

CITY OF GERMANTOWN TENNESSEE

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

Prepared by the City of Germantown Finance Department

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INTRODUCTORY SECTION (UNAUDITED)



December 30, 2022

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, 2022. This document reports the sound financial position of the various funds of the City of Germantown and the financial results for operations during FY22. 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 80.1% against operating expenditures in FY22. 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 121 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 30, 2022

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. This plan was reviewed and updated in FY22 as Germantown Forward 2035.

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 are

- 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



Jason Huisman
City Administrator



December 30, 2022

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, 2022, 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 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, 2022. 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, 2022 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements: assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement 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 1970s. 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 49.9% of total general fund revenue with collections remaining very strong. For fiscal year 2022, the City tax rate was at \$1.678 per \$100 of assessed value. Real and personal property are assessed by the Shelby County Assessor. This year was the reappraisal of all property in Shelby County. As a result, municipalities were required to calculate a state certified tax rate or "roll back rate" that produced a "tax neutral" effect for the current taxpayers. In addition, an appeals allowance was calculated and added to the tax rate that was sufficient for appeals.

Multiple factors attributed to the creation of the FY22 Budget. County-wide reappraisal, loss of the Hall Income Tax, decreased interest income and room occupancy tax all contributed to less forecasted revenues for FY22. Despite the economic instability brought on by the COVID-19 pandemic, Germantown local option sales taxes were strong. The City took a conservative approach to budgeting for local option sales tax and as a result, collections were \$3.5 million above budget. In response to the budgeted revenue being less than pre-COVID actuals, all city departmental expenditure budgets were modest increases.

Property tax increased this past year by \$8,393. 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 \$3,152,287. This increase is due to the strong economic conditions. This was mainly led by the "recession proof" businesses of grocery sales. Intergovernmental taxes had a loss of \$352,335.

During fiscal year 2022, the City issued 45 permits for new single-family residence structures with a value of \$42,767,394 or average value of \$950,399. New commercial and renovation permits including restaurants and retail stores were up by 80% with a combined permit value of \$49,190,708. Economic development initiatives included the construction of a new hotel at the Thornwood mixed-use development, as well as the approval of a 366 single-family lot subdivision redevelopment of the former Germantown Country Club property. Also, continuing the trend from the last two years following the completion of the Forest Hill Irene Road widening to handle additional traffic and new elementary school, there were many new housing starts that were part of the residential neighborhood developments approved in previous fiscal years.

In fiscal year 2022, 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 Carrefour Shopping Center was sold, and under new ownership, the mixed-use project approved in 2019 began to move forward. The project, upon completion of all phases, will be a significant investment including a hotel, residential multi-family (for sale and lease), office, and retail spaces. Other developments continue to move forward and will begin in fiscal year 2023, including mixed-use developments, new hotels, and 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. In fall of 2021, staff reconvened the original citizens' body to test the plan against the community changes over the past six year. The updated plan was passed by the Board of Mayor & Alderman as the Germantown Forward 2035 strategic plan in June 2022. The plan is schedule for another update in 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 processes 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 both Moody's and Standard & Poor's in August 2021 and issued \$8.93 million in new bonds for the construction of an addition to Houston Middle School, a water tower and drainage projects. Additionally, the City refunded \$3.46 million for the 2011 Series General Obligation bonds.

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, 2021. This was the 40th 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 comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Board of Mayor and Aldermen
City of Germantown, Tennessee
December 30, 2022

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive 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, 2022. The City has received the Award for each of the 38 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 that reads "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, 2021

Christopher P. Morrill

Executive Director/CEO

TOWN OFFICIALS AND EXECUTIVE STAFF

MAYOR

Honorable Mike Palazzolo (2022*)

ALDERMEN

Mary Anne Gibson, Vice Mayor (2022*)

Scott Sanders (2022*)	Sherrie Hicks (2024*)
Brian Ueleke (2024*)	Jon McCreery (2024*)

City Administrator.....	Jason Huisman
City Attorney	John R. McCarroll, III
City Judges	Raymond S. Cliff
	Robert M. Brannon, Jr.
Director of Finance.....	Adrienne Royals**
Deputy City Administrator	Lisa Peifer
Assistant City Administrator.....	Andy Sanders
Economic and Community Development Services Director	Cameron Ross
Fire Chief	John M. Selberg
Germantown Athletic Club Director	Amy LaRusso
Germantown Performing Arts Center Director.....	Paul Chandler
General Services Director.....	Reynold Douglas
Human Resources Director	Courtney Taylor
Information Technology Director.....	Tony Fischer
Parks and Recreation Director.....	Pam Beasley
Police Chief.....	Richard Hall
Procurement and Risk Director.....	Cathryn Perdue
Public Services Director.....	Bo Mills

BOARD OF EDUCATION OFFICIALS AND EXECUTIVE STAFF

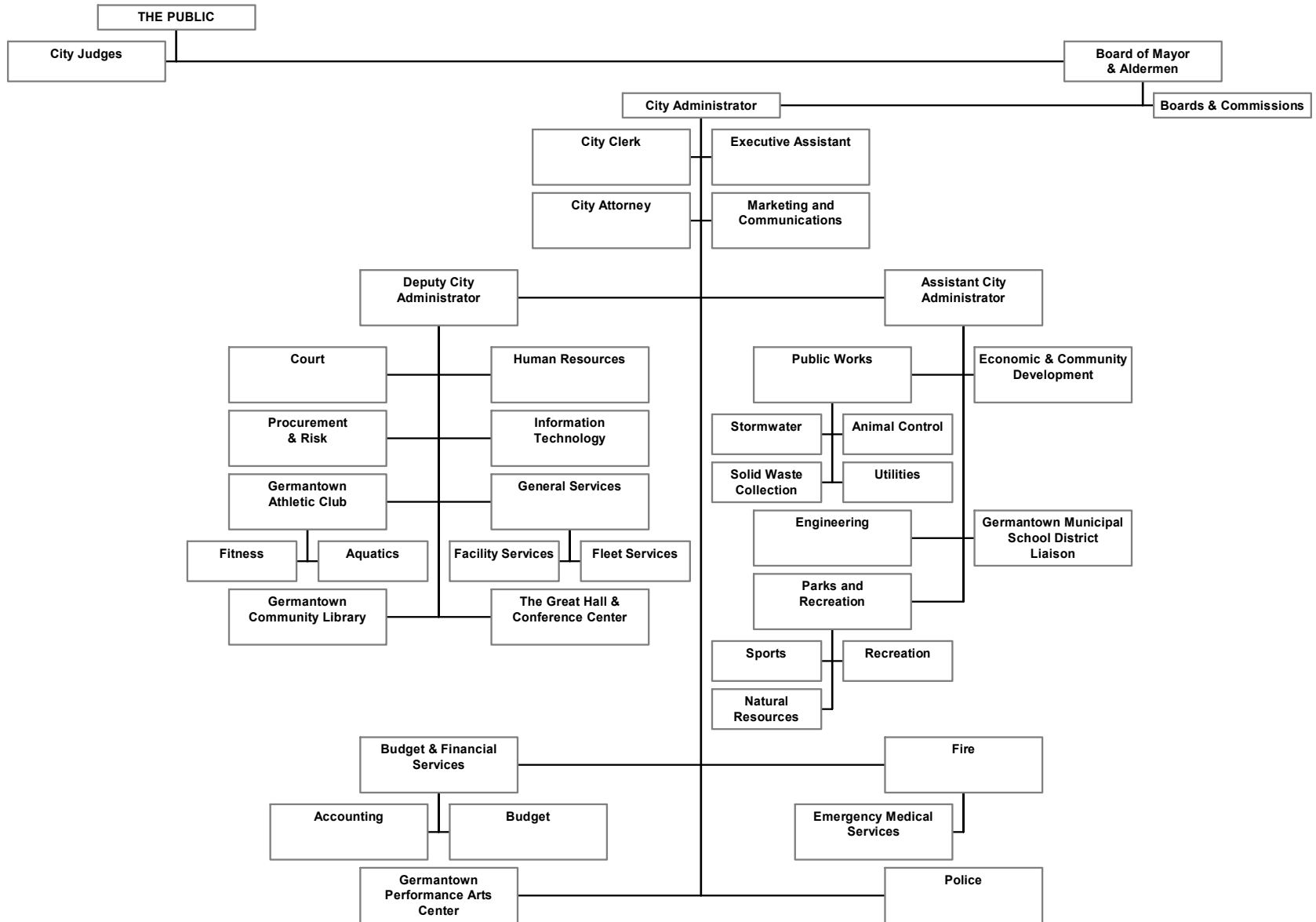
BOARD MEMBERS

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

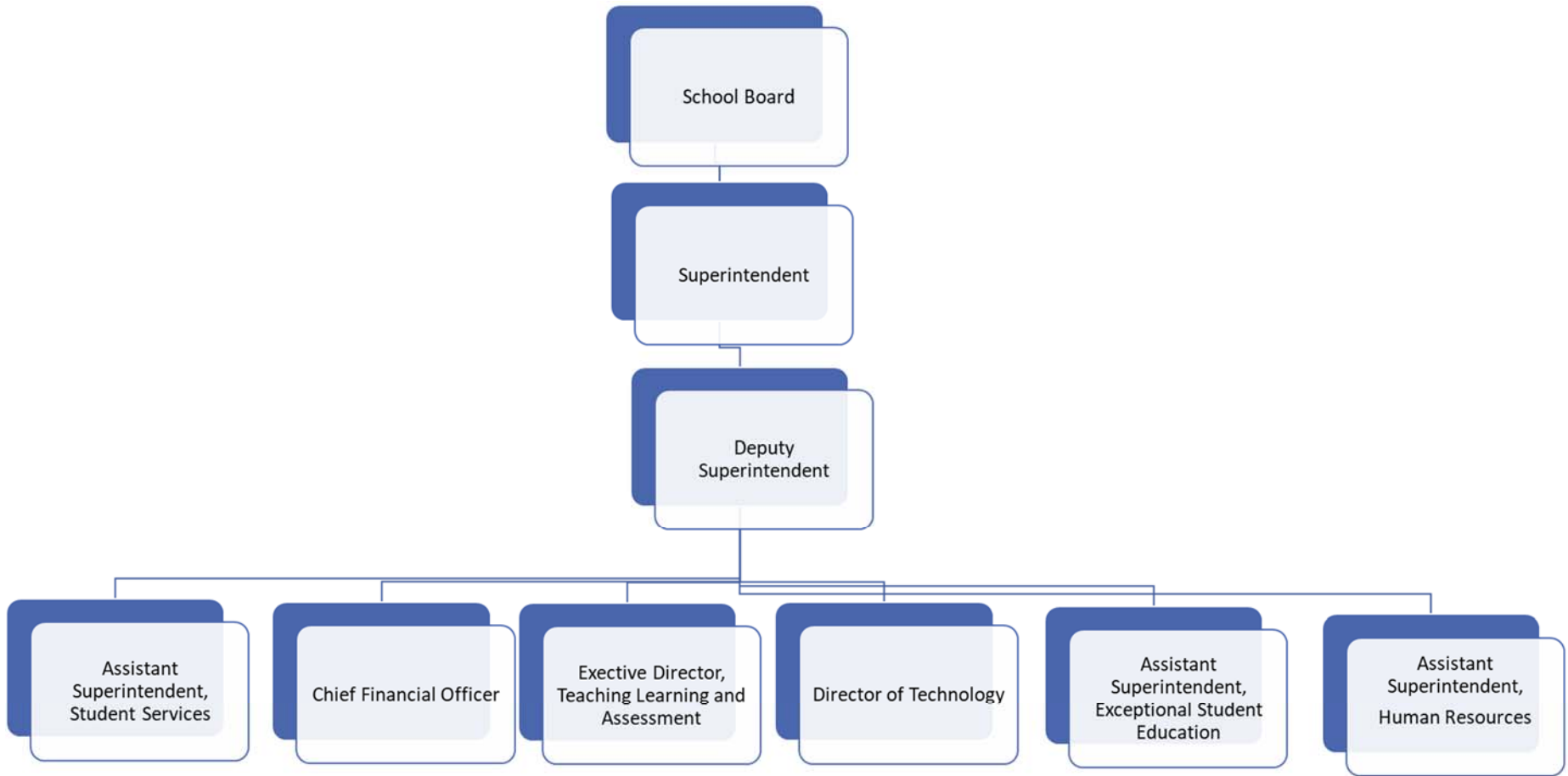
Superintendent.....	Jason Manuel
Deputy Superintendent, Chief of Operations	Josh Cathey
Assistant Superintendent of Student Services	Chauncey Bland
Assistant Superintendent of Exceptional Student Education.....	Sarah Huffman
Chief Financial Officer.....	Kevin Jones**
Director of Technology.....	John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

* Date elected term expires
 ** Designated CMFO

CITY OF GERMANTOWN, TENNESSEE
ORGANIZATIONAL CHART
 June 30, 2022



CITY OF GERMANTOWN, TENNESSEE
GERMANTOWN MUNICIPAL SCHOOL DISTRICT ORGANIZATIONAL CHART
June 30, 2022



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 Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the report of other auditors, 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Germantown, Tennessee, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the statements of budgetary comparison for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Germantown Performing Arts Center ("GPAC"), a component unit of the City of Germantown, Tennessee, which represent 0.45 percent, 0.61 percent, and 2.07 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 opinions, insofar as it relates to the amounts included for GPAC, is based solely on the report of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, during the year ended June 30, 2022, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Germantown, Tennessee's basic financial statements. The accompanying combining and individual fund financial statements and schedules, supporting schedules, and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022, on our consideration of the City of Germantown'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's internal control over financial reporting and compliance.



Memphis, Tennessee
December 30, 2022

CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

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, 2022. 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, 2022 by \$347,596,567 (net position). Of this amount, \$85,929,134 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2022, the City's governmental funds reported total fund balances of \$97,129,913. Of this amount, \$21,310,161 (unassigned fund balances) may be used to meet the general government's spending requirements. The unassigned fund balance represents 39% of total General Fund expenditures.
- During the fiscal year, the City's total debt had a net increase of \$4,637,980. The increase is due to issuing general obligation bonds for a school addition, new water tower, and drainage projects.

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, 2022. 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, 2022

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-9.

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 Policies.

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-10 through A-12.

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.

CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2022

The basic fiduciary fund financial statements are presented as Exhibits A-13 and A-14 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 50 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 \$347,596,567 at June 30, 2022.

	Condensed Statement of Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 190,231,984	\$ 144,845,037	\$ 22,472,140	\$ 15,143,098	\$ 212,704,124	\$ 159,988,135
Capital assets	249,959,766	237,487,496	63,388,637	63,916,802	313,348,403	301,404,298
Total Assets	440,191,750	382,332,533	85,860,777	79,059,900	526,052,527	461,392,433
Deferred Outflows of Resources	41,711,479	24,813,309	2,603,844	1,592,091	44,315,323	26,405,400
Long-term liabilities outstanding	131,505,368	111,237,293	7,586,841	3,396,172	139,092,209	114,633,465
Other liabilities	13,359,429	14,424,796	3,419,170	2,988,393	16,778,599	17,413,189
Total Liabilities	144,864,797	125,662,089	11,006,011	6,384,565	155,870,808	132,046,654
Deferred Inflows of Resources	66,822,565	43,106,170	77,910	432,584	66,900,475	43,538,754
Net Asset						
Invested in capital assets	192,577,715	178,148,194	61,063,584	63,916,802	253,641,299	242,064,996
Restricted	8,026,134	8,794,293	-	15,041	8,026,134	8,809,334
Unrestricted	69,612,018	51,435,096	16,317,116	9,902,999	85,929,134	61,338,095
Total Net Position	\$ 270,215,867	\$ 238,377,583	\$ 77,380,700	\$ 73,834,842	\$ 347,596,567	\$ 312,212,425

By far the largest portion of the City's net position (73%) 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 (2.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$85,929,134 may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2022

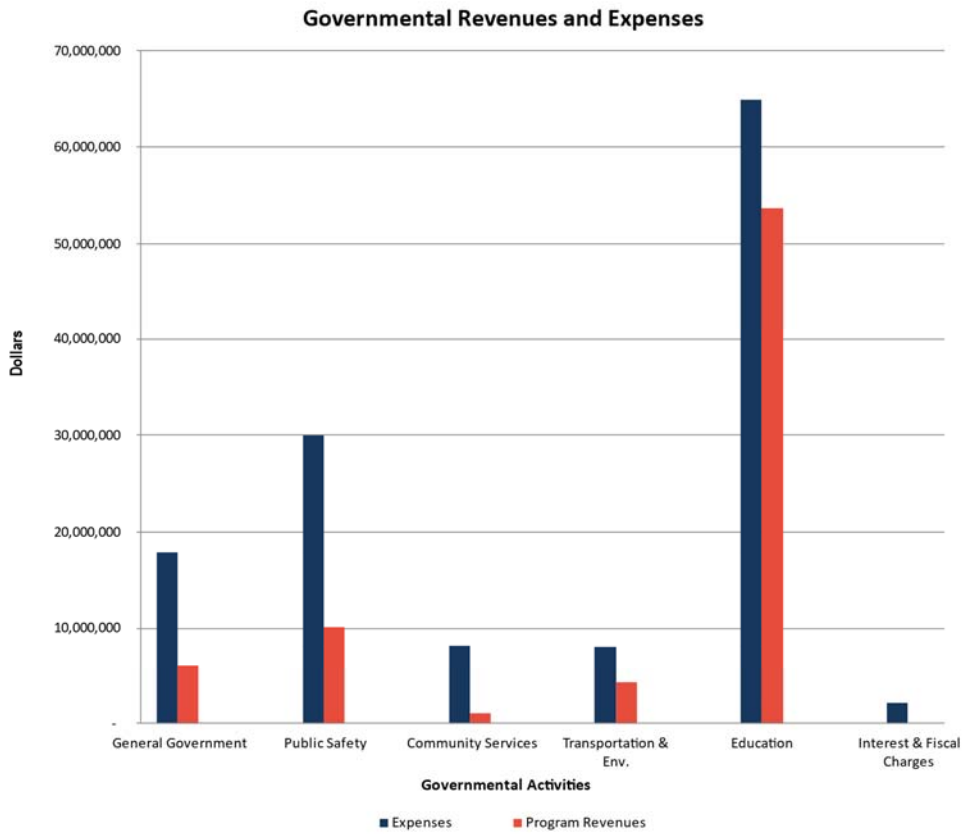
At the end of the current fiscal year, the City can report positive balances in both categories of net position, both for the government as well as for its separate governmental and business-type activities. The positive unrestricted net position for governmental activities is reflective of the City's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

	Condensed Statement of Changes in Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for services	\$ 6,459,877	\$ 5,562,332	\$ 21,624,256	\$ 18,038,931	\$ 28,084,133	\$ 23,601,263
Operating grants and contributions	67,506,447	46,772,690	6,065	-	67,512,512	46,772,690
Capital grants and contributions	1,363,787	7,427,586	2,637,321	168,226	4,001,108	7,595,812
General Revenues:						
Property taxes	51,690,293	51,199,274	-	-	51,690,293	51,199,274
Local sales taxes	29,115,217	24,488,168	-	-	29,115,217	24,488,168
Intergovernmental	5,398,243	5,723,578	-	-	5,398,243	5,723,578
Interest on investments	277,840	238,149	41,489	20,068	319,329	258,217
Other revenue	767,404	716,412	67,705	145,535	835,109	861,947
Insurance proceeds	-	-	-	-	-	-
Total Revenues	162,579,108	142,128,189	24,376,836	18,372,760	186,955,944	160,500,949
Expenses:						
General government	\$ 17,930,296	\$ 16,148,190	\$ -	\$ -	\$ 17,930,296	\$ 16,148,190
Public safety	30,016,614	28,607,994	-	-	30,016,614	28,607,994
Transportation and environment	8,038,769	7,681,977	-	-	8,038,769	7,681,977
Community services	8,154,700	7,061,334	-	-	8,154,700	7,061,334
Education	64,959,302	66,034,637	-	-	64,959,302	66,034,637
Interest and fiscal charges	2,196,302	2,056,976	17,618	-	2,213,920	2,056,976
Utilities	-	-	9,320,179	7,433,031	9,320,179	7,433,031
Athletic club	-	-	3,872,359	3,449,103	3,872,359	3,449,103
Sanitation	-	-	5,517,932	4,585,001	5,517,932	4,585,001
Great Hall	-	-	511,225	488,669	511,225	488,669
Stormwater	-	-	1,312,398	834,440	1,312,398	834,440
Total Expenses	131,295,983	127,591,108	20,551,711	16,790,244	151,847,694	144,381,352
Increase/(Decrease) in net position before transfers	31,283,125	14,537,081	3,825,125	1,582,516	35,108,250	16,119,597
Gain on disposal of capital assets	275,892	153,023	-	-	275,892	153,023
Transfers	279,267	212,843	(279,267)	(212,843)	-	-
Increase/(Decrease) in net position	31,838,284	14,902,947	3,545,858	1,369,673	35,384,142	16,272,620
Net position, June 30, 2021	238,377,583	223,474,636	73,834,842	72,465,169	312,212,425	295,939,805
Net position, June 30, 2022	\$ 270,215,867	\$ 238,377,583	\$ 77,380,700	\$ 73,834,842	\$ 347,596,567	\$ 312,212,425

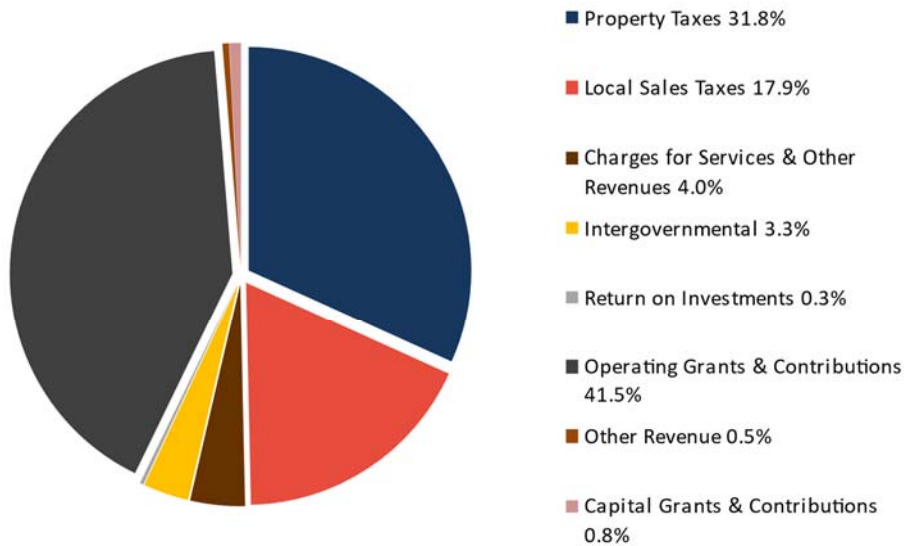
Governmental activities. Governmental activities increased the City's net position by \$31,838,284 from the prior fiscal year for an ending balance of \$270,215,867. Key elements of this increase are as follows:

- Property Taxes increased to \$51,690,293 which is \$491,019 more than FY21. Total governmental activities expenditures increased by \$3,704,875 from FY21. All categories increased with the exception of education which decreased \$1,075,335 over the prior year. This was due to higher COVID-19 related expenditures within the Schools during FY21.

**CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2022**



Governmental Revenues by Source

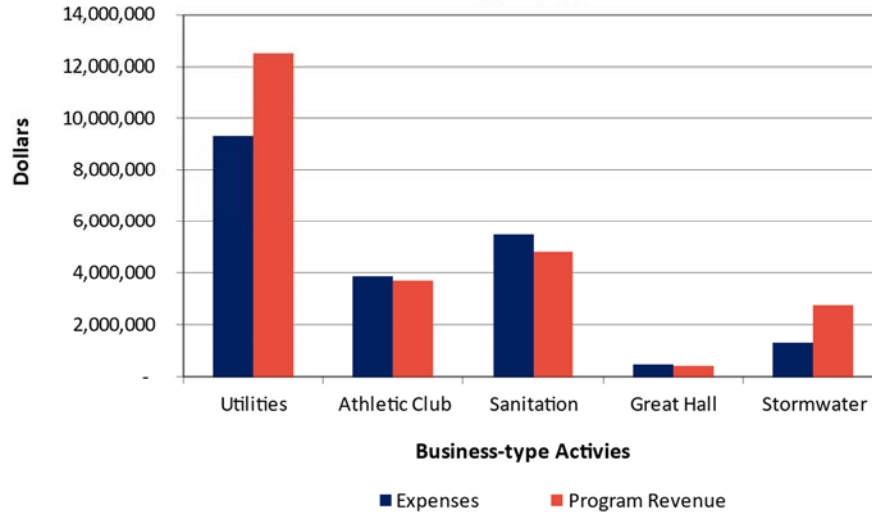


CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2022

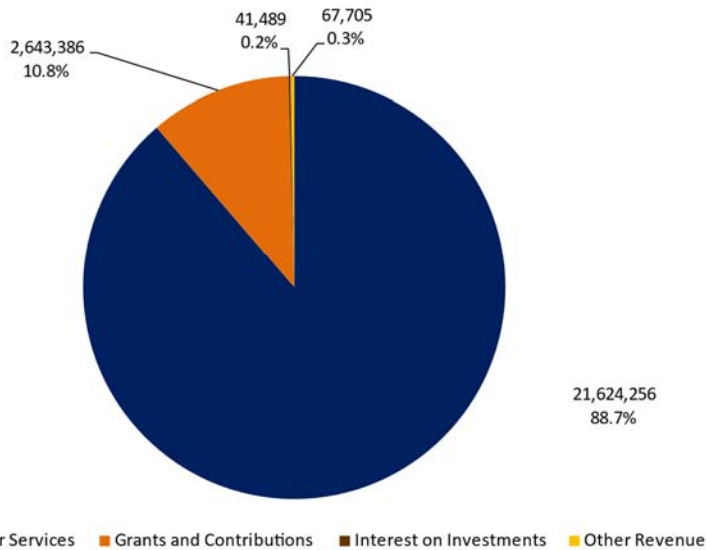
Business-type activities. Business-type activities increased the City’s net position by \$3,545,858. The business-type activities are Utility, Athletic Club, and the Nonmajor Enterprise Funds.

- The Germantown Utility Fund increased by \$2,775,672, with operating income of \$612,263 covering the cost of operations.
- The Germantown Athletic Club’s net position decreased by \$145,470 as the current year saw a \$139,125 operating loss as membership and class revenues that have not fully restored since COVID-19.
- The Nonmajor Enterprise Funds’ overall net position increased by \$880,529. The Great Hall had an increase in net position of \$83,412 due to increased rental revenue. The Sanitation Fund had a decrease in net position by \$668,204 reflecting increased operating cost related to an ice storm’s debris removal. The Stormwater Fund had an increase in net position of \$1,465,321 due to a rate increase.

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, 2022

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, 2022, the City's governmental funds reported combined ending fund balances of \$97,129,913, an increase of \$15,055,098 in comparison with the prior year. Most of the increase was due to federal grant awards and debt proceeds in the capital and school funds. Approximately 22% of this total amount, or \$21,310,161, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is made up of \$1,055,206 nonspendable, \$6,134,509 restricted, \$56,691,048 committed and \$11,938,989 assigned. The General Fund is the chief operating fund of the City.

At June 30, 2022, unassigned fund balance of the General Fund was \$21,310,161 while the total fund balance reached \$43,848,687. 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 39.4% of total General Fund expenditures while total fund balance represents 81% of that same amount.

The fund balance of the City's General Fund decreased by \$1,377,637 during the fiscal year ended June 30, 2022. Key factors are as follows:

- Total revenues increased \$5,162,930
- Property tax increased \$8,393
- Local sales tax increased \$3,152,287
- Intergovernmental tax decreased \$325,335
- Fines and Forfeitures increased \$331,196
- Licenses and Permits increased \$26,778
- Fees for services increased \$88,971
- Investment income increased \$158,154
- Grants increased \$1,616,579
- Other revenue increased \$105,897
- Total expenditures increased \$1,619,248

Property tax increased over the past year by \$8,393. This was due to reappraisal and appeals during FY22. Local sales tax increased by \$3,152,287. This was due to the strong economic conditions and growth. Fines and Forfeitures increased by \$331,196. This is due to an increase in traffic and court revenue. Fees for services increased by \$88,971 due to an increase in all areas except telecom fees. Investment income increased by \$158,154. This was due to interest rates increasing throughout the year and interest income recognized from long-term leases. Grants increased \$1,616,579 from federal stimulus grants provided by the American Rescue Plan.

Total expenditures increased by \$1,619,248. The increase in total general fund expenses are mainly attributed to general government and park maintenance. Public Safety, transportation and environment, and debt service 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, 2022

School General Purpose Fund. As of June 30, 2022, GMSD reported an ending fund balance of \$26,920,363, an increase of \$5,077,199 in comparison with the prior year. Revenues and other financing sources totaled \$63,482,286 and expenditures and other financing uses totaled \$58,405,087.

Total revenues and other financing sources increased \$1,924,642. Property and 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, 2022, the weighted full-time equivalency of average daily attendance percentage was 4.27%, an increase from 4.21% in 2021. Property tax revenues increased by \$324,273. Local option sales tax revenues increased by \$1,122,449. The Maintenance of Effort payment from the City of Germantown increased by \$532,483.

Total expenditures and other financing uses increased by \$1,673,431. Instructional technology equipment expenditures decreased by \$1,457,401. Building construction and improvement costs decreased by \$607,815. Contracted transportation costs decreased by \$181,437.

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 \$16,098,204 is comprised of \$12,320,954 for the Utility Fund, \$654,933 for the Athletic Club Fund, and \$3,122,317 for the nonmajor enterprise funds. Nonmajor funds include Sanitation \$883,466, Great Hall \$554,264, and Stormwater \$1,684,587. User fees support these funds.

General Fund Budgetary Highlights

The General Fund revenues were higher than budget by \$10,719,123. Property tax came in higher than budget by \$118,379. This was due to new properties being added to the tax rolls. Local sales tax came in higher than budget by \$4,328,350 due to the strong local economy and conservative budget estimates because of market recovery related to COVID-19. Intergovernmental revenue came in higher than budget by \$1,144,043. This was due to higher than projected state sales tax. License and permits are \$30,229 less than budget due to less than budgeted automobile registrations. Charges for services higher than budget by \$9,592 due to increased fire inspections and rental income. Fines, forfeitures, and penalties higher than budget by \$44,386 due to City court. Interest on investments was less than budget by \$53,346 due to lower interest rates than predicted in the first six months of fiscal year.

General Fund expenditures were lower than budget by \$5,033,509. The variances were due largely to a concerted effort by the City to control cost. The largest positive variances were achieved in General Government in the amount of \$593,970 and Debt Service in the amount of \$3,798,901.

CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2022

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, 2022 amounts to \$313,348,403 (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 \$11,944,105. Governmental activities increased \$12,472,270 or 5.25% and business activities decreased \$528,165, or 1%.

	Condensed Statement of Capital Assets, Net of Depreciation					
	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 21,976,922	\$ 19,393,607	\$ 2,772,593	\$ 2,772,593	\$ 24,749,515	\$ 22,166,200
Buildings and improvements	113,753,362	114,920,022	26,401,408	27,321,872	140,154,770	142,241,894
Improvements other than buildings	46,225,840	47,352,937	30,919,627	31,116,135	77,145,467	78,469,072
Machinery and equipment	13,630,288	13,318,260	2,766,289	2,609,125	16,396,577	15,927,385
Vehicles	4,162,228	4,911,307	-	-	4,162,228	4,911,307
Infrastructure	30,807,939	32,954,466	-	-	30,807,939	32,954,466
Right-of-use equipment	-	-	223,630	-	223,630	-
Construction in progress	19,403,187	4,636,897	305,090	97,077	19,708,277	4,733,974
Total capital assets, net	\$ 249,959,766	\$ 237,487,496	\$ 63,388,637	\$ 63,916,802	\$ 313,348,403	\$ 301,404,298

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

Long-term debt. At June 30, 2022 the City had total bonded debt outstanding of \$53,840,000 which is backed by the full faith and credit of the government. The total capital outlay note outstanding was \$2,169,000.

	Condensed Statement of Outstanding Debt, net of premiums and discounts					
	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 53,840,000	\$ 50,980,000	\$ 1,785,000	\$ -	\$ 55,625,000	\$ 50,980,000
General obligation capital outlay note	2,169,000	2,403,000	-	-	2,169,000	2,403,000
Leases	-	-	226,980	-	226,980	-
Total debt, net	\$ 56,009,000	\$ 53,383,000	\$ 2,011,980	\$ -	\$ 58,020,980	\$ 53,383,000

During FY22, the City's total debt increased by \$4,637,980. Total debt includes general obligation bonds and capital outlay note. Total debt for governmental activities increased by 4.9%. 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 8.

CITY OF GERMANTOWN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2022

Economic Factors and Next Year's Budgets

Factors considered in preparing the City's Budget for the 2023 fiscal year are further discussed in the Budget document and include:

- The development of the FY23 budget reflects the City's efforts to anticipate and react to the continuing economic uncertainty with the potential for an economic recession.
- The property tax is the most stable source of revenue for the City. The tax rate for FY23 was set at \$1.6732. The FY23 budget anticipates approximately \$34.9 million in property tax revenue.
- Local sales tax revenues have remained strong over the last few years. Of the total, the local option sales tax comprises 80% of the funding, or approximately \$14 million. With the possibility of a recession, a buffer in local sales tax was budgeted for the potential of lower collections.
- The budget for FY23 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 FY23.

Factors considered in preparing GMSD's Budget for the 2023 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 are shared between the municipal school districts and Memphis-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 4.27 percent in 2022. Assuming no major change in economic conditions, any adjustment in County funds should be minimal for 2023.
- In 2023, the Tennessee Department of Education may move to a new funding formula, known as the Tennessee Investment in Student Achievement (TISA). If legislation is passed, TISA will replace the Basic Education Plan (BEP) and funds are projected to increase for the 2023 fiscal year.
- GMSD has created and updates a five-year capital plan and funding priorities. The 2023 fiscal year 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 \$71,589,824 in expenditures for the 2023 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, 2022, FY23 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, 2022

Exhibit A-1

	Primary Government			Component Unit GPAC
	Governmental Activities	Business-type Activity	Total	
ASSETS				
Cash and cash equivalents	\$ 101,216,700	\$ 16,113,120	\$ 117,329,820	\$ 992,569
Investments	-	-	-	396,898
Receivables				
Taxes	34,681,379	-	34,681,379	-
Accounts receivable	1,514,018	2,099,127	3,613,145	4,100
Leases	4,874,768	-	4,874,768	-
Interest	98,209	-	98,209	-
Other	728,062	250	728,312	533,077
Less allowance for doubtful accounts	(1,412,466)	(186,903)	(1,599,369)	-
Due from other governments	14,081,650	1,101,990	15,183,640	-
Internal balances	(279,687)	279,687	-	-
Inventories	248,603	38,134	286,737	3,946
Prepaid items	695,933	595	696,528	72,608
Restricted cash and cash equivalents	2,976,251	3,026,140	6,002,391	-
Restricted investments	959,580	-	959,580	-
Net pension asset	29,848,984	-	29,848,984	-
Capital assets, not being depreciated	41,380,109	3,077,683	44,457,792	-
Capital assets, being depreciated, net	208,579,657	60,310,954	268,890,611	375,370
Total assets	440,191,750	85,860,777	526,052,527	2,378,568
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	33,477,856	1,944,905	35,422,761	-
Related to OPEB	8,233,623	658,939	8,892,562	-
Deferred loss on refunding	-	-	-	-
Total deferred outflows of resources	41,711,479	2,603,844	44,315,323	-
LIABILITIES				
Accounts payable and accrued liabilities	5,502,149	1,776,371	7,278,520	73,126
Accrued interest payable	623,072	5,550	628,622	-
Accrued payroll	26,658	875,697	902,355	-
Customer deposits	4,866,620	177,009	5,043,629	-
Unearned revenue	2,340,930	584,543	2,925,473	178,748
Noncurrent liabilities:				
Due within one year	3,629,664	312,092	3,941,756	-
Due in more than one year				
Other liabilities	65,152,416	2,211,319	67,363,735	-
Net pension liability	47,197,856	4,099,944	51,297,800	-
Net OPEB liability	15,525,432	963,486	16,488,918	-
Total liabilities	144,864,797	11,006,011	155,870,808	251,874
DEFERRED INFLOWS OF RESOURCES				
Current property taxes assessed for subsequent period	33,767,152	-	33,767,152	-
Leases	4,984,803	-	4,984,803	-
Related to pension	27,214,949	77,910	27,292,859	-
Related to OPEB	794,706	-	794,706	-
Deferred gain on refunding	60,955	-	60,955	-
Total deferred inflows of resources	66,822,565	77,910	66,900,475	-
NET POSITION				
Net investment in capital assets	192,577,715	61,063,584	253,641,299	375,370
Restricted for:				
Net pension asset	3,539,673	-	3,539,673	-
Stabilization reserve trust	959,580	-	959,580	-
Drug enforcement	670,392	-	670,392	-
Federal asset forfeiture	79,113	-	79,113	-
Education	2,533,215	-	2,533,215	-
Library endowment - nonexpendable	244,161	-	244,161	-
Unrestricted	69,612,018	16,317,116	85,929,134	1,751,324
Total net position	\$ 270,215,867	\$ 77,380,700	\$ 347,596,567	\$ 2,126,694

The accompanying notes are an integral part of the financial statements.

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

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	\$ 17,930,296	\$ 2,859,038	\$ 3,238,652	\$ -	\$ (11,832,606)	\$ -	\$ (11,832,606)	\$ -
Public safety	30,016,614	339,750	9,812,407	-	(19,864,457)	-	(19,864,457)	-
Transportation and environment	8,038,769	1,501,860	1,444,267	1,341,734	(3,750,908)	-	(3,750,908)	-
Community services	8,154,700	1,104,563	-	22,053	(7,028,084)	-	(7,028,084)	-
Education	64,959,302	654,666	53,011,121	-	(11,293,515)	-	(11,293,515)	-
Interest on long-term debt	2,196,302	-	-	-	(2,196,302)	-	(2,196,302)	-
Total governmental activities	131,295,983	6,459,877	67,506,447	1,363,787	(55,965,872)	-	(55,965,872)	-
Business-type activity:								
Utilities	9,337,797	9,848,042	-	2,637,321	-	3,147,566	3,147,566	-
Athletic club	3,872,359	3,723,058	-	-	-	(149,301)	(149,301)	-
Sanitation	5,517,932	4,845,651	-	-	-	(672,281)	(672,281)	-
Great Hall	511,225	441,923	-	-	-	(69,302)	(69,302)	-
Stormwater	1,312,398	2,765,582	6,065	-	-	1,459,249	1,459,249	-
Total business-type activities	20,551,711	21,624,256	6,065	2,637,321	-	3,715,931	3,715,931	-
Total primary government	\$ 151,847,694	\$ 28,084,133	\$ 67,512,512	\$ 4,001,108	(55,965,872)	3,715,931	(52,249,941)	-
Component Unit:								
GPAC	\$ 2,825,493	\$ 608,353	\$ 3,302,947	\$ -	-	-	-	1,085,807
General revenues:								
Property taxes					51,690,293	-	51,690,293	-
Local option sales tax					25,156,682	-	25,156,682	-
Other taxes								
Wholesale liquor and beer taxes					1,392,793	-	1,392,793	-
Local gross receipts tax					771,181	-	771,181	-
Business, cable tv, and hotel-motel taxes					1,794,561	-	1,794,561	-
Intergovernmental revenues:								
State sales tax					4,774,762	-	4,774,762	-
State income tax					255,576	-	255,576	-
Other state revenue					367,905	-	367,905	-
Other revenue					767,404	67,705	835,109	34,004
Return on investments					277,840	41,489	319,329	(63,639)
Gain on sale of capital assets					275,892	-	275,892	-
Transfers					279,267	(279,267)	-	-
Total general revenues and transfers					87,804,156	(170,073)	87,634,083	(29,635)
Change in net position					31,838,284	3,545,858	35,384,142	1,056,172
Net position - beginning					238,377,583	73,834,842	312,212,425	1,070,522
Net position - ending					\$ 270,215,867	\$ 77,380,700	\$ 347,596,567	\$ 2,126,694

The accompanying notes are an integral part of the financial statements.

