

CITY OF GERMANTOWN TENNESSEE

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

Prepared by the City of Germantown Finance Department

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INTRODUCTORY SECTION (UNAUDITED)



December 28, 2021

To the Citizens and Aldermen
City of Germantown, Tennessee:

It is a privilege to submit the Annual Comprehensive Financial Report of the City of Germantown for the fiscal year ending June 30, 2021. This document reports the sound financial position of the various funds of the City of Germantown and the financial results for operations during FY21. It also provides information on the economic condition of the City.

GERMANTOWN'S ECONOMIC CONDITION AND OUTLOOK

Germantown is a dynamic community whose citizens enjoy a higher per capita income than most cities in Tennessee. Although it is predominantly, preferably and historically residential in character, the City has experienced significant economic growth and expansion of healthcare facilities. Additionally, Germantown benefits from its proximity to the transportation, industrial and commercial sectors of the Memphis metropolitan area.

With a stable local economy and sound fiscal planning, the City of Germantown maintained a General Fund balance of 86.1% against operating expenditures in FY21. The City also maintained a Triple-A bond rating with Moody's and Standard & Poor's, one of three cities in Tennessee and one of just 127 in the nation to merit the highest ranking from both agencies.

Germantown's growth and prosperity can be further attributed to the manner in which residents and local government work together to:

- support superior public education opportunities for children,
- maintain the lowest crime rate among similar-sized cities in the Southeast,
- provide exceptional parks and recreation facilities and leisure opportunities,
- assure safe and attractive neighborhoods and business districts, and
- exercise strong leadership in both land use policies and financial planning.

The City's municipal services and amenities contribute to the exceptional quality of place its residents enjoy; they also contribute to the attractiveness of the greater metropolitan area. Quality housing is a major "industry" for Germantown, ranging from single-family subdivisions and zero-lot homes to congregate living for seniors. Newer home construction supplements a housing inventory in both new and well-established neighborhoods that reflects exemplary efforts to preserve and modernize older homes.

Germantown's commitment to quality living is demonstrated through an extensive parks system composed of athletic and playing field complexes, comprehensive parks, neighborhood parks, a greenway, state natural area, city nature areas and a farm park. The Germantown Athletic Club and other programs offer fitness facilities and equipment for a healthy lifestyle. Methodist LeBonheur Germantown Hospital, Baptist Rehabilitation Germantown, several major medical clinics and numerous physician practices provide top-notch, accessible health care. The police, fire and ambulance departments take pride in a five minute-or-less emergency response time.



City of Germantown
December 28, 2021

The Germantown Municipal School District provides K-12 public education on six campuses, complemented by three private elementary schools, three additional public schools, three special needs learning centers and a university, together offering the broadest spectrum of educational resources.

In 2019, the City won the prestigious Malcolm Baldrige National Quality Award. The City is one of only four municipalities nationwide to receive the award. A presidential level honor, the award recognizes exemplary US organizations and businesses that demonstrate an unceasing drive for innovation, thoughtful leadership and administrative improvement. The award is the highest level of recognition for performance excellence that a US organization can receive.

KEY PERFORMANCE AREAS

The City's long-range strategic plan-Germantown Forward 2030-developed through broad citizen input and adopted by the board in FY16 establishes key performance areas and strategic objectives for the immediate future and long-term sustainability for the City.

These key performance areas guide the development of the annual operating and capital improvement budgets for the next fiscal year. The key performance areas support:

- a balanced, multi-year operating budget,
- a stable and diversified revenue structure,
- maintenance of adequate reserves and designation of fund balances,
- a multi-year capital improvements program, and
- debt and investment policies ensuring judicious management of the City's credit and available funds.

This report, the operating budget and the capital improvements program demonstrate Germantown's responsiveness to citizens' needs, concerns and interest. The reports and the awards they have earned also confirm the City's commitment to performance excellence and to the effective and efficient management of Germantown's affairs.

Respectfully submitted,



Mike Palazzolo
Mayor



Patrick Lawton
City Administrator



December 28, 2021

The Board of Mayor and Aldermen
And Citizens of the City of Germantown:

The Annual Comprehensive Financial Report, (ACFR) of the City of Germantown, Tennessee (The City) for the fiscal year ended June 30, 2021, is hereby submitted. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and have been audited in accordance with the generally accepted auditing standards.

This report consisted of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of 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 was designed both to protect the government's asset 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 was complete and reliable in all material respects.

Watkins Uiberall, PLLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Germantown's financial statements for the year ended June 30, 2021. The independent auditor's report is located at the front of the financial section of this report. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements: assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement basis for rendering an unmodified opinion.

GAAP requires management to provide a narrative introduction, overview and analysis to accompany the basic financial statement 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 Germantown's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Germantown is located in Shelby County in the southwestern part of the State of Tennessee. Germantown was first settled in 1825 and consisted largely of horse farms and estates until the early 1970's. It is in the center of the most affluent areas of Shelby County.

The Board of Mayor and (five) Aldermen are elected by popular vote. One-half of the Board is elected to four-year terms every two years. The mayor appoints the city administrator, chief of police and city clerk/recorder with confirmation of the Board of Aldermen. The City provides a full range of municipal services including police and fire services, street and drainage construction and maintenance, solid



waste, cultural and recreational programs, planning and zoning and administrative services. In addition, the City operates a water and sewer system.

The Germantown Municipal Board of Education assumed the operations of five schools from Shelby County Board of Education. In 2019, the school board opened a new elementary school creating the sixth school operated by the Germantown Municipal Board of Education. Three out of eight schools remain with the Shelby County Board of Education. The Germantown Municipal Board of Education is reported as a special revenue fund. The Light, Gas and Water Division of the City of Memphis provide electrical and natural gas distribution to the Germantown service area. The City of Memphis provides treatment of sewage collected via the City of Germantown sewer system. The Memphis Area Transit Authority provides scheduled bus service throughout the City. These entities do not meet established criteria for inclusion in the reporting entity and therefore are not included in this report.

The City administration annually prepares a plan of services for the upcoming fiscal year and the estimated cost of providing those services. The plan is reviewed by the Board of Mayor and Aldermen and is formally adopted by the passage of a budget ordinance. The ordinance is adopted by fund, function and department. Department heads may make transfer of appropriations within their department. Transfers of appropriations between departments require the approval of an amendment by the Board. Strict budgetary compliance is maintained by the automated accounting system to assure effective fiscal management and accountability. All request for purchases are checked by a budgetary control system to assure that funds are available. Purchase orders and contracts are encumbered prior to release to vendors. The system controls are maintained within cost center levels. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated budget has been adopted.

Factors Affecting Financial Conditions

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

Local Economy

The City's economy continues to remain strong with property values increasing and new properties under construction. Property tax remains the most stable source of revenue at approximately 53.8% of total general fund revenue with collections remaining very strong. For fiscal year 2021, the City tax rate was at \$1.95 per \$100 of assessed value. Real and personal property are assessed by the Shelby County Assessor.

Despite the economic instability brought on by the COVID-19 pandemic, Germantown local sales taxes were strong. The City took a conservative approach to budgeting for local option sales tax and as a result, collections were \$3.7 million above budget. In the Spring of 2020, the City undertook a local economy assessment to determine the pandemic's impact on local businesses. As a result, the City budgeted for decreased revenues in local option sales taxes, room occupancy taxes and state shared tax revenue. In response to the budgeted revenue short fall, all city departmental expenditure budgets were decreased from FY20. For most of the fiscal year, sales tax dollars were compatible with FY20 actuals. However, the second quarter of calendar year 2021 demonstrated significant strengthening of the economy as vaccinations increased and COVID restrictions lessened.

Property tax increased this past year by \$1,015,504. This was due to new construction and increased property values. Sales tax was the second largest revenue source to the City. Local sales tax increased by \$1,405,611. This increase is due to the strong economic conditions in spite of the COVID-19 pandemic. This was mainly led by the "recession proof" businesses of grocery sales. Intergovernmental taxes had a modest gain of \$42,156.

During fiscal year 2021, the City issued 25 permits for new single-family residence structures with a value of \$21,042,402.00 or average value of \$841,696.08. Commercial renovation permits including restaurants and retail stores

were up by almost 30% with a combined permit value of \$27,180,896.00. Economic development initiatives for fiscal year 2021 included the construction of a new middle school expansion at Houston Middle, as well as other improvements to the sports facilities at Houston High School. With the completion of the Forest Hill Irene Road widening road to handle the additional traffic and the new elementary school being opened there were many new housing starts and residential neighborhood developments approved in fiscal year 2021.

In fiscal year 2021, the City continued to see strong growth in all commercial sectors. The City's key commercial areas had investments from local, regional, and national developers as well as upgrades to regional shopping centers. The Conrad Pearson Clinic was approved in fiscal year 2021 in the City's Medical Corridor for a future reinvestment of \$30 million dollars for the clinic and a surgery center. This project will include new surgery suites, clinical offices, and state of the art medical equipment. With this investment the Conrad Pearson Clinic will be able to consolidate other services to their future Germantown campus and make it the center of their regional operations. Other developments continue to move forward and will begin in fiscal year 2022 including mixed use redevelopments, new hotels, and other new medical office buildings.

Long Term Financial Planning

In January 2015, the Germantown Board of Mayor and Aldermen approved the Germantown Forward 2030 strategic plan. The citizen-driven plan encourages leaders to look to the future and focus on a sustainable Germantown based on the triple bottom line of economic, environmental and social sustainability. The plan will be updated every 5 years and will continue to involve members of the community.

The City's fiscal year spending plan emphasized a long-term goal of maintaining financial stability. It was a strategic plan that aligns financial, capital and employee resources with the Germantown Forward 2030 long range strategic plan. Several funding priorities were developed that focus on supplying the necessary materials and tools to address the strategic and operational objectives.

Annual budgets were driven by cost savings with emphasis on City departments operating as a business with a focus on customer and quality of service. All expenditures reflect the spending priorities established by the Board of Mayor and Aldermen and strict adherence to the financial policies that provide a framework for allocating resources. The business planning approach is outcome based and results oriented, with process in place to deliver services in the most effective way. With the proper deployment of these activities now and in the future the City is able to address long term financial obligations of the City, maintain a stable tax base and move closer to sustainability.

The City was reaffirmed as Triple-A by Moody's and Standard & Poor's in September 2017 and issued \$29,275,000 new bonds for the construction of Forest Hill Elementary School and related road improvements. Forest Hill Elementary School will seat 500 plus students. Additionally, the City issued a \$3.025 million General Obligation Capital Note in August 2018. The funds were used to construct administrative offices for the Germantown Municipal School District which is located near Forest Hill Elementary School. Payments will be made by the school district as the debt becomes due.

Awards and Acknowledgement

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 Germantown for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the 39th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Board of Mayor and Aldermen
City of Germantown, Tennessee
December 28, 2021

financial report continues to meet the Certificate of Achievement Program's requirement and we are submitting it to GFOA to determine its eligibility for another certificate.

The City received the GFOA's Distinguished Budget Presentation Award for its annual operating budget for the year ended June 30, 2021. The City has received the Award for each of the 37 years since the program was instituted in 1984. In order to qualify for the Distinguished Budget Presentation Award, the city budget document was judged to be proficient and/or outstanding in several categories including policy documentation, financial planning, operations and communications.

The preparation of this report could not be accomplished without the skill, effort and dedication of the entire staff of the Department of Budget and Financial Services throughout the fiscal year. I would like to express my appreciation to all the members of the departments who have assisted and contributed to this report, in addition to the city's independent certified public accountants, Watkins Uiberall, PLLC. In addition, I appreciate the Board of Mayor and Aldermen's interest, support and leadership in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in blue ink, reading "Adrienne Royals". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Adrienne Royals
Budget & Financial Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Germantown
Tennessee**

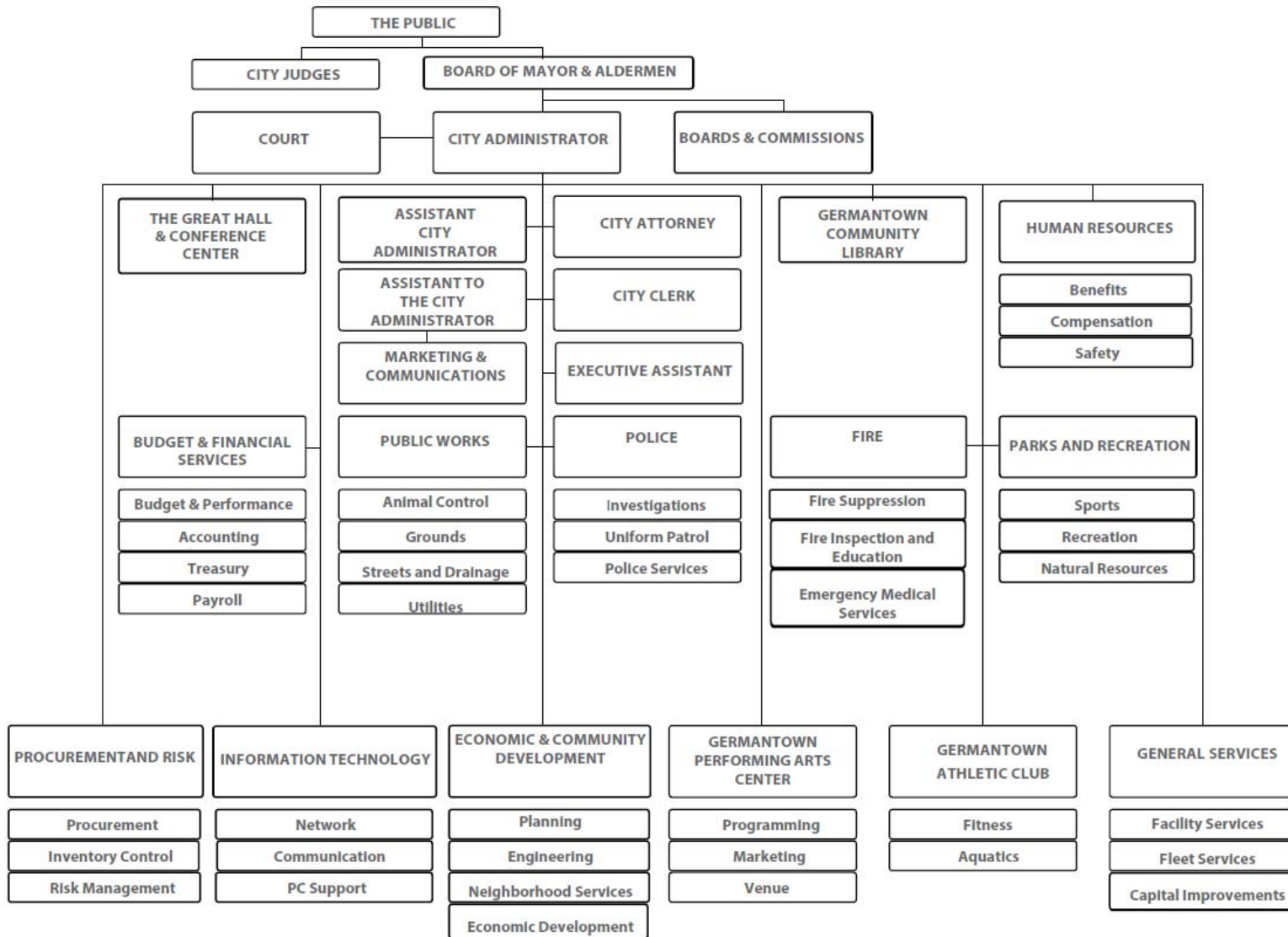
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF GERMANTOWN, TENNESSEE
ORGANIZATIONAL CHART
 June 30, 2021



CITY OF GERMANTOWN, TENNESSEE
CITY OFFICIALS
June 30, 2021

MAYOR

Honorable Mike Palazzolo (2022*)

ALDERMEN

Mary Anne Gibson, Vice Mayor (2022*)

Scott Sanders (2022*)
Brian Ueleke (2024*)

Sherrie Hicks (2024*)
Jon McCreery (2024*)

CITY OFFICIALS

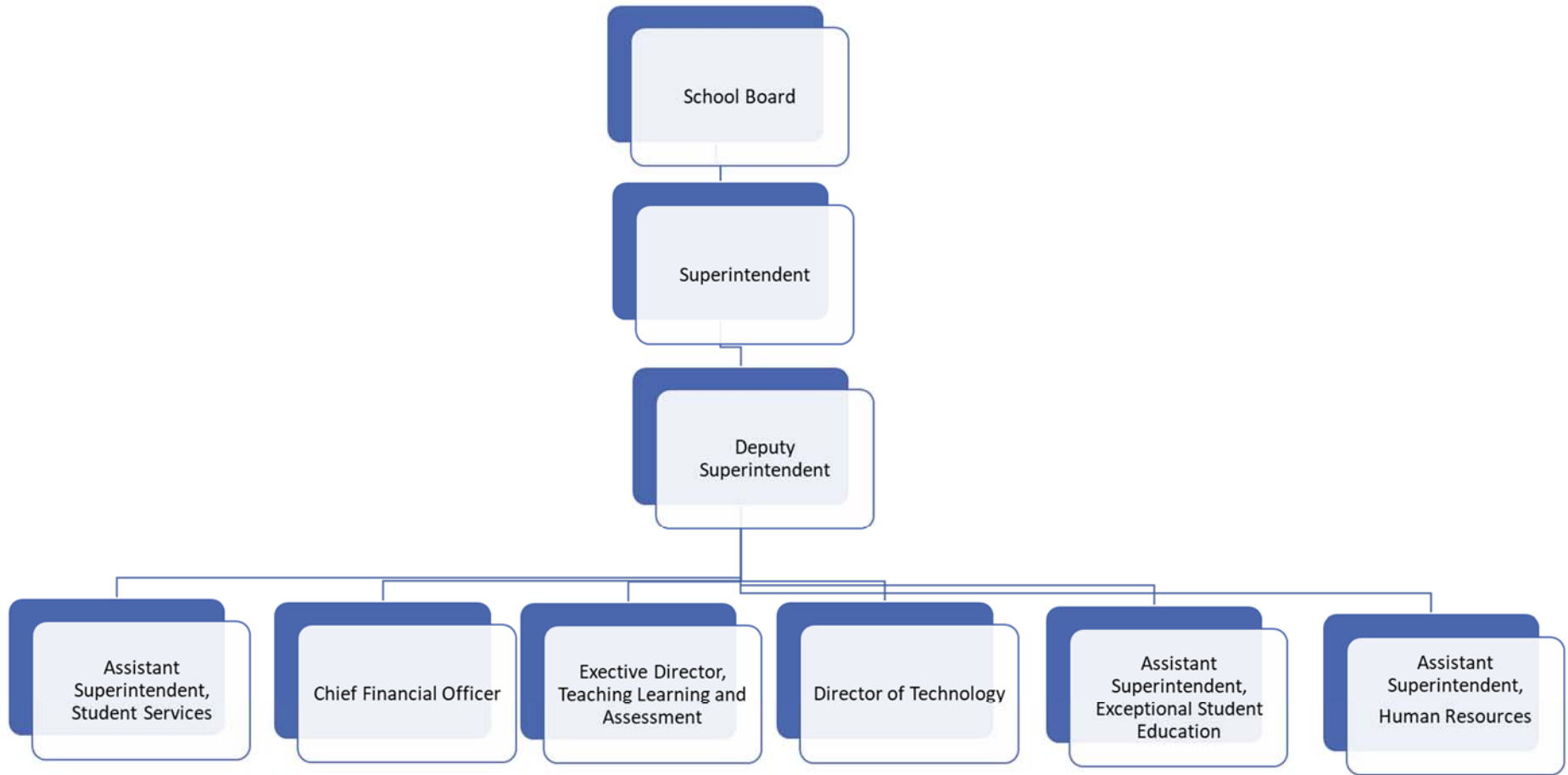
City Administrator..... Patrick J. Lawton
City Attorney John R. McCarroll, III
City Judges Raymond S. Cliff
Robert M. Brannon, Jr.

Budget and Financial Services Director..... Adrienne Royals**
Economic and Community Development Services Director Cameron Ross
Fire Chief John M. Selberg
Germantown Athletic Club Director Phil Rogers
Germantown Performing Arts Center Director..... Paul Chandler
General Services Director..... Reynold Douglas
Human Resources Director Ola Terrell-Jordan
Information Technology Director..... Tony Fischer
Parks and Recreation Director..... Pam Beasley
Police Chief..... Richard Hall
Procurement and Risk Director..... Lisa Piefer
Public Services Director..... Bo Mills

* Date elected term expires

** Designated CMFO

CITY OF GERMANTOWN, TENNESSEE
GERMANTOWN MUNICIPAL SCHOOL DISTRICT ORGANIZATIONAL CHART
June 30, 2021



BOARD OF EDUCATION

Chair..... Amy Eoff, Position 5 (2022*)
Vice-Chair Betsy Landers, Position 2 (2022*)
Board Member Brian Curry, Position 3 (2024*)
Board Member Angela Griffith, Position 4 (2024*)
Board Member Ryan Strain, Position 1 (2024*)

ADMINISTRATION

Superintendent..... Jason Manuel
Deputy Superintendent, Chief of Operations Josh Cathey
Assistant Superintendent of Student Services Chauncey Bland
Assistant Superintendent of Exceptional Student Education..... Sarah Huffman
Chief Financial Officer..... Kevin Jones**
Director of Technology..... John Pierce
Assistant Superintendent of Human Resources Elissa Stratton
Executive Director of Teaching, Learning, and Assessment..... Missy Abel

* Date elected term expires

** Designated CMFO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor Mike Palazzolo and the Board of Aldermen of
City of Germantown, Tennessee:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the statements of budgetary comparison for the general fund and general purpose school fund, and the aggregate remaining fund information of the City of Germantown, Tennessee, (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Germantown Performing Arts Center ("GPAC"), a component unit of the City of Germantown, Tennessee, which represent 0.33 percent, 0.34 percent, and 1.41 percent, respectively, of the assets, net position, and revenues of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for GPAC, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the statements of budgetary comparison for the general fund and general purpose school fund, and the aggregate remaining fund information of the City of Germantown, Tennessee, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Germantown, Tennessee's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supporting schedules, and statistical information section, are presented for purposes of additional analysis and are not a required part of the financial statements

The combining and individual fund financial statements and schedules, and supporting schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, and supporting schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical information section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2021, on our consideration of the City of Germantown, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Germantown, Tennessee's internal control over financial reporting and compliance.



Memphis, Tennessee
December 28, 2021

CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

As management of the City of Germantown (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and notes to the financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at June 30, 2021 by \$312,212,425 (net position). Of this amount, \$61,338,095 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2021, the City's governmental funds reported total fund balances of \$82,074,815. Of this amount, \$20,827,769 (unassigned fund balances) may be used to meet the general government's spending requirements. The unassigned fund balance represents 40% of total General Fund expenditures.
- During the fiscal year, the City's total debt had a net decrease of \$2,862,159. The decrease is due to paying down the capital outlay note and general obligation bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of 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 to provide greater detail of the data presented in the basic financial statements.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances in a manner like private-sector business.

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

The statement of activities presents information showing how the government's net position changed during the year ended June 30, 2021. 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, Transportation and Environment, Community Services, Education, and Interest and Fiscal Charges. The business-type activities of the City include Utility, Athletic Club, Sanitation, Great Hall, and Stormwater.

The government-wide financial statements can be found in Exhibits A-1 and A-2 of this report.

Fund Financial Statements. A fund is a group 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2021

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 maintains twenty-three 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 and the General Purpose School Fund. Data from the other twenty-one 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 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 the annual appropriated budget.

The basic governmental fund financial statements are presented as Exhibits A-3 through A-8.

Component unit. The component unit is not a "fund" of the City of Germantown as the primary government. However, the government-wide financial statements include a column for the component unit as described in Note 1 - Summary of Significant Accounting Principles.

Proprietary Funds. The City maintains 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 its Utility, Athletic Club, Sanitation, Great Hall, and Stormwater Funds' operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the health insurance and vehicle maintenance costs. The School also utilizes an internal service fund to account for health insurance costs. Because each of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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 Utility Fund and Athletic Club Fund, both of which are major funds of the City. In addition, the City has three nonmajor funds. These funds include the Sanitation Fund, the Great Hall Fund, and the Stormwater Fund. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in this report.

The basic proprietary fund financial statements are presented as Exhibits A-9 through A-11.

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 statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements are presented as Exhibits A-12 and A-13 of this report.

CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2021

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 begin on page 49 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the City's and the Germantown Municipal School District's pension plans and other postemployment benefit plans, Exhibits B-1 through B-20.

Combining and Individual Fund Statements and Schedules. The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information. Combining and Individual Fund Statements and Schedules are presented as Exhibits C-1 through D-8 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 of resources exceeded liabilities and deferred inflows of resources by \$312,212,425 at June 30, 2021.

	Condensed Statement of Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 144,845,037	\$ 135,530,887	\$ 15,143,098	\$ 12,994,198	\$ 159,988,135	\$ 148,525,085
Capital assets	237,487,496	232,685,562	63,916,802	64,566,828	301,404,298	297,252,390
Total Assets	382,332,533	368,216,449	79,059,900	77,561,026	461,392,433	445,777,475
Deferred Outflows of Resources						
	24,813,309	30,754,846	1,592,091	2,399,601	26,405,400	33,154,447
Long-term liabilities outstanding	111,237,293	123,855,344	3,396,172	5,123,726	114,633,465	128,979,070
Other liabilities	14,424,796	13,174,547	2,988,393	2,351,915	17,413,189	15,526,462
Total Liabilities	125,662,089	137,029,891	6,384,565	7,475,641	132,046,654	144,505,532
Deferred Inflows of Resources						
	43,106,170	39,650,117	432,584	19,817	43,538,754	39,669,934
Net Asset						
Invested in capital assets	178,148,194	171,996,214	63,916,802	64,566,828	242,064,996	236,563,042
Restricted	8,794,293	8,419,622	15,041	-	8,809,334	8,419,622
Unrestricted	51,435,096	41,875,451	9,902,999	7,898,341	61,338,095	49,773,792
Total Net Position	\$ 238,377,583	\$ 222,291,287	\$ 73,834,842	\$ 72,465,169	\$ 312,212,425	\$ 294,756,456

By far the largest portion of the City's net position (78%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is 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 (2.82%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$61,338,095) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City can report positive balances in both categories of net position, both for the government as well as for its separate governmental and business-type activities. The positive unrestricted net position for governmental activities is reflective of the City's practice of maintaining adequate reserves for payment of debt service and capital projects, while funding current operations with current revenue sources.

CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2021

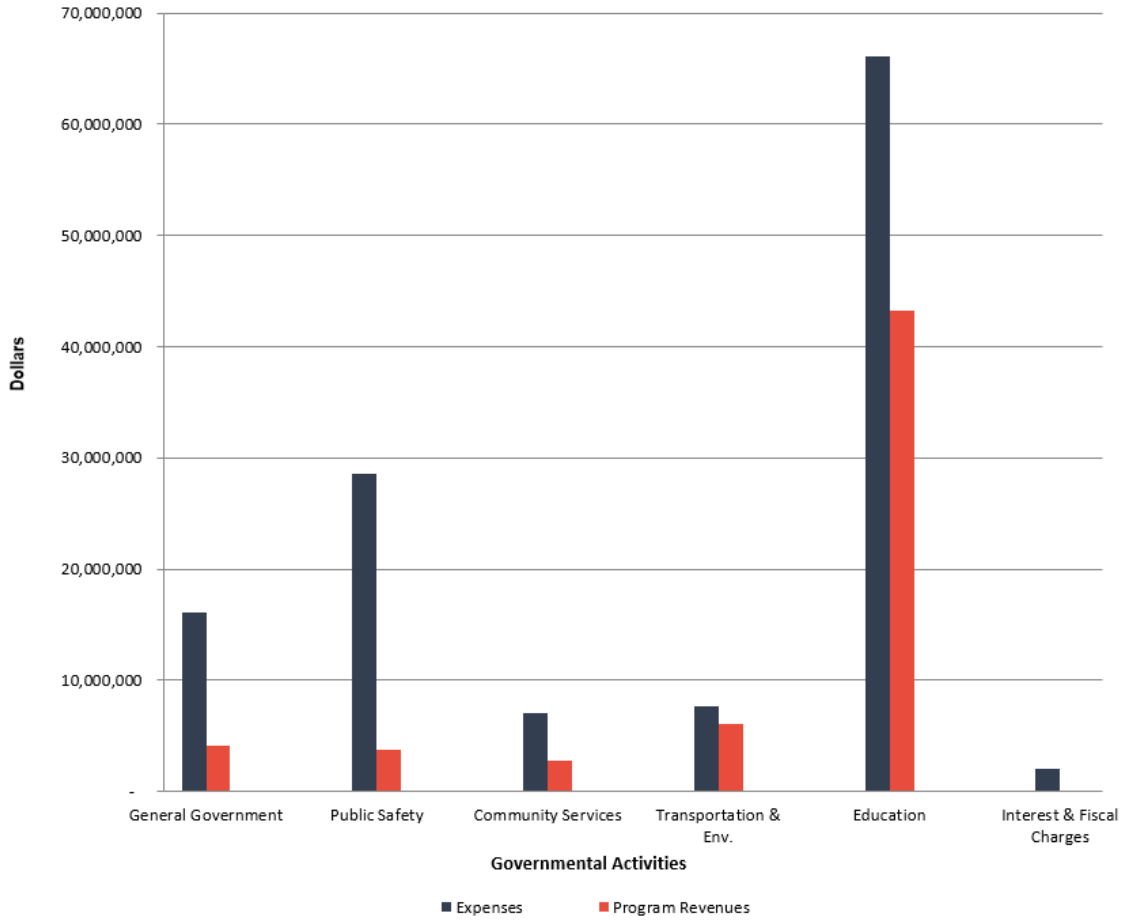
	Condensed Statement of Changes in Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$ 5,562,332	\$ 6,201,284	\$ 18,038,931	\$ 18,504,915	\$ 23,601,263	\$ 24,706,199
Operating grants and contributions	46,772,690	36,101,903	-	-	46,772,690	36,101,903
Capital grants and contributions	7,427,586	14,146,521	168,226	-	7,595,812	14,146,521
General Revenues:						
Property taxes	51,199,274	50,369,013	-	-	51,199,274	50,369,013
Local sales taxes	24,488,168	21,823,268	-	-	24,488,168	21,823,268
Intergovernmental	5,723,578	5,681,422	-	-	5,723,578	5,681,422
Interest on investments	238,149	1,116,978	20,068	225,664	258,217	1,342,642
Other revenue	716,412	1,065,189	145,535	26,676	861,947	1,091,865
Insurance proceeds	-	655,050	-	-	-	655,050
Total Revenues	142,128,189	137,160,628	18,372,760	18,757,255	160,500,949	155,917,883
Expenses:						
General government	\$ 16,148,190	\$ 16,934,971	\$ -	\$ -	\$ 16,148,190	\$ 16,934,971
Public safety	28,607,994	28,918,428	-	-	28,607,994	28,918,428
Transportation and environment	7,681,977	7,772,362	-	-	7,681,977	7,772,362
Community services	7,061,334	7,251,264	-	-	7,061,334	7,251,264
Education	66,034,637	63,470,111	-	-	66,034,637	63,470,111
Interest and fiscal charges	2,056,976	2,153,886	-	-	2,056,976	2,153,886
Utilities	-	-	7,433,031	8,021,061	7,433,031	8,021,061
Athletic club	-	-	3,449,103	3,891,452	3,449,103	3,891,452
Sanitation	-	-	4,585,001	4,768,674	4,585,001	4,768,674
Great Hall	-	-	488,669	490,555	488,669	490,555
Stormwater	-	-	834,440	1,008,354	834,440	1,008,354
Total Expenses	127,591,108	126,501,022	16,790,244	18,180,096	144,381,352	144,681,118
Increase/(Decrease) in net position before transfers	14,537,081	10,659,606	1,582,516	577,159	16,119,597	11,236,765
Gain on disposal of capital assets	153,023	-	-	-	153,023	-
Transfers	212,843	457,072	(212,843)	(457,072)	-	-
Increase/(Decrease) in net position	14,902,947	11,116,678	1,369,673	120,087	16,272,620	11,236,765
Net position, July 1, 2020, as originally reported	222,291,287	211,174,609	72,465,169	72,345,082	294,756,456	283,519,691
Change in accounting principle	1,183,349	-	-	-	1,183,349	-
Net position, July 1, 2020, as restated	223,474,636	211,174,609	72,465,169	72,345,082	295,939,805	283,519,691
Net position, June 30, 2021	\$ 238,377,583	\$ 222,291,287	\$ 73,834,842	\$ 72,465,169	\$ 312,212,425	\$ 294,756,456

Governmental activities. Governmental activities increased the City's net position by \$16,086,296 from the prior fiscal year for an ending balance of \$238,377,583. Key elements of this increase are as follows:

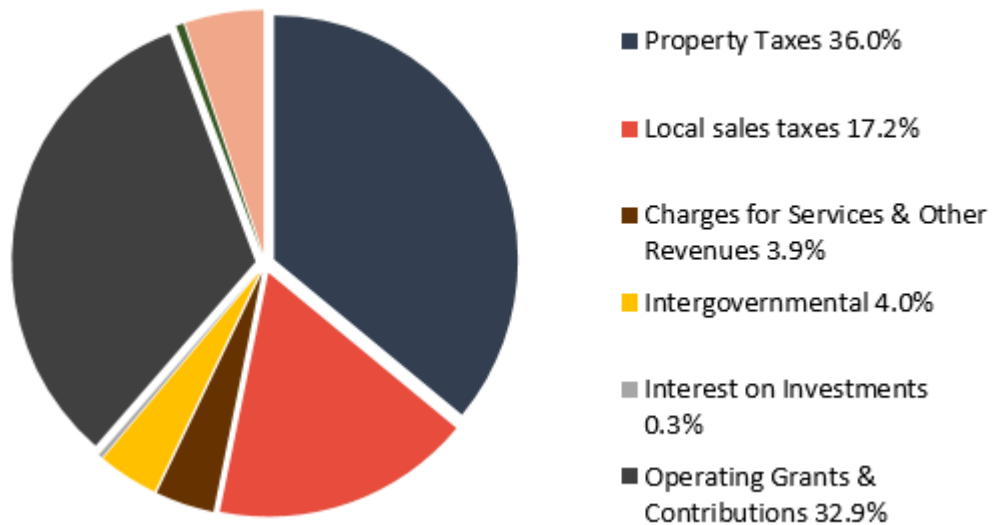
- Property Taxes increased to \$51,199,274 which is \$830,261 more than FY20. Total governmental activities expenses increased by \$1,090,086 from FY20. All categories decreased with the exception of education charges which increased \$2,564,526 over the prior year. This was due to increases in technology expense and the addition of the internal school funds as a special revenue fund in FY21.

**CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**
For the Year Ended June 30, 2021

Governmental Revenues and Expenses



Governmental Revenues by Source

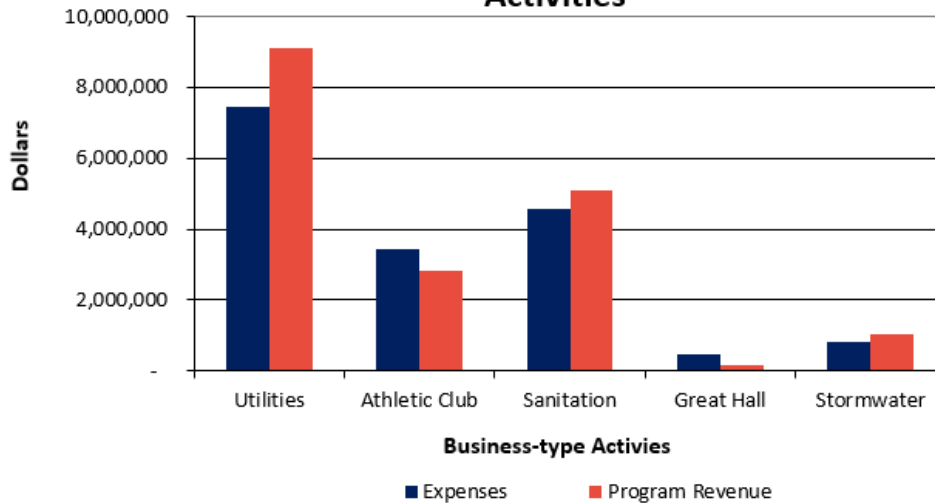


CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2021

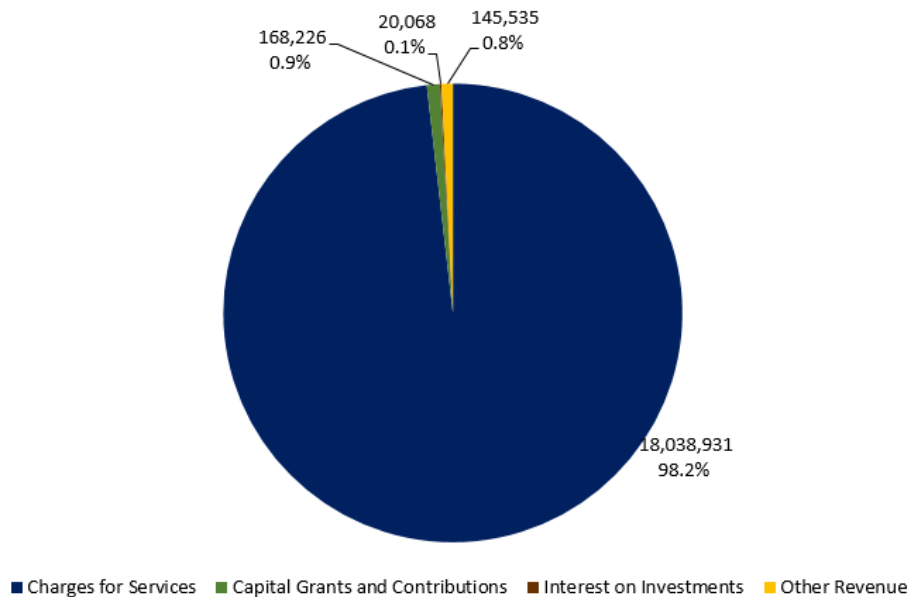
Business-type activities. Business-type activities increased the City's net position by \$1,369,673. The business-type activities are Utility, Athletic Club, and the Nonmajor Enterprise Funds.

- The Germantown Utility Fund increased by \$1,149,576, with operating income of \$1,411,941 covering the cost of operations.
- The Germantown Athletic Club's net position decreased by \$517,075 as the current year saw a \$518,110 operating loss as membership and class revenues suffered decreases due to the COVID-19 pandemic.
- The Nonmajor Enterprise Funds' overall net position increased by \$605,430. The Great Hall had a decrease in net position of \$99,383 due to the closure of the facility for part of the year because of the COVID-19 pandemic. The Sanitation Fund had an increase in net position by \$489,821 due to lower operating cost. The Stormwater Fund had an increase in net position of \$214,992 due to a decrease in materials and supplies cost.

Expenses and Program Revenues - Business Type Activities



Business-type Activities Revenue by Source



CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2021

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.

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. 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 June 30, 2021, the City's governmental funds reported combined ending fund balances of \$82,074,815, an increase of \$6,240,819 in comparison with the prior year. Most of the increase was due to strong revenues in the General Fund. Approximately 25% of this total amount, or \$20,827,769, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is made up of \$992,838 nonspendable, \$2,668,155 restricted, \$38,308,333 committed and \$19,277,720 assigned. The General Fund is the chief operating fund of the City.

At June 30, 2021, unassigned fund balance of the General Fund was \$20,827,769 while the total fund balance reached \$45,226,324. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance and the total fund balance to total fund expenditures. Unassigned fund balance represents 39.7% of total General Fund expenditures while total fund balance represents 86.1% of that same amount.

