 29,638	\$ (30,816)	\$ (83,271)

	2023		
	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net OPEB liability (asset)	\$ 62,921	\$ (13,286)	\$ (43,232)

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

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1% lower (7.0% (6.0% in 2023) decreasing to 3.1%) or 1% higher (8.0% (7.0% in 2023) decreasing to 5.1%) over 51 (52 in 2023) years than the current healthcare cost trend rates:

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 7 - OPEB PLAN (CONTINUED)

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

	2024		
	<u>1% Decrease</u>	<u>Current Rates</u>	<u>1% Increase</u>
	6.0%	7.0%	8.0%
	Decreasing to	Decreasing to	Decreasing to
	3.1% over 51	3.1% over 51	3.1% over 51
	<u>years</u>	<u>years</u>	<u>years</u>
Net OPEB liability (asset)	<u>\$ (69,350)</u>	<u>\$ (30,816)</u>	<u>\$ 21,382</u>

  

	2023		
	<u>1% Decrease</u>	<u>Current Rates</u>	<u>1% Increase</u>
	Decreasing to	Decreasing to	Decreasing to
	3.1% over 51	3.1% over 51	3.1% over 51
	<u>years</u>	<u>years</u>	<u>years</u>
Net OPEB liability (asset)	<u>\$ (47,854)</u>	<u>\$ (13,286)</u>	<u>\$ 25,655</u>

*OPEB Plan Fiduciary Net Position*

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued City financial statements.

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

*OPEB Expense*

For the year ended June 30, 2024, the District recognized (negative) OPEB expense of (\$143,698) and OPEB expense of \$26,203 in 2023.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 7 - OPEB PLAN (CONTINUED)

*Deferred Outflows of Resources and Deferred Inflows of Resources*

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

	<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 1,838
Changes in assumptions	31,718	-
Net difference between projected and actual earnings of OPEB plan investments	<u>-</u>	<u>21,203</u>
	<u><u>\$ 31,718</u></u>	<u><u>\$ 23,041</u></u>

  

	<u>2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 492	\$ 238,980
Changes in assumptions	41,103	6,027
Net difference between projected and actual earnings of OPEB plan investments	<u>85,921</u>	<u>-</u>
	<u><u>\$ 127,516</u></u>	<u><u>\$ 245,007</u></u>

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 7 - OPEB PLAN (CONTINUED)

*Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)*

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

Year ended June 30,

2025	\$	(2,298)
2026		(2,298)
2027		(2,301)
2028		2,174
2029		4,120
Thereafter		9,280

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

NOTE 8 - DEFINED CONTRIBUTION PENSION PLANS

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

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

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

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

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 8 - DEFINED CONTRIBUTION PENSION PLANS (CONTINUED)

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 District's participating employer agreement for the State of Tennessee Deferred Compensation Plan II - 401(k) (State 401(k) Plan) was effective on October 1, 2018 and most recently amended and restated effective February 13, 2023. 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 District TCRS Legacy Plan are fully vested in matching contributions and not eligible for nonmatching contributions. Employees who are members of the District TCRS Hybrid Plan 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 nonmatching contributions, and then to offset plan expenses.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 8 - DEFINED CONTRIBUTION PENSION PLANS (CONTINUED)

For employees who are members of the District TCRS Legacy Plan, the District's matching contribution amount is a dollar-for-dollar match of the employee's elective deferrals into the employee's State 401(k) Plan account up to a total of 3% of the employee's base compensation. For employees who are members of the District TCRS Hybrid Plan, the District's matching contribution amount is a dollar-for-dollar match of the employee's elective deferrals into the employee's State 401(k) Plan account up to a total of 2% of the employee's compensation. For employees who are members of the District TCRS Hybrid Plan, the District'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 District's Board of Directors.

The District's contributions to the State 401(k) Plan recognized in pension expense for the years ended June 30, 2024 and 2023 totaled \$23,229 and \$19,104, respectively. No forfeitures were used by the District during the year. At June 30, 2024 and 2023, there were no amounts relating to required contributions payable to the plan.

