



CITY OF
BRENTWOOD
TENNESSEE

Annual Comprehensive Financial Report

**FOR FISCAL YEAR
Ended June 30, 2024**

CITY OF BRENTWOOD, TENNESSEE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024
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INTRODUCTORY SECTION

Rhea Little
MAYOR

Nelson Andrews
VICE MAYOR

Kirk Bednar
CITY MANAGER



BRENTWOOD T E N N E S S E E

COMMISSIONERS

Anne Dunn

Mark Gorman

Susannah Macmillan

Regina Smithson

Ken Travis

January 29, 2025

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

The Annual Comprehensive Financial Report of the City of Brentwood, Tennessee (the "City" or "City of Brentwood") for the fiscal year ending June 30, 2024, is hereby submitted as required by state statutes. These statutes require that all general-purpose local governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Brentwood for the fiscal year ended June 30, 2024.

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

The City's financial statements have been audited by KraftCPAs PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Brentwood for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Brentwood's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of Brentwood is in Middle Tennessee in the northern part of Williamson County, adjacent to the southern border of Metropolitan Nashville-Davidson County. Since the mid-1990's, Middle Tennessee and specifically Williamson County has been one of the top growth areas of the state, and the country. The City of Brentwood currently occupies a land area of 42+ square miles and has a resident population according to the 2020 decennial census of 45,373. The City of Brentwood is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation into the officially designated urban growth area, subject to property owner request or a successful referendum.

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

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

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

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

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

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

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

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison begins on page 25. The nonmajor governmental funds and debt service fund comparisons begin on pages 109 - 116 and 117, respectively.

Factors Affecting Financial Condition

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

Local economy. The City's FY 2024 financial results reflect a mixture of factors including continued high national inflation rates and interest rates along with continued labor market tightening that required the second phase of significant employee pay and benefit adjustments. Despite these challenges, the overall local economy continues to reflect growth as evidenced by the 2% FY 2024 revenue growth presented in this report. The City's largest revenue source local option sales tax collections grew 3.3% compared to FY 2023 results. It should be noted that detailed local sales tax collection data from the State of Tennessee shows that the City continues to benefit significantly from the situs-based collection and distribution of local sales taxes for online retail purchases and out-of-state corporate services agreements. The City also saw revenue growth in lodging taxes.

Investment returns on the City's idle funds also saw significant increases due to rising interest rates. The June 2024 statistics indicate a 2.8 percent unemployment rate for Brentwood, down from 2.9 percent a year ago. This compares to the Williamson County rate of 2.7 percent, and the statewide rate of 3.0 percent.

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

The strength of the Brentwood economy is reflected in the growth in the tax base. The total valuation for new building related permits issued during the 2023 - 2024 fiscal year was \$335,935,653 with 707 permits being issued. In fiscal year 2024, Brentwood had a total assessed value of taxable property including public utilities of \$4,505,643,616, which ranks among the highest of any city in the State of Tennessee regardless of size and population.

The Brentwood area has one of the largest concentrations of suburban office space in the Nashville Metropolitan area with 6.5 million square feet of rentable office space. Over 20,000 people are employed in the office complexes in Brentwood. The latest market survey as of September 30, 2024, revealed an overall vacancy rate for office space of 10.4% in the Brentwood area submarket, compared to 15.7% for the Nashville office market overall and 21.1% for the Cool Springs/Franklin submarket. Note that this Brentwood vacancy rate includes office buildings in the portion of Nashville/Davidson County that is included in the Brentwood office market study area. In May 2023, the YMCA of Middle Tennessee closed its Maryland Farms facility which sits on approximately 17 acres in the middle of the Maryland Farms office park. Under YMCA ownership, the property was tax exempt. Highwoods purchased the property and a master plan for redevelopment of the property consisting of three, four-story office buildings and approximately 43,000 square feet of retail and restaurant space was approved by the Brentwood Planning

Commission in January 2023. The timing for the first phase of construction is dependent on leasing and market conditions. Recent conversations with Highwoods Nashville leadership team confirm that the company is still fully committed to redevelopment of the site.

Many companies locate their national/regional headquarters or offices in Brentwood. The diversity of employment opportunities in the community is significant with the City not dependent on a single, large employer. As employers, they represent diverse economic sectors that include health, retail, telecommunications, and financial services. Tractor Supply (retail), Comdata (financial services), CoreCivic (corrections), Brookdale Senior Living (senior residential management), GEODIS (logistics), naviHealth (healthcare), Quorum Health (hospital management), Lattimore, Black, Morgan & Cain, P.C. (financial services), Kirkland's (retail), VACO (employment services), Currax (pharmaceuticals), and Cryoport Systems (cold chain logistics) are examples of companies who have chosen to locate their national or regional offices in Brentwood.

The Cool Springs Galleria is located adjacent to the City's southern limits with Brentwood's city limits surrounding the mall on three sides. Since its opening in 1991, the mall has facilitated significant retail development in the Cool Springs area and is now the largest concentration of retail development in the State of Tennessee. This includes significant retail development inside the adjacent Brentwood area including Costco, Home Depot, and Best Buy, resulting in subsequent growth in local sales tax collections. Additional retail development has also occurred in the northern commercial area of the City to serve the office and resident population. The growth in local sales tax collections in the past ten years has allowed the City to maintain a balanced revenue/tax structure and not be heavily dependent on the property tax to fund municipal services. It has also allowed the City to maintain the same effective property tax rate for the past thirty-three (33) years through FY 2024.

The Brentwood/Williamson County community is firmly committed to providing a quality public education system second to none in the United States. Local students are routinely admitted to the highest ranked colleges and universities across the nation. Both Brentwood and Ravenwood High Schools are consistently ranked among the top schools in Tennessee and the nation. Williamson County provides first class facilities and strives to meet the growth in student enrollment by constructing new schools and expanding existing schools, as needed. In August 2018, the school district opened the new Jordan Elementary school in southeast Brentwood. A companion middle school on the same site has been approved and should start construction in the next two years. The first phase of a multi-year rebuild of Brentwood Middle School was completed in early calendar year 2024 and the second phase is under construction. An expansion at Ravenwood High School to increase capacity by 550 students was completed in early 2023.

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

Funding for the CIP program is generally balanced among local sources (pay-as-you-go), inter-governmental funding and the issuance of General Obligation and Water/Sewer Revenue Bonds. Highlights of the adopted FY 2025-29 CIP include:

- Construction of the new 52-acre Windy Hill Park
- Consideration of development of an indoor racquet facility for tennis and pickleball
- A cooperative effort with the City of Franklin to extend McEwen Drive from its current terminus at Wilson Pike through the Taramore Subdivision in Brentwood
- Road widening improvements to Ragsdale Road and Split Log Road in southeast Brentwood and Old Smyrna Road in northern Brentwood
- Improvements to existing stormwater infrastructure within older subdivisions
- Renovation of City Hall
- Continued schedule replacement of capital equipment and technology
- Continued rehabilitation of the Brentwood sewer system and construction of a second sewer system equalization basin to address wet weather inflow and infiltration issues
- Water system capacity improvements, including transmission line upgrades as well as necessary infrastructure replacement projects

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

- **Office Market Impacts.** Post-COVID corporate office utilization trends due to a continuation of work from home policies create the potential for vacancy rate uncertainties within the Maryland Farms office park. However, actual office vacancy rates are lower than the region as a whole and redevelopment plans are moving forward for a couple of significant properties including Highwoods' plans for the 17-acre former YMCA property. Also, the changing dynamics in the work force will challenge the City in terms of maintaining adequate employment levels in a community where very few city employees can afford to live in the community.
- **Local Revenue Growth Trends.** As noted above, the City's revenue growth remains steady. General Fund revenues exceeded amended budget estimates by \$1,427,677 while expenditures were under the revised appropriation by \$1,094,498 with SBITA expenditures factored into the final budget. Even after considering special year-end appropriations transfers from the General Fund to the Capital Projects Fund (\$13,070,000) for advance funding for various capital improvements in fiscal year 2024 and beyond, other component funds (\$1,500,000) for future facility maintenance and equipment purchases, the fund balance increased by \$7,880,769 from the previous fiscal year (from \$68,821,051 to \$76,701,820). As noted earlier, the ability to complete these significant year-end transfers for future investments in projects and equipment with little impact on the City's General Fund balance was possible due to continued conservative revenue estimates and a surging local economy and associated retail sales.

Looking ahead to fiscal year 2024 - 2025 and beyond, we anticipate continued revenue growth from key revenue sources such as property taxes, local sales taxes, lodging taxes and business taxes. With inflation easing and the prospects of interest rate cuts in 2025 more likely, the likelihood of a deep recession appears to be lessening. The closure of the tax-exempt Maryland Farms YMCA and the planned redevelopment of that 17-acre tract in the middle of the Maryland Farms office park presents positive financial opportunities in the coming years. From a short-term perspective, the staff is confident that the upcoming fiscal year 2025 - 2026 General Fund budget will be balanced without a property tax increase and done in a way that does not reduce essential services or affect the quality of life in Brentwood, assuming no radical revenue adjustments imposed by the state legislature during the 2025 legislative session, or no major new operating program initiatives instituted at the direction of the Board of Commissioners.

- ***Local Housing Market.*** Brentwood continues to be one of the most desirable communities in which to live in the Nashville/Middle Tennessee area. Continued interest rate increase over the past year did slow the overall housing market in the Middle Tennessee area. New home starts in fiscal year 2024 totaled 107 compared to 77 in fiscal year 2023. While the number of new home starts increased, prices also increased. Today, new home prices in Brentwood well exceed \$1,000,000, with many new homes in the \$2-\$5+ million range. The resale of existing homes returned to more of a balanced market compared to the post-COVID rush primarily due to interest rate pressure.
- ***Demands on Infrastructure.*** As Brentwood moves closer to build out of available land within the city limits, attention must be given to ensuring that our infrastructure is sufficient to serve the community at build out. Pre-COVID, traffic was the primary infrastructure concern for most residents. While traffic volumes have increased, overall peak traffic congestion remains below where it was pre-COVID, and the long-delayed widening of the southern section of Franklin Road by TDOT was finally completed in fall of 2022. Transportation improvements in the coming years will be focused on capacity and safety improvements in areas of town experiencing the most growth and those areas included in recent annexation efforts. Besides transportation, policies related to the long-term capacity of the water and sewer utility infrastructure are the other challenges facing the City in the next few years. An updated water and sewer rate study resulted in approved annual increases of 2.5% for both water and sewer over a four-year period beginning in FY 2023. These scheduled rate increases are intended to ensure the self-supporting utility system meets its adopted financial policies and maintains sufficient cash flow for both annual operating costs and long-term capital financing for system expansion and maintenance. The Board's decision to expedite development of a second sewer equalization tank as part of the Water Services Department's capital plan necessitated another sewer rate update during the current FY 2025 that will likely result in increased rate adjustment for sewer customers.
- ***Competitive Employee Pay and Benefit Programs.*** The strength of the Middle Tennessee economy provides benefits from a revenue perspective, but also creates pressures on the City's ability to maintain a competitive employee compensation and benefits program. Escalating wage rates in both the surrounding public and private sector job markets along

with the advent of rising inflation rates necessitates that the City continually assess its classification and compensation plan. In addition, the increasing workforce presence of the millennial generation presents unique challenges due to new and different employee expectations of the workplace, leave policies, benefit programs, etc. The City made significant pay and benefits adjustments during FY 2024, including completion of a comprehensive pay plan review and implementation of significant pay adjustments across all classes of employees. Additional market-based adjustments to the City's compensation plan were included in the FY 2025 adopted budget.

Relevant financial policies. The City's fund balance policy states that the City maintain a minimum unassigned general fund reserve in excess of forty percent (40%) of annual operating expenses. Such fund balance shall serve cash flow needs, protect against unforeseen emergencies, and enhance the credit worthiness of the City. The City exceeded this fiscal policy objective by ending FY 2024 with an unassigned fund balance for the general fund of \$58,188,981, or 91.8% of FY 2024 general fund expenditures, SBITAs, recurring transfers, including year-end transfers to the Capital Projects Fund. Excluding the year-end discretionary transfers to various funds, the FY 2024 year-end unassigned fund balance was 119.4% of FY 2024 general fund expenditures and recurring budgeted transfers.

In addition, the City strives to maintain an unallocated fund balance in the Debt Service Fund equal to one (1) year's General Obligation debt service requirement. The City exceeded this goal by ending FY 2024 with Debt Service Fund balance of \$4,339,250 or 149.4% of the FY 2025 budgeted debt service payments of \$2,909,336 from this fund. The long-range cash flow model for the Debt Service Fund reflects fund balance levels remaining at or above the one-year goal.

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

Major Initiatives for the Year - The significant projects, events, and accomplishments during the City's 2023 - 2024 fiscal year included the following:

- *Credit Quality* - The City of Brentwood's financial position remains exceptionally strong with an Aaa bond rating from Moody's Investors Services and a AAA rating from Standard and Poor's. Note that the ratings from both agencies were reaffirmed in January 2023. The City has maintained the highest possible bond rating since January 2000.
- *Capital Improvements Funded* - The City Commission responsibly addressed the infrastructure demands of the community through formulation, update, adoption, and implementation of the City's five-year capital improvements program for FY 2025 - 2029, including a realistic financing and debt management plan.
- *Stable Property Tax Rate* - The City of Brentwood property tax rate approved in June 2024 for the new fiscal year beginning July 1, 2024 - June 30, 2025, remains the same at \$.29 per \$100 of assessed value, which represents the same effective tax rate for the 34th year in a

row. Brentwood continues to have one of the lowest tax rates in the State of Tennessee for any full-service municipality, with the City property tax bill for the average home valued at \$1,000,000 being \$725.00 annually. Note that the City was a party to one active property tax abatement agreement for the Tractor Supply corporate headquarters facility. The abatement agreement limits the amount of the abated city property tax amount to \$37,500 annually or \$375,000 in aggregate over a ten-year period. The agreement expired at the end of FY 2024.

- *Proactive Focus* - The City Commission continued to focus staff efforts on identifying and addressing the long-term needs of the City through formal adoption of a non-routine work plan setting goals and objectives for all City departments for the 2024 - 2025 fiscal year. In addition, the Brentwood 2030 Plan, the City's long-term comprehensive plan, helps guide policy making and resource allocation decisions.
- *Productivity Improvement* - Brentwood is strongly committed to improving the productivity and responsiveness of City departments through the effective use of new technology and equipment in daily operations. This on-going focus has kept the overall growth in City staffing levels low while enabling the City to be responsive to expanding service demands (police, fire, parks, public works, library, inspections, etc.). The result is that the number of full-time employees per 1,000 residents for the adopted fiscal year 2024-2025 budget was 6.9 versus 8.5 in fiscal year 1990-1991 or 20% less.
- *New Commercial Development Activity* - Commercial development and redevelopment was limited during FY 2024. Construction of a new hotel in the Maryland Farms area is ongoing and smaller scale commercial redevelopment of property is beginning to occur in the southern Franklin Road corridor coinciding with road-widening improvements in this area. Vanderbilt Health made a significant announcement regarding its plans to enter a long-term lease for the 350,000 sq. ft. former AT&T facility in northern Brentwood with the intention to redevelop the facility over the next 10 years as an outpatient and medical office center. Finally, a master plan for redevelopment of the 17-acre Maryland Farms YMCA property has been approved with new construction dependent on office market demand.

Awards and Acknowledgements

Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brentwood for its annual comprehensive financial report for the year ended June 30, 2023. This was the thirty-eight (38th) consecutive year (fiscal years ended 1986 - 2023) that the government has achieved this award. The Certificate of Achievement is a prestigious national award that recognizes our conformance with the highest standards for preparation of a state and local government financial report.

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

A Certificate of Achievement is valid for a period of one year. We believe that our current ACFR

continues to meet the Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Distinguished Budget Presentation Award. The City has been recognized by the Government Finance Officers Association of the United States and Canada (GFOA) with the Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2023. This represents the thirty-second (32nd) consecutive year the City has met or exceeded the program's requirements. This award represents the highest recognition possible in governmental budgeting.

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

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

Also, the City acknowledges the staff of KraftCPAs PLLC for its valuable guidance and assistance. Credit also must be given to the Mayor and the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Brentwood's finances.



Kirk Bednar
City Manager



Karen Harper
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Brentwood
Tennessee**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

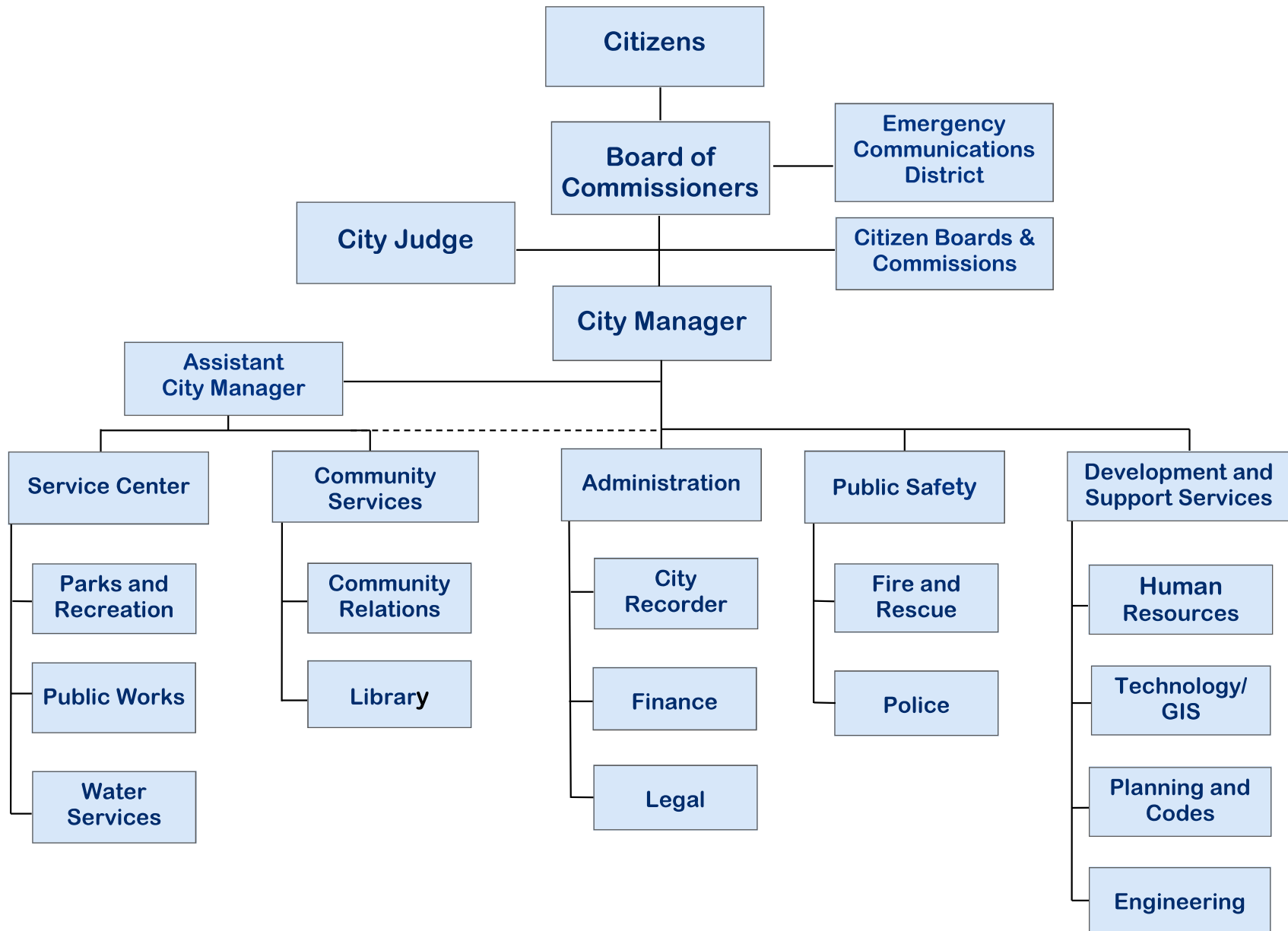
June 30, 2023

Christopher P. Morill

Executive Director/CEO

City of Brentwood

Organization Chart



**CITY OF BRENTWOOD
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2024**

Elected:

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

Appointed:

City Manager	Kirk Bednar
Assistant City Manager	Jay Evans
City Attorney	Kristen Corn
City Recorder	Holly Earls
Finance Director	Karen Harper
Assistant Finance Director/City Treasurer	Julie Wilson
Human Resource Director	April Curlin
Police Chief	Richard Hickey
Fire Chief	Brian Goss
Planning and Codes Director	Bob Leeman
Public Works Director	Todd Hoppenstedt
Engineering Director	Darek Baskin
Water and Sewer Director	Chris Milton
Library Director	Susan Earl
Community Relations Director	Charles Booth
Parks and Recreation Director	David Bunt
Technology Director	Sarah VanWormer
City Judge	Laurie Jewett/Nichole Dusche



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Commissioners
City of Brentwood, Tennessee

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of the City of Brentwood, Tennessee (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024 and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

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

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-18 and the schedules of changes in net pension and OPEB liability (asset) and related ratios and employer contributions and investment returns on pages 99-111 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules on pages 112-124, other schedules on pages 125-129 as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State of Tennessee Audit Manual* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules on pages 112-124 and other schedules on pages 125 and 129 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

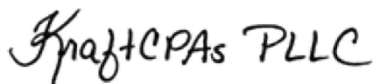
OTHER INFORMATION

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, other schedules on pages 130-132, and statistical section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



Nashville, Tennessee
January 29, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CITY OF BRENTWOOD, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

As management of the City of Brentwood, Tennessee (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. The analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City.

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

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$547,560,319 (net position). Of this amount, \$172,218,250 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$27,624,445 compared to prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$135,519,793 an increase of \$25,020,545 in comparison with the prior year. Approximately 42.9% of this total amount, \$58,188,981 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$58,188,981 or 91.8% of fiscal year 2024 final general fund expenditures including annual transfers as well discretionary year-end transfers. This demonstrates the City's fiscal discipline and places the City in a strong financial position to meet unexpected emergencies, uncertainties at the State level or a slowdown in the economy.
- The City's total long-term debt principal (including subscription-based information technology arrangements) decreased by \$3,942,865 during the current fiscal year. This decrease was due to the scheduled payment of debt service principal payments with no new bond issuance.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Budget to Actual Comparisons - General Fund

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. Budget to actual comparisons for the General Fund can be found on pages 25-32 of this report.

Proprietary Funds

There are two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for activities in its water and sewer fund, municipal center fund, and the Emergency Communications District fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, Municipal Center Fund, and the Emergency Communications District fund. Conversely, both internal service funds are combined into a single aggregated presentation in the proprietary fund statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 33-36 of this report.

Internal Service Funds

Internal service funds are an accounting device used to accumulate and allocate costs internally among a City's various functions. The City uses internal service funds to account for its fuel purchases and health insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 37-38 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-98 of this report.

Other Information

Included in Required Supplementary Information, the City's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees is presented, which can be found on pages 99-111 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, as well as budgetary information for the debt service fund, are presented immediately following the required supplementary information on pensions and other postemployment benefits. Combining and individual fund statements can be found on pages 112-124 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$547,560,319 as of June 30, 2024.

Net Position - Primary Government June 30, 2024 and 2023 (amounts expressed in thousands)

	Governmental Activities		Business Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 169,951	\$ 149,671	\$ 42,602	\$ 44,515	\$ 212,553	\$ 194,186
Capital and intangible assets	330,450	327,612	80,452	82,071	410,902	409,683
Total assets	500,401	477,283	123,054	126,586	623,455	603,869
Deferred outflows of resources	11,256	10,902	1,366	1,589	12,622	12,491
Long-term liabilities	34,871	36,699	17,855	19,654	52,726	56,353
Other liabilities	12,662	16,282	3,492	3,143	16,154	19,425
Total liabilities	47,533	52,981	21,347	22,797	68,880	75,778
Deferred inflows of resources	19,429	19,679	207	967	19,636	20,646
Net position						
Net investment in capital assets	299,612	294,527	63,865	63,164	363,477	357,691
Restricted	11,127	42,603	739	808	11,866	43,411
Unrestricted	133,956	78,395	38,262	40,439	172,218	118,834
Total net position	\$ 444,695	\$ 415,525	\$ 102,866	\$ 104,411	\$ 547,561	\$ 519,936

By far the largest portion of the City's net position (66.4%) reflects its investment in capital and intangible assets (e.g., land, infrastructure, buildings, improvements other than buildings, machinery, equipment, and vehicles), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position represents resources that are subject to restrictions as to how they may be used. These include net position restricted for pensions and OPEB (\$4,475,084), roads and streets (\$3,180,493), capital projects (\$3,684,580), drug enforcement and education (\$519,147) and citation equipment (\$6,210).

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

Governmental Activities

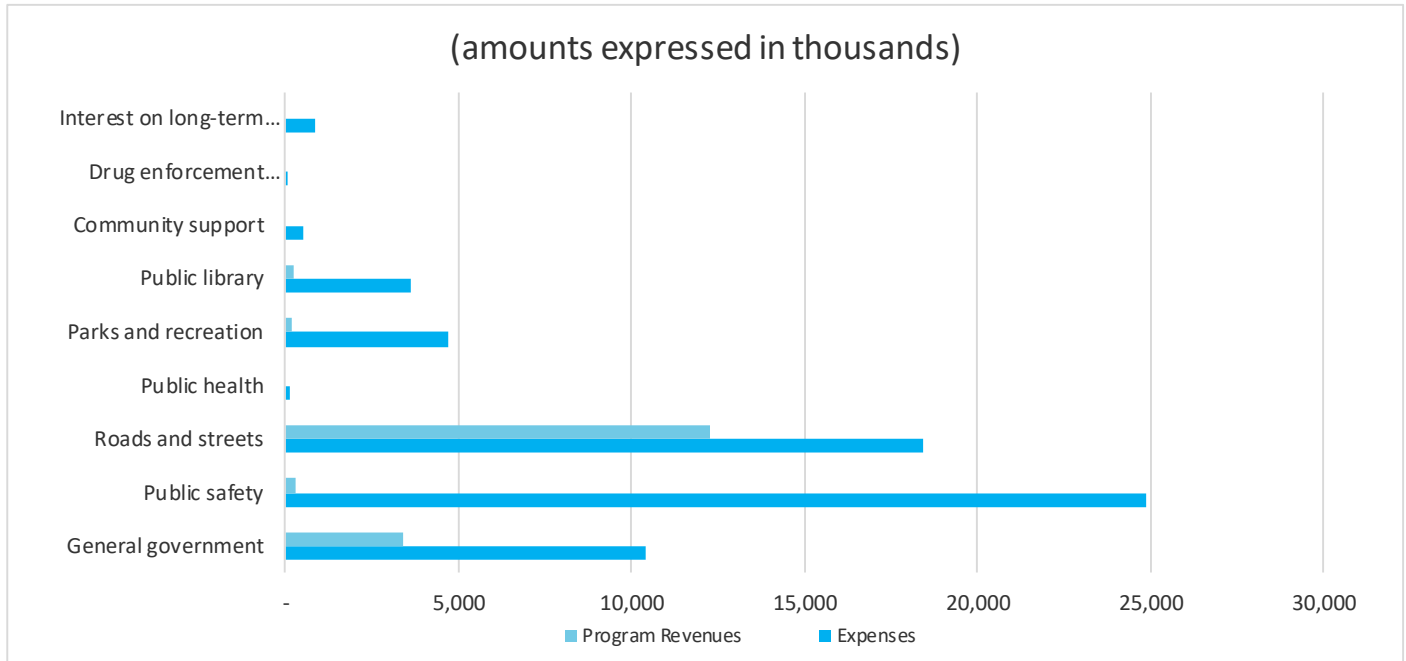
Governmental activities increase in net position from FY 2023 to FY 2024 is \$29,170,179. The primary factors underlying this increase is positive revenue results in the General Fund due to economic conditions and conservative budgeting as well as an increase in net investment in capital assets.