The fund balance of the City's General Fund increased by \$2,293,088 during the fiscal year ended June 30, 2021. Key factors are as follows:

- Total revenues increased \$4,686,081
- Property tax increased \$1,015,504
- Local sales tax increased \$1,405,611
- Intergovernmental tax increased \$42,156
- Fines and Forfeitures decreased \$138,183
- Licenses and Permits decreased \$20,277
- Fees for services decreased \$32,759
- Investment income decreased \$711,000
- Grants increased \$3,946,814
- Other revenue decreased \$358,642
- Donations decreased \$463,143
- Total expenditures increased \$2,755,454

Property tax increased over the past year by \$1,015,504. This was due to an increase in tax collections during FY21. Local sales tax increased by \$1,405,611. This was due to the strong economic conditions particularly in the second half of the fiscal year. Fines and Forfeitures decreased by \$138,183. This is due to a decrease in traffic and court revenue. Fees for services decreased by \$32,759 from the loss of rental income related to the COVID-19 pandemic. Investment income decreased by \$711,000. This was due to interest rate decreases because of the COVID-19 economic impact. Grants increased \$3,946,814 from federal stimulus grants provided by the CARES Act.

Total expenditures increased by \$2,755,454. The increase in total general fund expenses are mainly attributed to public safety. General government, transportation and environment, and community services either decreased or had a nominal impact on expenditures compared to last fiscal year.

CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2021

Municipal Schools Fund. As of June 30, 2021, GMSD reported an ending fund balance of \$21,843,164, which is an increase of \$848,496 in comparison with the prior year. Revenues and other financing sources totaled \$61,557,644 and expenditures and other financing uses totaled \$60,709,148.

Total revenues and other financing sources increased \$2,367,510. Local option sales tax revenues are allocated by Shelby County to GMSD and other Shelby County School districts based upon their percentage of the weighted full-time equivalency of average daily attendance. For the fiscal year ended June 30, 2021, the weighted full-time equivalency of average daily attendance percentage was 4.21%. Local option sales tax revenues increased by \$1,257,097. Intergovernmental revenues increased by \$977,759. This is primarily due to an increase in Basic Education Program funding from the Tennessee Department of Education. Operating Federal and State Grants increased by \$674,906 primarily due to funds received by the Tennessee Department of Education for new summer programs addressing learning loss. Insurance recoveries decreased by \$655,050. The sale of equipment generated an additional \$153,023 for fiscal year 2021.

Total expenditures and other financing uses increased by \$2,949,327 primarily for instruction. Salaries and benefits for regular education teachers and educational assistants increased \$1,566,296. Regular education materials and supplies increased \$796,898 primarily due to the purchase of classroom technology software and equipment. Salaries and benefits for special education teachers and educational assistants increased \$539,767.

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 \$9,719,214 is comprised of, \$6,881,769 for the Utility Fund, \$362,248 for the Athletic Club Fund, and \$2,475,197 for the nonmajor enterprise funds. Nonmajor funds include Sanitation \$1,535,018, Great Hall \$401,765, and Stormwater \$538,414. User fees support these funds.

General Fund Budgetary Highlights

The General Fund revenues were higher than budget by \$7,074,959. Property tax came in higher than budget by \$788,486. This was due to new properties being added to the tax rolls. Local sales tax came in higher than budget by \$4,150,927 due to the strong local economy and conservative budget estimates because of COVID-19. Intergovernmental revenue came in higher than budget by \$1,144,278. This was due to higher than projected state sales tax. License and permits are \$78,017 less than budget due to the loss of building and related permits related to the COVID-19 pandemic. Charges for services were down by \$22,320. Again, this is due to the impact of COVID-19 from the library being closed. Fines, forfeitures, and penalties are down by \$436,810 due to City court closures during the pandemic. Interest on investments is down \$211,500 due to lower interest rates and a larger amount held in reserve with the Local Government Investment Pool.

General Fund expenditures were lower than budget by \$3,849,980. The variances were due largely to a concerted effort by the City to control cost in the wake of the COVID-19 pandemic. The largest positive variances were achieved in General Government in the amount of \$2,196,497 and Public Safety in the amount of \$682,572.

CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2021

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$301,404,298 (net of accumulated depreciation). This investment in capital assets includes land; buildings and improvements; improvements other than buildings; machinery and equipment; vehicles; infrastructure; and construction in progress. The investment in capital assets for the current fiscal year increased by \$4,151,908. Governmental activities increased \$4,801,934 or 2.06% and business activities decreased \$650,026, or 1.0%.

	Condensed Statement of Capital Assets, Net of Depreciation					
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 19,393,607	\$ 19,435,307	\$ 2,772,593	\$ 2,772,593	\$ 22,166,200	\$ 22,207,900
Buildings and improvements	114,920,022	108,367,633	27,321,872	28,268,622	142,241,894	136,636,255
Improvements other than buildings	47,352,937	42,305,940	31,116,135	28,931,944	78,469,072	71,237,884
Machinery and equipment	13,318,260	14,046,418	2,609,125	2,326,637	15,927,385	16,373,055
Vehicles	4,911,307	5,205,747	-	-	4,911,307	5,205,747
Infrastructure	32,954,466	30,173,499	-	-	32,954,466	30,173,499
Construction in progress	4,636,897	13,151,018	97,077	2,267,032	4,733,974	15,418,050
Total capital assets, net	\$ 237,487,496	\$ 232,685,562	\$ 63,916,802	\$ 64,566,828	\$ 301,404,298	\$ 297,252,390

Additional information on the City's capital assets can be found in Note 6 of this report.

Long-term debt. At June 30, 2021 the City had total bonded debt outstanding of \$50,980,000 and total capital outlay note outstanding of \$2,403,000. Of this amount \$50,980,000 comprises debt backed by the full faith and credit of the government.

	Condensed Statement of Outstanding Debt, net of premiums and discounts					
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 50,980,000	\$ 53,325,000	\$ -	\$ -	\$ 50,980,000	\$ 53,325,000
General obligation capital outlay note	2,403,000	2,629,000	-	-	2,403,000	2,629,000
Total debt, net	\$ 53,383,000	\$ 55,954,000	\$ -	\$ -	\$ 53,383,000	\$ 55,954,000

During FY21, the City's total debt decreased by \$2,571,000. Total debt includes general obligation bonds and capital outlay note. Total debt for governmental activities decreased by 4.6%. Business-type activities' debt was fully retired during FY19. Various construction programs were still in progress at the end of the current fiscal year.

The City has long held the highest bond rating on indebtedness from the major credit rating agencies. Factors most cited by these agencies in support of its general obligation earned a AAA bond rating from both Moody's and Standard & Poor's. In addition, the City has maintained a good relationship with the rating agencies and the major investment institutions through comprehensive disclosure of financial data and direct meetings with rating agency analysts. The City continues to follow prudent fiscal policies and practices.

Although the City is not subject to any state debt limits, the City has developed a debt policy that limits the amount of debt it may obtain: (1) net debt service may not exceed 12% of Governmental Fund expenditures; (2) direct debt may not exceed 1.5% of appraised property value; (3) direct debt may not exceed \$2,000 per capita income; and (4) per capita debt may not exceed 4% of per capita income. The City's full faith, credit and taxing power are pledged to the repayment of all general obligation bond principal and interest and the City is contingently liable for the repayment of revenue bond principal and interest.

Additional information on the City's long-term debt can be found in Note 7.

CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2021

Economic Factors and Next Year's Budgets

Factors considered in preparing the City's Budget for the 2022 fiscal year are further discussed in the Budget document and include:

- The development of the FY22 budget reflects the City's efforts to anticipate and react to the continuing economic uncertainty caused by the COVID-19 pandemic.
- The property tax is the most stable source of revenue for the City. The tax rate for FY22 was set at \$1.678. The FY22 budget anticipates approximately \$34.8 million in property tax revenue.
- Local sales tax revenues have remained strong throughout the pandemic. Of the total, the local option sales tax comprises 80% of the funding, or approximately \$11.9 million.
- With FY21 being a reappraisal year in Shelby County, the overall assessed values in Germantown increased by 20%. With the strong probability that our residents will appeal their appraisal, we have built a buffer into our new certified tax rate to account for this.
- The budget for FY22 includes almost half of the grant funding for the American Rescue Act. The City has designated this money towards drainage and utilities.
- With the adoption of the six-year Capital Improvements Program (CIP), including the annual Capital Improvements Budget (CIB) and a five-year projection of capital needs and expenditures, the City continues to invest in major roads, drainage, and parks projects in FY22.

Factors considered in preparing GMSD's Budget for the 2022 fiscal year are further discussed in the Budget document and include:

- County funds come from two primary sources: property taxes and sales taxes. Shelby County assesses a property tax rate that is earmarked for education. Educational revenues from the property tax distribution is shared between the municipal school districts and Shelby County Schools based on the weighted full-time equivalent average daily attendance (WFTEADA) formula developed by the Tennessee Department of Education. The WFTEADA percentage varies each year between school districts according to their share of the total enrollment in the County. Half of all local sales tax revenues collections is given to education and is distributed in the same manner as property taxes. The District's share was 4.21 percent in 2021. Assuming no major change in economic conditions because of the COVID-19 pandemic, any adjustment in County funds should be minimal for 2022.
- State funds consist primarily of Basic Education Plan (BEP) funds and are not projected to increase for the 2022 fiscal year. The Basic Education Plan (BEP) portion of State funds represents a preliminary hold harmless estimate from the State based upon the 2020 fiscal year average daily membership (ADM) of 6,084. Funding is based on ADM weighted on the 2nd, 3rd, 6th, and 7th attendance periods. Formulas used to determine funding are total weighted student count multiplied by the per pupil allocation, per teacher allocation, staffing formulas and salary allocations, maintenance and operations square foot calculations, plus transportation allowances.
- GMSD has created and updates a five-year capital plan and funding priorities. The 2022 fiscal year amended budget includes construction costs for a high school softball field and a middle school addition. The plan was built on enrollment data, growth projections and facility conditions.

GMSD has a total approved operating budget of \$60,096,785 in expenditures for the 2022 fiscal year.

Request 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 may be addressed to the Department of Finance, City of Germantown, 1930 South Germantown Road, Germantown, Tennessee 38138. The Annual Comprehensive Financial Report, June 30, 2021, FY22 Budget Reports and other information about the City may be found on the City's website www.germantown-tn.gov.

BASIC FINANCIAL STATEMENTS

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2021

Exhibit A-1

	Primary Government			Component Unit GPAC
	Governmental Activities	Business-type Activity	Total	
ASSETS				
Cash and cash equivalents	\$ 88,374,793	\$ 12,395,511	\$ 100,770,304	\$ 727,072
Investments	-	-	-	90,658
Receivables				
Taxes	35,109,039	-	35,109,039	-
Accounts receivable	3,244,540	1,838,436	5,082,976	-
Other	704,699	-	704,699	324,647
Less allowance for doubtful accounts	(2,938,590)	(169,044)	(3,107,634)	-
Due from other governments	12,023,150	75	12,023,225	-
Internal balances	(244,560)	244,560	-	-
Inventories	204,080	37,709	241,789	6,479
Prepaid items	632,305	-	632,305	37,118
Restricted cash and cash equivalents	999,295	780,810	1,780,105	-
Restricted investments	730,149	-	730,149	-
Capital assets, not being depreciated	24,030,504	2,869,670	26,900,174	-
Capital assets, being depreciated, net	213,456,992	61,047,132	274,504,124	356,285
Net pension asset	6,006,137	15,041	6,021,178	-
Total assets	<u>382,332,533</u>	<u>79,059,900</u>	<u>461,392,433</u>	<u>1,542,259</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	16,583,476	953,698	17,537,174	-
Related to OPEB	8,168,947	638,393	8,807,340	-
Deferred charge on refunding	60,886	-	60,886	-
Total deferred outflows of resources	<u>24,813,309</u>	<u>1,592,091</u>	<u>26,405,400</u>	<u>-</u>
LIABILITIES				
Accounts payable and accrued liabilities	7,294,387	1,544,797	8,839,184	97,128
Accrued interest payable	633,908	-	633,908	-
Customer deposits payable	22,068	780,810	802,878	-
Accrued payroll	4,285,206	151,793	4,436,999	-
Unearned revenue	2,189,227	510,993	2,700,220	224,709
Noncurrent liabilities:				
Due within one year	3,466,970	21,237	3,488,207	149,900
Due in more than one year				
Other liabilities	63,343,928	188,587	63,532,515	-
Net pension liability	29,176,406	2,352,031	31,528,437	-
Net OPEB liability	15,249,989	834,317	16,084,306	-
Total liabilities	<u>125,662,089</u>	<u>6,384,565</u>	<u>132,046,654</u>	<u>471,737</u>
DEFERRED INFLOWS OF RESOURCES				
Current property taxes assessed for subsequent period	34,183,505	-	34,183,505	-
Related to pension	7,943,224	406,298	8,349,522	-
Related to OPEB	979,441	26,286	1,005,727	-
Total deferred inflows of resources	<u>43,106,170</u>	<u>432,584</u>	<u>43,538,754</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	178,148,194	63,916,802	242,064,996	356,285
Restricted for:				
Net pension asset	6,006,137	15,041	6,021,178	-
Stabilization reserve trust	730,149	-	730,149	-
Drug enforcement	473,265	-	473,265	-
Federal asset forfeiture	81,099	-	81,099	-
Library endowment	243,656	-	243,656	-
Education	1,259,987	-	1,259,987	-
Unrestricted	51,435,096	9,902,999	61,338,095	714,237
Total net position	<u>\$ 238,377,583</u>	<u>\$ 73,834,842</u>	<u>\$ 312,212,425</u>	<u>\$ 1,070,522</u>

The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Exhibit A-2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit GPAC
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental Activities:								
General government	\$ 16,148,190	\$ 2,954,257	\$ 1,114,515	\$ 1,980	\$ (12,077,438)	\$ -	\$ (12,077,438)	\$ -
Public safety	28,607,994	247,108	3,434,008	-	(24,926,878)	-	(24,926,878)	-
Transportation and environment	7,681,977	1,224,550	1,452,029	3,349,399	(1,655,999)	-	(1,655,999)	-
Community services	7,061,334	672,407	250	2,137,388	(4,251,289)	-	(4,251,289)	-
Education	66,034,637	464,010	40,771,888	1,938,819	(22,859,920)	-	(22,859,920)	-
Interest on long-term debt	2,056,976	-	-	-	(2,056,976)	-	(2,056,976)	-
Total governmental activities	127,591,108	5,562,332	46,772,690	7,427,586	(67,828,500)	-	(67,828,500)	-
Business-type activity:								
Utilities	7,433,031	8,932,131	-	168,226	-	1,667,326	1,667,326	-
Athletic club	3,449,103	2,829,873	-	-	-	(619,230)	(619,230)	-
Sanitation	4,585,001	5,070,955	-	-	-	485,954	485,954	-
Great Hall	488,669	158,238	-	-	-	(330,431)	(330,431)	-
Stormwater	834,440	1,047,734	-	-	-	213,294	213,294	-
Total business-type activities	16,790,244	18,038,931	-	168,226	-	1,416,913	1,416,913	-
Total primary government	\$ 144,381,352	\$ 23,601,263	\$ 46,772,690	\$ 7,595,812	(67,828,500)	1,416,913	(66,411,587)	-
Component Unit:								
GPAC	\$ 2,114,829	\$ 304,952	\$ 1,898,618	\$ -	-	-	-	88,741
General revenues:								
Property taxes					51,199,274	-	51,199,274	-
Local option sales tax					21,721,724	-	21,721,724	-
Other taxes								
Wholesale liquor and beer taxes					1,435,232	-	1,435,232	-
Local gross receipts tax					667,912	-	667,912	-
Business, cable tv, and hotel-motel taxes					663,300	-	663,300	-
Intergovernmental revenues:								
State sales tax					4,327,116	-	4,327,116	-
State income tax					1,121,564	-	1,121,564	-
Other state revenue					274,898	-	274,898	-
Other revenue					716,412	145,535	861,947	54,830
Interest on investments					238,149	20,068	258,217	11,493
Gain on sale of capital assets					153,023	-	153,023	-
Transfers					212,843	(212,843)	-	-
Total general revenues and transfers					82,731,447	(47,240)	82,684,207	66,323
Change in net position					14,902,947	1,369,673	16,272,620	155,064
Net position - beginning, as originally stated					222,291,287	72,465,169	294,756,456	915,458
Change in accounting principle					1,183,349	-	1,183,349	-
Net position - beginning, as restated					223,474,636	72,465,169	295,939,805	915,458
Net position - ending					\$ 238,377,583	\$ 73,834,842	\$ 312,212,425	\$ 1,070,522

The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

Exhibit A-3

	<u>General Fund</u>	<u>General Purpose School Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 43,458,848	\$ 22,842,765	\$ 15,404,533	\$ 81,706,146
Receivables				
Taxes	35,109,039	-	-	35,109,039
Customer	3,212,914	-	31,626	3,244,540
Other	353,875	64,303	159,196	577,374
Less allowance for doubtful accounts	(2,916,268)	-	(22,322)	(2,938,590)
Due from other governments	5,337,192	4,031,502	2,654,456	12,023,150
Due from other funds	260,114	809,638	-	1,069,752
Inventory	92,279	-	24,946	117,225
Prepaid Items	623,556	6,650	2,099	632,305
Restricted cash and cash equivalents	-	-	999,295	999,295
Restricted investments	-	730,149	-	730,149
	<u>\$ 85,531,549</u>	<u>\$ 28,485,007</u>	<u>\$ 19,253,829</u>	<u>\$ 133,270,385</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,639,052	\$ 2,468,445	\$ 1,950,233	\$ 6,057,730
Accrued payroll	1,127,973	3,006,061	106,112	4,240,146
Customer deposits	-	-	22,068	22,068
Due to other funds	185,691	-	944,836	1,130,527
Unearned revenue	1,813,601	-	375,626	2,189,227
Total liabilities	<u>4,766,317</u>	<u>5,474,506</u>	<u>3,398,875</u>	<u>13,639,698</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue				
Taxes	34,872,372	1,167,337	-	36,039,709
Grants	368,524	-	840,323	1,208,847
Other	298,012	-	9,304	307,316
Total deferred inflows of resources	<u>35,538,908</u>	<u>1,167,337</u>	<u>849,627</u>	<u>37,555,872</u>
FUND BALANCES				
Nonspendable	715,835	6,650	270,353	992,838
Restricted	-	853,456	1,814,699	2,668,155
Committed	19,908,551	8,537,176	9,862,606	38,308,333
Assigned	3,774,169	12,445,882	3,057,669	19,277,720
Unassigned	20,827,769	-	-	20,827,769
Total fund balances	<u>45,226,324</u>	<u>21,843,164</u>	<u>15,005,327</u>	<u>82,074,815</u>
	<u>\$ 85,531,549</u>	<u>\$ 28,485,007</u>	<u>\$ 19,253,829</u>	<u>\$ 133,270,385</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 85,531,549</u>	<u>\$ 28,485,007</u>	<u>\$ 19,253,829</u>	<u>\$ 133,270,385</u>

The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE

Exhibit A-4

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2021

Total fund balances, governmental funds		\$ 82,074,815
Amounts reported for governmental activities in the statement of net position are different because:		
(1) Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		237,487,496
(2) Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned or unavailable in the funds.		3,372,367
(3) Long-term debt is not due and payable in the current period and, therefore is not reported in the funds.		
Less: bonds payable	(50,980,000)	
Less: capital outlay note	(2,403,000)	
Less: settlement obligation	(1,777,264)	
Less: unamortized premiums and discounts on debt	(6,011,840)	
Add: deferred amount on refunding	<u>60,886</u>	(61,111,218)
(4) Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Less: accrued interest payable	(633,908)	
Less: compensated absences payable	<u>(5,638,794)</u>	(6,272,702)
(5) Net pension assets are not a financial resource in the current period and net pension liabilities and net other postemployment (OPEB) liabilities are not payable with current financial resources and, therefore, are not reported in the funds.		
Add: net pension asset	6,006,137	
Less: net pension liability	(29,176,406)	
Less: net OPEB liability	<u>(15,249,989)</u>	(38,420,258)
(6) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	16,583,476	
Less: deferred inflows of resources related to pensions	(7,943,224)	
Add: deferred outflows of resources related to OPEB	8,168,947	
Less: deferred inflows of resources related to OPEB	<u>(979,441)</u>	15,829,758
(7) Internal service funds are used by management to charge the cost of health insurance, workers' compensation, and retiree health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		<u>5,417,325</u>
Net position of governmental activities		<u><u>\$ 238,377,583</u></u>

The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit A-5

	<u>General Fund</u>	<u>General Purpose School Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 34,429,986	\$ 16,846,118	\$ -	\$ 51,276,104
Local sales taxes	15,831,063	10,129,289	-	25,960,352
Intergovernmental				
State sales, income, and other tax	5,723,578	30,151,846	1,775,974	37,651,398
State gas tax	-	-	1,452,029	1,452,029
Licenses and permits	1,367,883	-	-	1,367,883
Charges for services	1,175,180	243,697	1,739,394	3,158,271
Fines, forfeitures, and penalties	542,190	-	235,358	777,548
Federal, state and other grants	4,395,497	1,063,008	9,025,926	14,484,431
Interest on investments	68,500	142,779	26,870	238,149
Donations	-	-	2,476,684	2,476,684
Other	484,432	180,258	51,722	716,412
Total revenues	<u>64,018,309</u>	<u>58,756,995</u>	<u>16,783,957</u>	<u>139,559,261</u>
EXPENDITURES				
Current				
General government	15,220,357	-	-	15,220,357
Public safety	25,493,885	-	2,188,455	27,682,340
Transportation and environment	4,365,311	-	2,563,512	6,928,823
Community services	2,601,345	-	562,002	3,163,347
Education	-	56,639,398	7,827,607	64,467,005
Debt Service				
Principal	2,571,000	355,453	-	2,926,453
Interest	2,271,396	-	-	2,271,396
Capital outlays	-	3,186,229	9,107,743	12,293,972
Total expenditures	<u>52,523,294</u>	<u>60,181,080</u>	<u>22,249,319</u>	<u>134,953,693</u>
Excess (deficiency) of revenues over (under) expenditures	11,495,015	(1,424,085)	(5,465,362)	4,605,568
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	82,786	153,023	3,250	239,059
Transfers in	970,911	2,647,626	8,372,416	11,990,953
Transfers out	(10,255,624)	(528,068)	(994,418)	(11,778,110)
Total other financing sources and uses	<u>(9,201,927)</u>	<u>2,272,581</u>	<u>7,381,248</u>	<u>451,902</u>
Net change in fund balances	2,293,088	848,496	1,915,886	5,057,470
Fund balances - beginning, as originally reported	42,933,236	20,994,668	11,906,092	75,833,996
Change in accounting principle	-	-	1,183,349	1,183,349
Fund balances - beginning, as restated	<u>42,933,236</u>	<u>20,994,668</u>	<u>13,089,441</u>	<u>77,017,345</u>
Fund balances - ending	<u>\$ 45,226,324</u>	<u>\$ 21,843,164</u>	<u>\$ 15,005,327</u>	<u>\$ 82,074,815</u>

The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE

Exhibit A-6

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

For the Year Ended June 30, 2021

Net change in fund balance - total governmental funds		\$ 5,057,470
Amounts reported for governmental activities in the statement of activities are different because:		
(1) Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays capitalized	18,506,830	
Depreciation expense	(13,686,034)	
Loss from the disposition of capital assets	<u>(18,862)</u>	4,801,934
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		305,663
(3) The issuance of long-term debt (e.g. bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on long-term debt		2,926,453
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Amortization of premiums and discounts	266,117	
Amortization of deferred amount on refunding debt	(61,247)	
Change in accrued interest payable	9,550	
Change in compensated absences	<u>(1,560,563)</u>	(1,346,143)
(5) Payments of contributions to the pension plans and OPEB plans are recorded as expenditures in the governmental funds. Pension expense and OPEB expense are recorded on an actuarially determined basis in the statement of activities.		
Difference between actual contributions and pension expense	2,166,111	
Difference between actual contributions and OPEB expense	<u>(489,901)</u>	1,676,210
(6) Internal service funds are used by management to charge the costs of health insurance, workers' compensation, and retiree health insurance to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.		
		<u>1,481,360</u>
Change in net position of governmental activities		<u><u>\$ 14,902,947</u></u>

The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE

Exhibit A-7

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
PROPERTY TAXES				
Real property taxes	\$ 31,900,000	\$ 31,900,000	\$ 32,658,052	\$ 758,052
Personalty property taxes	820,000	820,000	863,899	43,899
Property tax interest and penalties	110,000	110,000	133,236	23,236
Receipts in lieu of taxes - TVA	481,500	481,500	468,576	(12,924)
Receipts in lieu of taxes - MLGW	330,000	330,000	306,223	(23,777)
Total property taxes	33,641,500	33,641,500	34,429,986	788,486
LOCAL TAXES				
Local sales tax	9,360,136	9,360,136	13,066,811	3,706,675
Wholesale beer and liquor tax	1,130,000	1,130,000	1,435,232	305,232
Gross receipts tax	540,000	540,000	665,720	125,720
Room occupancy tax	650,000	650,000	663,300	13,300
Total local taxes	11,680,136	11,680,136	15,831,063	4,150,927
INTERGOVERNMENTAL				
State of Tennessee shared taxes				
State sales tax	3,050,000	3,050,000	4,327,116	1,277,116
Income tax	1,300,000	1,300,000	1,121,564	(178,436)
Beer and liquor tax	149,500	149,500	172,006	22,506
Other tax	-	-	23,235	23,235
Petroleum special tax	79,800	79,800	79,657	(143)
Total state shared taxes	4,579,300	4,579,300	5,723,578	1,144,278
LICENSES AND PERMITS				
Automobile registration	1,271,000	1,271,000	1,224,438	(46,562)
Building and related permits	70,400	70,400	45,776	(24,624)
Animal licenses	73,500	73,500	69,227	(4,273)
Beer and liquor licenses	31,000	31,000	28,442	(2,558)
Total licenses and permits	1,445,900	1,445,900	1,367,883	(78,017)
CHARGES FOR SERVICES				
Engineering fees	20,000	20,000	32,193	12,193
Zoning application fees	35,000	35,000	50,745	15,745
Cable TV and telecom fees	697,500	697,500	704,460	6,960
Fire inspection fees	13,500	13,500	11,750	(1,750)
Parks and recreation charges	19,500	19,500	31,640	12,140
Rental income	350,000	350,000	327,227	(22,773)
Library fees	62,000	62,000	17,165	(44,835)
Total charge for services	1,197,500	1,197,500	1,175,180	(22,320)
FINES, FORFEITURES, AND PENALTIES				
City court costs	975,000	975,000	540,346	(434,654)
Animal impoundment fees	4,000	4,000	1,844	(2,156)
	979,000	979,000	542,190	(436,810)

(CONTINUED ON NEXT PAGE)

The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

Exhibit A-7

For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
FEDERAL, STATE, AND LOCAL GRANTS	\$ 2,620,014	\$ 2,620,014	\$ 4,395,497	\$ 1,775,483
INTEREST ON INVESTMENTS	280,000	280,000	68,500	(211,500)
OTHER	520,000	520,000	484,432	(35,568)
Total Revenues	<u>56,943,350</u>	<u>56,943,350</u>	<u>64,018,309</u>	<u>7,074,959</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Aldermen				
Salaries	\$ 60,000	\$ 60,000	\$ 59,534	\$ 466
Benefits	58,313	71,468	71,294	174
Contractual services	57,600	43,849	42,450	1,399
Materials and supplies	7,300	24,020	21,596	2,424
Other charges	10,600	11,460	11,129	331
	<u>193,813</u>	<u>210,797</u>	<u>206,003</u>	<u>4,794</u>
City Court				
Salaries	592,320	590,685	563,686	26,999
Benefits	210,301	249,514	222,908	26,606
Contractual services	17,500	17,500	9,676	7,824
Materials and supplies	5,900	5,900	5,727	173
Other charges	30,890	31,130	22,816	8,314
Expense reimbursement	3,398	3,398	2,973	425
	<u>860,309</u>	<u>898,127</u>	<u>827,786</u>	<u>70,341</u>
Administration				
Salaries	801,162	805,789	803,255	2,534
Benefits	308,353	390,955	378,583	12,372
Contractual services	510,000	515,484	425,121	90,363
Materials and supplies	13,260	11,285	11,113	172
Other charges	82,329	162,430	155,995	6,435
Expense reimbursement	(30,769)	(30,769)	(36,529)	5,760
	<u>1,684,335</u>	<u>1,855,174</u>	<u>1,737,538</u>	<u>117,636</u>
Human Resources				
Salaries	379,978	409,513	409,510	3
Benefits	169,795	161,028	157,221	3,807
Contractual services	71,500	61,421	47,692	13,729
Materials and supplies	2,700	2,700	1,145	1,555
Other charges	33,536	37,350	34,859	2,491
Expense reimbursement	(38,869)	(38,869)	(39,436)	567
	<u>618,640</u>	<u>633,143</u>	<u>610,991</u>	<u>22,152</u>

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The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

Exhibit A-7

For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Finance				
Salaries	\$ 706,919	\$ 681,465	\$ 637,501	\$ 43,964
Benefits	339,299	416,650	384,220	32,430
Contractual services	370,000	374,260	366,307	7,953
Materials and supplies	55,825	54,819	35,151	19,668
Other charges	28,663	30,442	24,830	5,612
Capital outlay	-	20,421	20,420	1
Expense reimbursement	(121,179)	(121,179)	(124,298)	3,119
	<u>1,379,527</u>	<u>1,456,878</u>	<u>1,344,131</u>	<u>112,747</u>
Information Technology				
Salaries	464,385	464,404	461,944	2,460
Benefits	203,741	252,464	227,731	24,733
Contractual services	229,220	250,662	226,608	24,054
Materials and supplies	1,281,786	1,337,227	825,519	511,708
Other charges	133,400	165,697	153,892	11,805
Capital outlay	220,000	202,652	179,444	23,208
Expense reimbursement	(96,099)	(96,099)	(96,537)	438
	<u>2,436,433</u>	<u>2,577,007</u>	<u>1,978,601</u>	<u>598,406</u>
Facility Services				
Salaries	947,325	931,075	856,475	74,600
Benefits	460,348	559,887	484,960	74,927
Contractual services	10,000	9,418	4,127	5,291
Materials and supplies	677,507	693,744	684,562	9,182
Other charges	21,545	230,217	211,360	18,857
Capital outlay	215,800	236,120	221,877	14,243
Expense reimbursement	(22,146)	(22,146)	(28,738)	6,592
	<u>2,310,379</u>	<u>2,638,315</u>	<u>2,434,623</u>	<u>203,692</u>
Budget and Performance				
Salaries	216,032	210,032	174,100	35,932
Benefits	98,679	119,172	105,394	13,778
Materials and supplies	1,250	1,250	165	1,085
Other charges	612,932	526,152	24,974	501,178
Expense reimbursement	(19,882)	(19,882)	(19,959)	77
	<u>909,011</u>	<u>836,724</u>	<u>284,674</u>	<u>552,050</u>
Economic and Community Development				
Salaries	1,315,145	1,314,570	1,282,081	32,489
Benefits	617,818	763,840	660,682	103,158
Contractual services	190,000	225,006	205,646	19,360
Materials and supplies	165,544	141,446	70,268	71,178
Other charges	78,453	86,451	66,592	19,859
Expense reimbursement	(19,875)	(19,875)	(30,769)	10,894
	<u>2,347,085</u>	<u>2,511,438</u>	<u>2,254,500</u>	<u>256,938</u>

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The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

Exhibit A-7

For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
GPAC				
Salaries	\$ 908,119	\$ 892,607	\$ 878,943	\$ 13,664
Benefits	373,397	450,820	424,847	25,973
Contractual services	34,000	42,584	41,599	985
Materials and supplies	23,033	18,797	15,044	3,753
Other charges	135,935	185,821	182,412	3,409
Expense reimbursement	24,376	24,376	21,009	3,367
	<u>1,498,860</u>	<u>1,615,005</u>	<u>1,563,854</u>	<u>51,151</u>
Civic Support				
Salaries	645,382	619,639	527,602	92,037
Benefits	274,037	375,964	356,487	19,477
Contractual services	6,180	6,180	-	6,180
Grants	402,922	440,906	388,872	52,034
	<u>1,328,521</u>	<u>1,442,689</u>	<u>1,272,961</u>	<u>169,728</u>
Procurement				
Salaries	504,800	505,050	492,262	12,788
Benefits	222,340	272,785	257,863	14,922
Contractual services	1,250	500	-	500
Materials and supplies	9,000	9,100	6,281	2,819
Other charges	24,212	24,212	18,856	5,356
Expense reimbursement	(70,090)	(70,090)	(70,567)	477
	<u>691,512</u>	<u>741,557</u>	<u>704,695</u>	<u>36,862</u>
Total general government	<u>16,258,425</u>	<u>17,416,854</u>	<u>15,220,357</u>	<u>2,196,497</u>
PUBLIC SAFETY				
Police Services				
Salaries	8,549,930	8,526,702	8,449,524	77,178
Benefits	3,971,918	4,976,557	4,790,703	185,854
Contractual services	7,490	7,740	6,742	998
Materials and supplies	754,050	701,244	580,952	120,292
Other charges	156,530	164,701	144,648	20,053
Capital outlay	180,000	749,969	689,134	60,835
Expense reimbursement	507,533	507,533	442,081	65,452
	<u>14,127,451</u>	<u>15,634,446</u>	<u>15,103,784</u>	<u>530,662</u>

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The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

Exhibit A-7

For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fire Services				
Salaries	\$ 6,000,258	\$ 6,070,081	\$ 6,070,076	\$ 5
Benefits	2,691,156	3,521,281	3,499,140	22,141
Contractual services	12,500	14,212	14,122	90
Materials and supplies	292,658	272,507	192,832	79,675
Other charges	162,176	170,108	167,723	2,385
Capital outlay	-	53,057	53,056	1
Expense reimbursement	440,765	440,765	393,152	47,613
	<u>9,599,513</u>	<u>10,542,011</u>	<u>10,390,101</u>	<u>151,910</u>
Total public safety	<u>23,726,964</u>	<u>26,176,457</u>	<u>25,493,885</u>	<u>682,572</u>
TRANSPORTATION AND ENVIRONMENT				
Public Services				
Salaries	1,957,289	1,946,263	1,895,206	51,057
Benefits	1,102,735	1,406,116	1,283,796	122,320
Materials and supplies	944,900	948,900	838,999	109,901
Other charges	42,230	44,030	35,027	9,003
Capital outlay	75,000	75,000	68,128	6,872
Expense reimbursement	16,581	16,581	(54,454)	71,035
	<u>4,138,735</u>	<u>4,436,890</u>	<u>4,066,702</u>	<u>370,188</u>
Animal Control				
Salaries	155,043	155,043	149,383	5,660
Benefits	73,165	81,251	75,434	5,817
Contractual services	7,200	8,435	7,835	600
Materials and supplies	76,020	73,199	42,434	30,765
Other charges	24,260	25,846	18,011	7,835
Expense reimbursement	9,307	9,307	5,512	3,795
	<u>344,995</u>	<u>353,081</u>	<u>298,609</u>	<u>54,472</u>
Total transportation and environment	<u>4,483,730</u>	<u>4,789,971</u>	<u>4,365,311</u>	<u>424,660</u>
COMMUNITY SERVICES				
Parks and Recreation				
Salaries	648,373	614,373	518,314	96,059
Benefits	245,577	302,184	260,792	41,392
Contractual services	51,200	60,290	41,618	18,672
Materials and supplies	43,000	45,580	29,183	16,397
Other charges	312,400	313,400	292,326	21,074
Expense reimbursement	56,514	56,514	44,290	12,224
	<u>1,357,064</u>	<u>1,392,341</u>	<u>1,186,523</u>	<u>205,818</u>

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The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE

Exhibit A-7

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Cultural Arts Program				
Contractual services	\$ 13,575	\$ 14,466	\$ 7,865	\$ 6,601
Materials and supplies	30,500	30,500	5,852	24,648
Other charges	33,500	32,609	2,394	30,215
	<u>77,575</u>	<u>77,575</u>	<u>16,111</u>	<u>61,464</u>
Genealogical Library				
Benefits	200	200	-	200
Contractual services	54,432	54,423	47,381	7,042
Materials and supplies	2,000	2,000	1,014	986
Other charges	21,041	21,050	14,328	6,722
Expense reimbursement	1,750	1,750	1,531	219
	<u>79,423</u>	<u>79,423</u>	<u>64,254</u>	<u>15,169</u>
Library				
Benefits	500	500	173	327
Contractual services	1,389,159	1,389,159	1,194,232	194,927
Materials and supplies	37,900	42,500	11,894	30,606
Other charges	139,324	139,323	104,734	34,589
Expense reimbursement	26,774	26,775	23,424	3,351
	<u>1,593,657</u>	<u>1,598,257</u>	<u>1,334,457</u>	<u>263,800</u>
Total community services	<u>3,107,719</u>	<u>3,147,596</u>	<u>2,601,345</u>	<u>546,251</u>
DEBT SERVICE				
Bond and note principal	2,571,000	2,571,000	2,571,000	-
Interest and fiscal charges	2,270,896	2,271,396	2,271,396	-
Total debt service	<u>4,841,896</u>	<u>4,842,396</u>	<u>4,842,396</u>	<u>-</u>
Total Expenditures	<u>52,418,734</u>	<u>56,373,274</u>	<u>52,523,294</u>	<u>3,849,980</u>
Excess of revenues over expenditures	4,524,616	570,076	11,495,015	10,924,939
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	9,000	9,000	82,786	73,786
Transfers in	798,547	798,547	970,911	172,364
Transfers out	<u>(7,879,581)</u>	<u>(10,355,624)</u>	<u>(10,255,624)</u>	<u>100,000</u>
Total other financing uses	<u>(7,072,034)</u>	<u>(9,548,077)</u>	<u>(9,201,927)</u>	<u>346,150</u>
Net change in fund balances	<u>\$ (2,547,418)</u>	<u>\$ (8,978,001)</u>	2,293,088	<u>\$ 11,271,089</u>
Fund balances - beginning			<u>42,933,236</u>	
Fund balances - ending			<u>\$ 45,226,324</u>	

The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND
For the Year Ended June 30, 2021

Exhibit A-8

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
PROPERTY TAXES				
Property tax	\$ 16,553,800	\$ 16,553,800	\$ 16,546,158	\$ (7,642)
Receipts in lieu of tax	279,094	279,094	299,960	20,866
Total property taxes	16,832,894	16,832,894	16,846,118	13,224
LOCAL TAXES				
Local sales tax	3,819,340	7,220,878	8,654,913	1,434,035
Wheel tax	1,477,882	1,477,882	1,474,376	(3,506)
Total local taxes	5,297,222	8,698,760	10,129,289	1,430,529
INTERGOVERNMENTAL				
Mixed drink taxes	125,641	84,000	153,011	69,011
Basic Education Program	29,996,000	29,869,052	29,890,608	21,556
Career Ladder Program	106,232	106,232	108,227	1,995
Total intergovernmental	30,227,873	30,059,284	30,151,846	92,562
CHARGES FOR SERVICES	208,645	208,645	243,697	35,052
FEDERAL, STATE, AND LOCAL GRANTS	246,000	1,210,263	1,063,008	(147,255)
OTHER	185,000	169,000	180,258	11,258
INTEREST INCOME	100,000	60,000	142,779	82,779
Total Revenues	<u>53,097,634</u>	<u>57,238,846</u>	<u>58,756,995</u>	<u>1,518,149</u>
EXPENDITURES				
EDUCATION				
Regular Instruction				
Salaries	20,359,352	21,543,742	21,005,501	538,241
Benefits	5,549,360	5,847,073	5,285,895	561,178
Contractual services	737,430	729,430	419,772	309,658
Materials and supplies	1,936,070	3,666,305	3,048,945	617,360
Other charges	41,284	41,284	34,325	6,959
	28,623,496	31,827,834	29,794,438	2,033,396
Alternative Education				
Salaries	234,450	240,836	220,288	20,548
Benefits	65,211	66,356	51,853	14,503
Materials and supplies	4,000	4,000	-	4,000
	303,661	311,192	272,141	39,051