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

The District's participating employer agreement for the Tennessee State Employees Deferred Compensation Plan and Trust - 457(b) (State 457(b) Plan) was effective on October 1, 2018. 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. Employee salary reduction contributions are voluntary. The District 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 District's Board of Directors.

NOTE 9 - CONTRIBUTIONS FROM THE CITY

The District received budgeted contributions from the City's general fund of \$533,000 and \$488,000 for the fiscal years 2024 and 2023, respectively.



BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024 AND 2023

NOTE 10 - RISK MANAGEMENT

The District 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 District maintains insurance coverage through the 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 District pays a premium, receives coverage, and can make claims against that coverage. The District meets PEP's guidelines and complies with its rules and regulations, including loss control requirements as well as its underwriting standards. Rates of PEP are actuarially projected to provide adequate funding to cover loss reserves and expenses, as well as building contingency reserves. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Beginning with calendar year 2010, the City (which includes the District's employees) modified its fully insured employee group health insurance plan to include a high-deductible (\$5,000) and high max out-of-pocket (\$6,500) plan coupled with a City-funded Health Reimbursement Arrangement (HRA). The HRA was implemented to effectively limit the employee deductible and max out-of-pocket to \$1,000 (\$2,000 for dependent coverage). The City established the Insurance Fund, which functions as an internal service fund, to account and finance its HRA claims obligations and insurance premiums related to employee health and vision insurance coverage. Effective January 1, 2011, the City terminated its fully insured employee group health insurance plan, and established a partially self-funded insurance plan coupled with the existing City-funded HRA. Under the partially self-funded insurance plan, which is administered by Blue Cross Blue Shield of Tennessee, the City is liable through the HRA for up to \$5,500 of the first \$6,500 of individual employee claims with the employee being liable for up to \$1,000 out-of-pocket. The City then assumes liability for additional individual medical claims up to \$85,000. To help mitigate losses from high-dollar medical claims beyond the HRA combined City and employee liability of \$90,500 and the employee's out of pocket maximum of \$1,000 (total of \$91,500 funded amount), the City purchased catastrophic insurance coverage plans for Specific Stop Loss and Aggregate Stop Loss coverage. Specific Stop Loss coverage limits the City's potential liability for an individual catastrophic claim 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 2024, the aggregate stop loss threshold (maximum attachment point) is approximately \$4.143 million.

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.

REQUIRED SUPPLEMENTARY INFORMATION

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS - TCRS PENSION PLAN (LEGACY) (UNAUDITED)

LAST 10 FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017
<b>Total Pension Liability</b>							
Service cost	\$ 61,068	\$ 69,030	\$ 71,029	\$ 73,421	\$ 79,353	\$ 71,053	\$ -
Interest	37,526	30,873	23,601	18,915	13,236	9,202	-
Changes in benefit terms	-	-	-	-	-	-	55,869
Differences between expected and actual experience	15,248	13,949	21,628	(21,609)	(6,662)	(31,765)	-
Changes in assumptions	-	-	24,741	-	-	-	-
Benefit payments/refunds	(6,769)	(7,891)	(6,402)	(1,015)	(2,297)	-	-
Net change in total pension liability	107,073	105,961	134,597	69,712	83,630	48,490	55,869
Total pension liability - beginning	498,259	392,298	257,701	187,989	104,359	55,869	-
Total pension liability - ending (a)	605,332	498,259	392,298	257,701	187,989	104,359	55,869
<b>Plan Fiduciary Net Position</b>							
Contributions, employer	59,629	57,780	62,991	66,337	82,802	91,689	68,554
Contributions, employee	24,846	24,075	26,246	27,641	29,572	29,053	21,722
Net investment income	51,594	(27,541)	131,698	20,007	20,978	12,819	5,069
Benefit payments/refunds	(6,769)	(7,891)	(6,402)	(1,015)	(2,297)	-	-
Administrative expenses	(568)	(710)	(715)	(797)	(906)	(974)	(793)
Net change in plan fiduciary net position	128,732	45,713	213,818	112,173	130,149	132,587	94,552
Plan fiduciary net position - beginning	728,992	683,279	469,461	357,288	227,139	94,552	-
Plan fiduciary net position - ending (b)	857,724	728,992	683,279	469,461	357,288	227,139	94,552
<b>Net pension liability (asset) - ending (a)-(b)</b>	<u>\$ (252,392)</u>	<u>\$ (230,733)</u>	<u>\$ (290,981)</u>	<u>\$ (211,760)</u>	<u>\$ (169,299)</u>	<u>\$ (122,780)</u>	<u>\$ (38,683)</u>
Plan fiduciary net position as a percentage of total pension liability	141.69%	146.31%	174.17%	182.17%	190.06%	217.65%	169.24%
Covered payroll	<u>\$ 496,912</u>	<u>\$ 481,496</u>	<u>\$ 524,922</u>	<u>\$ 552,811</u>	<u>\$ 591,445</u>	<u>\$ 581,046</u>	<u>\$ 434,433</u>
Net pension liability (asset) as a percentage of covered payroll	-50.79%	-47.92%	-55.43%	-38.31%	-28.62%	-21.13%	-8.90%