The City's Changes in Net Position
For the years ended June 30, 2024 and 2023
(amounts expressed in thousands)

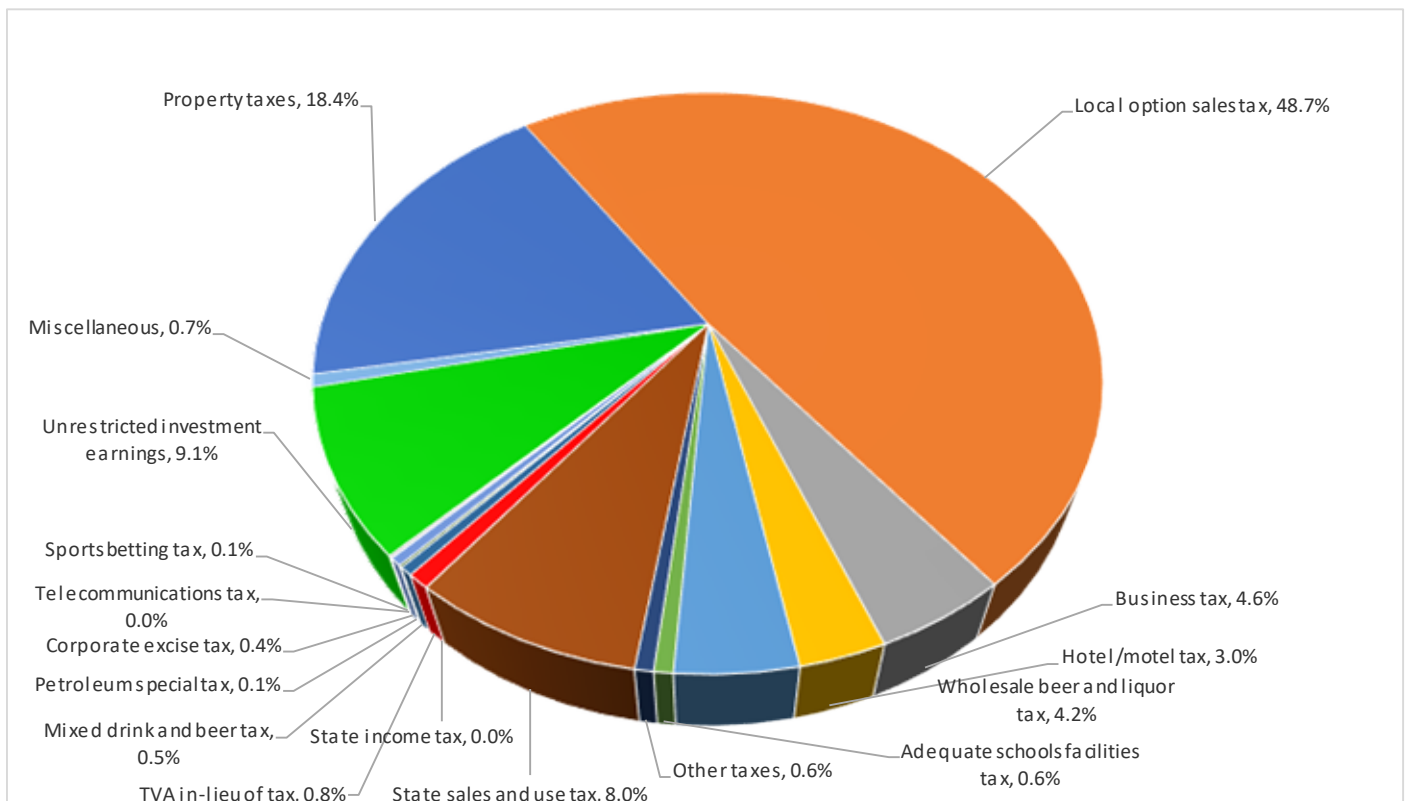
	Governmental Activities		Business Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
Revenues						
Charges for services	\$ 3,487	\$ 2,778	\$ 22,679	\$ 23,009	\$ 26,166	\$ 25,787
Operating grants and contributions	2,480	2,010	1,428	1,409	3,908	3,419
Capital grants and contributions	10,444	379	2,708	3,084	13,152	3,463
General revenues						
Property taxes	12,841	13,115	-	-	12,841	13,115
Local option sales tax	33,882	32,796	-	-	33,882	32,796
Business tax	3,233	3,539	-	-	3,233	3,539
Hotel/motel tax	2,070	1,997	-	-	2,070	1,997
Wholesale beer and liquor tax	2,906	3,053	-	-	2,906	3,053
Adequate schools facilities tax	451	370	-	-	451	370
Other taxes	441	476	-	-	441	476
State sales and use tax	5,572	5,398	-	-	5,572	5,398
State income tax	7	74	-	-	7	74
TVA in-lieu of tax	556	546	-	-	556	546
Mixed drink and beer tax	327	370	-	-	327	370
Petroleum special tax	83	83	-	-	83	83
Corporate excise tax	305	320	-	-	305	320
Telecommunications tax	17	17	-	-	17	17
Sportsbetting tax	86	81	-	-	86	81
Unrestricted investment earnings	6,337	3,990	1,708	1,449	8,045	5,439
Miscellaneous	485	704	62	189	547	893
Total revenues	<u>86,010</u>	<u>72,096</u>	<u>28,585</u>	<u>29,140</u>	<u>114,595</u>	<u>101,236</u>
Expenses						
General government	10,435	9,546	-	-	10,435	9,546
Public safety	24,894	22,282	-	-	24,894	22,282
Roads and streets	18,431	18,594	-	-	18,431	18,594
Public health	118	113	-	-	118	113
Parks and recreation	4,732	4,465	-	-	4,732	4,465
Public library	3,652	3,643	-	-	3,652	3,643
Community support	544	548	-	-	544	548
Drug enforcement and education	16	16	-	-	16	16
Interest on long-term debt	883	936	-	-	883	936
Water and sewer	-	-	20,710	20,075	20,710	20,075
Rental facilities	-	-	1,049	827	1,049	827
Emergency communications	-	-	1,506	1,569	1,506	1,569
Total expenses	<u>63,705</u>	<u>60,143</u>	<u>23,265</u>	<u>22,471</u>	<u>86,970</u>	<u>82,614</u>
Increase in net position before transfer	22,305	11,953	5,320	6,669	27,625	18,622
Transfers	<u>6,865</u>	<u>(2,511)</u>	<u>(6,865)</u>	<u>2,511</u>	<u>-</u>	<u>-</u>
Increase in net position	29,170	9,442	(1,545)	9,180	27,625	18,622
Net position - beginning	<u>415,525</u>	<u>406,083</u>	<u>104,411</u>	<u>95,231</u>	<u>519,936</u>	<u>501,314</u>
Net position - ending	<u>\$ 444,695</u>	<u>\$ 415,525</u>	<u>\$ 102,866</u>	<u>\$ 104,411</u>	<u>\$ 547,561</u>	<u>\$ 519,936</u>

Expenses and Program Revenues - Governmental Activities

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



General Revenue by Source - Governmental Activities

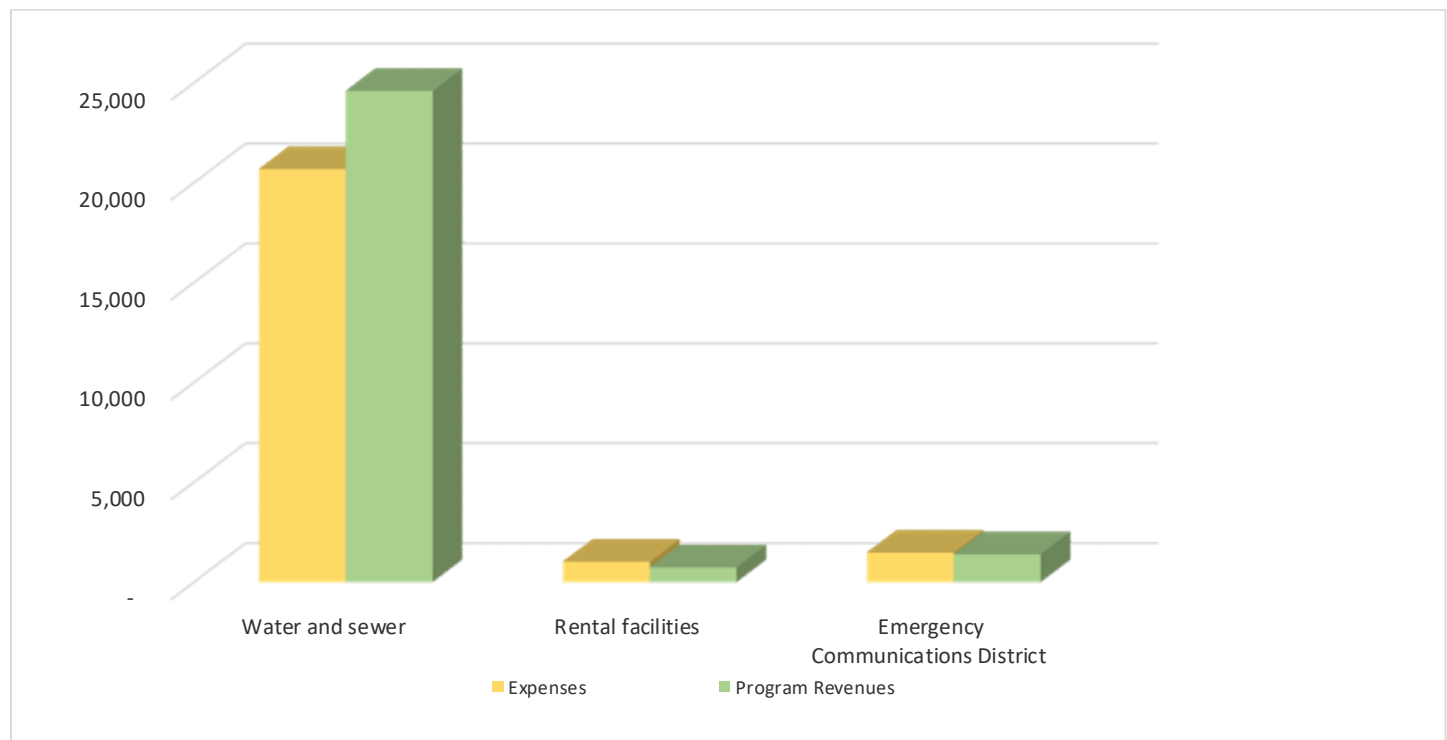


Business-type Activities

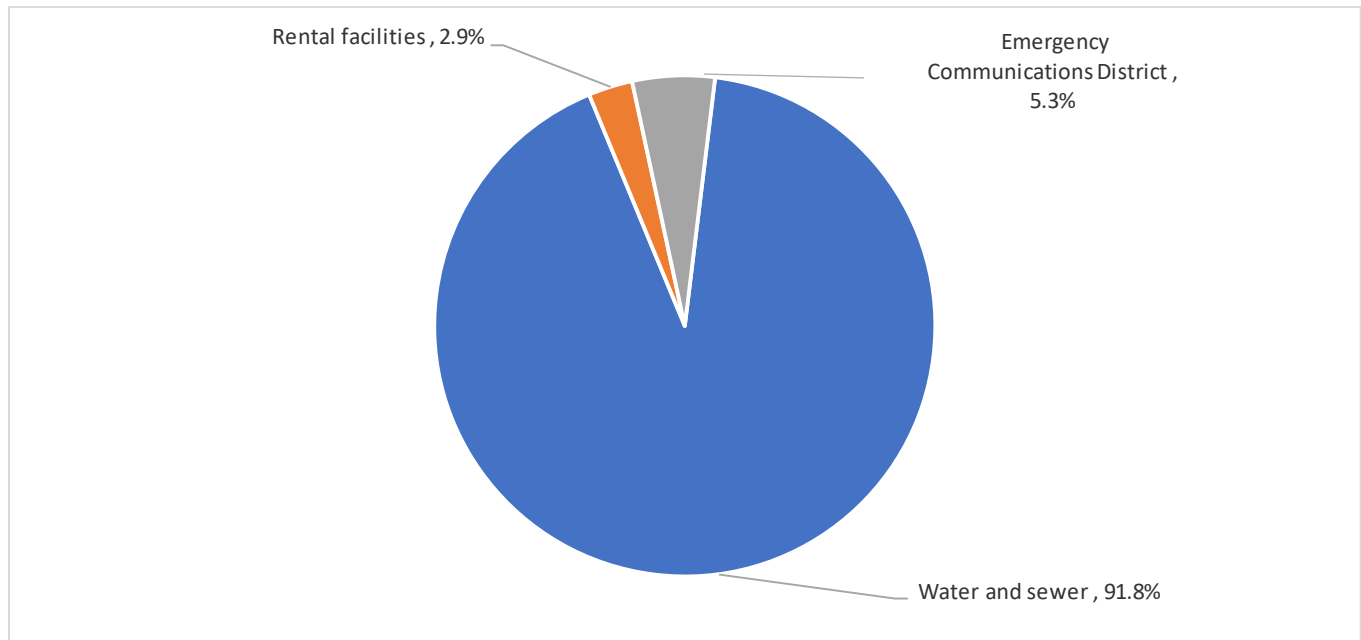
Business-type activities decreased the City's net position by \$ 1,545,734. The closing of the Municipal Center Fund resulted in a net change in position of (\$7,436,701). Excluding this one-time occurrence, business-type activities increased the City's net position by \$5,890,967, accounting for 21.3% of the total growth in the government's net position. Key elements of this increase are as follows:

- The City's water and sewer fund accounts for 88.3% of the increase in business-type net position, with a change in net position of \$ 5,198,870 for the year. This reflects a decrease of \$1,435,271 in year over year net position change compared to the prior year increase. Factors affecting this amount include:
 - An operating income decrease from \$2,790,325 to \$1,725,906 primarily driven by a \$317,314 decrease in operating revenues and a \$747,915 increase in operating expenses. The \$700,730 decrease in water sales was partially offset by a \$358,239 increase in sewer service charges. The increase in operating expenses is primarily due to an increase in sewage treatment charges (\$339,949) and an increase in depreciation/amortization expense (\$405,391).
- The City's municipal center fund activities were transferred to the General Fund during the fiscal year. Due to the growth of the City resulting in less building space to rent to external parties, the Municipal Center Fund now primarily serves governmental activities. All remaining assets/liabilities were transferred to the General Fund, resulting in a decrease in net position of \$7,436,701.
- The Emergency Communications District (ECD) had a positive change in net position, including transfers, of \$690,048. This is \$348,016 more than the previous year's change in net position, driven primarily by a slight increase in operating revenues, investment earnings and transfers in, coupled with a \$65,543 decrease in operating expenses.
- The allocation of the internal service fund net position to the business-type activities resulted in a small increase of \$2,049 in net position at an entity-wide level.

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



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

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

	2024	2023
Total assets	\$ 162,658,178	\$ 141,290,426
Total liabilities	\$ 12,368,646	\$ 16,073,501
Total deferred inflows of resources	14,769,739	14,717,677
Fund balances		
Nonspendable	838,891	394,302
Restricted	7,629,944	37,943,586
Committed	68,861,977	16,626,554
Unassigned	58,188,981	55,534,806
Total fund balances	135,519,793	110,499,248
Total liabilities, deferred inflows of resources, and fund balances	\$ 162,658,178	\$ 141,290,426

Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balances of \$ 135,519,793 an increase of \$ 25,020,545 in comparison with the prior year amount. Approximately 42.9% of this total amount (\$58,188,981) constitutes unassigned fund balance, which is available for spending at the government's discretion. Per the City's Fund Balance Policy and pursuant to GASB Statement No. 54, the remainder of fund balance is classified as non-spendable (\$838,891), restricted for a specific purpose per enabling legislation (pensions – \$239,514, street repairs - \$3,180,493, drug enforcement and education - \$519,147, citation equipment - \$6,210, and capital projects - \$3,684,580) and committed for a specific purpose per action by the Board of Commissioners (debt service - \$4,339,250, equipment replacement - \$12,513,660, facilities maintenance - \$4,351,611, capital projects - \$46,966,278, and postemployment benefits - \$691,178).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$58,188,981. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 91.8% of total fiscal year 2024 general fund expenditures (including budgeted transfers and year-end discretionary transfers).

Changes in Fund Balances of Governmental Funds
For the years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues		
Taxes	\$ 55,339,910	\$ 54,838,748
Licenses and permits	2,281,956	1,653,222
Fines, forfeitures and penalties	162,021	126,369
Charges for services	1,089,041	809,135
Intergovernmental	10,761,456	9,406,445
Investment earnings	6,336,590	4,664,725
Miscellaneous	945,248	797,197
Total revenues	<u>76,916,222</u>	<u>72,295,841</u>
Expenditures		
Current		
General government	9,263,071	8,865,576
Public safety	21,747,950	20,680,109
Roads and streets	8,172,597	11,085,000
Public health	118,230	113,314
Parks and recreation	2,986,558	3,015,500
Public library	3,213,810	3,244,915
Community support	457,291	547,439
Drug enforcement and education	15,879	16,236
Capital outlay	8,465,740	10,362,181
Debt service	3,653,042	2,953,179
Total expenditures	<u>58,094,168</u>	<u>60,883,449</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,822,054</u>	<u>11,412,392</u>
Other financing sources (uses)		
Transfers in/(out), net	5,533,646	(2,511,230)
Financing of SBITAs	486,974	1,592,869
Sales of capital assets and insurance recoveries	177,871	-
Issuance of debt	-	7,770,000
Bond premium/(discount), net	-	419,742
Total other financing sources (uses)	<u>6,198,491</u>	<u>7,271,381</u>
Net change in fund balances	25,020,545	18,683,773
Fund balances, beginning of year	<u>110,499,248</u>	<u>91,815,475</u>
Fund balances, end of year	<u>\$ 135,519,793</u>	<u>\$ 110,499,248</u>

The fund balance of the City's general fund (including committed activity budgeted separately) increased by \$7,880,769 during the current fiscal year due to strong revenue growth and conservative budgeting practices.

The debt service fund has a total fund balance of \$4,339,250. The net increase in fund balance during the current year in the debt service fund was \$604,639 due to investment earnings and the programmed annual transfer from the General Fund being more than scheduled debt service payments for the year. Please see note 7 for additional information on the City's long-term liabilities.

The capital projects fund has a total fund balance of \$47,088,293, all of which is nonspendable or committed for the funding of major capital improvements of the City. The current year net increase of \$15,923,608 includes transfers of \$13,070,000, from the general fund, \$4,500,000 from the close out of the Municipal Center Fund, and \$1,000,000 from the Adequate Facilities Tax Fund to fund certain capital projects in future fiscal years. Given the multi-year duration of significant capital projects, year-to-year fluctuations in fund balance are to be expected. Additional details of major capital expenditures are addressed on page 16 of this narrative overview.

Proprietary Funds

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

Unrestricted net position of the water and sewer fund at the end of the year amounted to \$34,375,434, and for the Emergency Communications District fund, \$3,254,074. The total changes in net position for the funds were \$5,198,870 (increase) for water and sewer, \$7,436,701 (decrease) for municipal center fund, and \$690,048 (increase) for Emergency Communications District fund. Other factors concerning the finances of these funds have previously been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and final amended budget (\$15,057,905 increase in revenues) can be summarized as follows:

Revenues

Increases were made to the following accounts for higher than budgeted collections due to very conservative initial revenue budgeting, the overall strength of the general economy in the Middle TN region, and increased interest earning on idle funds:

Taxes	
Local sales tax	\$ 10,050,000
Hotel/motel tax	400,000
Wholesale beer tax	50,000
Wholesale liquor tax	430,000
Business tax	839,185
Licenses and permits	235,000
Intergovernmental	
State sales and use tax	750,000
TVA in-lieu of tax	75,000
Corporate excise tax	140,000
Investment earnings	1,970,000
Other	118,720
Total change in budgeted revenues	<u>\$ 15,057,905</u>

The current year appropriation increases of \$15,057,905, including transfers can be summarized as follows:

Appropriations

1. A special FY 2024 year-end appropriation transfer of \$13,070,000 from the General Fund to the Capital Projects Fund to pay for certain proposed FY 2025 and beyond capital projects and equipment.
2. A special FY 2024 year-end transfer of \$1,000,000 from the General Fund to the Equipment Replacement Fund for the FY 2025 purchases of equipment.
3. A special FY 2024 year-end transfer of \$500,000 from the General Fund to the Facilities Maintenance Fund for FY 2025 to facilities for future projects as needed.
4. Appropriation increases to various General Fund budget activities for specific cost overruns as follows:
 - An appropriation increase in the City Manager activity of \$10,260 to cover the full six-month cost for University of Tennessee MTAS Fellow.
 - An appropriation increase in the Technology activity of \$28,000 to cover the cost of professional services rendered for cybersecurity assessment.
 - An appropriation increase in the Insurance and Other Benefits activity of \$50,175 to cover an additional amount due for deferred compensation match obligations, 401K Employer Match, unemployment compensation, and increased insurance cost for long term disability, building, and liability coverage.
 - An appropriation increase in the Police Department Headquarters activity of \$25,000 for higher than anticipated costs for R/M Buildings.
 - An appropriation increase in the Fire and Rescue activity of \$133,250 for higher-than-expected pay for callouts, overtime costs and associated personnel services related costs in FY 2024.
 - An appropriation increase in the Fire and Rescue activity of \$94,980 for accrued terminal leave for three employees who retired during FY 2024 with more than 20 years of service each.
 - An appropriation increase in the Fire and Rescue activity of \$49,000 for increased cost for personal protective equipment that was originally budgeted and ordered in FY 2023 but did not get delivered until FY 2024.
 - An appropriation increase in the Fire and Rescue activity of \$43,500 for increased cost for R/M of machinery and equipment.
 - An appropriation increase in the Safety Center East activity of \$30,000 to cover the unanticipated cost of fuel tank and generator repairs.
 - An appropriation increase in the Library activity of \$23,740 for accrued terminal leave payment for one retired employee.

The general fund unassigned fund balance at June 30, 2024, is \$58,188,981, which exceeds the stated budget policy objective of maintaining a minimum of 40% reserves (based on the amount of the annual budget appropriation) for future needs and emergencies.

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

1. State and local sales and use tax was \$624,908 more than budgeted projections due to continued growth in retail sales both locally and statewide as well as the impact of inflation.
2. Hotel/motel tax collections were \$24,094 more than budgeted due to the continued rebound of business and leisure travel.
3. Business tax collections were \$93,898 more than budgeted due to continued improvement of the Middle TN economy and the conservative nature of amended estimates given the majority of this revenue is realized very late in the fiscal year.
4. Licenses and permits were \$120,065 more than budgeted due to increase in mechanical, building and ROW excavation permits.
5. Charges for services were \$158,541 more than budgeted due to higher-than-expected business tax clerks fees and parks reservation and event fees.
6. Investment earnings were \$335,336 more than budgeted due to higher-than-expected interest rates.

Capital Assets and Debt Administration

Capital Assets

The City's capital and intangible assets for its governmental and business type activities as of June 30, 2024, amounts to \$410,901,773 (net of accumulated depreciation/amortization). This investment in capital and intangible assets includes land, buildings and structures, improvements to buildings, utility plant in service, machinery, equipment and vehicles, park facilities, infrastructure (roads and bridges) and intangible right-to-use subscription assets. Major capital asset events during the current fiscal year included the following:

- Nineteen new vehicles for various departments - Fire and Rescue (4), Police (9), Public Works (4), and Engineering (2)
- Boom Mower, trunk and trunk pincher - Public Works
- Skidsteer Loader – Public Works
- Groundmaster mower and Scag Blower – Parks
- Kubota RTVs – Parks and Public Works
- Various equipment for Fire and Rescue (Self-contained breathing apparatus, drone, Amkus Combitoool, ITR 500 Ram Tool, Atlas ALS simulation manikin, and No smoke diesel exhaust removal system)
- Traffic Signal upgrades including video traffic detection cameras and cabinets - Public Works
- Improvements to Smith Park (mountain bike trail), River Park (fence), Crocket Park (fence)
- Various facility improvements to City buildings
- Servers – Technology
- Cellular boosting system - Library and PD Headquarters
- Acceptance of new streets at a value of \$8,936,762
- Various system additions and improvements were completed in the Water and Sewer Fund at a cost of \$765,657. Additions to construction in progress costs were \$3,095,235
- Acquisition of intangible subscription assets at a cost of \$602,191

Capital and Intangible Assets (net of depreciation and amortization)
June 30, 2024 and 2023
(amounts expressed in thousands)

	Governmental Activities		Business Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
Intangible (right-to-use) SBITAs	\$ 1,378	\$ 1,483	\$ 171	\$ 96	\$ 1,549	\$ 1,579
Land	\$ 150,057	\$ 147,079	\$ 2,226	\$ 2,476	\$ 152,283	\$ 149,555
Buildings and improvements	44,947	45,345	208	1,047	45,155	46,392
Utility plant in service	-	-	69,426	72,682	69,426	72,682
Improvements other than buildings	7,897	8,195	-	499	7,897	8,694
Machinery and equipment	11,164	12,025	2,628	2,574	13,792	14,599
Infrastructure	105,906	109,541	-	-	105,906	109,541
Construction in progress	9,101	3,944	5,793	2,697	14,894	6,641
Net capital assets	<u>\$ 329,072</u>	<u>\$ 326,129</u>	<u>\$ 80,281</u>	<u>\$ 81,975</u>	<u>\$ 409,353</u>	<u>\$ 408,104</u>

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

Long-term Bonded Debt

At the end of the current fiscal year, the City had total long-term bonded debt outstanding of \$45,490,000. All the City's debt is secured by a general obligation pledge. Debt of business-type activities (water and sewer fund) comprises bonds payable primarily from the net revenues to be derived from the operation of the water and/or sewer systems. In the event of a deficiency in such net revenues, the bonds are payable from unlimited ad valorem taxes on all taxable property within the corporate limits of the City. For prompt payment of principal and interest on the bonds the full faith and credit of the City are irrevocably pledged. All debt is through the issuance of bonds and/or notes for periods not exceeding 20 years at fixed interest rates.

Outstanding Debt
June 30, 2024 and 2023
(amounts expressed in thousands)

	Governmental Activities		Business Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
General obligation bonds and notes payable	\$ 28,995	\$ 30,880	\$ 16,495	\$ 18,305	\$ 45,490	\$ 49,185
Unamortized (discount) premium	1,185	1,296	739	839	1,924	2,135
Subscription liability	871	1,190	163	92	1,034	1,282
Total	<u>\$ 31,051</u>	<u>\$ 33,366</u>	<u>\$ 17,397</u>	<u>\$ 19,236</u>	<u>\$ 48,448</u>	<u>\$ 52,602</u>

The City's total long-term debt principal decreased by \$3,695,000 during the current fiscal year. This decrease was due to scheduled bonded debt service principal payments.

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

State statutes set no limit for the amount of general obligation debt a governmental entity may issue. The total long-term bonded debt outstanding for the City of \$48,448,413 translates to approximately \$1,068 per capita using the 2020 Census Certified Population of 45,373.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City in June 2024 was 2.8%, compared to 2.9% a year ago. This compares to the county's rate of 2.7%, the state's average unemployment rate of 3.0% and the national average rate of 4.1%.
- The office space vacancy rate of the Brentwood submarket, which includes a portion of Davidson County was 10.8% as of June 2024 and 10.4% as of September 30, 2024.

Each of these factors were considered in preparing the City's budget for the 2024 fiscal year.

During the current fiscal year, the total unassigned fund balance in the general fund increased to \$58,189,981. The City has not appropriated any of this amount for spending in the 2025 fiscal year budget but may consider doing so at the end of FY 2025 to fund future capital projects subject to continued strong revenue performance.