CITY OF GERMANTOWN, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

Exhibit A-3

	<u>General Fund</u>	<u>School General Purpose Fund</u>	<u>School Federal Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 45,356,459	\$ 25,552,279	\$ -	\$ 24,110,924	\$ 95,019,662
Receivables					
Taxes	34,681,379	-	-	-	34,681,379
Customer	1,474,220	-	-	39,798	1,514,018
Leases	4,874,768	-	-	-	4,874,768
Interest	98,209	-	-	-	98,209
Other	389,491	85,482	-	194,636	669,609
Less allowance for doubtful accounts	(1,376,648)	-	-	(35,818)	(1,412,466)
Due from other governments	7,842,674	4,758,594	961,360	519,022	14,081,650
Due from other funds	258,714	859,830	-	1,184,645	2,303,189
Inventory	96,940	-	-	18,172	115,112
Prepaid Items	662,572	6,650	-	26,711	695,933
Restricted cash and cash equivalents	-	-	-	2,976,251	2,976,251
Restricted investments	-	959,580	-	-	959,580
	<u>\$ 94,358,778</u>	<u>\$ 32,222,415</u>	<u>\$ 961,360</u>	<u>\$ 29,034,341</u>	<u>\$ 156,576,894</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,967,030	\$ 583,488	\$ 96,779	\$ 1,886,618	\$ 4,533,915
Accrued payroll	1,588,456	3,036,289	146,846	58,293	4,829,884
Customer deposits	-	-	-	26,658	26,658
Due to other funds	1,384,750	42,812	717,735	218,667	2,363,964
Unearned revenue	1,980,242	-	-	360,688	2,340,930
Total liabilities	<u>6,920,478</u>	<u>3,662,589</u>	<u>961,360</u>	<u>2,550,924</u>	<u>14,095,351</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue					
Taxes	34,422,113	1,639,463	-	-	36,061,576
Leases	4,984,803	-	-	-	4,984,803
Grants	4,083,448	-	-	119,502	4,202,950
Other	99,249	-	-	3,052	102,301
Total deferred inflows of resources	<u>43,589,613</u>	<u>1,639,463</u>	<u>-</u>	<u>122,554</u>	<u>45,351,630</u>
FUND BALANCES					
Nonspendable	759,512	6,650	-	289,044	1,055,206
Restricted	-	959,580	-	5,174,929	6,134,509
Committed	18,566,905	25,954,133	-	12,170,010	56,691,048
Assigned	3,212,109	-	-	8,726,880	11,938,989
Unassigned	21,310,161	-	-	-	21,310,161
Total fund balances	<u>43,848,687</u>	<u>26,920,363</u>	<u>-</u>	<u>26,360,863</u>	<u>97,129,913</u>
	<u>\$ 94,358,778</u>	<u>\$ 32,222,415</u>	<u>\$ 961,360</u>	<u>\$ 29,034,341</u>	<u>\$ 156,576,894</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 94,358,778</u>	<u>\$ 32,222,415</u>	<u>\$ 961,360</u>	<u>\$ 29,034,341</u>	<u>\$ 156,576,894</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, 2022

Total fund balances, governmental funds		\$ 97,129,913
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.		249,959,766
(2) Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned or unavailable in the funds.		6,599,675
(3) Long-term debt is not due and payable in the current period and, therefore is not reported in the funds.		
Less: bonds payable	\$ (53,840,000)	
Less: capital outlay note	(2,169,000)	
Less: settlement obligation	(1,421,811)	
Less: unamortized premiums and discounts on debt	(7,084,477)	
Less: deferred gain on refunding	<u>(60,955)</u>	(64,576,243)
(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	(623,072)	
Less: compensated absences payable	<u>(4,266,792)</u>	(4,889,864)
(5) Net pension assets (liabilities) and net other postemployment benefit (OPEB) liabilities result from the excess (deficiency) of trust assets over (under) total pension and OPEB liabilities. The amounts are not available for use in the current period; therefore, are not reported in the funds.		
Add: net pension asset	29,848,984	
Less: net pension liability	(47,197,856)	
Less: net OPEB liability	<u>(15,525,432)</u>	(32,874,304)
(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	33,477,856	
Less: deferred inflows of resources related to pensions	(27,214,949)	
Add: deferred outflows of resources related to OPEB	8,233,623	
Less: deferred inflows of resources related to OPEB	<u>(794,706)</u>	13,701,824
(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>5,165,100</u>
Net position of governmental activities		<u>\$ 270,215,867</u>

The accompanying notes are an integral part of the financial statements.

CITY OF GERMANTOWN, TENNESSEE

Exhibit A-5

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2022

	General Fund	School General Purpose Fund	School Federal Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 34,438,379	\$ 17,170,391	\$ -	\$ -	\$ 51,608,770
Local sales taxes	18,983,350	10,824,220	-	-	29,807,570
Intergovernmental					
State sales, income, and other tax	5,398,243	30,771,776	-	1,403,133	37,573,152
State gas tax	-	-	-	1,444,267	1,444,267
Licenses and permits	1,394,671	-	-	-	1,394,671
Charges for services	1,264,151	201,541	-	2,622,001	4,087,693
Fines, forfeitures, and penalties	873,386	-	-	306,950	1,180,336
Federal, state, and local grants	6,012,076	929,709	16,208,148	4,338,844	27,488,777
Interest on investments	226,654	34,302	-	16,884	277,840
Contributions	-	-	-	3,238,652	3,238,652
Other	590,329	122,350	-	54,725	767,404
Total revenues	<u>69,181,239</u>	<u>60,054,289</u>	<u>16,208,148</u>	<u>13,425,456</u>	<u>158,869,132</u>
EXPENDITURES					
Current					
General government	16,035,840	-	-	65,265	16,101,105
Public safety	25,378,309	-	-	2,394,451	27,772,760
Transportation and environment	4,450,362	-	-	2,185,395	6,635,757
Community services	3,189,982	-	-	713,317	3,903,299
Education	-	55,202,637	8,248,872	5,228,890	68,680,399
Debt Service					
Principal	2,674,000	355,453	-	-	3,029,453
Interest	2,368,672	-	-	-	2,368,672
Bond issuance costs	45,377	-	-	89,579	134,956
Capital Outlays	-	2,320,560	7,893,424	12,352,416	22,566,400
Total expenditures	<u>54,142,542</u>	<u>57,878,650</u>	<u>16,142,296</u>	<u>23,029,313</u>	<u>151,192,801</u>
Excess (deficiency) of revenues over (under) expenditures	15,038,697	2,175,639	65,852	(9,603,857)	7,676,331
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	5,820,000	5,820,000
Premium on bonds issued	-	-	-	876,291	876,291
Issuance of refunding bonds	2,850,000	-	-	-	2,850,000
Premium on refunding bonds issued	614,677	-	-	-	614,677
Payment to escrow - refunding	(3,370,000)	-	-	-	(3,370,000)
Proceeds from sale of capital assets	28,451	280,081	-	-	308,532
Transfers in	1,575,704	3,147,916	-	19,073,219	23,796,839
Transfers out	(18,115,166)	(526,437)	(65,852)	(4,810,117)	(23,517,572)
Total other financing sources (uses)	<u>(16,416,334)</u>	<u>2,901,560</u>	<u>(65,852)</u>	<u>20,959,393</u>	<u>7,378,767</u>
Net change in fund balances	(1,377,637)	5,077,199	-	11,355,536	15,055,098
Fund balances - beginning	<u>45,226,324</u>	<u>21,843,164</u>	<u>-</u>	<u>15,005,327</u>	<u>82,074,815</u>
Fund balances - ending	<u>\$ 43,848,687</u>	<u>\$ 26,920,363</u>	<u>\$ -</u>	<u>\$ 26,360,863</u>	<u>\$ 97,129,913</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, 2022

Net change in fund balance - total governmental funds		\$ 15,055,098
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	\$ 26,389,343	
Depreciation expense	<u>(13,899,536)</u>	12,489,807
(2) Gain (losses) from the disposition of capital assets are reported net of any remaining net book value in the statement of activities.		
		(17,537)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net difference between the amounts deferred in the current and prior years.		
Property Taxes	30,010	
Sales and income taxes	408,210	
Grant revenue	2,994,103	
Other revenue	<u>(205,015)</u>	3,227,308
(4) 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	3,029,453	
Add: payments on refunded debt	3,370,000	
Less: proceeds from refunding	(2,850,000)	
Less: proceeds from debt issuance	(5,820,000)	
Less: premium on current year issuance	<u>(1,490,968)</u>	(3,761,515)
(5) 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	351,953	
Amortization of deferred amount on refunding debt	(55,463)	
Change in accrued interest payable	10,836	
Change in compensated absences	<u>1,372,002</u>	1,679,328
(6) 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	3,444,052	
Difference between actual contributions and OPEB expense	<u>(26,032)</u>	3,418,020
(7) 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>(252,225)</u>
Change in net position of governmental activities		<u>\$ 31,838,284</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 - BUDGET AND ACTUAL
GENERAL FUND

Exhibit A-7

For the Year Ended June 30, 2022

	<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				
Real property taxes	\$ 32,500,000	\$ 32,500,000	\$ 32,792,222	\$ 292,222
Personalty property taxes	870,000	870,000	852,463	(17,537)
Property tax interest and penalties	125,000	125,000	127,878	2,878
Receipts in lieu of taxes - TVA	495,000	495,000	434,192	(60,808)
Receipts in lieu of taxes - MLGW	330,000	330,000	231,624	(98,376)
Total property taxes	<u>34,320,000</u>	<u>34,320,000</u>	<u>34,438,379</u>	<u>118,379</u>
LOCAL TAXES				
Local sales tax	11,875,000	11,875,000	15,379,320	3,504,320
Wholesale beer and liquor tax	1,300,000	1,300,000	1,392,793	92,793
Gross receipts tax	680,000	680,000	773,373	93,373
Room occupancy tax	800,000	800,000	1,437,864	637,864
Total local taxes	<u>14,655,000</u>	<u>14,655,000</u>	<u>18,983,350</u>	<u>4,328,350</u>
INTERGOVERNMENTAL				
State of Tennessee shared taxes				
State sales tax	4,000,000	4,000,000	4,774,762	774,762
Income tax	-	-	255,576	255,576
Beer and liquor tax	174,500	174,500	249,597	75,097
Other tax	-	-	41,564	41,564
Petroleum special tax	79,700	79,700	76,744	(2,956)
Total state shared taxes	<u>4,254,200</u>	<u>4,254,200</u>	<u>5,398,243</u>	<u>1,144,043</u>
LICENSES AND PERMITS				
Automobile registration	1,260,000	1,260,000	1,180,356	(79,644)
Building and related permits	60,400	60,400	104,313	43,913
Animal licenses	73,500	73,500	80,045	6,545
Beer and liquor licenses	31,000	31,000	29,957	(1,043)
Total licenses and permits	<u>1,424,900</u>	<u>1,424,900</u>	<u>1,394,671</u>	<u>(30,229)</u>
CHARGES FOR SERVICES				
Engineering fees	25,000	25,000	38,774	13,774
Zoning application fees	60,000	60,000	55,970	(4,030)
Cable TV and telecom fees	720,000	720,000	702,126	(17,874)
Fire inspection fees	15,000	15,000	32,800	17,800
Parks and recreation charges	26,750	26,750	34,439	7,689
Rental income	341,809	341,809	359,550	17,741
Library fees	66,000	66,000	40,492	(25,508)
Total charge for services	<u>1,254,559</u>	<u>1,254,559</u>	<u>1,264,151</u>	<u>9,592</u>
FINES, FORFEITURES, AND PENALTIES				
City court costs	825,000	825,000	870,320	45,320
Animal impoundment fees	4,000	4,000	3,066	(934)
	<u>829,000</u>	<u>829,000</u>	<u>873,386</u>	<u>44,386</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, 2022

	<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	\$ 909,457	\$ 909,457	\$ 6,012,076	\$ 5,102,619
INTEREST ON INVESTMENTS	280,000	280,000	226,654	(53,346)
OTHER	535,000	535,000	590,329	55,329
Total revenues	<u>58,462,116</u>	<u>58,462,116</u>	<u>69,181,239</u>	<u>10,719,123</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Aldermen				
Salaries	60,000	60,227	60,226	1
Benefits	54,669	55,474	55,421	53
Contractual services	42,000	78,200	77,967	233
Materials and supplies	7,300	6,500	4,497	2,003
Other charges	12,850	12,618	65	12,553
	<u>176,819</u>	<u>213,019</u>	<u>198,176</u>	<u>14,843</u>
City Court				
Salaries	617,740	621,595	615,465	6,130
Benefits	201,599	217,344	202,226	15,118
Contractual services	15,500	18,597	18,530	67
Materials and supplies	4,000	4,000	3,429	571
Other charges	30,276	33,385	28,857	4,528
Expense reimbursement	3,554	3,615	3,614	1
	<u>872,669</u>	<u>898,536</u>	<u>872,121</u>	<u>26,415</u>
Administration				
Salaries	838,979	1,003,051	997,339	5,712
Benefits	299,220	349,971	337,872	12,099
Contractual services	510,500	274,359	267,955	6,404
Materials and supplies	17,360	24,660	24,657	3
Other charges	167,443	199,037	198,167	870
Expense reimbursement	(35,356)	(33,219)	(33,221)	2
	<u>1,798,146</u>	<u>1,817,859</u>	<u>1,792,769</u>	<u>25,090</u>
Human Resources				
Salaries	398,073	361,039	346,726	14,313
Benefits	178,357	137,570	119,843	17,727
Contractual services	71,500	58,680	47,363	11,317
Materials and supplies	2,700	2,700	1,990	710
Other charges	43,544	44,650	38,160	6,490
Expense reimbursement	(40,361)	(40,281)	(40,282)	1
	<u>653,813</u>	<u>564,358</u>	<u>513,800</u>	<u>50,558</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 BALANCES - BUDGET AND ACTUAL
GENERAL FUND

Exhibit A-7

For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Finance				
Salaries	\$ 825,464	\$ 780,539	\$ 767,416	\$ 13,123
Benefits	335,505	373,095	352,543	20,552
Contractual services	375,000	402,623	390,472	12,151
Materials and supplies	53,825	48,307	31,720	16,587
Other charges	28,840	36,194	34,137	2,057
Expense reimbursement	(140,935)	(140,497)	(140,498)	1
	<u>1,477,699</u>	<u>1,500,261</u>	<u>1,435,790</u>	<u>64,471</u>
Information Technology				
Salaries	586,313	586,313	561,296	25,017
Benefits	205,646	226,317	214,067	12,250
Contractual services	235,770	235,770	216,220	19,550
Materials and supplies	1,407,489	1,244,999	1,208,971	36,028
Other charges	136,027	220,126	213,383	6,743
Capital outlay	531,000	524,695	509,963	14,732
Expense reimbursement	(100,838)	(100,776)	(100,777)	1
	<u>3,001,407</u>	<u>2,937,444</u>	<u>2,823,123</u>	<u>114,321</u>
Facility Services				
Salaries	978,762	836,226	833,451	2,775
Benefits	437,167	444,725	424,794	19,931
Contractual services	10,000	9,531	7,608	1,923
Materials and supplies	682,450	701,301	682,471	18,830
Other charges	21,597	25,637	23,372	2,265
Capital outlay	115,000	12,948	8,096	4,852
Expense reimbursement	(30,480)	(28,683)	(28,685)	2
	<u>2,214,496</u>	<u>2,001,685</u>	<u>1,951,107</u>	<u>50,578</u>
Budget and Performance				
Salaries	236,793	227,525	227,524	1
Benefits	96,254	107,148	95,953	11,195
Materials and supplies	1,250	1,450	354	1,096
Other charges	25,230	20,668	20,570	98
Expense reimbursement	(20,354)	(20,342)	(20,343)	1
	<u>339,173</u>	<u>336,449</u>	<u>324,058</u>	<u>12,391</u>
Economic and Community Development				
Salaries	1,313,559	744,230	744,101	129
Benefits	577,826	320,470	270,381	50,089
Contractual services	270,000	219,866	219,756	110
Materials and supplies	193,784	156,050	15,991	140,059
Other charges	78,150	45,381	38,912	6,469
Expense reimbursement	(21,536)	(45,215)	29,283	(74,498)
	<u>2,411,783</u>	<u>1,440,782</u>	<u>1,318,424</u>	<u>122,358</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
GPAC				
Salaries	\$ 934,948	\$ 927,510	\$ 918,556	\$ 8,954
Benefits	359,038	387,418	374,579	12,839
Materials and supplies	27,400	28,577	20,602	7,975
Other charges	141,316	168,485	163,693	4,792
Capital outlay	150,300	150,300	148,470	1,830
Expense reimbursement	24,451	29,525	29,523	2
	<u>1,637,453</u>	<u>1,691,815</u>	<u>1,655,423</u>	<u>36,392</u>
Civic Support				
Salaries	657,413	544,180	540,582	3,598
Benefits	251,974	293,190	279,359	13,831
Contractual services	6,000	36,434	30,434	6,000
Materials and supplies	-	24,133	19,927	4,206
Other charges	-	169,063	169,062	1
Grants	536,251	473,656	467,885	5,771
	<u>1,451,638</u>	<u>1,540,656</u>	<u>1,507,249</u>	<u>33,407</u>
Procurement				
Salaries	503,367	457,508	457,506	2
Benefits	210,165	214,262	188,581	25,681
Contractual services	750	450	-	450
Materials and supplies	10,500	10,480	7,868	2,612
Other charges	23,310	34,799	33,256	1,543
Expense reimbursement	(76,015)	(75,947)	(75,948)	1
	<u>672,077</u>	<u>641,552</u>	<u>611,263</u>	<u>30,289</u>
Engineering				
Salaries	-	592,244	592,241	3
Benefits	-	270,128	261,749	8,379
Materials and supplies	-	111,977	122,004	(10,027)
Other charges	-	117,354	108,614	8,740
Expense reimbursement	-	(46,309)	(52,071)	5,762
	<u>-</u>	<u>1,045,394</u>	<u>1,032,537</u>	<u>12,857</u>
Total general government	<u>16,707,173</u>	<u>16,629,810</u>	<u>16,035,840</u>	<u>593,970</u>
PUBLIC SAFETY				
Police Services				
Salaries	9,126,091	9,174,512	9,142,105	32,407
Benefits	3,860,500	4,199,846	4,173,706	26,140
Contractual services	7,700	7,700	7,249	451
Materials and supplies	636,620	603,695	592,030	11,665
Other charges	162,545	177,308	167,357	9,951
Capital outlay	417,000	292,529	278,185	14,344
Expense reimbursement	484,741	486,849	483,056	3,793
	<u>14,695,197</u>	<u>14,942,439</u>	<u>14,843,688</u>	<u>98,751</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, 2022

	<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	\$ 6,277,493	\$ 6,607,667	\$ 6,599,323	\$ 8,344
Benefits	2,564,526	2,951,219	2,926,023	25,196
Contractual services	12,000	12,000	10,850	1,150
Materials and supplies	310,658	353,409	335,568	17,841
Other charges	179,828	209,272	203,605	5,667
Capital outlay	145,000	77,523	63,798	13,725
Expense reimbursement	436,416	438,231	395,454	42,777
	<u>9,925,921</u>	<u>10,649,321</u>	<u>10,534,621</u>	<u>114,700</u>
Total public safety	<u>24,621,118</u>	<u>25,591,760</u>	<u>25,378,309</u>	<u>213,451</u>
TRANSPORTATION AND ENVIRONMENT				
Public Services				
Salaries	2,002,113	1,683,735	1,665,795	17,940
Benefits	1,016,586	1,119,397	1,040,373	79,024
Materials and supplies	1,202,100	1,233,355	1,219,322	14,033
Other charges	42,593	46,054	38,399	7,655
Capital outlay	349,000	287,716	174,534	113,182
Expense reimbursement	5,171	5,872	(6,229)	12,101
	<u>4,617,563</u>	<u>4,376,129</u>	<u>4,132,194</u>	<u>243,935</u>
Animal Control				
Salaries	174,784	174,263	155,102	19,161
Benefits	75,647	76,052	67,315	8,737
Contractual services	7,200	7,200	6,000	1,200
Materials and supplies	74,230	74,230	64,564	9,666
Other charges	26,340	26,394	19,329	7,065
Expense reimbursement	6,865	6,927	5,858	1,069
	<u>365,066</u>	<u>365,066</u>	<u>318,168</u>	<u>46,898</u>
Total transportation and environment	<u>4,982,629</u>	<u>4,741,195</u>	<u>4,450,362</u>	<u>290,833</u>
COMMUNITY SERVICES				
Parks and Recreation				
Salaries	715,455	774,418	763,411	11,007
Benefits	237,322	243,381	232,825	10,556
Contractual services	51,000	75,878	36,270	39,608
Materials and supplies	45,300	53,055	43,719	9,336
Other charges	382,700	401,238	394,605	6,633
Capital outlay	18,000	18,000	-	18,000
Expense reimbursement	49,032	50,095	50,093	2
	<u>1,498,809</u>	<u>1,616,065</u>	<u>1,520,923</u>	<u>95,142</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 BALANCES - BUDGET AND ACTUAL
GENERAL FUND

Exhibit A-7

For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Cultural Arts Program				
Contractual services	\$ 13,575	\$ 14,566	\$ 10,823	\$ 3,743
Materials and supplies	30,500	32,957	26,086	6,871
Other charges	33,500	33,552	30,614	2,938
	<u>77,575</u>	<u>81,075</u>	<u>67,523</u>	<u>13,552</u>
Genealogical Library				
Benefits	200	200	135	65
Contractual services	39,000	44,067	42,500	1,567
Materials and supplies	2,000	2,000	1,962	38
Other charges	22,356	23,757	21,723	2,034
Expense reimbursement	1,830	1,862	1,861	1
	<u>65,386</u>	<u>71,886</u>	<u>68,181</u>	<u>3,705</u>
Library				
Benefits	1,500	1,498	55	1,443
Contractual services	1,318,049	1,336,548	1,332,963	3,585
Materials and supplies	33,350	37,755	30,548	7,207
Other charges	137,094	144,721	135,839	8,882
Capital outlay	-	8,312	5,475	2,837
Expense reimbursement	28,006	28,476	28,475	1
	<u>1,517,999</u>	<u>1,557,310</u>	<u>1,533,355</u>	<u>23,955</u>
Total community services	<u>3,159,769</u>	<u>3,326,336</u>	<u>3,189,982</u>	<u>136,354</u>
DEBT SERVICE				
Principal	2,779,000	6,264,001	2,674,000	3,590,001
Interest	2,347,379	2,577,571	2,368,672	208,899
Bond issuance costs	-	45,378	45,377	1
Total debt service	<u>5,126,379</u>	<u>8,886,950</u>	<u>5,088,049</u>	<u>3,798,901</u>
Total expenditures	<u>54,597,068</u>	<u>59,176,051</u>	<u>54,142,542</u>	<u>5,033,509</u>
Excess (deficiency) of revenues over (under) expenditures	3,865,048	(713,935)	15,038,697	15,752,632
OTHER FINANCING SOURCES (USES)				
Issuance of refunding bonds	-	-	2,850,000	2,850,000
Premium on refunding bonds issued	-	-	614,677	614,677
Payments to escrow - refunding	-	-	(3,370,000)	(3,370,000)
Proceeds from sale of capital assets	9,000	9,000	28,451	19,451
Transfers in	986,437	986,437	1,575,704	589,267
Transfers out	<u>(12,275,874)</u>	<u>(17,500,664)</u>	<u>(18,115,166)</u>	<u>(614,502)</u>
Total other financing uses	<u>(11,280,437)</u>	<u>(16,505,227)</u>	<u>(16,416,334)</u>	<u>88,893</u>
Net change in fund balances	<u>\$ (7,415,389)</u>	<u>\$(17,219,162)</u>	<u>(1,377,637)</u>	<u>\$ 15,841,525</u>
Fund balances - beginning			<u>45,226,324</u>	
Fund balances - ending			<u>\$ 43,848,687</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
SCHOOL GENERAL PURPOSE FUND
For the Year Ended June 30, 2022