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CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND
For the Year Ended June 30, 2021

Exhibit A-8

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Special Education				
Salaries	\$ 3,454,913	\$ 3,700,951	\$ 3,610,355	\$ 90,596
Benefits	995,043	1,028,623	967,137	61,486
Contractual services	57,000	57,000	37,943	19,057
Materials and supplies	25,600	21,200	20,824	376
	<u>4,532,556</u>	<u>4,807,774</u>	<u>4,636,259</u>	<u>171,515</u>
Technical Education				
Salaries	833,965	916,477	907,782	8,695
Benefits	270,027	296,424	252,467	43,957
Materials and supplies	47,000	47,000	41,570	5,430
Other charges	1,000	1,000	800	200
	<u>1,151,992</u>	<u>1,260,901</u>	<u>1,202,619</u>	<u>58,282</u>
Attendance and Planning				
Salaries	531,217	537,717	537,723	(6)
Benefits	138,277	137,442	127,344	10,098
Contractual services	1,000	3,000	2,308	692
Materials and supplies	11,000	11,000	328	10,672
Other charges	22,500	22,500	20,179	2,321
	<u>703,994</u>	<u>711,659</u>	<u>687,882</u>	<u>23,777</u>
Health Services				
Salaries	376,097	394,325	371,256	23,069
Benefits	128,839	132,225	112,665	19,560
Contractual services	1,000	1,000	1,000	-
Materials and supplies	21,674	29,320	14,210	15,110
Other charges	12,750	7,000	6,839	161
	<u>540,360</u>	<u>563,870</u>	<u>505,970</u>	<u>57,900</u>
Other Student Support				
Salaries	887,242	922,670	905,959	16,711
Benefits	247,444	253,858	234,436	19,422
Contractual services	30,000	34,320	5,253	29,067
Materials and supplies	2,500	10,547	9,546	1,001
Other charges	26,500	32,027	17,392	14,635
	<u>1,193,686</u>	<u>1,253,422</u>	<u>1,172,586</u>	<u>80,836</u>
Regular Instruction Support				
Salaries	1,698,762	1,733,079	1,542,070	191,009
Benefits	435,021	441,171	399,121	42,050
Contractual services	20,000	10,000	-	10,000
Materials and supplies	56,870	124,359	113,818	10,541
Other charges	56,000	49,151	40,478	8,673
	<u>2,266,653</u>	<u>2,357,760</u>	<u>2,095,487</u>	<u>262,273</u>

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The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND
For the Year Ended June 30, 2021

Exhibit A-8

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Special Education Support				
Salaries	\$ 1,276,947	\$ 1,302,567	\$ 1,291,124	\$ 11,443
Benefits	342,683	347,274	310,807	36,467
Contractual services	10,000	10,000	9,274	726
Materials and supplies	13,000	13,000	12,997	3
Other charges	22,000	5,000	4,903	97
	<u>1,664,630</u>	<u>1,677,841</u>	<u>1,629,105</u>	<u>48,736</u>
Technical Education Support				
Salaries	18,311	18,511	18,604	(93)
Benefits	5,982	5,618	4,324	1,294
Contractual services	-	400	368	32
Materials and supplies	1,953	1,953	-	1,953
Other charges	4,000	4,000	-	4,000
	<u>30,246</u>	<u>30,482</u>	<u>23,296</u>	<u>7,186</u>
Technology				
Salaries	596,894	641,894	623,333	18,561
Benefits	191,971	191,660	155,017	36,643
Contractual services	-	96,023	95,172	851
Materials and supplies	531,750	734,593	673,524	61,069
Other charges	403,000	339,107	308,989	30,118
	<u>1,723,615</u>	<u>2,003,277</u>	<u>1,856,035</u>	<u>147,242</u>
Board of Education Services				
Salaries	21,500	21,500	21,500	-
Benefits	766,645	765,895	714,986	50,909
Contractual services	607,809	608,559	565,195	43,364
Materials and supplies	1,000	1,000	-	1,000
Insurance	218,183	218,183	162,133	56,050
Other charges	390,453	451,853	88,128	363,725
	<u>2,005,590</u>	<u>2,066,990</u>	<u>1,551,942</u>	<u>515,048</u>
Office of Superintendent				
Salaries	456,827	467,827	461,287	6,540
Benefits	115,305	117,455	107,847	9,608
Contractual Services	29,600	29,600	25,707	3,893
Materials and supplies	48,250	53,250	34,270	18,980
Other charges	46,700	32,856	24,341	8,515
	<u>696,682</u>	<u>700,988</u>	<u>653,452</u>	<u>47,536</u>
Office of Principal				
Salaries	2,853,434	2,938,168	2,872,171	65,997
Benefits	806,118	821,188	723,846	97,342
Contractual services	30,000	30,000	25,000	5,000
Materials and supplies	132,671	133,561	132,671	890
Other charges	40,830	40,830	28,486	12,344
	<u>3,863,053</u>	<u>3,963,747</u>	<u>3,782,174</u>	<u>181,573</u>

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The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND
For the Year Ended June 30, 2021

Exhibit A-8

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fiscal Services				
Salaries	\$ 401,795	\$ 410,061	\$ 393,234	\$ 16,827
Benefits	117,552	120,405	104,542	15,863
Contractual services	4,000	1,356	-	1,356
Materials and supplies	74,500	74,500	57,035	17,465
Other charges	12,550	24,550	15,343	9,207
	<u>610,397</u>	<u>630,872</u>	<u>570,154</u>	<u>60,718</u>
Human Resources				
Salaries	334,045	338,045	338,048	(3)
Benefits	92,163	91,880	85,056	6,824
Contractual services	6,000	6,000	5,460	540
Materials and supplies	3,200	3,200	990	2,210
Other charges	58,585	58,185	42,138	16,047
	<u>493,993</u>	<u>497,310</u>	<u>471,692</u>	<u>25,618</u>
Operation of Plant				
Salaries	315,212	497,612	402,811	94,801
Benefits	109,381	196,409	112,147	84,262
Contractual services	170,000	170,772	110,329	60,443
Materials and supplies	5,000	5,000	-	5,000
Other charges	2,256,142	2,256,142	2,071,431	184,711
	<u>2,855,735</u>	<u>3,125,935</u>	<u>2,696,718</u>	<u>429,217</u>
Maintenance of Plant				
Salaries	454,370	460,370	460,530	(160)
Benefits	137,794	138,869	114,155	24,714
Contractual services	10,000	10,000	7,881	2,119
Materials and supplies	1,000	1,000	379	621
Other charges	825,000	825,035	805,956	19,079
	<u>1,428,164</u>	<u>1,435,274</u>	<u>1,388,901</u>	<u>46,373</u>
Transportation				
Contractual services	1,639,351	1,757,910	1,470,946	286,964
Other charges	160,000	160,000	128,074	31,926
	<u>1,799,351</u>	<u>1,917,910</u>	<u>1,599,020</u>	<u>318,890</u>
Materials and supplies	750	750	754	(4)
Other charges	37,944	37,944	34,967	2,977
	<u>38,694</u>	<u>38,694</u>	<u>35,721</u>	<u>2,973</u>
Cafeteria				
Salaries	-	2,587	2,483	104
Benefits	-	468	-	468
Materials and supplies	-	25,860	11,323	14,537
	<u>-</u>	<u>28,915</u>	<u>13,806</u>	<u>15,109</u>
Total education	<u>56,526,548</u>	<u>61,212,647</u>	<u>56,639,398</u>	<u>4,573,249</u>

(CONTINUED ON NEXT PAGE)

The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND
For the Year Ended June 30, 2021

Exhibit A-8

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CAPITAL OUTLAY	\$ 1,562,598	\$ 4,288,561	\$ 3,186,229	\$ 1,102,332
DEBT SERVICE				
Principal	-	-	355,453	(355,453)
Total debt service	-	-	355,453	(355,453)
Total Expenditures	<u>58,089,146</u>	<u>65,501,208</u>	<u>60,181,080</u>	<u>5,320,128</u>
Deficiency of revenues under expenditures	(4,991,512)	(8,262,362)	(1,424,085)	6,838,277
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	92,117	153,023	60,906
Transfers in	2,619,581	2,619,581	2,647,626	28,045
Transfers out	(628,069)	(628,069)	(528,068)	100,001
Total other financing sources	<u>1,991,512</u>	<u>2,083,629</u>	<u>2,272,581</u>	<u>188,952</u>
Net change in fund balances	<u>\$ (3,000,000)</u>	<u>\$ (6,178,733)</u>	848,496	<u>\$ 7,027,229</u>
Fund balances - beginning			<u>20,994,668</u>	
Fund balances - ending			<u>\$ 21,843,164</u>	

The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

Exhibit A-9

	Business-type Activity - Enterprise Funds				Governmental
	Utility Fund	Athletic Club Fund	Nonmajor Enterprise Fund	Total	Activities Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 7,422,724	\$ 1,545,538	\$ 3,427,249	\$ 12,395,511	\$ 6,668,647
Receivables					
Customers	1,324,299	26,037	488,100	1,838,436	-
Other	-	-	-	-	127,325
Less allowance for doubtful accounts	(66,597)	(20,106)	(82,341)	(169,044)	-
Due from other governments	-	-	75	75	-
Due from other funds	61,194	22,343	17,285	100,822	-
Inventory	36,569	1,140	-	37,709	86,855
Restricted cash and cash equivalents	700,545	-	80,265	780,810	-
Total current assets	9,478,734	1,574,952	3,930,633	14,984,319	6,882,827
Noncurrent assets:					
Capital assets, not being depreciated	478,090	2,391,580	-	2,869,670	-
Capital assets, being depreciated, net	46,034,720	14,235,858	776,554	61,047,132	1,527,150
Total capital assets, net	46,512,810	16,627,438	776,554	63,916,802	1,527,150
Net pension asset	3,327	7,325	4,389	15,041	-
Total assets	55,994,871	18,209,715	4,711,576	78,916,162	8,409,977
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension	465,046	243,592	245,060	953,698	-
Related to OPEB	390,249	164,134	84,010	638,393	-
	855,295	407,726	329,070	1,592,091	-
LIABILITIES					
Current liabilities:					
Accounts payable	630,389	207,512	706,896	1,544,797	1,236,657
Accrued payroll	44,249	78,164	29,380	151,793	45,060
Customer deposits	700,545	-	80,265	780,810	-
Unearned revenue	104,869	330,701	75,423	510,993	-
Due to other funds	-	-	40,047	40,047	-
Accrued compensated absences, current	9,426	7,419	4,392	21,237	-
Total current liabilities	1,489,478	623,796	936,403	3,049,677	1,281,717
Noncurrent liabilities:					
Accrued compensated absences	100,810	62,896	24,881	188,587	-
Net pension liability	1,146,908	600,751	604,372	2,352,031	-
Net OPEB liability	510,018	214,506	109,793	834,317	-
Total noncurrent liabilities	1,757,736	878,153	739,046	3,374,935	-
Total liabilities	3,247,214	1,501,949	1,675,449	6,424,612	1,281,717
DEFERRED INFLOWS OF RESOURCES					
Related to pension	188,977	111,722	105,599	406,298	-
Related to OPEB	16,069	6,759	3,458	26,286	-
	205,046	118,481	109,057	432,584	-
NET POSITION					
Net investment in capital assets	46,512,810	16,627,438	776,554	63,916,802	1,527,150
Restricted for net pension asset	3,327	7,325	4,389	15,041	-
Unrestricted	6,881,769	362,248	2,475,197	9,719,214	5,601,110
Total net position	\$ 53,397,906	\$ 16,997,011	\$ 3,256,140	73,651,057	\$ 7,128,260
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund				183,785	
Net position of the business-type activity				\$ 73,834,842	

The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

Exhibit A-10

	Business-type Activity - Enterprise Funds				Governmental
	Utility Fund	Athletic Club Fund	Nonmajor Enterprise Fund	Total	Activities Internal Service Funds
Operating Revenues:					
Metered water sales	\$ 5,376,830	\$ -	\$ -	\$ 5,376,830	\$ -
Sewer service fee	3,293,789	-	-	3,293,789	-
Service connections fees	188,743	-	-	188,743	-
Membership fees	-	2,338,956	-	2,338,956	-
Class fees	-	409,385	-	409,385	-
Daily admissions	-	2,290	-	2,290	-
Sanitation fees	-	-	5,037,614	5,037,614	-
Stormwater fees	-	-	1,047,734	1,047,734	-
Forfeited discounts	72,769	-	33,341	106,110	-
Rental income	-	79,242	158,238	237,480	-
Internal charges	-	-	-	-	13,153,399
Other	44,583	99,464	1,488	145,535	-
Total operating revenues	8,976,714	2,929,337	6,278,415	18,184,466	13,153,399
Operating Expenses:					
Salaries	1,026,876	1,236,743	539,223	2,802,842	581,596
Benefits	184,432	304,756	166,445	655,633	228,218
Contractual services	2,066,989	283,791	4,500,574	6,851,354	-
Utilities	718,752	352,002	40,759	1,111,513	22,826
Materials and supplies	269,836	234,187	350,051	854,074	398,098
Other service charges	94,419	241,767	118,206	454,392	250,880
Expense reimbursement	1,156,020	108,578	74,869	1,339,467	-
Insurance claims	-	-	-	-	10,032,248
Depreciation	2,047,449	685,623	117,339	2,850,411	81,119
Total operating expenses	7,564,773	3,447,447	5,907,466	16,919,686	11,594,985
Operating income (loss)	1,411,941	(518,110)	370,949	1,264,780	1,558,414
Nonoperating Revenues (Expenses):					
Interest	12,252	2,691	5,125	20,068	-
Bond interest and fiscal charges	-	(1,656)	(644)	(2,300)	-
Total non-operating expenses	12,252	1,035	4,481	17,768	-
Income (loss) before contributions and transfers	1,424,193	(517,075)	375,430	1,282,548	1,558,414
Capital contributions - development	168,226	-	-	168,226	-
Transfers in	-	-	230,000	230,000	-
Transfers out	(442,843)	-	-	(442,843)	-
Change in net position	1,149,576	(517,075)	605,430	1,237,931	1,558,414
Total net position - beginning	52,248,330	17,514,086	2,650,710	72,413,126	5,569,846
Total net position - ending	\$ 53,397,906	\$ 16,997,011	\$ 3,256,140	\$ 73,651,057	\$ 7,128,260
Change in net position				\$ 1,237,931	
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund				131,742	
Change in net position of the business-type activity				<u>\$ 1,369,673</u>	

The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

Exhibit A-11

	Business-type Activity - Enterprise Funds				Governmental
	Utility Fund	Athletic Club Fund	Nonmajor Enterprise Fund	Total	Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 8,971,039	\$ 2,848,135	\$ 6,179,661	\$ 17,998,835	\$ -
Receipts from interfund services provided	-	-	-	-	13,054,679
Payments to suppliers	(4,275,727)	(1,085,100)	(4,770,784)	(10,131,611)	(10,399,275)
Payments to employees	(1,644,838)	(1,558,759)	(782,555)	(3,986,152)	(793,440)
Other receipts	44,583	99,464	1,413	145,460	-
Net cash from (used for) operating activities	3,095,057	303,740	627,735	4,026,532	1,861,964
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES					
Payments on advances from other funds	-	(125,000)	-	(125,000)	-
Increase (decrease) in due from other funds	(442,843)	-	-	(442,843)	-
Interest paid on advances	-	(3,956)	(644)	(4,600)	-
Transfer from (to) other fund	-	-	230,000	230,000	143,833
Net cash from (used for) noncapital financing activities	(442,843)	(128,956)	229,356	(342,443)	143,833
CASH FLOW USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	168,226	-	-	168,226	-
Purchases of capital assets	(1,681,620)	(415,109)	(103,656)	(2,200,385)	(26,431)
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of investments	121,854	33,252	22,960	178,066	-
Interest income	12,252	2,691	5,125	20,068	-
Net cash from (used for) investing activities	134,106	35,943	28,085	198,134	-
Net increase (decrease) in cash and cash equivalents	1,272,926	(204,382)	781,520	1,850,064	1,979,366
Cash and cash equivalents - beginning	6,850,343	1,749,920	2,725,994	11,326,257	4,689,281
Cash and cash equivalents - end	<u>\$ 8,123,269</u>	<u>\$ 1,545,538</u>	<u>\$ 3,507,514</u>	<u>\$ 13,176,321</u>	<u>\$ 6,668,647</u>
Classified as:					
Current assets	\$ 7,422,724	\$ 1,545,538	\$ 3,427,249	\$ 12,395,511	\$ 6,668,647
Restricted assets	700,545	-	80,265	780,810	-
	<u>\$ 8,123,269</u>	<u>\$ 1,545,538</u>	<u>\$ 3,507,514</u>	<u>\$ 13,176,321</u>	<u>\$ 6,668,647</u>
Reconciliation of operating income to net cash from operating activities:					
Operating income	\$ 1,411,941	\$ (518,110)	\$ 370,949	\$ 1,264,780	\$ 1,558,414
Adjustments to reconcile operating income to net cash from (used for) operating activities					
Depreciation	2,047,449	685,623	117,339	2,850,411	81,119
Pension expense in excess of employer contributions	(406,223)	(51,298)	(74,289)	(531,810)	-
OPEB expense in excess of employer contributions	61,692	(2,265)	(17,400)	42,027	-
Change in assets and liabilities					
Receivables	(86,291)	(2,476)	(114,098)	(202,865)	(98,720)
Inventory	(2,131)	(123)	-	(2,254)	9,023
Accounts payable	32,420	135,348	313,675	481,443	295,754
Accrued payroll	(35,952)	23,384	7,209	(5,359)	16,374
Compensated absences	(53,047)	12,919	7,593	(32,535)	-
Customer deposits	20,330	-	16,737	37,067	-
Unearned revenue	104,869	20,738	20	125,627	-
Net cash from (used for) operating activities	<u>\$ 3,095,057</u>	<u>\$ 303,740</u>	<u>\$ 627,735</u>	<u>\$ 4,026,532</u>	<u>\$ 1,861,964</u>

The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2021

Exhibit A-12

	Pension and OPEB Trust Funds
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 5,227,321
Investments	
Domestic common stock	7,221,363
Foreign common stock	580,939
Fixed income mutual funds	12,387,477
Equity mutual funds	46,150,079
Foreign equity collective fund	2,605,036
Limited partnerships bond funds	2,669,360
Limited partnerships hedge funds	27,547,608
Total investments	<u>99,161,862</u>
Interest receivable	10,699
Other receivable	4,050
	<u> </u>
Total assets	104,403,932
 LIABILITIES	
Accounts payable	<u>228,759</u>
 NET POSITION	
Restricted for pensions	92,698,367
Restricted for OPEB	11,476,806
Total net position	<u><u>\$ 104,175,173</u></u>

The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2021

Exhibit A-13

	Pension and OPEB Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 8,204,250
Plan members	1,501,252
Total contributions	<u>9,705,502</u>
Investment earnings (losses):	
Interest and dividends	731,237
Net appreciation in fair value of investments	19,183,344
Total investment earnings	<u>19,914,581</u>
 Total additions	 29,620,083
DEDUCTIONS	
Benefits	7,308,891
Premiums	38,825
Administrative expense	272,496
Total deductions	<u>7,620,212</u>
 Change in net position	 21,999,871
Net position - beginning of the year	<u>82,175,302</u>
Net position - end of the year	<u><u>\$ 104,175,173</u></u>

The accompanying notes are an integral part of the financial statements

CITY OF GERMANTOWN, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Germantown, Tennessee (the “City”) was chartered in 1841 and incorporated in 1903 under the provisions of Chapter 550 of the Private Acts of the General Assembly of the State of Tennessee. The City operates under a Board of Mayor and Aldermen form of government and is organized into the following functions: General Government, Public Safety, Community Services, Transportation and Environment, Education, Utilities, Athletic Club, Sanitation, Great Hall, Stormwater, and Performing Arts Center.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of a government’s operations. The City has one blended component unit and one discretely presented component unit (see details below). The significant accounting policies followed by the component units are generally the same as those followed by the primary government.

Blended Component Unit:

Germantown Municipal School District (“Board of Education” or the “School”) – The Board of Education is a legally separate organization that includes all the public schools of the City. The Board of Education has a separately elected governing board but is fiscally dependent upon the City. The City provides funding, approves its operating budget, and issues debt for its capital projects. The Board of Education’s total outstanding debt is expected to be repaid entirely or almost entirely with the resources of the City. The Board of Education’s general-purpose fund, federal projects fund, cafeteria fund, and internal school fund are each reported as special revenue funds of the City. The Board of Education’s capital projects fund is considered a capital projects fund of the City and OPEB trust fund represents a fiduciary fund of the City. The Board of Education does not issue separate financial statements.

Discretely Presented Component Unit:

Germantown Performing Arts Center (GPAC) – GPAC has a cooperative agreement with the City to carry out a performing arts program that will foster and promote theatrical and musical performances to the community at the Germantown Performing Arts Center. GPAC is dependent upon the City for providing payroll, utilities, and other expenses as well as the building used by GPAC, which is owned by the City. Upon termination of this agreement, the City shall receive all assets and assume all liabilities of GPAC. GPAC is a 501(c)(3) organization with separately issued financial statements which may be obtained from the Germantown Performing Arts Center, 1801 Exeter Road, Germantown, Tennessee 38138, (901)757-7500.

B. Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and are designed to provide readers with a broad overview of the City’s finances, in a manner similar to private-sector business. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Certain eliminations have been made regarding interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and business type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, those transactions between governmental and business-type activities have not been eliminated. The City has one discretely presented component unit, the Germantown Performing Arts Center, for which the financial information is reported separately from the information presented for the primary government.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of net position presents information on all the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources, with the differences presented as net position. Net position is reported as one of three categories: net investment in capital assets, restricted, or unrestricted. Restricted net position is further classified as either net position restricted by enabling or net position that is otherwise restricted.

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.

Fund Financial Statements

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. The activities of the government are organized into funds, each of which are separate entities. Each fund is accounted for by providing a set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures/expenses. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City has presented all major funds that met the quantitative or qualitative qualifications to be reported as a major fund as separate columns in the fund financial statements. The City's major funds are as follows:

Major Governmental Funds: General Fund, General Purpose School Fund

Major Proprietary Funds: Utility Fund, Athletic Club Fund

Detailed descriptions of these funds are presented below.

1. Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and statement of revenues, expenditures, and changes in fund balance individually for all major funds and in the aggregate for the remaining nonmajor funds. An accompanying schedule is presented to reconcile and explain the difference in fund balance and changes in fund balances as presented in these statements to net position and changes in net position presented in the government-wide financial statements. The governmental funds of the City are described below:

- a. **General Fund** – The primary operating fund of the City and accounts for all financial resources of the general government not specifically provided for in other funds. Most of the essential governmental services such as police and fire protection, community services, and general administration are reported in the general fund.
- b. **Special Revenue Funds** – These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted or committed to expenditures for specific purposes. The special revenue funds include the following funds: State Street Aid, Drug Enforcement, Federal Asset Forfeiture, Pickering Center, Farm Park, Ambulance, E-Citation, Public Art, Recreation, School Federal Projects, School Cafeteria, and Internal School. The special revenue funds also include the General Purpose School Fund which is considered a major fund and described in further detail below:

General Purpose School Fund – The operating fund of the Germantown Municipal School District and accounts for all general revenues and other receipts that are not allocated by law or contractual agreement to another Board of Education fund, such as property tax revenue from Shelby County, Tennessee, Basic Education Program (BEP) funds, sales tax, etc. General operating expenditures and capital improvement costs that are not paid through other School funds are paid from the General Purpose School Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- c. **Capital Projects Funds** – These funds account for all the financing of major governmental fund capital asset purchases. The City maintains multiple capital improvement funds: Major Roads, Intersections, General Government, Fire Department, Parks Improvement, Drainage, and Municipal School. In addition, the Board of Education maintains a Capital Projects Fund.
- d. **Permanent Fund** – The Library Endowment Fund is used to account for legally restricted resources to which only earnings, and not principal, may be used to support the government's programs.

2. *Proprietary Fund Financial Statements*

Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows individually for all major enterprise funds and in the aggregate for the remaining nonmajor enterprise funds. A column representing internal service funds is also presented in these statements. However, internal service fund balances and activities are combined with the governmental activities in the government-wide financial statements. The proprietary funds of the City are described below:

- a. **Enterprise Fund** – These funds are used to account for business-like activities provided to the public. The activities are financed primarily by user charges and the measurement of the financial activity focuses on net income measurement like private sector businesses. The enterprise funds include the Sanitation Fund, Great Hall Fund, and the Stormwater Fund. The enterprise funds also include the Utility Fund and the Athletic Club Fund which are considered major funds and are described in further detail below:

Utility Fund – Accounts for water and sewer fees in connection with the operation of the City's water and sewer system. The proceeds of several bond issues and loans have been used specifically for the construction or acquisition of water and sewer systems and facilities. Since it is the intention of the City to repay these bonds and loans through water and sewer fund operations, these obligations are reported in this fund.

Athletic Club Fund – Accounts for the operations of the Germantown Athletic Club, a recreation and cultural facility. The Athletic Club facility was financed through general obligation bonds and General Fund transfers. The City's intent is to operate the facility in a way revenue covers operating expenses plus depreciation of the facility. However, the outstanding debt is to be paid by the General Fund and is, therefore, not carried as debt of the Athletic Club Fund. The General Fund made an advance to the Athletic Club facility for a 20-year term.

- b. **Internal Service Fund** – Used to account for services provided to other departments and agencies of the government on a cost reimbursement basis. The City has three internal service funds: Health Insurance Fund, Vehicle Maintenance Fund, and the Municipal School Health Insurance Fund.

3. *Fiduciary Fund Financial Statements*

Fiduciary fund financial statements include a statement of fiduciary net position and statement of changes in fiduciary net position.

- a. **Pension (and Other Employee Benefits) Trust Fund** – These funds account for the activities and accumulation of resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans and other postemployment benefit plans. The City maintains two pension trust funds, the Amended and Restated Pension Plan Fund and the Employee Cash Balance Pension Plan Fund which are used to account for the accumulation of resources to provide defined benefits to qualified employees upon retirement. In addition, the City and the School each use Other Postemployment Benefits Funds ("OPEB" and "School OPEB") to account for activity related to retiree group health and dental benefits. Each trust fund is a legally separate entity and the resources of each trust cannot be used to finance the City or School's operations. The City and School are committed to making contributions to the trusts, and therefore, assume financial burden for the trust funds and has financial accountability. As a result, the activities of the trust funds are presented as fiduciary component units.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the “economic resources” measurement focus. Accordingly, all the City’s assets and liabilities, including capital assets and long-term liabilities, along with deferred inflows and outflows of resources, are included in the accompanying statement of net position. The statement of activities presents changes in net position.

Proprietary funds and fiduciary funds are also accounted for using the “economic resources” measurement focus. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included in the statement of net position. The statement of revenues, expenses, and changes in net position presents revenues (additions) and expenses (deductions) in total net position.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period. These funds use fund balance as their measure of available resources at the end of the period.

Basis of Accounting

The government-wide financial statements are presented using the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. 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 enterprise funds are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available to finance expenditures of the current period. Revenues are 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. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, other local taxes, and intergovernmental revenues. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are measurable and available only when cash is received by the City. 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The issuance of long-term debt is reported as other financing sources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances

1. Deposits and investments

The City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash equivalents held by the trustee of the Amended and Restated Pension Fund, the Employee Cash Balance Pension Fund, the OPEB Fund, and the School OPEB Fund are included in cash and cash equivalents. Cash equivalents also include investments in the Local Government Investment Pool ("LGIP") due to the short-term nature of their maturity.

Investments, including pension and other postemployment benefit investments held in fiduciary funds, are reported at fair value except for investments measured using Net Asset Value ("NAV") per share which have no readily determinable fair value and have been determined using amortized cost which approximates fair value. The LGIP qualifies as a 2a7-like pool and is reported at amortized cost using a Stable Net Asset Value which approximates fair value.

Restricted cash and cash equivalents in governmental funds consist of primarily of unspent debt proceeds and amounts held in the federal asset forfeiture fund, drug fund, and library endowment fund. Restricted cash and cash equivalents in proprietary funds consist of amounts held for customer deposits. Restricted investments for governmental activities consist of assets held in an irrevocable trust for future TCRS pension benefits.

2. Receivables

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts.

Real and personal property taxes are Board approved by July 1 for each fiscal year on values assessed as of the prior January 1. The City has an enforceable legal claim as of January 1 (the assessment date). Property taxes are due on December 1 and are considered delinquent after February 28, at which time penalties and interest are assessed and property is available for tax lien. All property taxes are billed and collected by the City.

Property taxes receivable are recognized as of the date the City has an enforceable legal claim. Property taxes are reflected as revenues in the fiscal period for which they are levied, which is the subsequent fiscal year for the current fiscal year's assessment, provided they are received and collected within the current period or within 60 days following the fiscal year end (August 31). Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30. Delinquent taxes estimated to be collected subsequent to August 31 are included in the balance sheet as property taxes receivable and a deferred inflow of resources to reflect amounts that were not available as revenues at June 30, 2021. The property tax levy is without legal limit. The rate, as permitted by Tennessee State Law and City Charter, is set annually by the Board of Mayor and Aldermen and is collected by the City Clerk.

Receivables due from other governments are primarily from the United States government, the State of Tennessee, and Shelby County, Tennessee. No allowance for uncollectible amounts has been recognized.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned as "unearned revenue." At the end of the current fiscal year, unavailable revenue principally represents amounts relating to property taxes.

3. Interfund transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable, available financial resources.

Permanent reallocations of resources between funds of the City are classified as interfund transfers. For the statement of activities, all transfers between individual governmental funds have been eliminated.

4. Inventories and prepaid items

Inventories consist of expendable supplies held for consumption and are valued at cost. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of inventory and prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets with an initial, individual cost of more than \$5,000 and an estimated useful life more than one year are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at estimated acquisition value at the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Land and construction in progress are not depreciated. Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	20-40 years
Other improvements	10-25 years
Machinery and equipment	3-15 years
Vehicles	3-15 years
Infrastructure	20-50 years

6. Deferred outflows 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has qualifying items for reporting in this category. The unamortized discount on refunding reported in the government-wide statement of net position results 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. Other deferred outflows of resources include those related to pension and OPEB changes and employer contributions to the pension plan after the measurement date.

7. Compensated absences

Compensated absences for accumulated unpaid vacation and sick leave are accrued when incurred in the government-wide and proprietary fund financial statements. Accumulated unpaid overtime is also accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, because of employee resignations and retirements. Compensated absences are paid out of the employee's cost center. GMSD employees may accrue up to 25 vacation days.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Long-term obligations

In the governmental-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 effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the governmental fund financial statements, bond premiums and discounts, issuance costs are recognized in the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Deferred inflows of resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an increase to net position that applies to a future period and is not recognized as an inflow of resources (revenue) until that time. The City has several types of items that qualify for reporting in this category. These items are amounts in the governmental funds that were receivable and measurable at year-end but were not available to finance expenditures for the current year. This includes unavailable revenues from property taxes and other revenues as well as deferred inflows of resources related to pension and OPEB changes.

10. Net Position and Fund balance

In the government-wide financial statements and the proprietary fund in the fund financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislations.

Unrestricted net position – all other net position that does not meet the definition of restricted or net investment in capital assets.

In the fund financial statements, governmental funds report fund balances in classifications that compromise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications consist of the following five components, as applicable:

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

Restricted – amounts constrained to be used for a specific purpose as per external parties, constitutional provision, or enabling legislation.

Committed – amounts constrained to be used for specific purposes by formal action by ordinance adopted by the Board of Mayor and Aldermen and the Germantown Municipal School District Board of Education. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned – amounts intended to be used by the City for a specific purpose but are neither restricted nor committed. The intent shall be expressed by the Board of Mayor and Aldermen or a designee authorized by the Board of Mayor and Aldermen with authority to assign amounts. The nature of the actions necessary to remove or modify an assignment is not as rigid as required under a committed fund balance classification. The City Finance Director has been authorized to assign amounts in the general fund for a specific purpose in accordance with fund balance policy established by the Board of Mayor and Aldermen. The Germantown Municipal School District Board of Education has the authority to assign the fund balance for the School Funds. Amounts more than nonspendable, restricted, and committed fund balance in funds other than the general fund are reported as assigned fund balance.

Unassigned – represents the residual balance available for any purpose in the general fund. In other governmental funds, the classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the City to generally consider restricted amounts to have been reduced first. When an 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 that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

11. Pensions and Other Postemployment Benefits

The City maintains six defined benefit retirement plans: two are sponsored by the City and the remaining four are sponsored by the Tennessee Consolidated Retirement System. The City maintains two defined benefit other postemployment benefit plans (“OPEB”) sponsored by the City.

For purposes of measuring the net pension and net OPEB asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position, and additions to/deductions from each plan’s fiduciary net position have been determined on the same basis as they are reported by the actuaries. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of each plan. Expenses of the plans, such as investment fees, trustee fees, and audit fees, are paid by the plans. However, certain administrative functions are performed by employees of the City and are not reimbursed by the plans. Investments, other than contracts, are reported at fair value. Investment income is recognized as earned. Plan assets do not include any securities of the City nor have any of the plans made any loans to the City.

12. Fair Value Measurements

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets and liabilities recorded at fair value in the statements of net position are categorized based on the level of judgment associated with the inputs used to measure their value. The three categories of level inputs are as follows: Level 1 inputs include unadjusted quoted prices in active markets for identical assets or liabilities accessible at the measurement date; Level 2 inputs include quoted prices for similar assets or liabilities; quoted prices for identical or similar assets or liabilities in inactive markets; or other inputs that can be corroborated by observable market data. Such inputs include market interest rates and volatilities, spreads and yield curves; Level 3 inputs are inputs which are unobservable for the asset or liability and rely on management’s own assumptions that market participants would use in pricing the asset or liability.

The asset’s or liability’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. In determining fair value, the City utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The methods used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at reporting date.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. *Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E – New Governmental Accounting Standards Board (GASB) Pronouncements

The City and School implemented GASB Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the City and the School performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, the City and School determined that the Bail Bond the Internal School Fund presented as fiduciary funds for the year ended June 30, 2020, should no longer be presented as a fiduciary fund, as the activities of the fund do not meet the definition of a fiduciary activity under the statement. Accordingly, the assets, liabilities and related activities of the funds are now reported as governmental activities. Both the statement of net position and the balance sheet – governmental funds have been restated to reflect the July 1, 2020 fund balance of the funds as presented in the table below.

	<u>(as reported)</u> <u>6/30/2020</u>	<u>Internal</u> <u>School Fund</u>	<u>(as adjusted)</u> <u>6/30/2020</u>
Total governmental fund balance	\$ 75,833,996	\$ 1,183,349	\$ 77,017,345
Total net position	\$ 222,291,287	\$ 1,183,349	\$ 223,474,636
Agency Fund	\$ 1,183,349	\$ (1,183,349)	\$ -

GASB Statement No. 87, *Leases*, was issued to increase the usefulness of financial statements by requiring reporting of certain lease liabilities that currently are not reported, enhance comparability by requiring lessees and lessors to report leases under a single model, and enhance the usefulness of information by requiring notes to the financial statements regarding leasing arrangements. The requirements are effective for fiscal year 2022. The City is currently evaluating the impact of GASB Statement No. 87 may have on its financial statements.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

The Board of Mayor and Aldermen annually approves the operating budgets of the general, special revenue, capital projects, debt service, and enterprise funds of the City. An annual budget for the capital projects is adopted by individual funds. The total budgets of these funds constitute legal spending limits, requiring ordinance amendment. Transfers within the funds are accomplished by resolution of the Board of Mayor and Aldermen to authorize expenditures of various grants received and to adjust the individual fund budgets as required within the total dollar limitations of the budget ordinance. The Mayor may approve transfers between categories within a cost center without the governing body's approval. The Board must approve other transfers or requests for additional funds. Thus, departmental or cost center appropriations comprise a legal spending limit for governmental fund types, except for capital projects funds for which the project length financial plans are adopted. The City disperses its capital projects fund monies to various projects, which may cause a deficit within the project. However, the City adopts a positive Capital Improvements Program where funds can be transferred within the fund with the appropriate approval from the governing body. Supplemental appropriations were required during the year and the accompanying budgetary data has been revised for amendments authorized by resolution during the year. The Germantown Municipal School District annually approves the operating budgets of the School funds. Annual budgets are adopted on a basis consistent with Tennessee Code Annotated, which is not materially different than the modified accrual basis of accounting for all governmental funds except the Public Art Fund, Internal School Fund, and Library Endowment Fund. In addition, the Fire Department CIP Fund did not have a budget adopted as there was no planned activity.

B. Excess of expenditures over appropriations

For the year ended June 30, 2021, expenditures did not exceed appropriations for any fund.

C. Deficit fund equity

As of June 30, 2021, no fund had a deficit fund balance.

NOTE 3 - DEPOSITS

Legal Provisions -- Deposits must be collateralized by federal depository insurance, the Tennessee Bank Collateral Pool, collateral held by the City's agent in the City's name, collateral held by the Federal Reserve Banks acting as third party agents, or a combination of these methods. State statute requires that all uninsured deposits with financial institutions must be collateralized by securities whose market value is 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 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 insured for purposes of credit risk disclosure.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for custodial risk is to follow state guidelines. As of June 30, 2021, all bank deposits were entirely insured by federal depository insurance and collateralized by the Bank Collateral Pool of the State of Tennessee.

NOTE 4 – INVESTMENTS

Legal Provisions – Investments of the primary government are limited to those authorized by Tennessee State Law. State statutes authorize the City to make direct investments in bonds, notes or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the Local Government Investment Pool (“LGIP”); bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; and nonconvertible debt securities of certain federal government sponsored enterprises. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. State statutes limit maturities of the above investments to four years from the date of investment unless a greater maturity is approved by the State Director of Finance.

The School is a member of the Tennessee Consolidated Retirement System (“TCRS”) Stabilization Reserve Trust. The School has placed funds into the irrevocable trust as authorized by 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 trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member’s funds are restricted for the payment of retirement benefits of that member’s employees. Trust funds are not subject to the claims of general creditors of the School or City. The trust is authorized to make investments as directed by the TCRS Board of Trustees. The School may not impose restrictions on investments placed by the trust on their behalf.

In addition to the investments allowed by the primary government, the fiduciary funds’ investment policies authorize investments in mutual funds, common stocks, and other equities.

A. Primary Government Investments

The LGIP represents the majority of the primary government’s investments at June 30, 2021. These investments are reported at amortized cost which approximates fair value and are included as cash equivalents.

B. Restricted Investments – TCRS Stabilization Reserve Trust

Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (“TRGT”). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool’s underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares. For further information concerning the School Department’s investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag20045.pdf>.

The following table summarizes fair value disclosures and measurements for Germantown School’s investments held by the TRGT on its behalf at June 30, 2021:

Investments at Fair Value	Level 1	Level 2	Level 3	Total
U.S. equity	\$ 226,346	\$ -	\$ -	\$ 226,346
Developed market international equity	102,221	-	-	102,221
Emerging market international equity	29,206	-	-	29,206
U.S. fixed income	-	146,030	-	146,030
Short-term securities	-	7,301	-	7,301
Real estate	-	-	73,015	73,015
	357,773	153,331	73,015	584,119
<u>Investments at amortized cost using NAV</u>				
Private equity and strategic lending	-	-	-	146,030
Total restricted investments	\$ 357,773	\$ 153,331	\$ 73,015	\$ 730,149

NOTE 4 – INVESTMENTS (CONTINUED)

C. Fiduciary Investments

The City administers three fiduciary funds and Germantown Schools administers on fiduciary fund whose investments are held by a third-party trustee bank. Additionally, the City and Germantown Schools utilizes an advisor to select appropriate investment choices.