Requests for Information

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

City of Brentwood
Attn: Finance Director
PO Box 788
Brentwood, Tennessee 37024-0788
E-mail: finance.director@brentwoodtn.gov
www.brentwoodtn.gov

BASIC FINANCIAL STATEMENTS

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF NET POSITION

JUNE 30, 2024

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 142,102,288	\$ 34,779,100	\$ 176,881,388
Property taxes receivable	13,293,784	-	13,293,784
Sales and use taxes receivable	6,449,930	-	6,449,930
Intergovernmental receivable	1,326,883	1,987,588	3,314,471
Accounts receivable	1,031,754	3,873,303	4,905,057
Leases receivable	1,304,247	-	1,304,247
Internal balances	(532,513)	532,513	-
Inventories	62,484	106,013	168,497
Prepaid items	838,891	28,396	867,287
Restricted cash and cash equivalents	575,823	560,418	1,136,241
Net OPEB asset	704,331	103,259	807,590
Net pension assets	2,792,605	631,097	3,423,702
Capital assets not being depreciated	159,157,508	8,019,168	167,176,676
Capital assets, net	169,914,739	72,261,384	242,176,123
Subscription-based information technology agreements, net	1,377,954	171,020	1,548,974
TOTAL ASSETS	500,400,708	123,053,259	623,453,967
DEFERRED OUTFLOWS OF RESOURCES	11,256,527	1,366,026	12,622,553
LIABILITIES			
Accounts payable	3,517,489	3,230,324	6,747,813
Claims payable	119,507	-	119,507
Accrued liabilities	956,392	114,069	1,070,461
Accrued interest payable	299,578	147,698	447,276
Other payables	1,700,115	-	1,700,115
Unearned revenues	6,070,315	-	6,070,315
Noncurrent liabilities			
Due within one year	4,081,156	2,161,874	6,243,030
Due in more than one year	30,786,321	15,690,994	46,477,315
Net pension liability	3,252	1,858	5,110
TOTAL LIABILITIES	47,534,125	21,346,817	68,880,942
DEFERRED INFLOWS OF RESOURCES	19,428,674	206,585	19,635,259
NET POSITION			
Net investment in capital and intangible assets	299,611,763	63,864,792	363,476,555
Restricted for			
Pensions and OPEB	3,736,450	738,634	4,475,084
Roads and streets	3,180,493	-	3,180,493
Capital projects	3,684,580	-	3,684,580
Drug enforcement and education	519,147	-	519,147
Citation equipment	6,210	-	6,210
Unrestricted	133,955,793	38,262,457	172,218,250
TOTAL NET POSITION	\$ 444,694,436	\$ 102,865,883	\$ 547,560,319

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION			
		CHARGES FOR SERVICES	OPERATING	CAPITAL	PRIMARY GOVERNMENT			
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Primary Government:								
Governmental Activities:								
General government	\$ 10,435,357	\$ 1,911,456	\$ -	\$ 1,499,077	\$ (7,024,824)	\$ -	\$ (7,024,824)	
Public safety	24,893,522	-	289,002	-	(24,604,520)	-	(24,604,520)	
Roads and streets	18,430,788	1,256,307	2,098,297	8,945,164	(6,131,020)	-	(6,131,020)	
Public health	118,230	-	-	-	(118,230)	-	(118,230)	
Parks and recreation	4,732,204	180,975	-	-	(4,551,229)	-	(4,551,229)	
Public library	3,651,219	137,793	92,450	-	(3,420,976)	-	(3,420,976)	
Community support	544,385	-	-	-	(544,385)	-	(544,385)	
Drug education	15,879	-	-	-	(15,879)	-	(15,879)	
Interest on long-term debt and other debt service expense	882,827	-	-	-	(882,827)	-	(882,827)	
Total governmental activities	63,704,411	3,486,531	2,479,749	10,444,241	(47,293,890)	-	(47,293,890)	
Business-type activities								
Water and sewer	20,709,816	21,912,112	-	2,708,086	-	3,910,382	3,910,382	
Rental facilities	1,050,071	767,158	-	-	-	(282,913)	(282,913)	
Emergency Communications District	1,505,851	-	1,428,333	-	-	(77,518)	(77,518)	
Total business-type activities	23,265,738	22,679,270	1,428,333	2,708,086	-	3,549,951	3,549,951	
Total primary government	\$ 86,970,149	\$ 26,165,801	\$ 3,908,082	\$ 13,152,327	(47,293,890)	3,549,951	(43,743,939)	
General Revenues:								
Taxes:								
Property taxes					12,841,345	-	12,841,345	
Local option sales tax					33,882,482	-	33,882,482	
Business tax					3,233,083	-	3,233,083	
Hotel/motel tax					2,069,634	-	2,069,634	
Wholesale beer and liquor taxes					2,906,270	-	2,906,270	
Adequate schools facilities taxes					450,784	-	450,784	
Other taxes					440,538	-	440,538	
Unrestricted intergovernmental taxes:								
State sales and use tax					5,572,426	-	5,572,426	
State income tax					6,970	-	6,970	
TVA in-lieu tax					556,050	-	556,050	
Mixed drink and beer tax					327,016	-	327,016	
Petroleum special tax					83,048	-	83,048	
Corporate excise tax					304,929	-	304,929	
Telecommunications tax					17,015	-	17,015	
Sportsbetting tax					86,240	-	86,240	
Investment earnings					6,336,589	1,707,612	8,044,201	
Gain on disposals of assets					96,266	59,578	155,844	
Miscellaneous revenues					388,460	2,049	390,509	
Transfers					6,864,924	(6,864,924)	-	
Total general revenues and transfers					76,464,069	(5,095,685)	71,368,384	
Change in net position					29,170,179	(1,545,734)	27,624,445	
Net position - beginning of year					415,524,257	104,411,617	519,935,874	
Net position - end of year					\$ 444,694,436	\$ 102,865,883	\$ 547,560,319	

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2024

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 72,153,665	\$ 4,320,153	\$ 54,381,602	\$ 7,014,598	\$ 137,870,018
Property taxes receivable	13,293,784	-	-	-	13,293,784
Sales and use taxes receivable	6,124,459	-	-	-	6,124,459
Intergovernmental receivable	1,189,003	-	137,880	325,471	1,652,354
Accounts receivable	595,513	19,097	202,662	29,760	847,032
Leases receivable	1,304,247	-	-	-	1,304,247
Due from other funds	87,024	-	-	64,546	151,570
Prepaid items and deposits	716,876	-	122,015	-	838,891
Restricted assets:					
Cash and cash equivalents	326,661	-	-	249,162	575,823
TOTAL ASSETS	\$ 95,791,232	\$ 4,339,250	\$ 54,844,159	\$ 7,683,537	\$ 162,658,178
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,259,250	\$ -	\$ 1,927,011	221,051	\$ 3,407,312
Accrued liabilities	953,359	-	-	-	953,359
Due to other funds	406,949	-	-	72,056	479,005
Unearned revenues	-	-	5,828,855	-	5,828,855
Other payables	1,700,115	-	-	-	1,700,115
TOTAL LIABILITIES	4,319,673	-	7,755,866	293,107	12,368,646
DEFERRED INFLOWS OF RESOURCES	14,769,739	-	-	-	14,769,739
FUND BALANCES					
Nonspendable	716,876	-	122,015	-	838,891
Restricted for					
Pensions	239,514	-	-	-	239,514
Capital projects	-	-	-	3,684,580	3,684,580
Roads and streets	-	-	-	3,180,493	3,180,493
Drug enforcement and education	-	-	-	519,147	519,147
Citation equipment	-	-	-	6,210	6,210
Committed to					
Debt service	-	4,339,250	-	-	4,339,250
Capital projects	-	-	46,966,278	-	46,966,278
Equipment replacement	12,513,660	-	-	-	12,513,660
Facilities maintenance	4,351,611	-	-	-	4,351,611
Funding postemployment benefits	691,178	-	-	-	691,178
Unassigned	58,188,981	-	-	-	58,188,981
TOTAL FUND BALANCES	76,701,820	4,339,250	47,088,293	7,390,430	135,519,793
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 95,791,232	\$ 4,339,250	\$ 54,844,159	\$ 7,683,537	\$ 162,658,178

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO
GOVERNMENT-WIDE STATEMENT OF NET POSITION

JUNE 30, 2024

Amounts reported for fund balances - Governmental Funds

Amounts reported for governmental activities in the statement of net position are different because:	\$ 135,519,793
Capital and intangible assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.	330,450,201
Deferred inflows related to property taxes in fund statements are recognized as revenues in the governmental activities statement of net position.	170,863
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded in the governmental funds.	
Bonds payable	(28,995,000)
Less: deferred charges on refunding bonds	212,878
Add: bond premiums	(1,185,105)
SBITA liabilities	(871,211)
Compensated absences payable	(3,816,161)
The internal service funds are used by management to charge the cost of fuel supplies and health insurance premiums to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	4,041,681
In the statement of net position, interest is accrued on outstanding bonds whereas, in the governmental funds, interest expenditures are reported when due.	(299,578)
Pension amounts not reported in the funds:	
Net pension assets (liabilities)	2,789,353
Deferred outflows of resources related to pensions	8,889,622
Deferred inflows of resources related to pensions	-
OPEB amounts not reported in the funds:	
Net OPEB asset (liability)	704,331
Deferred outflows of resources related to OPEB	2,154,027
Deferred inflows of resources related to OPEB	<u>(5,071,258)</u>
Net Position of Governmental Activities	<u>\$ 444,694,436</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL GOVERNMENTAL</u>
REVENUES					
Taxes	\$ 55,339,910	\$ -	\$ -	\$ -	\$ 55,339,910
Licenses and permits	1,157,665	-	-	1,124,291	2,281,956
Fines, forfeitures and penalties	141,170	-	-	20,851	162,021
Charges for services	1,089,041	-	-	-	1,089,041
Intergovernmental	7,224,777	-	1,499,077	2,037,602	10,761,456
Investment earnings	3,609,969	256,165	2,110,921	359,535	6,336,590
Miscellaneous	423,063	-	511,479	10,706	945,248
	<u>68,985,595</u>	<u>256,165</u>	<u>4,121,477</u>	<u>3,552,985</u>	<u>76,916,222</u>
TOTAL REVENUES					
EXPENDITURES					
Current					
General government	9,214,473	-	48,598	-	9,263,071
Public safety	21,671,681	-	76,269	-	21,747,950
Roads and streets	5,940,561	-	306,459	1,925,577	8,172,597
Public health	118,230	-	-	-	118,230
Parks and recreation	2,986,558	-	-	-	2,986,558
Public library	3,213,810	-	-	-	3,213,810
Community support	457,291	-	-	-	457,291
Drug enforcement and education	-	-	-	15,879	15,879
Capital outlay	2,201,130	-	6,264,610	-	8,465,740
Debt service	806,516	2,846,526	-	-	3,653,042
	<u>46,610,250</u>	<u>2,846,526</u>	<u>6,695,936</u>	<u>1,941,456</u>	<u>58,094,168</u>
TOTAL EXPENDITURES					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>22,375,345</u>	<u>(2,590,361)</u>	<u>(2,574,459)</u>	<u>1,611,529</u>	<u>18,822,054</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,638,579	3,195,000	18,570,000	-	23,403,579
Transfers out	(16,798,000)	-	(71,933)	(1,000,000)	(17,869,933)
Sale of general capital assets	150,896	-	-	-	150,896
Insurance recoveries	26,975	-	-	-	26,975
Financing of subscription-based IT arrangements	486,974	-	-	-	486,974
	<u>(14,494,576)</u>	<u>3,195,000</u>	<u>18,498,067</u>	<u>(1,000,000)</u>	<u>6,198,491</u>
TOTAL OTHER FINANCING SOURCES (USES)					
NET CHANGE IN FUND BALANCES	7,880,769	604,639	15,923,608	611,529	25,020,545
FUND BALANCES - BEGINNING OF YEAR	<u>68,821,051</u>	<u>3,734,611</u>	<u>31,164,685</u>	<u>6,778,901</u>	<u>110,499,248</u>
FUND BALANCES - END OF YEAR	<u>\$ 76,701,820</u>	<u>\$ 4,339,250</u>	<u>\$ 47,088,293</u>	<u>\$ 7,390,430</u>	<u>\$ 135,519,793</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

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

FOR THE YEAR ENDED JUNE 30, 2024

Amounts reported for net change in fund balance - Governmental Funds **\$ 25,020,545**

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

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

Acquisition of capital assets	7,790,925
Acquisition of intangible SBITAs	486,974
Depreciation and amortization expense	(15,652,818)
Loss on disposal of capital assets	(54,630)

Donation of capital assets is not recorded in governmental fund statements, but is in the government-wide statement of activities.	8,936,762
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Transfer of capital assets from business-type activities to governmental activities are not recorded in the governmental fund statements. During the current year, capital assets were transferred from the Municipal Center Fund to governmental activities.	1,331,277
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Differences in timing of revenue recognition between governmental funds and governmental activities statement of activities.	33,442
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The issuance of long-term debt and related items provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current resources of the funds. Neither of these transactions, however, has any effect on changes in net position in the statement of activities.

Payments on long-term debt	1,885,000
SBITA liabilities incurred	(486,974)
Payment of SBITA liabilities	806,516

Internal service funds are used by management to charge the costs of fuel supplies and health insurance premiums to individual funds. The changes in net position of internal service funds are reported as governmental activities in activities in the statement of activities.	305
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Certain expenses reported for governmental activities do not require the use of current financial resources and, thus, are not reported as expenditures in the governmental funds.

Accrued interest on debt obligations at June 30, 2024	(299,578)
Accrued interest on debt obligations at June 30, 2023	336,066
Amortization of bond premiums	110,592
Amortization of deferred amount on refunding	(68,381)
Change in accrual for compensated absences	(492,175)
Changes in pension assets and liabilities and related deferred outflows and inflows of resources	(521,588)
Changes in OPEB asset and liability and related deferred outflows and inflows of resources	7,919

Change in Net Position of Governmental Activities	<u>\$ 29,170,179</u>
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See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
REVENUES				
Taxes				
Local sales tax	\$ 23,400,000	\$ 33,450,000	\$ 33,882,482	\$ 432,482
Real and personal property	12,950,000	12,950,000	12,665,187	(284,813)
Public utility property tax	75,000	75,000	58,181	(16,819)
Hotel/motel tax	1,650,000	2,050,000	2,069,634	19,634
Wholesale beer tax	725,000	775,000	799,094	24,094
Wholesale liquor tax	1,650,000	2,080,000	2,107,176	27,176
Television franchise tax	460,000	460,000	440,538	(19,462)
Business tax	2,300,000	3,139,185	3,233,083	93,898
Other	105,000	105,000	84,535	(20,465)
Total taxes	<u>43,315,000</u>	<u>55,084,185</u>	<u>55,339,910</u>	<u>255,725</u>
Licenses and permits	802,600	1,037,600	1,157,665	120,065
Fines, forfeitures and penalties	85,050	85,050	141,170	56,120
Charges for services	930,500	930,500	1,089,041	158,541
Intergovernmental revenues				
State sales and use tax	4,630,000	5,380,000	5,572,426	192,426
State income tax	-	-	6,970	6,970
TVA in-lieu of tax	470,000	545,000	556,050	11,050
Mixed drink tax	255,000	255,000	307,073	52,073
Beer tax	20,000	20,000	19,943	(57)
Petroleum special tax	83,000	83,000	83,048	48
Corporate excise tax	160,000	300,000	304,929	4,929
Telecommunications tax	15,000	15,000	17,015	2,015
Other	232,950	232,950	357,323	124,373
Total intergovernmental revenues	<u>5,865,950</u>	<u>6,830,950</u>	<u>7,224,777</u>	<u>393,827</u>
Miscellaneous revenues				
Investment earnings	500,000	2,470,000	2,805,336	335,336
Other	315,000	315,000	423,063	108,063
Total miscellaneous revenues	<u>815,000</u>	<u>2,785,000</u>	<u>3,228,399</u>	<u>443,399</u>
TOTAL REVENUES	<u>51,814,100</u>	<u>66,753,285</u>	<u>68,180,962</u>	<u>1,427,677</u>

(Continued on next page)

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

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

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
EXPENDITURES				
General government				
City commission				
Personnel services	\$ 166,905	\$ 166,905	\$ 165,490	\$ 1,415
Contractual services	49,040	49,040	45,143	3,897
Supplies and materials	6,500	6,500	523	5,977
Utilities	6,000	6,000	3,365	2,635
Total city commission	<u>228,445</u>	<u>228,445</u>	<u>214,521</u>	<u>13,924</u>
City court				
Contractual services	44,600	44,600	42,121	2,479
Supplies and materials	500	500	234	266
Total city court	<u>45,100</u>	<u>45,100</u>	<u>42,355</u>	<u>2,745</u>
City manager's office				
Personnel services	504,660	504,660	507,530	(2,870)
Contractual services	45,785	56,045	50,932	5,113
Supplies and materials	7,000	7,000	5,413	1,587
Other costs	1,500	1,500	1,413	87
Total city manager's office	<u>558,945</u>	<u>569,205</u>	<u>565,288</u>	<u>3,917</u>
Finance				
Personnel services	1,051,270	1,051,270	1,021,512	29,758
Contractual services	344,095	344,095	305,961	38,134
Supplies and materials	14,500	14,500	11,365	3,135
Other costs	-	-	(18)	18
Total finance	<u>1,409,865</u>	<u>1,409,865</u>	<u>1,338,820</u>	<u>71,045</u>
City recorder				
Personnel services	121,235	121,235	118,127	3,108
Contractual services	69,555	69,555	67,595	1,960
Supplies and materials	1,700	1,700	420	1,280
Total city recorder	<u>192,490</u>	<u>192,490</u>	<u>186,142</u>	<u>6,348</u>
Legal services				
Personnel services	254,375	254,375	236,541	17,834
Contractual services	107,375	107,375	79,419	27,956
Supplies and materials	800	800	350	450
Other costs	-	-	9	(9)
Total legal services	<u>362,550</u>	<u>362,550</u>	<u>316,319</u>	<u>46,231</u>

(Continued on next page)

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

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

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
EXPENDITURES (CONTINUED)				
<i>General government (Continued)</i>				
Information/technology				
Personnel services	\$ 1,248,275	\$ 1,248,275	\$ 1,209,510	\$ 38,765
Contractual services	731,150	759,150	684,145	75,005
Supplies and materials	35,050	35,050	23,397	11,653
Utilities	78,950	78,950	79,869	(919)
Other costs	-	-	67	(67)
Capital outlay	6,000	6,000	-	6,000
Total information/technology	<u>2,099,425</u>	<u>2,127,425</u>	<u>1,996,988</u>	<u>130,437</u>
GIS				
Personnel services	363,975	363,975	363,155	820
Contractual services	88,800	88,800	52,045	36,755
Supplies and materials	6,500	6,500	2,645	3,855
Utilities	1,000	1,000	816	184
Total GIS	<u>460,275</u>	<u>460,275</u>	<u>418,661</u>	<u>41,614</u>
Human resources				
Personnel services	471,060	471,060	467,042	4,018
Contractual services	253,640	253,640	209,766	43,874
Supplies and materials	19,950	19,950	22,525	(2,575)
Utilities	600	600	480	120
Other costs	-	-	188	(188)
Total human resources	<u>745,250</u>	<u>745,250</u>	<u>700,001</u>	<u>45,249</u>
Community relations				
Personnel Services	286,820	286,820	278,934	7,886
Contractual services	145,480	145,480	128,178	17,302
Supplies and materials	6,000	6,000	1,936	4,064
Utilities	1,000	1,000	844	156
Other costs	3,500	3,500	2,800	700
Total community relations	<u>442,800</u>	<u>442,800</u>	<u>412,692</u>	<u>30,108</u>
Planning and development				
Personnel services	534,820	534,820	502,813	32,007
Contractual services	142,600	142,600	94,265	48,335
Supplies and materials	21,750	21,750	1,658	20,092
Total planning and development	<u>699,170</u>	<u>699,170</u>	<u>598,736</u>	<u>100,434</u>

(Continued on next page)

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

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

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
EXPENDITURES (CONTINUED)				
<i>General government (Continued)</i>				
Codes enforcement				
Personnel services	\$ 976,320	\$ 976,320	\$ 888,444	\$ 87,876
Contractual services	47,750	47,750	19,454	28,296
Supplies and materials	34,500	34,500	18,277	16,223
Utilities	4,000	4,000	2,084	1,916
Other costs	7,500	7,500	4,191	3,309
Total codes enforcement	<u>1,070,070</u>	<u>1,070,070</u>	<u>932,450</u>	<u>137,620</u>
Municipal center				
Rent expense	<u>740,000</u>	<u>740,000</u>	<u>740,000</u>	<u>-</u>
Insurance/other benefits				
Personnel services	953,885	997,640	997,478	162
Other costs	<u>70,100</u>	<u>76,520</u>	<u>66,067</u>	<u>10,453</u>
Total insurance/other benefits	<u>1,023,985</u>	<u>1,074,160</u>	<u>1,063,545</u>	<u>10,615</u>
<i>Total general government</i>	<u>10,078,370</u>	<u>10,166,805</u>	<u>9,526,518</u>	<u>640,287</u>
<i>Public safety</i>				
Police				
Personnel services	8,971,000	8,971,000	8,642,169	328,831
Contractual services	970,315	964,535	950,514	14,021
Supplies and materials	495,200	495,200	421,860	73,340
Utilities	58,640	58,640	70,873	(12,233)
Other costs	<u>114,000</u>	<u>114,000</u>	<u>120,661</u>	<u>(6,661)</u>
Total police	<u>10,609,155</u>	<u>10,603,375</u>	<u>10,206,077</u>	<u>397,298</u>
Police headquarters				
Contractual services	274,165	299,665	309,346	(9,681)
Supplies and materials	25,000	25,000	31,382	(6,382)
Utilities	229,800	235,080	216,745	18,335
Other costs	<u>32,500</u>	<u>32,500</u>	<u>34,636</u>	<u>(2,136)</u>
Total police headquarters	<u>561,465</u>	<u>592,245</u>	<u>592,109</u>	<u>136</u>

(Continued on next page)

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

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

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
EXPENDITURES (CONTINUED)				
<i>Public safety (continued)</i>				
Fire and rescue				
Personnel services	\$ 9,538,155	\$ 9,766,385	\$ 9,701,461	\$ 64,924
Contractual services	484,435	527,935	506,654	21,281
Supplies and materials	440,725	489,725	520,080	(30,355)
Utilities	140,315	140,315	156,315	(16,000)
Other costs	66,800	66,800	72,574	(5,774)
Capital outlay	50,760	50,760	51,956	(1,196)
Total fire and rescue	<u>10,721,190</u>	<u>11,041,920</u>	<u>11,009,040</u>	<u>32,880</u>
 Brentwood Safety Center East				
Contractual services	41,250	71,250	54,616	16,634
Supplies and materials	13,000	13,000	7,284	5,716
Utilities	24,750	24,750	23,568	1,182
Other costs	5,150	5,150	6,692	(1,542)
Capital outlay	5,000	5,000	-	5,000
Total Brentwood Safety Center East	<u>89,150</u>	<u>119,150</u>	<u>92,160</u>	<u>26,990</u>
 <i>Total public safety</i>	<u>21,980,960</u>	<u>22,356,690</u>	<u>21,899,386</u>	<u>457,304</u>
 <i>Roads and streets</i>				
Public works				
Personnel services	2,094,660	2,094,660	1,933,790	160,870
Contractual services	1,482,630	1,482,630	1,516,792	(34,162)
Supplies and materials	327,035	327,035	399,077	(72,042)
Utilities	5,080	5,080	3,715	1,365
Other costs	19,300	19,300	26,722	(7,422)
Capital outlay	46,960	46,960	37,830	9,130
Total public works	<u>3,975,665</u>	<u>3,975,665</u>	<u>3,917,926</u>	<u>57,739</u>
 Storm drainage				
Supplies and materials	50,000	50,000	43,578	6,422
Other costs	-	-	849	(849)
Total storm drainage	<u>50,000</u>	<u>50,000</u>	<u>44,427</u>	<u>5,573</u>
 Street lighting				
Contractual services	-	-	47,130	(47,130)
Utilities	210,000	210,000	141,337	68,663
Other costs	3,000	3,000	861	2,139
Total street lighting	<u>213,000</u>	<u>213,000</u>	<u>189,328</u>	<u>23,672</u>

(Continued on next page)

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

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

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
EXPENDITURES (CONTINUED)				
<i>Roads and streets (Continued)</i>				
Traffic signalization				
Personnel services	\$ 263,495	\$ 263,495	\$ 269,621	\$ (6,126)
Contractual services	111,420	111,420	65,911	45,509
Supplies and materials	44,200	44,200	58,640	(14,440)
Utilities	40,050	40,050	49,893	(9,843)
Other costs	22,500	22,500	21,734	766
Capital outlay	24,995	24,995	-	24,995
Total traffic signalization	<u>506,660</u>	<u>506,660</u>	<u>465,799</u>	<u>40,861</u>
Service center				
Personnel services	170,335	170,335	169,856	479
Contractual services	189,200	189,200	174,104	15,096
Supplies and materials	29,200	29,200	20,523	8,677
Utilities	70,600	70,600	60,131	10,469
Other costs	9,500	9,500	9,451	49
Total service center	<u>468,835</u>	<u>468,835</u>	<u>434,065</u>	<u>34,770</u>
Engineering services				
Personnel services	976,830	976,830	818,090	158,740
Contractual services	59,725	59,725	27,268	32,457
Supplies and materials	27,150	27,150	23,293	3,857
Utilities	6,070	6,070	3,864	2,206
Other costs	47,100	47,100	42,556	4,544
Capital outlay	-	-	79,137	(79,137)
Total engineering services	<u>1,116,875</u>	<u>1,116,875</u>	<u>994,208</u>	<u>122,667</u>
<i>Total roads and streets</i>	<u>6,331,035</u>	<u>6,331,035</u>	<u>6,045,753</u>	<u>285,282</u>
<i>Public health</i>				
County Health Department Contract	15,000	15,000	15,000	-
County Animal Control Contract	<u>103,230</u>	<u>103,230</u>	<u>103,230</u>	<u>-</u>
<i>Total public health</i>	<u>118,230</u>	<u>118,230</u>	<u>118,230</u>	<u>-</u>
<i>Parks and recreation</i>				
Personnel services	1,812,020	1,812,020	1,747,887	64,133
Contractual services	676,655	647,380	610,677	36,703
Supplies and materials	165,000	165,000	155,254	9,746
Utilities	267,350	267,350	230,586	36,764
Other costs	253,000	253,000	243,943	9,057
Capital outlay	<u>21,000</u>	<u>21,000</u>	<u>-</u>	<u>21,000</u>
<i>Total parks and recreation</i>	<u>3,195,025</u>	<u>3,165,750</u>	<u>2,988,347</u>	<u>177,403</u>

(Continued on next page)

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

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

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
EXPENDITURES (CONTINUED)				
<i>Public library</i>				
Personnel services	\$ 1,954,830	\$ 1,978,570	\$ 1,940,317	\$ 38,253
Contractual services	981,175	1,010,450	1,013,201	(2,751)
Supplies and materials	71,300	71,300	94,285	(22,985)
Utilities	162,000	162,000	165,111	(3,111)
Other costs	31,500	31,500	33,458	(1,958)
Capital outlay	-	-	7,442	(7,442)
<i>Total public library</i>	<u>3,200,805</u>	<u>3,253,820</u>	<u>3,253,814</u>	<u>6</u>
<i>Community support</i>				
Education	244,400	244,400	237,015	7,385
Chamber of Commerce	10,000	10,000	10,000	-
Historic sites	224,075	224,075	210,276	13,799
Capital outlay	-	-	-	-
<i>Total community support</i>	<u>478,475</u>	<u>478,475</u>	<u>457,291</u>	<u>21,184</u>
TOTAL EXPENDITURES	<u>45,382,900</u>	<u>45,870,805</u>	<u>44,289,339</u>	<u>1,581,466</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,431,200</u>	<u>20,882,480</u>	<u>23,891,623</u>	<u>3,009,143</u>
OTHER FINANCING SOURCES (USES)				
Transfers (to) from:				
Debt service fund	(3,195,000)	(3,195,000)	(3,195,000)	-
Capital projects fund	-	(13,070,000)	(13,070,000)	-
Municipal Center fund	-	-	138,579	138,579
Postemployment benefits	-	118,720	118,720	-
Emergency Communication District	(533,000)	(533,000)	(533,000)	-
Committed, equipment replacement	(2,347,000)	(3,347,000)	(3,347,000)	-
Committed facilities maintenance	(350,000)	(850,000)	(850,000)	-
Committed postemployment benefits	(25,000)	(25,000)	(25,000)	-
Sale of general capital assets	20,000	20,000	60,363	40,363
Insurance recoveries	-	-	26,975	26,975
Total other financing (sources) uses	<u>(6,430,000)</u>	<u>(20,881,280)</u>	<u>(20,675,363)</u>	<u>205,917</u>
CHANGE IN FUND BALANCE, GENERAL	<u>1,200</u>	<u>1,200</u>	<u>3,216,260</u>	<u>3,215,060</u>

(Continued on next page)

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

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

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FROM</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>+ / (-)</u>
Committed activity, budgeted separately				
Equipment replacement				
Transfers from other departments	\$ 2,347,000	\$ 2,347,000	\$ 2,347,000	\$ -
Transfer from general fund	-	1,000,000	1,000,000	-
Investment earnings	250,000	250,000	654,720	404,720
Other income	50,000	50,000	90,533	40,533
Equipment expenditures	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>(1,447,158)</u>	<u>252,842</u>
Total equipment replacement	<u>947,000</u>	<u>1,947,000</u>	<u>2,645,095</u>	<u>698,095</u>
Facilities maintenance				
Committed transfer from				
general fund	350,000	850,000	850,000	-
Transfer from Municipal Center fund	-	1,500,000	1,500,000	-
Investment earnings	75,000	75,000	134,118	59,118
Maintenance expenditures	<u>(1,165,000)</u>	<u>(1,093,060)</u>	<u>(386,779)</u>	<u>706,281</u>
Total facilities maintenance	<u>(740,000)</u>	<u>1,331,940</u>	<u>2,097,339</u>	<u>765,399</u>
Postemployment benefits				
Transfers from other departments	25,000	25,000	25,000	-
Investment earnings	10,000	10,000	15,795	5,795
Transfers to other departments	<u>-</u>	<u>(118,720)</u>	<u>(118,720)</u>	<u>-</u>
Total postemployment benefits	<u>35,000</u>	<u>(83,720)</u>	<u>(77,925)</u>	<u>5,795</u>
CHANGE IN FUND BALANCE	<u>\$ 243,200</u>	<u>\$ 3,196,420</u>	7,880,769	<u>\$ 4,684,349</u>
Fund balance - beginning of year			<u>68,821,051</u>	
Fund balance - end of year (non-GAAP)			<u>\$ 76,701,820</u>	
Accounting entries as a result of GASB Statement				
No. 96, <i>Subscription-Based IT Arrangements</i>				
were not budgeted above:				
Financing of SBITAs	\$ 486,974			
SBITA outlays	<u>(486,974)</u>			
	<u>-</u>			
Fund balance - end of year (GAAP)	<u>\$ 76,701,820</u>			

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2024

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	WATER AND SEWER	MUNICIPAL CENTER	EMERGENCY COMMUNICATIONS DISTRICT	TOTAL	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 31,451,119	\$ -	\$ 3,327,981	\$ 34,779,100	\$ 4,229,237
Accounts receivable, net	1,908,853	-	14,096	1,922,949	184,722
Intergovernmental receivable	1,987,588	-	-	1,987,588	-
Unbilled utility revenues	1,950,354	-	-	1,950,354	-
Due from other funds:	-	-	-	-	428,768
Inventories of supplies	106,013	-	-	106,013	62,484
Prepaid items	9,896	-	18,500	28,396	-
Restricted cash and cash equivalents	560,418	-	-	560,418	-
TOTAL CURRENT ASSETS	37,974,241	-	3,360,577	41,334,818	4,905,211
NONCURRENT ASSETS					
Capital and intangible assets					
Subscription-based information technology arrangements, net	141,577	-	29,443	171,020	-
Capital assets, net of accumulated depreciation	79,357,727	-	922,825	80,280,552	-
Net pension assets	374,227	-	256,870	631,097	-
Net OPEB asset	72,443	-	30,816	103,259	-
TOTAL NONCURRENT ASSETS	79,945,974	-	1,239,954	81,185,928	-
TOTAL ASSETS	117,920,215	-	4,600,531	122,520,746	4,905,211
DEFERRED OUTFLOWS OF RESOURCES					
Advance refunding of debt	256,035	-	-	256,035	-
Pension related items	799,489	-	147,614	947,103	-
OPEB related items	131,170	-	31,718	162,888	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,186,694	-	179,332	1,366,026	-
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	3,177,623	-	52,701	3,230,324	110,177
Claims payable	-	-	-	-	119,507
Accrued liabilities	75,915	-	38,154	114,069	-
Accrued interest payable	147,200	-	498	147,698	-
Due to other funds	58,334	-	42,102	100,436	897
Compensation absences, due within one year	124,888	-	39,018	163,906	-
Subscriptions, due within one year	28,270	-	14,442	42,712	-
Long-term debt, due within one year	1,955,256	-	-	1,955,256	-
TOTAL CURRENT LIABILITIES	5,567,486	-	186,915	5,754,401	230,581
NONCURRENT LIABILITIES:					
Compensated absences, due in more than one year	227,196	-	64,669	291,865	-
Subscriptions, due in more than one year	110,868	-	9,723	120,591	-
Long-term debt, due in more than one year	15,278,538	-	-	15,278,538	-
Net pension liability	1,858	-	-	1,858	-
TOTAL NONCURRENT LIABILITIES	15,618,460	-	74,392	15,692,852	-
TOTAL LIABILITIES	21,185,946	-	261,307	21,447,253	230,581
DEFERRED INFLOWS OF RESOURCES					
Pension related items	-	-	25,652	25,652	-
OPEB related items	157,892	-	23,041	180,933	-
TOTAL DEFERRED INFLOWS OF RESOURCES	157,892	-	48,693	206,585	-
NET POSITION					
Net investment in capital and intangible assets	62,936,689	-	928,103	63,864,792	-
Restricted for pensions and OPEB	450,948	-	287,686	738,634	-
Unrestricted	34,375,434	-	3,254,074	37,629,508	4,674,630
TOTAL NET POSITION	\$ 97,763,071	\$ -	\$ 4,469,863	102,232,934	\$ 4,674,630