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	\$ 16,899,190	\$ 345,390
Receipts in lieu of tax	279,094	279,094	271,201	(7,893)
Total property taxes	16,832,894	16,832,894	17,170,391	337,497
LOCAL TAXES				
Local sales tax	7,723,175	7,757,062	9,777,362	2,020,300
Wheel tax	1,477,882	1,477,882	1,046,858	(431,024)
Total local taxes	9,201,057	9,234,944	10,824,220	1,589,276
INTERGOVERNMENTAL				
Mixed drink taxes	132,000	132,000	230,718	98,718
Basic Education Program	29,613,000	30,450,087	30,467,991	17,904
Career Ladder Program	102,884	102,884	73,067	(29,817)
Total intergovernmental	29,847,884	30,684,971	30,771,776	86,805
CHARGES FOR SERVICES	201,305	201,305	201,541	236
FEDERAL, STATE, AND LOCAL GRANTS	232,441	1,136,790	929,709	(207,081)
OTHER	169,000	169,000	122,350	(46,650)
INTEREST ON INVESTMENTS	25,000	25,000	34,302	9,302
Total Revenues	<u>56,509,581</u>	<u>58,284,904</u>	<u>60,054,289</u>	<u>1,769,385</u>
EXPENDITURES				
EDUCATION				
Regular Instruction				
Salaries	20,565,068	21,345,141	20,804,633	540,508
Benefits	5,605,827	5,808,907	5,187,835	621,072
Contractual services	727,230	727,230	580,902	146,328
Materials and supplies	2,090,100	2,642,791	1,363,538	1,279,253
Other charges	50,584	58,084	55,934	2,150
	29,038,809	30,582,153	27,992,842	2,589,311
Alternative Education				
Salaries	238,465	243,214	226,331	16,883
Benefits	65,958	66,810	56,849	9,961
Materials and supplies	4,000	4,000	-	4,000
	308,423	314,024	283,180	30,844
Special Education				
Salaries	3,624,689	3,722,638	3,498,369	224,269
Benefits	1,027,034	1,045,558	916,644	128,914
Contractual services	57,000	30,831	30,462	369
Materials and supplies	30,200	44,519	44,485	34
	4,738,923	4,843,546	4,489,960	353,586

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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
SCHOOL GENERAL PURPOSE FUND
For the Year Ended June 30, 2022

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>		
Technical Education				
Salaries	\$ 926,356	\$ 944,863	\$ 892,174	\$ 52,689
Benefits	297,081	300,402	249,950	50,452
Materials and supplies	47,000	47,844	27,325	20,519
Other charges	1,000	1,000	-	1,000
	<u>1,271,437</u>	<u>1,294,109</u>	<u>1,169,449</u>	<u>124,660</u>
Attendance and Planning				
Salaries	541,847	552,684	548,148	4,536
Benefits	140,164	140,709	126,001	14,708
Contractual services	1,000	2,400	1,366	1,034
Materials and supplies	12,000	8,169	5,799	2,370
Other charges	22,500	26,331	25,525	806
	<u>717,511</u>	<u>730,293</u>	<u>706,839</u>	<u>23,454</u>
Health Services				
Salaries	374,650	423,570	416,156	7,414
Benefits	128,554	139,733	127,810	11,923
Contractual services	1,000	1,000	1,000	-
Materials and supplies	21,674	30,124	17,869	12,255
Other charges	12,750	7,000	7,000	-
	<u>538,628</u>	<u>601,427</u>	<u>569,835</u>	<u>31,592</u>
Other Student Support				
Salaries	896,798	974,155	955,747	18,408
Benefits	260,940	278,786	245,999	32,787
Contractual services	30,000	30,000	23,789	6,211
Materials and supplies	10,900	55,921	38,039	17,882
Other charges	26,500	31,500	30,174	1,326
	<u>1,225,138</u>	<u>1,370,362</u>	<u>1,293,748</u>	<u>76,614</u>
Regular Instruction Support				
Salaries	1,666,413	1,811,883	1,665,074	146,809
Benefits	431,179	432,675	415,139	17,536
Contractual services	43,000	43,000	31,560	11,440
Materials and supplies	77,900	73,900	59,521	14,379
Other charges	55,000	75,000	66,790	8,210
	<u>2,273,492</u>	<u>2,436,458</u>	<u>2,238,084</u>	<u>198,374</u>
Special Education Support				
Salaries	1,265,339	1,329,976	1,324,737	5,239
Benefits	340,806	343,878	328,097	15,781
Contractual services	10,000	4,700	4,668	32
Materials and supplies	13,000	10,600	10,145	455
Other charges	22,000	23,000	22,566	434
	<u>1,651,145</u>	<u>1,712,154</u>	<u>1,690,213</u>	<u>21,941</u>
Technical Education Support				
Salaries	18,677	19,051	19,051	-
Benefits	6,053	5,719	4,386	1,333
Contractual services	-	400	379	21
Materials and supplies	1,953	1,953	-	1,953
Other charges	4,000	4,000	2,711	1,289
	<u>30,683</u>	<u>31,123</u>	<u>26,527</u>	<u>4,596</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
SCHOOL GENERAL PURPOSE FUND
For the Year Ended June 30, 2022

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>		
Technology				
Salaries	\$ 706,334	\$ 713,611	\$ 716,827	\$ (3,216)
Benefits	220,777	225,762	176,195	49,567
Contractual services	-	-	495	(495)
Materials and supplies	589,500	769,256	734,775	34,481
Other charges	401,600	298,502	296,744	1,758
	<u>1,918,211</u>	<u>2,007,131</u>	<u>1,925,036</u>	<u>82,095</u>
Board of Education Services				
Salaries	21,500	21,500	21,500	-
Benefits	766,645	725,095	684,743	40,352
Contractual services	669,447	699,197	682,738	16,459
Materials and supplies	1,000	1,000	100	900
Insurance	181,048	180,348	164,511	15,837
Other charges	35,000	47,500	44,587	2,913
	<u>1,674,640</u>	<u>1,674,640</u>	<u>1,598,179</u>	<u>76,461</u>
Office of Superintendent				
Salaries	404,785	410,726	402,213	8,513
Benefits	112,439	113,889	107,731	6,158
Contractual Services	29,600	32,600	20,000	12,600
Materials and supplies	48,250	48,250	42,637	5,613
Other charges	46,700	43,700	27,804	15,896
	<u>641,774</u>	<u>649,165</u>	<u>600,385</u>	<u>48,780</u>
Office of Principal				
Salaries	2,894,921	2,995,549	2,793,164	202,385
Benefits	814,058	843,159	709,333	133,826
Contractual services	30,000	30,000	27,500	2,500
Materials and supplies	147,000	131,706	130,906	800
Other charges	26,500	42,594	41,858	736
	<u>3,912,479</u>	<u>4,043,008</u>	<u>3,702,761</u>	<u>340,247</u>
Fiscal Services				
Salaries	412,860	421,117	391,319	29,798
Benefits	119,395	117,477	96,891	20,586
Contractual services	4,000	-	-	-
Materials and supplies	74,500	88,500	78,813	9,687
Other charges	24,550	24,550	14,798	9,752
	<u>635,305</u>	<u>651,644</u>	<u>581,821</u>	<u>69,823</u>
Human Resources				
Salaries	340,728	376,338	354,961	21,377
Benefits	93,386	94,364	82,157	12,207
Contractual services	6,500	6,500	6,446	54
Materials and supplies	3,200	3,200	3,009	191
Other charges	58,835	58,835	54,454	4,381
	<u>502,649</u>	<u>539,237</u>	<u>501,027</u>	<u>38,210</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
SCHOOL GENERAL PURPOSE FUND
For the Year Ended June 30, 2022

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>		
Operation of Plant				
Salaries	\$ 335,226	\$ 371,694	\$ 347,535	\$ 24,159
Benefits	112,713	126,268	99,719	26,549
Contractual services	150,000	170,000	147,732	22,268
Materials and supplies	5,000	5,000	-	5,000
Other charges	2,353,232	2,334,154	2,257,907	76,247
	<u>2,956,171</u>	<u>3,007,116</u>	<u>2,852,893</u>	<u>154,223</u>
Maintenance of Plant				
Salaries	463,458	481,986	468,464	13,522
Benefits	139,376	142,581	115,569	27,012
Contractual services	10,000	10,000	8,669	1,331
Materials and supplies	1,000	1,000	488	512
Other charges	825,000	876,410	838,305	38,105
	<u>1,438,834</u>	<u>1,511,977</u>	<u>1,431,495</u>	<u>80,482</u>
Transportation				
Contractual services	1,839,351	1,942,574	1,289,509	653,065
Other charges	200,000	212,800	206,396	6,404
	<u>2,039,351</u>	<u>2,155,374</u>	<u>1,495,905</u>	<u>659,469</u>
School Safety				
Benefits	-	-	15	(15)
Materials and supplies	750	750	582	168
Other charges	37,944	37,944	33,259	4,685
	<u>38,694</u>	<u>38,694</u>	<u>33,856</u>	<u>4,838</u>
Cafeteria				
Salaries	-	9,000	6,019	2,981
Materials and supplies	-	21,000	12,583	8,417
	<u>-</u>	<u>30,000</u>	<u>18,602</u>	<u>11,398</u>
Total education	<u>57,552,297</u>	<u>60,223,635</u>	<u>55,202,637</u>	<u>5,020,998</u>
CAPITAL OUTLAY	1,562,598	7,947,987	2,320,560	5,627,427
DEBT SERVICE				
Principal	355,453	355,453	355,453	-
Total Expenditures	<u>59,470,348</u>	<u>68,527,075</u>	<u>57,878,650</u>	<u>10,648,425</u>
Excess (deficiency) of revenues over (under) expenditures	(2,960,767)	(10,242,171)	2,175,639	12,417,810
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	450,000	450,000	280,081	(169,919)
Transfers in	2,619,581	2,619,581	3,147,916	528,335
Transfers out	(626,437)	(626,437)	(526,437)	100,000
Total other financing sources	<u>2,443,144</u>	<u>2,443,144</u>	<u>2,901,560</u>	<u>458,416</u>
Net change in fund balances	<u>\$ (517,623)</u>	<u>\$ (7,799,027)</u>	<u>5,077,199</u>	<u>\$ 12,876,226</u>
Fund balances - beginning			21,843,164	
Fund balances - ending			<u>\$ 26,920,363</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 - BUDGET AND ACTUAL
SCHOOL FEDERAL PROJECTS FUND
For the Year Ended June 30, 2022

Exhibit A-9

	<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	\$14,069,876	\$22,245,217	\$16,208,148	\$ (6,037,069)
EXPENDITURES:				
EDUCATION				
Regular Instruction				
Salaries	2,762,987	2,960,284	1,042,448	1,917,836
Benefits	493,884	368,769	107,618	261,151
Contractual services	609,152	559,459	310,887	248,572
Materials and supplies	2,009,394	2,813,720	2,502,032	311,688
Other charges	115,950	185,708	35,607	150,101
	<u>5,991,367</u>	<u>6,887,940</u>	<u>3,998,592</u>	<u>2,889,348</u>
Special Education				
Salaries	855,590	1,022,417	753,702	268,715
Benefits	305,005	341,452	193,366	148,086
Contractual services	18,408	191,514	134,724	56,790
Materials and supplies	7,000	376,861	197,620	179,241
Other charges	-	25,335	25,000	335
	<u>1,186,003</u>	<u>1,957,579</u>	<u>1,304,412</u>	<u>653,167</u>
Technical Education				
Materials and supplies	34,663	41,970	41,970	-
Health Services				
Salaries	181,263	492,567	159,167	333,400
Benefits	45,632	257,903	29,840	228,063
Contractual services	110,000	150,303	149,978	325
Materials and supplies	14,700	94,468	11,473	82,995
Other charges	-	96,890	77,956	18,934
	<u>351,595</u>	<u>1,092,131</u>	<u>428,414</u>	<u>663,717</u>
Other Student Support				
Salaries	258,890	330,614	181,923	148,691
Benefits	71,456	86,114	36,709	49,405
Contractual services	22,022	4,367	4,275	92
Materials and supplies	2,500	3,620	1,413	2,207
Other charges	36,728	33,696	4,387	29,309
	<u>391,596</u>	<u>458,411</u>	<u>228,707</u>	<u>229,704</u>
Regular Instruction Support				
Salaries	420,390	529,909	302,347	227,562
Benefits	114,457	138,315	68,023	70,292
Contractual services	81,588	146,563	72,696	73,867
Materials and supplies	4,722	10,814	8,105	2,709
Other charges	254,196	555,154	315,263	239,891
	<u>875,353</u>	<u>1,380,755</u>	<u>766,434</u>	<u>614,321</u>
Special Education Support				
Salaries	180,000	181,000	160,758	20,242
Benefits	49,279	49,279	40,425	8,854
Materials and supplies	5,410	94,297	11,698	82,599
Other charges	36,507	138,622	30,136	108,486
	<u>271,196</u>	<u>463,198</u>	<u>243,017</u>	<u>220,181</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 BALANCES - BUDGET AND ACTUAL
SCHOOL FEDERAL PROJECTS FUND
For the Year Ended June 30, 2022

Exhibit A-9

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Technical Support				
Other charges	\$ 2,300	\$ 2,300	\$ 2,300	\$ -
Technology				
Salaries	44,722	44,722	37,069	7,653
Benefits	14,629	14,629	4,203	10,426
Contractual services	17,000	-	-	-
	<u>76,351</u>	<u>59,351</u>	<u>41,272</u>	<u>18,079</u>
Operation of Plant				
Salaries	175,074	175,074	125,092	49,982
Benefits	74,927	74,927	30,436	44,491
Materials and supplies	-	19,673	19,673	-
Other charges	200,000	200,000	48,276	151,724
	<u>450,001</u>	<u>469,674</u>	<u>223,477</u>	<u>246,197</u>
Office of Principal				
Salaries	213,303	174,305	150,718	23,587
Benefits	56,886	47,664	34,582	13,082
Other charges	25,000	-	-	-
	<u>295,189</u>	<u>221,969</u>	<u>185,300</u>	<u>36,669</u>
Fiscal services				
Salaries	-	39,000	2,753	36,247
Benefits	42,098	58,433	42,175	16,258
Other charges	-	46,200	14,500	31,700
	<u>42,098</u>	<u>143,633</u>	<u>59,428</u>	<u>84,205</u>
Human resources				
Salaries	679,000	669,000	655,500	13,500
Benefits	110,431	110,431	65,859	44,572
	<u>789,431</u>	<u>779,431</u>	<u>721,359</u>	<u>58,072</u>
Transportation				
Materials and supplies	4,000	4,400	2,290	2,110
Other charges	2,000	2,000	1,900	100
	<u>6,000</u>	<u>6,400</u>	<u>4,190</u>	<u>2,210</u>
Total education	10,763,143	13,964,742	8,248,872	5,715,870
CAPITAL OUTLAY	<u>3,252,899</u>	<u>8,214,381</u>	<u>7,893,424</u>	<u>(320,957)</u>
Total Expenditures	<u>14,016,042</u>	<u>22,179,123</u>	<u>16,142,296</u>	<u>5,394,913</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	53,834	66,094	65,852	(242)
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(66,094)</u>	<u>(66,094)</u>	<u>(65,852)</u>	<u>242</u>
Net change in fund balances	<u>\$ (12,260)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning			-	
Fund balances - ending			<u>\$ -</u>	

The accompanying notes are an integral part of the financial statements.

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

Exhibit A-10

	Business-type Activities - Enterprise Funds				Governmental
	Utility Fund	Athletic Club Fund	Nonmajor Enterprise Fund	Total	Activities Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 10,191,817	\$ 1,844,034	\$ 4,077,269	\$ 16,113,120	\$ 6,197,038
Receivables					
Customers	1,571,328	26,091	501,708	2,099,127	-
Other	-	250	-	250	58,453
Less allowance for doubtful accounts	(67,935)	(19,620)	(99,348)	(186,903)	-
Due from other governments	1,100,000	-	1,990	1,101,990	-
Due from other funds	61,194	22,343	17,285	100,822	-
Inventory	38,071	63	-	38,134	133,491
Prepaid expenses	595	-	-	595	-
Restricted cash and cash equivalents	2,932,083	-	94,057	3,026,140	-
Total current assets	<u>15,827,153</u>	<u>1,873,161</u>	<u>4,592,961</u>	<u>22,293,275</u>	<u>6,388,982</u>
Noncurrent assets:					
Capital assets, not being depreciated	619,366	2,391,580	66,737	3,077,683	-
Capital assets, being depreciated, net	45,331,331	14,032,008	947,615	60,310,954	1,466,122
Total capital assets, net	<u>45,950,697</u>	<u>16,423,588</u>	<u>1,014,352</u>	<u>63,388,637</u>	<u>1,466,122</u>
Total assets	<u>61,777,850</u>	<u>18,296,749</u>	<u>5,607,313</u>	<u>85,681,912</u>	<u>7,855,104</u>
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension	1,104,806	405,589	434,510	1,944,905	-
Related to OPEB	419,958	159,253	79,728	658,939	-
	<u>1,524,764</u>	<u>564,842</u>	<u>514,238</u>	<u>2,603,844</u>	<u>-</u>
LIABILITIES					
Current liabilities:					
Accounts payable	972,285	155,283	648,803	1,776,371	968,234
Accrued interest payable	5,550	-	-	5,550	-
Accrued payroll	51,750	81,654	43,605	177,009	36,736
Customer deposits	781,640	-	94,057	875,697	-
Unearned revenue	118,870	390,006	75,667	584,543	-
Due to other funds	-	-	40,047	40,047	-
Long-term debt, current	65,000	226,980	-	291,980	-
Accrued compensated absences, current	10,455	4,874	4,783	20,112	-
Total current liabilities	<u>2,005,550</u>	<u>858,797</u>	<u>906,962</u>	<u>3,771,309</u>	<u>1,004,970</u>
Noncurrent liabilities:					
Long-term debt, net of current portion, and premiums	2,033,073	-	-	2,033,073	-
Accrued compensated absences	105,683	45,463	27,100	178,246	-
Net pension liability	2,333,574	851,968	914,402	4,099,944	-
Net OPEB liability	614,055	232,856	116,575	963,486	-
Total noncurrent liabilities	<u>5,086,385</u>	<u>1,130,287</u>	<u>1,058,077</u>	<u>7,274,749</u>	<u>-</u>
Total liabilities	<u>7,091,935</u>	<u>1,989,084</u>	<u>1,965,039</u>	<u>11,046,058</u>	<u>1,004,970</u>
DEFERRED INFLOWS OF RESOURCES					
Related to pension	37,101	20,966	19,843	77,910	-
NET POSITION					
Net investment in capital assets	43,852,624	16,196,608	1,014,352	61,063,584	1,466,122
Unrestricted	12,320,954	654,933	3,122,317	16,098,204	5,384,012
Total net position	<u>\$ 56,173,578</u>	<u>\$ 16,851,541</u>	<u>\$ 4,136,669</u>	<u>77,161,788</u>	<u>\$ 6,850,134</u>
Adjustment to reflect the consolidation of internal service funds related to the enterprise funds				218,912	
Net position of the business-type activity				<u>\$ 77,380,700</u>	