See Notes to Required Supplementary information on page 48.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS - TCRS PENSION PLAN (LEGACY) (UNAUDITED)  
LAST 10 FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially-determined contribution	\$ 28,105	\$ 24,995	\$ 22,341	\$ 30,078	\$ 38,531	\$ 44,155	\$ 91,689	\$ 68,554
Contributions in relation to the actuarially-determined contribution	<u>82,663</u>	<u>59,629</u>	<u>57,780</u>	<u>62,991</u>	<u>66,337</u>	<u>82,802</u>	<u>91,689</u>	<u>68,554</u>
Contribution deficiency (excess)	<u>\$ (54,558)</u>	<u>\$ (34,634)</u>	<u>\$ (35,439)</u>	<u>\$ (32,913)</u>	<u>\$ (27,806)</u>	<u>\$ (38,647)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 688,858	\$ 496,912	\$ 481,492	\$ 524,922	\$ 552,811	\$ 591,445	\$ 581,046	\$ 434,433
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	12.00%	12.00%	14.00%	15.78%	15.78%

See Notes to Required Supplementary information on page 48.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS - TCRS PENSION PLAN (HYBRID) (UNAUDITED)

LAST 10 FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total Pension Liability</b>							
Service cost	\$ 15,260	\$ 10,266	\$ 4,580	\$ -	\$ -	\$ -	\$ -
Interest	2,808	1,493	518	-	-	-	-
Changes in benefit terms	-	-	-	2,568	-	-	-
Differences between expected and actual experience	(4,331)	2,730	3,093	-	-	-	-
Changes in assumptions	-	-	1,087	-	-	-	-
Benefit payments/refunds	-	-	-	-	-	-	-
Net change in total pension liability	13,737	14,489	9,278	2,568	-	-	-
Total pension liability - beginning	<u>26,335</u>	<u>11,846</u>	<u>2,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total pension liability - ending (a)	40,072	26,335	11,846	2,568	-	-	-
<b>Plan Fiduciary Net Position</b>							
Contributions, employer	3,831	2,470	1,571	803	-	-	-
Contributions, employee	11,267	11,227	7,141	3,650	-	-	-
Net investment income	2,338	(826)	2,211	106	-	-	-
Benefit payments/refunds	-	-	-	-	-	-	-
Administrative expenses	(253)	(470)	(339)	(177)	-	-	-
Net change in plan fiduciary net position	17,183	12,401	10,584	4,382	-	-	-
Plan fiduciary net position - beginning	<u>27,367</u>	<u>14,966</u>	<u>4,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	44,550	27,367	14,966	4,382	-	-	-
<b>Net pension liability (asset) - ending (a)-(b)</b>	<u>\$ (4,478)</u>	<u>\$ (1,032)</u>	<u>\$ (3,120)</u>	<u>\$ (1,814)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position as a percentage of total pension liability	111.17%	103.92%	126.34%	170.64%	n/a	n/a	n/a
Covered payroll	<u>\$ 225,339</u>	<u>\$ 224,535</u>	<u>\$ 142,812</u>	<u>\$ 73,008</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Net pension liability (asset) as a percentage of covered payroll	-1.99%	-0.46%	-2.18%	-2.48%	n/a	n/a	n/a