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

632,949

Net position of business-type activities

\$ 102,865,883

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>				<u>GOVERNMENTAL</u>
	<u>WATER AND</u>	<u>MUNICIPAL</u>	<u>EMERGENCY</u>		<u>ACTIVITIES -</u>
	<u>SEWER</u>	<u>CENTER</u>	<u>COMMUNICATIONS</u>	<u>TOTAL</u>	<u>INTERNAL SERVICE</u>
			<u>DISTRICT</u>		<u>FUNDS</u>
OPERATING REVENUES					
Water sales	\$ 12,732,620	\$ -	\$ -	\$ 12,732,620	\$ -
Sewer service charges	8,514,718	-	-	8,514,718	-
Rental income	-	767,158	-	767,158	-
Tennessee Emergency Communications					
Board 911 funding	-	-	1,384,333	1,384,333	-
Internal charges	-	-	-	-	4,874,013
Other	664,774	-	-	664,774	392,278
TOTAL OPERATING REVENUES	<u>21,912,112</u>	<u>767,158</u>	<u>1,384,333</u>	<u>24,063,603</u>	<u>5,266,291</u>
OPERATING EXPENSES					
Water purchased	7,565,106	-	-	7,565,106	-
Sewage treatment charges	3,315,587	-	-	3,315,587	-
Personnel services	2,414,091	-	1,021,876	3,435,967	4,963,776
Supplies and materials	148,473	16,595	8,942	174,010	518,485
Contractual services	999,990	37,126	176,781	1,213,897	-
Maintenance	1,549,212	387,509	19,054	1,955,775	-
Utilities	406,184	153,341	27,476	587,001	-
Depreciation and amortization	3,527,019	311,768	153,001	3,991,788	-
Other	261,354	17,269	96,761	375,384	-
TOTAL OPERATING EXPENSES	<u>20,187,016</u>	<u>923,608</u>	<u>1,503,891</u>	<u>22,614,515</u>	<u>5,482,261</u>
OPERATING INCOME (LOSS)	<u>1,725,096</u>	<u>(156,450)</u>	<u>(119,558)</u>	<u>1,449,088</u>	<u>(215,970)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	1,228,910	316,068	162,634	1,707,612	218,322
Intergovernmental revenue	-	-	44,000	44,000	-
Gain (loss) on disposal of assets	59,578	(126,463)	(1,255)	(68,140)	-
Interest expense	(522,800)	-	(705)	(523,505)	-
TOTAL NONOPERATING					
REVENUES (EXPENSES)	<u>765,688</u>	<u>189,605</u>	<u>204,674</u>	<u>1,159,967</u>	<u>218,322</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS					
AND TRANSFERS	2,490,784	33,155	85,116	2,609,055	2,352
Capital grants and contributions, including tap fees	2,708,086	-	-	2,708,086	-
Transfers in	-	-	604,932	604,932	-
Transfers out	-	(7,469,856)	-	(7,469,856)	-
Change in net position	5,198,870	(7,436,701)	690,048	(1,547,783)	2,352
NET POSITION - BEGINNING OF YEAR	<u>92,564,201</u>	<u>7,436,701</u>	<u>3,779,815</u>		<u>4,672,278</u>
NET POSITION - END OF YEAR	<u>\$ 97,763,071</u>	<u>\$ -</u>	<u>\$ 4,469,863</u>		<u>\$ 4,674,630</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>2,049</u>	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES				<u>\$ (1,545,734)</u>	

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>				<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS</u>
	<u>WATER AND SEWER</u>	<u>MUNICIPAL CENTER</u>	<u>EMERGENCY COMMUNICATIONS DISTRICT</u>	<u>TOTAL</u>	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 19,957,685	\$ 759,673	\$ 1,388,994	\$ 22,106,352	\$ -
Receipts from internal services provided	-	-	-	-	5,087,956
Payments to suppliers	(13,741,137)	(655,938)	(213,557)	(14,610,632)	(5,745,518)
Payments to employees for salaries and benefits	(2,721,969)	-	(1,170,151)	(3,892,120)	-
Payments to (from) other City funds	(3,199)	(104,025)	-	(107,224)	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>3,491,380</u>	<u>(290)</u>	<u>5,286</u>	<u>3,496,376</u>	<u>(657,562)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	-	604,932	604,932	-
Transfers to other funds	-	(6,201,118)	-	(6,201,118)	-
TECB subsidies	-	-	44,000	44,000	-
TOTAL NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(6,201,118)</u>	<u>648,932</u>	<u>(5,552,186)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED					
Capital grants and contributions (tap fees)	2,708,086	-	-	2,708,086	-
Acquisition and construction of capital assets	(4,064,426)	(27,586)	-	(4,092,012)	-
Proceeds from the sale of capital assets	137,248	197,551	582	335,381	-
Payments made on subscription liabilities	(28,912)	-	(14,628)	(43,540)	-
Principal paid on long-term debt	(1,810,000)	-	-	(1,810,000)	-
Interest paid on long-term debt and subscriptions	(473,214)	-	(243)	(473,457)	-
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(3,531,218)</u>	<u>169,965</u>	<u>(14,289)</u>	<u>(3,375,542)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings and other income	<u>1,228,910</u>	<u>316,068</u>	<u>162,634</u>	<u>1,707,612</u>	<u>218,322</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,228,910</u>	<u>316,068</u>	<u>162,634</u>	<u>1,707,612</u>	<u>218,322</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>1,189,072</u>	<u>(5,715,375)</u>	<u>802,563</u>	<u>(3,723,740)</u>	<u>(439,240)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>30,822,465</u>	<u>5,715,375</u>	<u>2,525,418</u>	<u>39,063,258</u>	<u>4,668,477</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 32,011,537</u>	<u>\$ -</u>	<u>\$ 3,327,981</u>	<u>\$ 35,339,518</u>	<u>\$ 4,229,237</u>
RECONCILIATION OF AMOUNTS TO STATEMENT OF NET POSITION					
Cash and cash equivalents	\$ 31,451,119	\$ -	\$ 3,327,981	\$ 34,779,100	\$ 4,229,237
Restricted cash and cash equivalents	<u>560,418</u>	<u>-</u>	<u>-</u>	<u>560,418</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 32,011,537</u>	<u>\$ -</u>	<u>\$ 3,327,981</u>	<u>\$ 35,339,518</u>	<u>\$ 4,229,237</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF CASH FLOWS (CONTINUED)

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>				<u>GOVERNMENTAL</u>
	<u>WATER AND</u>	<u>MUNICIPAL</u>	<u>EMERGENCY</u>		<u>ACTIVITIES -</u>
	<u>SEWER</u>	<u>CENTER</u>	<u>COMMUNICATIONS</u>	<u>TOTAL</u>	<u>INTERNAL SERVICE</u>
			<u>DISTRICT</u>		<u>FUNDS</u>
RECONCILIATION OF OPERATING INCOME (LOSS)					
TO NET CASH PROVIDED BY (USED IN)					
OPERATING ACTIVITIES					
Operating income (loss)	\$ 1,725,096	\$ (156,450)	\$ (119,558)	\$ 1,449,088	\$ (215,970)
Adjustments to reconcile operating income (loss) to					
net cash provided by (used in) operating activities					
Depreciation	3,500,353	311,768	139,712	3,951,833	-
Amortization	26,666	-	13,289	39,955	-
(Increase) decrease in:					
Accounts receivable	(1,801,618)	(7,485)	4,661	(1,804,442)	(153,314)
Due from other funds	948	-	104,198	105,146	(25,021)
Unbilled utility revenues	(152,809)	-	-	(152,809)	-
Inventories of supplies	35,981	-	-	35,981	(10,793)
Prepaid items	(6,392)	-	11,382	4,990	-
Net pension and OPEB assets and liabilities	118,122	-	(42,635)	75,487	-
Deferred outflows of resources related to pensions					
and OPEB	82,457	-	77,895	160,352	-
Increase (decrease) in:					
Accounts payable	475,180	(45,263)	8,387	438,304	(97,289)
Claims payable	-	-	-	-	(137,974)
Accrued interest payable	5,763	1,165	7,370	14,298	-
Due to other funds	(4,147)	(104,025)	8,676	(99,496)	(17,201)
Compensated absences	20,367	-	17,545	37,912	-
Deferred inflows of resources related to pensions					
and OPEB	(534,587)	-	(225,636)	(760,223)	-
NET CASH PROVIDED BY (USED IN)					
OPERATING ACTIVITIES	<u>3,491,380</u>	<u>(290)</u>	<u>5,286</u>	<u>3,496,376</u>	<u>(657,562)</u>
SUPPLEMENTAL DISCLOSURE OF					
NONCASH CAPITAL AND RELATED					
FINANCING ACTIVITIES					
Intangible SBITA assets financed with					
SBITA liabilities	<u>\$ 86,040</u>	<u>\$ -</u>	<u>\$ 29,177</u>	<u>\$ 115,217</u>	<u>\$ -</u>
Capital assets transferred between funds	<u>\$ -</u>	<u>\$ (1,331,277)</u>	<u>\$ -</u>	<u>\$ (1,331,277)</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2024

	<u>OPEB TRUST</u>	<u>CUSTODIAL FUNDS</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 5,811,004
Accounts receivable	2,671	24,175
Prepaid items	-	19,010
Investments, mutual funds	<u>17,087,846</u>	<u>-</u>
 TOTAL ASSETS	 <u>17,090,517</u>	 <u>5,854,189</u>
 LIABILITIES		
Accounts payable	<u>55,810</u>	<u>2,468</u>
 TOTAL LIABILITIES	 <u>55,810</u>	 <u>2,468</u>
 NET POSITION		
Restricted for:		
OPEB	17,034,707	-
Individuals and organizations	<u>-</u>	<u>5,851,721</u>
 TOTAL NET POSITION	 <u>\$ 17,034,707</u>	 <u>\$ 5,851,721</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD, TENNESSEE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	<u>OPEB TRUST</u>	<u>CUSTODIAL FUNDS</u>
ADDITIONS		
Contributions		
Employer	\$ 859,017	\$ -
Private contributions	<u>-</u>	<u>80,100</u>
Total Contributions	<u>859,017</u>	<u>80,100</u>
INVESTMENT EARNINGS		
Interest	-	286,612
Net increase (decrease) in the fair value of investments	<u>1,659,911</u>	<u>-</u>
Net investment earnings	<u>1,659,911</u>	<u>286,612</u>
TOTAL ADDITIONS	<u>2,518,928</u>	<u>366,712</u>
DEDUCTIONS		
Benefits	945,744	-
Administrative expenses	29,533	-
Recipient payments	<u>-</u>	<u>47,444</u>
TOTAL DEDUCTIONS	<u>975,277</u>	<u>47,444</u>
CHANGE IN FIDUCIARY NET POSITION	1,543,651	319,268
NET POSITION - BEGINNING OF YEAR	<u>15,491,056</u>	<u>5,532,453</u>
NET POSITION - END OF YEAR	<u>\$ 17,034,707</u>	<u>\$ 5,851,721</u>

See accompanying notes to financial statements.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity

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

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

Reporting Entity

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

As of June 30, 2024 and for the year then ended, the City had no discretely presented component units which were required to be included in these financial statements.

Government-wide and Fund Financial Statements

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (Continued)

The statement of net position presents the City's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

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

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

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

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

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

Municipal Center - accounts for the rental operations of the Municipal Center. At the close of business on June 30, 2024, the City transferred existing assets and liabilities of the Municipal Center Fund to the general fund and governmental activities, as operations of the municipal center building are used primarily by the City's governmental activities. See additional information in Note 5.

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Additionally, the City reports the following fund types:

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

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

OPEB Trust - was established in 2008 to accumulate and fund other postemployment benefits (predominantly retiree health and life insurance) for qualified employees, based on minimum age and years of service as actuarially determined. Investments held in the OPEB Trust consist of diversified managed funds (see notes 3 and 11).

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

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

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

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

Use of Estimates

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

Cash and Cash Equivalents

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

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

Receivables

All trade and property tax receivables are shown net of any allowance for uncollectible accounts (no allowances recorded as of June 30, 2024).

Interfund Receivable/Payables

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

Inventories of Supplies and Prepaid Items

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

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

Restricted Assets

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

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

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

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

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

Capital Assets

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

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

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

Subscription-Based Information Technology Arrangements (SBITAs)

A SBITA is a contract that conveys the 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 City 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 of 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 City will recognize amortization of the discount on the subscription liability as an outflow of resources in subsequent financial reporting periods.

Compensated Absences

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

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

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

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

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

Governmental Fund Equity Classification

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

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

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

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

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Equity Classification (Continued)

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

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

Fund balances classified as restricted are as follows:

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

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

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

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

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

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Equity Classification (Continued)

Fund balances classified as committed are as follows:

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

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

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

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

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

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

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

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

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

Property Tax

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Tax (Continued)

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

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

Taxes were levied at a rate of \$0.29 per \$100 of assessed value for the year ended June 30, 2024. Payments may be made during the period from October 1 through February 28 of the subsequent calendar year, and property taxes become delinquent on March 1. Current tax collections of \$12,715,402 for the fiscal year ended June 30, 2024 were approximately 97.75% of the tax levy.

Of the \$13,293,784 of property taxes receivable at June 30, 2024, \$13,122,921 represents the estimated 2024 property taxes to be billed in October 2024. This receivable is reported in the balance sheet - governmental funds with offsetting deferred inflows of resources for the amounts not available at June 30, 2024. Amounts available at June 30, 2024 have been recorded as revenues in the governmental fund statements.

Pensions - TCRS Legacy and Hybrid Plans

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

Other Postemployment Benefits (OPEB)

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Prior to May 15 of each year, the City Manager formally submits a proposed operating budget to the Board for the fiscal year commencing the following July 1. Public hearings are conducted by the Board to obtain citizen comments on the budget. Prior to June 30, the budget is legally enacted through passage of an ordinance. Annual appropriated budgets for the general fund, special revenue funds, nonmajor capital projects funds from restricted resources, and debt service funds are adopted on a basis consistent with GAAP. The capital projects fund is approved as part of a five-year capital improvement program and not included in the budgetary comparisons. Budgeted amounts shown are those originally adopted, as well as the final budgets which reflect amendments by the Board.

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

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash Deposits and Certificates of Deposit

The City's cash and cash equivalents at June 30, 2024 were held by financial institutions which participate in the bank collateral pool administered by the Treasurer of the State of Tennessee. Participating banks determine the aggregate balance of their public fund accounts for the City. The amount of collateral required to secure these public deposits must be equal to 105% of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the State Treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Cash Deposits and Certificates of Deposit (Continued)

Custodial risk is the risk that, in the event of a bank failing, the City's deposits may not be returned. The City minimizes this risk by requiring full collateralization on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit, except when the institution issuing the certificate of deposit belongs to the State of Tennessee Bank Collateral Pool, as noted above. As of June 30, 2024, the City's deposits were fully insured or collateralized. The City's cash is comprised of deposits and is reported in the financial statements as follows:

Government-wide Statement of Net Position

Governmental Activities

Cash and cash equivalents	\$ 142,102,288
Restricted cash and cash equivalents	575,823

Business-Type Activities

Cash and cash equivalents	34,779,100
Restricted cash and cash equivalents	560,418

Fiduciary Funds Statement of Fiduciary Net Position

Custodial funds	<u>5,811,004</u>
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Total	<u>\$ 183,828,633</u>
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A summary of the City's policies for interest rate risk and credit risk are as follows:

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

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

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

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Cash and Investments of Pension Stabilization Reserve Trusts

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

Investments of OPEB Trust Fund

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

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

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

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

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments of OPEB Trust Fund (Continued)

The City has the following recurring fair value measurements as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fidelity Money Market	\$ 7	\$ -	\$ -	\$ 7
MSQ Inflation Focused Fund		3,218,760		3,218,760
MSQ Model Portfolio Conservative	-	6,831,360	-	6,831,360
MSQ Model Portfolio Moderate	<u>-</u>	<u>7,037,726</u>	<u>-</u>	<u>7,037,726</u>
	<u>\$ 7</u>	<u>\$ 17,087,846</u>	<u>\$ -</u>	<u>\$ 17,087,853</u>

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

The Morningstar overall rating for the Model Portfolio Conservative and Model Portfolio Moderate are both 4 stars. The Morningstar overall rating for the Inflation Focused Fund is 2 stars.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 4 - INTERFUND BALANCES AND TRANSACTIONS

Interfund receivables and payables are attributable to charges between funds or cash advances on pooled cash that are outstanding as of June 30, 2024 and are as follows:

	<u>Interfund Receivable</u>	<u>Interfund payable</u>
Governmental Activities		
General	\$ 87,024	\$ 406,949
Other governmental		
e-Citation	324	-
State street aid	-	72,000
Drug fund	64,222	56
Internal service	428,768	897
Internal payable created by internal service fund elimination	<u>-</u>	<u>632,949</u>
	<u>\$ 580,338</u>	<u>\$ 1,112,851</u>
Net governmental activities payable		<u><u>\$ (532,513)</u></u>
	<u>Interfund Receivable</u>	<u>Interfund payable</u>
Business-Type Activities		
Water	\$ -	\$ 58,334
Emergency Communication District	-	42,102
Municipal Center	-	-
Internal receivable created by internal service fund eliminations	<u>632,949</u>	<u>-</u>
	<u>\$ 632,949</u>	<u>\$ 100,436</u>
Net business-type activities receivable	<u><u>\$ 532,513</u></u>	

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 4 - INTERFUND BALANCES AND TRANSACTIONS (CONTINUED)

Interfund transfers for the year ended June 30, 2024, are attributable to the budgeted allocation of resources from one fund to another and to close out activity of the Municipal Center Fund to governmental activities and consisted of the following:

	Transfers in					
	Governmental Activities	General Fund	Debt Service	Capital Projects	ECD	Total
Transfers out						
General Fund	\$ -	\$ -	\$ 3,195,000	\$ 13,070,000	\$ 533,000	\$ 16,798,000
Capital Projects Fund	-	-	-	-	71,932	71,932
Other governmental funds:						
Adequate school facilities	-	-	-	1,000,000	-	1,000,000
Municipal Center Fund	<u>1,331,277</u>	<u>1,638,579</u>	<u>-</u>	<u>4,500,000</u>	<u>-</u>	<u>7,469,856</u>
Total transfers	<u>\$ 1,331,277</u>	<u>\$ 1,638,579</u>	<u>\$ 3,195,000</u>	<u>\$ 18,570,000</u>	<u>\$ 604,932</u>	<u>\$ 25,339,788</u>

A summary of Municipal Center Fund assets and liabilities transferred on June 30, 2024 is as follows:

Cash	\$ 201,118
Accounts receivable	28,585
Accounts payable	(89,959)
Accrued liabilities	<u>(1,165)</u>
Net position transfer to General Fund	138,579
Cash transferred to:	
General Fund - committed for facilities maintenance	1,500,000
Capital Projects Fund	4,500,000
Net capital assets transferred to:	
Government-wide Activities	<u>1,331,277</u>
Total transfers out of Municipal Center Fund	<u>\$ 7,469,856</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 4 - INTERFUND BALANCES AND TRANSACTIONS (CONTINUED)

As part of the fund close out, \$4,500,000 was transferred to the Capital Projects Fund to pay for current renovations to the municipal center building and \$1,500,000 was transferred to the General Fund, committed for future facilities maintenance expenditures. The close of this fund will allow for consistent treatment of all buildings used for government-wide purposes. During 2024, the general fund paid the municipal center fund \$740,000 for rent of the municipal center building, which represented 96.5% of the fund's rental revenue.

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

ECD paid the general fund \$94,000 for rent expense at the police department headquarters for the year ended June 30, 2024. This is recognized as miscellaneous revenue in the General Fund and as an operating expense by ECD.

The water and sewer fund paid the general fund \$125,000 and \$100,000 for its space at the City's service center and for the GIS mapping fee, respectively, for the year ended June 30, 2024. Such amounts are included in miscellaneous revenue and charges for services reported by the general fund and in operating expenses reported by the water and sewer fund for the year.

The water and sewer fund and ECD contributed a total of \$100,000 (\$68,625 and \$31,375, respectively) to the OPEB trust fund for retiree benefits for the year ended June 30, 2024. These amounts are included in expenses for the respective funds. The general fund transferred \$700,015 from the current year contributions to the OPEB trust for the year ended June 30, 2024 (see note 11).

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 5 - CAPITAL AND INTANGIBLE ASSETS

Capital assets activity for the year ended June 30, 2024, was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Intangible assets - subscriptions					
Subscription-based IT arrangements	\$ 1,864,409	\$ 486,974	\$ (43,967)	\$ -	\$ 2,307,416
Less: accumulated amortization	<u>(381,609)</u>	<u>(591,820)</u>	<u>43,967</u>	<u>-</u>	<u>(929,462)</u>
Intangible assets - subscriptions, net	<u>\$ 1,482,800</u>	<u>\$ (104,846)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,377,954</u>
Capital assets not being depreciated					
Land	\$ 147,079,341	\$ 2,728,250	\$ -	\$ 249,100	\$ 150,056,691
Construction in progress	<u>3,943,934</u>	<u>6,264,610</u>	<u>(1,107,727)</u>	<u>-</u>	<u>9,100,817</u>
Total capital assets not being depreciated	<u>151,023,275</u>	<u>8,992,860</u>	<u>(1,107,727)</u>	<u>249,100</u>	<u>159,157,508</u>
Capital assets being depreciated					
Buildings and structures	57,320,656	143,770	-	4,362,847	61,827,273
Improvements other than buildings	22,257,166	231,600	-	1,370,038	23,858,804
Furniture, machinery, equipment and vehicles	39,757,068	2,015,556	(750,761)	622,288	41,644,151
Infrastructure	<u>300,351,971</u>	<u>6,451,628</u>	<u>-</u>	<u>-</u>	<u>306,803,599</u>
Total capital assets being depreciated	<u>419,686,861</u>	<u>8,842,554</u>	<u>(750,761)</u>	<u>6,355,173</u>	<u>434,133,827</u>
Less: accumulated depreciation					
Buildings and structures	(11,975,741)	(1,234,945)	-	(3,669,345)	(16,880,031)
Improvements other than buildings	(14,062,374)	(792,484)	-	(1,107,126)	(15,961,984)
Furniture, machinery, equipment and vehicles	(27,732,052)	(2,947,004)	696,131	(496,525)	(30,479,450)
Infrastructure	<u>(190,811,058)</u>	<u>(10,086,565)</u>	<u>-</u>	<u>-</u>	<u>(200,897,623)</u>
Total accumulated depreciation	<u>(244,581,225)</u>	<u>(15,060,998)</u>	<u>696,131</u>	<u>(5,272,996)</u>	<u>(264,219,088)</u>
Governmental activities capital assets, net	<u>\$ 326,128,911</u>	<u>\$ 2,774,416</u>	<u>\$ (1,162,357)</u>	<u>\$ 1,331,277</u>	<u>\$ 329,072,247</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 5 - CAPITAL AND INTANGIBLE ASSETS (CONTINUED)

Depreciation and amortization expense were charged to functions/programs for the year ended June 30, 2024, as follows:

	<u>Depreciation</u>	<u>Amortization</u>
General government	\$ 680,900	\$ 338,542
Public safety	2,486,484	216,159
Roads and streets	10,070,837	-
Parks and recreation	1,450,634	3,697
Public library	<u>372,143</u>	<u>33,422</u>
Total depreciation and amortization expense, governmental activities	<u>\$ 15,060,998</u>	<u>\$ 591,820</u>

Business-type capital assets activity for the year ended June 30, 2024, was as follows:

<u>Business-type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Intangible assets - subscriptions					
Subscription-based IT arrangements	\$ 110,377	\$ 115,217	\$ -	\$ -	\$ 225,594
Less: accumulated amortization	<u>(14,619)</u>	<u>(39,955)</u>	<u>-</u>	<u>-</u>	<u>(54,574)</u>
Intangible assets - subscriptions, net	<u>\$ 95,758</u>	<u>\$ 75,262</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,020</u>
Capital assets not being depreciated					
Land	\$ 2,475,569	\$ -	\$ -	\$ (249,100)	\$ 2,226,469
Construction in progress	<u>2,697,464</u>	<u>3,318,850</u>	<u>(223,615)</u>	<u>-</u>	<u>5,792,699</u>
Total capital assets not being depreciated	<u>5,173,033</u>	<u>3,318,850</u>	<u>(223,615)</u>	<u>(249,100)</u>	<u>8,019,168</u>
Capital assets being depreciated					
Utility plant in service	136,697,004	71,535	(73,903)	-	136,694,636
Buildings, structures and improvements	4,739,745	-	(29,058)	(4,362,847)	347,840
Improvements other than buildings	2,675,976	-	(1,305,938)	(1,370,038)	-
Machinery, equipment, and vehicles	<u>6,328,748</u>	<u>701,626</u>	<u>(536,010)</u>	<u>(622,288)</u>	<u>5,872,076</u>
Total capital assets being depreciated	<u>150,441,473</u>	<u>773,161</u>	<u>(1,944,909)</u>	<u>(6,355,173)</u>	<u>142,914,552</u>
Less: accumulated depreciation					
Utility plant in service	(64,014,867)	(3,307,334)	53,732	-	(67,268,469)
Buildings, structure, and improvements	(3,692,564)	(142,926)	26,078	3,669,345	(140,067)
Improvements other than buildings	(2,176,970)	(124,670)	1,194,514	1,107,126	-
Machinery, equipment, and vehicles	<u>(3,754,678)</u>	<u>(477,159)</u>	<u>490,680</u>	<u>496,525</u>	<u>(3,244,632)</u>
Total accumulated depreciation	<u>(73,639,079)</u>	<u>(4,052,089)</u>	<u>1,765,004</u>	<u>5,272,996</u>	<u>(70,653,168)</u>
Business-type activities capital assets, net	<u>\$ 81,975,427</u>	<u>\$ 39,922</u>	<u>\$ (403,520)</u>	<u>\$ (1,331,277)</u>	<u>\$ 80,280,552</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 5 - CAPITAL AND INTANGIBLE ASSETS (CONTINUED)

Depreciation and amortization expense were charged to funds for the year ended June 30, 2024, as follows:

	<u>Depreciation</u>	<u>Amortization</u>
Water and sewer	\$ 3,600,609	\$ 26,666
Municipal center	311,768	-
Emergency Communications District	<u>139,712</u>	<u>13,289</u>
 Total depreciation and amortization expense, business-type activities	 <u>\$ 4,052,089</u>	 <u>\$ 39,955</u>

NOTE 6 - LEASES

Lessor

The City, as lessor, leases land for two cell towers under non-cancelable lease arrangements. The lease term on each is 25 years and contains fixed payment terms that increase 10% every five years. The leases contain options to renew that have been considered in the leases receivable when the lessee is reasonably certain to exercise the renewal option. The City received a total of \$60,000 in payments on the lease during the year. The City recognized lease revenue, which is included in miscellaneous revenues, of \$56,229 in 2024. Total leases receivable was \$1,304,247 (\$34,331 current) as of June 30, 2024, and are included as leases receivable on the statement of net position.