The following table summarizes fair value disclosures and measurements for fiduciary investments at June 30, 2021:

Investments at Fair Value	Level 1	Level 2	Level 3	Total
Domestic common stock	\$ -	\$ -	\$ -	\$ -
Foreign common stock	580,939	-	-	580,939
Fixed income mutual funds	12,387,477	-	-	12,387,477
Equity mutual funds	46,150,079	-	-	46,150,079
Foreign equity collective fund	-	2,605,036	-	2,605,036
Limited partnerships - bond funds	-	2,669,360	-	2,669,360
	59,118,495	5,274,396	-	64,392,891
<u>Investments at amortized cost using NAV</u>				
Limited partnerships - hedge funds	-	-	-	27,547,608
	<u>\$ 59,118,495</u>	<u>\$ 5,274,396</u>	<u>\$ -</u>	<u>\$ 91,940,499</u>

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021:

- *Short-term securities*: generally, include investments in money market-type securities reported at cost plus accrued interest.
- *Equity and equity derivative securities*: Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Level 2 are securities whose values are derived daily from associated traded securities. Level 3 are valued with last trade data having limited trading volume.
- *US Treasury Bills, Bonds, Notes and Futures*: Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.
- *Real estate investments*: Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.
- *Private mutual funds, traditional private equity funds, strategic lending funds and real estate funds*: Those funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter’s NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

Risks and Uncertainties – The fiduciary fund trust’s and TRGT’s investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

NOTE 4 – INVESTMENTS (CONTINUED)

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Germantown School’s does not have the ability to limit TRGT investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City and School manages its exposure to declines in fair value by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City and School invests operating funds primarily in shorter-term securities or the LGIP and limits the average maturity of the portfolio to those established by TCA 6-5-106 for commercial paper and repurchase agreements and four years for investments in securities of the U.S. Treasury, Federal Government sponsored agencies, or certificates of deposit.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Germantown Schools does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. Germantown Schools places no limit on the amount the TRGT may invest in one issuer. The City and Germantown Schools have adopted the investment policy established by TCA 6-5-106 for investments other than those held for Pension and OPEB benefits. The City diversifies its fiduciary fund investment portfolios so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. The City had no investments that comprised more than 5% of its total investments at June 30, 2021.

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investments in the LGIP are held by the State Treasury, not in the name of the City. The third-party bank is also a participant in the State collateral pool. Pursuant to the trust agreements, investments are held in the TRGT and each fiduciary trust are for the benefit of the City of Germantown and Germantown Schools to pay retirement benefits of their respective employees.

NOTE 5 – INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2021, is as follows:

Receivable Fund	Payable Fund			Total
	Major Funds	Aggregate Nonmajor Governmental	Aggregate Nonmajor Proprietary	
Major Fund				
General	\$ -	\$ 220,067	\$ 40,047	\$ 260,114
General Purpose School	84,869	724,769	-	809,638
Utility	61,194	-	-	61,194
Athletic Club	22,343	-	-	22,343
Aggregate Nonmajor Proprietary	17,285	-	-	17,285
Total	<u>\$ 185,691</u>	<u>\$ 944,836</u>	<u>\$ 40,047</u>	<u>\$ 1,170,574</u>

These balances resulted from the time lag between the dates that the interfund goods and services are provided or reimbursable expenditures occur and when payments between funds are made.

Unrestricted cash in the various funds of the City are pooled in one fund for investment purposes. At each month-end, the interfund balances reflect each fund’s portion of the cash/investment pool. Interest income is allocated to each fund based on the interfund balances at the end of the month.

NOTE 5 – INTERFUND TRANSACTIONS (CONTINUED)

The composition of interfund transfers for the year ended June 30, 2021 is as follows:

Transfer Out	Transfer In				Total
	Major Funds		Aggregate Nonmajor Governmental	Aggregate Nonmajor Proprietary	
	General	School General Purpose			
Major funds					
General	\$ -	\$ 2,549,581	\$ 7,476,043	\$ 230,000	\$ 10,255,624
General Purpose School	528,068	-	-	-	528,068
Utility	442,843	-	-	-	442,843
Aggregate Nonmajor					
Governmental	-	98,045	896,373	-	994,418
Total	<u>\$ 970,911</u>	<u>\$ 2,647,626</u>	<u>\$ 8,372,416</u>	<u>\$ 230,000</u>	<u>\$ 12,220,953</u>

Transfers from the general fund were made to provide sufficient positive fund balance within the special revenue and enterprise funds and to provide capital project funding. Transfers from the general purpose school fund were made to provide sufficient positive fund balance within the other School special revenue funds and for debt payments within the general fund. Transfer from the utility fund to the general fund are payment in lieu of taxes.

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 19,435,307	\$ -	\$ (41,700)	\$ 19,393,607
Construction in progress	13,151,018	11,284,128	(19,798,249)	4,636,897
Total capital assets, not being depreciated	32,586,325	11,284,128	(19,839,949)	24,030,504
Capital assets, being depreciated:				
Buildings and improvements	139,507,208	10,503,151	-	150,010,359
Improvements other than buildings	80,981,839	7,905,277	-	88,887,116
Machinery and equipment	41,055,996	2,999,889	(55,095)	44,000,790
Vehicles	13,305,781	745,096	(294,984)	13,755,893
Infrastructure	69,990,461	4,909,238	-	74,899,699
Total capital assets, being depreciated	344,841,285	27,062,651	(350,079)	371,553,857
Less accumulated depreciation for:				
Buildings and improvements	(31,139,575)	(3,950,762)	-	(35,090,337)
Improvements other than buildings	(38,675,899)	(2,858,280)	-	(41,534,179)
Machinery and equipment	(27,009,578)	(3,710,153)	37,201	(30,682,530)
Vehicles	(8,100,034)	(1,038,568)	294,016	(8,844,586)
Infrastructure	(39,816,962)	(2,128,271)	-	(41,945,233)
Total accumulated depreciation	(144,742,048)	(13,686,034)	331,217	(158,096,865)
Total capital assets, being depreciated, net	200,099,237	13,376,617	(18,862)	213,456,992
Governmental activities capital assets, net	<u>\$ 232,685,562</u>	<u>\$ 24,660,745</u>	<u>\$ (19,858,811)</u>	<u>\$ 237,487,496</u>

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,772,593	\$ -	\$ -	\$ 2,772,593
Construction in progress	2,267,032	785,546	(2,955,501)	97,077
Total capital assets, not being depreciated	5,039,625	785,546	(2,955,501)	2,869,670
Capital assets, being depreciated:				
Buildings and improvements	47,574,797	143,690	-	47,718,487
Improvements other than buildings	58,851,687	3,608,756	-	62,460,443
Machinery and equipment	5,881,376	617,896	(85,457)	6,413,815
Total capital assets, being depreciated	112,307,860	4,370,342	(85,457)	116,592,745
Less accumulated depreciation for:				
Buildings and improvements	(19,306,175)	(1,090,440)	-	(20,396,615)
Other improvements	(29,919,743)	(1,424,565)	-	(31,344,308)
Machinery and equipment	(3,554,739)	(335,408)	85,457	(3,804,690)
Total accumulated depreciation	(52,780,657)	(2,850,413)	85,457	(55,545,613)
Total capital assets, being depreciated, net	59,527,203	1,519,929	-	61,047,132
Business-type activities capital assets, net	<u>\$ 64,566,828</u>	<u>\$ 2,305,475</u>	<u>\$ (2,955,501)</u>	<u>\$ 63,916,802</u>

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 1,732,869
Public safety	1,553,747
Community service	993,848
Transportation and environment	4,005,187
Municipal school	5,400,383
Total depreciation expense - governmental activities	<u>\$ 13,686,034</u>
Business-type activities	
Utility	\$ 2,047,449
Athletic club	685,623
Nonmajor enterprise funds	117,341
Total depreciation expense - business-type activities	<u>\$ 2,850,413</u>

Construction and other significant commitments

The government has active construction projects as of June 30, 2021. At year-end, the government's commitments with contractors are as follows:

Function/Activity	Commitment
Traffic signals	\$ 520,000
East bank stabilization	271,000
GMSD projects	14,908,000
	<u>\$ 15,699,000</u>

NOTE 7 – LONG-TERM LIABILITIES

1. Long-Term Debt

General obligation and revenue bonds

The City periodically issues general obligation bonds for the acquisition, construction, and improvement of major capital facilities and infrastructure. The bonds are generally issued as 10, 20, or 30-year serial bonds. The City is not subject to any state or other law that limits the amount of net bonded debt a City may have outstanding; therefore, there is no legal debt margin or computation thereof. The City's full faith, credit and unlimited taxing power are pledged to the repayment of all general obligation bond principal and interest and the City is contingently liable for the repayment of revenue bond principal and interest.

Notes from direct borrowings

On August 13, 2018, the City issued a \$3,025,000 General Obligation Capital Outlay Note, Series 2018, maturing on July 1, 2030, with an interest rate of 3.25%. The proceeds will be used to fund the construction of the Germantown Municipal School District (GMSD) Administrative Building. There is a Memorandum of Understanding with GMSD that GMSD will remit to the City amounts equal to the debt service payments of the note as the payments become due. The City's outstanding capital notes contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment.

Although the City is not subject to any state debt limits, the City has developed a debt policy that limits the amount of debt it may obtain: (1) net debt service may not exceed 12% of general fund expenditures; (2) direct debt may not exceed 1.5% of appraised property value; (3) direct debt may not exceed \$2,000 per capita income; and (4) per capita debt may not exceed 4% of per capita income.

GMSD Settlement Obligation

In January 2014, the City and the School entered into a settlement agreement with the Board of Commissioners of Shelby County, Shelby County, Tennessee, and the Shelby County Board of Education. The City agreed to pay the Shelby County Board of Education twelve annual installments of \$355,453. Effective July 1, 2020, the School assumed the liability for the remaining six payments. The City elected to establish the liability incurred through the settlement agreement at its present value with a discount rate of 3.33%.

Debt outstanding as of June 30, 2021 consisted of the following:

	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Original Issue</u>	<u>Balance at Year End</u>
Governmental activities:				
<u>Payable through General Fund</u>				
General obligation bonds:				
2009 Serial Bonds	3.00 - 4.20%	6/1/2022	\$ 9,635,000	\$ 290,000
2011 Serial Bonds	2.00 - 3.25%	6/1/2032	6,025,000	3,660,000
2013 Serial Bonds A	1.00 - 3.625%	8/1/2034	3,500,000	2,475,000
2013 Serial Bonds B	1.00 - 4.00%	8/1/2026	5,570,000	1,430,000
2016 Serial Bonds A	2.00 - 5.00%	6/1/2036	7,935,000	5,740,000
2016 Serial Bonds B	2.00 - 5.00%	6/1/2046	10,220,000	9,320,000
2017 Serial Bonds	4.00 - 5.00%	8/1/2047	<u>29,275,000</u>	<u>28,065,000</u>
			72,160,000	50,980,000
Note from direct borrowings:				
2018 Capital Outlay Note	3.25%	7/1/2030	<u>3,025,000</u>	<u>2,403,000</u>
<u>Payable through General Purpose School Fund</u>				
Shelby County Settlement Obligation	3.33%	11/1/2025	<u>4,265,436</u>	<u>1,610,298</u>
			<u>\$ 79,450,436</u>	<u>\$ 54,993,298</u>

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Annual debt service requirements to maturity for bonds and notes payable are as follows:

Years Ending June 30	General Obligation Bonds		Notes from Direct Borrowings		Shelby County Settlement Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 2,325,000	\$ 2,097,209	\$ -	\$ 39,049	\$ 301,004	\$ 54,449
2023	2,075,000	2,019,115	234,000	74,295	311,182	44,271
2024	2,160,000	1,940,466	241,000	66,576	321,704	33,749
2025	2,240,000	1,855,013	249,000	58,614	332,582	22,871
2026	2,335,000	1,762,456	258,000	50,375	343,826	11,626
2027-2031	10,765,000	7,384,915	1,421,000	118,447	-	-
2032-2036	9,685,000	5,224,725	-	-	-	-
2037-2041	7,855,000	3,329,450	-	-	-	-
2042-2046	8,805,000	1,604,150	-	-	-	-
2047-2048	2,735,000	110,500	-	-	-	-
	<u>\$ 50,980,000</u>	<u>\$ 27,327,999</u>	<u>\$ 2,403,000</u>	<u>\$ 407,356</u>	<u>\$ 1,610,298</u>	<u>\$ 166,966</u>

2. Changes in long-term liabilities

A summary of long-term liability activity, including debt, for the year ended June 30, 2021 is as follows. Additional detailed information is available following the summary.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 53,325,000	\$ -	\$ (2,345,000)	\$ 50,980,000	\$ 2,325,000
Unamortized premiums	6,509,217	-	(330,411)	6,178,806	-
Total bonds	59,834,217	-	(2,675,411)	57,158,806	2,325,000
Notes from direct borrowings	2,629,000	-	(226,000)	2,403,000	-
Settlement obligation	2,132,717	-	(355,453)	1,777,264	355,453
Unamortized discounts	(231,260)	-	64,294	(166,966)	-
Total settlement obligation	1,901,457	-	(291,159)	1,610,298	355,453
Total long-term debt	64,364,674	-	(3,192,570)	61,172,104	2,680,453
Compensated absences	4,078,231	2,171,575	(611,012)	5,638,794	786,517
	<u>\$ 68,442,905</u>	<u>\$ 2,171,575</u>	<u>\$ (3,803,582)</u>	<u>\$ 66,810,898</u>	<u>\$ 3,466,970</u>
Business-type activities:					
Compensated absences	\$ 242,359	\$ 38,701	\$ (71,236)	\$ 209,824	\$ 21,237
	<u>\$ 242,359</u>	<u>\$ 38,701</u>	<u>\$ (71,236)</u>	<u>\$ 209,824</u>	<u>\$ 21,237</u>

For governmental activities, compensated absences are generally liquidated by the general fund and general purpose school fund.

NOTE 8 – DEFERRED LOSS ON REFUNDING

The unamortized deferred loss on refunding relates to General Obligation Refunding Bonds for governmental activities. Deferred loss on refunding reported in the statement of net position at June 30, 2021 consists of \$60,886 related to the refunding of the Series 2009 bonds.

NOTE 9 – FUND BALANCES BY PURPOSE

Following is more detailed information on the government-wide calculation of the net investment in capital assets:

	Governmental Activities	Business-Type Activities	Total
Capital assets, net of accumulated depreciation	\$ 237,487,496	\$ 63,916,802	\$ 301,404,298
Deferred loss on refunding	60,886	-	60,886
Total outstanding balance of capital debt	(59,561,806)	-	(59,561,806)
Unspent bond proceeds related to debt	161,618	-	161,618
Net investment in capital assets	<u>\$ 178,148,194</u>	<u>\$ 63,916,802</u>	<u>\$ 242,064,996</u>

Following is more detailed information on the governmental fund balances:

	General Fund	General Purpose School Fund	Other Governmental Funds	Total
Nonspendable for:				
Inventory	\$ 92,279	\$ -	\$ 24,946	\$ 117,225
Prepaid expenditures	623,556	6,650	2,099	632,305
Library endowment	-	-	243,308	243,308
Total nonspendable fund balance	<u>715,835</u>	<u>6,650</u>	<u>270,353</u>	<u>992,838</u>
Restricted for:				
Drug enforcement	-	-	473,265	473,265
Federal asset forfeiture	-	-	81,099	81,099
Library endowment	-	-	348	348
Stabilization reserve trust	-	730,149	-	730,149
Education	-	123,307	1,259,987	1,383,294
Total restricted fund balance	<u>-</u>	<u>853,456</u>	<u>1,814,699</u>	<u>2,668,155</u>
Committed for:				
State street aid	-	-	3,229,852	3,229,852
Pickering center	-	-	322,136	322,136
Ambulance	-	-	508,878	508,878
Farm Park	-	-	172,278	172,278
E-citation	-	-	81,856	81,856
Public art	-	-	36,200	36,200
Recreation	-	-	324,752	324,752
Education	-	8,537,176	-	8,537,176
Emergency purposes	900,000	-	-	900,000
Contingencies	100,000	-	-	100,000
Capital projects	2,337,000	-	5,186,654	7,523,654
Tax anticipation	11,445,172	-	-	11,445,172
Debt service	5,126,379	-	-	5,126,379
Total committed fund balance	<u>19,908,551</u>	<u>8,537,176</u>	<u>9,862,606</u>	<u>38,308,333</u>
Assigned to:				
Vacation Accrual	3,514,813	-	-	3,514,813
Contingencies	259,356	-	-	259,356
Capital projects	-	-	3,057,669	3,057,669
Education	-	12,445,882	-	12,445,882
Total assigned fund balance	<u>3,774,169</u>	<u>12,445,882</u>	<u>3,057,669</u>	<u>19,277,720</u>
Unassigned				
	20,827,769	-	-	20,827,769
Total fund balances	<u>\$ 45,226,324</u>	<u>\$ 21,843,164</u>	<u>\$ 15,005,327</u>	<u>\$ 82,074,815</u>

NOTE 10 – PENSIONS

The City of Germantown is the administrator of the following defined benefit single-employer Public Employee Retirement Plans established by the City to provide pension benefits for its employees:

- I. **City of Germantown, Tennessee Amended and Restated Employees' Retirement Plan ("Amended and Restated Plan")** – The plan as amended in 2001 and restated in 2008 is a single-employer defined benefit plan. Full-time employees of the City of at least 18 years of age (age 21 for emergency services employees) originally were eligible to participate in this plan. Effective June 30, 2013, the plan was closed to new employees, but continues to provide benefits to existing members.
- II. **City of Germantown, Tennessee Defined Benefit Plan ("Employee Cash Balance Plan")** – The plan is a single-employer defined benefit plan. Employees of at least 21 years of age hired on July 1, 2013 and after are eligible for this plan after a six-month waiting period.

Each plan is considered a part of the City's financial reporting entity and is included in the City's financial reports as a pension trust fund. The City does not issue stand-alone financial reports for the Amended and Restated Plan or the Employee Cash Balance Plan. Benefits and contributions are established by the City and may be amended only by the Board of Mayor and Aldermen.

The Germantown City Board of Education participates in the following defined benefit multiple-employer Public Employee Retirement Plans administered by the Tennessee Consolidated Retirement System ("TCRS"):

- III. **Legacy Public Employee Retirement Plan ("BOE Legacy")** – Certain administrative employees of the Germantown City Board of Education with membership in TCRS prior to July 1, 2014 are included in this plan. This plan was closed to new membership on June 30, 2014 but continues to provide benefits to existing members. This is an agent multiple-employer pension plan.
- IV. **Hybrid Public Employee Retirement Plan ("BOE Hybrid")** – Certain administrative employees of the Germantown City Board of Education with membership in TCRS beginning on or after July 1, 2014 are included in this plan. This plan is a hybrid plan which features both a defined contribution element and a pension plan element. This is an agent multiple-employer pension plan.
- V. **Teacher Legacy Pension Plan ("Teacher Legacy")** – Teachers with membership in TCRS prior to July 1, 2014 are included in this plan. The plan was closed to new membership on June 30, 2014 but continues to provide benefits to existing members. The plan is a cost sharing multiple-employer pension plan.
- VI. **Teacher Hybrid Plan ("Teacher Hybrid")** – Teachers with membership in TCRS beginning July 1, 2014 are included in this plan. The plan is a hybrid plan which features both a defined contribution element and a pension plan element. The plan is a cost sharing multiple-employer pension plan.

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 www.treasury.tn.gov/tcrs. 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.

For the governmental activities, net pension liability is generally liquidated by the general fund and general purpose school fund.

NOTE 10 – PENSIONS (CONTINUED)

The net pension assets, deferred outflows of resources, net pension liabilities, and deferred inflows of resources related to pensions reported on the statement of net position are summarized as follows:

	Net Pension Asset	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources	Pension Expense
Governmental Activities					
Amended and Restated Plan	\$ -	\$ 11,830,418	\$ 29,176,406	\$ 4,614,288	\$ 4,326,353
Employee Cash Balance Plan	253,076	-	-	577,456	392,151
BOE Legacy Plan	383,314	237,035	-	215,796	160,908
BOE Hybrid Plan	65,962	208,640	-	-	4,679
Teacher Legacy Pension Plan	4,945,066	4,063,493	-	2,410,017	1,153,082
Teacher Hybrid Pension Plan	358,719	243,890	-	125,667	141,901
Total governmental activities	\$ 6,006,137	\$ 16,583,476	\$ 29,176,406	\$ 7,943,224	\$ 6,179,074
Business-type Activities					
Amended and Restated Plan	\$ -	\$ 953,698	\$ 2,352,031	\$ 371,979	\$ 87,094
Employee Cash Balance Plan	15,041	-	-	34,319	22,125
Total business-type activities	\$ 15,041	\$ 953,698	\$ 2,352,031	\$ 406,298	\$ 109,219
Total	\$ 6,021,178	\$ 17,537,174	\$ 31,528,437	\$ 8,349,522	\$ 6,288,293

A. General Information about the Pension Plans

Benefits Provided

Under the Amended and Restated Plan, members, with exception of Emergency Service Participants (“ESP”) and a closed group of public works and general services participants (“closed group”) are eligible to retire with an unreduced benefit at age 62 with 5 years of service credit or ten years if employed after September 1, 2008. Members of the ESP and closed group are eligible to retire with an unreduced benefit at age 55 with 5 years of service credit or ten years if employed after September 1, 2008. A reduced early retirement benefit is available at age 55 (age 50 for ESP and closed group) with 10 years of service credit. The retirement benefit is calculated at 2.25% of average compensation during the highest consecutive three years of service within the ten years of service immediately preceding termination multiplied by years of credit service not in excess of 30, with a maximum benefit of 67.5% of average compensation. Employees are 100% vested only after ten years of service or five years of service if hired before July 1, 2003. A variety of death benefits are available under various eligibility criteria.

Under the Employee Cash Balance Plan, eligible employees must contribute 5% of their pay. The City matches the 5% and guarantees a 5% return. Participants are 100% vested in their contributions when they are made. Participants are 100% vested in employer matching contributions after ten years of service. The plan is portable and may be taken with the employee after vesting.

Under the BOE Legacy Plan and Teacher Legacy Plan, members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Under the BOE Hybrid Plan and Teacher Hybrid Plan, 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. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for non-service-related disability eligibility. The service related and non-service-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

NOTE 10 – PENSIONS (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 percent, and applied to the current benefit.

No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Plan and Teacher Hybrid Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, under the BOE Hybrid Plan, Teacher Legacy Plan, and Teacher Hybrid Plan, 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

The City Employee Pension Plan and Employee Cash Balance Plan have a measurement date of June 30, 2021 while the School TCRS Plans have a measurement date of June 30, 2020. As of the respective plan measurement dates, the following employees were covered by the benefit terms of the agent plans:

	Amended & Restated Plan	Cash Balance Plan	TCRS School BOE	
			Legacy Plan	Hybrid Plan
Inactive employees or beneficiaries currently receiving benefits	235	-	19	-
Inactive employees entitled to but not yet receiving benefits	97	7	39	47
Active employees	205	168	60	81
	<u>537</u>	<u>175</u>	<u>118</u>	<u>128</u>

Contributions

Under the Amended and Restated Pension Plan, Emergency Services participants with fewer than thirty years of credit service are required to contribute 6.8% of earnings to the plan. Under the Employee Cash Balance Plan, covered employees are required to contribute 5% of earnings to the retirement plan. Employer contributions are based on an actuarially determined rate.

Under the TCRS Plans, contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or, for the BOE Hybrid Plan and Teacher Hybrid Plan, by automatic cost controls set by law. Employees contribute 5 percent of salary. The Board of Education makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions are required to be paid. The TCRS may intercept the Board of Education’s state shared taxes if required employer contributions are not remitted. The employer rate 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. Per statutory provisions governing TCRS, the employer contribution rate for the BOE Hybrid Plan and Teacher Hybrid Plan cannot be less than 4 percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees is reached.

Employer contributions to each plan for the year ended June 30, 2021 were as follows:

	Amended & Restated Plan	Cash Balance Plan	TCRS School BOE		TCRS Teacher Plans	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
Employer contributions	\$ 5,916,062	\$ 454,605	\$ 182,700	\$ 64,494	\$ 2,198,024	\$ 188,464
Covered payroll	<u>16,609,384</u>	<u>9,092,100</u>	<u>2,284,633</u>	<u>3,103,578</u>	<u>21,337,462</u>	<u>9,328,370</u>
As a percentage of covered payroll	35.62%	5.00%	8.00%	2.08%	10.30%	2.02%

For the year ended June 30, 2021, employer contributions to the School TCRS BOE Hybrid Plan and School TCRS Teacher Hybrid Plan included contributions to the Pension Stabilization Reserve Trust of 1.92% and 1.98%, respectively, as a percentage of covered payroll.

NOTE 10 – PENSIONS (CONTINUED)

B. Actuarial Assumptions

City Administered Amended and Restated Pension Plan

The total pension liability was determined as part of the June 30, 2021 actuarial valuation using the entry age normal level percent of pay cost method. Significant actuarial assumptions used in the valuation include:

Inflation	2.5%
Salary increases	4.0%, compounded annually
Investment rate of return	7.25%, net of investment expense, including inflation
Mortality table	Pub G-2010 for general employees ages 18-54 Pub-2010 for healthy employees over age 54

Investment Policy

The long-term expected rate of return on pension plan investments was developed in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage.

<u>Asset Class</u>	<u>Target</u>
Cash equivalents	2%
Domestic common stocks	11%
Foreign stocks	1%
Mutual funds – equity	37%
Mutual funds – fixed income	10%
Miscellaneous other investments	39%

Rate of Return

For the year ended June 30, 2021, the annual approximate rate of return on investments was 24.56%. The rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at actuarially determined rates. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods projected benefit payments to determine the total pension liability.

NOTE 10 – PENSIONS (CONTINUED)

City Administered Employee Cash Balance Plan

The total pension liability was determined as part of the June 30, 2021 actuarial valuation using the entry age normal level percent of pay, actuarial cost method. Significant actuarial assumptions used in the valuation include:

Inflation	2.5%
Salary increases	4.0%, compounded annually
Investment rate of return	5.0%, net of investment expense, including inflation
Mortality table	IRS applicable mortality – post-retirement only

Investment Policy

The long-term expected rate of return on pension plan investments was developed in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage.

<u>Asset Class</u>	<u>Target</u>
Cash equivalents	3%
Mutual funds – equity	63%
Mutual funds – fixed income	15%
Mutual funds – balanced	19%

Rate of Return

For the year ended June 30, 2021, the annual approximate rate of return on investments was 22.00%. The rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts invested.

Discount Rate

The discount rate used to measure the total pension liability was 5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at actuarially determined rates. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods projected benefit payments to determine the total pension liability.

NOTE 10 – PENSIONS (CONTINUED)

TCRS Administered Pension Plans

The total pension liability as of June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	7.25%, net of investment expense, including inflation
Cost-of-Living Adjustment	2.25%
Mortality rates	Actual experience including an adjustment for anticipated movement

The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to reflect more closely actual and expected future experience.

Investment Policy

The long-term expected rate of return on pension plan investments were established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5%. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the Board of Education will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary 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 total pension liability.

NOTE 10 – PENSIONS (CONTINUED)

C. Net Pension Liability (Asset)

The net pension liability (asset) for each City administered plan was measured as of June 30, 2021 and each TCRS administered plan was measured as of June 30, 2020. The total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of the respective dates. The components of the net pension liability (asset) as of those dates are as follows:

	Agent Plans				Cost-Sharing Plans	
	Amended & Restated Plan	Cash Balance Plan	TCRS School BOE		TCRS Teacher Plans	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
Total Pension Liability						
Service cost	\$ 1,254,840	\$ 982,764	\$ 313,832	\$ 125,238		
Interest	8,307,012	142,881	179,648	31,821		
Differences between expected and actual experience	(610,701)	(133,207)	(95,946)	65,501		
Benefit payments, including refunds	(5,469,453)	(130,650)	(32,970)	(604)		
Net change in total pension liability	3,481,698	861,788	364,564	221,956		
Total pension liability - beginning	116,686,794	2,928,407	2,180,563	313,979		
Total pension liability - ending	120,168,492	3,790,195	2,545,127	535,935		
Plan Fiduciary Net Position						
Contributions - employer	5,916,062	454,605	191,557	62,321		
Contributions - employee	639,789	492,179	103,322	145,089		
Net investment income (loss)	17,139,094	636,567	132,332	23,732		
Benefit payments	(5,469,453)	(130,650)	(32,970)	(604)		
Administrative/BOE expense	(217,991)	(11,126)	(5,595)	(7,384)		
Net change in plan fiduciary net position	18,007,501	1,441,575	388,646	223,154		
Plan fiduciary net position - beginning	70,632,554	2,616,737	2,539,795	378,743		
Plan fiduciary net position - ending	88,640,055	4,058,312	2,928,441	601,897		
Net pension liability (asset)	<u>\$ 31,528,437</u>	<u>\$ (268,117)</u>	<u>\$ (383,314)</u>	<u>\$ (65,962)</u>		
Plan fiduciary net position as a percentage of the total liability	<u>73.76%</u>	<u>107.07%</u>	<u>115.06%</u>	<u>112.31%</u>		
Proportionate share of net pension liability (asset)					<u>\$ (4,945,066)</u>	<u>\$ (358,719)</u>
Proportionate share at June 30, 2020 measurement date					0.648471%	0.630836%
Proportionate share at June 30, 2019 measurement date					0.638646%	0.588576%

The School's proportion of the net pension liability (asset) was based on School's share of contributions to each cost-sharing plan relative to the contributions of all participating LEAs. Detailed information about each cost-sharing pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability (asset) or proportionate share of net pension liability (asset) related to each plan calculated using the current discount rates as well as what the net pension liability (asset) or proportionate share of net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Current Rate	1% Decrease	Current Rate	1% Increase
Net pension liability (asset)				
City Amended & Restated Plan	7.25%	\$ 46,120,465	\$ 31,528,437	\$ 19,212,688
Cash Balance Plan	5.00%	658,464	(268,117)	(974,572)
TCRS School BOE Legacy Plan	7.25%	13,262	(383,314)	(708,154)
TCRS School BOE Hybrid Plan	7.25%	53,939	(65,962)	(158,918)
Proportionate share of the net pension asset				
TCRS Teacher Legacy Plan	7.25%	\$ 15,379,047	\$ (4,945,066)	\$ (21,798,530)
TCRS Teacher Hybrid Plan	7.25%	279,024	(358,719)	(828,815)

NOTE 10 – PENSIONS (CONTINUED)

D. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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

	Amended & Restated Plan	Cash Balance Plan	TCRS School BOE		TCRS Teacher Plans	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
Pension Expense (Negative Pension Expense)	\$ 4,413,447	\$ 414,276	\$ 160,908	\$ 4,679	\$ 1,153,082	\$ 141,901
Deferred Outflows of Resources						
Differences between expected and actual experience	\$ 3,087,383	\$ -	\$ 12,050	\$ 135,383	\$ 187,989	\$ 13,327
Net difference between projected and actual earnings on plan investments	-	-	30,147	7,177	1,104,430	29,222
Changes in assumptions	9,696,733	-	12,138	1,586	449,236	11,248
Change in proportion of net pension liability (asset)	-	-	-	-	123,814	1,629
Contributions subsequent to the measurement date of June 30, 2020	-	-	182,700	64,494	2,198,024	188,464
	<u>\$ 12,784,116</u>	<u>\$ -</u>	<u>\$ 237,035</u>	<u>\$ 208,640</u>	<u>\$ 4,063,493</u>	<u>\$ 243,890</u>
Deferred Inflows of Resources						
Differences between expected and actual experience	\$ 649,620	\$ 296,483	\$ 215,796	\$ -	\$ 2,377,500	\$ 89,894
Net difference between projected and actual earnings on plan investments	4,336,647	315,292	-	-	-	-
Changes in assumptions	-	-	-	-	-	-
Change in proportion of net pension liability (asset)	-	-	-	-	32,517	35,773
	<u>\$ 4,986,267</u>	<u>\$ 611,775</u>	<u>\$ 215,796</u>	<u>\$ -</u>	<u>\$ 2,410,017</u>	<u>\$ 125,667</u>

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the years ending June 30:

	Amended & Restated Plan	Cash Balance Plan	TCRS School BOE		TCRS Teacher Plans	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
2022	\$ 1,004,012	\$ (85,257)	\$ (47,595)	\$ 19,831	\$ (1,122,354)	\$ (6,084)
2023	930,354	(84,323)	(38,769)	20,370	(181,903)	(1,861)
2024	97,946	(86,904)	(35,122)	20,719	28,104	292
2025	(1,073,482)	(112,995)	(39,975)	20,835	731,605	906
2026	1,323,869	(13,547)	-	18,644	-	(8,992)
Thereafter	5,515,150	(228,749)	-	43,747	-	(54,502)

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

NOTE 10 – PENSIONS (CONTINUED)**E. Trusted Pension Plan without Stand-Alone Financial Statements**

The City pension plans do not issue stand-alone financial reports and are not included in the report of a public employee retirement system or report of another entity. The plan's financial statements are as follows:

	<u>Amended & Restated Plan</u>	<u>Employee Cash Balance Plan</u>
<u>Statements of Pension Trust Net Position</u>		
ASSETS		
Cash and cash equivalents	\$ 3,758,502	\$ 726,118
Interest receivable	9,968	27
Investments		
Domestic common stock	7,221,363	-
Foreign common stock	580,939	-
Fixed income mutual funds	9,381,796	906,978
Equity mutual funds	37,217,061	2,425,189
Foreign equity collective fund	2,605,036	-
Limited partnerships bond funds	2,404,546	-
Limited partnerships hedge funds	25,460,844	-
Total investments	<u>84,871,585</u>	<u>3,332,167</u>
Total assets	<u>88,640,055</u>	<u>4,058,312</u>
NET POSITION		
Restricted for pension	<u>\$ 88,640,055</u>	<u>\$ 4,058,312</u>
<u>Statements of Changes in Pension Plan Net Position</u>		
ADDITIONS		
Contributions:		
Employer	\$ 5,916,062	\$ 454,605
Plan members	639,789	492,179
Total contributions	<u>6,555,851</u>	<u>946,784</u>
Investment earnings (losses):		
Interest and dividends	587,060	38,835
Net appreciation in fair value of investments	16,552,034	597,732
Total investment earnings	<u>17,139,094</u>	<u>636,567</u>
Total additions	<u>23,694,945</u>	<u>1,583,351</u>
DEDUCTIONS		
Benefits	5,469,453	130,650
Administrative expense	217,991	11,126
Total deductions	<u>5,687,444</u>	<u>141,776</u>
Change in net position	18,007,501	1,441,575
NET POSITION RESTRICTED FOR PENSION		
Beginning of year	<u>70,632,554</u>	<u>2,616,737</u>
End of year	<u>\$ 88,640,055</u>	<u>\$ 4,058,312</u>

NOTE 11 – DEFINED CONTRIBUTION EMPLOYEE BENEFIT PLAN

401(k) Plan

The Teacher Hybrid Plan and the BOE Hybrid Plan (the Hybrid Plans) provide a combination of a defined benefit plan and a defined contribution plan. The defined benefit portion of the Hybrid Plans are managed by TCRS. The defined contribution assets are deposited into the State's 401(k) plan where the employee manages the investments within the 401(k) plan. Enrolled employees may, at their option, contribute 2% of their salaries and employers are required to contribute 5% of those salaries to the defined contribution (401(k)) portion of the Hybrid Plans. Participants are immediately vested in contributions. Contributions are made on a tax-deferred basis. During 2021, the Board of Education's employer contribution to the Hybrid Plans was \$638,896.

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

The City and Board of Education each administer a single-employer defined benefit other postemployment plan to provide health care benefits to certain employees and elected officials under the provisions of the Retirement System of the City of Germantown i.e. City of Germantown, Tennessee Other Postemployment Benefit Plan and Germantown Municipal School District Other Postemployment Benefit Plan.

- I. **City of Germantown, Tennessee Other Postemployment Benefit Plan (“City OPEB Plan”)** – Certain employees who have at least 15 years of service and who have attained the age of 62 (or age 55 for Emergency Services participants). Employees may also retire after age 55 (age 50 for Emergency Services participants) and the completion of 15 years of service. Effective January 1, 2007, employees must participate in the healthcare plan for a minimum of ten years, and dependents for a minimum of five year, to be eligible.

- II. **Germantown Municipal School District Other Postemployment Benefit Plan (“School OPEB Plan”)** – Legacy employees who retire from the School and qualify under TCRS may be eligible for the plan. Eligible employees must complete 25 years of continuous service or at least age 55 with 15 years of service with the Germantown Municipal School District (“GMSD”). Those who are former employees of Shelby County School District or Memphis City Schools must have 30 years of continuous service or at least age 60 with 15 years of continuous service with GMSD, Shelby County, and/or Memphis City Schools prior to retirement. Non-legacy employees are not eligible for any postemployment health benefits. Eligible employees must be enrolled in the healthcare plan for one year immediately before the retirement date. The plan was closed to new participants as of June 30, 2017.

The plans are considered part of the City's financial reporting entity and are included in the City's financial reports as an OPEB trust funds. The City does not issue a stand-alone financial report for either plan. Benefits provided including coverage and eligibility and contribution requirements of the City OPEB plan and School OPEB plan are established and may be amended only by the Board of Mayor and Aldermen and Board of Education, respectively, at any time, for any reason.

For the governmental activities, net OPEB liability is generally liquidated by the general fund and general purpose school fund.

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)

The net OPEB assets, deferred outflows of resources, net OPEB liabilities, and deferred inflows of resources related to OPEBs, and OPEB expense reported on the statement of net position are summarized as follows:

	Net OPEB Asset	Deferred Outflows of Resources	Net OPEB Liability	Deferred Inflows of Resources	OPEB Expense
Governmental Activities					
City OPEB Plan	\$ -	\$ 6,894,104	\$ 9,009,921	\$ 283,865	\$ 1,609,099
School OPEB Plan	-	1,274,843	6,240,068	695,576	578,147
Total governmental activities	\$ -	\$ 8,168,947	\$ 15,249,989	\$ 979,441	\$ 2,187,246
Business-type Activities					
City OPEB Plan	\$ -	\$ 638,393	\$ 834,317	\$ 26,286	\$ 143,212
Total	\$ -	\$ 8,807,340	\$ 16,084,306	\$ 1,005,727	\$ 2,330,458

A. General Information about the OPEB Plans

Benefits Provided

The City OPEB plan provides healthcare and dental benefits for retirees through the City’s health insurance plans, which cover active and retired participants. Prior to January 1, 2008, the City’s insurance became secondary to Medicare Insurance. After January 1, 2008 but before January 1, 2014, employees who retired and had reached age 65 are eligible for only the City’s dental prescription drugs. Employees retiring on or after January 1, 2014, are eligible for the City’s dental plan only. Any retiree or dependent who becomes eligible for Medicare at any age will no longer participate in the City’s healthcare plan. The City also provides Medicare subsidies to retirees which vary based on retirement date and marital status.

The School OPEB plan provides healthcare for retirees and their dependents. Benefits are provided through a third-party insurer. Retirees on or before July 1, 2017 are eligible to continue coverage on the GMSD’s pre-65 plan until Medicare eligible at which point the retiree has the option to continue current coverage with premium share for supplementary Medicare insurance with the employer or opt to receive a monthly stipend. Retirees after September 1, 2017 are eligible to receive a monthly stipend covered by GMSD’s explicit subsidy. Surviving spouses of legacy retirees can stay on the plan at their own expense until Medicare eligible. Those retiring on or prior to September 1, 2017 are eligible to receive life insurance benefits for life while those retiring after September 1, 2017 are eligible to receive life insurance benefits until reaching age 65. The premium charged to retirees is the portion of premiums not covered by the School subsidy.