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, 2022

Exhibit A-11

	Business-type Activities - Enterprise Funds				Governmental
	Utility Fund	Athletic Club Fund	Nonmajor Enterprise Fund	Total	Activities Internal Service Funds
Operating Revenues:					
Metered water sales	\$ 5,689,873	\$ -	\$ -	\$ 5,689,873	\$ -
Sewer service fee	3,924,034	-	-	3,924,034	-
Service connections fees	162,323	-	-	162,323	-
Membership fees	-	3,035,348	-	3,035,348	-
Class fees	-	603,379	-	603,379	-
Daily admissions	-	5,109	-	5,109	-
Sanitation fees	-	-	4,813,312	4,813,312	-
Stormwater fees	-	-	2,765,582	2,765,582	-
Forfeited discounts	71,812	-	32,339	104,151	-
Rental income	-	79,222	441,923	521,145	-
Internal charges	-	-	-	-	15,137,560
Other	64,881	346	2,478	67,705	5,000
Total operating revenues	9,912,923	3,723,404	8,055,634	21,691,961	15,142,560
Operating Expenses:					
Salaries	1,053,303	1,313,907	685,670	3,052,880	501,948
Benefits	898,352	340,103	312,341	1,550,796	183,041
Contractual services	2,896,443	357,890	5,410,098	8,664,431	-
Utilities	692,999	445,499	52,081	1,190,579	27,308
Materials and supplies	375,122	353,227	510,822	1,239,171	398,653
Other service charges	108,142	13,237	197,037	318,416	272,815
Expense reimbursement	1,134,737	122,178	63,863	1,320,778	-
Insurance claims	-	-	-	-	13,968,905
Depreciation	2,141,562	916,488	109,643	3,167,693	68,016
Total operating expenses	9,300,660	3,862,529	7,341,555	20,504,744	15,420,686
Operating income (loss)	612,263	(139,125)	714,079	1,187,217	(278,126)
Nonoperating Revenues (Expenses):					
Interest	27,619	3,485	10,385	41,489	-
Debt issuance costs	(17,618)	-	-	(17,618)	-
Bond interest and fiscal charges	(54,646)	-	-	(54,646)	-
Lease interest	-	(9,830)	-	(9,830)	-
Total non-operating expenses	(44,645)	(6,345)	10,385	(40,605)	-
Income (loss) before contributions and transfers	567,618	(145,470)	724,464	1,146,612	(278,126)
Capital contributions - development	537,321	-	-	537,321	-
Federal grants	2,100,000	-	6,065	2,106,065	-
Transfers in	-	-	150,000	150,000	-
Transfers out	(429,267)	-	-	(429,267)	-
Change in net position	2,775,672	(145,470)	880,529	3,510,731	(278,126)
Total net position - beginning	53,397,906	16,997,011	3,256,140	73,651,057	7,128,260
Total net position - ending	\$ 56,173,578	\$ 16,851,541	\$ 4,136,669	\$ 77,161,788	\$ 6,850,134
Change in net position				\$ 3,510,731	
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund				35,127	
Change in net position of the business-type activity				\$ 3,545,858	

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, 2022

Exhibit A-12

	Business-type Activity - Enterprise Funds			Total	Governmental
	Utility Fund	Athletic Club Fund	Nonmajor Enterprise Fund		Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 9,697,447	\$ 3,781,823	\$ 8,070,591	\$ 21,549,861	\$ -
Receipts from interfund services provided	-	-	-	-	15,211,432
Payments to suppliers	(4,867,644)	(1,343,183)	(6,291,994)	(12,502,821)	(14,982,740)
Payments to employees	(1,481,636)	(1,648,237)	(934,357)	(4,064,230)	(693,313)
Other receipts (payments)	(1,035,119)	96	563	(1,034,460)	-
Net cash from (used for) operating activities	2,313,048	790,499	844,803	3,948,350	(464,621)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES					
Increase (decrease) in due from other funds	(429,267)	-	-	(429,267)	-
Transfer from (to) other fund	-	-	150,000	150,000	-
Net cash from (used for) noncapital financing activities	(429,267)	-	150,000	(279,267)	-
CASH FLOW USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	537,321	-	-	537,321	-
Contributions from government agencies	2,100,000	-	6,065	2,106,065	-
Purchases of capital assets	(1,579,449)	(265,378)	(347,441)	(2,192,268)	(6,988)
Proceeds from sale of capital assets	-	-	-	-	-
Principal paid on long-term debt	(55,000)	(220,280)	-	(275,280)	-
Debt issuance costs	(17,618)	-	-	(17,618)	-
Interest receipt on long-term debt	2,103,977	(9,830)	-	2,094,147	-
Net cash from (used for) capital and related financing activities	3,089,231	(495,488)	(341,376)	2,252,367	(6,988)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	27,619	3,485	10,385	41,489	-
Net increase (decrease) in cash and cash equivalents	5,000,631	298,496	663,812	5,962,939	(471,609)
Cash and cash equivalents - beginning	8,123,269	1,545,538	3,507,514	13,176,321	6,668,647
Cash and cash equivalents - end	<u>\$ 13,123,900</u>	<u>\$ 1,844,034</u>	<u>\$ 4,171,326</u>	<u>\$ 19,139,260</u>	<u>\$ 6,197,038</u>
Classified as:					
Current assets	\$ 10,191,817	\$ 1,844,034	\$ 4,077,269	\$ 16,113,120	\$ 6,197,038
Restricted assets	2,932,083	-	94,057	3,026,140	-
	<u>\$ 13,123,900</u>	<u>\$ 1,844,034</u>	<u>\$ 4,171,326</u>	<u>\$ 19,139,260</u>	<u>\$ 6,197,038</u>
Reconciliation of operating income to net cash from operating activities:					
Operating income (loss)	\$ 612,263	\$ (139,125)	\$ 714,079	\$ 1,187,217	\$ (278,126)
Adjustments to reconcile operating income to net cash from (used for) operating activities					
Depreciation and amortization	2,141,562	916,488	109,643	3,167,693	68,016
Pension expense in excess of employer contributions	398,357	5,789	39,213	443,359	-
OPEB expense in excess of employer contributions	58,259	16,472	7,606	82,337	-
Change in assets and liabilities					
Receivables	(245,691)	(790)	1,484	(244,997)	68,872
Inventory	(1,502)	1,077	-	(425)	(46,636)
Prepaid expenses	(595)	-	-	(595)	-
Accounts payable	341,896	(52,229)	(58,093)	231,574	(268,423)
Accrued payroll	7,501	3,490	14,225	25,216	(8,324)
Compensated absences	5,902	(19,978)	2,610	(11,466)	-
Customer deposits	81,095	-	13,792	94,887	-
Unearned revenue	14,001	59,305	244	73,550	-
Due to/from other governments	(1,100,000)	-	-	(1,100,000)	-
Net cash from (used for) operating activities	<u>\$ 2,313,048</u>	<u>\$ 790,499</u>	<u>\$ 844,803</u>	<u>\$ 3,948,350</u>	<u>\$ (464,621)</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, 2022

Exhibit A-13

	Pension and OPEB Trust Funds
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 2,144,893
Other receivable	504,050
Interest receivable	14,428
Investments	
Domestic common stock	6,194,432
Foreign common stock	416,034
Fixed income mutual funds	13,320,307
Equity mutual funds	41,534,431
Limited partnerships bond funds	2,286,597
Limited partnerships hedge funds	24,513,038
Total investments	<u>88,264,839</u>
 Total assets	 90,928,210
 LIABILITIES	
Accounts payable	<u>180,350</u>
 NET POSITION	
Restricted for pension	79,763,458
Restricted for OPEB	10,984,402
Total net position	<u><u>\$ 90,747,860</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, 2022

Exhibit A-14

	Pension and OPEB Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 6,866,761
Plan members	1,507,562
Total contributions	<u>8,374,323</u>
Investment earnings (losses):	
Interest and dividends	1,124,406
Net loss in fair value of investments	<u>(14,660,185)</u>
Total investment earnings	<u>(13,535,779)</u>
 Total additions	 (5,161,456)
DEDUCTIONS	
Benefits	7,860,217
Premiums	47,027
Administrative expense	<u>358,613</u>
Total deductions	<u>8,265,857</u>
 Change in net position	 (13,427,313)
Net position - beginning of the year	<u>104,175,173</u>
Net position - end of the year	<u><u>\$ 90,747,860</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF GERMANTOWN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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 is governed by an elected Mayor and five-member Board of Aldermen 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.

The Germantown Municipal School District (“Board of Education” or the “School”) was created in 2014 and began operations in August 2014. The Board of Education operates under the city charter and is not a legally separate entity. 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 long-term debt for its capital projects. The Board of Education’s funds include the general-purpose fund, federal projects fund, cafeteria fund, internal school fund, and capital projects fund. The Board of Education does not issue separate financial statements.

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 no blended component units and one discretely presented component unit (see details below). The significant accounting policies followed by the component unit are generally the same as those followed by the primary government.

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.

Fiduciary Component Unit:

The City’s amended and restated pension plan fund, employee cash balance pension plan fund, and the City’s and the Board of Education’s other postemployment benefit trust funds (City OPEB and School OPEB) each represent a fiduciary fund of the City. Each trust fund is a legally separate entity, and the resources of each trust fund cannot be used to finance the City’s or School’s operations. The City and School are committed to making contributions to their respective trusts, and therefore assume a financial burden for the trust funds and thus have financial accountability.

B. Basis of Presentation

1. *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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

2. 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 accounting 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/net position, 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, School General Purpose Fund, School Federal Projects Fund
Major Proprietary Funds: Utility Fund, Athletic Club Fund

Detailed descriptions of these funds are presented below.

3. 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 obtained and used for delivery of those services traditionally provided by a municipal government which are not 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 Cafeteria, and Internal School. The special revenue funds also include the School General Purpose Fund and the School Federal Projects Fund which are considered a major funds and described in further detail below:

General Purpose School Fund – The operating fund of the Germantown Municipal School District 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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 School General Purpose Fund.

School Federal Projects Fund – The fund established to account for Federal grants that must be spent for a specific purpose such as special education, educator professional development, and economically disadvantaged students.

- c. **Capital Projects Funds** – These funds account for all the financing of major governmental fund capital asset purchases and capital improvement projects. 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.

4. *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.

5. *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 or resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans and other postemployment benefit plans. Each OPEB accounts solely for retiree medical benefits (including claims incurred but not reported) for which each plan is self-insured.

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.

Revenues in the fiduciary funds are those additions to the plan that are generated from contributions from the City or School, participant contributions, and investment related income. Expenses are those deductions to the assets of the plan that arise from the payment of benefits and administrative 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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 also 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, 2022. The property tax levy is without legal limit. The rate, as permitted by Tennessee State Law and City Charter, is set annually by the Mayor and Board of Aldermen and is collected by the City Clerk.

The Board of Education recognizes its share of real and personal property taxes, sales taxes, and other local taxes as revenue in the fiscal year collected by the State of Tennessee, Shelby County, or the City, as applicable. The Board of Education does not have any taxing authority. Consequently, the Schools rely on a share of real and personal property taxes collected by the Shelby County. The Shelby County tax levy of \$3.45 per \$100 of assessed value includes \$1.64 for both the county schools and the municipal schools of Shelby County. Distribution of the \$1.64 to the county schools and the municipal school districts is based on the average daily attendance of each system. Approximately 76.5% and 23.5% was distributed to Shelby County Schools and the municipal school districts of Shelby County, respectively.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and grants.

Utility revenue is recorded when earned. Customers are billed at various times throughout the month. The estimated value of services provided but unbilled at year end has been included in the accompanying financial statements as unbilled utility receivable.

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.”

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 and is presented at the lower of cost or net realizable value. Inventory is charged to operations using average cost. Certain contractual or otherwise required 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. 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, easements, rights-of-way, and construction in progress are not depreciated. All other capital assets are 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. Right-to-use asset

The City has recorded right-to-use lease assets as a result of implementing Governmental Accounting Standards Board Statement No. 87, *Leases*. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus lease payments made prior to the lease term, less lease incentives, and plus ancillary

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

7. Deferred outflows of resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has qualifying items for reporting in this category. Deferred outflows of resources include those related to pension and OPEB changes and employer contributions to the pension plan after the measurement date.

8. 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.

9. 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.

10. Deferred inflows of resources

Deferred inflows of resources represent an acquisition of net assets 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 including those related to pension and other postemployment benefits. In addition, 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 such as unavailable revenues from property taxes and other revenues. Lease related amounts reported in this category are recognized at the inception of leases in which the City is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

11. 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. Applicable deferred outflows of resources and deferred inflows of resources, if any, should be included in the component of net position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Assigned – amounts intended to be used by the City for a specific purpose but 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. 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. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

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.

12. 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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

13. 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. Investments using the Net Asset Value ("NAV") per share have no readily determinable fair value and have been determined using amortized cost which approximates fair value.

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.

14. 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. Adoption of New Accounting Standard

Effective July 1, 2021, the City implemented accounting and financial reporting requirements of GASB 87. This statement establishes a single model for lease accounting based on the principle that a lease is a financing of the right to use the underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. At July 1, 2021, the City recognized a right-to-use asset and a corresponding lease liability of \$447,260 related to leased equipment at the Athletic Club. In addition, at July 1, 2021, the City recognized a long-term leases receivable and corresponding deferred inflows of resources of \$5,160,672 related to leasing land and building for wireless towers. There was no effect to net position as a result of the adoptions of this statement.

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 fund. 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. The Germantown Municipal School District annually approves the operating budgets of the School funds; the Board of Mayor and Aldermen then approves the Germantown Schools operating budget.

Supplemental appropriations were required during the year and the accompanying budgetary data has been revised for amendments authorized by resolution during the year. Annual budgets are adopted on a basis consistent with Tennessee Code Annotated, which is not materially different than the modified accrual basis of accounting. The City is not legally required and did not adopt an annual budget for the Internal School Fund, Library Endowment Fund, CIP Fire Fund, and School Capital Projects Fund.

B. Excess of expenditures over appropriations

For the year ended June 30, 2022, expenditures did not exceed appropriations for any fund.

C. Deficit fund equity

As of June 30, 2022, 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 fair value is equal to 90% 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, 2022, 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 fair 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. The investment policies of the fiduciary funds have been formally adopted by the Board of Mayor and Aldermen.

A. Primary Government Investments

The LGIP represents the majority of the primary government’s investments at June 30, 2022. These investments are reported at amortized cost which approximates fair value and are included as cash equivalents. The LGIP uses amortized costs rather than fair value to report net position to compute share prices. The Pool maintains a weighted average maturity of 60 days or less.

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/advance-search.HTML>.

The following table summarizes fair value disclosures and measurements for Germantown School’s investments held by the TRGT on its behalf at June 30, 2022:

Investments at Fair Value	Total	Level 1	Level 2	Level 3
U.S. equity	\$ 297,470	\$ 297,470	\$ -	\$ -
Developed market international equity	134,341	134,341	-	-
Emerging market international equity	38,383	38,383	-	-
U.S. fixed income	191,916	-	191,916	-
Short-term securities	9,596	-	9,596	-
Real estate	95,958	-	-	95,958
	767,664	\$ 470,194	\$ 201,512	\$ 95,958
<u>Investments at amortized cost using NAV</u>				
Private equity and strategic lending	191,916			
Total restricted investments	\$ 959,580			

NOTE 4 – INVESTMENTS (CONTINUED)

C. Fiduciary Investments

The City administers three fiduciary funds and Germantown Schools administers one 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, 2022:

<u>Investments at Fair Value</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Domestic common stock	\$ 6,194,432	\$ 6,194,432	\$ -
Foreign common stock	416,034	416,034	-
Fixed income mutual funds	13,320,307	13,320,307	-
Equity mutual funds	41,534,431	41,534,431	-
Limited partnerships bond funds	2,286,597	-	2,286,597
	<u>63,751,801</u>	<u>\$ 61,465,204</u>	<u>\$ 2,286,597</u>
<u>Investments at amortized cost using NAV</u>			
Limited partnerships hedge funds	24,513,038		
	<u>\$ 88,264,839</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, 2022:

- *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.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Germantown Schools 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

NOTE 4 – INVESTMENTS (CONTINUED)

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, 2022.

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, 2022, is as follows:

	Payable Fund					Total
	Major Funds		School	Aggregate	Aggregate	
Receivable Fund	General	School General Purpose	School Federal Projects	Nonmajor Governmental	Nonmajor Proprietary	
Major Fund						
General	\$ -	\$ -	\$ -	\$ 218,667	\$ 40,047	\$ 258,714
School General Purpose	142,095	-	717,735	-	-	859,830
Utility	61,194	-	-	-	-	61,194
Athletic Club	22,343	-	-	-	-	22,343
Aggregate Nonmajor Governmental	1,141,833	42,812	-	-	-	1,184,645
Aggregate Nonmajor Proprietary	17,285	-	-	-	-	17,285
Total	<u>\$ 1,384,750</u>	<u>\$ 42,812</u>	<u>\$ 717,735</u>	<u>\$ 218,667</u>	<u>\$ 40,047</u>	<u>\$ 2,404,011</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, 2022 is as follows:

Transfer Out	Transfer In				Total
	Major Funds		Aggregate Nonmajor Governmental	Aggregate Nonmajor Proprietary	
	General	School General Purpose			
Major funds					
General	\$ -	\$ 3,082,064	\$ 14,883,102	\$ 150,000	\$ 18,115,166
School General Purpose	526,437	-	-	-	526,437
School Federal Projects	-	65,852	-	-	65,852
Utility	429,267	-	-	-	429,267
Aggregate Nonmajor Governmental	620,000	-	4,190,117	-	4,810,117
Total	<u>\$ 1,575,704</u>	<u>\$ 3,147,916</u>	<u>\$ 19,073,219</u>	<u>\$ 150,000</u>	<u>\$ 23,946,839</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 school general-purpose 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, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 19,393,607	\$ 2,583,315	\$ -	\$ 21,976,922
Construction in progress	4,636,897	18,742,536	(3,976,246)	19,403,187
Total capital assets, not being depreciated	24,030,504	21,325,851	(3,976,246)	41,380,109
Capital assets, being depreciated:				
Buildings and improvements	150,010,359	2,540,477	-	152,550,836
Improvements other than buildings	88,887,116	2,224,975	-	91,112,091
Machinery and equipment	44,000,790	3,809,760	(1,815,567)	45,994,983
Vehicles	13,755,893	221,895	(431,445)	13,546,343
Infrastructure	74,899,699	242,631	-	75,142,330
Total capital assets, being depreciated	371,553,857	9,039,738	(2,247,012)	378,346,583
Less accumulated depreciation for:				
Buildings and improvements	(35,090,337)	(3,707,137)	-	(38,797,474)
Improvements other than buildings	(41,534,179)	(3,352,072)	-	(44,886,251)
Machinery and equipment	(30,682,530)	(3,492,472)	1,810,307	(32,364,695)
Vehicles	(8,844,586)	(958,697)	419,168	(9,384,115)
Infrastructure	(41,945,233)	(2,389,158)	-	(44,334,391)
Total accumulated depreciation	<u>(158,096,865)</u>	<u>(13,899,536)</u>	<u>2,229,475</u>	<u>(169,766,926)</u>
Total capital assets, being depreciated, net	213,456,992	(4,859,798)	(17,537)	208,579,657
Governmental activities capital assets, net	<u>\$ 237,487,496</u>	<u>\$ 16,466,053</u>	<u>\$ (3,993,783)</u>	<u>\$ 249,959,766</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	97,077	208,013	-	305,090
Total capital assets, not being depreciated	2,869,670	208,013	-	3,077,683
Capital assets, being depreciated:				
Buildings and improvements	47,718,487	175,160	-	47,893,647
Improvements other than buildings	62,460,443	1,314,133	-	63,774,576
Machinery and equipment	6,413,815	494,966	(111,149)	6,797,632
Right of use equipment	-	447,260	-	447,260
Total capital assets, being depreciated	116,592,745	2,431,519	(111,149)	118,913,115
Less accumulated depreciation for:				
Buildings and improvements	(20,396,615)	(1,095,624)	-	(21,492,239)
Other improvements	(31,344,308)	(1,510,641)	-	(32,854,949)
Machinery and equipment	(3,804,690)	(337,802)	111,149	(4,031,343)
Right of use equipment	-	(223,630)	-	(223,630)
Total accumulated depreciation	(55,545,613)	(3,167,697)	111,149	(58,602,161)
Total capital assets, being depreciated, net	61,047,132	(736,178)	-	60,310,954
Business-type activities capital assets, net	\$ 63,916,802	\$ (528,165)	\$ -	\$ 63,388,637

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

Governmental Activities:	
General government	\$ 1,704,588
Public safety	1,468,354
Community service	1,207,956
Transportation and environment	4,421,368
Municipal school	5,097,270
Total depreciation expense - governmental activities	<u>\$ 13,899,536</u>
Business-type activities	
Utility	\$ 2,141,566
Athletic club	916,489
Nonmajor enterprise funds	109,642
Total depreciation expense - business-type activities	<u>\$ 3,167,697</u>

Construction and other significant commitments

The government has active construction projects as of June 30, 2022. At year-end, the government's commitments with contractors are as follows:

Function/Activity	Commitment
Traffic signals	\$ 480,000
Elevated water tank	2,796,000
Germantown station park playground	215,000
GMSD projects	14,908,000
	<u>\$ 18,399,000</u>

NOTE 7 – RIGHT-TO-USE ASSET

The City has recorded one right-to-use leased asset for leased warehouse space. The right-to-use asset is amortized on a straight-line basis over the term of the related lease. The beginning balance, as restated on July 1, 2021, was \$447,260. Amortization during the year was \$223,630, resulting in an ending balance of \$223,630 as of June 30, 2022.