Expected future principal and interest expected under these lease agreements are as follows at June 30, 2024:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 34,331	\$ 26,919	\$ 61,250
2026	36,809	26,191	63,000
2027	37,563	25,437	63,000
2028	41,366	24,634	66,000
2029	42,227	23,773	66,000
2030 - 2034	246,596	104,579	351,175
2035 - 2039	310,251	76,041	386,292
2040 - 2044	384,652	40,270	424,922
2045 - 2047	<u>170,452</u>	<u>5,239</u>	<u>175,691</u>
	<u>\$ 1,304,247</u>	<u>\$ 353,083</u>	<u>\$ 1,657,330</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 6 - LEASES (CONTINUED)

Lessee

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

NOTE 7 - LONG-TERM LIABILITIES

During the year ended June 30, 2024, the changes in long-term liabilities were as follows:

	<u>Beginning Balance</u>	<u>Additions (net increase)</u>	<u>Retirements (net decrease)</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Governmental Activities					
General obligation bonds	\$ 30,880,000	\$ -	\$ (1,885,000)	\$ 28,995,000	\$ 2,045,000
Unamortized premium	<u>1,295,697</u>	<u>-</u>	<u>(110,592)</u>	<u>1,185,105</u>	<u>140,998</u>
Total bonds and notes	32,175,697	-	(1,995,592)	30,180,105	2,185,998
SBITA liabilities	1,190,753	486,974	(806,516)	871,211	435,158
Compensated absences	<u>3,323,986</u>	<u>492,175</u>	<u>-</u>	<u>3,816,161</u>	<u>1,460,000</u>
Total governmental activities	<u>\$ 36,690,436</u>	<u>\$ 979,149</u>	<u>\$ (2,802,108)</u>	<u>\$ 34,867,477</u>	<u>\$ 4,081,156</u>
Business-type Activities					
General obligation bonds	\$ 18,305,000	\$ -	\$ (1,810,000)	\$ 16,495,000	\$ 1,855,000
Unamortized premium	<u>839,050</u>	<u>-</u>	<u>(100,256)</u>	<u>738,794</u>	<u>100,256</u>
Total bonds	19,144,050	-	(1,910,256)	17,233,794	1,955,256
SBITA liabilities	91,626	115,217	(43,540)	163,303	42,712
Compensated absences	<u>417,859</u>	<u>37,912</u>	<u>-</u>	<u>455,771</u>	<u>163,906</u>
Total business-type activities	<u>\$ 19,653,535</u>	<u>\$ 153,129</u>	<u>\$ (1,953,796)</u>	<u>\$ 17,852,868</u>	<u>\$ 2,161,874</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Amounts payable for governmental activities at June 30, 2024, were as follows:

\$3,250,000 2012 General Obligation Public Improvement Refunding Bonds, due in increasing annual installments through September 1, 2025, at 2.00% interest rate	\$ 670,000
\$3,035,000 2016 General Obligation Refunding Bonds, due in increasing annual installments through March 1, 2030, at a 2.00% interest rate	1,810,000
\$3,030,000 2017 General Obligation Refunding Bonds, due in increasing annual installments through September 1, 2027, at varying rates of interest from 2.00% to 3.00%	1,285,000
\$2,040,000 2017A General Obligation Refunding Bonds, due in increasing annual installments through September 1, 2031, at varying rates of interest from 2.50% to 4.00%	2,040,000
\$14,445,000 2019 General Obligation Public Improvement Bonds, due in increasing annual installments through September 1, 2039, at varying rates of interest from 2.00% to 5.00%	12,760,000
\$2,810,000 2021B General Obligation Public Refunding Bonds, due in increasing annual installments through September 1, 2033, at varying rates of interest from 1.85% to 5.00%	2,810,000
\$7,770,000 2023 General Obligation Public Improvement Bonds, due in increasing annual installments through September 1, 2042, at varying rates of interest from 3.00% to 5.00%	<u>7,620,000</u>
Total governmental activities	28,995,000
Unamortized premium	<u>1,185,105</u>
	<u>\$ 30,180,105</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Amount payable for business-type activities at June 30, 2024, were as follows:

\$10,000,000 2010 General Obligation Public Improvement Bonds, due in increasing annual installments through March 1, 2025, at varying rates of interest from 2.00% to 4.00%	\$ 530,000
\$6,560,000 2012 General Obligation Public Improvement Bonds, due in increasing annual installments through September 1, 2025, at varying rates of interest from 2.00% to 2.63%	720,000
\$6,315,000 2016 General Obligation Public Refunding Bonds, due in increasing annual installments through March 1, 2029, at a 2.00% interest rate	3,225,000
\$3,495,000 2017A General Obligation Refunding Bonds, due in increasing annual installments through September 1, 2030, at varying rates of interest from 2.50% to 4.00%	3,495,000
\$4,790,000 2021A General Obligation Public Improvement Bonds, due in increasing annual installments through September 1, 2041 at varying rates of interest from 2.00% to 4.00%	4,425,000
\$4,100,000 2021B General Obligation Refunding Bonds, due in increasing annual installments through September 1, 2033, at varying rates of interest from 1.85% to 5.00%	<u>4,100,000</u>
Total business-type activities	16,495,000
Unamortized premium	<u>738,794</u>
	<u>\$ 17,233,794</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

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

Bond Refunding and Prepayments

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

Debt Service Requirements

The annual debt service requirements to maturity for all long-term obligations outstanding as of June 30, 2024 are as follows:

Year	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>Bonds</u>		<u>Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 2,045,000	\$ 864,336	\$ 1,855,000	\$ 424,707	\$ 3,900,000	\$ 1,289,043
2026	2,390,000	782,886	1,890,000	364,032	4,280,000	1,146,918
2027	2,140,000	695,962	1,925,000	301,958	4,065,000	997,920
2028	2,215,000	615,077	1,995,000	239,008	4,210,000	854,085
2029	1,950,000	550,455	2,045,000	183,820	3,995,000	734,275
2030-2034	8,565,000	2,001,407	4,595,000	402,494	13,160,000	2,403,901
2035-2039	6,655,000	1,025,556	1,325,000	153,750	7,980,000	1,179,306
2040-2042	3,035,000	182,700	865,000	26,250	3,900,000	208,950
	<u>\$ 28,995,000</u>	<u>\$ 6,718,379</u>	<u>\$ 16,495,000</u>	<u>\$ 2,096,019</u>	<u>\$ 45,490,000</u>	<u>\$ 8,814,398</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 8 - SBITA LIABILITIES

The City has several SBITA agreements that are payable in varying initial terms from 20 to 82 months and cumulative annual payments from \$3,575 to \$239,785. Interest rates range from 1.894% to 3.451%.

Annual required minimum payments for SBITA liabilities are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2025	\$ 435,158	\$ 18,859	\$ 454,017	\$ 42,712	\$ 4,029	\$ 46,741
2026	295,184	9,193	304,377	39,616	2,959	42,575
2027	140,869	3,114	143,983	31,582	1,970	33,552
2028	-	-	-	33,342	1,217	34,559
2029	-	-	-	16,051	421	16,472
	<u>\$ 871,211</u>	<u>\$ 31,166</u>	<u>\$ 902,377</u>	<u>\$ 163,303</u>	<u>\$ 10,596</u>	<u>\$ 173,899</u>

NOTE 9 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows of resources consist of the following at June 30, 2024:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Debt refundings	\$ 212,878	\$ 256,035
Pension-related items	8,889,622	947,103
OPEB-related items	<u>2,154,027</u>	<u>162,888</u>
	<u>\$ 11,256,527</u>	<u>\$ 1,366,026</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 9 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (CONTINUED)

Deferred inflows of resources consist of the following at June 30, 2024:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Property taxes		
2024 estimated levy	\$ 13,122,921	\$ -
Leases	1,234,495	-
Pension-related items	-	25,652
OPEB-related items	<u>5,071,258</u>	<u>180,933</u>
	<u>\$ 19,428,674</u>	<u>\$ 206,585</u>

The general fund also reports deferred inflows of resources relating to unavailable property taxes of \$170,863.

NOTE 10 - DEFINED BENEFIT PENSION PLANS

General Information about the Pension Plans

Plan Descriptions

Employees of the City are provided defined benefit pension plans through the Public Employee Retirement Plan, 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>.

The City contributes to four defined benefit pension plans, the Public Employee Retirement Plan (Legacy) of the TCRS (City TCRS Legacy), the Public Employee Retirement Plan (Hybrid with cost controls) of the TCRS (City TCRS Hybrid), the ECD Public Employee Retirement Plan (ECD Legacy) of the TCRS (ECD TCRS Legacy), the ECD Public Employee Retirement Plan (ECD Hybrid without cost controls) of the TCRS (ECD TCRS Hybrid).

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Information about the Pension Plans (Continued)

As of and for the year ended June 30, 2024, the four plans had the following balances reported in the financial statements:

	Total pension Liability	Net pension asset	Net pension Liability
City TCRS Legacy	\$ 92,579,253	\$ 3,166,832	\$ -
ECD TCRS Legacy	605,332	252,392	-
City TCRS Hybrid	873,364	-	5,110
ECD TCRS Hybrid	40,072	4,478	-
Total	<u>\$ 94,098,021</u>	<u>\$ 3,423,702</u>	<u>\$ 5,110</u>

	Deferred outflows of resources	Deferred inflows of resources	(Negative) pension expense
City TCRS Legacy	\$ 9,225,346	\$ -	\$ 2,787,583
ECD TCRS Legacy	138,707	21,754	24,909
City TCRS Hybrid	463,765	-	92,139
ECD TCRS Hybrid	8,907	3,898	5,021
Total	<u>\$ 9,836,725</u>	<u>\$ 25,652</u>	<u>\$ 2,909,652</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Information about the Pension Plans (Continued)

Benefits Provided - TCRS Hybrid (Continued)

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

Employees Covered by Benefit Terms

At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

TCRS Legacy

	<u>City</u>	<u>ECD</u>
Inactive employees or beneficiaries currently receiving benefits	170	2
Inactive employees entitled to but not yet receiving benefits	234	3
Active employees	<u>175</u>	<u>8</u>
Total employees	<u>579</u>	<u>13</u>

TCRS Hybrid

	<u>City</u>	<u>ECD</u>
Inactive employees or beneficiaries currently receiving benefits	-	-
Inactive employees entitled to but not yet receiving benefits	40	4
Active employees	<u>91</u>	<u>4</u>
Total employees	<u>131</u>	<u>8</u>

The TCRS Legacy plans are closed to new entrants.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Information about the Pension Plans (Continued)

Contributions - TCRS Legacy

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees hired on or after January 1, 2010 contribute 5% of salary. Employees hired prior to then do not contribute. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, employer contributions for the City were \$2,159,682, based on a rate of 15.50% (public safety) and 12.00% (general government) of covered payroll. The employer contributions for the ECD were \$82,663 based on a rate of 12.00% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Contributions - TCRS Hybrid

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5% of salary. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4%, except in years when the maximum funded level, as established by the TCRS Board of Trustees is reached. For the year ended June 30, 2024, the employer contributions for the City were \$249,302 based on a rate of 4.01% (public safety) and 3.11% (general government) of covered payroll. The employer contributions for the ECD were \$2,790 based on a rate of 1.85% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Net Pension Liabilities (Assets)

The City's net pension liabilities (assets) were measured as of June 30, 2023, and the total pension liabilities used to calculate net pension liabilities (assets) were determined by actuarial valuations as of that date.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Liabilities (Assets) (Continued)

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.

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Liabilities (Assets) (Continued)

Actuarial Assumptions (Continued)

<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 City will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension 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.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

City Plan

	Total pension Liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a)-(b)
	<u> </u>	<u> </u>	<u> </u>
Balance - June 30, 2023	\$ 85,451,615	\$ 90,362,137	\$ (4,910,522)
Service cost	1,492,527	-	1,492,527
Interest	5,766,973	-	5,766,973
Experience differences	2,883,145	-	2,883,145
Changes in assumptions	-	-	-
Contributions, employer	-	2,064,648	(2,064,648)
Contributions, employee	-	302,018	(302,018)
Net investment income	-	6,051,585	(6,051,585)
Benefit payments, including refunds of employee contributions	(3,015,007)	(3,015,007)	-
Administrative expenses	-	(19,296)	19,296
	<u>7,127,638</u>	<u>5,383,948</u>	<u>1,743,690</u>
Net change			
Balance, June 30, 2024	<u>\$ 92,579,253</u>	<u>\$ 95,746,085</u>	<u>\$ (3,166,832)</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

ECD Plan

	Total pension Liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a)-(b)
	<u> </u>	<u> </u>	<u> </u>
Balance - 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, including refunds of employee contributions	(6,769)	(6,769)	-
Administrative expenses	<u>-</u>	<u>(568)</u>	<u>568</u>
Net change	<u>107,073</u>	<u>128,732</u>	<u>(21,659)</u>
Balance, June 30, 2024	<u>\$ 605,332</u>	<u>\$ 857,724</u>	<u>\$ (252,392)</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

City Plan

	Total pension Liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a)-(b)
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balance - June 30, 2023	\$ 458,000	\$ 449,520	\$ 8,480
Service cost	283,097	-	283,097
Interest	49,576	-	49,576
Experience differences	95,956	-	95,956
Changes in assumptions	-	-	-
Contributions, employer	-	160,924	(160,924)
Contributions, employee	-	233,150	(233,150)
Net investment income	-	42,849	(42,849)
Benefit payments, including refunds of employee contributions	(13,265)	(13,265)	-
Administrative expenses	-	(4,924)	4,924
Net change	<u>415,364</u>	<u>418,734</u>	<u>(3,370)</u>
Balance, June 30, 2024	<u>\$ 873,364</u>	<u>\$ 868,254</u>	<u>\$ 5,110</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

ECD Plan

	Total pension Liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a)-(b)
Balance - 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, including refunds of employee contributions	-	-	-
Administrative expenses	-	(253)	253
Net change	13,737	17,183	(3,446)
Balance, June 30, 2024	\$ 40,072	\$ 44,550	\$ (4,478)

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

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

	1% Decrease (5.75%)	Current rate (6.75%)	1% Increase (7.75%)
City TCRS Legacy net pension liability (asset)	\$ 9,904,643	\$ (3,166,832)	\$ (13,954,724)
ECD TCRS Legacy net pension liability (asset)	(143,358)	(252,392)	(340,551)
City TCRS Hybrid net pension liability (asset)	248,111	5,110	(177,303)
ECD TCRS Hybrid net pension liability (asset)	8,880	(4,478)	(13,629)

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 City recognized pension of \$2,787,583 and \$24,909 for the City and ECD Legacy plans, respectively, and \$92,139 and \$5,021 for the City and ECD Hybrid plans, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

City TCRS Legacy Plan

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 4,381,895	\$ -
Net difference between projected and actual earnings on pension plan investments	763,979	-
Changes in assumptions	1,909,246	-
Contributions subsequent to the measurement date of June 30, 2023	<u>2,170,226</u>	<u>-</u>
	<u>\$ 9,225,346</u>	<u>\$ -</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

ECD TCRS Legacy Plan

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
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	<u>82,663</u>	<u>-</u>
	<u>\$ 138,707</u>	<u>\$ 21,754</u>

The amount shown above for contributions subsequent to the measurement date of June 30, 2023, will be recognized as a reduction (increase) to net pension liability (asset) in the following fiscal period.

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

<u>Year Ended June 30,</u>	<u>City</u>	<u>ECD</u>
2025	\$ 2,140,443	\$ 2,512
2026	1,667,002	665
2027	3,242,616	20,554
2028	5,065	4,214
2029	-	4,171
Thereafter	-	2,178

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

City TCRS Hybrid Plan

	Deferred outflows of resources	Deferred inflows of resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 188,851	\$ -
Net difference between projected and actual earnings on pension plan investments	12,843	-
Changes in assumptions	12,768	-
Contributions subsequent to the measurement date of June 30, 2023	<u>249,303</u>	<u>-</u>
	<u>\$ 463,765</u>	<u>\$ -</u>

The amount shown above for contributions subsequent to the measurement date of June 30, 2023, will be recognized as a reduction (increase) to net pension liability (asset) in the following fiscal period.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

ECD TCRS Hybrid Plan

	Deferred outflows of resources	Deferred inflows of resources
	<u> </u>	<u> </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>\$ 8,907</u>	<u>\$ 3,898</u>

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

<u>Year Ended June 30,</u>	<u>City</u>	<u>ECD</u>
	<u> </u>	<u> </u>
2025	\$ 30,720	\$ 315
2026	30,592	305
2027	35,083	623
2028	27,898	166
2029	27,862	164
Thereafter	62,312	656

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 City reported payables in the amount of \$253,264 for the outstanding required contributions to the plans.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Allocation of Pension-related Activity

The pension-related activity has been allocated to the governmental activities and respective business-type activities by use of an allocation ratio derived from the fiscal year 2023 pension contributions. A summary of the pension related activity follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Net pension assets	\$ 2,792,605	\$ 631,097	\$ 3,423,702
Net pension liabilities	3,252	1,858	5,110
Deferred outflows	8,889,622	947,103	9,836,725
Deferred inflows	-	25,652	25,652

NOTE 11 - OPEB PLAN AND TRUST

General Information about the OPEB Plan

Plan Administration

The City in the City of Brentwood Postemployment Benefits Plan (OPEB Plan) is administered through a trust that meets the definitions set forth in GASB Statement No. 74. The plan does not issue separate financial statements, and accordingly, all required disclosures are included in the City's financial statements. The management of the OPEB Plan is vested in the Board. The City's latest actuarial valuation was prepared as of January 1, 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.

Plan Description

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 11 - OPEB PLAN AND TRUST (CONTINUED)

General Information about the OPEB Plan (Continued)

Plan Membership

Membership in the plan consisted of the following at June 30, 2024:

Active participant	274
Retired participants entitled to but not yet receiving benefits	-
Retired participants currently receiving benefits	<u>59</u>
Total	<u><u>333</u></u>

Benefits Provided

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

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 11 - OPEB PLAN AND TRUST (CONTINUED)

General Information about the OPEB Plan (Continued)

Funding Policy and Contributions

The contribution requirements are established and may be amended by the Board. The required contribution is based on an actuarial valuation utilizing the entry age normal method. During 2008, the City prefunded a trust account, administered by MissionSquare Retirement, in the amount of \$2,260,000, which included the 2008 annual required contribution of \$598,000, less amounts paid as premium benefits. The prefunding will reduce the annual required contribution in future years. For fiscal year 2024, the City's general fund, water and sewer fund, and ECD collectively contributed \$800,015 to the Trust and withdrew \$975,274 to pay benefits. All contributions were made by the employer (no contributions by active or retired employees). Employer contributions are calculated as 4.18% of covered-employee payroll for fiscal year 2024.

Investments

Investment Policy

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

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 11 - OPEB PLAN AND TRUST (CONTINUED)

Investments (Continued)

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

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

Rate of Return

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

Total OPEB Liability

Actuarial Assumptions

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

Inflation	3.00%
Salary increase	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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 11 - OPEB PLAN AND TRUST (CONTINUED)

Total OPEB Liability (Continued)

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

Changes in Assumptions

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 and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024 (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%

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 11 - OPEB PLAN AND TRUST (CONTINUED)

Discount Rate

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

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, 2023	\$ 15,165,566	\$ 15,491,056	\$ (325,490)
Service cost	342,296	-	342,296
Interest	1,039,196	-	1,039,196
Benefit changes	-	-	-
Experience differences	-	-	-
Changes in assumptions	263,855	-	263,855
Contributions, employer	-	800,015	(800,015)
Net investment income	-	1,659,911	(1,659,911)
Benefits paid, including refunds of employee contributions	(1,028,652)	(1,028,652)	-
Other	444,856	141,910	302,946
Administrative expenses	-	(29,533)	29,533
Net change	1,061,551	1,543,651	(482,100)
Balance, June 30, 2024	\$ 16,227,117	\$ 17,034,707	\$ (807,590)

The OPEB Plan's fiduciary net position represents 104.98% of the total OPEB liability at June 30, 2024.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 11 - OPEB PLAN AND TRUST (CONTINUED)

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

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

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

	<u>1% Decrease</u> <u>(5.75%)</u>	<u>Current rate</u> <u>6.75%</u>	<u>1% Increase</u> <u>(7.75%)</u>
Net OPEB liability (asset)	\$ <u>551,806</u>	\$ <u>(807,590)</u>	\$ <u>(2,102,549)</u>

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

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

	<u>6.00%</u> <u>Decreasing to</u> <u>3.1% over 51</u> <u>Years</u>	<u>7.00%</u> <u>Decreasing to</u> <u>3.1% over 51</u> <u>years</u>	<u>8.00%</u> <u>Decreasing to</u> <u>3.1% over 51</u> <u>years</u>
Net OPEB liability (asset)	\$ <u>(1,740,878)</u>	\$ <u>(807,590)</u>	\$ <u>296,547</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 11 - OPEB PLAN AND TRUST (CONTINUED)

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

OPEB Expense

For the year ended June 30, 2024, the City recognized OPEB (negative) expense of (\$425,285).

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Difference between expected and actual experience	\$ 9,097	\$ 5,122,991
Changes in assumptions	1,023,258	129,200
Net difference between projected and actual earnings of OPEB plan investments	<u>1,284,560</u>	<u>-</u>
	<u>\$ 2,316,915</u>	<u>\$ 5,252,191</u>

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,

2024	\$ (129,331)
2025	(18,292)
2026	(138,102)
2027	(815,079)
2028	(692,917)
Thereafter	(1,141,555)

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 11 - OPEB PLAN AND TRUST (CONTINUED)

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

Amounts Payable to the OPEB Plan

At June 30, 2024, the City had no payables relating to contributions to the Plan.

Allocation of OPEB-related Activity

The OPEB-related activity has been allocated to the governmental activities and respective business-type activities of the City based on the actuarial valuation of participants in the respective fund type. A summary of the OPEB-related activity follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net OPEB liability (asset)	\$ (704,331)	\$ (103,259)	\$ (807,590)
Deferred outflows	2,154,027	162,888	2,316,915
Deferred inflows	5,071,258	180,933	5,252,191

NOTE 12 - DEFINED CONTRIBUTION PENSION PLANS

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

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 12 - 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 City's participating employer agreement for the State of Tennessee Deferred Compensation Plan II - 401(k) (State 401(k) Plan) was originally effective on October 1, 2018, and most recently amended and restated effective March 28, 2022. The plan's investments are held in trust by Empower Retirement.

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 12 - DEFINED CONTRIBUTION PENSION PLANS (CONTINUED)

State of Tennessee Deferred Compensation Plan II - 401(k) (Continued)

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

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

The City's contributions to the State 401(k) Plan recognized in pension expense for the year totaled \$511,515. The ECD's contributions to the State 401(k) Plan recognized in pension expense for the year totaled \$23,229. \$13,090 in forfeitures were used by the City to offset employer matching contributions during the year. At June 30, 2024, there were no amounts relating to required contributions payable to the plan.

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

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

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

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 13 - RECONCILIATION OF GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO EXPENDITURES ON THE BUDGETARY COMPARISON STATEMENT

For the budget ordinance, the City budgets separately for two funds previously reported as special revenue funds, but which no longer meet the definition under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following schedule presents a summary of the differences in the statement of revenues, expenditures, and changes in fund balance - governmental funds and general fund budget to actual to demonstrate how the two statements reconcile in terms of the total change in fund balance:

	Governmental Funds Statement	Budget to Actual - Fund Statement	Difference
Revenues			
Investment earnings	\$ 3,609,969	\$ 2,805,336	\$ 804,633
Expenditures			
General government	9,214,473	9,526,518	312,045
Public safety	21,671,681	21,899,386	227,705
Roads and streets	5,940,561	6,045,753	105,192
Parks and recreation	2,986,558	2,988,347	1,789
Public library	3,213,810	3,253,814	40,004
Debt service	806,516	-	(806,516)
Capital outlay	2,201,130	-	(2,201,130)
Other Financing Sources (Uses)			
Transfers out	(16,798,000)	(21,020,000)	4,222,000
Transfers in	1,638,579	257,299	1,381,280
Sale of general capital assets	150,896	60,363	90,533
Financing of SBITAs	486,974	-	486,974
Committed Activity Budgeted Separately			
Net change			
Equipment	-	2,645,095	(2,645,095)
Facilities maintenance replacement	-	2,097,339	(2,097,339)
Postemployment benefits	-	(77,925)	77,925
Net change in fund balance	<u>\$ 7,880,769</u>	<u>\$ 7,880,769</u>	<u>\$ -</u>

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 14 - RISK MANAGEMENT

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

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

Effective January 1, 2011, the City terminated its fully-insured employee group health insurance plan, and established a partially self-funded insurance plan, coupled with the existing City-funded HRA. Under the partially self-funded insurance plan, which is administered by Blue Cross Blue Shield of Tennessee, the City is liable through the HRA for up to \$5,500 of the first \$6,500 of individual employee claims, with the employee being liable for up to \$1,000 out of pocket. The City then assumes liability for additional individual medical claims up to \$85,000. To help mitigate losses from high-dollar medical claims beyond the HRA-combined City and employee liability of \$90,500 and the employee's out-of-pocket maximum of \$1,000 (total of \$91,500 funded amount), the City purchased catastrophic insurance coverage plans for specific stop loss and aggregate stop loss coverage. Specific stop loss coverage limits the City's potential liability for individual catastrophic claims by covering all costs for an individual member once those costs exceed \$85,000 over and above the HRA-funded amount and employee out-of-pocket maximum. Aggregate stop loss coverage caps the City's liability for all claims in the entire plan at an agreed-upon dollar amount. In calendar year 2024, the aggregate stop loss threshold is approximately \$4.143 million.

Revenues of the fund include budgeted amounts from each City fund with personnel assigned to it, as well as employee payroll deductions from those employees who elect to cover dependents under the City's plan. Expenses of the fund include premium costs for the City's stop-loss coverage, administrative fees charged by Blue Cross Blue Shield, HRA claims expenses, and medical claims expenses from the partially self-funded health plans and fully insured vision plans. Other expenses include the CareHere Clinic and healthcare consultant services. The HRA and partially self-funded plans are administered by Blue Cross Blue Shield and the City is invoiced weekly for such claims. HRA liabilities also include an amount for claims that have been incurred prior to June 30, 2024, but not reported.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 14 - RISK MANAGEMENT (CONTINUED)

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

	<u>2024</u>	<u>2023</u>
Unpaid claims, beginning of fiscal year	\$ 257,481	\$ 86,187
Incurred claims	3,664,778	3,538,844
Claim payments	<u>(3,802,752)</u>	<u>(3,367,550)</u>
Unpaid claims, end of fiscal year	<u>\$ 119,507</u>	<u>\$ 257,481</u>

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

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

NOTE 15 - CONTINGENT LIABILITIES

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

NOTE 16 - COMMITMENTS

Construction commitments amounting to approximately \$10,937,000 and \$4,618,000 were outstanding as of June 30, 2024, for governmental activities and business-type activities (Water and Sewer Fund), respectively.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 17 - ECONOMIC DEPENDENCY

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

NOTE 18 - TAX ABATEMENT

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

Under the agreement, the City abates a portion of the property taxes otherwise payable by the company each year for a 10-year period and the company maintains its headquarters within the City. The company also committed to certain full-time equivalent employee levels. The City's portion of the abatement cannot exceed \$37,500 annually and \$375,000 in the aggregate. For the fiscal year ended June 30, 2024, the City abated property taxes totaling \$37,500. There are no future abatements under this agreement.

NOTE 19 - RECENTLY ISSUED GASB PRONOUNCEMENTS

GASB Statement No. 102 - *Certain Risk Disclosures*, Issued in December 2023. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 103 - *Financial Reporting Model Improvements*, Issued in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

CITY OF BRENTWOOD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

NOTE 19 - RECENTLY ISSUED GASB PRONOUNCEMENTS (CONTINUED)

Improvements include:

- MD&A changes will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A.
- Separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources.
- Definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from government to government, thereby improving comparability.
- Addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position.
- Presentation of major component unit information will improve comparability.
- Budgetary comparison information to be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 1,492,527	\$ 1,478,419	\$ 1,415,440	\$ 1,444,859	\$ 1,385,143	\$ 1,327,442	\$ 1,156,664	\$ 1,150,624	\$ 1,150,999	\$ 1,122,965
Interest	5,766,973	5,318,341	4,986,137	4,692,340	4,377,106	4,201,625	3,902,973	3,650,234	3,399,040	3,254,114
Changes in benefit terms	-	2,636,775	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	4,773,112	-	-	-	1,062,242	-	-	-
Differences between expected and actual experience	2,883,145	-	1,224,164	191,599	656,937	(1,361,854)	1,078,095	(132,928)	(47,643)	1,062
Benefit payments/refunds	(3,015,007)	(2,587,486)	(2,304,314)	(2,189,682)	(2,072,008)	(1,536,967)	(1,376,938)	(1,231,286)	(1,074,254)	(936,262)
Net change in total pension liability	7,127,638	6,846,049	10,094,539	4,139,116	4,347,178	2,630,246	5,823,036	3,436,644	3,428,142	3,441,879
Total pension liability, beginning	85,451,615	78,605,566	68,511,027	64,371,911	60,024,733	57,394,487	51,571,451	48,134,807	44,706,665	42,733,357
Total pension liability, ending (a)	92,579,253	85,451,615	78,605,566	68,511,027	64,371,911	60,024,733	57,394,487	51,571,451	48,134,807	46,175,236
Plan Fiduciary Net Position										
Contributions, employer	2,064,648	2,112,369	2,113,794	2,184,009	2,486,210	2,358,892	2,709,932	2,306,684	2,329,112	2,269,893
Contributions, employee	302,018	302,783	292,047	313,494	314,511	262,129	229,356	161,462	141,959	117,752
Net investment income	6,051,585	(3,598,240)	19,299,236	3,526,683	4,892,886	4,968,751	5,969,974	1,363,718	1,454,368	6,499,814
Benefit payments, including refunds of employee contributions	(3,015,007)	(2,587,486)	(2,304,314)	(2,189,682)	(2,072,008)	(1,536,967)	(1,376,938)	(1,231,286)	(1,074,254)	(936,262)
Administrative expenses	(19,296)	(19,737)	(19,631)	(20,951)	(22,778)	(24,115)	(20,973)	(18,055)	(12,513)	(11,223)
Net change in plan fiduciary net position	5,383,948	(3,790,311)	19,381,132	3,813,553	5,598,821	6,028,690	7,511,351	2,582,523	2,838,672	7,939,974
Plan fiduciary net position, beginning	90,362,137	94,152,448	74,771,316	70,957,763	65,358,942	59,330,252	51,818,901	49,236,378	46,397,706	38,457,732
Plan fiduciary net position, ending (b)	95,746,085	90,362,137	94,152,448	74,771,316	70,957,763	65,358,942	59,330,252	51,818,901	49,236,378	46,397,706
Net pension liability (asset), ending (a) - (b)	<u>\$ (3,166,832)</u>	<u>\$ (4,910,522)</u>	<u>\$ (15,546,882)</u>	<u>\$ (6,260,289)</u>	<u>\$ (6,585,852)</u>	<u>\$ (5,334,209)</u>	<u>\$ (1,935,765)</u>	<u>\$ (247,450)</u>	<u>\$ (1,101,571)</u>	<u>\$ (222,470)</u>
Plan fiduciary net position as a percentage of total pension liability	103.42%	105.75%	119.78%	109.14%	110.23%	108.89%	103.37%	100.48%	102.29%	103.78%
Covered payroll	<u>\$ 14,746,850</u>	<u>\$ 15,176,122</u>	<u>\$ 15,240,374</u>	<u>\$ 15,741,010</u>	<u>\$ 15,695,065</u>	<u>\$ 14,892,532</u>	<u>\$ 14,575,800</u>	<u>\$ 13,431,688</u>	<u>\$ 13,642,197</u>	<u>\$ 13,468,614</u>
Net pension liability (asset) as a percentage of covered payroll	-21.47%	-32.36%	-102.01%	-39.77%	-41.96%	-35.82%	-13.28%	-1.84%	-8.07%	-12.56%

See notes to Required Supplementary Information on page 107.