Employees Covered by Benefit Terms

Plan membership as of January 1, 2021, the date of the City OPEB valuation, and June 30, 2021, the date of the School OPEB valuation, consisted of the following:

	City OPEB Plan	School OPEB Plan
Inactive employees or beneficiaries currently receiving benefits	126	76
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	409	350
	<u>535</u>	<u>426</u>

Contributions

The City and School have adopted contributory OPEB plans for its employees requiring employee contributions to be made in accordance with the employee’s age and employment status. The City’s and School’s intent is to fully fund the actuarial determined contribution and provide excess funding as available. Employer contributions are based on an actuarially determined rate. All obligations are liquidated from the City OPEB Trust and School OPEB Trust, respectively.

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)

Employer contributions to each plan for the year ended June 30, 2021 were as follows:

	City OPEB Plan	School OPEB Plan
Employer contributions	\$ 1,123,593	\$ 709,990
Covered employee payroll	23,416,112	22,268,347
As a percentage of covered employee payroll	4.80%	3.19%

B. Actuarial Assumptions

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. As such, the actuarial calculations of the OPEB plan reflect a long-term perspective. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

City Administered OPEB Plan

The total OPEB liability was determined as part of the January 1, 2021 actuarial valuation using the entry age normal level percent of pay cost method, applied to all periods in the measurement and actuarially rolled forward to the measurement date of June 30, 2021. Significant assumptions used in the valuation include:

Inflation	2.5%
Salary increases	4.0%
Investment rate of return	7.0%, net of investment expense, including inflation
Mortality table	Pub G.H-2010-E (M&F) for ages 18-54 Pub G.H-2010-HR (M&F) for ages 55 and older
Health care cost trend rate	7.0% initial rate, 3.0% ultimate rate, 9-year grading period

Investment Policy

The long-term expected rate of return on OPEB plan investments were established by weighted the 10-year expected rate of return by the target asset allocation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap equity	17.50%	6.25%
Small cap equity	7.50%	7.00%
International equity	20.00%	7.00%
Hedged strategies	35.00%	5.30%
Multi-strategy	5.00%	5.00%
Short-Term Bond	5.00%	2.25%
Intermediate -Term Bond	10.00%	3.25%
Cash and cash equivalents	0%	2.00%
	100%	

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investment was 22.59%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Discount Rate Information

The discount rate used in valuing OPEB liabilities in funded plans as of the measurement date must be based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that they are sufficient to pay for projected benefit payments and the OPEB plan assets are invested using a strategy to achieve that return. The final equivalent single discount rate as of June 30, 2021 is 7.0%.

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)

GMSD Administered OPEB Plan

The total OPEB liability was determined as part of the June 30, 2021 actuarial valuation using the entry age normal level percent of pay cost method. Significant assumptions used in the valuation include:

Inflation	3.0%
Salary increases	Based on payroll growth used in TCRS actuarial valuation as of June 30, 2018
Investment rate of return	6.25%, net of investment expense, including inflation
Mortality table	SOA Pub-2010 General Total Dataset, using scale MP-2018 SOA Pub-2010 Teacher Total Dataset, using scale MP-2018
Health care cost trend rate	8.0% initial rate, 4.5% ultimate rate, 8-year grading period

Investment Policy

The long-term expected rate of return on OPEB plan investments were established by weighted the 10-year expected rate of return by the target asset allocation. The investment strategy includes a diverse investment portfolio designed to provide potential for growth primarily and income secondarily with an emphasis placed on near-market-level total return. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equities	42.00%	7.30%
Developed Foreign	13.00%	7.77%
Emerging Foreign	6.00%	8.36%
Investment Grade	32.00%	3.78%
High Yield	4.00%	4.75%
Domestic Real Estate	3.00%	6.12%
	<u>100%</u>	

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investment was 26.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Discount Rate Information

The discount rate used in valuing OPEB liabilities in funded plans as of the measurement date must be based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that they are sufficient to pay for projected benefit payments and the OPEB plan assets are invested using a strategy that will achieve that return. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) must be used. The final equivalent single discount rate as of June 30, 2021 is 6.25% with the assumption that the Schools will continue to contribute the actuarial determined contribution until the time when the OPEB Trust at the time the Trust is expected to be sufficient to finance all future benefit payments.

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)

C. Net OPEB Liability

The components of the net OPEB liability for each plan at June 30, 2021, were as follows:

	City OPEB Plan	School OPEB Plan
Total OPEB Liability		
Service cost	\$ 183,386	\$ 180,300
Interest	931,001	604,726
Changes of benefit items	-	-
Differences between expected and actual experience	4,096,965	275,787
Changes in assumptions	-	182,653
Benefit payments, including refunds	<u>(1,500,402)</u>	<u>(247,211)</u>
Net change in total OPEB liability	3,710,950	996,255
Total OPEB liability - beginning	<u>13,330,688</u>	<u>9,523,219</u>
Total OPEB liability - ending	17,041,638	10,519,474
 Plan Fiduciary Net Position		
Contributions - employer	1,123,593	709,990
Contributions - retiree	294,284	75,000
Net investment income	1,323,119	815,801
Benefit payments	(1,500,402)	(247,211)
Administrative expense	<u>(25,779)</u>	<u>(17,600)</u>
Net change in plan fiduciary net position	1,214,815	1,335,980
Plan fiduciary net position - beginning	<u>5,982,585</u>	<u>2,943,426</u>
Plan fiduciary net position -ending	<u>7,197,400</u>	<u>4,279,406</u>
Net OPEB liability (asset)	<u>\$ 9,844,238</u>	<u>\$ 6,240,068</u>
 Plan fiduciary net position as a percentage of the total liability	 <u>42.23%</u>	 <u>40.68%</u>

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

The following presents each plans net OPEB liability (asset) calculated using the current discount rate, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Current Discount Rate</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
City Net OPEB liability (asset)	7.00%	\$ 11,507,173	\$ 9,844,238	\$ 8,146,412
School Net OPEB liability (asset)	6.25%	\$ 7,393,346	\$ 6,240,068	\$ 5,251,978

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

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

	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
City Net OPEB liability (asset)	7% decreasing to 4%	\$ 7,965,400	\$ 9,844,238	\$ 11,918,751
School Net OPEB liability (asset)	8% decreasing to 4.5%	\$ 5,714,459	\$ 6,240,068	\$ 6,837,654

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)

D. OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

	City OPEB Plan	School OPEB Plan
OPEB expense	<u>\$ 1,752,311</u>	<u>\$ 578,147</u>
Deferred Outflows of Resources		
Differences between expected and actual experience	\$ 5,731,135	\$ 507,443
Actual earnings on plan investments	-	-
Changes in assumptions	<u>1,801,362</u>	<u>767,400</u>
	<u>\$ 7,532,497</u>	<u>\$ 1,274,843</u>
Deferred Inflows of Resources		
Differences between expected and actual experience	\$ -	\$ 311,528
Actual earnings on plan investments	310,151	384,048
Changes in assumptions	-	-
	<u>\$ 310,151</u>	<u>\$ 695,576</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the years ending June 30:

	City OPEB Plan	School OPEB Plan
2022	\$ 1,392,569	\$ 35,212
2023	1,376,077	27,364
2024	421,150	23,377
2025	325,745	(5,989)
2026	506,083	116,003
Thereafter	3,200,722	383,300

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)

E. Trusted OPEB Plans without Stand-Alone Financial Statements

The City and School OPEB plans do not issue stand-alone financial reports and are not included in the report of a public employee retirement system or report of another entity. The plan's financial statements are as follows:

	<u>City OPEB Fund</u>	<u>School OPEB Fund</u>
<u>Statements of OPEB Trust Net Position</u>		
ASSETS		
Cash and cash equivalents	\$ 654,531	\$ 88,170
Interest receivable	26	678
Accounts receivable	4,050	-
Investments		
Fixed income mutual funds	723,144	1,375,559
Equity mutual funds	3,556,457	2,951,372
Limited partnerships bond funds	264,814	-
Limited partnerships hedge funds	2,086,764	-
Total investments	<u>6,631,179</u>	<u>4,326,931</u>
Total assets	<u>7,289,786</u>	<u>4,415,779</u>
LIABILITIES		
Accounts payable	92,386	136,373
Due to other funds	-	-
	<u>92,386</u>	<u>136,373</u>
NET POSITION		
Restricted for OPEB	<u>\$ 7,197,400</u>	<u>\$ 4,279,406</u>
<u>Statements of Changes in OPEB Plan Net Position</u>		
ADDITIONS		
Contributions:		
Employer	\$ 1,123,593	\$ 709,990
Plan members	294,284	75,000
Total contributions	<u>1,417,877</u>	<u>784,990</u>
Investment earnings (losses):		
Interest and dividends	49,622	55,720
Net appreciation in fair value of investments	1,273,497	760,081
Total investment earnings	<u>1,323,119</u>	<u>815,801</u>
Total additions	<u>2,740,996</u>	<u>1,600,791</u>
DEDUCTIONS		
Benefits	1,500,402	208,386
Premiums	-	38,825
Administrative expense	25,779	17,600
Total deductions	<u>1,526,181</u>	<u>264,811</u>
Change in net position	1,214,815	1,335,980
NET POSITION RESTRICTED FOR OPEB		
Beginning of year	5,982,585	2,943,426
End of year	<u>\$ 7,197,400</u>	<u>\$ 4,279,406</u>

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Lease Revenues

The City leases various City-owned properties to corporations for cellular towers. The leases range from 20 to 25 years. The minimum lease payments the City will receive are as follows for the years ending June 30:

2022	\$ 342,505
2023	314,007
2024	327,207
2025	331,149
2026	333,616
Thereafter	<u>5,269,879</u>
	<u>\$ 6,918,363</u>

Operating Leases

The City rents office space and equipment under operating leases. Total rent expense for all funds for the year ended June 30, 2021 was \$264,141. The future minimum lease payments under significant operating leases are as follows for the years ending June 30:

2022	\$ 344,957
2023	344,710
2024	97,919
2025	3,143
2026	328
	<u>\$ 791,057</u>

Legal Contingencies

Several lawsuits against the City are ongoing, many of which normally recur in governmental operations. The ultimate outcome of the actions is not determinable; however, City officials believe that the outcome of these proceedings, either singularly or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

NOTE 14 - RISK MANAGEMENT

Insurance Other Than Health Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; employee injuries and other unanticipated casualties; and natural disasters. The City considers it more economically feasible to participate in a public entity risk pool as opposed to purchasing commercial insurance for its general liability, workers' compensation, and property and casualty insurance. As such, the City participates in the Public Entity Partners Pool ("PEP"), formerly the TML Risk Management Pool, which is a public entity risk pool consisting of member political subdivisions of the State of Tennessee that works in many ways like a traditional insurer. Members can obtain typical insurance coverage limits and deductible options at reasonable rates according to their risk tolerance while the PEP Pool provides traditional underwriting, re-insurance, claims processing and loss control services. Unlike commercial insurance, the PEP Pool offers the opportunity to earn a pro-rata refund of the surplus premiums according to the City's premiums paid and its favorable loss experience in recent years. Each political subdivision that has participated in the PEP pool is subject to assessment if the funds it paid as premiums are insufficient to meet the obligations of the PEP Pool. The PEP pool may reinsure through the Local Government Reinsurance Fund of Tennessee or a commercial insurance company.

Subject to limits for certain types of risk, the property insurance covers the cost of replacing buildings, furnishings, public infrastructure, and specifically defined equipment for most types of losses more than a \$25,000 deductible amount. Worker compensation claims are covered up to the statutory limits for employee injuries after the City pays a maximum \$10,000 deductible amount. The liability coverage includes general liability risks such as personal injury, automobile liability, and public official or law enforcement errors and omissions including privacy and network liability up to the limits allowed under the Tennessee tort liability laws and after the \$5,000 deductible amount. Given its geographical location

NOTE 14 - RISK MANAGEMENT (CONTINUED)

and the risk of significant infrastructure loss, the City considers it prudent to obtain supplemental insurance for excess losses that exceed the basic limits provided by the PEP Pool. The City has elected to purchase the optional \$10 million earthquake coverage over the primary \$5 million coverage provided by the PEP Pool.

In addition to the annual premiums for insurance coverage, the payment of the PEP Pool deductible amounts for each loss occurrence and the self-insured losses for passenger vehicles and other lower value equipment is funded by the annual operating budgets for each department. And as a contingency for losses that may exceed the limits of coverage provided by conventional insurance or self-funding, the City annually designates a portion of its General Fund balance as a reserve for emergencies.

There have been no reductions in insurance coverage, and the City has not incurred any losses more than commercial insurance coverage for the past three fiscal years. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities during the years are as follows:

	2021	2020
Unpaid claims, beginning of fiscal year*	\$ 59,171	\$ 63,019
Claims incurred during the year*	143,500	142,215
Claims payments	(140,360)	(146,063)
Unpaid claims, end of fiscal year*	\$ 62,311	\$ 59,171

* All amounts included "Incurred But Not Reported"

Health Insurance

The City and the School each maintain a self-insured Group Health Insurance Fund for its active and retired employees and their dependents, separately funded by participation of City and its employees and the School and its employees. The City and the School maintain a liability comprised of the medical claims incurred prior to but not reported until after June 30, 2021. The amounts were estimated by a third-party administrator and are included in the accounts payable of the governmental activities internal service funds.

The schedule below presents the changes in the liabilities for the past two years for the City's Group Health Insurance Fund:

	2021	2020
Incurred claims but not reported, beginning of fiscal year	\$ 372,767	\$ 333,317
Claims submitted for fiscal year	4,137,341	5,196,731
Total available for claims payments	4,510,108	5,530,048
Claims paid during fiscal year	(4,167,630)	(5,157,281)
Incurred claims but not reported, end of fiscal year	\$ 342,478	\$ 372,767

The schedule below presents the changes in the liabilities for the past two years for the School's Group Health Insurance Fund:

	2021	2020
Incurred claims but not reported, beginning of fiscal year	\$ 449,676	\$ 401,027
Claims submitted for fiscal year	5,556,246	5,027,345
Total available for claims payments	6,005,922	5,428,372
Claims paid during fiscal year	(5,155,367)	(4,978,696)
Incurred claims but not reported, end of fiscal year	\$ 850,555	\$ 449,676

NOTE 15 – DONOR-RESTRICTED ENDOWMENT

In December 2006, the City received \$250,000 as a Library Endowment, the earnings and corpus of which are to be used to support the function of the Library relative to the collection, preservation, and presentation of materials and to promote greater appreciation and understanding of the history of the City and surrounding areas and their inhabitants. The corpus and earnings are held in the LGIP and earmarked for use as directed by the Library Endowment Committee. For the year ended June 30, 2021, the net amount of appreciation on investment of the endowment was \$348.

NOTE 16 – PARTIES-IN-INTEREST TRANSACTION

During 2020, the City of Germantown and the Germantown Municipal School District pledged to each donate at least \$1,000,000 to the Houston High School Athletics and Arts Foundation for the construction and completion of the Houston High School Athletic Fieldhouse and Band Expansion Project. The City and GMSD will each contribute \$200,000 annually over a five-year period. The City and GMSD made \$200,000 donations during 2021.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AMENDED AND RESTATED PENSION PLAN

Exhibit B-1

Last Ten Fiscal Years June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Pension Liability										
Service cost	\$ 1,254,840	\$ 1,265,327	\$ 1,263,199	\$ 1,284,459	\$ 1,251,978	\$ 1,199,379	\$ 1,208,653	\$ 1,267,271	\$ 1,190,521	\$ 1,389,808
Interest	8,307,012	8,019,612	7,285,294	6,951,892	6,243,169	6,197,663	5,858,181	5,416,588	5,131,943	5,126,758
Changes of benefit items	-	-	-	-	-	660,332	-	669,081	-	-
Differences between expected and actual experience	(610,701)	(111,608)	742,260	493,735	1,200,719	1,217,222	1,185,371	810,017	(382,255)	1,439,079
Changes in assumptions	-	-	8,896,166	-	4,636,983	-	-	-	-	(5,630,135)
Benefit payments	(5,469,453)	(4,938,414)	(4,460,135)	(4,109,328)	(3,689,552)	(3,369,319)	(2,923,701)	(2,643,055)	(2,382,147)	(2,260,687)
Net change in total pension liability	3,481,698	4,234,917	13,726,784	4,620,758	9,643,297	5,905,277	5,328,504	5,519,902	3,558,062	64,823
Total pension liability - beginning	116,686,794	112,451,877	98,725,093	94,104,335	84,461,038	78,555,761	73,227,257	67,707,355	64,149,293	64,084,470
Total pension liability - ending	120,168,492	116,686,794	112,451,877	98,725,093	94,104,335	84,461,038	78,555,761	73,227,257	67,707,355	64,149,293
Plan Fiduciary Net Position										
Contributions - employer	5,916,062	3,086,648	2,980,665	2,926,340	2,104,637	1,382,685	1,594,372	2,238,029	2,287,758	2,306,853
Contributions - employee	639,789	669,889	697,216	711,081	768,169	708,541	693,659	698,881	683,344	665,402
Net investment income	17,139,094	(639,199)	1,393,037	4,576,414	7,494,540	(2,771,503)	2,106,078	10,166,680	6,824,377	(975,521)
Benefit payments	(5,469,453)	(4,938,414)	(4,460,135)	(4,109,328)	(3,689,552)	(3,369,319)	(2,923,701)	(2,643,055)	(2,382,147)	(2,260,687)
Administrative expense	(217,991)	(217,823)	(223,475)	(225,152)	(113,077)	(109,217)	(115,523)	(179,296)	(166,195)	(149,086)
Net change in plan fiduciary net position	18,007,501	(2,038,899)	387,308	3,879,355	6,564,717	(4,158,813)	1,354,885	10,281,239	7,247,137	(413,039)
Plan fiduciary net position - beginning	70,632,554	72,671,453	72,284,145	68,404,790	61,840,073	65,998,886	64,644,001	54,362,762	47,115,625	47,528,664
Plan fiduciary net position - ending	88,640,055	70,632,554	72,671,453	72,284,145	68,404,790	61,840,073	65,998,886	64,644,001	54,362,762	47,115,625
Net pension liability	\$ 31,528,437	\$ 46,054,240	\$ 39,780,424	\$ 26,440,948	\$ 25,699,545	\$ 22,620,965	\$ 12,556,875	\$ 8,583,256	\$ 13,344,593	\$ 17,033,668
Plan fiduciary net position as a percentage of total pension liability	73.76%	60.53%	64.62%	73.22%	72.69%	73.22%	84.02%	88.28%	80.29%	73.45%
Covered payroll	\$ 15,500,863	\$ 16,609,384	\$ 17,069,281	\$ 17,720,547	\$ 18,386,870	\$ 19,040,740	\$ 19,043,019	\$ 19,209,705	\$ 20,187,727	\$ 19,214,167
Net pension liability as a percentage of covered payroll	203.40%	277.28%	233.05%	149.21%	139.77%	118.80%	65.94%	44.68%	66.10%	88.65%

Changes of assumptions. In 2019, amounts reported as changes of assumptions resulted from changes to the discount rate and mortality tables.

**CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
AMENDED AND RESTATED PENSION PLAN**

Exhibit B-2

Last Ten Fiscal Years June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 3,916,062	\$ 3,069,637	\$ 2,980,665	\$ 2,926,340	\$ 2,104,637	\$ 1,382,685	\$ 1,594,372	\$ 2,238,029	\$ 2,287,758	\$ 2,306,853
Contributions	5,916,062	3,086,648	2,980,665	2,926,340	2,104,637	1,382,685	1,594,372	2,238,029	2,287,758	2,306,853
Contribution deficiency (surplus)	<u>\$ (2,000,000)</u>	<u>\$ (17,011)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 15,500,863	\$ 16,609,384	\$ 17,069,281	\$ 17,720,547	\$ 18,386,870	\$ 19,040,740	\$ 19,043,019	\$ 19,209,705	\$ 20,187,727	\$ 19,214,167
Contributions as a percentage of covered payroll	38.17%	18.58%	17.46%	16.51%	11.45%	7.26%	8.37%	11.65%	11.33%	12.01%

NOTE 1 - VALUATION DATE

Actuarially determined contributions are calculated as of January 1st, eighteen months year prior to the fiscal year in which contributions are reported.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed
Remaining amortization period	25 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	4.0%, including inflation
Investment rate of return	7.5%, net of plan investment expense, including inflation
Retirement age	General service employees - age 65 Emergency service employees - age 58 Public works employees - age 55
Mortality	RP-2000 with a 2% load for expected mortality improvement
Withdrawal rates	T-3 Actuaries Pension Handbook
Other Information	Closed to new employees after 6/30/2013

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN
AMENDED AND RESTATED PENSION PLAN
Last Ten Fiscal Years June 30

Exhibit B-3

	Annual Money-Weighted Rate of Return Net of Investment Expenses
2021	24.56%
2020	-0.89%
2019	1.95%
2018	6.60%
2017	11.90%
2016	-4.40%
2015	3.10%
2014	18.30%
2013	14.00%
2012	-2.35%

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEE CASH BALANCE PENSION PLAN

Exhibit B-4

Last Ten Fiscal Years June 30

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 982,764	\$ 884,336	\$ 682,256	\$ 552,091	\$ 459,963	\$ 295,803	\$ 144,160	\$ 28,439
Interest	142,881	101,827	69,214	44,011	21,875	8,126	1,258	-
Changes of benefit items	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(133,207)	(65,796)	(47,118)	(52,133)	(15,559)	(13,342)	(2,213)	-
Changes in assumptions	-	-	-	-	-	-	-	-
Benefit payments	(130,650)	(56,871)	(47,440)	(32,365)	(14,736)	(16,523)	(856)	-
Net change in total pension liability	861,788	863,496	656,912	511,604	451,543	274,064	142,349	28,439
Total pension liability - beginning	2,928,407	2,064,911	1,407,999	896,395	444,852	170,788	28,439	-
Total pension liability - ending	3,790,195	2,928,407	2,064,911	1,407,999	896,395	444,852	170,788	28,439
Plan Fiduciary Net Position								
Contributions - employer	454,605	347,300	284,779	239,598	246,099	82,455	17,925	-
Contributions - employee	492,179	429,731	335,473	267,313	220,365	132,159	61,705	10,513
Net investment income	636,567	(24,845)	59,394	49,793	48,243	4,319	219	1
Benefit payments	(130,650)	(56,871)	(47,440)	(32,365)	(14,736)	(16,523)	(856)	-
Administrative expense	(11,126)	(8,798)	(7,911)	(6,727)	(480)	(3,921)	(203)	-
Other	-	-	-	-	-	1,029	-	-
Net change in plan fiduciary net position	1,441,575	686,517	624,295	517,612	499,491	199,518	78,790	10,514
Plan fiduciary net position - beginning	2,616,737	1,930,220	1,305,925	788,313	288,822	89,304	10,514	-
Plan fiduciary net position - ending	4,058,312	2,616,737	1,930,220	1,305,925	788,313	288,822	89,304	10,514
Net pension liability (asset)	\$ (268,117)	\$ 311,670	\$ 134,691	\$ 102,074	\$ 108,082	\$ 156,030	\$ 81,484	\$ 17,925
Plan fiduciary net position as a percentage of total pension liability	107.07%	89.36%	93.48%	92.75%	87.94%	64.93%	52.29%	36.97%
Covered payroll	\$ 9,811,704	\$ 9,092,100	\$ 7,019,989	\$ 5,695,568	\$ 4,966,815	\$ 3,272,881	\$ 1,649,109	\$ 358,493
Net pension liability as a percentage of covered payroll	-2.73%	3.43%	1.92%	1.79%	2.18%	4.77%	4.94%	5.00%

This is a 10-year schedule. However, the Defined Benefit Plan began in fiscal year 2014. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
EMPLOYEE CASH BALANCE PENSION PLAN
Last Ten Fiscal Years June 30

Exhibit B-5

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 454,605	\$ 347,300	\$ 284,779	\$ 239,598	\$ 163,644	\$ 82,455	\$ 17,925
Contributions	454,605	347,300	284,779	239,598	246,099	82,455	17,925
Contribution deficiency (surplus)	\$ -	\$ -	\$ -	\$ -	\$ (82,455)	\$ -	\$ -
Covered payroll	\$ 9,811,704	\$ 9,092,100	\$ 7,019,989	\$ 5,695,568	\$ 4,966,815	\$ 3,272,881	\$ 1,649,109
Contributions as a percentage of covered payroll	4.63%	3.82%	4.06%	4.21%	4.95%	2.52%	1.09%

This is a 10-year schedule. However, the plan began during the fiscal year ended June 30, 2014, and there was no required actuarially determined contribution prior to the fiscal year June 30, 2015. Years will be added to this schedule in future fiscal years until 10 years of information is available.

NOTE 1 - VALUATION DATE

Actuarially determined contributions are calculated as of June 30th, prior to the fiscal year in which contributions are reported.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Asset valuation method	Market value
Inflation	2.50%
Salary increases	4.0%, including inflation
Investment rate of return	5.0%, net of plan investment expense, including inflation
Retirement age	Age 62
Mortality	IRS applicable mortality - post-retirement only
Withdrawal rates	None
Other Information	Plan adopted effective July 1, 2013

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN
EMPLOYEE CASH BALANCE PENSION PLAN

Exhibit B-6

Last Ten Fiscal Years June 30

	Annual Money-Weighted Rate of Return Net of Investment Expenses
2021	22.00%
2020	-1.15%
2019	4.18%
2018	4.70%
2017	10.30%
2016	0.20%
2015	0.00%

This is a 10-year schedule. However, the Defined Benefit Plan began during the fiscal year ended June 30, 2014, and there was no required actuarially determined contribution prior to the fiscal year June 30, 2015. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
GMSD LEGACY PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS
 Last Ten Fiscal Years June 30

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 313,832	\$ 345,843	\$ 400,432	\$ 383,628	\$ 419,227	\$ 416,170
Interest	179,648	152,825	131,933	99,446	65,393	31,185
Changes of benefit items	-	(61,666)	(159,084)	-	-	-
Differences between expected and actual experience	(95,946)	-	-	(16,391)	19,334	14,407
Changes in assumptions	-	-	-	28,322	-	-
Benefit payments	(32,970)	(37,052)	(24,015)	(11,957)	(16,665)	(752)
Net change in total pension liability	364,564	399,950	349,266	483,048	487,289	461,010
Total pension liability - beginning	2,180,563	1,780,613	1,431,347	948,299	461,010	-
Total pension liability - ending	2,545,127	2,180,563	1,780,613	1,431,347	948,299	461,010
Plan Fiduciary Net Position						
Contributions - employer	191,557	227,773	264,748	291,593	304,673	270,452
Contributions - employee	103,322	122,856	142,798	157,278	165,864	145,718
Net investment income	132,332	165,362	144,057	130,205	16,955	6,292
Benefit payments	(32,970)	(37,052)	(24,015)	(11,957)	(16,665)	(752)
Administrative expense	(5,595)	(6,376)	(8,162)	(8,178)	(7,944)	(6,804)
Other	-	-	-	111,076	-	-
Net change in plan fiduciary net position	388,646	472,563	519,426	670,017	462,883	414,906
Plan fiduciary net position - beginning	2,539,795	2,067,232	1,547,806	877,789	414,906	-
Plan fiduciary net position - ending	2,928,441	2,539,795	2,067,232	1,547,806	877,789	414,906
Net pension liability (asset)	\$ (383,314)	\$ (359,232)	\$ (286,619)	\$ (116,459)	\$ 70,510	\$ 46,104
Plan fiduciary net position as a percentage of total pension liability	115.06%	116.47%	116.10%	108.14%	92.56%	90.00%
Covered payroll	\$ 2,322,950	\$ 2,457,098	\$ 2,855,965	\$ 3,145,557	\$ 3,319,098	\$ 2,917,498
Net pension liability as a percentage of covered payroll	-16.50%	-14.62%	-10.04%	-3.70%	2.12%	1.58%

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

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
GMSD LEGACY PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS
Last Ten Fiscal Years June 30

Exhibit B-8

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 179,801	\$ 168,000	\$ 206,642	\$ 264,748	\$ 291,593	\$ 304,673	\$ 270,452
Contributions	182,700	191,557	227,773	264,748	291,593	304,673	270,452
Contribution deficiency (surplus)	\$ (2,899)	\$ (23,557)	\$ (21,131)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,284,633	\$ 2,322,950	\$ 2,457,098	\$ 2,855,965	\$ 3,145,557	\$ 3,319,098	\$ 2,917,498
Contributions as a percentage of covered payroll	8.00%	8.25%	9.27%	9.27%	9.27%	9.18%	9.27%

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

NOTE 1 - VALUATION DATE

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

NOTE 2 - 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 method	10 year smoothed with a 20% corridor to market value
Inflation	2.5%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation
Investment rate of return	7.25%, net of investment expenses, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.25%

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3% to 2.5%; decreased the investment rate of return from 7.5% to 7.25%; decreased the cost-of-living adjustment from 2.5% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to 4%; and modified mortality assumptions.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
GMSD HYBRID PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Ten Fiscal Years June 30

Exhibit B-9

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 125,238	\$ 86,922	\$ 54,287	\$ 25,937	\$ 4,077	\$ 1,357
Interest	31,821	18,881	10,281	4,111	501	102
Changes of benefit items	-	-	-	-	-	-
Differences between expected and actual experience	65,501	38,810	25,649	26,069	21,700	1,138
Changes in assumptions	-	-	-	2,642	-	-
Benefit payments	(604)	(8,266)	(219)	-	-	-
Net change in total pension liability	221,956	136,347	89,998	58,759	26,278	2,597
Total pension liability - beginning	313,979	177,632	87,634	28,875	2,597	-
Total pension liability - ending	535,935	313,979	177,632	87,634	28,875	2,597
Plan Fiduciary Net Position						
Contributions - employer	62,321	42,157	50,699	31,017	15,582	776
Contributions - employee	145,089	93,268	63,373	38,771	19,477	969
Net investment income	23,732	22,023	13,797	7,934	500	26
Benefit payments	(604)	(8,266)	(219)	-	-	-
Administrative expense	(7,384)	(5,266)	(4,212)	(2,529)	(1,046)	(30)
Other	-	-	-	-	-	(58)
Net change in plan fiduciary net position	223,154	143,916	123,438	75,193	34,513	1,683
Plan fiduciary net position - beginning	378,743	234,827	111,389	36,196	1,683	-
Plan fiduciary net position - ending	601,897	378,743	234,827	111,389	36,196	1,683
Net pension liability (asset)	\$ (65,962)	\$ (64,764)	\$ (57,195)	\$ (23,755)	\$ (7,321)	\$ 914
Plan fiduciary net position as a percentage of total pension liability	112.31%	120.63%	132.20%	127.11%	125.35%	64.81%
Covered payroll	\$ 2,636,067	\$ 1,865,349	\$ 1,267,462	\$ 775,425	\$ 389,537	\$ 19,389
Net pension liability as a percentage of covered payroll	-2.50%	-3.47%	-4.51%	-3.06%	-1.88%	4.71%

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

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
GMSD HYBRID PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS
Last Ten Fiscal Years June 30

Exhibit B-10

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 64,494	\$ 62,321	\$ 42,157	\$ 25,223	\$ 15,896	\$ 7,791	\$ 388
Contributions	64,494	62,321	42,157	50,699	31,017	15,582	776
Contribution deficiency (surplus)	\$ -	\$ -	\$ -	\$ (25,476)	\$ (15,121)	\$ (7,791)	\$ (388)
Covered payroll	\$ 3,103,578	\$ 2,636,067	\$ 1,865,349	\$ 1,267,462	\$ 775,425	\$ 389,537	\$ 19,389
Contributions as a percentage of covered payroll	2.08%	2.36%	2.26%	4.00%	4.00%	4.00%	4.00%

In FY 2021, GMSD placed the actuarially determined contribution rate of 2.08% of covered payroll into the pension plan and placed 1.92% of covered payroll into the Pension Stabilization Reserve Trust. In FY 2020, GMSD placed the actuarially determined contribution rate of 2.03% of covered payroll into the pension plan and placed 1.97% of covered payroll into the Pension Stabilization Reserve Trust. In FY 2019, GMSD placed the actuarially determined contribution rate of 2.26% of covered payroll into the pension plan and placed 1.74% of covered payroll into the Pension Stabilization Reserve Trust.

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

NOTE 1 - VALUATION DATE

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

NOTE 2 - 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 method	10 year smoothed with a 20% corridor to market value
Inflation	2.5%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4%
Investment rate of return	7.25%, net of investment expenses, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.25%

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3% to 2.5%; decreased the investment rate of return from 7.5% to 7.25%; decreased the cost-of-living adjustment from 2.5% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to 4%; and modified mortality assumptions.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
GMSD TEACHER LEGACY PENSION PLAN OF TCRS
Last Ten Fiscal Years June 30

Exhibit B-11

	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.648471%	0.638646%	0.616054%	0.614649%	0.614341%	0.534251%	0.002723%
Proportionate share of the net pension liability (asset)	\$ (4,945,066)	\$ (6,566,428)	\$ (2,167,844)	\$ (201,103)	\$ 3,839,293	\$ 218,847	\$ (442)
Covered payroll	\$ 21,582,777	\$ 21,414,726	\$ 21,572,180	\$ 21,591,121	\$ 22,176,498	\$ 19,999,692	\$ 106,875
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-22.91%	-30.66%	-10.05%	-0.93%	17.31%	1.09%	-0.41%
Plan fiduciary net position as a percentage of the total pension liability	103.09%	104.28%	101.49%	100.14%	97.14%	99.81%	100.08%

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
GMSD TEACHER LEGACY PENSION PLAN OF TCRS
Last Ten Fiscal Years June 30

Exhibit B-12

	2021	2020	2019	2018	2017	2016	2015
Contractually required	\$ 2,198,024	\$ 2,294,249	\$ 2,239,978	\$ 1,958,758	\$ 1,951,239	\$ 2,004,754	\$ 1,807,972
Contribution in relation to the contractually required contribution	<u>2,198,024</u>	<u>2,294,249</u>	<u>2,239,978</u>	<u>1,958,758</u>	<u>1,951,239</u>	<u>2,004,754</u>	<u>1,807,972</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 21,337,462	\$ 21,582,777	\$ 21,414,726	\$ 21,572,180	\$ 21,584,518	\$ 22,176,498	\$ 19,999,692
Contributions as a percentage of covered payroll	10.30%	10.63%	10.46%	9.08%	9.04%	9.04%	9.04%

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3% to 2.5%; decreased the investment rate of return from 7.5% to 7.25%; decreased the cost-of-living adjustment from 2.5% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to 4%; and modified mortality assumptions.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
GMSD TEACHER HYBRID RETIREMENT PLAN OF TCRS
Last Ten Fiscal Years June 30

Exhibit B-13

	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.630836%	0.588576%	0.557613%	0.555902%	0.501126%	0.600631%
Proportionate share of the net pension liability (asset)	\$ (358,719)	\$ (332,243)	\$ (252,893)	\$ (146,667)	\$ (52,169)	\$ (24,163)
Covered payroll	\$ 7,960,670	\$ 6,228,366	\$ 4,872,882	\$ 3,491,744	\$ 2,204,980	\$ 1,247,965
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-4.51%	-5.33%	-5.19%	-4.20%	-2.37%	-1.94%
Plan fiduciary net position as a percentage of the total pension liability	116.52%	123.07%	126.97%	126.81%	121.88%	127.46%

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
GMSD TEACHER HYBRID RETIREMENT PLAN OF TCRS
Last Ten Fiscal Years June 30

Exhibit B-14

	2021	2020	2019	2018	2017	2016	2015
Contractually required	\$ 188,464	\$ 161,601	\$ 120,830	\$ 79,464	\$ 145,944	\$ 88,299	\$ 31,199
Contribution in relation to the contractually required contribution	188,464	161,601	120,830	194,915	145,944	88,299	49,918
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (115,451)	\$ -	\$ -	\$ (18,719)
Covered payroll	\$ 9,328,370	\$ 7,960,669	\$ 6,228,366	\$ 4,872,882	\$ 3,491,744	\$ 2,204,980	\$ 1,247,965
Contributions as a percentage of covered payroll	2.02%	2.03%	1.94%	4.00%	4.18%	4.00%	4.00%

In FY 2021, GMSD placed the actuarially determined contribution rate of 2.02% of covered payroll into the pension plan and placed 1.98% of covered payroll into the Pension Stabilization Reserve Trust. In FY 2020, GMSD placed the actuarially determined contribution rate of 2.03% of covered payroll into the pension plan and placed 1.97% of covered payroll into the Pension Stabilization Reserve Trust. In FY 2019, GMSD placed the actuarially determined contribution rate of 1.94% of covered payroll into the pension plan and placed 2.06% of covered payroll into the Pension Stabilization Reserve Trust.

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3% to 2.5%; decreased the investment rate of return from 7.5% to 7.25%; decreased the cost-of-living adjustment from 2.5% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to 4%; and modified mortality assumptions.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
CITY OTHER POSTEMPLOYMENT BENEFIT PLAN

Exhibit B-15

Last Ten Fiscal Years June 30

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 183,386	\$ 183,386	\$ 183,386	\$ 183,386	\$ 183,386
Interest	895,949	869,414	628,131	592,001	551,617
Changes of benefit items	-	-	-	-	-
Differences between expected and actual experience	4,096,965	807,413	-	810,904	1,054,723
Changes in assumptions	-	-	4,503,406	-	-
Benefit payments	(1,500,402)	(1,585,261)	(1,085,149)	(1,123,973)	(1,378,579)
Net change in total OPEB liability	3,675,898	274,952	4,229,774	462,318	411,147
Total OPEB liability - beginning	13,330,688	13,055,736	8,825,962	8,363,644	7,952,497
Total OPEB liability - ending	17,006,586	13,330,688	13,055,736	8,825,962	8,363,644
Plan Fiduciary Net Position					
Contributions - employer	1,123,593	1,158,647	741,248	741,248	491,229
Contributions - employee	294,284	275,152	247,245	215,062	180,121
Net investment income	1,323,119	(46,041)	183,727	357,132	578,557
Benefit payments	(1,500,402)	(1,585,261)	(1,085,149)	(1,123,973)	(1,378,579)
Administrative expense	(25,779)	(9,441)	(23,868)	(16,351)	(17,869)
Net change in plan fiduciary net position	1,214,815	(206,944)	63,203	173,118	(146,541)
Plan fiduciary net position - beginning	5,982,585	6,189,529	6,126,326	5,953,208	6,099,749
Plan fiduciary net position - ending	7,197,400	5,982,585	6,189,529	6,126,326	5,953,208
Net OPEB liability (asset)	\$ 9,809,186	\$ 7,348,103	\$ 6,866,207	\$ 2,699,636	\$ 2,410,436
Plan fiduciary net position as a percentage of the total OPEB liability	42.32%	44.88%	47.41%	69.41%	71.18%
Covered payroll	\$ 23,416,112	\$ 23,416,112	\$ 23,353,685	\$ 23,353,685	\$ 22,882,490
Net OPEB liability as a percentage of covered payroll	41.89%	31.38%	29.40%	11.56%	10.53%

Changes of assumptions. In 2019, amounts reported as changes of assumptions resulted from changes to the discount rate.