See Notes to Required Supplementary information on page 48.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS - TCRS PENSION PLAN (HYBRID) (UNAUDITED)  
LAST 10 FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially-determined contribution	\$ 2,790	\$ 3,831	\$ 2,021	\$ 1,571	\$ 803	\$ -	\$ -	\$ -
Contributions in relation to the actuarially-determined contribution	<u>2,790</u>	<u>3,831</u>	<u>2,470</u>	<u>1,571</u>	<u>803</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (449)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 150,811	\$ 225,339	\$ 224,545	\$ 142,812	\$ 73,008	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	1.85%	1.70%	1.10%	1.10%	1.10%	n/a	n/a	n/a

See Notes to Required Supplementary information on page 48.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
TCRS PENSION PLAN (LEGACY AND HYBRID)

- NOTE 1 - Pension schedules are intended to show information for 10 years. Data will be displayed as it becomes available.
- NOTE 2 - 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 2024, is June 30, 2023).
- NOTE 3 - 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>.
- NOTE 4 - All assumptions are selected by the TCRS Board of Trustees based on review of plan experience in conjunction with an experience study. A complete experience study is conducted every four years.
- NOTE 5 - No changes were made to the plan provisions, actuarial assumptions or methods effective June 30, 2023.
- NOTE 6 - Actuarially determined contribution rates for fiscal year 2024 were calculated based on the June 30, 2022 actuarial valuation:
- Methods and assumptions used to determine contribution rates:
- |                               |  |
|-------------------------------|--|
| Actuarial cost method         | Entry age normal   |
| Amortization method           | Level dollar, closed (not to exceed 20 years)  |
| Remaining amortization period | Various  |
| Asset valuation               | 10-year smoothed within a 20 percent corridor to market value  |
| Inflation                     | 2.25%  |
| Salary increases              | Graded salary ranges from 8.72% to 3.44%, based on age, including inflation, averaging 4.00%   |
| Investment rate of return     | 6.75%, net of investment expense, including inflation  |
| Retirement age                | Pattern of retirement determined by experience study   |
| Mortality                     | Customized table based on actual experience, including projection of mortality improvement using Scale MP-2021 (generational projection) |
| Cost-of-living adjustment     | 2.125%   |
- NOTE 7 - 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.
- NOTE 8 - In 2017, the following assumptions were changed: decreased inflation rate from 3.00 % to 2.50 %; decreased the investment rate of return from 7.50 % to 7.25 %; decreased the cost-of-living adjustment from 2.50 % to 2.25 %; decreased salary growth graded ranges from an average of 4.25 % to an average of 4.00 %.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY (ASSET)  
AND RELATED RATIOS - CITY OF BRENTWOOD OPEB PLAN (UNAUDITED)  
LAST 10 FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the collective net OPEB liability (asset)	3.82%	4.08%	4.43%	4.17%	3.23%	3.23%	3.23%	3.23%
District's proportionate share of the collective net OPEB liability (asset)	\$ (30,816)	\$ (13,286)	\$ 24,925	\$ (57,333)	\$ 219,605	\$ 222,143	\$ 159,192	\$ 151,954
District's covered-employee payroll	\$ 664,102	\$ 624,312	\$ 657,504	\$ 553,617	\$ 510,456	\$ 490,823	\$ 441,618	\$ 428,756
District's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered-employee payroll	-4.64%	-2.13%	3.79%	-10.36%	43.02%	45.26%	36.05%	35.44%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	105.30%	102.15%	96.11%	109.97%	64.03%	60.92%	66.21%	65.19%

See Notes to Required Supplementary information on page 52.



BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS - CITY OF BRENTWOOD OPEB PLAN (UNAUDITED)  
LAST 10 FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially-determined contribution	\$ 31,375	\$ 46,355	\$ 50,250	\$ 47,320	\$ 37,705	\$ 30,896	\$ 31,240	\$ 23,878
Contributions in relation to the actuarially-determined contribution	<u>31,375</u>	<u>46,355</u>	<u>50,250</u>	<u>47,320</u>	<u>37,705</u>	<u>30,896</u>	<u>31,240</u>	<u>23,878</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 664,102	\$ 624,312	\$ 657,504	\$ 553,617	\$ 510,456	\$ 490,823	\$ 441,618	\$ 428,756
Contributions as a percentage of covered-employee payroll	4.72%	7.42%	7.64%	8.55%	7.39%	6.29%	7.07%	5.57%

See Notes to Required Supplementary information on page 52.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT  
SCHEDULE OF INVESTMENT RETURNS - CITY OF BRENTWOOD OPEB PLAN (UNAUDITED)  
LAST 10 FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return	10.30%	6.97%	-10.70%	17.10%	4.89%	5.58%	4.71%	7.82%

See Notes to Required Supplementary information on page 52.

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF BRENTWOOD OPEB PLAN

NOTE 1 - OPEB schedules are intended to show information for 10 years. Data will be displayed as it becomes available.

NOTE 2 - Contributions are not based on a measure of pay. Accordingly, the District uses covered-employee payroll.

NOTE 3 - Information in this schedule is presented for the fiscal year. The actuarial valuation is as of January 1, 2023 for the fiscal year ending June 30, 2024.

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	7.0% in 2023 with a 0.5% decrease per year until 5.5% in 2026. Rates gradually decrease from 5.4% in 2027 to 4.1% 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 (general employees); 50% at age 55 to 100% at age 60 for Fire/Police (Non-Supv) w/ 20 yrs of svc; 100% at age 62 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

NOTE 4 - In 2021, the healthcare cost 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.

NOTE 5 - 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.

SUPPLEMENTARY INFORMATION

**BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF BRENTWOOD, TENNESSEE)**

**BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)**

**FOR THE YEAR ENDED JUNE 30, 2024**

	BUDGET		ACTUAL	VARIANCE WITH BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
<b>Operating Revenues</b>				
Subscriber fees				
TCA Section 7-86-303 receipts (base amount)	\$ 864,125	\$ 864,125	\$ 864,126	\$ 1
TCA Section 7-86-130 receipts (excess amount)	325,255	325,255	520,207	194,952
Total operating revenues	1,189,380	1,189,380	1,384,333	194,953
<b>Operating Expenses</b>				
Salaries and wages				
Telecommunicators	747,635	693,140	693,136	(4)
Other salaries and wages	80,485	143,555	142,545	(1,010)
Compensated absences	9,720	9,720	7,035	(2,685)
Other payroll costs	25,900	25,900	23,366	(2,534)
Employee benefits				
Social security and Medicare	65,685	72,140	72,135	(5)
Medical insurance	134,810	134,810	134,810	-
Other insurance	6,275	6,275	5,837	(438)
Pension	112,955	121,040	40,723	(80,317)
Other postemployment benefits	35,505	35,505	(112,323)	(147,828)
Other fringe benefits	11,480	12,620	12,612	(8)
Administration				
Audit services	9,850	9,850	9,850	-
Consulting services	10,000	10,000	7,898	(2,102)
Advertising	-	-	-	-
Insurance - liability	2,000	2,765	2,760	(5)
Insurance - workers' compensation	2,000	2,000	2,000	-
Building and facilities				
Other building and facilities cost	94,000	94,000	94,000	-
Communications - operations				
Dues and memberships	3,000	3,785	1,486	(2,299)
Software and licensing	25,805	146,105	141,755	(4,350)
Training expenses	2,500	2,830	2,823	(7)
Travel expenses	2,500	5,730	5,730	-
Addressing/mapping/database consultants	10,000	10,000	-	(10,000)
Certification/recertification fees	3,000	535	150	(385)
Equipment	-	180	180	-
Language interpreting	2,500	2,500	929	(1,571)
Maintenance and warranty contracts	166,795	42,320	19,054	(23,266)
NCIC/TBI/TIES expenses	-	6,165	6,160	(5)
Supplies and materials	8,000	8,025	5,979	(2,046)
Uniforms	5,500	5,500	2,784	(2,716)
Telephone	83,000	39,900	27,476	(12,424)
Depreciation	155,010	153,750	139,712	(14,038)
Amortization	-	13,295	13,289	(6)
Total operating expenses	1,815,910	1,813,940	1,503,891	(310,049)
<b>Nonoperating Revenues (Expenses)</b>				
Primary government subsidies	533,000	533,000	533,000	-
TECB subsidies	44,000	44,000	44,000	-
Interest income	50,000	50,000	162,634	112,634
Interest expense (SBITAs)	-	(710)	(705)	5
Loss on disposal of property	-	(1,260)	(1,255)	5
Other nonoperating revenue	-	-	71,932	71,932
Total nonoperating revenues (expenses)	627,000	625,030	809,606	184,576
<b>Change in Net Position</b>	<u>\$ 470</u>	<u>\$ 470</u>	<u>\$ 690,048</u>	<u>\$ 689,578</u>