City of Brentwood
Schedule of Employer Contributions -
City of Brentwood 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>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,048,751	\$ 997,631	\$ 732,860	\$ 1,095,737	\$ 1,132,510	\$ 1,375,000	\$ 1,304,501	\$ 2,300,061	\$ 2,306,684	\$ 2,329,112
Contributions in relation to the actuarially determined contribution	<u>2,170,226</u>	<u>2,064,648</u>	<u>2,112,369</u>	<u>2,113,794</u>	<u>2,184,009</u>	<u>2,486,210</u>	<u>2,358,892</u>	<u>2,709,932</u>	<u>2,306,684</u>	<u>2,329,112</u>
Contribution deficiency (excess)	\$ (1,121,475)	\$ (1,067,017)	\$ (1,379,509)	\$ (1,018,057)	\$ (1,051,499)	\$ (1,111,210)	\$ (1,054,391)	\$ (409,871)	\$ -	\$ -
Covered payroll	\$ 15,502,140	\$ 14,746,580	\$ 15,176,122	\$ 15,240,374	\$ 15,741,010	\$ 15,695,065	\$ 14,892,532	\$ 14,575,800	\$ 13,431,688	\$ 13,642,197
Contributions as a percentage of covered payroll	14.00%	14.00%	13.92%	13.87%	13.87%	15.84%	15.84%	18.59%	17.17%	17.07%

See notes to Required Supplementary Information on page 107.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Pension Liability					
Service cost	\$ 283,097	\$ 177,146	\$ 78,200	\$ 3,552	\$ -
Interest	49,576	26,751	9,914	207	-
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	95,956	38,607	58,501	56,721	-
Changes in assumptions	-	-	18,240	-	-
Benefit payments/refunds	<u>(13,265)</u>	<u>(7,353)</u>	<u>(1,102)</u>	<u>(1,384)</u>	<u>-</u>
Net change in total pension liability	415,364	235,151	163,753	59,096	-
Total pension liability, beginning	<u>458,000</u>	<u>222,849</u>	<u>59,096</u>	<u>-</u>	<u>-</u>
Total pension liability, ending (a)	<u>873,364</u>	<u>458,000</u>	<u>222,849</u>	<u>59,096</u>	<u>-</u>
Plan Fiduciary Net Position					
Contributions, employer	160,924	93,715	43,571	16,780	199
Contributions, employee	233,150	165,180	90,333	40,911	542
Net investment income	42,849	(12,996)	31,236	1,384	23
Benefit payments, including refunds of employee contributions	(13,265)	(7,353)	(1,102)	(1,384)	-
Administrative expenses	<u>(4,924)</u>	<u>(5,942)</u>	<u>(3,611)</u>	<u>(1,875)</u>	<u>(91)</u>
Net change in plan fiduciary net position	418,734	232,604	160,427	55,816	673
Plan fiduciary net position, beginning	<u>449,520</u>	<u>216,916</u>	<u>56,489</u>	<u>673</u>	<u>-</u>
Plan fiduciary net position, ending (b)	<u>868,254</u>	<u>449,520</u>	<u>216,916</u>	<u>56,489</u>	<u>673</u>
Net pension liability (asset), ending (a) - (b)	<u>\$ 5,110</u>	<u>\$ 8,480</u>	<u>\$ 5,933</u>	<u>\$ 2,607</u>	<u>\$ (673)</u>
Plan fiduciary net position as a percentage of total pension liability	99.41%	98.15%	97.34%	95.59%	0.00%
Covered payroll	<u>\$ 4,662,975</u>	<u>\$ 3,301,995</u>	<u>\$ 1,806,645</u>	<u>\$ 818,205</u>	<u>\$ 10,844</u>
Net pension liability (asset) as a percentage of covered payroll	0.11%	0.26%	0.33%	0.32%	(6.21%)

See notes to Required Supplementary Information on page 107.

City of Brentwood
Schedule of Employer Contributions -
City of Brentwood 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>
Actuarially determined contribution	\$ 249,303	\$ 160,924	\$ 93,715	\$ 43,532	\$ 16,780	\$ 199
Contributions in relation to the actuarially determined contribution	<u>249,303</u>	<u>160,924</u>	<u>93,715</u>	<u>43,571</u>	<u>16,780</u>	<u>199</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (39)	\$ -	\$ -
Covered payroll	\$ 7,090,835	\$ 4,662,975	\$ 3,301,995	\$ 1,806,645	\$ 818,205	\$ 10,844
Contributions as a percentage of covered payroll	3.52%	3.45%	2.84%	2.41%	2.05%	1.84%

See notes to Required Supplementary Information on page 107.

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

	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability							
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
Plan Fiduciary Net Position							
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, including refunds of employee contributions	(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
Net pension liability (asset), ending (a) - (b)	\$ (252,392)	\$ (230,733)	\$ (290,981)	\$ (211,760)	\$ (169,299)	\$ (122,780)	\$ (38,683)
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	\$ 496,912	\$ 481,496	\$ 524,922	\$ 552,811	\$ 591,445	\$ 581,046	\$ 434,433
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 107.

City of Brentwood
Schedule of Employer Contributions -
Brentwood ECD 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	\$ 44,122	\$ 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)	\$ (54,558)	\$ (34,634)	\$ (35,439)	\$ (32,913)	\$ (27,806)	\$ (38,680)	\$ -	\$ -
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 107.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Pension Liability				
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	26,335	11,846	2,568	-
Total pension liability, ending (a)	<u>40,072</u>	<u>26,335</u>	<u>11,846</u>	<u>2,568</u>
Plan Fiduciary Net Position				
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, including refunds of employee contributions	-	-	-	-
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	27,367	14,966	4,382	-
Plan fiduciary net position, ending (b)	<u>44,550</u>	<u>27,367</u>	<u>14,966</u>	<u>4,382</u>
Net pension liability (asset), ending (a) - (b)	<u>\$ (4,478)</u>	<u>\$ (1,032)</u>	<u>\$ (3,120)</u>	<u>\$ (1,814)</u>
Plan fiduciary net position as a percentage of total pension liability	111.17%	103.92%	126.34%	170.64%
Covered payroll	<u>\$ 225,339</u>	<u>\$ 224,535</u>	<u>\$ 142,812</u>	<u>\$ 73,008</u>
Net pension liability (asset) as a percentage of covered payroll	-1.99%	-0.46%	-2.18%	-2.48%

See notes to Required Supplementary Information on page 107.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</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>
Contribution deficiency (excess)	\$ -	\$ -	\$ (449)	\$ -	\$ -
Covered payroll	\$ 150,811	\$ 255,339	\$ 224,545	\$ 142,812	\$ 73,008
Contributions as a percentage of covered payroll	1.85%	1.50%	1.10%	1.10%	1.10%

See notes to Required Supplementary Information on page 107.

City of Brentwood
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 | Varies by year |
| 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 %.

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

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	\$ 342,296	\$ 540,895	\$ 525,558	\$ 540,999	\$ 520,191	\$ 495,420	\$ 424,946	\$ 404,710
Interest	1,039,196	1,014,749	947,876	1,302,370	1,164,052	1,092,361	923,825	830,275
Changes in benefit terms	-	940,673	-	-	-	-	-	-
Differences between expected and actual experience	-	(1,303,293)	-	(6,457,501)	(41,270)	160,366	273,528	256,256
Changes in assumptions	263,855	203,676	59,926	(203,029)	-	1,727,936	-	-
Benefit payments/refunds	(1,028,652)	(694,081)	(857,622)	(312,849)	(339,071)	(460,644)	(547,538)	(494,941)
Other	444,856	-	-	(12,238)	-	-	-	-
Net change in total OPEB liability	1,061,551	702,619	675,738	(5,142,248)	1,303,902	3,015,439	1,074,761	996,300
Total OPEB liability, beginning	15,165,566	14,462,947	13,787,209	18,929,457	17,625,555	14,610,116	13,535,355	12,539,055
Total OPEB liability, ending (a)	16,227,117	15,165,566	14,462,947	13,787,209	18,929,457	17,625,555	14,610,116	13,535,355
Plan Fiduciary Net Position								
Contributions, employer	800,015	1,281,063	1,340,374	1,198,912	1,169,119	957,978	968,650	740,388
Contributions, employee	-	-	-	-	-	-	-	-
Net investment income	1,659,911	1,021,324	(1,745,327)	2,163,268	552,538	575,694	438,726	654,925
Benefit payments, including refunds of employee contributions	(1,028,652)	(694,081)	(857,622)	(312,849)	(339,071)	(460,644)	(547,538)	(494,941)
Other	141,910	-	-	-	-	-	-	-
Administrative expenses	(29,533)	(16,885)	-	(7,299)	-	(9,500)	(9,500)	-
Net change in plan fiduciary net position	1,543,651	1,591,421	(1,262,575)	3,042,032	1,382,586	1,063,528	850,338	900,372
Plan fiduciary net position, beginning	15,491,056	13,899,635	15,162,210	12,120,178	10,737,592	9,674,064	8,823,726	7,923,354
Plan fiduciary net position, ending (b)	17,034,707	15,491,056	13,899,635	15,162,210	12,120,178	10,737,592	9,674,064	8,823,726
Net OPEB liability (asset), ending (a) - (b)	\$ (807,590)	\$ (325,490)	\$ 563,312	\$ (1,375,001)	\$ 6,809,279	\$ 6,887,963	\$ 4,936,052	\$ 4,711,629
Plan fiduciary net position as a percentage of total OPEB liability	104.98%	102.15%	96.11%	109.97%	64.03%	60.92%	66.21%	65.19%
Covered-employee payroll	\$ 19,134,324	\$ 18,398,388	\$ 17,624,939	\$ 16,947,057	\$ 15,827,664	\$ 15,218,908	\$ 13,693,223	\$ 13,294,391
Net OPEB liability (asset) as a percentage of covered-employee payroll	-4.22%	-1.77%	3.20%	-8.11%	43.02%	45.26%	36.05%	35.44%

See notes to Required Supplementary Information on page 111.

City of Brentwood
Schedule of Employer Contributions - 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	\$ 800,015	\$ 1,281,063	\$ 1,340,374	\$ 1,198,912	\$ 1,169,119	\$ 957,978	\$ 968,650	\$ 740,388
Contributions in relation to the actuarially-determined contribution	<u>800,015</u>	<u>1,281,063</u>	<u>1,340,374</u>	<u>1,198,912</u>	<u>1,169,119</u>	<u>957,978</u>	<u>968,650</u>	<u>740,388</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 19,134,324	\$ 18,398,388	\$ 17,624,939	\$ 16,947,057	\$ 15,983,860	\$ 15,218,908	\$ 13,693,223	\$ 13,294,391
Contributions as a percentage of covered-employee payroll	4.18%	6.96%	7.60%	7.07%	7.31%	6.29%	7.07%	5.57%

See notes to Required Supplementary Information on page 111.

City of Brentwood
 Schedule of Investment Returns - 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 111.

City of Brentwood
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
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.

NONMAJOR GOVERNMENTAL FUNDS

CITY OF BRENTWOOD, TENNESSEE

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

Nonmajor Capital Projects Funds

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

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

CITY OF BRENTWOOD

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2024

	<u>Special Revenue</u>			<u>Capital Projects</u>		<u>Total Nonmajor Governmental</u>
	<u>State Street Aid</u>	<u>Drug</u>	<u>e-Citation</u>	<u>Public Works</u>	<u>Adequate School Facilities</u>	
ASSETS						
Cash and cash equivalents	\$ 3,182,172	\$ 205,310	\$ 5,886	\$ 2,927,005	\$ 694,225	\$ 7,014,598
Intergovernmental receivable	277,361	-	-	-	48,110	325,471
Accounts receivable	13,491	1,029	-	12,718	2,522	29,760
Due from other funds	-	64,222	324	-	-	64,546
Restricted cash and cash equivalents	-	249,162	-	-	-	249,162
TOTAL ASSETS	<u>\$ 3,473,024</u>	<u>\$ 519,723</u>	<u>\$ 6,210</u>	<u>\$ 2,939,723</u>	<u>\$ 744,857</u>	<u>\$ 7,683,537</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 220,531	\$ 520	\$ -	\$ -	\$ -	\$ 221,051
Due to other funds	72,000	56	-	-	-	72,056
TOTAL LIABILITIES	<u>292,531</u>	<u>576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,107</u>
FUND BALANCES						
Restricted for						
Capital projects	-	-	-	2,939,723	744,857	3,684,580
Roads and streets	3,180,493	-	-	-	-	3,180,493
Drug enforcement and education	-	519,147	-	-	-	519,147
Citation equipment	-	-	6,210	-	-	6,210
TOTAL FUND BALANCES	<u>3,180,493</u>	<u>519,147</u>	<u>6,210</u>	<u>2,939,723</u>	<u>744,857</u>	<u>7,390,430</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,473,024</u>	<u>\$ 519,723</u>	<u>\$ 6,210</u>	<u>\$ 2,939,723</u>	<u>\$ 744,857</u>	<u>\$ 7,683,537</u>

CITY OF BRENTWOOD

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Special Revenue</u>			<u>Capital Projects</u>		
	<u>State Street Aid</u>	<u>Drug</u>	<u>e-Citation</u>	<u>Public Works</u>	<u>Adequate School Facilities</u>	<u>Total Nonmajor Governmental</u>
REVENUES						
Licenses and permits	\$ -	\$ -	\$ -	\$ 1,124,291	\$ -	\$ 1,124,291
Fines, forfeitures and penalties	-	18,439	2,412	-	-	20,851
Intergovernmental						
Gasoline and motor fuel tax	814,096	-	-	-	-	814,096
Three cent tax	235,010	-	-	-	-	235,010
Gas 1989 tax	127,274	-	-	-	-	127,274
Gas improvement tax	410,438	-	-	-	-	410,438
Adequate school facilities tax	-	-	-	-	450,784	450,784
Investment earnings	198,184	15,216	-	123,538	22,597	359,535
Miscellaneous	-	10,706	-	-	-	10,706
	<u>-</u>	<u>10,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,706</u>
TOTAL REVENUES	<u>1,785,002</u>	<u>44,361</u>	<u>2,412</u>	<u>1,247,829</u>	<u>473,381</u>	<u>3,552,985</u>
EXPENDITURES						
Roads and streets	1,925,577	-	-	-	-	1,925,577
Drug enforcement and education	-	15,879	-	-	-	15,879
	<u>-</u>	<u>15,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,879</u>
TOTAL EXPENDITURES	<u>1,925,577</u>	<u>15,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,941,456</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(140,575)	28,482	2,412	1,247,829	473,381	1,611,529
OTHER FINANCING SOURCES (USES)						
Transfers in (out)	-	-	-	-	(1,000,000)	(1,000,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>
NET CHANGE IN FUND BALANCES	(140,575)	28,482	2,412	1,247,829	(526,619)	611,529
FUND BALANCES - BEGINNING OF YEAR	<u>3,321,068</u>	<u>490,665</u>	<u>3,798</u>	<u>1,691,894</u>	<u>1,271,476</u>	<u>6,778,901</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,180,493</u>	<u>\$ 519,147</u>	<u>\$ 6,210</u>	<u>\$ 2,939,723</u>	<u>\$ 744,857</u>	<u>\$ 7,390,430</u>

CITY OF BRENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS

STATE STREET AID

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget + / (-)</u>
REVENUES				
Intergovernmental				
Gasoline and motor fuel tax	\$ 1,600,000	\$ 1,600,000	\$ 814,096	\$ (785,904)
Three cent tax	-	-	235,010	235,010
Gas 1989 tax	-	-	127,274	127,274
Gas improvement tax	-	-	410,438	410,438
Investment earnings	<u>70,000</u>	<u>140,000</u>	<u>198,184</u>	<u>58,184</u>
TOTAL REVENUES	<u>1,670,000</u>	<u>1,740,000</u>	<u>1,785,002</u>	<u>45,002</u>
EXPENDITURES				
Road and streets	1,900,000	1,970,000	1,925,577	44,423
Drug enforcement and education	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,900,000</u>	<u>1,970,000</u>	<u>1,925,577</u>	<u>44,423</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(230,000)	(230,000)	(140,575)	89,425
OTHER FINANCING SOURCES (USES)				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (230,000)</u>	<u>\$ (230,000)</u>	(140,575)	<u>\$ 89,425</u>
FUND BALANCES - BEGINNING OF YEAR			<u>3,321,068</u>	
FUND BALANCES - END OF YEAR			<u>\$ 3,180,493</u>	

CITY OF BRENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS

DRUG

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>+ / (-)</u>
REVENUES				
Fines, forfeitures and penalties				
Drug-related fines and contributions	\$ 20,000	\$ 20,000	\$ 18,439	\$ (1,561)
Investment earnings	1,000	1,000	15,216	14,216
Miscellaneous	<u>-</u>	<u>-</u>	<u>10,706</u>	<u>10,706</u>
 TOTAL REVENUES	 <u>21,000</u>	 <u>21,000</u>	 <u>44,361</u>	 <u>23,361</u>
EXPENDITURES				
Road and streets	-	-	-	-
Drug enforcement and education	<u>20,000</u>	<u>20,000</u>	<u>15,879</u>	<u>4,121</u>
 TOTAL EXPENDITURES	 <u>20,000</u>	 <u>20,000</u>	 <u>15,879</u>	 <u>4,121</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 1,000	 1,000	 28,482	 27,482
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 NET CHANGE IN FUND BALANCES	 <u>\$ 1,000</u>	 <u>\$ 1,000</u>	 28,482	 <u>\$ 27,482</u>
 FUND BALANCES - BEGINNING OF YEAR			 <u>490,665</u>	
 FUND BALANCES - END OF YEAR			 <u>\$ 519,147</u>	

CITY OF BRENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS

e-CITATION

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>+ / (-)</u>
REVENUES				
Fines, forfeitures and penalties				
e-Citation fees	\$ 1,000	\$ 1,000	\$ 2,412	\$ 1,412
Investment earnings	<u>50</u>	<u>50</u>	<u>-</u>	<u>(50)</u>
TOTAL REVENUES	<u>1,050</u>	<u>1,050</u>	<u>2,412</u>	<u>1,362</u>
EXPENDITURES				
Road and streets	-	-	-	-
Drug enforcement and education	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,050	1,050	2,412	1,362
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,050</u>	<u>\$ 1,050</u>	2,412	<u>\$ 1,362</u>
FUND BALANCES - BEGINNING OF YEAR			<u>3,798</u>	
FUND BALANCES - END OF YEAR			<u>\$ 6,210</u>	

CITY OF BRENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS

PUBLIC WORKS PROJECTS

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance From Final Budget + / (-)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits				
Public works project fees	\$ 460,000	\$ 460,000	\$ 1,124,291	664,291
Investment earnings	<u>65,000</u>	<u>65,000</u>	<u>123,538</u>	<u>58,538</u>
TOTAL REVENUES	<u>525,000</u>	<u>525,000</u>	<u>1,247,829</u>	<u>722,829</u>
EXPENDITURES				
Road and streets	-	-	-	-
Drug enforcement and education	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	525,000	525,000	1,247,829	722,829
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 525,000</u>	<u>\$ 525,000</u>	1,247,829	<u>\$ 722,829</u>
FUND BALANCES - BEGINNING OF YEAR			<u>1,691,894</u>	
FUND BALANCES - END OF YEAR			<u>\$ 2,939,723</u>	

CITY OF BRENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS

ADEQUATE SCHOOL FACILITIES

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance From Final Budget + / (-)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental				
Adequate school facilities tax	\$ 400,000	\$ 400,000	\$ 450,784	\$ 50,784
Investment earnings	<u>12,000</u>	<u>12,000</u>	<u>22,597</u>	<u>10,597</u>
TOTAL REVENUES	<u>412,000</u>	<u>412,000</u>	<u>473,381</u>	<u>61,381</u>
EXPENDITURES				
Road and streets	-	-	-	-
Drug enforcement and education	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	412,000	412,000	473,381	61,381
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (588,000)</u>	<u>\$ (588,000)</u>	<u>(526,619)</u>	<u>\$ 61,381</u>
FUND BALANCES - BEGINNING OF YEAR			<u>1,271,476</u>	
FUND BALANCES - END OF YEAR			<u>\$ 744,857</u>	

CITY OF BRENTWOOD

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL

DEBT SERVICE

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>+ / (-)</u>
REVENUES				
Investment earnings	\$ 147,000	\$ 147,000	\$ 256,165	\$ 109,165
EXPENDITURES				
Debt service				
Principal	1,885,000	1,885,000	1,885,000	-
Interest	956,270	956,270	956,268	2
Other				
Bank service charges	<u>6,000</u>	<u>6,000</u>	<u>5,258</u>	<u>742</u>
TOTAL EXPENDITURES	<u>2,847,270</u>	<u>2,847,270</u>	<u>2,846,526</u>	<u>744</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,700,270)</u>	<u>(2,700,270)</u>	<u>(2,590,361)</u>	<u>109,909</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>3,195,000</u>	<u>3,195,000</u>	<u>3,195,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,195,000</u>	<u>3,195,000</u>	<u>3,195,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 494,730</u>	<u>\$ 494,730</u>	604,639	<u>\$ 109,909</u>
FUND BALANCES - BEGINNING OF YEAR			<u>3,734,611</u>	
FUND BALANCES - END OF YEAR			<u>\$ 4,339,250</u>	

CITY OF BRENTWOOD, TENNESSEE

INTERNAL SERVICE FUNDS

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

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

CITY OF BRENTWOOD

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2024

	<u>Fuel</u>	<u>Insurance</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 334,919	\$ 3,894,318	\$ 4,229,237
Accounts receivable	1,145	183,577	184,722
Due from other funds	32,262	396,506	428,768
Inventory	<u>62,484</u>	<u>-</u>	<u>62,484</u>
 TOTAL ASSETS	 <u>430,810</u>	 <u>4,474,401</u>	 <u>4,905,211</u>
 LIABILITIES			
Accounts payable	5,500	104,677	110,177
Claims payable	-	119,507	119,507
Due to other funds	<u>-</u>	<u>897</u>	<u>897</u>
 TOTAL LIABILITIES	 <u>5,500</u>	 <u>225,081</u>	 <u>230,581</u>
 NET POSITION			
Unrestricted	<u>425,310</u>	<u>4,249,320</u>	<u>4,674,630</u>
 TOTAL NET POSITION	 <u>\$ 425,310</u>	 <u>\$ 4,249,320</u>	 <u>\$ 4,674,630</u>

CITY OF BRENTWOOD

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Fuel</u>	<u>Insurance</u>	<u>Total</u>
OPERATING REVENUES			
Charges for sales and service	\$ 376,663	\$ 4,497,350	\$ 4,874,013
Other	<u>-</u>	<u>392,278</u>	<u>392,278</u>
TOTAL OPERATING REVENUES	376,663	4,889,628	5,266,291
OPERATING EXPENSES			
Personnel services	-	4,963,776	4,963,776
Supplies and materials	<u>518,485</u>	<u>-</u>	<u>518,485</u>
TOTAL OPERATING EXPENSES	518,485	4,963,776	5,482,261
OPERATING INCOME (LOSS)	(141,822)	(74,148)	(215,970)
NONOPERATING REVENUES			
Investment earnings	<u>17,481</u>	<u>200,841</u>	<u>218,322</u>
NET CHANGE IN NET POSITION	(124,341)	126,693	2,352
NET POSITION - BEGINNING OF YEAR	<u>549,651</u>	<u>4,122,627</u>	<u>4,672,278</u>
NET POSITION - END OF YEAR	<u>\$ 425,310</u>	<u>\$ 4,249,320</u>	<u>\$ 4,674,630</u>

CITY OF BRENTWOOD

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Fuel</u>	<u>Insurance</u>	<u>Total</u>
OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 377,774	\$ 4,710,182	\$ 5,087,956
Payments to suppliers	<u>(529,672)</u>	<u>(5,215,846)</u>	<u>(5,745,518)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(151,898)	(505,664)	(657,562)
INVESTING ACTIVITIES			
Investment earnings	<u>17,481</u>	<u>200,841</u>	<u>218,322</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(134,417)	(304,823)	(439,240)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>469,336</u>	<u>4,199,141</u>	<u>4,668,477</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 334,919</u>	<u>\$ 3,894,318</u>	<u>\$ 4,229,237</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Income (loss)	\$ (141,822)	\$ (74,148)	\$ (215,970)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
(Increase) decrease in:			
Accounts receivable	526	(153,840)	(153,314)
Due from other funds	585	(25,606)	(25,021)
Inventory	(10,793)	-	(10,793)
Increase (decrease) in:			
Accounts payable	(394)	(96,895)	(97,289)
Claims payable	-	(137,974)	(137,974)
Due to other funds	<u>-</u>	<u>(17,201)</u>	<u>(17,201)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (151,898)</u>	<u>\$ (505,664)</u>	<u>\$ (657,562)</u>

OTHER SCHEDULES

CITY OF BRENTWOOD

SCHEDULE OF CHANGES IN PROPERTY TAX RECEIVABLE

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

<u>Tax Year</u>	<u>Balance July 1, 2023</u>	<u>Property Tax Levied</u>	<u>Abatements and Adjustments</u>	<u>Collections</u>	<u>Balance June 30, 2024</u>
2023	\$ -	\$ 13,008,398	\$ (165,633)	\$ (12,715,402)	\$ 127,363
2022	180,308	-	(12,798)	(149,107)	18,403
2021	17,771	-	(4,325)	(9,695)	3,751
2020	4,041	-	63	(53)	4,051
2019	6,414	-	(1)	(41)	6,372
2018	3,728	-	(1)	(38)	3,689
2017	1,943	-	-	(31)	1,912
2016	1,380	-	-	-	1,380
2015	1,909	-	-	-	1,909
2014	960	-	-	-	960
2013	<u>1,073</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,073</u>
	<u>\$ 219,527</u>	<u>\$ 13,008,398</u>	<u>\$ (182,695)</u>	<u>\$ (12,874,367)</u>	170,863
			2024 Anticipated Levy		<u>13,122,921</u>
					<u>\$ 13,293,784</u>

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

CITY OF BRENTWOOD

SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE

FOR THE YEAR ENDED JUNE 30, 2024

Description of indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2023	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2024
Governmental Activities									
<i>General obligation bonds</i>									
Payable through debt service fund									
2012 General Obligation Public Improvement Refunding Bonds	\$ 3,250,000	2.00%	5/4/2012	9/1/2025	\$ 995,000	\$ -	\$ (325,000)	\$ -	\$ 670,000
2013 General Obligation Refunding and Public Improvement Bonds	4,895,000	2.00 to 3.75%	9/4/2013	9/1/2023	235,000	-	(235,000)	-	-
2016 General Obligation Refunding Bonds	3,035,000	2.00%	6/3/2016	3/1/2030	2,090,000	-	(280,000)	-	1,810,000
2017 General Obligation Refunding Bonds	3,030,000	2.00 to 3.00%	2/3/2017	9/1/2027	1,590,000	-	(305,000)	-	1,285,000
2017A General Obligation Refunding Bonds	2,040,000	2.50 to 4.00%	12/7/2017	9/1/2031	2,040,000	-	-	-	2,040,000
2019 General Obligation Public Improvement Bonds	14,445,000	2.00 to 5.00%	9/12/2019	9/1/2039	13,350,000	-	(590,000)	-	12,760,000
2021B General Obligation Refunding Bonds	2,810,000	1.85 to 5.00%	12/3/2021	9/1/2033	2,810,000	-	-	-	2,810,000
2023 General Obligation Public Improvement Bonds	7,770,000	3.00 to 5.00%	2/3/2023	9/1/2042	7,770,000	-	(150,000)	-	7,620,000
Total bonds payable through debt service fund					<u>\$ 30,880,000</u>	<u>\$ -</u>	<u>\$ (1,885,000)</u>	<u>\$ -</u>	<u>\$ 28,995,000</u>
Business-type Activities									
<i>General obligation bonds, pledge of net revenues</i>									
Payable through water and sewer fund									
2010 General Obligation Public Improvement Bonds	\$ 10,000,000	2.00 to 4.00%	9/21/2010	3/1/2025	\$ 1,045,000	\$ -	\$ (515,000)	\$ -	\$ 530,000
2012 General Obligation Public Improvement Bonds	6,560,000	2.00 to 2.625%	5/4/2012	9/1/2025	1,070,000	-	(350,000)	-	720,000
2013 General Obligation Refunding and Public Improvement Bonds	3,300,000	2.00 to 3.75%	9/4/2013	9/1/2023	160,000	-	(160,000)	-	-
2016 General Obligation Public Refunding Bonds	6,315,000	2.00%	6/3/2016	3/1/2029	3,825,000	-	(600,000)	-	3,225,000
2017A General Obligation Refunding Bonds	3,495,000	2.50 to 4.00%	12/7/2017	9/1/2030	3,495,000	-	-	-	3,495,000
2021A General Obligation Public Improvement Bonds	4,790,000	2.00 to 4.00%	12/3/2021	9/1/2041	4,610,000	-	(185,000)	-	4,425,000
2021B General Obligation Refunding Bonds	4,100,000	1.85 to 5.00%	12/3/2021	9/1/2033	4,100,000	-	-	-	4,100,000
Total bonds payable through water and sewer fund					<u>\$ 18,305,000</u>	<u>\$ -</u>	<u>\$ (1,810,000)</u>	<u>\$ -</u>	<u>\$ 16,495,000</u>

CITY OF BRENTWOOD

SCHEDULE OF DEBT SERVICE REQUIREMENTS - GOVERNMENTAL ACTIVITIES GENERAL OBLIGATION BONDS

JUNE 30, 2024

Year	2012 G.O. Public Improvement Refunding Bonds		2016 G.O. Refunding Bonds		2017 G.O. Refunding Bonds		2017A G.O. Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 330,000	\$ 10,100	\$ 285,000	\$ 36,200	\$ 310,000	\$ 22,768	\$ -	\$ 63,300
2026	340,000	3,400	290,000	30,500	315,000	16,518	265,000	58,000
2027	-	-	300,000	24,700	325,000	10,118	270,000	47,300
2028	-	-	305,000	18,700	335,000	3,434	285,000	36,200
2029	-	-	310,000	12,600	-	-	295,000	26,812
2030	-	-	320,000	6,400	-	-	300,000	19,375
2031	-	-	-	-	-	-	310,000	11,750
2032	-	-	-	-	-	-	315,000	3,938
	<u>\$ 670,000</u>	<u>\$ 13,500</u>	<u>\$ 1,810,000</u>	<u>\$ 129,100</u>	<u>\$ 1,285,000</u>	<u>\$ 52,838</u>	<u>\$ 2,040,000</u>	<u>\$ 266,675</u>