NOTE 8 – 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.

On September 9, 2021, the City issued \$10,510,000 (at par) General Obligation Improvement and Refunding Bonds, Series 2021 at a premium of \$1,815,128 with a true interest cost of 1.815% and maturing on 12/1/2050. Of the proceeds from the issuance, \$3,419,438 was deposited in an escrow account to pay refunded bonds Series 2011 when due. The refunding resulted in an economic gain (the difference between the present value of the defeased debt and the new debt) of \$376,930. The refunding will reduce the City's debt service payments by an estimated \$404,803. The new General Obligation Improvements were issued for the purposes of (i) financing, in whole or in part, the (a) design, construction, repair and improvement of drainage improvements, (b) construction of a water tank, and (c) to provide the Germantown School District with funding for a building addition, and (ii) paying the costs related to the issuance and sale of the Bonds.

The City entered into an agreement to lease athletic equipment. The lease agreement qualifies as other than short-term lease under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payment as of the date adoption of 7/1/2021. The lease liability is measured using a discount rate of 3.0%, which is the City's estimated incremental borrowing rate at the date of adoption. The beginning balance, as restated on July 1, 2021, was \$447,260.

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.

Shelby County 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%.

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

Debt outstanding as of June 30, 2022 consisted of the following:

	Interest Rates	Maturity Date	Original Issue	Balance at Year End
Governmental activities:				
<u>Payable through General Fund</u>				
General obligation and refunding bonds:				
2009 Serial Bonds	3.00 - 4.20%	6/1/2022	\$ 9,635,000	\$ -
2011 Serial Bonds	2.00 - 3.25%	12/1/2031	6,155,456	-
2013 Serial Bonds A	1.00 - 3.625%	8/1/2034	3,500,000	2,315,000
2013 Serial Bonds B	1.00 - 4.00%	8/1/2026	5,570,000	1,160,000
2016 Serial Bonds A	2.00 - 5.00%	6/1/2036	7,935,000	5,280,000
2016 Serial Bonds B	2.00 - 5.00%	6/1/2046	10,220,000	9,110,000
2017 Serial Bonds	4.00 - 5.00%	8/1/2047	29,275,000	27,420,000
2021 Serial Bonds	3.00 - 5.00%	12/1/2050	12,325,127	8,555,000
			84,615,583	53,840,000
Note from direct borrowings:				
2018 Capital Outlay Note	3.25%	7/1/2030	3,025,000	2,169,000
<u>Payable through School General Purpose Fund</u>				
Shelby County Settlement Obligation	3.33%	11/1/2025	4,265,436	1,309,294
			\$ 91,906,019	\$ 57,318,294
Business-type activities:				
<u>Payable through Utility Fund</u>				
Revenue bonds:				
2021 Serial Bonds	3.00 - 5.00%	12/1/2050	\$ 1,840,000	\$ 1,785,000
<u>Payable through Athletic Club</u>				
Equipment lease liability	3.00%	6/15/2023	\$ 447,260	\$ 226,980

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

Years Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 2,446,182	\$ 2,322,270	\$ 65,000	\$ 64,975
2024	2,797,704	2,253,553	65,000	61,725
2025	2,901,582	2,138,085	70,000	58,350
2026	3,031,826	2,014,582	70,000	54,850
2027	2,496,000	1,888,716	75,000	51,225
2028-2032	12,660,000	7,736,440	435,000	201,050
2033-2037	10,270,000	5,351,844	525,000	112,775
2038-2042	8,970,000	3,352,825	480,000	29,250
2043-2047	9,485,000	1,421,000	-	-
2048-2049	2,260,000	80,775	-	-
	\$ 57,318,294	\$ 28,560,090	\$ 1,785,000	\$ 634,200

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

Annual debt service requirements for the equipment lease are as follows:

Years Ending June 30	Business-Type Activities		
	Principal	Interest	Total
2023	\$ 226,980	\$ 3,130	\$ 230,110

2. Changes in long-term liabilities

A summary of long-term liability activity, including debt, for the year ended June 30, 2022 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	\$ 50,980,000	\$ 8,670,000	\$ (5,810,000)	\$ 53,840,000	\$ 2,135,000
Unamortized premiums	6,178,806	1,490,968	(472,780)	7,196,994	-
Total bonds	57,158,806	10,160,968	(6,282,780)	61,036,994	2,135,000
Notes from direct borrowings	2,403,000	-	(234,000)	2,169,000	-
Settlement obligation	1,777,264	-	(355,453)	1,421,811	355,453
Unamortized discounts	(166,966)	-	54,449	(112,517)	-
Total settlement obligation	1,610,298	-	(301,004)	1,309,294	355,453
Total long-term debt	61,172,104	10,160,968	(6,817,784)	64,515,288	2,490,453
Compensated absences	5,638,794	546,194	(1,918,196)	4,266,792	1,139,211
	<u>\$ 66,810,898</u>	<u>\$ 10,707,162</u>	<u>\$ (8,735,980)</u>	<u>\$ 68,782,080</u>	<u>\$ 3,629,664</u>
Business-type activities:					
Revenue bonds	\$ -	\$ 1,840,000	\$ (55,000)	\$ 1,785,000	\$ 65,000
Unamortized premiums	-	324,160	(11,087)	313,073	-
Total bonds	-	2,164,160	(66,087)	2,098,073	65,000
Leases	-	447,260	(220,280)	226,980	226,980
Total long-term debt	-	2,611,420	(286,367)	2,325,053	291,980
Compensated absences	\$ 209,824	\$ 18,836	\$ (30,302)	\$ 198,358	\$ 20,112
	<u>\$ 209,824</u>	<u>\$ 2,630,256</u>	<u>\$ (316,669)</u>	<u>\$ 2,523,411</u>	<u>\$ 312,092</u>

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

NOTE 9 – NET POSITION AND FUND BALANCE

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	\$ 249,959,766	\$ 63,388,637	\$ 313,348,403
Total outstanding balance of capital debt	(63,266,949)	(2,325,053)	(65,592,002)
Unspent bond proceeds related to debt	5,884,898	-	5,884,898
Net investment in capital assets	<u>\$ 192,577,715</u>	<u>\$ 61,063,584</u>	<u>\$ 253,641,299</u>

Following is more detailed information on the governmental fund balances:

	General Fund	School General Purpose Fund	School Federal Projects Fund	Other Governmental Funds	Total
Nonspendable for:					
Inventory	\$ 96,940	-	-	\$ 18,172	\$ 115,112
Prepaid expenditures	662,572	6,650	-	26,711	695,933
Library endowment	-	-	-	244,161	244,161
Total nonspendable fund balance	<u>759,512</u>	<u>6,650</u>	<u>-</u>	<u>289,044</u>	<u>1,055,206</u>
Restricted for:					
Drug enforcement	-	-	-	670,392	670,392
Federal asset forfeiture	-	-	-	79,113	79,113
Stabilization reserve trust	-	959,580	-	-	959,580
Education	-	-	-	2,533,215	2,533,215
Unspent bond proceeds	-	-	-	1,892,209	1,892,209
Total restricted fund balance	<u>-</u>	<u>959,580</u>	<u>-</u>	<u>5,174,929</u>	<u>6,134,509</u>
Committed for:					
State street aid	-	-	-	3,495,328	3,495,328
Pickering center	-	-	-	295,461	295,461
Ambulance	-	-	-	619,975	619,975
Farm Park	-	-	-	222,444	222,444
E-citation	-	-	-	113,007	113,007
Public art	-	-	-	130,084	130,084
Recreation	-	-	-	377,036	377,036
Education	-	25,954,133	-	-	25,954,133
Emergency purposes	900,000	-	-	-	900,000
Contingencies	100,000	-	-	-	100,000
Capital projects	1,566,000	-	-	6,916,675	8,482,675
Tax anticipation	11,309,659	-	-	-	11,309,659
Debt service	4,691,246	-	-	-	4,691,246
Total committed fund balance	<u>18,566,905</u>	<u>25,954,133</u>	<u>-</u>	<u>12,170,010</u>	<u>56,691,048</u>
Assigned to:					
Vacation Accrual	2,495,460	-	-	-	2,495,460
Contingencies	716,649	-	-	-	716,649
Capital projects	-	-	-	8,726,880	8,726,880
Education	-	-	-	-	-
Total assigned fund balance	<u>3,212,109</u>	<u>-</u>	<u>-</u>	<u>8,726,880</u>	<u>11,938,989</u>
Unassigned	<u>21,310,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,310,161</u>
Total fund balances	<u>\$ 43,848,687</u>	<u>\$ 26,920,363</u>	<u>\$ -</u>	<u>\$ 26,360,863</u>	<u>\$ 97,129,913</u>

NOTE 10 – DEFINED BENEFIT PENSION PLANS

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 school general-purpose school fund.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (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	\$ -	\$ 22,071,359	\$ 46,749,226	\$ 538,710	\$ 8,529,329
Employee Cash Balance Plan	-	320,709	448,630	366,928	588,244
BOE Legacy Plan	687,321	401,142	-	583,234	68,200
BOE Hybrid Plan	96,470	324,124	-	97,822	32,812
Teacher Legacy Pension Plan	28,345,438	9,858,822	-	25,034,005	(4,365,367)
Teacher Hybrid Pension Plan	719,755	501,700	-	594,250	83,130
Total governmental activities	\$ 29,848,984	\$ 33,477,856	\$ 47,197,856	\$ 27,214,949	\$ 4,936,348
Business-type Activities					
Amended and Restated Plan	\$ -	\$ 1,917,722	\$ 4,061,918	\$ 46,807	\$ (748,740)
Employee Cash Balance Plan	-	27,183	38,026	31,103	58,079
Total business-type activities	\$ -	\$ 1,944,905	\$ 4,099,944	\$ 77,910	\$ (690,661)
Total	\$ 29,848,984	\$ 35,422,761	\$ 51,297,800	\$ 27,292,859	\$ 4,245,687

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 for the TCRS plans 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 – DEFINED BENEFIT PENSION PLANS (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, 2022 while the School TCRS Plans have a measurement date of June 30, 2021. As of the respective plan measurement dates, the following employees were covered by the benefit terms of the single-employer or agent multi-employer plans:

	Amended & Restated Plan	Cash Balance Plan	TCRS School BOE	
			Legacy Plan	Hybrid Plan
Inactive employees or beneficiaries currently receiving benefits	260	-	22	2
Inactive employees entitled to but not yet receiving benefits	95	8	40	61
Active employees	181	217	54	95
	<u>536</u>	<u>225</u>	<u>116</u>	<u>158</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, 2022 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	\$ 4,103,595	\$ 453,186	\$ 169,303	\$ 78,814	\$ 2,189,180	\$ 228,144
Covered payroll	15,500,863	9,811,704	2,233,541	3,665,737	21,254,151	11,350,494
As a percentage of covered payroll	26.47%	4.62%	7.58%	2.15%	10.30%	2.01%

For the year ended June 30, 2022, employer contributions to the School TCRS BOE Hybrid Plan and School TCRS Teacher Hybrid Plan included contributions to the Pension Stabilization Reserve Trust of 1.85% and 1.99%, respectively, as a percentage of covered payroll.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Actuarial Assumptions

Actuarial valuations for the City and School Pension plans involve estimates of the value of reported amounts and assumptions about the probability of events for into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of contributions, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Trust assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. As such, the actuarial calculations of the Pension plans 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 Amended and Restated Pension Plan

The total pension liability was determined as part of the June 30, 2022 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, 2022, the annual approximate rate of return on investments was -13.21%. 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 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

City Administered Employee Cash Balance Plan

The total pension liability was determined as part of the June 30, 2022 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, 2022, the annual approximate rate of return on investments was -11.77%. 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 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

TCRS Administered Pension Plans

The total pension liability as of June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of investment expense, including inflation
Cost-of-Living Adjustment	2.125%
Mortality rates	Actual experience including an adjustment for anticipated movement

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

Changes of assumptions

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

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the 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 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

C. Net Pension Liability (Asset)

The net pension liability (asset) for each City administered plan was measured as of June 30, 2022 and each TCRS administered plan was measured as of June 30, 2021. 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	\$ 1,112,518	\$ 1,145,349	\$ 302,877	\$ 175,038		
Interest	8,530,804	186,586	204,995	50,709		
Differences between expected and actual experience	2,470,376	(120,099)	24,226	63,065		
Changes in assumptions	-	-	245,417	79,793		
Benefit payments, including refunds	(6,116,938)	(106,025)	(40,963)	(23,072)		
Net change in total pension liability	5,996,760	1,105,811	736,552	345,533		
Total pension liability - beginning	120,168,492	3,790,195	2,545,127	535,935		
Total pension liability - ending	126,165,252	4,896,006	3,281,679	881,468		
Plan Fiduciary Net Position						
Contributions - employer	4,103,598	453,186	182,273	66,662		
Contributions - employee	621,645	562,531	116,456	160,355		
Net investment income (loss)	(11,607,452)	(526,103)	788,020	180,493		
Benefit payments	(6,116,938)	(106,025)	(40,963)	(23,072)		
Administrative/BOE expense	(286,800)	(32,551)	(5,227)	(8,397)		
Net change in plan fiduciary net position	(13,285,947)	351,038	1,040,559	376,041		
Plan fiduciary net position - beginning	88,640,055	4,058,312	2,928,441	601,897		
Plan fiduciary net position -ending	75,354,108	4,409,350	3,969,000	977,938		
Net pension liability (asset)	\$ 50,811,144	\$ 486,656	\$ (687,321)	\$ (96,470)		
Plan fiduciary net position as a percentage of the total liability	59.73%	90.06%	120.94%	110.94%		
Proportionate share of net pension liability (asset)					\$ (28,345,438)	\$ (719,755)
Proportionate share at June 30, 2021 measurement date					0.657173%	0.664463%
Proportionate share at June 30, 2020 measurement date					0.648471%	0.630836%

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%	\$ 66,477,691	\$ 50,811,144	\$ 38,700,272
Cash Balance Plan	5.00%	1,652,062	486,656	(407,815)
TCRS School BOE Legacy Plan	6.75%	(181,834)	(687,321)	(1,102,594)
TCRS School BOE Hybrid Plan	6.75%	107,038	(96,470)	(253,113)
Proportionate share of the net pension asset				
TCRS Teacher Legacy Plan	6.75%	\$ (5,044,534)	\$ (28,345,438)	\$ (47,736,439)
TCRS Teacher Hybrid Plan	6.75%	247,433	(719,755)	(1,433,090)

NOTE 10 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

For the year ended June 30, 2022, 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)	\$ 7,780,589	\$ 646,323	\$ 68,200	\$ 32,812	\$ (4,365,367)	\$ 83,130
Deferred Outflows of Resources						
Differences between expected and actual experience	\$ 4,986,218	\$ -	\$ 27,413	\$ 173,061	\$ 95,256	\$ 12,522
Net difference between projected and actual earnings on plan investments	10,347,142	347,892	-	-	-	-
Changes in assumptions	8,655,721	-	204,426	72,249	7,573,427	259,609
Change in proportion of net pension liability (asset)	-	-	-	-	959	1,425
Contributions subsequent to the measurement date of June 30, 2021	-	-	169,303	78,814	2,189,180	228,144
	<u>\$ 23,989,081</u>	<u>\$ 347,892</u>	<u>\$ 401,142</u>	<u>\$ 324,124</u>	<u>\$ 9,858,822</u>	<u>\$ 501,700</u>
Deferred Inflows of Resources						
Differences between expected and actual experience	\$ 585,517	\$ 398,031	\$ 161,261	\$ -	\$ 2,364,102	\$ 131,700
Net difference between projected and actual earnings on plan investments	-	-	421,973	97,822	22,604,854	414,310
Change in proportion of net pension liability (asset)	-	-	-	-	65,049	48,240
	<u>\$ 585,517</u>	<u>\$ 398,031</u>	<u>\$ 583,234</u>	<u>\$ 97,822</u>	<u>\$ 25,034,005</u>	<u>\$ 594,250</u>

The amounts shown above for “Contributions subsequent to the measurement date of June 30, 2021,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to 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
2023	\$ 4,745,916	\$ 58,542	\$ (98,152)	\$ 10,290	\$ (4,134,146)	\$ (95,279)
2024	3,913,508	55,961	(94,505)	10,639	(3,921,307)	(93,011)
2025	2,742,081	29,869	(99,357)	10,755	(3,208,510)	(92,365)
2026	5,139,432	129,318	(59,381)	8,564	(6,100,400)	(102,790)
2027	1,548,449	(18,551)	-	34,517	-	7,716
Thereafter	5,314,178	(305,278)	-	72,723	-	55,035

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (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	\$ 722,096	\$ 314,158
Accounts receivable	500,000	-
Interest receivable	11,779	820
Investments		
Domestic common stock	6,194,432	-
Foreign common stock	416,034	-
Fixed income mutual funds	9,867,412	1,307,078
Equity mutual funds	33,029,606	2,787,294
Limited partnerships bond funds	2,059,755	-
Limited partnerships hedge funds	22,552,994	-
Total investments	<u>74,120,233</u>	<u>4,094,372</u>
Total assets	<u>75,354,108</u>	<u>4,409,350</u>
NET POSITION		
Restricted for pension	<u>\$ 75,354,108</u>	<u>\$ 4,409,350</u>
<u>Statements of Changes in Pension Plan Net Position</u>		
ADDITIONS		
Contributions:		
Employer	\$ 4,103,598	\$ 453,186
Plan members	621,645	562,531
Total contributions	<u>4,725,243</u>	<u>1,015,717</u>
Investment earnings (losses):		
Interest and dividends	901,463	69,397
Net loss in fair value of investments	<u>(12,508,915)</u>	<u>(595,500)</u>
Total investment earnings	<u>(11,607,452)</u>	<u>(526,103)</u>
Total additions	<u>(6,882,209)</u>	<u>489,614</u>
DEDUCTIONS		
Benefits	6,116,938	106,025
Administrative expense	286,800	32,551
Total deductions	<u>6,403,738</u>	<u>138,576</u>
Change in net position	(13,285,947)	351,038
NET POSITION RESTRICTED FOR PENSION		
Beginning of year	88,640,055	4,058,312
End of year	<u>\$ 75,354,108</u>	<u>\$ 4,409,350</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 2022, the Board of Education's employer contribution to the Hybrid Plans was \$718,895.

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 years, 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 have attained the age of 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 school general-purpose 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	\$ -	\$ 6,643,967	\$ 9,714,659	\$ -	\$ 2,168,802
School OPEB Plan	-	1,589,656	5,810,773	794,706	34,445
Total governmental activities	\$ -	\$ 8,233,623	\$ 15,525,432	\$ 794,706	\$ 2,203,247
Business-type Activities					
City OPEB Plan	\$ -	\$ 658,939	\$ 963,486	\$ -	\$ 215,098
Total	\$ -	\$ 8,892,562	\$ 16,488,918	\$ 794,706	\$ 2,418,345

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, 2022 were as follows:

	City OPEB Plan	School OPEB Plan
Employer contributions	\$ 1,630,555	\$ 679,422
Covered employee payroll	26,245,410	18,994,500
As a percentage of covered employee payroll	6.21%	3.58%

B. Actuarial Assumptions

Actuarial valuations for the City and School OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events for into the future, Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of contributions, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Trust assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. As such, the actuarial calculations of the OPEB plans 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, 2022. 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap equity	17.50%	4.10%
Small cap equity	7.50%	4.40%
International equity	20.00%	5.80%
Hedged strategies	35.00%	3.80%
Other	5.00%	4.40%
Short-Term Bond	5.00%	1.80%
Intermediate -Term Bond	10.00%	2.40%
Cash and cash equivalents	0%	1.30%
	<u>100%</u>	

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investment was -10.15%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

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

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, 2022 is 7.0%.

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 with results projected to the June 30, 2022 measurement date on a “no gain/no loss” basis. 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, 2020
Investment rate of return	6.19%, 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	7.5% initial rate, 4.5% ultimate rate, 8-year grading period

Changes of Assumptions

In 2022, the discount rate decreased from 6.25% to 6.19%.