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
CITY OTHER POSTEMPLOYMENT BENEFIT PLAN

Exhibit B-16

Last Ten Fiscal Years June 30

	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 1,123,593	\$ 1,123,593	\$ 741,248	\$ 741,248	\$ 491,229
Contributions	1,123,593	1,158,647	741,248	741,248	491,229
Contribution deficiency (surplus)	\$ -	\$ (35,054)	\$ -	\$ -	\$ -
Covered payroll	\$ 23,416,112	\$ 23,416,112	\$ 23,353,685	\$ 23,353,685	\$ 22,882,490
Contributions as a percentage of covered payroll	4.80%	4.95%	3.17%	3.17%	2.15%

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

NOTE 1 - VALUATION DATE

Actuarially determined contributions for June 30, 2021 were determined from the valuation performed as of January 1, 2019.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal - level percent of pay
Amortization method	Level dollar, closed
Remaining amortization period	5 years
Asset valuation method	Market value
Inflation	2.5%
Healthcare cost trend rates	7% initial, decreasing to an ultimate rate of 4%, 9 year grading
Salary increases	4.0%
Investment rate of return	7.0%, net of investment expenses, including inflation
Mortality	RP-2000 Mortality Table with 2% load for expected mortality improvement

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN
CITY OTHER POSTEMPLOYMENT BENEFIT PLAN

Exhibit B-17

Last Ten Fiscal Years June 30

	Annual Money-Weighted Rate of Return Net of Investment Expenses
2021	22.59%
2020	-0.77%
2019	3.18%
2018	6.08%
2017	10.02%

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
SCHOOL OTHER POSTEMPLOYMENT BENEFIT PLAN

Exhibit B-18

Last Ten Fiscal Years June 30

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 180,300	\$ 176,312	\$ 238,851	\$ 224,642	\$ 863,233
Interest	604,726	593,281	566,286	563,950	1,063,416
Changes of benefit items	-	-	-	-	(8,867,692)
Differences between expected and actual experience	275,787	(79,147)	360,661	(291,485)	74,057
Changes in assumptions	182,653	-	769,269	-	(104,778)
Benefit payments	(247,211)	(773,071)	(354,364)	(597,414)	(185,730)
Net change in total OPEB liability	996,255	(82,625)	1,580,703	(100,307)	(7,157,494)
Total OPEB liability - beginning	9,523,219	9,605,844	8,025,141	8,125,448	15,282,942
Total OPEB liability - ending	10,519,474	9,523,219	9,605,844	8,025,141	8,125,448
Plan Fiduciary Net Position					
Contributions - employer	709,990	706,600	725,467	735,092	800,000
Contributions - retiree	75,000	80,000	75,000	50,000	40,000
Net investment income	815,801	40,638	157,561	109,894	14,084
Benefit payments	(247,211)	(773,071)	(354,364)	(597,414)	(185,730)
Administrative expense	(17,600)	(25,000)	(11,350)	(27,000)	(14,217)
Net change in plan fiduciary net position	1,335,980	29,167	592,314	270,572	654,137
Plan fiduciary net position - beginning	2,943,426	2,914,259	2,321,945	2,051,373	1,397,236
Plan fiduciary net position - ending	4,279,406	2,943,426	2,914,259	2,321,945	2,051,373
Net OPEB liability (asset)	\$ 6,240,068	\$ 6,579,793	\$ 6,691,585	\$ 5,703,196	\$ 6,074,075
Plan fiduciary net position as a percentage of the total OPEB liability	40.68%	30.91%	30.34%	28.93%	25.25%
Covered employee payroll	\$ 22,268,347	\$ 22,753,902	\$ 24,013,320	\$ 28,291,481	\$ 27,467,457
Net OPEB liability as a percentage of covered employee payroll	28.02%	28.92%	27.87%	20.16%	22.11%

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Changes of assumptions. In 2019, amounts reported as changes of assumptions resulted from changes to the discount rate and mortality tables.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
SCHOOL OTHER POSTEMPLOYMENT BENEFIT PLAN
Last Ten Fiscal Years June 30

Exhibit B-19

	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 709,990	\$ 706,600	\$ 725,467	\$ 735,092	\$ 1,982,233
Contributions	709,990	706,600	725,467	735,092	800,000
Contribution deficiency (surplus)	\$ -	\$ -	\$ -	\$ -	\$ 1,182,233
Covered employee payroll	\$ 22,268,347	\$ 22,753,902	\$ 24,013,320	\$ 28,291,481	\$ 27,467,457
Contributions as a percentage of covered employee payroll	3.19%	3.11%	3.02%	2.60%	2.91%

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

NOTE 1 - VALUATION DATE

Actuarially determined contributions were based on a valuation date of June 30, 2019.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal - level percent of pay
Amortization method	Level dollar
Remaining amortization period	27 years
Asset valuation method	Market value
Inflation	3.0%
Healthcare cost trend rates	8.0% initial, decreasing to an ultimate rate of 4.5%
Salary increases	Based on payroll growth used in TCRS actuarial valuation as of June 30, 2018.
Investment rate of return	6.25%, net of investment expenses, including infl:
Mortality	SOA Pub-2010 General Total Dataset, using scale MP-2018 SOA Pub-2010 Teacher Total Dataset, using scale MP-2018

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN
SCHOOL OTHER POSTEMPLOYMENT BENEFIT PLAN
Last Ten Fiscal Years June 30

Exhibit B-20

	Annual Money-Weighted Rate of Return Net of Investment Expenses
2021	26.00%
2020	2.54%
2019	5.10%
2018	7.54%
2017	1.05%

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF GERMANTOWN, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

Exhibit C-1

	Special Revenue Funds											
	State Street Aid	Drug Enforcement	Federal Asset Forfeiture	Pickering Center	Farm Park	Ambulance	E-Citation	Public Art	Recreation	Federal Projects	School Cafeteria	Internal School Fund
ASSETS												
Cash and cash equivalents	\$ 3,870,238	\$ 2,788	\$ (9,085)	\$ 329,337	\$ 197,862	\$ 461,959	\$ 81,856	\$ -	\$ 333,028	\$ 63,250	\$ 149,090	\$ 1,258,384
Receivables												
Customer	-	-	-	-	-	-	31,626	-	-	-	-	-
Other	-	-	-	65	-	122,317	-	36,200	-	-	288	326
Less allowance for doubtful accounts	-	-	-	-	-	-	(22,322)	-	-	-	-	-
Due from other governments	267,381	-	-	-	-	-	-	-	-	869,130	66,769	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	24,946
Prepaid Items	-	-	-	-	-	-	-	-	-	-	-	2,099
Restricted cash and cash equivalents	-	476,782	95,171	14,555	7,513	-	-	-	-	-	-	-
Total assets	\$ 4,137,619	\$ 479,570	\$ 86,086	\$ 343,957	\$ 205,375	\$ 584,276	\$ 91,160	\$ 36,200	\$ 333,028	\$ 932,380	\$ 216,147	\$ 1,285,755
LIABILITIES												
Accounts payable and accrued liabilities	\$ 907,767	\$ 6,305	\$ 4,987	\$ 7,266	\$ 3,299	\$ 30,189	\$ -	\$ -	\$ 5,157	\$ 252,146	\$ 30,802	\$ -
Accrued payroll	-	-	-	-	2,319	45,209	-	-	3,119	55,465	-	-
Customer deposits	-	-	-	14,555	7,513	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	624,769	100,000	-
Unearned revenue	-	-	-	-	19,966	-	-	-	-	-	84,068	-
Total liabilities	907,767	6,305	4,987	21,821	33,097	75,398	-	-	8,276	932,380	214,870	-
DEFERRED INFLOWS OF RESOURCES												
Unavailable revenue - grants	-	-	-	-	-	-	-	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-	-	9,304	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	9,304	-	-	-	-	-
FUND BALANCES												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	27,045
Restricted	-	473,265	81,099	-	-	-	-	-	-	-	1,277	1,258,710
Committed	3,229,852	-	-	322,136	172,278	508,878	81,856	36,200	324,752	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	3,229,852	473,265	81,099	322,136	172,278	508,878	81,856	36,200	324,752	-	1,277	1,285,755
Total liabilities, deferred inflows of resources and fund balances	\$ 4,137,619	\$ 479,570	\$ 86,086	\$ 343,957	\$ 205,375	\$ 584,276	\$ 91,160	\$ 36,200	\$ 333,028	\$ 932,380	\$ 216,147	\$ 1,285,755

(CONTINUED ON NEXT PAGE)

CITY OF GERMANTOWN, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

Exhibit C-1

	Capital Projects							Permanent	Total Nonmajor Governmental Funds	
	Major Roads	Intersections	General Government Projects	Fire Department	Parks Improvement	Municipal School Projects	Drainage Projects	Schools Capital Projects		Library Endowment
ASSETS										
Cash and cash equivalents	\$ 1,177,224	\$ 2,017,641	\$ 302,409	\$ 116,355	\$ 1,258,705	\$ 1,265,132	\$ 796,497	\$ 1,731,863	\$ -	\$ 15,404,533
Receivables										
Customer	-	-	-	-	-	-	-	-	-	31,626
Other	-	-	-	-	-	-	-	-	-	159,196
Less allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	(22,322)
Due from other governments	36,690	677,485	-	-	311,773	-	387,875	37,353	-	2,654,456
Inventory	-	-	-	-	-	-	-	-	-	24,946
Prepaid Items	-	-	-	-	-	-	-	-	-	2,099
Restricted cash and cash equivalents	-	-	-	-	-	161,618	-	-	243,656	999,295
Total assets	\$ 1,213,914	\$ 2,695,126	\$ 302,409	\$ 116,355	\$ 1,570,478	\$ 1,426,750	\$ 1,184,372	\$ 1,769,216	\$ 243,656	\$ 19,253,829
LIABILITIES										
Accounts payable and accrued liabilities	\$ 12,540	\$ 43,362	\$ 1,572	\$ -	\$ 412,216	\$ 3,457	\$ 220,118	\$ 9,050	\$ -	\$ 1,950,233
Accrued payroll	-	-	-	-	-	-	-	-	-	106,112
Customer deposits	-	-	-	-	-	-	-	-	-	22,068
Due to other funds	-	-	-	-	-	220,067	-	-	-	944,836
Unearned revenue	-	271,592	-	-	-	-	-	-	-	375,626
Total liabilities	12,540	314,954	1,572	-	412,216	223,524	220,118	9,050	-	3,398,875
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - grants	36,690	491,860	-	-	311,773	-	-	-	-	840,323
Unavailable revenue - other	-	-	-	-	-	-	-	-	-	9,304
Total deferred inflows of resources	36,690	491,860	-	-	311,773	-	-	-	-	849,627
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	243,308	270,353
Restricted	-	-	-	-	-	-	-	-	348	1,814,699
Committed	113,600	923,852	6,000	65,758	186,751	1,203,226	927,301	1,760,166	-	9,862,606
Assigned	1,051,084	964,460	294,837	50,597	659,738	-	36,953	-	-	3,057,669
Total fund balances	1,164,684	1,888,312	300,837	116,355	846,489	1,203,226	964,254	1,760,166	243,656	15,005,327
Total liabilities, deferred inflows of resources and fund balances	\$ 1,213,914	\$ 2,695,126	\$ 302,409	\$ 116,355	\$ 1,570,478	\$ 1,426,750	\$ 1,184,372	\$ 1,769,216	\$ 243,656	\$ 19,253,829

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit C-2

	Special Revenue Funds											
	State Street Aid	Drug Enforcement	Federal Asset Forfeiture	Pickering Center	Farm Park	Ambulance	E-Citation	Public Art	Recreation	Federal Projects	School Cafeteria	Internal School Fund
REVENUES												
Intergovernmental												
State gas tax	\$ 1,452,029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other tax	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	6,787	6,156	1,224,550	-	-	281,588	-	220,313	-
Fines, forfeitures, and penalties	-	192,616	11,115	-	-	-	31,627	-	-	-	-	-
Federal, state and other grants	-	2,200	-	-	250	-	-	-	4,746,690	1,031,882	-	-
Interest on investments	1,535	-	-	-	-	312	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-	-	2,311,859
Other	-	-	-	4,322	-	9,642	-	36,200	-	-	1,558	-
Total revenues	<u>1,453,564</u>	<u>194,816</u>	<u>11,115</u>	<u>11,109</u>	<u>6,406</u>	<u>1,234,504</u>	<u>31,627</u>	<u>36,200</u>	<u>281,588</u>	<u>4,746,690</u>	<u>1,253,753</u>	<u>2,311,859</u>
EXPENDITURES												
Current												
Public safety	-	92,624	19,682	-	-	2,071,911	4,238	-	-	-	-	-
Transportation and environment	2,563,512	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	20,752	75,909	-	-	-	465,341	-	-	-
Education	-	-	-	-	-	-	-	-	-	4,256,942	1,161,212	2,209,453
Capital outlays	-	-	-	-	-	-	-	-	-	391,703	90,919	-
Total expenditures	<u>2,563,512</u>	<u>92,624</u>	<u>19,682</u>	<u>20,752</u>	<u>75,909</u>	<u>2,071,911</u>	<u>4,238</u>	<u>-</u>	<u>465,341</u>	<u>4,648,645</u>	<u>1,252,131</u>	<u>2,209,453</u>
Excess (deficiency) of revenues over (under) expenditures	(1,109,948)	102,192	(8,567)	(9,643)	(69,503)	(837,407)	27,389	36,200	(183,753)	98,045	1,622	102,406
OTHER FINANCING SOURCES (USES)												
Sale of capital assets	-	3,250	-	-	-	-	-	-	-	-	-	-
Transfers in	3,250,000	-	-	-	50,000	900,000	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(98,045)	-	-
Total other financing sources and uses	<u>3,250,000</u>	<u>3,250</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>900,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(98,045)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,140,052	105,442	(8,567)	(9,643)	(19,503)	62,593	27,389	36,200	(183,753)	-	1,622	102,406
Fund balances - beginning, as originally reported	1,089,800	367,823	89,666	331,779	191,781	446,285	54,467	-	508,505	-	(345)	-
Change in accounting principle	-	-	-	-	-	-	-	-	-	-	-	1,183,349
Fund balances - beginning, as restated	<u>1,089,800</u>	<u>367,823</u>	<u>89,666</u>	<u>331,779</u>	<u>191,781</u>	<u>446,285</u>	<u>54,467</u>	<u>-</u>	<u>508,505</u>	<u>-</u>	<u>(345)</u>	<u>1,183,349</u>
Fund balances - ending	<u>\$ 3,229,852</u>	<u>\$ 473,265</u>	<u>\$ 81,099</u>	<u>\$ 322,136</u>	<u>\$ 172,278</u>	<u>\$ 508,878</u>	<u>\$ 81,856</u>	<u>\$ 36,200</u>	<u>\$ 324,752</u>	<u>\$ -</u>	<u>\$ 1,277</u>	<u>\$ 1,285,755</u>

(CONTINUED ON NEXT PAGE)

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit C-2

	Capital Projects							Permanent	Total Nonmajor Governmental Funds	
	Major Roads	Intersections	General Government Projects	Fire Department	Parks Improvement	Municipal School Projects	Drainage Projects	Schools Capital Projects		Library Endowment
REVENUES										
Intergovernmental										
State gas tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,452,029
Other tax	-	-	-	-	-	-	-	1,775,974	-	1,775,974
Charges for services	-	-	-	-	-	-	-	-	-	1,739,394
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	-	-	235,358
Federal, state and other grants	259,922	294,853	-	-	2,067,282	-	622,847	-	-	9,025,926
Interest on investments	-	-	-	-	-	24,593	-	82	348	26,870
Donations	-	-	1,980	-	-	-	-	162,845	-	2,476,684
Other	-	-	-	-	-	-	-	-	-	51,722
Total revenues	<u>259,922</u>	<u>294,853</u>	<u>1,980</u>	<u>-</u>	<u>2,067,282</u>	<u>24,593</u>	<u>622,847</u>	<u>1,938,901</u>	<u>348</u>	<u>16,783,957</u>
EXPENDITURES										
Current										
Public safety	-	-	-	-	-	-	-	-	-	2,188,455
Transportation and environment	-	-	-	-	-	-	-	-	-	2,563,512
Community services	-	-	-	-	-	-	-	-	-	562,002
Education	-	-	-	-	-	200,000	-	-	-	7,827,607
Capital outlays	696,879	489,610	150,633	-	2,761,504	-	565,633	3,960,862	-	9,107,743
Total expenditures	<u>696,879</u>	<u>489,610</u>	<u>150,633</u>	<u>-</u>	<u>2,761,504</u>	<u>200,000</u>	<u>565,633</u>	<u>3,960,862</u>	<u>-</u>	<u>22,249,319</u>
Excess (deficiency) of revenues over (under) expenditures	(436,957)	(194,757)	(148,653)	-	(694,222)	(175,407)	57,214	(2,021,961)	348	(5,465,362)
OTHER FINANCING SOURCES (USES)										
Sale of capital assets	-	-	-	-	-	-	-	-	-	3,250
Transfers in	625,000	800,000	325,000	-	277,943	700,000	548,100	896,373	-	8,372,416
Transfers out	-	-	-	-	-	(896,373)	-	-	-	(994,418)
Total other financing sources and uses	<u>625,000</u>	<u>800,000</u>	<u>325,000</u>	<u>-</u>	<u>277,943</u>	<u>(196,373)</u>	<u>548,100</u>	<u>896,373</u>	<u>-</u>	<u>7,381,248</u>
Net change in fund balances	188,043	605,243	176,347	-	(416,279)	(371,780)	605,314	(1,125,588)	348	1,915,886
Fund balances - beginning, as originally reported	976,641	1,283,069	124,490	116,355	1,262,768	1,575,006	358,940	2,885,754	243,308	11,906,092
Change in accounting principle	-	-	-	-	-	-	-	-	-	1,183,349
Fund balances - beginning, as restated	<u>976,641</u>	<u>1,283,069</u>	<u>124,490</u>	<u>116,355</u>	<u>1,262,768</u>	<u>1,575,006</u>	<u>358,940</u>	<u>2,885,754</u>	<u>243,308</u>	<u>13,089,441</u>
Fund balances - ending	<u>\$ 1,164,684</u>	<u>\$ 1,888,312</u>	<u>\$ 300,837</u>	<u>\$ 116,355</u>	<u>\$ 846,489</u>	<u>\$ 1,203,226</u>	<u>\$ 964,254</u>	<u>\$ 1,760,166</u>	<u>\$ 243,656</u>	<u>\$ 15,005,327</u>

CITY OF GERMANTOWN, TENNESSEE

Exhibit C-3

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STATE STREET AID FUND**

For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental - state gas tax				
Gas motor fuel	\$ 1,295,000	\$ 1,295,000	\$ 745,486	\$ (549,514)
Gas 1989	-	-	116,224	116,224
Gas 3 cent	-	-	590,319	590,319
Interest income	2,500	2,500	1,535	(965)
Total revenues	<u>1,297,500</u>	<u>1,297,500</u>	<u>1,453,564</u>	<u>156,064</u>
EXPENDITURES:				
Transportation and Environment				
Materials and supplies	1,715,000	1,713,554	1,612,067	101,487
Other charges	950,000	951,446	951,445	1
Total expenditures	<u>2,665,000</u>	<u>2,665,000</u>	<u>2,563,512</u>	<u>101,488</u>
Deficiency of revenues under expenditures	(1,367,500)	(1,367,500)	(1,109,948)	257,552
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1,000,000</u>	<u>3,250,000</u>	<u>3,250,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (367,500)</u>	<u>\$ 1,882,500</u>	2,140,052	<u>\$ 257,552</u>
Fund balances - beginning			<u>1,089,800</u>	
Fund balances - ending			<u>\$ 3,229,852</u>	

CITY OF GERMANTOWN, TENNESSEE

Exhibit C-4

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DRUG ENFORCEMENT FUND**

For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	\$ 300,000	\$ 300,000	\$ 192,616	\$ (107,384)
Federal, state, and other grants	-	-	2,200	2,200
Other	-	-	3,250	3,250
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>198,066</u>	<u>(101,934)</u>
EXPENDITURES:				
Public Safety				
Salaries	36,000	36,000	2,400	33,600
Benefits	75,000	75,000	23,161	51,839
Contractual services	-	245	244	1
Materials and supplies	138,000	137,755	45,320	92,435
Other charges	9,750	9,750	-	9,750
Capital outlay	35,000	35,000	21,499	13,501
Total expenditures	<u>293,750</u>	<u>293,750</u>	<u>92,624</u>	<u>201,126</u>
Net change in fund balances	<u>\$ 6,250</u>	<u>\$ 6,250</u>	105,442	<u>\$ 99,192</u>
Fund balances - beginning			<u>367,823</u>	
Fund balances - ending			<u>\$ 473,265</u>	

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FEDERAL ASSET FORFEITURE FUND
For the Year Ended June 30, 2021

Exhibit C-5

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	\$ 35,000	\$ 35,000	\$ 11,115	\$ (23,885)
Federal, state, and other grants	5,000	5,000	-	(5,000)
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>11,115</u>	<u>(28,885)</u>
EXPENDITURES:				
Public Safety				
Salaries	5,000	5,000	5,000	-
Benefits	20,000	11,716	2,900	8,816
Materials and supplies	5,000	13,284	11,782	1,502
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>19,682</u>	<u>10,318</u>
 Net change in fund balances	 <u>\$ 10,000</u>	 <u>\$ 10,000</u>	 (8,567)	 <u>\$ (18,567)</u>
 Fund balances - beginning			 <u>89,666</u>	
 Fund balances - ending			 <u>\$ 81,099</u>	

CITY OF GERMANTOWN, TENNESSEE

Exhibit C-6

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PICKERING CENTER FUND**

For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 33,250	\$ 33,250	\$ 6,787	\$ (26,463)
Other income	52,000	52,000	4,322	(47,678)
Total revenues	<u>85,250</u>	<u>85,250</u>	<u>11,109</u>	<u>(74,141)</u>
EXPENDITURES:				
Community Services				
Contractual services	43,475	13,475	2,826	10,649
Materials and supplies	2,000	1,258	919	339
Other charges	13,340	13,340	9,607	3,733
Capital outlay	-	5,164	4,783	381
Expense reimbursement	2,991	2,991	2,617	374
Total expenditures	<u>61,806</u>	<u>36,228</u>	<u>20,752</u>	<u>15,476</u>
Net change in fund balances	<u>\$ 23,444</u>	<u>\$ 49,022</u>	(9,643)	<u>\$ (58,665)</u>
Fund balances - beginning			<u>331,779</u>	
Fund balances - ending			<u>\$ 322,136</u>	

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FARM PARK FUND

Exhibit C-7

For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 32,000	\$ 32,000	\$ 6,156	\$ (25,844)
Federal, state, and other grants	-	-	250	250
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>6,406</u>	<u>(25,594)</u>
EXPENDITURES:				
Community Services				
Salaries	57,514	57,302	37,970	19,332
Benefits	20,226	21,507	16,537	4,970
Contractual services	16,800	16,800	562	16,238
Materials and supplies	9,700	12,885	3,613	9,272
Other charges	26,481	22,227	16,237	5,990
Expense reimbursement	1,132	1,132	990	142
Total expenditures	<u>131,853</u>	<u>131,853</u>	<u>75,909</u>	<u>55,944</u>
Deficiency of revenues under expenditures	(99,853)	(99,853)	(69,503)	30,350
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (49,853)</u>	<u>\$ (49,853)</u>	<u>(19,503)</u>	<u>\$ 30,350</u>
Fund balances - beginning			<u>191,781</u>	
Fund balances - ending			<u>\$ 172,278</u>	

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
AMBULANCE FUND

Exhibit C-8

For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,230,000	\$ 1,230,000	\$ 1,224,550	\$ (5,450)
Federal, state, and other grants	-	-	-	-
Interest income	-	-	312	312
Other income	-	-	9,642	9,642
Total revenues	<u>1,230,000</u>	<u>1,230,000</u>	<u>1,234,504</u>	<u>4,504</u>
EXPENDITURES:				
Public Safety				
Salaries	1,339,358	1,384,842	1,285,563	99,279
Benefits	497,097	506,071	462,267	43,804
Contractual services	105,000	106,456	98,275	8,181
Materials and supplies	122,465	119,483	112,437	7,046
Other charges	36,875	34,400	21,878	12,522
Expense reimbursement	66,272	93,619	91,491	2,128
Total expenditures	<u>2,167,067</u>	<u>2,244,871</u>	<u>2,071,911</u>	<u>172,960</u>
Deficiency of revenues under expenditures	(937,067)	(1,014,871)	(837,407)	177,464
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (37,067)</u>	<u>\$ (114,871)</u>	62,593	<u>\$ 177,464</u>
Fund balances - beginning			<u>446,285</u>	
Fund balances - ending			<u>\$ 508,878</u>	

CITY OF GERMANTOWN, TENNESSEE

Exhibit C-9

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
E-CITATION FUND**

For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	\$ 37,000	\$ 37,000	\$ 31,627	\$ (5,373)
EXPENDITURES:				
Public Safety				
Materials and supplies	3,000	4,238	4,238	-
Net change in fund balances	<u>\$ 34,000</u>	<u>\$ 32,762</u>	27,389	<u>\$ (5,373)</u>
Fund balances - beginning			<u>54,467</u>	
Fund balances - ending			<u>\$ 81,856</u>	

CITY OF GERMANTOWN, TENNESSEE

Exhibit C-10

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
RECREATION FUND**

For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 703,375	\$ 703,375	\$ 281,588	\$ (421,787)
EXPENDITURES:				
Community Services				
Salaries	336,537	334,831	235,636	99,195
Benefits	75,893	77,599	63,675	13,924
Contractual services	148,155	141,638	42,500	99,138
Materials and supplies	109,330	120,696	44,057	76,639
Other charges	7,800	7,800	250	7,550
Capital outlay	-	65,705	65,705	-
Expense reimbursement	15,452	15,452	13,518	1,934
Total expenditures	<u>693,167</u>	<u>763,721</u>	<u>465,341</u>	<u>298,380</u>
Net change in fund balances	<u>\$ 10,208</u>	<u>\$ (60,346)</u>	(183,753)	<u>\$ (123,407)</u>
Fund balances - beginning			<u>508,505</u>	
Fund balances - ending			<u>\$ 324,752</u>	

CITY OF GERMANTOWN, TENNESSEE

Exhibit C-11

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FEDERAL PROJECTS FUND**

For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal, state, and other grants	\$ 2,987,249	\$11,032,016	\$ 4,746,690	\$ (6,285,326)
EXPENDITURES:				
EDUCATION				
Regular Instruction				
Salaries	273,621	314,149	264,238	49,911
Benefits	57,193	64,406	49,198	15,208
Contractual services	10,892	476,574	435,249	41,325
Materials and supplies	413,142	1,571,816	1,324,704	247,112
Special Education				
Salaries	732,498	923,801	765,435	158,366
Benefits	264,666	311,224	225,974	85,250
Contractual services	13,500	163,275	21,640	141,635
Materials and supplies	34,273	215,778	117,644	98,134
Technical Education				
Materials and supplies	32,937	94,606	78,167	16,439
Health Services				
Contractual services	-	77,370	40,263	37,107
Materials and supplies	5,925	7,140	4,417	2,723
Other Student Support				
Contractual services	22,000	15,105	14,580	525
Materials and supplies	3,200	2,500	2,458	42
Other charges	244,904	243,183	12,068	231,115
Regular Instruction Support				
Salaries	220,555	306,091	216,454	89,637
Benefits	49,123	69,235	52,356	16,879
Contractual services	177,336	206,135	82,605	123,530
Materials and supplies	9,223	11,570	9,471	2,099
Other charges	226,209	202,554	78,205	124,349
Special Education Support				
Salaries	33,873	101,873	99,905	1,968
Benefits	10,636	34,528	24,265	10,263
Contractual services	-	3,000	2,711	289
Materials and supplies	20,800	119,410	54,117	65,293
Other charges	23,176	64,823	25,673	39,150
Technical Support				
Other charges	3,000	995	1	994
Technology				
Materials and supplies	-	18,500	13,059	5,441
Operation of Plant				
Contractual services	-	15,551	14,500	1,051
Materials and supplies	-	257,434	226,620	30,814
Transportation				
Materials and supplies	4,000	4,000	-	4,000
Other charges	2,000	2,000	965	1,035
Total education	<u>2,888,682</u>	<u>5,898,626</u>	<u>4,256,942</u>	<u>1,641,684</u>

(CONTINUED ON NEXT PAGE)

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FEDERAL PROJECTS FUND
For the Year Ended June 30, 2021

Exhibit C-11

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CAPITAL OUTLAY	\$ -	\$ 5,034,823	\$ 391,703	\$ (4,643,120)
Total expenditures	<u>2,888,682</u>	<u>10,933,449</u>	<u>4,648,645</u>	<u>(3,001,436)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	98,567	98,567	98,045	(522)
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(98,567)</u>	<u>(98,567)</u>	<u>(98,045)</u>	<u>522</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning			<u>-</u>	
Fund balances - ending			<u>\$ -</u>	

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL CAFETERIA FUND
For the Year Ended June 30, 2021

Exhibit C-12

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,273,213	\$ 1,273,213	\$ 220,313	\$ (1,052,900)
Federal, state, and other grants	349,989	349,989	1,031,882	681,893
Other income	2,458	2,458	1,558	(900)
Total revenues	<u>1,625,660</u>	<u>1,625,660</u>	<u>1,253,753</u>	<u>(371,907)</u>
EXPENDITURES:				
Education				
Cafeteria				
Contractual services	1,364,115	1,364,115	1,039,718	324,397
Materials and supplies	7,000	7,000	95,330	(88,330)
Other charges	40,000	40,422	26,164	14,258
Total education	<u>1,411,115</u>	<u>1,411,537</u>	<u>1,161,212</u>	<u>250,325</u>
CAPITAL OUTLAY	150,000	150,000	90,919	59,081
Total expenditures	<u>1,561,115</u>	<u>1,561,537</u>	<u>1,252,131</u>	<u>(309,406)</u>
Excess of revenues over expenditures	64,545	64,123	1,622	(62,501)
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>100,000</u>	<u>100,000</u>	-	<u>(100,000)</u>
Net change in fund balances	<u>\$ 164,545</u>	<u>\$ 164,123</u>	1,622	<u>\$ (162,501)</u>
Fund balances - beginning			<u>(345)</u>	
Fund balances - ending			<u>\$ 1,277</u>	

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR ROADS FUND

Exhibit C-13

For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal, state, and other grants	\$ -	\$ -	\$ 259,922	\$ 259,922
EXPENDITURES:				
Capital Outlay				
Professional services	500,000	452,362	76,164	376,198
Other Improvements	910,000	1,151,029	620,715	530,314
Total expenditures	<u>1,410,000</u>	<u>1,603,391</u>	<u>696,879</u>	<u>906,512</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>625,000</u>	<u>625,000</u>	<u>625,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (785,000)</u>	<u>\$ (978,391)</u>	188,043	<u>\$ 1,166,434</u>
Fund balances - beginning			<u>976,641</u>	
Fund balances - ending			<u>\$ 1,164,684</u>	

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
INTERSECTIONS FUND

Exhibit C-14

For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal, state, and other grants	\$ -	\$ -	\$ 294,853	\$ 294,853
EXPENDITURES:				
Capital Outlay				
Professional services	555,000	665,099	303,511	361,588
Other improvements	770,000	823,441	186,099	637,342
Total expenditures	<u>1,325,000</u>	<u>1,488,540</u>	<u>489,610</u>	<u>998,930</u>
Deficiency of revenues under expenditures	(1,325,000)	(1,488,540)	(194,757)	1,293,783
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (525,000)</u>	<u>\$ (688,540)</u>	605,243	<u>\$ 1,293,783</u>
Fund balances - beginning			<u>1,283,069</u>	
Fund balances - ending			<u>\$ 1,888,312</u>	

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL GOVERNMENT PROJECTS FUND
For the Year Ended June 30, 2021

Exhibit C-15

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Donations	\$ -	\$ -	\$ 1,980	\$ 1,980
EXPENDITURES:				
Capital Outlay				
Professional services	15,000	31,631	30,830	801
Buildings	105,000	119,806	119,803	3
Total expenditures	<u>120,000</u>	<u>151,437</u>	<u>150,633</u>	<u>804</u>
Deficiency of revenues under expenditures	(120,000)	(151,437)	(148,653)	2,784
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>	<u>-</u>
Net change in fund balances	<u>\$ 205,000</u>	<u>\$ 173,563</u>	176,347	<u>\$ 2,784</u>
Fund balances - beginning			<u>124,490</u>	
Fund balances - ending			<u>\$ 300,837</u>	

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PARKS IMPROVEMENT FUND
For the Year Ended June 30, 2021

Exhibit C-16

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal, state, and other grants	\$ -	\$ -	\$ 2,067,282	\$ 2,067,282
EXPENDITURES:				
Capital Outlay				
Professional services	330,000	417,548	280,592	136,956
Land	-	2,547,624	2,480,912	66,712
Total expenditures	<u>330,000</u>	<u>2,965,172</u>	<u>2,761,504</u>	<u>203,668</u>
Deficiency of revenues under expenditures	(330,000)	(2,965,172)	(694,222)	2,270,950
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>200,000</u>	<u>277,943</u>	<u>277,943</u>	<u>-</u>
Net change in fund balances	<u>\$ (130,000)</u>	<u>\$ (2,687,229)</u>	<u>(416,279)</u>	<u>\$ 2,270,950</u>
Fund balances - beginning			<u>1,262,768</u>	
Fund balances - ending			<u>\$ 846,489</u>	

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GERMANTOWN MUNICIPAL SCHOOLS PROJECTS FUND
For the Year Ended June 30, 2021

Exhibit C-17

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other income	\$ -	\$ -	\$ 24,593	\$ 24,593
EXPENDITURES:				
Education	-	200,000	200,000	-
Total expenditures	-	200,000	200,000	-
Deficiency of revenues under expenditures	-	(200,000)	(175,407)	24,593
OTHER FINANCING SOURCES (USES)				
Transfers in	700,000	700,000	700,000	-
Transfers out	(700,000)	(872,154)	(896,373)	(24,219)
Total other financing uses	-	(172,154)	(196,373)	(24,219)
Net change in fund balances	<u>\$ -</u>	<u>\$ (372,154)</u>	(371,780)	<u>\$ 374</u>
Fund balances - beginning			<u>1,575,006</u>	
Fund balances - ending			<u>\$ 1,203,226</u>	

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DRAINAGE PROJECTS FUND
For the Year Ended June 30, 2021

Exhibit C-18

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal, state, and other grants	\$ -	\$ -	\$ 622,847	\$ 622,847
EXPENDITURES:				
Capital outlay				
Professional services	-	97,498	104,135	(6,637)
Land	-	265,858	265,804	54
Other improvements	1,075,000	258,954	195,694	63,260
Other	350,000	691	-	691
Total expenditures	<u>1,425,000</u>	<u>623,001</u>	<u>565,633</u>	<u>57,368</u>
Excess (deficiency) of revenues over (under) expenditures	(1,425,000)	(623,001)	57,214	680,215
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>400,000</u>	<u>548,100</u>	<u>548,100</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,025,000)</u>	<u>\$ (74,901)</u>	605,314	<u>\$ 680,215</u>
Fund balances - beginning			<u>358,940</u>	
Fund balances - ending			<u>\$ 964,254</u>	

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2021

Exhibit D-1

	<u>Sanitation Fund</u>	<u>Great Hall Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,000,419	\$ 454,140	\$ 972,690	\$ 3,427,249
Receivables				
Customers	359,626	31,907	96,567	488,100
Less allowance for doubtful accounts	(29,355)	(24,741)	(28,245)	(82,341)
Due from other governments	-	-	75	75
Due from other funds	-	-	17,285	17,285
Restricted cash and cash equivalents	-	80,265	-	80,265
Total current assets	<u>2,330,690</u>	<u>541,571</u>	<u>1,058,372</u>	<u>3,930,633</u>
Noncurrent assets:				
Capital assets, being depreciated, net	102,315	353,888	320,351	776,554
Net pension asset	1,177	3,212	-	4,389
Total assets	<u>2,434,182</u>	<u>898,671</u>	<u>1,378,723</u>	<u>4,711,576</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	-	-	245,060	245,060
Related to OPEB	12,255	47,088	24,667	84,010
Total deferred outflows of resources	<u>12,255</u>	<u>47,088</u>	<u>269,727</u>	<u>329,070</u>
LIABILITIES				
Current liabilities:				
Accounts payable	665,814	14,303	26,779	706,896
Accrued payroll	2,967	8,380	18,033	29,380
Customer deposits	-	80,265	-	80,265
Unearned revenue	75,348	-	75	75,423
Due to other funds	40,047	-	-	40,047
Accrued compensated absences, current	682	1,971	1,739	4,392
Total current liabilities	<u>784,858</u>	<u>104,919</u>	<u>46,626</u>	<u>936,403</u>
Noncurrent liabilities:				
Accrued compensated absences	3,862	11,167	9,852	24,881
Net pension liability	-	-	604,372	604,372
Net OPEB liability	16,015	61,540	32,238	109,793
Total noncurrent liabilities	<u>19,877</u>	<u>72,707</u>	<u>646,462</u>	<u>739,046</u>
Total liabilities	<u>804,735</u>	<u>177,626</u>	<u>693,088</u>	<u>1,675,449</u>
DEFERRED INFLOWS OF RESOURCES				
Related to pension	2,687	7,329	95,583	105,599
Related to OPEB	505	1,939	1,014	3,458
Total deferred inflows of resources	<u>3,192</u>	<u>9,268</u>	<u>96,597</u>	<u>109,057</u>
NET POSITION				
Net investment in capital assets	102,315	353,888	320,351	776,554
Restricted for net pension asset	1,177	3,212	-	4,389
Unrestricted	1,535,018	401,765	538,414	2,475,197
Total net position	<u>\$ 1,638,510</u>	<u>\$ 758,865</u>	<u>\$ 858,765</u>	<u>\$ 3,256,140</u>

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2021

Exhibit D-2

	Sanitation Fund	Great Hall Fund	Stormwater Fund	Total
Operating Revenues:				
Sanitation fees	\$ 5,037,614	\$ -	\$ -	\$ 5,037,614
Stormwater fees	-	-	1,047,734	1,047,734
Forfeited discounts	33,341	-	-	33,341
Rental income	-	158,238	-	158,238
Other	1,241	247	-	1,488
Total operating revenues	<u>5,072,196</u>	<u>158,485</u>	<u>1,047,734</u>	<u>6,278,415</u>
Operating Expenses:				
Salaries	45,755	138,567	354,901	539,223
Benefits	75	51,063	115,307	166,445
Contractual services	4,492,212	8,362	-	4,500,574
Utilities	-	40,272	487	40,759
Materials and supplies	-	66,913	283,138	350,051
Other service charges	31,485	85,351	1,370	118,206
Expense reimbursement	-	18,776	56,093	74,869
Depreciation	15,474	78,721	23,144	117,339
Total operating expenses	<u>4,585,001</u>	<u>488,025</u>	<u>834,440</u>	<u>5,907,466</u>
Operating income (loss)	487,195	(329,540)	213,294	370,949
Nonoperating Revenues (Expenses):				
Interest	2,626	801	1,698	5,125
Bond interest and fiscal charges	-	(644)	-	(644)
Total non-operating expenses	<u>2,626</u>	<u>157</u>	<u>1,698</u>	<u>4,481</u>
Income (loss) before transfers	489,821	(329,383)	214,992	375,430
Transfers in	-	230,000	-	230,000
Change in net position	<u>489,821</u>	<u>(99,383)</u>	<u>214,992</u>	<u>605,430</u>
Total net position - beginning	<u>1,148,689</u>	<u>858,248</u>	<u>643,773</u>	<u>2,650,710</u>
Total net position - ending	<u>\$ 1,638,510</u>	<u>\$ 758,865</u>	<u>\$ 858,765</u>	<u>\$ 3,256,140</u>