Year	2019 G.O. Public Improvement Bonds		2021B G.O. Refunding Bonds		2023 G.O. Public Improvement Bonds		Total G.O. Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 620,000	\$ 352,519	\$ 235,000	\$ 80,618	\$ 265,000	\$ 298,831	\$ 2,045,000	\$ 864,336
2026	655,000	320,644	245,000	68,618	280,000	285,206	2,390,000	782,886
2027	685,000	287,144	265,000	55,868	295,000	270,832	2,140,000	695,962
2028	715,000	255,719	270,000	45,193	305,000	255,831	2,215,000	615,077
2029	740,000	234,019	280,000	36,943	325,000	240,081	1,950,000	550,455
2030	755,000	219,069	290,000	28,393	340,000	223,456	2,005,000	496,693
2031	770,000	203,819	300,000	21,043	355,000	206,082	1,735,000	442,694
2032	785,000	187,287	305,000	15,221	375,000	189,706	1,780,000	396,152
2033	805,000	168,896	305,000	9,350	390,000	174,406	1,500,000	352,652
2034	825,000	149,540	315,000	3,145	405,000	160,531	1,545,000	313,216
2035	845,000	129,181	-	-	415,000	148,232	1,260,000	277,413
2036	865,000	107,806	-	-	430,000	135,556	1,295,000	243,362
2037	890,000	85,312	-	-	440,000	121,957	1,330,000	207,269
2038	910,000	61,687	-	-	455,000	107,128	1,365,000	168,815
2039	935,000	37,472	-	-	470,000	91,225	1,405,000	128,697
2040	960,000	12,600	-	-	490,000	73,200	1,450,000	85,800
2041	-	-	-	-	505,000	53,300	505,000	53,300
2042	-	-	-	-	530,000	32,600	530,000	32,600
2043	-	-	-	-	550,000	11,000	550,000	11,000
Total	<u>\$ 12,760,000</u>	<u>\$ 2,812,714</u>	<u>\$ 2,810,000</u>	<u>\$ 364,392</u>	<u>\$ 7,620,000</u>	<u>\$ 3,079,160</u>	<u>\$ 28,995,000</u>	<u>\$ 6,718,379</u>

CITY OF BRENTWOOD

SCHEDULE OF DEBT SERVICE REQUIREMENTS - BUSINESS-TYPE ACTIVITIES DEBT OBLIGATIONS

FOR THE YEAR ENDED JUNE 30, 2024

Year	2010 G.O. Public Improvement Bonds		2012 G.O. Public Improvement Bonds		2016 G.O. Public Refunding Bonds		2017A G.O. Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 530,000	\$ 14,575	\$ 355,000	\$ 10,850	\$ 615,000	\$ 64,500	\$ -	\$ 112,425
2026	-	-	365,000	3,650	630,000	52,200	535,000	101,725
2027	-	-	-	-	645,000	39,600	555,000	79,925
2028	-	-	-	-	660,000	26,700	580,000	57,225
2029	-	-	-	-	675,000	13,500	595,000	38,188
2030	-	-	-	-	-	-	610,000	23,125
2031	-	-	-	-	-	-	620,000	7,750
Total	<u>\$ 530,000</u>	<u>\$ 14,575</u>	<u>\$ 720,000</u>	<u>\$ 14,500</u>	<u>\$ 3,225,000</u>	<u>\$ 196,500</u>	<u>\$ 3,495,000</u>	<u>\$ 420,363</u>

Year	2021A G.O. Public Improvement Bonds		2021B G.O. Refunding Bonds		Total BTA Debt Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 195,000	\$ 103,550	\$ 160,000	\$ 118,807	\$ 1,855,000	\$ 424,707
2026	200,000	95,650	160,000	110,807	1,890,000	364,032
2027	210,000	88,500	515,000	93,933	1,925,000	301,958
2028	215,000	82,125	540,000	72,958	1,995,000	239,008
2029	220,000	75,600	555,000	56,532	2,045,000	183,820
2030	225,000	68,925	570,000	39,658	1,405,000	131,708
2031	235,000	62,025	590,000	25,208	1,445,000	94,983
2032	240,000	56,100	595,000	13,803	835,000	69,903
2033	245,000	51,250	205,000	6,250	450,000	57,500
2034	250,000	46,300	210,000	2,100	460,000	48,400
2035	255,000	41,250	-	-	255,000	41,250
2036	260,000	36,100	-	-	260,000	36,100
2037	265,000	30,850	-	-	265,000	30,850
2038	270,000	25,500	-	-	270,000	25,500
2039	275,000	20,050	-	-	275,000	20,050
2040	280,000	14,500	-	-	280,000	14,500
2041	290,000	8,800	-	-	290,000	8,800
2042	295,000	2,950	-	-	295,000	2,950
Total	<u>\$ 4,425,000</u>	<u>\$ 910,025</u>	<u>\$ 4,100,000</u>	<u>\$ 540,056</u>	<u>\$ 16,495,000</u>	<u>\$ 2,096,019</u>

CITY OF BRENTWOOD

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

<u>Grantor / Pass-through Grantor</u>	<u>Program Name</u>	<u>Assistance Listing Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
Federal Awards				
<u>U.S. Department of Transportation/</u> Tennessee Department of Transportation	Highway Planning and Construction Cluster	20.205	2021-189	\$ 134,066
<u>U.S. Department of the Treasury/</u> Tennessee Department of Finance and Administration	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	COVID - 21.027 *	N/A	1,365,012
Tennessee Department of Environment and Conservation	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	COVID - 21.027 *	N/A	1,862,617
Total U.S. Department of the Treasury				3,227,629
<u>U.S. Department of Homeland Security /</u> Tennessee Emergency Management Agency	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	EMAC 2767-RSA-12485	59,546
Total Federal Awards				<u>\$ 3,421,241</u>
State Awards				
Tennessee Department of Commerce	Tennessee Law Enforcement Hiring, Training and Recruitment Program		77833-17	\$ 8,000
Total State Awards				<u>\$ 8,000</u>

* Major program under Single Audit

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of the City of Brentwood Tennessee (the "City"), under programs of the federal and state government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of the Title 2 *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Tennessee *Audit Manual*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to present the financial position, changes in net position or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - SUBRECIPIENTS

The City did not pass any federal awards through to subrecipients.

CITY OF BRENTWOOD, TENNESSEE

UTILITY RATE STRUCTURE AND NUMBER OF CUSTOMERS (UNAUDITED)

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Number of Customers</u>		
Water	10,120		
Sewer	11,922		
	<u>Rate Structure</u>		
Water			
<i>Residential, institutional, retail, and certain other commercial customers:</i>			
First 2,000 gallons	\$	13.62	(minimum bill)
Next 8,000 gallons		4.78	per 1,000 gallons
Thereafter		6.94	per 1,000 gallons
<i>Commercial office customers:</i>			
Gallons equivalent to total square footage of building space	\$	0.006810	(approx. per ft ²)
Usage exceeding 1 gallon per square foot (up to 10,000 gallons)		4.78	per 1,000 gallons
Thereafter		6.94	per 1,000 gallons
Water Surcharge		1.30	per 1,000 gallons
Sewer			
<i>In City Limits:</i>			
Residential customers - First 2,000 gallons	\$	17.05	(minimum bill)
Next 8,000 gallons		5.98	per 1,000 gallons
Over 10,000 gallons		6.83	per 1,000 gallons
<i>Commercial office, institutional and certain other commercial customers</i>			
Minimum bill, per square foot of building	\$	0.010645	(approx. per ft ²)
Up to 10,000 gallons total usage, per 1,000		7.47	per 1,000 gallons
Over 10,000 gallons, per 1,000 gallons		8.52	per 1,000 gallons
<i>Commercial retail customers - Minimum bill, per unit or tenant space</i>			
Up to 10,000 gallons total usage, per 1,000 gallons	\$	21.29	(minimum bill)
Over 10,000 gallons, per 1,000 gallons		7.47	per 1,000 gallons
		8.52	per 1,000 gallons
<i>Outside City Limits (Sewer Only customers):</i>			
Residential customers - First 2,000 gallons	\$	17.90	(minimum bill)
Next 8,000 gallons		6.28	per 1,000 gallons
Over 10,000 gallons		7.17	per 1,000 gallons
<i>Commercial office, institutional and certain other commercial customers</i>			
Minimum bill, per square foot of building	\$	0.011177	(approx. per ft ²)
Up to 10,000 gallons total usage, per 1,000		7.84	per 1,000 gallons
Over 10,000 gallons, per 1,000 gallons		8.95	per 1,000 gallons
<i>Commercial retail customers (sewer only); 105% institutional</i>			
Minimum bill, per unit or tenant space	\$	22.35	(minimum bill)
Up to 10,000 gallons total usage, per 1,000 gallons		7.84	per 1,000 gallons
Over 10,000 gallons, per 1,000 gallons		8.95	per 1,000 gallons
Wastewater treatment surcharge for all Brentwood Sewer customers		1.22	per 1,000 gallons

CITY OF BRENTWOOD, TENNESSEE

LIST OF BONDS OF PRINCIPAL OFFICIALS AND BONDED AMOUNTS (UNAUDITED)

FOR THE YEAR ENDED JUNE 30, 2024

<u>TITLE</u>	<u>ELECTED</u>	<u>AMOUNT</u>
	<u>NAME</u>	
Mayor	Mark Gorman	\$ 500,000
Vice Mayor	Ken Travis	\$ 500,000
Commissioner	Nelson Andrews	\$ 500,000
Commissioner	Anne Dunn	\$ 500,000
Commissioner	Rhea Little III	\$ 500,000
Commissioner	Susannah Macmillan	\$ 500,000
Commissioner	Allison Spears	\$ 500,000

CITY OF BRENTWOOD, TENNESSEE

LIST OF BONDS OF PRINCIPAL OFFICIALS AND BONDED AMOUNTS (UNAUDITED)

FOR THE YEAR ENDED JUNE 30, 2024

TITLE	APPOINTED	AMOUNT
	NAME	
City Manager	Kirk Bednar	\$ 500,000
Assistant City Manager	Jay Evans	\$ 500,000
City Attorney	Kristen Corn	\$ 500,000
City Recorder	Holly Earls	\$ 500,000
Finance Director	Karen Harper	\$ 500,000
Asst. Finance Director/City Treasurer	Julie Wilson	\$ 500,000
Human Resource Director	April Curlin	\$ 500,000
Police Chief	Richard Hickey	\$ 500,000
Fire Chief	Brian Goss	\$ 500,000
Planning and Codes Director	Bob Leeman	\$ 500,000
Public Works Director	Todd Hoppenstedt	\$ 500,000
Engineering Director	Darek Baskin	\$ 500,000
Water and Sewer Director	Chris Milton	\$ 500,000
Library Director	Susan Earl	\$ 500,000
Community Relations Director	Charles Booth	\$ 500,000
Parks and Recreation Director	David Bunt	\$ 500,000
Technology Director	Sarah VanWormer	\$ 500,000
City Judge	Laurie Jewett/Nicole Dusché	\$ 500,000

STATISTICAL SECTION

Statistical Section (Unaudited)

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

Contents

	Page
Financial Trends These schedules contain trend information to help readers understand how the City's financial performance and well-being have changed over time.	134 - 140
Revenue Capacity These schedules contain information to help reader assess the factors affecting the City's ability to generate its property and sales taxes.	141 - 147
Debt Capacity These schedules present information to help readers assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.	148 - 151
Demographic and Economic Information These schedules offer demographic and economic indicators to help reader understand the environment within which the City's financial activities take place, and to help make comparisons over time and with other governments.	152 - 153
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	154 - 156

Sources

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Governmental Activities</u>										
Net investment in capital and intangible assets	\$ 299,611,763	\$ 294,245,261	\$ 303,610,086	\$ 276,264,814	\$ 254,765,379	\$ 244,934,746	\$ 223,486,612	\$ 217,276,026	\$ 205,432,637	\$ 206,296,175
Restricted	11,126,880	42,603,128	41,805,695	29,500,057	17,356,834	14,485,669	11,249,170	5,426,005	8,845,277	6,632,641
Unrestricted	<u>133,955,793</u>	<u>78,675,868</u>	<u>61,217,439</u> (3)	<u>55,776,072</u>	<u>67,128,781</u>	<u>63,695,869</u>	<u>63,394,779</u>	<u>64,734,747</u> (2)	<u>64,855,829</u>	<u>55,659,774</u>
Total governmental activities net position	<u>\$ 444,694,436</u>	<u>\$ 415,524,257</u>	<u>\$ 406,633,220</u>	<u>\$ 361,540,943</u>	<u>\$ 339,250,994</u>	<u>\$ 323,116,284</u>	<u>\$ 298,130,561</u>	<u>\$ 287,436,778</u>	<u>\$ 279,133,743</u>	<u>\$ 268,588,590</u>
<u>Business-type Activities</u>										
Net investment in capital and intangible assets	\$ 63,864,792	\$ 62,845,125	\$ 55,299,778	\$ 56,879,065	\$ 55,065,405	\$ 51,841,573	\$ 49,750,372	\$ 47,811,476	\$ 48,665,593	\$ 48,883,727
Restricted	738,634	808,235	1,736,465	733,260	713,517	554,851	195,480	29,223	126,540	197,926
Unrestricted	<u>38,262,457</u>	<u>40,758,257</u>	<u>38,195,243</u>	<u>32,579,984</u>	<u>32,368,547</u>	<u>33,607,174</u>	<u>33,380,392</u>	<u>32,601,093</u> (2)	<u>30,228,416</u>	<u>29,303,286</u> (1)
Total business-type activities net position	<u>\$ 102,865,883</u>	<u>\$ 104,411,617</u>	<u>\$ 95,231,486</u>	<u>\$ 90,192,309</u>	<u>\$ 88,147,469</u>	<u>\$ 86,003,598</u>	<u>\$ 83,326,244</u>	<u>\$ 80,441,792</u>	<u>\$ 79,020,549</u>	<u>\$ 78,384,939</u>
<u>Primary Government</u>										
Net investment in capital and intangible assets	\$ 363,476,555	\$ 357,090,386	\$ 358,909,864	\$ 333,143,879	\$ 309,830,784	\$ 296,776,319	\$ 273,236,984	\$ 265,087,502	\$ 254,098,230	\$ 255,179,902
Restricted	11,865,514	43,411,363	43,542,160	30,233,317	18,070,351	15,040,520	11,444,660	5,455,228	8,971,817	6,830,567
Unrestricted	<u>172,218,250</u>	<u>119,434,125</u>	<u>99,412,682</u> (3)	<u>88,356,056</u>	<u>99,497,328</u>	<u>97,303,043</u>	<u>96,775,171</u>	<u>97,335,840</u> (2)	<u>95,084,245</u>	<u>84,963,060</u> (1)
Total primary government net position	<u>\$ 547,560,319</u>	<u>\$ 519,935,874</u>	<u>\$ 501,864,706</u>	<u>\$ 451,733,252</u>	<u>\$ 427,398,463</u>	<u>\$ 409,119,882</u>	<u>\$ 381,456,815</u>	<u>\$ 367,878,570</u>	<u>\$ 358,154,292</u>	<u>\$ 346,973,529</u>

Notes to Schedule

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

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

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
<u>Governmental Activities</u>										
General government	\$ 10,435,357	\$ 9,546,503	\$ 8,013,903	\$ 8,007,655	\$ 7,891,291	\$ 7,076,274	\$ 7,048,669	\$ 6,629,447	\$ 6,502,351	\$ 6,364,225
Public safety	24,893,522	22,281,708	16,343,137	15,683,487	13,691,469	16,718,675	13,258,098	13,348,931	12,606,876	11,769,252
Roads and streets	18,430,788	18,593,683	16,620,953	13,241,798	15,656,127	12,756,380	10,527,353	1,264,108	13,980,844	10,899,396
Public health	118,230	113,314	90,498	90,425	88,454	77,876	74,054	70,563	67,917	88,524
Parks and recreation	4,732,204	4,465,503	3,972,512	3,714,794	3,179,627	3,714,633	3,234,748	3,047,509	3,098,376	2,720,304
Public library	3,651,219	3,643,182	3,216,978	2,890,648	3,069,905	3,029,660	2,977,285	2,702,615	2,656,773	2,582,263
Community support	544,385	547,899	442,202	410,780	368,331	368,059	764,894	2,365,054	322,525	336,562
Drug enforcement and education	15,879	16,236	56,792	59,605	81,164	58,736	44,310	49,292	38,627	53,330
Interest on long-term debt	882,827	935,683	760,010	709,787	1,015,477	596,931	785,574	727,578	841,063	838,018
Total governmental activities	63,704,411	60,143,711	49,516,985	44,808,979	45,041,845	44,397,224	38,714,985	30,205,097	40,115,352	35,651,874
<u>Business-type Activities</u>										
Water and sewer	20,709,816	20,075,284	19,157,432	19,270,305	18,654,832	18,146,325	17,787,324	17,486,681	16,792,536	15,569,461
Rental facilities	1,050,071	826,860	781,877	727,618	663,592	677,105	643,934	704,672	723,559	699,412
911 operations	1,505,851	1,569,470	1,346,953	1,451,454	1,360,113	1,418,761	1,186,228	1,208,410	1,191,793	1,130,021
Total business-type activities	23,265,738	22,471,614	21,286,262	21,449,377	20,678,537	20,242,191	19,617,486	19,399,763	18,707,888	17,398,894
Total primary government expenses	\$ 86,970,149	\$ 82,615,325	\$ 70,803,247	\$ 66,258,356	\$ 65,720,382	\$ 64,639,415	\$ 58,332,471	\$ 49,604,860	\$ 58,823,240	\$ 53,050,768

City of Brentwood
Changes in Net Position (Unaudited) (Continued)
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Program Revenues										
<u>Governmental Activities</u>										
Charges for services										
General government	\$ 1,911,456	\$ 1,849,103	\$ 1,607,421	\$ 1,282,462	\$ 1,113,271	\$ 840,366	\$ 1,108,463	\$ 984,627	\$ 1,021,064	\$ 1,268,909
Roads and streets	1,256,307	630,883	549,607	839,342	1,012,766	723,758	947,462	1,016,607	1,805,840	1,185,065
Parks and recreation	180,975	161,861	130,069	86,734	56,581	119,005	125,737	122,130	116,658	109,739
Public library	137,793	136,327	106,994	98,426	102,058	130,234	121,657	128,352	134,450	143,688
Community support	-	-	-	-	-	-	-	34,625	35,250	31,738
Operating grants and contributions	2,479,749	2,009,985	2,137,929	1,602,554	1,573,189	1,617,529	1,427,814	1,154,251	1,228,771	1,724,759
Capital grants and contributions	10,444,241	378,862	27,267,525	9,012,420	8,864,603	18,345,389	430,798	8,179,647	3,460,350	16,726,448
Total governmental activities program revenues	16,410,521	5,167,021	31,799,545	12,921,938	12,722,468	21,776,281	4,161,931	11,620,239	7,802,383	21,190,346
<u>Business-type Activities</u>										
Charges for services										
Water and sewer	21,912,112	22,229,426	20,043,313	19,483,329	19,042,972	18,904,147	17,676,055	17,723,077	15,213,756	15,011,973
Rental facilities	767,158	779,707	753,695	751,621	740,509	742,237	725,811	724,310	733,227	723,714
911 operations	-	-	-	-	-	-	-	-	-	269,612
Operating grants and contributions	1,428,333	1,408,778	1,307,079	1,331,086	950,890	1,037,511	913,910	972,979	880,775	562,808
Capital grants and contributions	2,708,086	3,084,483	939,437	1,336,175	1,168,824	978,639	2,104,515	2,055,106	1,867,085	2,192,730
Total business-type activities program revenues	26,815,689	27,502,394	23,043,524	22,902,211	21,903,195	21,662,534	21,420,291	21,475,472	18,694,843	18,760,837
Total primary government program revenues	\$ 43,226,210	\$ 32,669,415	\$ 54,843,069	\$ 35,824,149	\$ 34,625,663	\$ 43,438,815	\$ 25,582,222	\$ 33,095,711	\$ 26,497,226	\$ 39,951,183
Net (Expenses) Revenues										
Governmental activities	(47,293,890)	(54,976,690)	(17,717,440)	(31,887,041)	(32,319,377)	(22,620,943)	(34,553,054)	(30,284,858)	(32,312,969)	(14,461,528)
Business-type activities	3,549,951	5,030,780	1,757,262	1,452,834	1,224,658	1,420,343	1,802,805	2,075,709	(13,045)	1,361,943
Total primary government net (expenses) revenues	\$ (43,743,939)	\$ (49,945,910)	\$ (15,960,178)	\$ (30,434,207)	\$ (31,094,719)	\$ (21,200,600)	\$ (32,750,249)	\$ (28,209,149)	\$ (32,326,014)	\$ (13,099,585)

City of Brentwood
Changes in Net Position (Unaudited) (Continued)
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Revenues and Other										
Changes in Net Position										
<u>Governmental Activities</u>										
Taxes										
Property	\$ 12,841,345	\$ 13,114,801	\$ 12,981,593	\$ 12,661,300	\$ 12,488,209	\$ 12,133,252	\$ 12,034,282	\$ 11,632,351	\$ 11,732,828	\$ 11,290,941
Local option	33,882,482	32,795,908	31,779,250	23,393,732	19,098,477	17,462,917	16,569,064	15,910,640	15,203,893	13,820,565
Hotel/motel	2,069,634	1,997,020	1,764,407	844,782	1,410,421	1,760,408	1,853,455	1,843,667	1,705,447	1,439,717
Wholesale beer and liquor	2,906,270	3,053,088	2,889,306	2,196,618	1,941,211	1,738,158	1,686,036	1,623,339	1,441,703	1,337,106
Adequate schools facilities	450,784	369,860	528,221	592,369	551,953	483,726	586,041	669,388	713,422	618,838
Other	440,538	475,879	595,810	611,446	714,726	806,570	856,827	873,811	896,283	561,144
Unrestricted intergovernmental taxes										
State sales and use	5,572,426	5,398,140	5,163,889	4,656,467	3,998,511	3,892,586	3,469,845	3,348,363	3,267,781	2,829,973
State income	6,970	73,561	205,982	1,182,372	3,120,309	3,328,145	3,407,502	3,132,222	4,420,212	4,004,352
Business	3,233,083	3,539,473	2,990,563	2,231,969	2,564,412	2,383,963	2,199,950	1,956,708	1,851,846	1,667,422
TVA in-lieu	556,050	545,531	471,095	501,677	539,809	519,734	458,127	455,842	474,106	429,531
Mixed drink and beer	327,016	370,031	360,635	290,015	257,681	317,134	320,499	257,386	192,560	178,237
Petroleum special	83,048	83,124	83,505	87,133	87,133	87,146	81,865	81,603	82,194	76,169
Corporate excise	304,929	320,023	209,951	294,781	242,570	133,002	125,704	115,679	77,998	57,008
Telecommunications	17,015	17,426	19,260	19,501	17,650	16,705	19,609	4,084	3,433	3,654
Sportsbetting / Other tax	86,240	80,893	826,665	2,771,367	435,719	389,651	367,487	329,678	335,036	321,960
Unrestricted investment earnings	6,336,589	3,990,250	701,659	509,022	1,383,087	2,127,442	1,499,832	965,518	676,321	538,317
Miscellaneous	484,726	703,949	1,711,603	211,129	86,909	510,817	195,422	882,006	201,759	188,341
Transfers	6,864,924	(2,511,230)	(484,700)	(484,700)	(484,700)	(484,700)	(484,700)	265,300	(418,700)	(418,700)
Total governmental activities	76,464,069	64,417,727	62,798,694	52,570,980	48,454,087	47,606,656	45,246,847	44,347,585	42,858,122	38,944,575
<u>Business-type activities</u>										
Unrestricted investment earnings	1,707,612	1,449,033	130,007	72,821	434,513	772,311	596,947	311,849	198,789	119,170
Miscellaneous	61,627	189,088	2,667,208	34,485	-	-	-	-	31,166	-
Transfers	(6,864,924)	2,511,230	484,700	484,700	484,700	484,700	484,700	(265,300)	418,700	418,700
Total business-type activities	(5,095,685)	4,149,351	3,281,915	592,006	919,213	1,257,011	1,081,647	46,549	648,655	537,870
Total general revenues/other changes	71,368,384	68,567,078	66,080,609	53,162,986	49,373,300	48,863,667	46,328,494	44,394,134	43,506,777	39,482,445
Change in Net Position										
Governmental activities	29,170,179	9,441,037	45,081,254	20,683,939	16,134,710	24,985,713	10,693,793	14,062,727	10,545,153	24,483,047
Business-type activities	(1,545,734)	9,180,131	5,039,177	2,044,840	2,143,871	2,677,354	2,884,452	2,122,258	635,610	1,899,813
Total primary government	\$ 27,624,445	\$ 18,621,168	\$ 50,120,431	\$ 22,728,779	\$ 18,278,581	\$ 27,663,067	\$ 13,578,245	\$ 16,184,985	\$ 11,180,763	\$ 26,382,860

City of Brentwood
Fund Balances of Governmental Funds (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>	<u>2016</u>	<u>2015</u>
Governmental Funds										
General fund										
Nonspendable	\$ 716,876	\$ 394,302	\$ 243,256	\$ 309,612	\$ 116,577	\$ 112,159	\$ 119,832	\$ 141,698	\$ 91,108	\$ 88,444
Restricted	239,514	-	102,324	60,454	-	-	-	-	-	-
Committed	17,556,449	12,891,943	10,923,623	9,585,251	8,303,195	6,988,945	6,493,096	6,088,103	5,493,492	4,922,928
Unassigned	<u>58,188,981</u>	<u>55,534,806</u>	<u>50,656,020</u>	<u>41,485,929</u>	<u>43,442,063</u>	<u>40,746,159</u>	<u>37,878,787</u>	<u>35,663,339</u>	<u>32,323,955</u>	<u>32,847,950</u>
Total general fund	<u>76,701,820</u>	<u>68,821,051</u>	<u>61,925,223</u>	<u>51,441,246</u>	<u>51,861,835</u>	<u>47,847,263</u>	<u>44,491,715</u>	<u>41,893,140</u>	<u>37,908,555</u>	<u>37,859,322</u>
All other governmental funds										
Nonspendable	122,015	-	-	260	-	-	-	5,418	-	-
Restricted										
Capital projects	3,684,580	34,128,055	24,866,689	21,456,935	10,149,528	7,410,031	8,271,249	4,263,761	6,391,312	4,541,268
Roads and streets	3,180,493	3,321,068	2,274,763	1,800,449	707,395	1,698,666	809,318	430,928	1,012,840	777,195
Drug enforcement and education	519,147	490,665	451,043	441,169	457,632	474,834	389,645	513,089	466,094	448,992
Citation equipment	6,210	3,798	2,577	1,065	-	-	-	-	-	-
Committed										
Debt service	4,339,250	3,734,611	2,845,180	4,028,065	3,347,499	2,887,329	2,352,571	1,971,795	3,558,909	3,621,272
Capital projects	<u>46,966,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,524,969</u>	<u>19,302,862</u>	<u>20,558,427</u>	<u>21,988,017</u>	<u>21,517,308</u>	<u>15,030,317</u>
Total all other governmental funds	<u>58,817,973</u>	<u>41,678,197</u>	<u>30,440,252</u>	<u>27,727,943</u>	<u>37,187,023</u>	<u>31,773,722</u>	<u>32,381,210</u>	<u>29,173,008</u>	<u>32,946,463</u>	<u>24,419,044</u>
Total governmental funds	<u>\$ 135,519,793</u>	<u>\$ 110,499,248</u>	<u>\$ 92,365,475</u>	<u>\$ 79,169,189</u>	<u>\$ 89,048,858</u>	<u>\$ 79,620,985</u>	<u>\$ 76,872,925</u>	<u>\$ 71,066,148</u>	<u>\$ 70,855,018</u>	<u>\$ 62,278,366</u>

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Taxes	\$ 55,339,910	\$ 54,838,748	\$ 49,885,653	\$ 39,750,264	\$ 35,422,210	\$ 33,735,437	\$ 32,747,979	\$ 31,684,419	\$ 30,519,071	\$ 28,453,126
Licenses and permits	2,281,956	1,653,222	1,657,116	1,707,172	1,875,250	1,538,010	2,022,694	1,942,215	2,759,952	2,077,151
Fines, forfeitures and penalties	162,021	126,369	127,598	115,715	169,187	242,555	289,124	217,223	261,639	306,362
Charges for services	1,089,041	809,135	586,573	462,185	409,426	275,353	280,625	344,126	353,310	355,626
Intergovernmental	10,761,456	9,406,445	12,444,698	14,215,970	14,023,331	13,171,821	12,895,241	11,952,530	16,107,709	11,908,249
Investment earnings	6,336,590	4,664,725	701,659	749,342	1,383,087	2,127,442	1,499,832	965,518	676,321	538,317
Other revenues	<u>945,248</u>	<u>797,197</u>	<u>2,287,405</u>	<u>66,999</u>	<u>86,909</u>	<u>510,817</u>	<u>195,422</u>	<u>882,005</u>	<u>201,759</u>	<u>188,341</u>
Total revenues	<u>76,916,222</u>	<u>72,295,841</u>	<u>67,690,702</u>	<u>57,067,647</u>	<u>53,369,400</u>	<u>51,601,435</u>	<u>49,930,917</u>	<u>47,988,036</u>	<u>50,879,761</u>	<u>43,827,172</u>
Expenditures										
General government	9,263,071	8,865,576	8,096,820	7,693,738	7,694,798	7,304,687	7,132,889	6,858,462	6,603,299	6,388,722
Public safety	21,747,950	20,680,109	19,495,118	17,338,330	16,332,727	16,420,865	14,795,938	14,074,463	13,211,939	13,237,000
Roads and streets	8,172,597	11,085,000	6,803,755	6,346,008	7,945,345	5,631,308	5,952,969	6,410,724	5,375,950	4,874,736
Public health	118,230	113,314	90,498	90,425	88,454	77,876	74,054	70,563	67,917	88,524
Parks and recreation	2,986,558	3,015,500	2,782,031	2,751,341	2,501,432	2,407,069	2,210,780	2,198,078	2,300,504	2,311,010
Public library	3,213,810	3,244,915	3,244,856	2,909,391	2,686,640	2,649,340	2,744,564	2,449,069	2,389,052	2,291,101
Community support	457,291	547,439	484,236	438,136	368,331	368,059	764,894	2,365,054	322,525	336,562
Drug enforcement and education	15,879	16,236	12,954	39,139	43,363	24,478	13,740	19,732	18,862	17,501
Capital outlay	8,465,740	10,362,181	8,817,334	25,076,754	17,964,693	10,842,836	10,830,076	9,038,180	8,162,423	3,700,604
Debt service										
Principal	1,885,000	1,680,000	3,410,000	4,496,000	2,115,000	2,064,000	2,085,000	3,885,000	2,615,000	2,555,000
SBITAs	806,516	405,226	-	-	-	-	-	-	-	-
Interest and other	961,526	680,178	787,137	889,364	859,350	578,157	532,536	607,675	816,938	887,021
Bond issuance costs	<u>-</u>	<u>187,775</u>	<u>87,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,547</u>	<u>54,934</u>	<u>44,710</u>	<u>-</u>
Total expenditures	<u>58,094,168</u>	<u>60,883,449</u>	<u>54,111,898</u>	<u>68,068,626</u>	<u>58,600,133</u>	<u>48,368,675</u>	<u>47,161,987</u>	<u>48,031,934</u>	<u>41,929,119</u>	<u>36,687,781</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 18,822,054</u>	<u>\$ 11,412,392</u>	<u>\$ 13,578,804</u>	<u>\$ (11,000,979)</u>	<u>\$ (5,230,733)</u>	<u>\$ 3,232,760</u>	<u>\$ 2,768,930</u>	<u>\$ (43,898)</u>	<u>\$ 8,950,642</u>	<u>\$ 7,139,391</u>