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>
Large U.S.	25.00%	7.80%
Mid Cap U.S.	13.00%	9.00%
Small Cap U.S.	4.00%	8.75%
Developed Foreign	13.00%	7.11%
Emerging Foreign	6.00%	11.27%
Investment Grade	32.00%	2.25%
High Yield	4.00%	4.26%
U.S. Real Estate	3.00%	7.61%
	<u>100%</u>	<u>6.19%</u>

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investment was -12.82%. 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, 2022 is 6.19% 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, 2022, were as follows:

	City OPEB Plan	School OPEB Plan
Total OPEB Liability		
Service cost	\$ 286,719	\$ 169,060
Interest	1,164,552	655,599
Changes of benefit items	-	(603,692)
Differences between expected and actual experience	457,905	(601,749)
Changes in assumptions	-	68,095
Benefit payments, including refunds	(1,280,262)	(404,019)
Net change in total OPEB liability	628,914	(716,706)
Total OPEB liability - beginning	17,041,638	10,519,474
Total OPEB liability - ending	17,670,552	9,802,768
Plan Fiduciary Net Position		
Contributions - employer	1,630,555	679,422
Contributions - retiree	243,386	80,000
Net investment income	(782,610)	(619,614)
Benefit payments	(1,280,262)	(404,019)
Administrative expense	(16,062)	(23,200)
Net change in plan fiduciary net position	(204,993)	(287,411)
Plan fiduciary net position - beginning	7,197,400	4,279,406
Plan fiduciary net position -ending	6,992,407	3,991,995
Net OPEB liability (asset)	<u>\$ 10,678,145</u>	<u>\$ 5,810,773</u>
Plan fiduciary net position as a percentage of the total liability	<u>39.57%</u>	<u>40.72%</u>

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

The following presents each plan's 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:

	Current Discount Rate	1% Decrease	Current Rate	1% Increase
City Net OPEB liability (asset)	7.00%	\$ 12,408,872	\$ 10,678,145	\$ 9,176,238
School Net OPEB liability (asset)	6.19%	\$ 6,820,024	\$ 5,810,773	\$ 4,938,416

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:

	Current Healthcare Cost Trend Rate	1% Decrease	Current Rate	1% Increase
City Net OPEB liability (asset)	7% decreasing to 4%	\$ 8,680,160	\$ 10,678,145	\$ 12,890,439
School Net OPEB liability (asset)	7.5% decreasing to 4.5%	\$ 5,278,605	\$ 5,810,773	\$ 6,416,113

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, 2022, 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>\$ 2,383,900</u>	<u>\$ 34,445</u>
Deferred Outflows of Resources		
Differences between expected and actual experience	\$ 5,647,734	\$ 444,013
Actual earnings on plan investments	754,491	414,585
Changes in assumptions	<u>900,681</u>	<u>731,058</u>
	<u>\$ 7,302,906</u>	<u>\$ 1,589,656</u>
Deferred Inflows of Resources		
Differences between expected and actual experience	<u>\$ -</u>	<u>\$ 794,706</u>
	<u>\$ -</u>	<u>\$ 794,706</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
2023	\$ 1,673,912	\$ 140,117
2024	718,986	136,130
2025	623,581	106,764
2026	803,918	228,757
2027	541,306	49,296
Thereafter	2,941,203	133,886

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	\$ 1,016,422	\$ 92,217
Interest receivable	1,065	764
Accounts receivable	4,050	-
Investments		
Fixed income mutual funds	691,704	1,454,113
Equity mutual funds	3,191,184	2,526,347
Limited partnerships bond funds	226,842	-
Limited partnerships hedge funds	1,960,044	-
Total investments	<u>6,069,774</u>	<u>3,980,460</u>
Total assets	<u>7,091,311</u>	<u>4,073,441</u>
LIABILITIES		
Accounts payable	<u>98,904</u>	<u>81,446</u>
	<u>98,904</u>	<u>81,446</u>
NET POSITION		
Restricted for OPEB	<u>\$ 6,992,407</u>	<u>\$ 3,991,995</u>
<u>Statements of Changes in OPEB Plan Net Position</u>		
ADDITIONS		
Contributions:		
Employer	\$ 1,630,555	\$ 679,422
Plan members	243,386	80,000
Total contributions	<u>1,873,941</u>	<u>759,422</u>
Investment earnings (losses):		
Interest and dividends	75,105	78,441
Net loss in fair value of investments	<u>(857,715)</u>	<u>(698,055)</u>
Total investment earnings	<u>(782,610)</u>	<u>(619,614)</u>
Total additions	1,091,331	139,808
DEDUCTIONS		
Benefits	1,280,262	356,992
Premiums	-	47,027
Administrative expense	16,062	23,200
Total deductions	<u>1,296,324</u>	<u>427,219</u>
Change in net position	(204,993)	(287,411)
NET POSITION RESTRICTED FOR OPEB		
Beginning of year	7,197,400	4,279,406
End of year	<u>\$ 6,992,407</u>	<u>\$ 3,991,995</u>

NOTE 13 – LEASE INCOME

The City leases various City-owned properties to corporations for cellular towers. The leases range from 20 to 25 years. The City recognized lease revenue for noncancellable operating leases for the year ended June 30, 2022 as follows:

Lease Revenue	
Land	\$ 237,171
Building	48,145
Total Lease Revenue	<u>285,316</u>
Interest Revenue	98,209
Total	<u>\$ 383,525</u>

The City implemented GASB No. 87 for the year ended June 30, 2022 and evaluated tenant leases for capitalization using an 2.01% interest rate at July 1, 2021. As lessor, the City recognized a lease receivable and deferred inflow of resources for all noncancellable leases, including periods under reasonably certain to extend renewal options, in the amount of \$5,160,672 at July 1, 2022.

Future minimum lease payments expected to be received under noncancelable leases are as follows for the years ending June 30:

<u>Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Receipts</u>
2023	\$ 189,877	\$ 98,209	\$ 288,086
2024	208,782	94,466	303,248
2025	216,653	90,345	306,998
2026	223,398	86,067	309,465
2027	254,677	81,865	336,542
2028-2032	1,234,472	335,885	1,570,357
2033-2037	1,426,650	198,406	1,625,056
2038-2042	888,483	76,277	964,760
2043-2047	231,775	6,183	237,958
	<u>\$ 4,874,767</u>	<u>\$ 1,067,703</u>	<u>\$ 5,942,470</u>

NOTE 14 - COMMITMENTS AND CONTINGENCIES

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 15 - 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 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:

	2022	2021
Unpaid claims, beginning of fiscal year*	\$ 62,311	\$ 59,171
Claims incurred during the year*	168,880	143,500
Claims payments	(171,425)	(140,360)
Unpaid claims, end of fiscal year*	<u>\$ 59,766</u>	<u>\$ 62,311</u>

* 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, 2022. 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:

	<u>2022</u>	<u>2021</u>
Incurring claims but not reported, beginning of fiscal year	\$ 342,478	\$ 372,767
Claims submitted for fiscal year	<u>7,312,974</u>	<u>4,137,341</u>
Total available for claims payments	7,655,452	4,510,108
Claims paid during fiscal year	<u>(7,345,201)</u>	<u>(4,167,630)</u>
Incurring claims but not reported, end of fiscal year	<u>\$ 310,251</u>	<u>\$ 342,478</u>

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

	<u>2022</u>	<u>2021</u>
Incurring claims but not reported, beginning of fiscal year	\$ 850,555	\$ 449,676
Claims submitted for fiscal year	<u>6,211,973</u>	<u>5,556,246</u>
Total available for claims payments	7,062,528	6,005,922
Claims paid during fiscal year	<u>(6,356,493)</u>	<u>(5,155,367)</u>
Incurring claims but not reported, end of fiscal year	<u>\$ 706,035</u>	<u>\$ 850,555</u>

NOTE 16 – 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, 2022, the net amount of appreciation on investment of the endowment was \$505.

NOTE 17 – 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 2022.

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability										
Service cost	\$ 1,112,518	\$ 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
Interest	8,530,804	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
Changes of benefit items	-	-	-	-	-	-	660,332	-	669,081	-
Differences between expected and actual experience	2,470,376	(610,701)	(111,608)	742,260	493,735	1,200,719	1,217,222	1,185,371	810,017	(382,255)
Changes in assumptions	-	-	-	8,896,166	-	4,636,983	-	-	-	-
Benefit payments	(6,116,938)	(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)
Net change in total pension liability	5,996,760	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
Total pension liability - beginning	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
Total pension liability - ending	126,165,252	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
Plan Fiduciary Net Position										
Contributions - employer	4,103,598	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
Contributions - employee	621,645	639,789	669,889	697,216	711,081	768,169	708,541	693,659	698,881	683,344
Net investment income (loss)	(11,607,452)	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
Benefit payments	(6,116,938)	(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)
Administrative expense	(286,800)	(217,991)	(217,823)	(223,475)	(225,152)	(113,077)	(109,217)	(115,523)	(179,296)	(166,195)
Net change in plan fiduciary net position	(13,285,947)	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
Plan fiduciary net position - beginning	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
Plan fiduciary net position - ending	75,354,108	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
Net pension liability	\$ 50,811,144	\$ 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
Plan fiduciary net position as a percentage of total pension liability	59.73%	73.76%	60.53%	64.62%	73.22%	72.69%	73.22%	84.02%	88.28%	80.29%
Covered payroll	\$ 14,010,018	\$ 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
Net pension liability as a percentage of covered payroll	362.68%	203.40%	277.28%	233.05%	149.21%	139.77%	118.80%	65.94%	44.68%	66.10%

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
Last Ten Fiscal Years June 30

Exhibit B-2

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 4,103,598	\$ 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
Contributions	4,103,598	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
Contribution deficiency (surplus)	\$ -	\$ (2,000,000)	\$ (17,011)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 14,010,018	\$ 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
Contributions as a percentage of covered payroll	29.29%	38.17%	18.58%	17.46%	16.51%	11.45%	7.26%	8.37%	11.65%	11.33%

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	24 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	4.0%, including inflation
Investment rate of return	7.25%, 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	Pub G-2010 with a 3% 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

Exhibit B-3

Last Ten Fiscal Years June 30

	Annual Money-Weighted Rate of Return Net of Investment Expenses
2022	-13.21%
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%

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 1,145,349	\$ 982,764	\$ 884,336	\$ 682,256	\$ 552,091	\$ 459,963	\$ 295,803	\$ 144,160	\$ 28,439
Interest	186,586	142,881	101,827	69,214	44,011	21,875	8,126	1,258	-
Differences between expected and actual experience	(120,099)	(133,207)	(65,796)	(47,118)	(52,133)	(15,559)	(13,342)	(2,213)	-
Benefit payments	(106,025)	(130,650)	(56,871)	(47,440)	(32,365)	(14,736)	(16,523)	(856)	-
Net change in total pension liability	1,105,811	861,788	863,496	656,912	511,604	451,543	274,064	142,349	28,439
Total pension liability - beginning	3,790,195	2,928,407	2,064,911	1,407,999	896,395	444,852	170,788	28,439	-
Total pension liability - ending	4,896,006	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	453,186	454,605	347,300	284,779	239,598	246,099	82,455	17,925	-
Contributions - employee	562,531	492,179	429,731	335,473	267,313	220,365	132,159	61,705	10,513
Net investment income (loss)	(526,103)	636,567	(24,845)	59,394	49,793	48,243	4,319	219	1
Benefit payments	(106,025)	(130,650)	(56,871)	(47,440)	(32,365)	(14,736)	(16,523)	(856)	-
Administrative expense	(32,551)	(11,126)	(8,798)	(7,911)	(6,727)	(480)	(3,921)	(203)	-
Other	-	-	-	-	-	-	1,029	-	-
Net change in plan fiduciary net position	351,038	1,441,575	686,517	624,295	517,612	499,491	199,518	78,790	10,514
Plan fiduciary net position - beginning	4,058,312	2,616,737	1,930,220	1,305,925	788,313	288,822	89,304	10,514	-
Plan fiduciary net position - ending	4,409,350	4,058,312	2,616,737	1,930,220	1,305,925	788,313	288,822	89,304	10,514
Net pension liability (asset)	\$ 486,656	\$ (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	90.06%	107.07%	89.36%	93.48%	92.75%	87.94%	64.93%	52.29%	36.97%
Covered payroll	\$ 11,941,865	\$ 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	4.08%	-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

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 453,186	\$ 454,605	\$ 347,300	\$ 284,779	\$ 239,598	\$ 163,644	\$ 82,455	\$ 17,925
Contributions	453,186	454,605	347,300	284,779	239,598	246,099	82,455	17,925
Contribution deficiency (surplus)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (82,455)	\$ -	\$ -
Covered payroll	\$ 11,941,865	\$ 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	3.79%	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
2022	-11.77%
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

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service cost	\$ 302,877	\$ 313,832	\$ 345,843	\$ 400,432	\$ 383,628	\$ 419,227	\$ 416,170
Interest	204,995	179,648	152,825	131,933	99,446	65,393	31,185
Changes of benefit items	-	-	(61,666)	(159,084)	-	-	-
Differences between actual and expected experience	24,226	(95,946)	-	-	(16,391)	19,334	14,407
Changes in assumptions	245,417	-	-	-	28,322	-	-
Benefit payments, including refunds of employee contributions	(40,963)	(32,970)	(37,052)	(24,015)	(11,957)	(16,665)	(752)
Net change in total pension liability	736,552	364,564	399,950	349,266	483,048	487,289	461,010
Total pension liability - beginning	2,545,127	2,180,563	1,780,613	1,431,347	948,299	461,010	-
Total pension liability - ending	3,281,679	2,545,127	2,180,563	1,780,613	1,431,347	948,299	461,010
Plan Fiduciary Net Position							
Contributions - employer	182,273	191,557	227,773	264,748	291,593	304,673	270,452
Contributions - employee	116,456	103,322	122,856	142,798	157,278	165,864	145,718
Net investment income	788,020	132,332	165,362	144,057	130,205	16,955	6,292
Benefit payments	-	-	-	-	-	-	-
Administrative expense	(5,227)	(5,595)	(6,376)	(8,162)	(8,178)	(7,944)	(6,804)
Other	-	-	-	-	111,076	-	-
Net change in plan fiduciary net position	1,081,522	421,616	509,615	543,441	681,974	479,548	415,658
Plan fiduciary net position - beginning	3,051,852	2,630,236	2,120,621	1,577,180	895,206	415,658	-
Plan fiduciary net position - ending	4,133,374	3,051,852	2,630,236	2,120,621	1,577,180	895,206	415,658
Net pension liability (asset)	\$ (851,695)	\$ (506,725)	\$ (449,673)	\$ (340,008)	\$ (145,833)	\$ 53,093	\$ 45,352
Plan fiduciary net position as a percentage of total pension liability	125.95%	119.91%	120.62%	119.09%	110.19%	94.40%	90.16%
Covered payroll	\$ 2,329,108	\$ 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	-36.57%	-21.81%	-18.30%	-11.91%	-4.64%	1.60%	1.55%

Changes of assumptions. In 2021, amounts reported as changes in assumptions resulted from changes to the inflation rate, investment rate of return, and cost-of-living adjustments. 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

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 169,302	\$ 182,273	\$ 168,000	\$ 206,642	\$ 264,748	\$ 291,593	\$ 304,673	\$ 270,452
Contributions	169,302	182,273	191,557	227,773	264,748	291,593	304,673	270,452
Contribution deficiency (surplus)	\$ -	\$ -	\$ (23,557)	\$ (21,131)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,233,541	\$ 2,329,108	\$ 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	7.58%	7.83%	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 2022 were calculated based on the June 30, 2020 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 4.00%
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

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service cost	\$ 175,038	\$ 125,238	\$ 86,922	\$ 54,287	\$ 25,937	\$ 4,077	\$ 1,357
Interest	50,709	31,821	18,881	10,281	4,111	501	102
Differences between expected and actual experience	63,065	65,501	38,810	25,649	26,069	21,700	1,138
Changes in assumptions	79,793	-	-	-	2,642	-	-
Benefit payments	(23,072)	(604)	(8,266)	(219)	-	-	-
Net change in total pension liability	345,533	221,956	136,347	89,998	58,759	26,278	2,597
Total pension liability - beginning	535,935	313,979	177,632	87,634	28,875	2,597	-
Total pension liability - ending	881,468	535,935	313,979	177,632	87,634	28,875	2,597
Plan Fiduciary Net Position							
Contributions - employer	66,662	62,321	42,157	50,699	31,017	15,582	776
Contributions - employee	160,355	145,089	93,268	63,373	38,771	19,477	969
Net investment income	180,493	23,732	22,023	13,797	7,934	500	26
Benefit payments	(23,072)	(604)	(8,266)	(219)	-	-	-
Administrative expense	(8,397)	(7,384)	(5,266)	(4,212)	(2,529)	(1,046)	(30)
Other	-	-	-	-	-	-	(58)
Net change in plan fiduciary net position	376,041	223,154	143,916	123,438	75,193	34,513	1,683
Plan fiduciary net position - beginning	601,897	378,743	234,827	111,389	36,196	1,683	-
Plan fiduciary net position - ending	977,938	601,897	378,743	234,827	111,389	36,196	1,683
Net pension liability (asset)	\$ (96,470)	\$ (65,962)	\$ (64,764)	\$ (57,195)	\$ (23,755)	\$ (7,321)	\$ 914
Plan fiduciary net position as a percentage of total pension liability	110.94%	112.31%	120.63%	132.20%	127.11%	125.35%	64.81%
Covered payroll	\$ 3,196,212	\$ 2,636,067	\$ 1,865,349	\$ 1,267,462	\$ 775,425	\$ 389,537	\$ 19,389
Net pension liability as a percentage of covered payroll	-3.02%	-2.50%	-3.47%	-4.51%	-3.06%	-1.88%	4.71%

Changes of assumptions. In 2021, amounts reported as changes in assumptions resulted from changes to the inflation rate, investment rate of return, and cost-of-living adjustments. 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

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 78,814	\$ 66,662	\$ 62,321	\$ 42,157	\$ 25,223	\$ 15,896	\$ 7,791	\$ 388
Contributions	78,814	66,662	62,321	42,157	50,699	31,017	15,582	776
Contribution deficiency (surplus)	\$ -	\$ -	\$ -	\$ -	\$ (25,476)	\$ (15,121)	\$ (7,791)	\$ (388)
Covered payroll	\$ 3,665,737	\$ 3,196,212	\$ 2,636,067	\$ 1,865,349	\$ 1,267,462	\$ 775,425	\$ 389,537	\$ 19,389
Contributions as a percentage of covered payroll	2.15%	2.09%	2.36%	2.26%	4.00%	4.00%	4.00%	4.00%

In FY 2022, GMSD placed the actuarially determined contribution rate of 2.15% of covered payroll into the pension plan and placed 1.85% of covered payroll into the Pension Stabilization Reserve Trust. 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 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 2022 were calculated based on the June 30, 2020 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

	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.657173%	0.648471%	0.638646%	0.616054%	0.614649%	0.614341%	0.534251%	0.002723%
Proportionate share of the net pension liability (asset)	\$ (28,345,438)	\$ (4,945,066)	\$ (6,566,428)	\$ (2,167,844)	\$ (201,103)	\$ 3,839,293	\$ 218,847	\$ (442)
Covered payroll	\$ 21,566,361	\$ 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	-131.43%	-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	116.13%	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

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required	\$ 2,189,180	\$ 2,215,191	\$ 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>2,189,180</u>	<u>2,215,191</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>	<u>\$ -</u>
Covered payroll	\$ 21,254,151	\$ 21,566,361	\$ 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%	10.27%	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 2021, amounts reported as changes in assumptions resulted from changes to the inflation rate, investment rate of return, and cost-of-living adjustments. 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

	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.664463%	0.630836%	0.588576%	0.557613%	0.555902%	0.501126%	0.600631%
Proportionate share of the net pension liability (asset)	\$ (719,755)	\$ (358,719)	\$ (332,243)	\$ (252,893)	\$ (146,667)	\$ (52,169)	\$ (24,163)
Covered payroll	\$ 9,589,642	\$ 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	-7.51%	-4.51%	-5.33%	-5.19%	-4.20%	-2.37%	-1.94%
Plan fiduciary net position as a percentage of the total pension liability	121.53%	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

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required	\$ 228,144	\$ 193,711	\$ 161,601	\$ 120,830	\$ 79,464	\$ 145,944	\$ 88,299	\$ 31,199
Contribution in relation to the contractually required contribution	228,144	193,711	161,601	120,830	194,915	145,944	88,299	49,918
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (115,451)	\$ -	\$ -	\$ (18,719)
Covered payroll	\$ 11,350,494	\$ 9,589,642	\$ 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	2.01%	2.02%	2.03%	1.94%	4.00%	4.18%	4.00%	4.00%

In FY 2022, GMSD placed the actuarially determined contribution rate of 2.01% of covered payroll into the pension plan and placed 1.99% of covered payroll into the Pension Stabilization Reserve Trust. 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 BENEFITS PLAN

Exhibit B-15

Last Ten Fiscal Years June 30

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 286,719	\$ 183,386	\$ 183,386	\$ 183,386	\$ 183,386	\$ 183,386
Interest	1,164,552	931,001	869,414	628,131	592,001	551,617
Differences between expected and actual experience	457,905	4,096,965	807,413	-	810,904	1,054,723
Changes in assumptions	-	-	-	4,503,406	-	-
Benefit payments	(1,280,262)	(1,500,402)	(1,585,261)	(1,085,149)	(1,123,973)	(1,378,579)
Net change in total OPEB liability	628,914	3,710,950	274,952	4,229,774	462,318	411,147
Total OPEB liability - beginning	17,041,638	13,330,688	13,055,736	8,825,962	8,363,644	7,952,497
Total OPEB liability - ending	17,670,552	17,041,638	13,330,688	13,055,736	8,825,962	8,363,644
Plan Fiduciary Net Position						
Contributions - employer	1,630,555	1,123,593	1,158,647	741,248	741,248	491,229
Contributions - employee	243,386	294,284	275,152	247,245	215,062	180,121
Net investment income (loss)	(782,610)	1,323,119	(46,041)	183,727	357,132	578,557
Benefit payments	(1,280,262)	(1,500,402)	(1,585,261)	(1,085,149)	(1,123,973)	(1,378,579)
Administrative expense	(16,062)	(25,779)	(9,441)	(23,868)	(16,351)	(17,869)
Net change in plan fiduciary net position	(204,993)	1,214,815	(206,944)	63,203	173,118	(146,541)
Plan fiduciary net position - beginning	7,197,400	5,982,585	6,189,529	6,126,326	5,953,208	6,099,749
Plan fiduciary net position - ending	6,992,407	7,197,400	5,982,585	6,189,529	6,126,326	5,953,208
Net OPEB liability (asset)	\$ 10,678,145	\$ 9,844,238	\$ 7,348,103	\$ 6,866,207	\$ 2,699,636	\$ 2,410,436
Plan fiduciary net position as a percentage of the total OPEB liability	39.57%	42.23%	44.88%	47.41%	69.41%	71.18%
Covered payroll	\$ 26,245,410	\$ 23,416,112	\$ 23,416,112	\$ 23,353,685	\$ 23,353,685	\$ 22,882,490
Net OPEB liability as a percentage of covered payroll	40.69%	42.04%	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 BENEFITS PLAN
Last Ten Fiscal Years June 30

Exhibit B-16

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 1,630,555	\$ 1,123,593	\$ 1,123,593	\$ 741,248	\$ 741,248	\$ 491,229
Contributions	1,630,555	1,123,593	1,158,647	741,248	741,248	491,229
Contribution deficiency (surplus)	\$ -	\$ -	\$ (35,054)	\$ -	\$ -	\$ -
Covered payroll	\$ 26,245,410	\$ 23,416,112	\$ 23,416,112	\$ 23,353,685	\$ 23,353,685	\$ 22,882,490
Contributions as a percentage of covered payroll	6.21%	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, 2022 were determined from the valuation performed as of January 1, 2021.