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

SCHEDULES OF DETAILED EXPENSES

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Operating Expenses		
Salaries and wages		
Salaries and wages	\$ 693,136	\$ 655,886
Other salaries and wages	142,545	64,481
Compensated absences	7,035	7,155
Other payroll costs	<u>23,366</u>	<u>25,060</u>
	<u>866,082</u>	<u>752,582</u>
Employee benefits		
Social security and Medicare	72,135	62,415
Medical insurance	134,810	134,810
Other insurance	5,837	8,292
Pension expense	40,723	56,996
Other postemployment benefits	(112,323)	72,558
Other fringe benefits	<u>12,612</u>	<u>12,204</u>
	<u>153,794</u>	<u>347,275</u>
Administration		
Audit services	9,850	9,950
Consulting services	7,898	4,200
Advertising	-	482
Insurance - liability	2,760	523
Insurance - workers' compensation	2,000	2,885
Other administration expenses	<u>-</u>	<u>4,955</u>
	<u>22,508</u>	<u>22,995</u>
Building and facilities		
Maintenance and repairs	-	1,325
Other building and facilities cost	<u>94,000</u>	<u>68,083</u>
	<u>94,000</u>	<u>69,408</u>
Communications - operations		
Dues and memberships	1,486	1,858
Software and licensing	141,755	148,964
Training expenses	2,823	3,253
Travel expenses	5,730	3,487
Addressing/mapping/database consultants	-	10,000
Certification/recertification fees	150	489
Equipment	180	5,114
Language interpreting	929	701
Maintenance and warranty contracts	19,054	23,221
Maintenance and repairs - communications	-	2,524
NCIC/TBI/TIES expenses	6,160	1,680
Supplies and materials	5,979	5,136
Uniforms	2,784	4,050
Telephone costs (call center lines)	<u>27,476</u>	<u>72,504</u>
	<u>214,506</u>	<u>282,981</u>
Depreciation	<u>139,712</u>	<u>93,493</u>
Amortization	<u>13,289</u>	<u>700</u>
Total operating expenses	<u>\$ 1,503,891</u>	<u>\$ 1,569,434</u>

## OTHER REPORT



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

Board of Directors  
Brentwood Emergency Communications District  
Brentwood, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Brentwood Emergency Communications District (a component unit of the City of Brentwood, Tennessee) (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 4, 2024.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the District'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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.

*Kraft+CPAs PLLC*

Nashville, Tennessee  
December 4, 2024

BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2024

**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