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Other Financing Sources (Uses)										
Transfers in	\$ 23,403,579	\$ 15,390,000	\$ 12,445,000	\$ 18,666,600	\$ 12,340,000	\$ 11,960,000	\$ 11,555,000	\$ 11,105,000	\$ 13,845,000	\$ 8,495,000
Transfers out	(17,869,933)	(17,901,230)	(12,929,700)	(19,151,300)	(12,824,700)	(12,444,700)	(12,039,700)	(10,839,700)	(14,263,700)	(8,913,700)
Financing of SBITAs	486,974	1,592,869	-	-	-	-	-	-	-	-
Sale of general capital assets	150,896	-	-	-	-	-	-	-	-	-
Insurance recoveries	26,975	-	-	-	-	-	-	-	-	-
General obligation bonds issued	-	7,770,000	-	-	14,445,000	-	-	-	-	-
Refunding bonds issued	-	-	2,810,000	-	-	-	5,540,000	3,030,000	3,035,000	-
Payments to refunded bond escrow agent	-	-	(2,906,872)	-	-	-	(2,155,080)	(3,080,485)	(3,109,283)	-
Bond discounts	-	-	-	-	-	-	-	-	-	-
Bond premiums	-	419,742	188,031	-	698,306	-	137,627	43,213	118,993	-
Total other financing sources and uses	<u>6,198,491</u>	<u>7,271,381</u>	<u>(393,541)</u>	<u>(484,700)</u>	<u>14,658,606</u>	<u>(484,700)</u>	<u>3,037,847</u>	<u>258,028</u>	<u>(373,990)</u>	<u>(418,700)</u>
Net change in fund balance	<u>\$ 25,020,545</u>	<u>\$ 18,683,773</u>	<u>\$ 13,185,263</u>	<u>\$ (11,485,679)</u>	<u>\$ 9,427,873</u>	<u>\$ 2,748,060</u>	<u>\$ 5,806,777</u>	<u>\$ 211,130</u>	<u>\$ 8,576,652</u>	<u>\$ 6,720,691</u>
Debt service as a percentage of noncapital expenditures	7.3%	5.9%	16.6%	13.7%	8.2%	7.4%	7.9%	11.8%	9.7%	11.0%

CITY OF BRENTWOOD, TENNESSEE
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (UNAUDITED)
 LAST 10 FISCAL YEARS

FISCAL YEAR *	COMMERCIAL	RESIDENTIAL	FARM	PERSONAL PROPERTY	TOTAL TAXABLE ASSESSED VALUE**	TAX RATE	ESTIMATED ACTUAL TAXABLE VALUE	TAXABLE ASSESSED VALUE AS A PERCENTAGE OF ACTUAL TAXABLE VALUE
2024	\$ 1,208,093,360	\$ 3,162,211,240	\$ 33,537,525	\$ 81,739,801	\$ 4,485,581,926	0.29	\$ 16,551,672,162	27.10 %
2023	1,216,379,520	3,093,529,015	31,957,225	109,172,819	4,451,038,579	0.29	16,267,129,636	27.36 %
2022	1,209,075,760	3,037,658,590	27,252,425	105,290,250	4,379,277,025	0.29	15,998,305,329	27.37 %
2021	970,265,370	2,389,077,015	22,267,900	91,805,992	3,473,416,277	0.29	12,590,149,841	27.59 %
2020	961,493,480	2,344,930,115	24,217,550	88,984,205	3,419,625,350	0.36	12,351,335,527	27.69 %
2019	886,525,241	2,346,583,730	25,094,750	91,063,943	3,349,267,664	0.36	12,080,956,583	27.72 %
2018	869,353,401	2,290,626,055	28,596,815	98,770,073	3,287,346,344	0.36	11,831,489,089	27.78 %
2017	873,720,506	2,203,439,215	25,189,790	83,876,480	3,186,225,991	0.36	11,631,409,401	27.39 %
2016	680,612,202	1,821,494,380	19,043,950	75,805,127	2,596,955,659	0.44	9,553,528,835	27.18 %
2015	677,127,197	1,746,730,160	20,910,225	78,099,066	2,522,866,648	0.44	9,029,245,645	27.94 %

* The fiscal year listed corresponds to the preceding tax year levy (2024 fiscal year would represent the 2023 tax levy)
 This represents the period for which the taxes were levied.

**Does not include public utilities assessed value.

CITY OF BRENTWOOD, TENNESSEE
DIRECT AND OVERLAPPING PROPERTY TAX RATES (UNAUDITED)
LAST 10 FISCAL YEARS

FISCAL YEAR **	DIRECT RATE	OVERLAPPING
	CITY OF BRENTWOOD	RATE * WILLIAMSON COUNTY
2024	.29 / 100	1.88 / 100
2023	.29 / 100	1.88 / 100
2022	.29 / 100	1.88 / 100
2021	.29 / 100	1.88 / 100
2020	.36 / 100	2.22 / 100
2019	.36 / 100	2.22 / 100
2018	.36 / 100	2.10 / 100
2017	.36 / 100	2.10 / 100
2016	.44 / 100	2.26 / 100
2015	.44 / 100	2.26 / 100

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

** The fiscal year listed corresponds to the preceding tax year levy (2024 fiscal year would represent the 2023 tax levy). This represents the period for which the taxes were levied.

CITY OF BRENTWOOD, TENNESSEE
PRINCIPAL PROPERTY TAX PAYERS (UNAUDITED)
CURRENT YEAR AND NINE YEARS AGO

TAXPAYER	FY 2024			FY 2015		
	TAXABLE ASSESSED VALUE*	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE*	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE
Highwoods	\$ 117,229,300	1	2.60 %	61,898,600	1	2.38 %
Boyle (Mooreland Inv)	72,441,500	2	1.60	\$ 36,312,800	3	1.40
Hill Center Brentwood	60,404,200	3	1.34			
Brent Creek LLC	50,681,900	4	1.12			
Park Center Partnership	40,184,500	5	0.89			
Mapletree Investments Hudson DC Assets	36,975,600	6	0.82			
VRE-NRE Maryland Farms	31,959,200	7	0.71			
Brentwood Place (Sarofim Realty)	30,264,000	8	0.67	23,202,400	6	0.89
Cool Springs Commons	25,901,300	9	0.57			
SRE TENN	19,691,300	10	0.44			
Bellsouth Telecommunications				37,000,000	2	1.42
Carter Validus Properties				34,342,700	4	
Duke Realty				33,153,200	5	1.28
Heritage Retirement Facility				17,840,000	7	0.69
PEM Cool Springs				16,385,400	9	0.63
Gateway Kentfield Inc				11,257,700	10	0.43
Hostpitality Properties				16,966,300	8	0.65
Total	\$ 485,732,800		10.76 %	\$ 288,359,100		9.78 %
Total Assessment	\$ 4,515,789,953	**		\$ 2,597,902,028	**	

* Source: 2024 and 2015 Williamson County, TN Assessment

** Total Assessment Value for Tax Year 2023 (includes public utility assessment)

CITY OF BRENTWOOD, TENNESSEE
PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED)
LAST 10 FISCAL YEARS

FISCAL YEAR ENDED JUNE 30*	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2024	\$ 13,066,579	\$ 12,939,215	99.0%	\$ -	\$ 12,939,215	99.0%
2023	13,026,571	12,844,481	98.6%	163,687	13,008,168	99.9%
2022	12,784,063	12,655,640	99.0%	124,672	12,780,311	100.0%
2021	12,591,085	12,492,940	99.2%	94,094	12,587,034	100.0%
2020	12,310,657	12,174,558	98.9%	129,726	12,304,285	99.9%
2019	12,056,922	11,954,104	99.1%	99,129	12,053,233	100.0%
2018	11,834,452	11,736,833	99.2%	95,708	11,832,541	100.0%
2017	11,503,337	11,373,664	98.9%	128,293	11,501,957	100.0%
2016	11,426,757	11,269,592	98.6%	155,256	11,424,848	100.0%
2015	11,085,456	11,057,548	99.7%	26,948	11,084,496	100.0%
2014	10,637,930	10,473,750	98.5%	163,107	10,636,857	100.0%

Taxes are assessed as of January 1 and are due October 1 of each year. Taxes become delinquent after February 28 of the following year.

* The fiscal year listed corresponds to the preceding tax year levy (2024 fiscal year would represent the 2023 tax levy).
This represents the period for which the taxes were levied.

CITY OF BRENTWOOD, TENNESSEE
LOCAL TAXABLE SALES BY CATEGORY (UNAUDITED)
LAST 10 CALENDAR YEARS

Category	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
1 Apparel Stores	\$ 91,619,293	\$ 85,894,459	\$ 81,227,300	\$ 57,986,646	\$ 81,615,706	\$ 80,176,133	\$ 78,614,628	\$ 74,265,860	\$ 70,644,006	\$ 58,605,429
2 General Merchandise Stores	340,161,792	344,919,868	325,602,944	286,847,864	232,748,381	213,189,121	203,611,708	169,425,899	158,810,653	143,626,992
3 Food Stores	166,315,038	185,939,147	175,824,584	169,013,093	154,137,765	149,806,543	147,582,272	141,610,787	136,326,653	135,950,643
4 Eating and Drinking Places	131,091,041	128,613,029	113,929,470	92,679,185	120,490,526	111,735,823	111,791,714	103,962,771	92,505,802	83,830,439
5 Furniture Stores	143,603,241	142,078,167	158,029,924	121,914,422	142,491,599	129,536,000	128,315,206	128,910,587	118,562,629	108,254,494
6 Building Materials	149,957,615	115,741,366	119,859,552	98,965,327	76,017,576	74,798,615	71,300,842	68,091,931	64,117,810	58,751,290
7 MV Dealers and Service Stations	96,439,947	90,613,207	83,384,333	70,703,495	73,412,445	67,845,923	58,791,424	55,716,527	54,046,805	42,781,718
8 Other Retail	167,402,382	171,805,098	142,961,243	144,820,245	155,593,040	131,336,467	133,515,763	159,975,458	145,806,779	140,904,812
9 All Other Outlets	<u>374,830,751</u>	<u>355,714,662</u>	<u>315,273,049</u>	<u>243,857,310</u>	<u>288,875,337</u>	<u>295,904,043</u>	<u>303,229,238</u>	<u>298,170,934</u>	<u>296,084,520</u>	<u>255,795,448</u>
Grand Total	<u>\$ 1,661,421,100</u>	<u>\$ 1,621,319,003</u>	<u>\$ 1,516,092,399</u>	<u>\$ 1,286,787,587</u>	<u>\$ 1,325,382,375</u>	<u>\$ 1,254,328,668</u>	<u>\$ 1,236,752,795</u>	<u>\$ 1,200,130,754</u>	<u>\$ 1,136,905,657</u>	<u>\$ 1,028,501,265</u>

Source: Department of Revenue, Research Section

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

CITY OF BRENTWOOD, TENNESSEE
DIRECT AND OVERLAPPING SALES TAX RATES (UNAUDITED)
LAST 10 FISCAL YEARS

<u>FISCAL YEAR</u>	<u>CITY DIRECT RATE</u>	<u>WILLIAMSON COUNTY</u>	<u>WILLIAMSON COUNTY SCHOOLS</u>	<u>STATE OF TENNESSEE</u>	<u>TOTAL</u>
2024	1.625 %	1.125 %	0.00 %	7.00 %	9.75 %
2023	1.625	1.125	0.00	7.00	9.75
2022	1.625	1.125	0.00	7.00	9.75
2021	1.125/1.625	1.125	0.50/0 *	7.00	9.75
2020	1.125	1.125	0.50	7.00	9.75
2019	1.125	1.125	0.50	7.00	9.75
2018	1.125	1.125	0.50 *	7.00	9.75
2017	1.125	1.125	-	7.00	9.50
2016	1.125	1.125	-	7.00	9.50
2015	1.125	1.125	-	7.00	9.50

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

*The local option tax was increased effective April 1, 2018 by .50% to 1.625% with the Williamson County schools receiving 100% of the increase for three years, approved by referendum vote of the citizens. Effective on April 1, 2021, the City began receiving the additional .50%.

CITY OF BRENTWOOD, TENNESSEE
REVENUE CAPACITY INFORMATION (UNAUDITED)
LOCAL SALES TAX REVENUE BY INDUSTRY, PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Fiscal Year 2024				
Sector	Number of Filers	% of Total	Tax Liability	% of Total
1 Retail Trade	547	36.61%	\$35,184,429	77.96%
2 Services	509	34.07%	\$6,159,544	13.65%
3 Manufacturing	76	5.09%	\$472,575	1.05%
4 Wholesale Trade	99	6.63%	\$934,449	2.07%
5 Construction	47	3.15%	\$704,001	1.56%
6 Finance Insurance Real Estate	31	2.07%	\$398,437	0.88%
7 Transportation and Utilities	29	1.94%	\$597,977	1.32%
8 Agriculture	14	0.94%	\$25,140	0.06%
9 Other, Non Classified	142	9.50%	\$654,107	1.45%
Total	1494	100.00%	\$45,130,659	100.00%

Fiscal Year 2015				
Sector	Number of Filers	% of Total	Tax Liability	% of Total
1 Retail Trade	602	47.07%	\$18,029,996	74.96%
2 Services	387	30.26%	\$3,238,633	13.46%
3 Manufacturing	49	3.83%	\$217,109	0.90%
4 Wholesale Trade	99	7.74%	\$824,370	3.43%
5 Construction	24	1.88%	\$211,221	0.88%
6 Finance Insurance Real Estate	18	1.41%	\$525,431	2.18%
7 Transportation and Utilities	14	1.09%	\$386,289	1.61%
8 Agriculture	14	1.09%	\$24,156	0.10%
9 Other, Non Classified	72	5.63%	\$596,970	2.48%
Total	1279	100.00%	\$24,054,175	100.00%

Source: Tennessee Department of Revenue, Research Section

1. Figures subject to revision due to amended taxpayer returns.
2. Figures represent local sales tax collected by taxpayers during the period, not disbursements from the Department of Revenue.
Thus, amounts presented above do not match to amounts reflected within the financial report.
3. Figures do not include Brentwood's share of county clerk or out-of-state taxpayer amounts.

CITY OF BRENTWOOD, TENNESSEE
RATIOS OF OUTSTANDING DEBT BY TYPE (UNAUDITED)
LAST 10 FISCAL YEARS

FISCAL YEAR	GOVERNMENT ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL OUTSTANDING DEBT	PERCENTAGE OF PERSONAL INCOME (2)	POPULATION (3)	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS (1)	SUBSCRIPTION LIABILITY	WATER & SEWER BONDS	SUBSCRIPTION LIABILITY				
2024	\$ 30,180,105	\$ 871,211	\$ 17,233,794	\$ 163,303	\$ 48,448,413	1.4%	45,373	\$ 1,068
2023	32,175,697	1,190,753	19,144,050	91,626	52,602,126	1.6%	45,373	1,159
2022	25,764,304	-	21,009,303	-	46,773,607	1.4%	45,373	1,031
2021	29,185,690	-	17,456,272	-	46,641,962	1.4%	45,373	1,028
2020	33,866,330	-	19,038,820	-	52,905,150	1.8%	43,889	1,205
2019	20,916,461	-	20,835,598	-	41,752,059	1.4%	43,889	951
2018	23,058,898	-	22,522,764	-	45,581,662	1.6%	43,889	1,039
2017	21,579,708	-	24,342,973	-	45,922,681	1.8%	40,401	1,137
2016	25,380,759	-	26,176,946	-	51,557,705	2.2%	40,401	1,276
2015	27,790,080	-	27,175,100	-	54,965,180	2.3%	40,401	1,360

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

(1) Presented net of original issuance discounts or premiums

(2) Personal income is disclosed on Demographic and Economic Statistics table

(3) U.S. Census Bureau

CITY OF BRENTWOOD, TENNESSEE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN (UNAUDITED)
LAST 10 FISCAL YEARS

<i>(dollars in thousands, except per capita)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General bonded debt outstanding general obligation bonds	\$ 30,180	\$ 32,176	\$ 25,764	\$ 29,186	\$ 33,866	\$ 20,916	\$ 23,059	\$ 21,580	\$ 25,381	\$ 27,790
Percentage of estimated actual property value (1)	0.67%	0.72%	0.59%	0.84%	0.99%	0.62%	0.70%	0.68%	0.98%	1.10%
Per capita (2)	665.16	709.14	567.83	643.24	771.64	476.58	525.39	534.14	628.22	687.86
Less: Amounts set aside to repay general debt	<u>4,339</u>	<u>3,735</u>	<u>2,845</u>	<u>4,028</u>	<u>3,347</u>	<u>2,887</u>	<u>1,039</u>	<u>1,977</u>	<u>3,558</u>	<u>3,621</u>
Total net debt applicable to debt limit	<u>\$ 25,841</u>	<u>\$ 28,441</u>	<u>\$ 22,919</u>	<u>\$ 25,158</u>	<u>\$ 30,519</u>	<u>\$ 18,029</u>	<u>\$ 22,020</u>	<u>\$ 19,603</u>	<u>\$ 21,823</u>	<u>\$ 24,169</u>
Legal debt margin (3)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Legal debt margin as a percentage of the debt limit*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Property value obtained from page the Assessed and Estimated Actual Value of Property Unaudited table

(2) Per capita information calculated with information obtained from page 124 (Demographic and Economic Statistics Unaudited).

(3) The City has no legal debt margin set by ordinance.

CITY OF BRENTWOOD, TENNESSEE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED)
AS OF JUNE 30, 2024

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING (IN THOUSANDS)</u>	<u>ESTIMATED PERCENTAGE APPLICABLE (1)</u>	<u>ESTIMATED SHARE OF DIRECT AND OVERLAPPING DEBT (2)</u>
Direct:			
City of Brentwood	\$ 31,051	100.0%	\$ 31,051
Overlapping:			
Williamson County	<u>905,715</u>	31.68%	<u>286,953</u>
Total	<u>\$ 936,766</u>		<u>\$ 318,004</u>

(1) Determined by ratio of assessed valuation of property subject to taxation in City of Brentwood to valuation of property subject to taxation in Williamson County as of June 30, 2024

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

CITY OF BRENTWOOD, TENNESSEE
 PLEDGED REVENUE COVERAGE (UNAUDITED)
 LAST 10 FISCAL YEARS

FISCAL YEAR	WATER & SEWER REVENUE BONDS			DEBT SERVICE REQUIREMENTS			COVERAGE
	UTILITY SERVICE CHARGES (1)	LESS: OPERATING EXPENSES (2)	NET AVAILABLE REVENUE	PRINCIPAL	INTEREST	TOTAL	
2024	\$ 25,908,686	\$ 16,659,997	\$ 9,248,689	\$ 1,810,000	\$ 519,361	\$ 2,329,361	3.97 %
2023	26,709,425	16,317,473	10,391,952	1,765,000	634,111	2,399,111	4.33
2022	23,754,181	16,010,739	7,743,442	1,550,000	452,105	2,002,105	3.87
2021	20,912,833	15,651,813	5,261,020	1,750,000	512,403	2,262,403	2.33
2020	20,579,564	15,130,478	5,449,086	1,700,000	534,052	2,234,052	2.44
2019	20,533,227	14,595,238	5,937,989	1,655,000	596,482	2,251,482	2.64
2018	20,293,295	14,299,759	5,993,536	1,830,000	592,593	2,422,593	2.47
2017	20,043,803	13,983,189	6,060,614	1,810,000	647,426	2,457,426	2.47
2016	17,286,453	13,245,935	4,040,518	1,670,000	816,550	2,486,550	1.62
2015	17,313,610	11,977,861	5,335,749	1,640,000	844,340	2,484,340	2.15

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

(2) Does not include depreciation and amortization.

CITY OF BRENTWOOD, TENNESSEE
 DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)
 LAST 10 CALENDAR YEARS

CALENDAR YEAR	POPULATION		PERSONAL INCOME (IN THOUSANDS OF DOLLARS) ^a	PER CAPITA PERSONAL INCOME ^a	MEDIAN AGE ^a	SCHOOL ENROLLMENT ^b	UNEMPLOYMENT RATE ^c
2024	45,373	⁵	\$ 3,422,848	\$ 75,438	45.5	11,435	2.7%
2023	45,373	⁵	3,375,797	74,401	45.4	11,728	2.8%
2022	45,373	⁵	3,329,425	73,379	45.2	11,639	2.8%
2021	45,373	⁵	3,283,644	72,370	45.0	11,663	3.4%
2020	43,889	⁴	3,002,271	68,406	44.8	11,681	6.1%
2019	43,889	⁴	2,901,326	66,106	41.2	12,151	2.5%
2018	43,889	⁴	2,835,537	64,607	41.4	11,879	2.2%
2017	40,401	³	2,534,395	62,731	41.3	11,510	2.2%
2016	40,401	³	2,373,357	58,745	41.0	11,811	4.2%
2015	40,401	³	2,384,629	59,024	43.6	11,703	4.9%

¹ Based on 2010 US Bureau of the Census report

² Based on 2014 US Bureau of the Census estimate

³ Based on 2015 City Special Census Certified Report

⁴ Based on 2018 City Special Census Certified Report

⁵ Based on 2020 US Bureau of the Census report

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

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

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

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

EMPLOYER	2024			2015		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
United Healthcare	3,083	1	7.38 %			
Tractor Supply Co.	2,000	2	4.79	910	3	5.01 %
Comdata Inc.	1,000	3	2.39	1,000	2	5.50
DaVita HealthCare Partners Inc.	700	4	1.68	650	5	3.58
GEODIS	733	5	1.76			-
LBMC	600	6	1.44	450	8	2.48
Brookdale Senior Living Inc.	1,101	7	2.64	730	4	4.02
CoreCivic	515	8	1.23			
City of Brentwood	308	10	0.74	270	10	1.49
Premise Health	486	9	1.16			-
AT&T	-		-	515	6	2.83
The Lampo Group (Dave Ramsey)	-		-	458	7	2.52
HCA Holdings, Inc	-		-	2,002	1	11.02
W Squared	-		-	450	9	2.48
Total	10,526		25.21 %	7,435		40.92 %
Total estimated City wide employment	41,758			18,168		

^a Source - Nashville Business Journal as of March 2024/Williamson, Inc/Tennessee Comptroller of the Treasury

CITY OF BRENTWOOD, TENNESSEE
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GENERAL GOVERNMENT										
City Manager	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Administration	5.0	5.0	4.0	4.0	4.5	4.0	4.0	4.0	4.0	3.0
Finance	9.0	8.0	8.0	8.0	8.0	8.0	7.5	7.5	7.5	7.5
Human Resources	4.0	4.5	3.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0
Information Technology	9.5	8.0	7.5	7.5	6.0	5.5	5.5	4.5	4.5	4.5
Planning and Development	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Codes	10.0	8.0	7.5	7.5	8.5	8.5	8.5	8.5	8.5	8.5
GIS	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
	45.5	41.5	38.5	37.5	38.0	37.0	36.5	35.5	35.5	34.5
POLICE										
Officers	59.0	64.0	62.0	66.0	64.0	64.0	63.0	61.0	59.0	58.0
Civilians	17.0	19.0	18.0	18.5	18.5	16.5	16.0	16.0	16.0	15.5
FIRE										
Firefighters & Officers	79.0	75.5	74.5	68.5	69.0	65.0	65.0	65.0	62.0	61.0
Civilians	2.5	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
PUBLIC WORKS										
Engineering	6.0	5.0	5.5	5.5	5.0	4.0	4.0	4.0	4.0	4.0
Public Works - Streets	26.0	23.5	25.5	26.0	26.0	25.0	25.0	25.0	25.0	23.0
UTILITIES										
Water	13.0	13.0	10.0	12.0	12.0	13.0	13.0	13.0	13.0	13.0
Wastewater	11.0	10.0	10.0	12.0	12.0	13.0	13.0	13.0	13.0	13.0
PARKS & RECREATION	20.5	19.5	14.0	19.0	20.0	21.0	21.0	21.0	20.0	20.0
LIBRARY	28.5	28.5	38.0	30.5	29.0	29.0	29.0	29.0	29.0	29.0
Total	308.0	301.5	297.0	296.5	294.5	288.5	286.5	283.5	277.5	272.0

Source: City of Brentwood Human Resources Department

CITY OF BRENTWOOD, TENNESSEE
OPERATING INDICATORS BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
Building permits issued	707	742	878	1,017	864	738	743	949	903	931
Building related inspections	12,081	10,755	9,246	10,774	9,895	10,690	12,452	14,227	9,035	9,927
Police										
Physical arrests	881	802	711	942	1,121	1,490	1,816	917	832	960
Parking violations	17	3	29	5	8	28	41	20	81	24
Traffic violations	2,883	736	977	1,509	2,642	3,788	6,349	3,292	3,512	3,906
Fire										
Emergency Responses	4,402	4,297	4,078	3,704	3,683	3,633	3,535	3,431	3,291	3,018
Fires extinguished	66	89	57	77	83	81	65	99	82	67
Inspections (Commercial)	635	667	535	1,010	528	853	1,476	801	744	704
Public Works										
Street resurfacing (miles)	7	5	6	12	10	9	21	24	19	19
Potholes repaired	74	44	193	69	94	133	139	75	408	408
Library										
Volumes in collection	499,176	647,184	559,610	436,470	415,307	407,964	388,563	383,115	399,248	361,486
Total volumes borrowed	675,345	627,160	623,322	703,210	654,029	722,226	733,792	752,393	745,386	677,261
Water										
New connections	59	33	74	129	124	99	134	164	135	182
Water main breaks	10	10	10	24	9	9	10	95	12	7
Monthly average flow	170,328,667	188,132,500	165,987,000	168,360,417	182,005,333	164,334,250	161,110,000	184,543,000	192,900,000	170,300,000
Wastewater										
Average daily sewage treatment (thousands of gallons)	5,194	4,926	5,580	5,241	5,493	5,746	5,717	5,131	5,236	5,187

Source: Various City Departments

CITY OF BRENTWOOD, TENNESSEE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	82	80	81	78	80	72	72	72	69	67
Fire Stations	5	5	4	4	4	4	4	4	4	4
Public Works										
Streets (miles)	530	527	526	494	491	488	482	482	479	479
Streetlights	4,457	4,455	3,999	3,861	3,809	3,763	3,652	3,652	3,614	3,614
Traffic signals	53	53	51	53	53	48	48	47	47	47
Parks and Recreation										
Acreage	1,027	1,027	1,027	1,027	965	965	965	965	965	965
Baseball/softball diamonds	12	12	12	12	12	11	11	11	11	11
Soccer/football fields	18	18	18	18	18	17	17	17	17	15
Water										
Water mains (miles) *	238	236	234	234	231	226	224	223	219	217
Fire hydrants	1,875	1,849	1,816	1,685	1,678	1,672	2,588	2,548	2,501	2,475
Storage capacity (thousand of gallons)	14,026	14,026	14,026	14,026	14,026	14,026	14,025	14,025	14,025	14,025
Wastewater										
Sanitary sewers (miles)	308	305	304	302	299	293	292	289	285	285

Source: Various City Departments

OTHER REPORTS



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Board of Commissioners
City of Brentwood, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brentwood, Tennessee (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated January 29, 2025.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

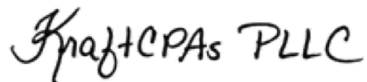
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

REPORT ON COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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

A handwritten signature in black ink that reads "Kraft CPAs PLLC". The signature is written in a cursive, flowing style.

Nashville, Tennessee
January 29, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Board of Commissioners
City of Brentwood, Tennessee

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

OPINION

We have audited the City of Brentwood, Tennessee's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

BASIS FOR OPINION

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

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

RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE

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

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

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

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

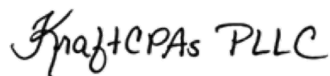
A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

A handwritten signature in black ink that reads "Kraft CPAs PLLC". The signature is written in a cursive, flowing style.

Nashville, Tennessee
January 29, 2025

CITY OF BRENTWOOD, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major federal programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

COVID - 21.027

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

CITY OF BRENTWOOD, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2024

Section II - Financial Statement Findings

Prior Year

No findings noted.

Current Year

No findings noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year

No findings noted.

Current Year

No findings noted.