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2021

Exhibit D-3

	Sanitation Fund	Great Hall Fund	Stormwater Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 4,973,233	\$ 167,809	\$ 1,038,619	\$ 6,179,661
Payments to suppliers	(4,232,513)	(214,317)	(323,954)	(4,770,784)
Payments to employees	(63,213)	(177,726)	(541,616)	(782,555)
Other receipts (payments)	1,241	247	(75)	1,413
Net cash from (used for) operating activities	<u>678,748</u>	<u>(223,987)</u>	<u>172,974</u>	<u>627,735</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES				
Increase (decrease) in due from other funds	-	-	-	-
Interest paid on advances	-	(644)	-	(644)
Transfer from other funds	-	230,000	-	230,000
Net cash from (used for) noncapital financing activities	<u>-</u>	<u>229,356</u>	<u>-</u>	<u>229,356</u>
CASH FLOW USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	<u>-</u>	<u>(39,567)</u>	<u>(64,089)</u>	<u>(103,656)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	22,960	-	-	22,960
Interest income	2,626	801	1,698	5,125
Net cash from (used for) investing activities	<u>25,586</u>	<u>801</u>	<u>1,698</u>	<u>28,085</u>
Net increase (decrease) in cash and cash equivalents	704,334	(33,397)	110,583	781,520
Cash and cash equivalents - beginning	<u>1,296,085</u>	<u>567,802</u>	<u>862,107</u>	<u>2,725,994</u>
Cash and cash equivalents - ending	<u>\$ 2,000,419</u>	<u>\$ 534,405</u>	<u>\$ 972,690</u>	<u>\$ 3,507,514</u>
Classified as:				
Current assets	\$ 2,000,419	\$ 454,140	\$ 972,690	\$ 3,427,249
Restricted assets	-	80,265	-	80,265
	<u>\$ 2,000,419</u>	<u>\$ 534,405</u>	<u>\$ 972,690</u>	<u>\$ 3,507,514</u>
Reconciliation of operating income to net cash from operating activities:				
Operating income	\$ 487,195	\$ (329,540)	\$ 213,294	\$ 370,949
Adjustments to reconcile operating income to net cash from (used for) operating activities				
Depreciation	15,474	78,721	23,144	117,339
Pension expense in excess of employer contributions	(18,676)	(797)	(54,816)	(74,289)
OPEB expense in excess of employer contributions	(1,515)	6,424	(22,309)	(17,400)
Change in assets and liabilities				
Receivables	(97,667)	(7,166)	(9,265)	(114,098)
Accounts payable	291,184	5,357	17,134	313,675
Accrued payroll	474	2,880	3,855	7,209
Compensated absences	2,334	3,397	1,862	7,593
Customer deposits	-	16,737	-	16,737
Unearned revenue	(55)	-	75	20
Net cash from (used for) operating activities	<u>\$ 678,748</u>	<u>\$ (223,987)</u>	<u>\$ 172,974</u>	<u>\$ 627,735</u>

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2021

Exhibit D-4

	<u>Health Insurance</u>	<u>Municipal School Health Insurance</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,940,525	\$ 2,983,979	\$ 744,143	\$ 6,668,647
Receivables - other	29,777	97,548	-	127,325
Inventory	-	-	86,855	86,855
Total current assets	<u>2,970,302</u>	<u>3,081,527</u>	<u>830,998</u>	<u>6,882,827</u>
Noncurrent assets:				
Capital assets, being depreciated, net	-	-	1,527,150	1,527,150
Total assets	<u>2,970,302</u>	<u>3,081,527</u>	<u>2,358,148</u>	<u>8,409,977</u>
LIABILITIES				
Current liabilities:				
Accounts payable	343,929	850,555	42,173	1,236,657
Accrued payroll	20,207	-	24,853	45,060
Total current liabilities	<u>364,136</u>	<u>850,555</u>	<u>67,026</u>	<u>1,281,717</u>
NET POSITION				
Investment in capital assets	-	-	1,527,150	1,527,150
Unrestricted	2,606,166	2,230,972	763,972	5,601,110
Total net position	<u>\$ 2,606,166</u>	<u>\$ 2,230,972</u>	<u>\$ 2,291,122</u>	<u>\$ 7,128,260</u>

CITY OF GERMANTOWN, TENNESSEE

Exhibit D-5

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS**

For the Year Ended June 30, 2021

	<u>Health Insurance</u>	<u>Municipal School Health Insurance</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
OPERATING REVENUES				
Internal charges	\$ 5,757,763	\$ 5,515,050	\$ 1,880,586	\$ 13,153,399
Total revenues	<u>5,757,763</u>	<u>5,515,050</u>	<u>1,880,586</u>	<u>13,153,399</u>
OPERATING EXPENSES:				
Salaries	-	-	581,596	581,596
Benefits	-	-	228,218	228,218
Utilities	-	-	22,826	22,826
Materials and supplies	-	-	398,098	398,098
Other service charges	31,366	217,104	2,410	250,880
Insurance Claims	4,105,975	5,339,142	587,131	10,032,248
Depreciation	-	-	81,119	81,119
Total operating expenses	<u>4,137,341</u>	<u>5,556,246</u>	<u>1,901,398</u>	<u>11,594,985</u>
Operating income (loss)	1,620,422	(41,196)	(20,812)	1,558,414
Total net position - beginning	<u>985,744</u>	<u>2,272,168</u>	<u>2,311,934</u>	<u>5,569,846</u>
Total net position - ending	<u>\$ 2,606,166</u>	<u>\$ 2,230,972</u>	<u>\$ 2,291,122</u>	<u>\$ 7,128,260</u>

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2021

Exhibit D-6

	Health Insurance	Municipal School Health Insurance	Vehicle Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	\$ 5,756,591	\$ 5,417,502	\$ 1,880,586	\$ 13,054,679
Payments to suppliers	(4,277,193)	(5,155,367)	(966,715)	(10,399,275)
Payments to employees	15,493	-	(808,933)	(793,440)
Net cash provided by (used for)	<u>1,494,891</u>	<u>262,135</u>	<u>104,938</u>	<u>1,861,964</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from (to) other fund	<u>-</u>	<u>143,833</u>	<u>-</u>	<u>143,833</u>
CASH FLOW USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	<u>-</u>	<u>-</u>	<u>(26,431)</u>	<u>(26,431)</u>
Net increase in cash and cash equivalents	1,494,891	405,968	78,507	1,979,366
Cash and cash equivalents - beginning	<u>1,445,634</u>	<u>2,578,011</u>	<u>665,636</u>	<u>4,689,281</u>
Cash and cash equivalents - ending	<u><u>\$ 2,940,525</u></u>	<u><u>\$ 2,983,979</u></u>	<u><u>\$ 744,143</u></u>	<u><u>\$ 6,668,647</u></u>
Reconciliation of operating income to net cash from operating activities				
Operating income (loss)	\$ 1,620,422	\$ (41,196)	\$ (20,812)	\$ 1,558,414
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	-	-	81,119	81,119
Change in assets and liabilities				
Receivables	(1,172)	(97,548)	-	(98,720)
Inventory	-	-	9,023	9,023
Accounts payable	(139,852)	400,879	34,727	295,754
Accrued payroll	15,493	-	881	16,374
Net cash provided by (used for) operating activities	<u><u>\$ 1,494,891</u></u>	<u><u>\$ 262,135</u></u>	<u><u>\$ 104,938</u></u>	<u><u>\$ 1,861,964</u></u>

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2021

Exhibit D-7

	Amended & Restated Pension Fund	Cash Value Pension Fund	City OPEB Fund	GMSD OPEB Fund	Total Pension and OPEB Trust Funds
ASSETS					
Cash and cash equivalents	\$ 3,758,502	\$ 726,118	\$ 654,531	\$ 88,170	\$ 5,227,321
Investments					
Domestic common stock	7,221,363	-	-	-	7,221,363
Foreign common stock	580,939	-	-	-	580,939
Fixed income mutual funds	9,381,796	906,978	723,144	1,375,559	12,387,477
Equity mutual funds	37,217,061	2,425,189	3,556,457	2,951,372	46,150,079
Foreign equity collective fund	2,605,036	-	-	-	2,605,036
Limited partnerships bond funds	2,404,546	-	264,814	-	2,669,360
Limited partnerships hedge funds	25,460,844	-	2,086,764	-	27,547,608
Total investments	<u>84,871,585</u>	<u>3,332,167</u>	<u>6,631,179</u>	<u>4,326,931</u>	<u>99,161,862</u>
Interest receivable	9,968	27	26	678	10,699
Receivable - other	-	-	4,050	-	4,050
Total assets	<u>88,640,055</u>	<u>4,058,312</u>	<u>7,289,786</u>	<u>4,415,779</u>	<u>104,403,932</u>
LIABILITIES					
Accounts payable	-	-	92,386	136,373	228,759
NET POSITION					
Restricted for pensions	88,640,055	4,058,312	-	-	92,698,367
Restricted for OPEBs	-	-	7,197,400	4,279,406	11,476,806
Total net position	<u>\$ 88,640,055</u>	<u>\$ 4,058,312</u>	<u>\$ 7,197,400</u>	<u>\$ 4,279,406</u>	<u>\$ 104,175,173</u>

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2021

Exhibit D-8

	Amended & Restated Pension Fund	Cash Value Pension Fund	City OPEB Fund	GMSD OPEB Fund	Total Pension and OPEB Trust Funds
ADDITIONS					
Contributions:					
Employer	\$ 5,916,062	\$ 454,605	\$ 1,123,593	\$ 709,990	\$ 8,204,250
Plan members	639,789	492,179	294,284	75,000	1,501,252
Total contributions	<u>6,555,851</u>	<u>946,784</u>	<u>1,417,877</u>	<u>784,990</u>	<u>9,705,502</u>
Investment earnings (losses):					
Interest and dividends	587,060	38,835	49,622	55,720	731,237
Net appreciation in fair value of investments	16,552,034	597,732	1,273,497	760,081	19,183,344
Total investment earnings	<u>17,139,094</u>	<u>636,567</u>	<u>1,323,119</u>	<u>815,801</u>	<u>19,914,581</u>
Total additions	23,694,945	1,583,351	2,740,996	1,600,791	29,620,083
DEDUCTIONS					
Benefits	5,469,453	130,650	1,500,402	208,386	7,308,891
Premiums	-	-	-	38,825	38,825
Administrative expense	217,991	11,126	25,779	17,600	272,496
Total deductions	<u>5,687,444</u>	<u>141,776</u>	<u>1,526,181</u>	<u>264,811</u>	<u>7,620,212</u>
Change in net position	18,007,501	1,441,575	1,214,815	1,335,980	21,999,871
Net position - beginning of the year	<u>70,632,554</u>	<u>2,616,737</u>	<u>5,982,585</u>	<u>2,943,426</u>	<u>82,175,302</u>
Net position - end of the year	<u>\$ 88,640,055</u>	<u>\$ 4,058,312</u>	<u>\$ 7,197,400</u>	<u>\$ 4,279,406</u>	<u>\$ 104,175,173</u>

SUPPORTING SCHEDULES

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF TRANSFERS
June 30, 2021

Exhibit E-1

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds		
General Fund		
General Purpose School Fund	\$ 528,068	\$ 2,549,581
Utility Fund	442,843	-
State Street Aid Fund	-	3,250,000
Farm Park Fund	-	50,000
Ambulance Fund	-	900,000
CIP Major Roads	-	625,000
CIP Intersections	-	800,000
CIP General Government Fund	-	325,000
CIP Parks Improvement Fund	-	277,943
CIP Municipal Schools Projects	-	700,000
CIP Drainage Projects	-	548,100
Great Hall Fund	-	230,000
	<u>970,911</u>	<u>10,255,624</u>
General Purpose School Fund		
School Capital Projects Fund	-	528,068
School Federal Projects Fund	98,045	-
CIP Municipal Schools Projects	2,549,581	-
	<u>2,647,626</u>	<u>528,068</u>
Utility Fund		
General Fund	-	442,843
Total major funds	<u>3,618,537</u>	<u>11,226,535</u>
Aggregate Nonmajor Governmental Funds		
State Street Aid Fund		
General Fund	3,250,000	-
Farm Park Fund		
General Fund	50,000	-
Ambulance Fund		
General Fund	900,000	-
CIP Major Roads		
General Fund	625,000	-
CIP Intersections		
General Fund	800,000	-
CIP General Government Fund		
General Fund	325,000	-
CIP Parks Improvement Fund		
General Fund	277,943	-
CIP Municipal Schools Projects		
School Capital Projects Fund	700,000	896,373
CIP Drainage Projects Fund		
General Fund	548,100	-
School Federal Projects Fund		
General Purpose School Fund	-	98,045
School Capital Projects Fund		
CIP Germantown Municipal Schools	896,373	-
Total aggregate nonmajor governmental funds	<u>8,372,416</u>	<u>994,418</u>
Aggregate Nonmajor Proprietary Funds		
Great Hall Fund		
General Fund	230,000	-
	<u>\$ 12,220,953</u>	<u>\$ 12,220,953</u>

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES
 June 30, 2021

Exhibit E-2

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds		
General Fund		
General Purpose School Fund	\$ -	\$ 84,869
GMSD Capital Projects Fund	220,067	-
Utility Fund	-	61,194
Athletic Club Fund	-	22,343
Sanitation Fund	40,047	-
Stormwater Fund	-	17,285
	<u>260,114</u>	<u>185,691</u>
General Purpose School Fund		
General Fund	84,869	-
School Federal Projects Fund	624,769	-
School Cafeteria Fund	100,000	-
	<u>809,638</u>	<u>-</u>
Utility Fund		
General Fund	61,194	-
Athletic Club Fund		
General Fund	22,343	-
Total major funds	<u>1,153,289</u>	<u>185,691</u>
Aggregate Nonmajor Governmental Funds		
School Federal Projects Fund		
General Purpose School Fund	-	624,769
School Cafeteria Fund		
General Purpose School Fund	-	100,000
CIP Municipal Schools Projects		
General Purpose School Fund	-	220,067
Total aggregate nonmajor governmental funds	<u>-</u>	<u>944,836</u>
Aggregate Nonmajor Proprietary Funds		
Sanitation Fund		
General Fund	-	40,047
Stormwater Fund		
General Fund	17,285	-
Total aggregate nonmajor proprietary funds	<u>17,285</u>	<u>40,047</u>
	<u>\$ 1,170,574</u>	<u>\$ 1,170,574</u>

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - SERIAL GENERAL OBLIGATION BONDS
GOVERNMENTAL FUNDS
 June 30, 2021

Exhibit E-3

Fiscal Year	Series 2009 Bonds		Series 2011 Bonds		Series 2013 Bonds (Series A)		Series 2013 Bonds (Series B)		Series 2016 Bonds (Series A)		Series 2016 Bonds (Series B)		Series 2017 Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 290,000	\$ 10,875	\$ 290,000	\$ 101,775	\$ 160,000	\$ 72,794	\$ 270,000	\$ 33,140	\$ 460,000	\$ 273,200	\$ 210,000	\$ 446,000	\$ 645,000	\$ 1,159,425	\$ 2,325,000	\$ 2,097,209
2023	-	-	295,000	95,188	165,000	69,337	280,000	24,590	435,000	264,000	220,000	439,700	680,000	1,126,300	2,075,000	2,019,115
2024	-	-	305,000	87,688	170,000	65,569	285,000	18,234	460,000	242,250	225,000	435,300	715,000	1,091,425	2,160,000	1,940,466
2025	-	-	310,000	79,613	175,000	61,387	295,000	11,413	480,000	219,250	230,000	428,550	750,000	1,054,800	2,240,000	1,855,013
2026	-	-	320,000	70,950	175,000	56,831	300,000	3,900	505,000	195,250	240,000	419,350	795,000	1,016,175	2,335,000	1,762,456
2027	-	-	330,000	61,600	180,000	51,856	-	-	530,000	170,000	250,000	409,750	835,000	975,425	2,125,000	1,668,631
2028	-	-	340,000	51,550	185,000	46,381	-	-	560,000	143,500	265,000	397,250	875,000	932,675	2,225,000	1,571,356
2029	-	-	350,000	41,200	195,000	40,559	-	-	580,000	115,500	270,000	384,000	915,000	892,500	2,310,000	1,473,759
2030	-	-	360,000	30,325	200,000	34,263	-	-	210,000	86,500	285,000	370,500	955,000	855,100	2,010,000	1,376,688
2031	-	-	375,000	18,606	205,000	27,425	-	-	225,000	76,000	300,000	356,250	990,000	816,200	2,095,000	1,294,481
2032	-	-	385,000	6,256	215,000	20,075	-	-	235,000	64,750	315,000	341,250	1,030,000	775,800	2,180,000	1,208,131
2033	-	-	-	-	220,000	12,325	-	-	245,000	53,000	330,000	325,500	1,075,000	733,700	1,870,000	1,124,525
2034	-	-	-	-	230,000	4,169	-	-	260,000	40,750	345,000	309,000	1,115,000	689,900	1,950,000	1,043,819
2035	-	-	-	-	-	-	-	-	270,000	27,750	365,000	291,750	1,165,000	644,300	1,800,000	963,800
2036	-	-	-	-	-	-	-	-	285,000	14,250	385,000	273,500	1,215,000	596,700	1,885,000	884,450
2037	-	-	-	-	-	-	-	-	-	-	405,000	254,250	1,265,000	547,100	1,670,000	801,350
2038	-	-	-	-	-	-	-	-	-	-	425,000	234,000	1,315,000	495,500	1,740,000	729,500
2039	-	-	-	-	-	-	-	-	-	-	445,000	212,750	975,000	449,700	1,420,000	662,450
2040	-	-	-	-	-	-	-	-	-	-	465,000	190,500	1,015,000	409,900	1,480,000	600,400
2041	-	-	-	-	-	-	-	-	-	-	490,000	167,250	1,055,000	368,500	1,545,000	535,750
2042	-	-	-	-	-	-	-	-	-	-	515,000	142,750	1,095,000	325,500	1,610,000	468,250
2043	-	-	-	-	-	-	-	-	-	-	540,000	117,000	1,140,000	280,800	1,680,000	397,800
2044	-	-	-	-	-	-	-	-	-	-	570,000	90,000	1,190,000	234,200	1,760,000	324,200
2045	-	-	-	-	-	-	-	-	-	-	600,000	61,500	1,235,000	185,700	1,835,000	247,200
2046	-	-	-	-	-	-	-	-	-	-	630,000	31,500	1,290,000	135,200	1,920,000	166,700
2047	-	-	-	-	-	-	-	-	-	-	-	-	1,340,000	82,600	1,340,000	82,600
2048	-	-	-	-	-	-	-	-	-	-	-	-	1,395,000	27,900	1,395,000	27,900
	<u>\$ 290,000</u>	<u>\$ 10,875</u>	<u>\$3,660,000</u>	<u>\$ 644,751</u>	<u>\$2,475,000</u>	<u>\$562,971</u>	<u>\$1,430,000</u>	<u>\$ 91,277</u>	<u>\$5,740,000</u>	<u>\$1,985,950</u>	<u>\$ 9,320,000</u>	<u>\$7,129,150</u>	<u>\$28,065,000</u>	<u>\$ 16,903,025</u>	<u>\$50,980,000</u>	<u>\$27,327,999</u>

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - OTHER LONG-TERM DEBT
GOVERNMENTAL FUNDS

Exhibit E-4

June 30, 2021

Fiscal Year	2018 Capital Outlay Note		GMSD Shelby County Settlement Obligation	
	Principal	Interest	Principal	Interest
2022	\$ -	\$ 39,049	\$ 301,004	\$ 54,449
2023	234,000	74,295	311,182	44,271
2024	241,000	66,576	321,704	33,749
2025	249,000	58,614	332,582	22,871
2026	258,000	50,375	343,826	11,626
2027	266,000	41,860	-	-
2028	275,000	33,069	-	-
2029	284,000	23,985	-	-
2030	293,000	14,609	-	-
2031	303,000	4,924	-	-
	<u>\$2,403,000</u>	<u>\$407,356</u>	<u>\$1,610,298</u>	<u>\$166,966</u>

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
 June 30, 2021

Exhibit E-5

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 6/30/2020	Issued During Period	Paid During Period	Refunded During Period	Outstanding 6/30/2021
Governmental Activities									
<u>Payable through General Fund</u>									
General obligation bonds:									
2009 Serial Bonds	\$ 9,635,000	3.00 - 4.20%	6/19/2009	6/1/2022	\$ 565,000	\$ -	\$ (275,000)	\$ -	\$ 290,000
2011 Serial Bonds	6,025,000	2.00 - 3.25%	9/28/2011	6/1/2032	3,945,000	-	(285,000)	-	3,660,000
2013 Serial Bonds A	3,500,000	2.00 - 3.625%	10/9/2013	8/1/2034	2,635,000	-	(160,000)	-	2,475,000
2013 Serial Bonds B	5,570,000	1.00 - 4.00%	10/9/2013	8/1/2026	1,690,000	-	(260,000)	-	1,430,000
2016 Serial Bonds A	7,935,000	2.00 - 5.00%	2/12/2016	6/1/2036	6,275,000	-	(535,000)	-	5,740,000
2016 Serial Bonds B	10,220,000	2.00 - 5.00%	2/12/2016	6/1/2046	9,530,000	-	(210,000)	-	9,320,000
2017 Serial Bonds	29,275,000	4.00 - 5.00%	9/28/2017	8/1/2047	28,685,000	-	(620,000)	-	28,065,000
Total general obligation bonds					<u>\$ 53,325,000</u>	<u>\$ -</u>	<u>\$ (2,345,000)</u>	<u>\$ -</u>	<u>\$ 50,980,000</u>
Note from direct borrowings:									
2018 Capital Outlay Note	\$ 3,025,000	3.25%	8/21/2018	7/1/2030	\$ 2,629,000	\$ -	\$ (226,000)	\$ -	\$ 2,403,000
<u>Payable through General Purpose School Fund</u>									
Shelby County Settlement Obligation	\$ 4,265,436	3.33%	1/6/2014	11/1/2025	\$ 1,901,457		\$ (291,159)		\$ 1,610,298
					<u>\$ 57,855,457</u>	<u>\$ -</u>	<u>\$ (2,862,159)</u>	<u>\$ -</u>	<u>\$ 54,993,298</u>

CITY OF GERMANTOWN, TENNESSEE

Exhibit E-6

SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE - BY LEVY YEAR

For the Year Ended June 30, 2021

<u>Year</u>	<u>June 30, 2020</u>	<u>Assessment</u>	<u>Collections</u>	<u>June 30, 2021</u>
2021	\$ -	\$ 34,335,517	\$ -	\$ 34,335,517
2020	32,979,709	-	(32,666,321)	313,388
2019	448,185	-	(309,179)	139,006
2018	118,188	-	(56,042)	62,146
2017	60,572	-	(21,497)	39,075
2016	32,144	-	(6,066)	26,078
2015	28,399	-	(3,713)	24,686
2014	28,935	-	(1,167)	27,768
2013	30,121	-	(57)	30,064
2012	23,832	-	(1,012)	22,820
2011 & Prior	87,174	-	1,317	88,491
	<u>33,837,259</u>	<u>\$ -</u>	<u>\$ (33,063,737)</u>	<u>35,109,039</u>
Allowance for uncollectible property taxes	<u>(139,243)</u>			<u>(152,012)</u>
	<u>\$ 33,698,016</u>			<u>\$ 34,957,027</u>

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF BONDS OF PRINCIPAL OFFICIALS
June 30, 2021

Exhibit E-7

	<u>Amount of Bond/Issuance*</u>
Mayor	
Honorable Mike Palazzolo	\$ 500,000
Five Aldermen (each)*	
Mary Anne Gibson	500,000
Sherrie Hicks	500,000
Jon McCreery	500,000
Scott Sanders	500,000
Brian Ueleke	500,000
City Administrator*	
Patrick J. Lawton	500,000
Assistant City Administrator*	
Jason Huisman	
City Clerk Recorder*	
Michele Betty	500,000
Economic and Community Development Director*	
Cameron Ross	500,000
Budget and Financial Services Director*	
Adrienne Royals	500,000
Fire Chief*	
John M. Selberg	500,000
Germantown Performing Arts Center Executive Director*	
Paul Chandler	500,000
Germantown Athletic Club Director*	
Phil Rogers	500,000
Human Resources Director*	
Ola Terrell-Jordan	500,000
Information Technology Director*	
Tony Fischer	500,000
Parks and Recreation Director*	
Pam Beasley	500,000
Police Chief*	
Richard Hall	500,000
Public Services Director*	
Bo Mills	500,000
Procurement and Risk Director*	
Lisa Piefer	500,000
General Services Director*	
Reynold Douglas	500,000

* Employees are covered under the City's insurance policy for dishonesty, forgery, alterations, theft, disappearance or destruction, and computer fraud for the amounts listed, subject to a \$1,000 deductible.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF UTILITY RATE STRUCTURE AND NUMBER OF CUSTOMERS
 June 30, 2021

Exhibit E-8

As of June 30, 2021, City of Germantown, Tennessee served approximately 13,920 water customers and 13,825 sewer customers and had the following rate structure in place:

Water Rates	Amount	
Residential		
Minimum (5 TGL)	\$	8.78
6 TGL - 15 TGL	\$	2.15 per TGL
16 TGL - 50 TGL	\$	2.47 per TGL
51 TGL and above	\$	3.12 per TGL
Commercial		
Minimum (5 TGL)	\$	13.17
6 TGL - 15 TGL	\$	3.42 per TGL
16 TGL - 50 TGL	\$	3.90 per TGL
51 TGL and above	\$	4.88 per TGL
Sewer Rates	Amount	
Residential		
Minimum (2 TGL)	\$	5.07
3rd 1 TGL	\$	0.90
4 TGL - 20 TGL	\$	1.99 per TGL
21 TGL and above	\$	0.78 per TGL
Maximum cost in billing period	\$	40.58 for 21 TGL
Commercial		
Minimum (2 TGL)	\$	5.07
3rd 1 TGL	\$	0.90
4 TGL and above	\$	1.99 per TGL
Restaurant		
Minimum (2 TGL)	\$	5.07
3rd 1 TGL	\$	1.68
4 TGL and above	\$	2.25 per TGL

(TGL = Thousand Gallons)

**CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF UNACCOUNTED FOR WATER**

Exhibit E-9

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

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

Water Audit Report for: **City of Germantown (0000262)**

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

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

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

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

WATER SUPPLIED

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

Volume from own sources:	+ ?	8	2,371.867	MG/Yr
Water imported:	+ ?	n/a	0.000	MG/Yr
Water exported:	+ ?	n/a	0.000	MG/Yr
WATER SUPPLIED:			2,348.383	MG/Yr

Master Meter and Supply Error Adjustments

Pcnt:	+ ?	8	1.00%	● ○	MG/Yr
	+ ?	n/a	0.000	● ○	MG/Yr
	+ ?	n/a	0.000	● ○	MG/Yr

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

AUTHORIZED CONSUMPTION

Billed metered:	+ ?	9	2,048.292	MG/Yr
Billed unmetered:	+ ?	n/a	0.000	MG/Yr
Unbilled metered:	+ ?	n/a	0.000	MG/Yr
Unbilled unmetered:	+ ?	n/a	29.355	MG/Yr
AUTHORIZED CONSUMPTION:			2,077.647	MG/Yr

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

Click here: for help using option buttons below

Master Meter and Supply Error Adjustments

Pcnt:	+ ?	9	1.25%	● ○	MG/Yr
-------	-----	---	-------	-----	-------

Use buttons to select percentage of water supplied OR value

Pcnt:	+ ?	9	0.25%	● ○	MG/Yr
	+ ?	n/a	1.00%	● ○	MG/Yr
	+ ?	n/a	0.25%	● ○	MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption)

270.736 MG/Yr

Apparent Losses

Unauthorized consumption: + ? 5.871 MG/Yr

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

Customer metering inaccuracies: + ? 9 20.690 MG/Yr

Systematic data handling errors: + ? 5.121 MG/Yr

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

Apparent Losses: 31.682 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 239.055 MG/Yr

WATER LOSSES: 270.736 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 300.091 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+ ?	10	281.0	miles
Number of active AND inactive service connections:	+ ?	9	14,448	
Service connection density:	+ ?	n/a	51	conn./mile main

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

Average length of customer service line: + ? (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: + ? 8 60.0 psi

COST DATA

Total annual cost of operating water system:	+ ?	10	\$4,600,689	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+ ?	9	\$4.23	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+ ?	9	\$261.35	\$/Million gallons <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 82 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Volume from own sources
- 2: Unauthorized consumption
- 3: Systematic data handling errors

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AWWA Free Water Audit Software: System Attributes and Performance Indicators		WAS v5.0 American Water Works Association Copyright © 2014. All Rights Reserved.
Water Audit Report for: <input type="text" value="City of Germantown (0000262)"/>		
Reporting Year: <input type="text" value="2021"/> <input type="text" value="7/2020 - 6/2021"/>		
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 82 out of 100 ***		
System Attributes:		
	Apparent Losses:	<input type="text" value="31.682"/> MG/Yr
	+ Real Losses:	<input type="text" value="239.055"/> MG/Yr
	= Water Losses:	<input type="text" value="270.736"/> MG/Yr
	<input type="checkbox"/> Unavoidable Annual Real Losses (UARL):	<input type="text" value="80.75"/> MG/Yr
	Annual cost of Apparent Losses:	<input type="text" value="\$134,013"/>
	Annual cost of Real Losses:	<input type="text" value="\$62,477"/> Valued at Variable Production Cost
<small>Return to Reporting Worksheet to change this assumption</small>		
Performance Indicators:		
Financial:	Non-revenue water as percent by volume of Water Supplied:	<input type="text" value="12.8%"/>
	Non-revenue water as percent by cost of operating system:	<input type="text" value="4.4%"/> Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	<input type="text" value="6.01"/> gallons/connection/day
	Real Losses per service connection per day:	<input type="text" value="45.33"/> gallons/connection/day
	Real Losses per length of main per day*:	<input type="text" value="N/A"/>
	Real Losses per service connection per day per psi pressure:	<input type="text" value="0.76"/> gallons/connection/day/psi
From Above, Real Losses = Current Annual Real Losses (CARL):		<input type="text" value="239.05"/> million gallons/year
	<input type="checkbox"/> Infrastructure Leakage Index (ILI) [CARL/UARL]:	<input type="text" value="2.96"/>
<small>* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline</small>		

**CITY OF GERMANTOWN, TENNESSEE
STATISTICAL INFORMATION SECTION (UNAUDITED)**

This part of the City of Germantown's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	150
These exhibits contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	155
These exhibits contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes	
Debt Capacity	164
These exhibits present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	168
These exhibits offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place, to help make comparisons over time and with other governments.	
Operating Information	170
These exhibits 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.	

Sources: Unless otherwise noted, the information in these exhibits is derived from the annual comprehensive financial reports for the relevant year.

CITY OF GERMANTOWN, TENNESSEE
NET POSITION BY COMPONENT

Exhibit F-1

Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities										
Net investment in capital assets	\$ 178,148,194	\$ 171,996,214	\$ 158,551,222	\$ 145,948,291	\$ 138,822,042	\$ 122,549,250	\$ 131,667,006	\$ 129,976,697	\$ 79,702,940	\$ 64,381,386
Restricted	8,794,293	8,419,622	3,682,299	906,219	481,518	513,416	575,787	346,637	1,218,763	1,768,896
Unrestricted	51,435,096	41,875,390	48,941,088	48,851,981	47,270,564	55,933,177	32,626,737	27,785,350	2,868,826	25,674,724
Total governmental activities net position	<u>\$ 238,377,583</u>	<u>\$ 222,291,226</u>	<u>\$ 211,174,609</u>	<u>\$ 195,706,491</u>	<u>\$ 186,574,124</u>	<u>\$ 178,995,843</u>	<u>\$ 164,869,530</u>	<u>\$ 158,108,684</u>	<u>\$ 83,790,529</u>	<u>\$ 91,825,006</u>
Business-type activities										
Net investment in capital assets	\$ 63,916,802	\$ 64,566,828	\$ 62,600,190	\$ 61,392,071	\$ 60,170,755	\$ 58,656,256	\$ 55,875,216	\$ 54,777,680	\$ 55,092,513	\$ 54,753,414
Restricted	15,041	-	-	-	787,961	-	-	-	-	-
Unrestricted	9,902,999	7,898,341	9,744,892	8,960,692	7,800,567	7,944,814	6,781,658	6,306,322	5,857,711	7,011,809
Total business-type activities net position	<u>\$ 73,834,842</u>	<u>\$ 72,465,169</u>	<u>\$ 72,345,082</u>	<u>\$ 70,352,763</u>	<u>\$ 68,759,283</u>	<u>\$ 66,601,070</u>	<u>\$ 62,656,874</u>	<u>\$ 61,084,002</u>	<u>\$ 60,950,224</u>	<u>\$ 61,765,223</u>
Primary government										
Net investment in capital assets	\$ 242,064,996	\$ 236,563,042	\$ 221,151,412	\$ 207,340,362	\$ 198,992,797	\$ 181,205,506	\$ 187,542,222	\$ 184,754,377	\$ 134,795,453	\$ 119,134,800
Restricted	8,809,334	8,419,622	3,682,299	906,219	1,269,479	513,416	575,787	346,637	1,218,763	1,768,896
Unrestricted	61,338,095	49,773,731	58,685,980	57,812,673	55,071,131	63,877,991	39,408,395	34,091,672	8,726,537	32,686,533
Total primary government net position	<u>\$ 312,212,425</u>	<u>\$ 294,756,395</u>	<u>\$ 283,519,691</u>	<u>\$ 266,059,254</u>	<u>\$ 255,333,407</u>	<u>\$ 245,596,913</u>	<u>\$ 227,526,404</u>	<u>\$ 219,192,686</u>	<u>\$ 144,740,753</u>	<u>\$ 153,590,229</u>

CITY OF GERMANTOWN, TENNESSEE
CHANGES IN NET POSITION

Exhibit F-2

Last Ten Fiscal Years
(accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities:										
General government	\$ 16,148,190	\$ 16,934,971	\$ 13,985,960	\$ 15,919,979	\$ 14,462,803	\$ 14,852,522	\$ 10,883,179	\$ 9,815,248	\$ 15,085,014	\$ 14,455,690
Public safety	28,607,994	28,918,428	24,663,025	23,979,404	23,560,038	23,000,775	20,763,626	19,605,811	18,283,716	18,714,470
Transportation and environment	7,681,977	7,772,362	9,018,290	7,550,367	8,077,347	4,191,362	4,013,624	3,757,032	4,286,244	3,038,987
Community services	7,061,334	7,251,264	7,584,153	7,238,063	6,792,239	9,710,135	8,296,168	7,696,305	5,436,003	5,969,305
Education	66,034,637	63,470,111	58,784,223	52,212,680	50,362,795	46,068,542	40,182,352	5,918,915	-	-
Interest and fiscal charges	2,056,976	2,153,886	2,362,573	1,330,426	926,194	1,358,382	679,845	831,623	1,415,478	950,133
Total governmental activities expenses	127,591,108	126,501,022	116,398,224	108,230,919	104,181,416	99,181,718	84,818,794	47,624,934	44,506,455	43,128,585
Business-type activities:										
Utilities	7,433,031	8,021,061	7,471,650	7,410,576	6,941,230	6,659,588	7,184,410	7,279,545	7,309,861	6,884,307
Athletic Club	3,449,103	3,891,452	3,983,883	3,856,832	3,669,724	3,493,131	3,278,419	3,257,518	3,404,771	3,579,023
Sanitation	4,585,001	4,768,674	5,053,869	4,775,498	4,988,295	3,426,409	3,291,556	3,465,881	3,193,388	3,409,532
Great Hall	488,669	490,555	547,534	516,416	543,064	516,496	518,443	483,534	481,115	505,369
Stormwater	834,440	1,008,354	998,219	1,025,913	1,220,410	878,422	907,366	902,059	913,452	882,190
Total business-type activities expenses	16,790,244	18,180,096	18,055,155	17,585,235	17,362,723	14,974,046	15,180,194	15,388,537	15,302,587	15,260,421
Total primary government expenses	\$ 144,381,352	\$ 144,681,118	\$ 134,453,379	\$ 125,816,154	\$ 121,544,139	\$ 114,155,764	\$ 99,998,988	\$ 63,013,471	\$ 59,809,042	\$ 58,389,006
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,954,257	\$ 2,560,663	\$ 3,280,355	\$ 3,627,205	\$ 2,926,397	\$ 2,791,978	\$ 2,058,870	\$ 2,006,017	\$ 1,266,206	\$ 1,156,280
Public safety	247,108	189,750	219,853	152,327	163,442	1,182,858	1,298,067	943,545	175,474	484,006
Transportation and environment	1,224,550	1,204,811	1,300,146	1,191,338	1,042,161	952,147	970,079	969,947	978,001	956,379
Community services	672,407	994,956	1,382,475	1,332,581	1,227,751	832,155	803,292	455,041	348,865	600,909
Education	464,010	1,251,104	1,428,982	1,236,058	1,148,080	3,207,977	729,266	-	-	-
Operating grants and contributions	46,772,690	36,101,903	39,531,316	34,789,133	31,539,856	35,388,857	34,081,394	6,703,431	7,103,351	1,401,676
Capital grants and contributions	7,427,586	14,146,521	2,439,777	4,571,688	2,306,522	4,597,615	620,874	53,265,528	10,316,156	8,269,611
Total governmental activities program revenues	59,762,608	56,449,708	49,582,904	46,900,330	40,354,209	48,953,587	40,561,842	64,343,509	20,188,053	12,868,861
Business-type activities:										
Charges for services:										
Utilities	8,932,131	8,387,630	8,272,218	8,570,868	8,918,467	8,917,412	8,468,543	6,681,013	6,793,703	7,471,805
Athletic Club	2,829,873	3,763,553	4,707,527	4,283,377	4,089,150	4,253,656	4,095,114	4,026,672	3,900,935	3,709,915
Sanitation	5,070,955	4,946,059	4,948,326	4,946,842	4,830,205	3,423,499	3,364,803	3,509,086	3,550,360	3,530,418
Great Hall	158,238	375,349	514,161	490,391	471,193	437,188	410,430	358,902	308,225	242,970
Stormwater	1,047,734	1,032,324	1,028,272	1,020,492	1,034,939	1,003,756	1,048,603	998,225	994,936	1,037,363
Operating grants and contributions	-	-	19,304	19,358	-	-	-	-	-	-
Capital grants and contributions	168,226	-	576,946	228,752	40,764	1,085,523	329,674	259,000	86,243	116,797
Total business-type activities program revenues	18,207,157	18,504,915	20,066,754	19,560,080	19,384,718	19,121,034	17,717,167	15,832,898	15,634,402	16,109,268
Total primary government program revenues	\$ 77,969,765	\$ 74,954,623	\$ 69,649,658	\$ 66,460,410	\$ 59,738,927	\$ 68,074,621	\$ 58,279,009	\$ 80,176,407	\$ 35,822,455	\$ 28,978,129
Net (expense)/revenue										
Governmental activities	\$ (67,828,500)	\$ (70,051,314)	\$ (66,815,320)	\$ (61,330,589)	\$ (63,827,207)	\$ (50,228,131)	\$ (44,256,952)	\$ 16,718,575	\$ (24,318,402)	\$ (30,259,724)
Business-type activities	1,416,913	324,819	2,011,599	1,974,845	2,021,995	4,146,988	2,536,973	444,361	331,815	848,847
Total primary government net expense	\$ (66,411,587)	\$ (69,726,495)	\$ (64,803,721)	\$ (59,355,744)	\$ (61,805,212)	\$ (46,081,143)	\$ (41,719,979)	\$ 17,162,936	\$ (23,986,587)	\$ (29,410,877)

CONTINUED ON NEXT PAGE

CITY OF GERMANTOWN, TENNESSEE
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit F-2

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 51,199,274	\$ 50,369,013	\$ 50,837,494	\$ 48,968,934	\$ 45,110,923	\$ 44,056,859	\$ 42,543,332	\$ 27,775,154	\$ 22,185,722	\$ 22,514,596
Other local taxes	24,488,168	21,823,268	21,400,850	20,066,906	18,543,679	17,769,804	15,525,399	9,684,656	8,844,583	11,981,143
Intergovernmental revenues:										
State sales tax	4,327,116	3,718,954	3,618,715	3,490,064	3,328,313	-	-	-	-	-
State income and other taxes	1,121,564	1,702,192	2,216,722	2,152,031	2,969,807	-	-	-	-	-
Other state revenue	274,898	260,276	268,152	267,099	228,026	-	-	-	-	-
Other revenue	716,412	1,065,189	1,560,076	697,315	818,311	716,573	457,938	970,816	2,730,051	1,505,528
Investment earnings	238,149	1,116,978	1,874,580	980,430	310,119	166,588	75,688	65,482	82,582	109,193
Gain on sale of capital assets	153,023	-	-	18,514	98,073	51,726	55,213	50,649	-	77,670
Insurance proceeds	-	655,050	-	-	-	-	-	-	-	-
Transfers	212,843	457,072	507,149	510,458	(1,037)	242,168	267,815	327,207	1,166,609	376,323
Total government activities	82,731,447	81,167,992	82,283,738	77,151,751	71,406,214	63,003,718	58,925,385	38,873,964	35,009,547	36,564,453
Business-type activities:										
Other revenue	145,535	26,676	68,546	61,444	52,939	40,102	-	-	-	-
Investment earnings	20,068	225,664	419,323	214,246	72,856	-	22,599	11,997	19,795	16,487
Gain on sale of capital assets	-	-	-	8,369	8,660	-	(10,756)	4,621	-	-
Transfers	(212,843)	(457,072)	(507,149)	(510,458)	1,037	(242,168)	(267,815)	(327,201)	(1,166,609)	(376,323)
Total business-type activities	(47,240)	(204,732)	(19,280)	(226,399)	135,492	(202,066)	(255,972)	(310,583)	(1,146,814)	(359,836)
Total primary government	\$ 82,684,207	\$ 80,963,260	\$ 82,264,458	\$ 76,925,352	\$ 71,541,706	\$ 62,801,652	\$ 58,669,413	\$ 38,563,381	\$ 33,862,733	\$ 36,204,617
Change in Net Position										
Governmental activities	\$ 14,902,947	\$ 11,116,678	\$ 15,468,418	\$ 15,821,162	\$ 7,579,007	\$ 12,775,587	\$ 14,668,433	\$ 55,592,539	\$ 10,691,145	\$ 6,304,729
Business-type activities	1,369,673	120,087	1,992,319	1,748,446	2,157,487	3,944,922	2,281,001	133,778	(814,999)	489,011
Total primary government	\$ 16,272,620	\$ 11,236,765	\$ 17,460,737	\$ 17,569,608	\$ 9,736,494	\$ 16,720,509	\$ 16,949,434	\$ 55,726,317	\$ 9,876,146	\$ 6,793,740

CITY OF GERMANTOWN, TENNESSEE
FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit F-3

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nondisposable	715,835	481,186	308,397	315,646	\$ 1,153,721	\$ 1,439,204	\$ 696,207	\$ 829,361	\$ 953,837	\$ 1,073,255
Committed	19,908,551	17,526,132	19,364,467	18,485,676	18,387,303	15,897,287	14,769,333	15,121,607	14,031,590	12,828,407
Assigned	3,774,169	2,800,215	2,446,066	2,432,724	2,096,450	2,449,205	2,589,254	1,823,473	1,358,669	325,000
Unassigned	20,827,769	22,125,703	20,871,449	19,491,140	10,963,650	12,072,176	10,195,572	6,295,396	2,876,078	2,483,836
Total general fund	<u>\$ 45,226,324</u>	<u>\$ 42,933,236</u>	<u>\$ 42,990,379</u>	<u>\$ 40,725,186</u>	<u>\$ 32,601,124</u>	<u>\$ 31,857,872</u>	<u>\$ 28,250,366</u>	<u>\$ 24,069,837</u>	<u>\$ 19,220,174</u>	<u>\$ 16,710,498</u>
Municipal Schools										
Nondisposable	\$ 6,650	\$ 36,365	\$ 63,879	\$ 77,585	\$ 191,041	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	853,456	396,503	221,230	122,762	-	-	-	-	-	-
Committed	8,537,176	7,874,456	8,263,905	-	-	-	-	-	-	-
Assigned	12,445,882	12,687,344	11,015,341	16,125,558	12,951,171	8,864,313	-	-	-	-
Total Municipal Schools	<u>\$ 21,843,164</u>	<u>\$ 20,994,668</u>	<u>\$ 19,564,355</u>	<u>\$ 16,325,905</u>	<u>\$ 13,142,212</u>	<u>\$ 8,864,313</u>				
Major Roads										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313,856	\$ 1,375,033
Committed	-	-	-	-	-	-	-	-	1,000,389	3,848,651
Total major roads	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,314,245</u>	<u>\$ 5,223,684</u>
Municipal Schools Capital Projects										
Committed	\$ -	\$ 2,885,754	\$ 2,315,151	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All other governmental funds										
Nondisposable	270,353	\$ 243,308	\$ -	\$ 1,800	\$ -	\$ -	\$ -	\$ 69,811	\$ -	\$ -
Restricted	1,814,699	457,489	696,518	418,235	3,230,614	513,416	575,787	346,637	904,907	393,863
Committed	9,862,606	7,632,099	13,680,140	27,665,465	-	17,863,458	5,305,410	4,512,531	2,214,284	1,582,384
Assigned	3,057,669	687,787	1,650,932	9,487,985	10,380,039	5,423,296	1,243,881	2,125,718	1,209,127	6,454,853
Unassigned	-	(345)	-	(1,470,902)	-	-	-	(66,597)	-	-
Total all other governmental funds	<u>\$ 15,005,327</u>	<u>\$ 9,020,338</u>	<u>\$ 16,027,590</u>	<u>\$ 36,102,583</u>	<u>\$ 13,610,653</u>	<u>\$ 23,800,170</u>	<u>\$ 7,125,078</u>	<u>\$ 6,988,100</u>	<u>\$ 4,328,318</u>	<u>\$ 8,431,100</u>

Note: (1) Any increase/decrease in fund balance is explained in the Management's Discussion and Analysis for the current year.

CITY OF GERMANTOWN, TENNESSEE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit F-4

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Taxes	\$ 116,339,883	\$ 114,603,632	\$ 111,554,174	\$ 106,676,188	\$ 99,266,585	\$ 95,029,659	\$ 90,177,767	\$ 44,119,410	\$ 38,220,104	\$ 35,571,416
Fines and forfeitures	777,548	860,948	1,147,530	1,244,883	1,144,942	1,438,013	750,866	778,641	812,454	766,110
Licenses and permits	1,367,883	1,388,160	1,495,145	1,353,729	1,082,190	1,032,397	1,071,188	1,026,260	1,036,498	1,004,480
Charges for services	3,158,271	4,264,668	4,963,443	4,587,604	4,280,699	2,707,962	2,163,055	1,112,584	377,852	338,750
Interest on investments	238,149	1,116,978	1,874,580	980,430	310,119	166,588	75,688	65,482	82,582	109,193
Grants	14,484,431	6,660,534	7,274,502	5,396,673	4,391,359	4,671,072	2,668,322	3,195,374	9,555,678	8,661,249
Donations	2,476,684	6,559,158	1,513,165	-	-	-	-	-	-	-
Other revenues	716,412	1,065,189	1,560,076	697,315	818,311	4,505,315	2,332,403	2,427,881	3,271,793	2,755,933
Total revenues	139,559,261	136,519,267	131,382,615	120,936,822	111,294,205	109,551,006	99,239,289	52,725,632	53,356,961	49,207,131
Expenditures										
General government	15,220,357	15,193,496	15,453,921	14,019,895	13,288,255	13,300,569	10,380,587	9,505,519	10,121,258	10,214,400
Public safety	27,682,340	24,363,144	23,256,561	21,905,538	21,103,534	19,920,357	19,361,763	18,850,518	18,984,883	19,213,459
Transportation and Environment	6,928,823	6,473,093	8,158,368	6,456,229	7,175,393	6,112,829	6,291,023	5,825,167	6,043,143	6,144,103
Community services	3,163,347	3,535,458	4,001,563	3,608,116	3,341,953	3,214,441	3,310,940	3,029,081	4,410,517	3,204,284
Education	64,467,005	57,043,343	54,795,041	52,969,423	49,368,689	48,729,295	42,328,473	2,603,341	-	-
Debt service										
Principal	2,926,453	3,056,453	1,670,000	2,300,000	2,825,453	6,765,000	2,480,000	8,290,000	2,545,000	2,200,000
Interest	2,271,396	2,442,621	2,751,702	1,146,557	1,382,402	959,454	688,485	762,645	830,248	863,525
Bond issuance cost	-	-	24,001	242,238	-	290,428	-	120,576	-	90,919
Capital outlay	12,293,972	30,588,249	37,163,111	18,078,831	18,074,814	8,454,713	5,127,384	7,214,238	18,168,534	14,650,580
Total expenditures	134,953,693	142,695,857	147,274,268	120,726,827	116,560,493	107,747,086	89,968,655	56,201,085	61,103,583	56,581,270
Excess of revenues over (under) expenditures	4,605,568	(6,176,590)	(15,891,653)	209,995	(5,266,288)	1,803,920	9,270,634	(3,475,453)	(7,746,622)	(7,374,139)
Other financing sources (uses)										
Transfers in	11,990,953	18,058,738	32,569,353	13,647,678	18,434,918	9,400,156	7,860,761	4,547,201	2,582,496	3,684,323
Transfers out	(11,778,110)	(17,601,666)	(32,062,204)	(13,137,220)	(18,435,955)	(9,172,988)	(7,592,946)	(4,220,000)	(1,415,887)	(3,308,000)
Debt Proceeds - General Obligation	-	-	3,025,000	29,275,000	-	13,970,000	-	9,070,000	-	6,025,000
Refunding bond issued	-	-	-	-	-	4,185,000	-	-	-	-
Discount on bond issued	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	3,778,809	-	3,579,349	-	222,803	-	130,456
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Contribution from developers	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	239,059	986	103,305	25,423	98,959	91,529	69,007	50,649	38,985	6,000
Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
Insurance recoveries	-	655,050	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	451,902	1,113,108	3,635,454	33,589,690	97,922	22,053,046	336,822	9,670,653	1,205,594	6,537,779
Net change in fund balances	\$ 5,057,470	\$ (5,063,482)	\$ (12,256,199)	\$ 33,799,685	\$ (5,168,366)	\$ 23,856,966	\$ 9,607,456	\$ 6,195,200	\$ (6,541,028)	\$ (836,360)
Debt service as a percentage of noncapital expenditures	4.5%	4.9%	4.2%	3.5%	4.4%	7.6%	3.8%	19.1%	8.1%	7.5%

CITY OF GERMANTOWN, TENNESSEE
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Exhibit F-5

Last Ten Fiscal Years

Calendar Year Ended	Real Property				Commercial Personal Property	Total Taxable Assessed Value	Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
	Residential Property	Farm Property	Commercial Property	Public Utilities Property					
2021	\$ 1,264,659,175	\$ 2,047,600	\$ 371,236,760	\$ 8,492,314	\$ 35,184,560	\$ 1,681,620,409	1.950	\$ 6,186,042,871	27.18%
2020	1,254,259,000	2,229,950	350,426,010	8,453,630	32,681,310	1,648,049,900	1.950	6,163,222,436	26.74%
2019	1,244,545,200	2,216,025	373,289,845	9,677,077	34,126,780	1,663,854,927	1.950	6,104,672,300	27.26%
2018	1,235,148,875	1,183,950	369,473,765	10,226,862	32,174,950	1,648,208,402	1.970	6,086,675,395	27.08%
2017	1,106,585,750	1,033,450	311,589,830	11,832,219	28,048,120	1,459,089,369	1.930	5,414,894,925	26.95%
2016	1,097,572,000	1,288,200	282,235,055	12,323,985	26,496,540	1,419,915,780	1.930	5,302,215,745	26.78%
2015	1,089,881,650	1,194,550	282,283,980	13,470,927	28,081,710	1,414,912,817	1.930	5,277,145,095	26.81%
2014	1,086,542,975	1,630,500	294,463,130	12,946,203	26,852,980	1,422,435,788	1.930	5,292,064,151	26.88%
2013	1,165,625,600	1,878,200	271,361,220	13,671,353	26,621,560	1,479,157,933	1.485	5,552,753,505	26.64%
2012	1,171,535,200	2,166,525	280,629,910	12,655,926	25,962,880	1,492,950,441	1.485	5,594,910,275	26.68%

Source: Shelby County Assessor's Office before adjustment from the County Board of Equalization.

Note: Property in Shelby County is reassessed every four years. Tax rates are applied at \$100 of assessed value.
 Residential and farm property is assessed at 25.0%.
 Commercial real property is assessed at 40.0%.
 Public utilities is assessed at 55.0%.
 Commercial personal property is assessed at 30.0%.

CITY OF GERMANTOWN, TENNESSEE
DIRECT AND OVERLAPPING PROPERTY TAX RATES
 Last Ten Fiscal Years

Property Tax Rates
 (Per \$100 of Assessed Valuation)

Fiscal Year	City	County				Total Direct & Overlapping Rates
	Direct Rate	General Fund	Education	Debt Service	Rural School Bonds	
2021	\$ 1.950	\$ 1.47	\$ 1.96	\$ 0.62	\$ -	\$ 6.00
2020	1.950	1.49	1.94	0.62	-	6.00
2019	1.950	1.49	1.94	0.62	-	6.00
2018	1.970	1.43	1.99	0.69	-	6.08
2017	1.930	1.45	2.14	0.78	-	6.30
2016	1.930	1.45	2.14	0.78	-	6.30
2015	1.930	1.45	2.14	0.78	-	6.30
2014	1.930	1.45	2.14	0.78	-	6.30
2013	1.485	1.36	1.91	0.75	0.04	5.55
2012	1.485	1.36	1.91	0.75	0.04	5.55

Note: The City has no direct or contingent liability for the Shelby County debt. Above are the tax rates for both the City of Germantown and Shelby County.

CITY OF GERMANTOWN, TENNESSEE
PRINCIPAL PROPERTY TAX PAYERS
 Current and Nine Years Ago

Exhibit F-7

Taxpayer	2021			2012		
	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
The Village at Germantown Inc.	\$ 21,541,480	1	1.07%	\$ 11,600,000	1	0.80%
Methodist Hospitals of Memphis	16,982,240	2	0.84%	-	-	-
Campbell Clinic WR MOB LP	16,876,640	3	0.84%	4,210,920	8	0.29%
Neshoba-Exter Real Estate Partners	16,033,280	4	0.80%	-	-	-
Whitney Bridges LLC (formerly Empirian Colonneade)	13,123,040	5	0.65%	-	-	-
HCP Germantown LLC	12,726,040	6	0.63%	-	-	-
PEBB Germantown LEB LLC (formerly Belz Investment Co)	11,916,640	7	0.59%	-	-	-
Shops at Saddle Creek Inc	11,294,360	8	0.56%	-	-	-
G&I VIII Brook Chase LLC	9,964,080	9	0.50%	-	-	-
Crestwyn Health Group LLC	9,405,200	10	0.47%	-	-	-
Germantown Village Square Joint Venure	-	-	-	7,200,000	2	0.50%
UT Medical Group Inc	-	-	-	7,100,000	3	0.49%
Emperian Colonneade 75% & Bush Realty Columade 25%	-	-	-	6,398,880	4	0.44%
Vineyards Apartments Inc	-	-	-	5,808,360	5	0.40%
Taylor Senter Crook ET AL	-	-	-	5,135,520	6	0.35%
SWC Poplar FHI Partners LLC	-	-	-	4,696,640	7	0.32%
GA Poplar Avenue Germantown LLC	-	-	-	4,178,800	9	0.29%
Brook Chase Apartments LLC	-	-	-	4,080,000	10	0.28%
Totals	\$ 139,863,000		6.96%	\$ 60,409,120		4.17%

Source: Shelby County Board of Assessments

**CITY OF GERMANTOWN, TENNESSEE
PROPERTY TAX LEVIES AND COLLECTIONS**

Exhibit F-8

Last Ten Calendar Years

Levy Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Tax Collections	Percent of Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Tax Levy
2020	\$ 32,979,709	\$ 32,667,883	99.1%	\$ -	\$ 32,667,883	99.1%	\$ 311,826	0.9%
2019	32,406,158	31,957,973	98.6%	309,197	32,267,170	99.6%	138,988	0.4%
2018	32,256,468	31,882,550	98.8%	255,731	32,138,281	99.6%	118,187	0.4%
2017	32,268,236	31,905,963	98.8%	265,670	32,171,633	99.7%	96,603	0.3%
2016	28,038,173	27,718,407	98.9%	230,153	27,948,560	99.7%	89,613	0.3%
2015	27,166,522	26,791,978	98.6%	339,270	27,131,248	99.9%	35,274	0.1%
2014	27,047,828	26,665,756	98.6%	347,961	27,013,717	99.9%	34,111	0.1%
2013	27,203,149	26,805,236	98.5%	366,571	27,171,807	99.9%	31,342	0.1%
2012	21,762,476	21,442,774	98.5%	294,715	21,737,489	99.9%	24,987	0.1%
2011	21,982,373	21,579,284	98.2%	385,823	21,965,107	99.9%	17,266	0.1%

Note: The Shelby County Assessor's office assesses the value of property within the county. The City levies a tax and is responsible for collection.

CITY OF GERMANTOWN, TENNESSEE
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

Exhibit F-9

Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Property Taxes	\$ 51,276,104	\$ 50,296,652	\$ 50,067,873	\$ 49,704,035	\$ 45,041,608	\$ 44,109,602	\$ 42,564,359	\$ 27,806,758	\$ 22,508,880	\$ 22,580,235
Local Sales Taxes	25,960,352	21,823,268	21,400,850	20,066,906	18,543,679	17,738,516	15,525,399	9,684,656	8,844,583	7,245,188
State Taxes (Local Share)	39,103,427	42,483,712	40,085,451	36,905,247	35,681,298	33,181,541	32,088,009	6,627,996	6,866,641	5,745,993
Total	<u>\$ 116,339,883</u>	<u>\$ 114,603,632</u>	<u>\$ 111,554,174</u>	<u>\$ 106,676,188</u>	<u>\$ 99,266,585</u>	<u>\$ 95,029,659</u>	<u>\$ 90,177,767</u>	<u>\$ 44,119,410</u>	<u>\$ 38,220,104</u>	<u>\$ 35,571,416</u>

CITY OF GERMANTOWN, TENNESSEE
PROGRAM REVENUES BY FUNCTION/PROGRAM

Exhibit F-10

Last Ten Fiscal Years
(accrual basis of accounting)

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
General government	\$ 2,954,257	\$ 2,560,663	\$ 3,280,355	\$ 3,627,205	\$ 2,926,397	\$ 2,791,978	\$ 2,058,870	\$ 2,006,017	\$ 1,266,206	\$ 1,156,280
Public safety	247,108	189,750	219,853	152,327	163,442	1,182,858	1,298,067	943,545	175,474	484,006
Transportation and environment	1,224,550	1,204,811	1,300,146	1,191,338	1,042,161	952,147	970,079	969,947	978,001	956,379
Community services	672,407	994,956	1,382,475	1,332,581	1,227,751	832,155	803,292	455,041	348,865	600,909
Education	464,010	1,251,104	1,428,982	1,236,058	1,148,080	3,207,977	729,266	-	-	-
Total governmental activities	5,562,332	6,201,284	7,611,811	7,539,509	6,507,831	8,967,115	5,859,574	4,374,550	2,768,546	3,197,574
Business-type activities:										
Utilities	8,932,131	8,387,630	8,272,218	8,570,868	8,918,467	8,917,412	8,468,543	6,681,013	6,793,703	7,471,805
Athletic Club	2,829,873	3,763,553	4,707,527	4,283,377	4,089,150	4,253,656	4,095,114	4,026,672	3,900,935	3,709,915
Sanitation	5,070,955	4,946,059	4,948,326	4,946,842	4,830,205	3,423,499	3,364,803	3,509,086	3,550,360	3,530,418
Great Hall	158,238	375,349	514,161	490,391	471,193	437,188	410,430	358,902	308,225	242,970
Stormwater	1,047,734	1,032,324	1,028,272	1,020,492	1,034,939	1,003,756	1,048,603	998,225	994,936	1,037,363
Total business-type activities	18,038,931	18,504,915	19,470,504	19,311,970	19,343,954	18,035,511	17,387,493	15,573,898	15,548,159	15,992,471
Total primary government	\$ 23,601,263	\$ 24,706,199	\$ 27,082,315	\$ 26,851,479	\$ 25,851,785	\$ 27,002,626	\$ 23,247,067	\$ 19,948,448	\$ 18,316,705	\$ 19,190,045

**CITY OF GERMANTOWN, TENNESSEE
DIRECT AND OVERLAPPING SALES TAX RATES**

Exhibit F-11

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Shelby County</u>	<u>State of Tennessee</u>
2021	1.625 %	1.125 %	7.00 %
2020	1.625	1.125	7.00
2019	1.625	1.125	7.00
2018	1.625	1.125	7.00
2017	1.625	1.125	7.00
2016	1.625	1.125	7.00
2015	1.625	1.125	7.00
2014	1.625	1.125	7.00
2013	1.125	1.125	7.00
2012	1.125	1.125	7.00

Source: State of Tennessee Financial Control

Note: Local option tax can be changed by a vote of the citizens.

CITY OF GERMANTOWN, TENNESSEE
TAXABLE SALES BY CATEGORY

Exhibit F-12

Last Ten Calendar Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Building Materials	\$ 12,314,240	\$ 10,447,398	\$ 9,840,497	\$ 9,358,370	\$ 9,423,908	\$ 8,783,028	\$ 8,193,042	\$ 7,587,962	\$ 7,230,598	\$ 6,241,411
General Merchandise Stores	52,319,174	52,099,216	49,611,819	47,159,507	46,580,651	47,143,087	45,643,091	45,515,254	43,883,755	41,511,127
Food Stores	148,407,993	134,509,967	122,516,498	111,238,421	108,357,155	89,897,399	74,465,084	70,966,313	69,706,380	74,747,953
MV Dealers and Service Stations	16,869,007	15,801,482	15,708,375	15,697,414	12,006,595	13,428,589	9,268,145	10,660,232	10,821,656	10,994,725
Apparel Stores	48,607,087	70,164,661	66,427,724	62,090,161	58,827,556	58,394,019	60,454,666	61,458,112	59,929,794	58,961,721
Furniture Stores	19,979,286	53,037,909	47,328,851	41,623,236	34,284,022	31,402,158	29,583,505	29,080,559	34,617,549	37,993,292
Eating and Drinking Places	76,755,058	88,914,542	81,394,872	79,072,467	75,056,545	65,406,111	67,204,184	63,427,005	62,588,306	58,689,814
Other Retail	59,017,503	60,097,709	58,517,992	58,013,903	51,751,333	49,449,860	50,139,706	51,958,109	51,795,399	55,086,019
All Other Outlets	95,010,330	105,195,750	111,869,508	93,912,257	85,813,650	81,427,826	69,391,314	62,610,756	65,628,935	74,062,214
	<u>\$529,279,678</u>	<u>\$590,268,634</u>	<u>\$563,216,136</u>	<u>\$518,165,736</u>	<u>\$482,101,415</u>	<u>\$445,332,077</u>	<u>\$414,342,737</u>	<u>\$403,264,302</u>	<u>\$406,202,372</u>	<u>\$418,288,276</u>

Source: Tennessee Department of Revenue, Research Division

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

CITY OF GERMANTOWN, TENNESSEE
LOCAL SALES TAX REVENUE BY INDUSTRY

Exhibit F-13

Current Year and Nine Years Ago

	2021				2012			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	408	45.18%	\$13,083,137	82.92%	466	54.25%	\$7,722,955	83.17%
Services	295	32.67%	1,067,916	6.77%	219	25.49%	1,159,496	12.49%
Manufacturing	51	5.65%	411,868	2.61%	39	4.54%	89,267	0.96%
Wholesale Trade	42	4.65%	9,134	0.06%	61	7.10%	37,438	0.40%
Construction	14	1.55%	36,337	0.23%	11	1.28%	3,030	0.03%
Finance Insurance Real Estate	9	1.00%	76,826	0.49%	5	0.58%	208	0.00%
Transportation and Utilities	11	1.22%	217,543	1.38%	-	0.00%	-	0.00%
Agriculture	10	1.11%	39,031	0.25%	9	1.05%	20,137	0.22%
Other, Non Classified	63	6.98%	836,847	5.30%	49	5.70%	253,401	2.73%
Total	903	100%	\$15,778,639	100%	859	100%	\$9,285,932	100%

Source: Tennessee Department of Revenue, Research Division

Notes:

1. Figures subject to revision due to amended taxpayer returns.
2. Figures represent local sales tax collected by taxpayers during the period, not disbursements from the Department of Revenue. Thus, amounts presented above do not match to amounts reflected within the financial report.
3. Changes in local telecommunications sourcing rules in 2003 reduced the number of taxpayers reporting in Transportation and Utilities.

CITY OF GERMANTOWN, TENNESSEE
RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Exhibit F-14

Fiscal Years	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Note	Settlement Obligation	Bonds	Intergovernmental Loans			
2021	\$57,158,806	\$ 2,403,000	\$1,610,298	\$ -	\$ -	\$ 61,172,104	39.63%	\$ 1,525
2020	59,834,217	2,629,000	1,901,457	-	-	64,364,674	41.70%	1,604
2019	62,473,579	3,025,000	2,183,093	-	-	67,681,672	43.85%	1,687
2018	64,477,942	-	2,455,518	593,967	-	67,527,427	43.75%	1,683
2017	33,546,961	-	3,199,076	1,685,630	-	38,431,667	24.90%	958
2016	32,795,000	-	-	2,700,000	-	35,495,000	28.13%	885
2015	21,141,095	-	-	3,743,955	-	24,885,050	19.72%	620
2014	23,614,882	-	-	4,715,618	-	28,330,500	22.45%	706
2013	23,337,318	-	-	5,652,281	-	28,989,599	21.83%	723
2012	25,954,333	-	-	6,454,052	-	32,408,385	20.51%	834

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

CITY OF GERMANTOWN, TENNESSEE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Exhibit F-15

Last Ten Fiscal Years

Fiscal Years	Governmental Activities					Settlement Obligation	Total	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Demand Bonds	Capital Lease	Capital Note					
2021	\$ 57,158,806	\$ -	\$ -	\$ 2,403,000	\$ 1,610,298	\$ 61,172,104	1.00%	\$ 1,525	
2020	59,834,217	-	-	2,629,000	1,901,457	64,364,674	1.05%	1,604	
2019	62,473,579	-	-	3,025,000	2,183,093	67,681,672	1.11%	1,687	
2018	64,477,942	-	-	-	2,455,518	66,933,460	1.10%	1,668	
2017	33,546,961	-	-	-	3,199,076	36,746,037	0.68%	916	
2016	32,795,000	-	-	-	-	32,795,000	0.62%	817	
2015	21,141,095	-	-	-	-	21,141,095	0.40%	527	
2014	23,614,882	-	-	-	-	23,614,882	0.45%	589	
2013	23,337,318	-	-	-	-	23,337,318	0.42%	582	
2012	25,954,333	-	-	-	-	25,954,333	0.46%	668	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
 See Exhibit F-5 for property value data.
 Population data can be found in Exhibit F-18.

CITY OF GERMANTOWN, TENNESSEE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2021

Exhibit F-16

	<u>Net Outstanding Debt</u>	<u>Percentage Applicable City of Germantown</u>	<u>Overlapping Debt</u>
City Net General Obligation Debt	\$ 61,172,104	100.00%	\$ 61,172,104
Shelby County (including School Board)	<u>\$ 54,003,000</u>	100.00%	<u>\$ 54,003,000</u>
Direct, Overlapping Debt	<u>\$ 115,175,104</u>		<u>\$ 115,175,104</u>

Note: The City has no direct or contingent liability for the Shelby County debt. The overlapping debt is calculated based upon the Germantown assessment as a percentage of the total county assessment.

CITY OF GERMANTOWN, TENNESSEE
PLEDGED-REVENUE COVERAGE

Exhibit F-17

Last Ten Fiscal Years

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2021	\$ 8,976,714	\$ 5,517,324	\$ 3,459,390	\$ -	\$ -	0.00
2020	8,410,920	6,063,507	2,347,413	-	-	0.00
2019	8,326,881	5,674,177	2,652,704	590,000	11,800	4.41
2018	8,616,896	5,621,037	2,995,859	1,075,000	55,300	2.65
2017	8,957,659	5,399,813	3,557,846	1,035,000	97,100	3.14
2016	8,917,412	4,838,161	4,079,251	990,000	128,050	3.65
2015	8,468,543	5,386,238	3,082,305	955,000	165,688	2.75
2014	6,681,013	5,386,006	1,295,007	920,000	182,608	1.17
2013	6,793,703	5,326,971	1,466,732	880,000	232,190	1.32
2012	7,471,805	5,069,893	2,401,912	855,000	261,698	2.15

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

**CITY OF GERMANTOWN, TENNESSEE
DEMOGRAPHICS AND ECONOMIC STATISTICS**

Last Ten Calendar Years

	<u>Population</u> (1)	<u>Median Income</u> (4)	<u>Per Capita Personal Income</u> (4)	<u>School Enrollment</u>	<u>Unemployment Rate</u> (6)
2021	40,123 (3)	\$ 118,163 (12)	\$ 60,956 (12)	5,934 (7)	3.7 (13)
2020	40,123 (3)	116,585 (12)	60,855 (12)	5,960 (7)	2.6 (11)
2019	40,123 (3)	113,392 (12)	58,722 (12)	6,044 (7)	2.7
2018	40,123 (3)	154,163 (9)	53,919 (9)	6,016 (7)	2.6 (11)
2017	40,123 (3)	154,163 (10)	54,229 (9)	5,874 (7)	3.9
2016	40,123 (3)	154,355 (9)	54,229 (9)	5,732 (7)	3.9
2015	40,123 (3)	114,520 (8)	53,329 (8)	5,732 (7)	4.6
2014	40,123 (3)	113,294 (3)	49,857 (3)	8,551 (6)	5.6
2013	40,123 (3)	126,196 (3)	51,701 (3)	8,571	5.4
2012	38,844	132,795 (4)	50,429	8,580	6.4

Sources:

- (1) Estimated unless otherwise noted
- (3) Special Local Census
- (4) Memphis Business Journal
- (6) 2008, 2011, 2013, 2014, and 2019 Unemployment rate derived from Sperling's Best Places.
2010 Unemployment rate derived from The Commercial Appeal.
2012 Unemployment rate derived from the Department of Labor and Workforce Development
2016 Unemployment rate derived from Homefacts.com and CareerTrends.com
Note - U.S. Census Bureau and Memphis Business Journal information is reported on a calendar basis.
- (7) Germantown Municipal School District Office
- (8) Sperling's Best Places, updated December 2016
- (9) City of Germantown website
- (10) Germantown Life & Stories
- (11) Unemployment rate derived from www.cividdashboards.com
- (12) United States Census Quick Facts website
- (13) TN Dept of Labor & Workforce, Labor Force Estimates

CITY OF GERMANTOWN, TENNESSEE
PRINCIPAL EMPLOYERS

Exhibit F-19

Current Year and Five Years Ago

Employer	2021			2016		
	Employees	Rank	Percentage of Total County Employment*	Employees	Rank	Percentage of Total County Employment**
Methodist LeBonheur Hospital - Germantown	1,931	1	0.46%	1,960	1	0.39%
FedEx Logistics	856	2	0.20%	-	-	-
Germantown Municipal School District	617	3	0.15%	505	2	0.10%
West Cancer Center	537	4	0.13%	-	-	-
Campbell Clinic	442	5	0.10%	350	5	0.07%
City of Germantown	414	6	0.10%	394	3	0.08%
Gastro One	314	7	0.07%	-	-	-
ThyssenKrupp Elevator Manufacturing, Inc.	238	8	0.06%	291	8	0.06%
Kroger	236	9	0.06%	332	6	0.07%
The Village at Germantown	231	10	0.05%	330	7	0.07%
Stern Cardiovascular	-	-	-	356	4	0.07%
Baptist Rehabilitation - Germantown	-	-	-	129	10	0.03%
Orgill, Inc.	-	-	-	284	9	0.06%

Notes:

*Approximately 5,932 Personnel Staff per Shelby County Human Resources Representative (2021)

**Approximately 5,059 Personnel Staff per Shelby County Human Resources Representative (2016)

CITY OF GERMANTOWN, TENNESSEE
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY PROGRAM/COST CENTER
 Last Ten Fiscal Years

Exhibit F-20

(Full Time Equivalents-
 Non-Exempt/Exempt Employees)

Program/Cost Center:	2021		2020		2019		2018		2017		2016		2015		2014		2013		2012	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Government																				
City Court	9	0	8	0	7	0	7	0	7	0	7	0	7	0	7	3	7	1	7	0
Administration	9	2	9	1	8	0	8	0	7	2	5	1	5	1	5	1	5	0	4	1
Human Resources	5	0	5	0	5	0	5	0	5	0	6	0	7	0	6	0	6	0	6	0
Information Technology	5	1	5	1	5	0	5	0	5	1	5	0	5	0	5	0	5	0	5	0
Finance	10	0	9	0	12	0	12	0	11	0	11	0	10	0	16	1	9	1	15	1
Procurement	7	0	7	0	7	0	7	0	7	0	7	0	7	0	0	0	0	0	0	0
Economic and Community Development	17	1	19	0	19	0	19	0	19	0	20	0	19	0	20	0	22	0	21	0
Facility Services	14	1	15	1	17	1	17	1	17	0	16	0	14	0	12	0	12	0	13	0
GPAC	13	1	12	1	12	2	12	2	11	24	10	2	10	2	9	5	9	36	9	5
Office of Budget & Performance	2	0	2	0	3	0	3	0	3	0	3	0	3	0	2	0	2	0	2	0
Civic Support	9	0	8	0	7	0	6	0	6	0	7	0	0	0	0	0	0	0	0	0
Public Safety																				
Police	118	1	125	1	120	0	118	0	122	5	113	0	115	1	107	0	107	0	110	1
Fire	72	0	86	2	73	1	67	1	68	1	67	1	66	1	70	1	79	1	69	1
Transportation & Environment																				
Public Services	38	0	36	0	39	1	38	1	40	1	38	1	39	1	39	1	44	2	39	1
Fleet Services	8	1	9	0	9	0	9	0	9	0	9	0	8	1	10	0	10	0	10	0
Animal Control	4	0	4	0	4	1	4	1	3	0	4	1	4	1	5	0	4	0	4	0
Community Services																				
Parks & Recreation	7	7	7	6	8	6	8	6	7	6	7	6	6	6	7	5	5	21	7	4
The Farm	1	0	1	1	1	1	0	1	0	3	0	1	0	1	0	1		4	0	0
Community Education	2	0	2	0	3	8	2	8	1	6	1	8	0	0	0	0	0	0	0	0
Ambulance Fund	18	0	19	0	19	0	19	0	19	0	19	0	16	0	0	0	0	0	0	0
Germantown Athletic Club																				
Recreation	11	14	10	13	12	13	12	13	11	44	10	12	10	12	11	12	9	69	10	12
Aquatics	1	13	1	12	1	14	1	14	2	38	2	14	2	14	2	14	2	78	2	14
Personal Training	0	0	0	0	0	0	0	0	0	0	1	3	1	1	1	1	0	0	0	0
Great Hall	2	1	2	2	2	1	2	1	2	3	2	1	2	1	2	1	0	3	2	1
Utilities																				
Water	13	0	15	0	16	0	17	0	16	0	17	0	21	0	20	0	20	0	20	0
Sewer	4	0	5	0	5	0	5	0	5	0	5	0	6	0	6	0	6	0	6	0
Solid Waste	0	0	0	0	2	0	2	0	1	0	2	0	1	0	0	0	0	0	0	0
Stormwater	1	0	5	0	7	0	7	0	7	0	7	0	7	0	7	0	0	0	7	0
Recreation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Municipal Schools *	599	9	597	10	587	0	518	0	527	0	505	0	517	0	0	0	0	0	0	0
Total	999	52	1,023	50	1,009	46	929	47	938	131	906	48	908	43	368	43	363	216	368	41

Source: City of Germantown

Notes:

A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).
 *5,934 Students Enrolled

CITY OF GERMANTOWN, TENNESSEE
OPERATING INDICATORS BY FUNCTION/PROGRAM

Exhibit F-21

Last Ten Fiscal Years

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Physical arrests	1,490	1,856	2,478	2,344	2,447	1,163	1,730	1,227	1,009	2,354
Parking violations	130	225	243	256	370	123	159	83	101	140
Traffic violations	8,846	9,099	15,822	15,027	18,267	23,024	16,728	6,758	5,318	12,411
Fire										
Emergency responses	4,704	4,412	4,485	4,473	4,115	3,928	3,551	3,354	3,300	3,109
Fires extinguished	49	62	49	70	54	56	45	44	82	102
Inspections	567	633	1,577	1,225	1,517	1,939	1,515	1,613	1,585	1,803
Other public works										
Street resurfacing (miles)	7	3	9	8	7	8	9	8	7	8
Parks and recreation										
Athletic field permits issued	0	0	1	1	3	n/a	n/a	2	n/a	n/a
Germantown Athletic Club										
*Admissions - per day	773	1,320	1,571	1,492	1,425	1,568	1,310	1,233	1,232	1,132
*Admissions - per year	278,401	409,399	565,500	537,455	512,845	564,349	471,675	443,855	443,686	407,476
**Library										
Volumes in collection	132,247	137,790	135,362	139,622	135,532	139,545	136,005	143,618	146,819	158,689
Total volumes borrowed	135,936	241,052	314,715	344,077	338,761	347,908	324,892	333,227	356,314	351,997
Water										
New connections	31	40	41	82	70	58	40	56	69	42
Water main breaks	19	7	8	14	18	16	20	22	19	12
Average daily consumption (MG)	6.376	6.470	5.744	6.117	6.229	7.530	6.899	7.205	8.658	8.600
Peak daily consumption (MG)	14.686	14.622	12.294	12.294	12.150	13.580	13.275	13.969	15.818	17.200

Sources: Various city departments.

Notes:

TGL=thousand gallons; n/a=information not available

*The Germantown Athletic Club is open 360 days per year. Per day is an average and is rounded to the nearest even number. Children 11 and under are included in these numbers.

CITY OF GERMANTOWN, TENNESSEE
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

Exhibit F-22

Last Ten Fiscal Years

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	54	48	41	40	39	38	37	37	37	37
Fire Stations	4	4	4	4	4	4	4	4	4	4
Other public works										
Streets (miles)	233	231	231	230	220	215	210	210	210	206
Highways (miles)	11	11	11	11	11	11	11	11	11	11
Streetlights	5,080	5,080	5,080	5,000	5,014	5,099	5,097	5,097	5,258	5,135
Parks and recreation										
Acreage	748	748	748	748	748	748	748	748	748	748
Playgrounds	30	30	30	30	30	30	30	30	30	30
Baseball/softball diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/football fields	11	11	11	11	11	11	11	11	21	21
Community center	0	0	0	0	0	0	0	0	1	1
Water										
Water mains (miles)	282	280	280	256	256	256	210	235	213	209
Fire hydrants	2,665	2,661	2,661	2,611	2,611	2,599	2,606	2,559	2,419	2,384
Storage capacity (million gallons)	8.1	8.1	8.1	8.1	8.1	8.1	8.1	7.9	8.1	8.1
Wastewater*										
Sanitary sewers (miles)	237	235	235	235	233	233	210	232	213	211

Sources: Various city departments.

Notes:

*Wastewater treatment is provided through by the City of Memphis via an agreement between the City of Germantown and the City of Memphis. The charge is then passed on to the customer as a service fee on their monthly bill.

GOVERNMENT AUDITING STANDARDS SECTION

**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**

To the Honorable Mayor Mike Palazzolo and the Board of Aldermen of
City of Germantown, Tennessee:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the statements of budgetary comparison for the general fund and general purpose school fund, and the aggregate remaining fund information of the City of Germantown, Tennessee (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 28, 2021. Our report includes a reference to other auditors who audited the financial statements of the Germantown Performing Arts Center, as described in our report on the City financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Watkins Mikusall, PLLC

Memphis, Tennessee
December 28, 2021