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	13 years
Asset valuation method	Market value
Inflation	2.5%
Healthcare cost trend rates	7% initial, decreasing to an ultimate rate of 3%, 9 year grading
Salary increases	4.0%
Investment rate of return	7.0%, net of investment expenses, including inflation
Mortality	Pub G.H- 2010-E (M&F) for ages 18-54 Pub G.H- 2010-HR (M&F) for ages 55 and older

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

Exhibit B-17

Last Ten Fiscal Years June 30

	Annual Money-Weighted Rate of Return Net of Investment Expenses
2022	-10.15%
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 BENEFITS PLAN

Exhibit B-18

Last Ten Fiscal Years June 30

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 169,060	\$ 180,300	\$ 176,312	\$ 238,851	\$ 224,642	\$ 863,233
Interest	655,599	604,726	593,281	566,286	563,950	1,063,416
Changes of benefit items	(603,692)	-	-	-	-	(8,867,692)
Differences between expected and actual experience	(601,749)	275,787	(79,147)	360,661	(291,485)	74,057
Changes in assumptions	68,095	182,653	-	769,269	-	(104,778)
Benefit payments	(404,019)	(247,211)	(773,071)	(354,364)	(597,414)	(185,730)
Net change in total OPEB liability	(716,706)	996,255	(82,625)	1,580,703	(100,307)	(7,157,494)
Total OPEB liability - beginning	10,519,474	9,523,219	9,605,844	8,025,141	8,125,448	15,282,942
Total OPEB liability - ending	9,802,768	10,519,474	9,523,219	9,605,844	8,025,141	8,125,448
Plan Fiduciary Net Position						
Contributions - employer	679,422	709,990	706,600	725,467	735,092	800,000
Contributions - active employees	80,000	75,000	80,000	75,000	50,000	40,000
Net investment income (loss)	(619,614)	815,801	40,638	157,561	109,894	14,084
Benefit payments	(404,019)	(247,211)	(773,071)	(354,364)	(597,414)	(185,730)
Administrative expense	(23,200)	(17,600)	(25,000)	(11,350)	(27,000)	(14,217)
Net change in plan fiduciary net position	(287,411)	1,335,980	29,167	592,314	270,572	654,137
Plan fiduciary net position - beginning	4,279,406	2,943,426	2,914,259	2,321,945	2,051,373	1,397,236
Plan fiduciary net position - ending	3,991,995	4,279,406	2,943,426	2,914,259	2,321,945	2,051,373
Net OPEB liability (asset)	\$ 5,810,773	\$ 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	40.72%	40.68%	30.91%	30.34%	28.93%	25.25%
Covered employee payroll	\$ 18,994,500	\$ 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	30.59%	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 2022, amounts reported as changes of assumptions resulted from changes to the discount rate. 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

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 679,422	\$ 709,990	\$ 706,600	\$ 725,467	\$ 735,092	\$ 1,982,233
Contributions	679,422	709,990	706,600	725,467	735,092	800,000
Contribution deficiency (surplus)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,182,233
Covered employee payroll	\$ 18,994,500	\$ 22,268,347	\$ 22,753,902	\$ 24,013,320	\$ 28,291,481	\$ 27,467,457
Contributions as a percentage of covered employee payroll	3.58%	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, 2021.

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	25 years
Asset valuation method	Market value
Inflation	3.0%
Healthcare cost trend rates	7.5% initial, decreasing to an ultimate rate of 4.5%, 8-year grading period
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 inflation
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 BENEFITS PLAN
Last Ten Fiscal Years June 30

Exhibit B-20

	Annual Money-Weighted Rate of Return Net of Investment Expenses
2022	-12.82%
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 FINANCIAL STATEMENTS AND SCHEDULES

CITY OF GERMANTOWN, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

Exhibit C-1

	Special Revenue Funds										
	State Street Aid	Drug Enforcement	Federal Asset Forfeiture	Pickering Center	Farm Park	Ambulance	E-Citation	Public Art	Recreation	School Cafeteria	Internal School Fund
ASSETS											
Cash and cash equivalents	\$ 3,651,035	\$ -	\$ -	\$ 299,908	\$ 250,916	\$ 532,387	\$ 112,079	\$ 127,214	\$ 390,208	\$ 948,857	\$ 1,636,747
Receivables											
Customer	-	-	-	-	-	-	39,798	-	-	-	-
Other	-	-	-	66	-	166,600	-	5,350	-	-	22,620
Less allowance for doubtful accounts	-	-	-	-	-	-	(35,818)	-	-	-	-
Due from other governments	250,445	-	-	-	-	-	-	-	41,908	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	18,172
Prepaid Items	-	23,481	-	-	-	235	-	-	-	-	2,995
Restricted cash and cash equivalents	-	722,150	85,085	21,870	4,788	-	-	-	-	-	-
Total assets	\$ 3,901,480	\$ 745,631	\$ 85,085	\$ 321,844	\$ 255,704	\$ 699,222	\$ 116,059	\$ 132,564	\$ 390,208	\$ 990,765	\$ 1,680,534
LIABILITIES											
Accounts payable and accrued liabilities	\$ 406,152	\$ 51,758	\$ 5,972	\$ 4,513	\$ 5,055	\$ 34,492	\$ -	\$ 1,400	\$ 3,930	\$ 47,787	\$ -
Accrued payroll	-	-	-	-	3,451	44,520	-	1,080	9,242	-	-
Customer deposits	-	-	-	21,870	4,788	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	19,966	-	-	-	-	69,130	-
Total liabilities	406,152	51,758	5,972	26,383	33,260	79,012	-	2,480	13,172	116,917	-
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue - grants	-	-	-	-	-	-	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-	-	3,052	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	3,052	-	-	-	-
FUND BALANCES											
Nonspendable	-	23,481	-	-	-	235	-	-	-	-	21,167
Restricted	-	670,392	79,113	-	-	-	-	-	-	873,848	1,659,367
Committed	3,495,328	-	-	295,461	222,444	619,975	113,007	130,084	377,036	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	3,495,328	693,873	79,113	295,461	222,444	620,210	113,007	130,084	377,036	873,848	1,680,534
Total liabilities, deferred inflows of resources and fund balances	\$ 3,901,480	\$ 745,631	\$ 85,085	\$ 321,844	\$ 255,704	\$ 699,222	\$ 116,059	\$ 132,564	\$ 390,208	\$ 990,765	\$ 1,680,534

(CONTINUED ON NEXT PAGE)

CITY OF GERMANTOWN, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

Exhibit C-1

	Capital Projects							Permanent	Total	
	Major Roads	Intersections	General Government Projects	Fire Department	Parks Improvement	Municipal School Projects	Drainage Projects	School Capital Projects	Library Endowment	Nonmajor Governmental Funds
ASSETS										
Cash and cash equivalents	\$ 785,603	\$ 2,163,557	\$ 157,096	\$ 1,255,337	\$ 2,109,466	\$ 2,793,076	\$ 6,301,581	\$ 595,857	\$ -	\$ 24,110,924
Receivables										
Customer	-	-	-	-	-	-	-	-	-	39,798
Other	-	-	-	-	-	-	-	-	-	194,636
Less allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	(35,818)
Due from other governments	74,216	122,913	-	-	20,335	-	6,712	2,493	-	519,022
Due from other funds	-	-	-	-	-	-	-	1,184,645	-	1,184,645
Inventory	-	-	-	-	-	-	-	-	-	18,172
Prepaid Items	-	-	-	-	-	-	-	-	-	26,711
Restricted cash and cash equivalents	-	-	-	-	-	329,326	1,568,871	-	244,161	2,976,251
Total assets	\$ 859,819	\$ 2,286,470	\$ 157,096	\$ 1,255,337	\$ 2,129,801	\$ 3,122,402	\$ 7,877,164	\$ 1,782,995	\$ 244,161	\$ 29,034,341
LIABILITIES										
Accounts payable and accrued liabilities	\$ 47,827	\$ 46,914	\$ -	\$ 35,009	\$ 13,995	\$ 3,457	\$ 36,524	\$ 1,141,833	\$ -	\$ 1,886,618
Accrued payroll	-	-	-	-	-	-	-	-	-	58,293
Customer deposits	-	-	-	-	-	-	-	-	-	26,658
Due to other funds	-	-	-	-	-	218,667	-	-	-	218,667
Unearned revenue	-	271,592	-	-	-	-	-	-	-	360,688
Total liabilities	47,827	318,506	-	35,009	13,995	222,124	36,524	1,141,833	-	2,550,924
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - grants	29,323	83,467	-	-	-	-	6,712	-	-	119,502
Unavailable revenue - other	-	-	-	-	-	-	-	-	-	3,052
Total deferred inflows of resources	29,323	83,467	-	-	-	-	6,712	-	-	122,554
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	244,161	289,044
Restricted	-	-	-	-	-	323,338	1,568,871	-	-	5,174,929
Committed	206,326	624,793	109,807	1,068,457	1,218,912	2,576,940	470,278	641,162	-	12,170,010
Assigned	576,343	1,259,704	47,289	151,871	896,894	-	5,794,779	-	-	8,726,880
Total fund balances	782,669	1,884,497	157,096	1,220,328	2,115,806	2,900,278	7,833,928	641,162	244,161	26,360,863
Total liabilities, deferred inflows of resources and fund balances	\$ 859,819	\$ 2,286,470	\$ 157,096	\$ 1,255,337	\$ 2,129,801	\$ 3,122,402	\$ 7,877,164	\$ 1,782,995	\$ 244,161	\$ 29,034,341

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit C-2

	Special Revenue Funds										
	State Street Aid	Drug Enforcement	Federal Asset Forfeiture	Pickering Center	Farm Park	Ambulance	E-Citation	Public Art	Recreation	School Cafeteria	Internal School Fund
REVENUES											
Intergovernmental											
State gas tax	\$ 1,444,267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other tax	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	18,195	39,468	1,501,860	-	26,649	582,704	453,125	-
Fines, forfeitures, and penalties	-	272,173	3,230	-	-	-	31,547	-	-	-	-
Federal, state and other grants	-	85,407	-	-	-	-	-	-	-	2,651,497	-
Interest on investments	6,604	-	-	-	-	37	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-	3,233,312
Other	-	-	-	48,725	-	1,302	-	-	-	4,698	-
Total revenues	<u>1,450,871</u>	<u>357,580</u>	<u>3,230</u>	<u>66,920</u>	<u>39,468</u>	<u>1,503,199</u>	<u>31,547</u>	<u>26,649</u>	<u>582,704</u>	<u>3,109,320</u>	<u>3,233,312</u>
EXPENDITURES											
Current											
General government	-	-	-	-	-	-	-	65,265	-	-	-
Public safety	-	136,972	5,216	-	-	2,251,867	396	-	-	-	-
Transportation and environment	2,185,395	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	93,595	89,302	-	-	-	530,420	-	-
Education	-	-	-	-	-	-	-	-	-	2,190,357	2,838,533
Debt Service											
Bond issuance costs	-	-	-	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-	-	46,392	-
Total expenditures	<u>2,185,395</u>	<u>136,972</u>	<u>5,216</u>	<u>93,595</u>	<u>89,302</u>	<u>2,251,867</u>	<u>396</u>	<u>65,265</u>	<u>530,420</u>	<u>2,236,749</u>	<u>2,838,533</u>
Excess (deficiency) of revenues over (under) expenditures	(734,524)	220,608	(1,986)	(26,675)	(49,834)	(748,668)	31,151	(38,616)	52,284	872,571	394,779
OTHER FINANCING SOURCES (USES)											
Issuance of debt	-	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	-	-	-	-
Transfers in	1,000,000	-	-	-	100,000	860,000	-	132,500	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>860,000</u>	<u>-</u>	<u>132,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	265,476	220,608	(1,986)	(26,675)	50,166	111,332	31,151	93,884	52,284	872,571	394,779
Fund balances - beginning	3,229,852	473,265	81,099	322,136	172,278	508,878	81,856	36,200	324,752	1,277	1,285,755
Fund balances - ending	<u>\$ 3,495,328</u>	<u>\$ 693,873</u>	<u>\$ 79,113</u>	<u>\$ 295,461</u>	<u>\$ 222,444</u>	<u>\$ 620,210</u>	<u>\$ 113,007</u>	<u>\$ 130,084</u>	<u>\$ 377,036</u>	<u>\$ 873,848</u>	<u>\$ 1,680,534</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, 2022

Exhibit C-2

	Capital Projects							Permanent	Total Nonmajor Governmental Funds	
	Major Roads	Intersections	General Government Projects	Fire Department	Parks Improvement	School Projects	Drainage Projects	Schools Capital Projects		Library Endowment
REVENUES										
Intergovernmental										
State gas tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,444,267
Other tax	-	-	-	-	-	-	-	1,403,133	-	1,403,133
Charges for services	-	-	-	-	-	-	-	-	-	2,622,001
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	-	-	306,950
Federal, state and other grants	207,071	725,845	10	-	333,826	-	335,188	-	-	4,338,844
Interest on investments	-	-	-	-	-	6,531	3,207	-	505	16,884
Donations	-	-	5,340	-	-	-	-	-	-	3,238,652
Other	-	-	-	-	-	-	-	-	-	54,725
Total revenues	207,071	725,845	5,350	-	333,826	6,531	338,395	1,403,133	505	13,425,456
EXPENDITURES										
Current										
General government	-	-	-	-	-	-	-	-	-	65,265
Public safety	-	-	-	-	-	-	-	-	-	2,394,451
Transportation and environment	-	-	-	-	-	-	-	-	-	2,185,395
Community services	-	-	-	-	-	-	-	-	-	713,317
Education	-	-	-	-	-	200,000	-	-	-	5,228,890
Debt Service										
Bond issuance costs	-	-	-	-	-	68,044	21,535	-	-	89,579
Capital outlays	269,086	429,660	274,091	596,027	2,684,509	-	1,340,397	6,712,254	-	12,352,416
Total expenditures	269,086	429,660	274,091	596,027	2,684,509	268,044	1,361,932	6,712,254	-	23,029,313
Excess (deficiency) of revenues over (under) expenditures	(62,015)	296,185	(268,741)	(596,027)	(2,350,683)	(261,513)	(1,023,537)	(5,309,121)	505	(9,603,857)
OTHER FINANCING SOURCES (USES)										
Issuance of debt	-	-	-	-	-	4,440,000	1,380,000	-	-	5,820,000
Premium on bonds issued	-	-	-	-	-	632,372	243,919	-	-	876,291
Transfers in	-	-	125,000	1,700,000	3,620,000	1,076,310	6,269,292	4,190,117	-	19,073,219
Transfers out	(320,000)	(300,000)	-	-	-	(4,190,117)	-	-	-	(4,810,117)
Total other financing sources and uses	(320,000)	(300,000)	125,000	1,700,000	3,620,000	1,958,565	7,893,211	4,190,117	-	20,959,393
Net change in fund balances	(382,015)	(3,815)	(143,741)	1,103,973	1,269,317	1,697,052	6,869,674	(1,119,004)	505	11,355,536
Fund balances - beginning	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
Fund balances - ending	\$ 782,669	\$ 1,884,497	\$ 157,096	\$ 1,220,328	\$ 2,115,806	\$ 2,900,278	\$ 7,833,928	\$ 641,162	\$ 244,161	\$ 26,360,863

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

Exhibit C-3

For the Year Ended June 30, 2022

	<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	\$ 1,410,000	\$ 1,410,000	\$ 741,793	\$ (668,207)
Gas 1989	-	-	115,404	115,404
Gas 3 cent	-	-	587,070	587,070
Subtotal state gas tax	<u>1,410,000</u>	<u>1,410,000</u>	<u>1,444,267</u>	<u>34,267</u>
Interest income	<u>2,500</u>	<u>2,500</u>	<u>6,604</u>	<u>4,104</u>
Total revenues	<u>1,412,500</u>	<u>1,412,500</u>	<u>1,450,871</u>	<u>38,371</u>
EXPENDITURES:				
Transportation and Environment				
Materials and supplies	1,820,000	1,332,939	1,188,888	144,051
Other charges	<u>965,000</u>	<u>1,012,302</u>	<u>996,507</u>	<u>15,795</u>
Total expenditures	<u>2,785,000</u>	<u>2,345,241</u>	<u>2,185,395</u>	<u>159,846</u>
Deficiency of revenues under expenditures	(1,372,500)	(932,741)	(734,524)	198,217
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>500,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (872,500)</u>	<u>\$ 67,259</u>	<u>265,476</u>	<u>\$ 198,217</u>
Fund balances - beginning			<u>3,229,852</u>	
Fund balances - ending			<u>\$ 3,495,328</u>	

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

Exhibit C-4

For the Year Ended June 30, 2022

	<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	\$ 272,173	\$ (27,827)
Federal, state, and other grants	-	-	85,407	85,407
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>357,580</u>	<u>57,580</u>
EXPENDITURES:				
Public Safety				
Salaries	39,600	39,600	-	39,600
Benefits	75,000	75,000	25,199	49,801
Materials and supplies	142,500	142,500	110,943	31,557
Other charges	9,750	9,750	830	8,920
Total expenditures	<u>266,850</u>	<u>266,850</u>	<u>136,972</u>	<u>129,878</u>
Net change in fund balances	<u>\$ 33,150</u>	<u>\$ 33,150</u>	220,608	<u>\$ 187,458</u>
Fund balances - beginning			<u>473,265</u>	
Fund balances - ending			<u>\$ 693,873</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, 2022

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	\$ 55,500	\$ 55,500	\$ 3,230	\$ (52,270)
EXPENDITURES:				
Public Safety				
Salaries	5,500	5,500	-	5,500
Benefits	20,000	20,000	-	20,000
Materials and supplies	30,000	30,000	5,216	24,784
Total expenditures	<u>55,500</u>	<u>55,500</u>	<u>5,216</u>	<u>50,284</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(1,986)	<u>\$ (1,986)</u>
Fund balances - beginning			<u>81,099</u>	
Fund balances - ending			<u>\$ 79,113</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, 2022

	<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	\$ 18,195	\$ (15,055)
Other income	52,000	52,000	48,725	(3,275)
Total revenues	<u>85,250</u>	<u>85,250</u>	<u>66,920</u>	<u>(18,330)</u>
EXPENDITURES:				
Community Services				
Contractual services	42,960	27,185	16,496	10,689
Materials and supplies	2,000	13,001	10,540	2,461
Other charges	13,810	19,273	18,544	729
Capital outlay	20,000	44,836	44,835	1
Expense reimbursement	3,128	3,181	3,180	1
Total expenditures	<u>81,898</u>	<u>107,476</u>	<u>93,595</u>	<u>13,881</u>
Net change in fund balances	<u>\$ 3,352</u>	<u>\$ (22,226)</u>	<u>(26,675)</u>	<u>\$ (4,449)</u>
Fund balances - beginning			<u>322,136</u>	
Fund balances - ending			<u>\$ 295,461</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, 2022

	<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	\$ 39,468	\$ 7,468
EXPENDITURES:				
Community Services				
Salaries	58,742	58,742	38,495	20,247
Benefits	19,800	19,800	12,826	6,974
Contractual services	21,800	18,773	1,665	17,108
Materials and supplies	12,200	12,200	3,596	8,604
Other charges	29,520	32,380	26,370	6,010
Capital outlay	5,000	5,146	5,146	-
Expense reimbursement	1,184	1,205	1,204	1
Total expenditures	<u>148,246</u>	<u>148,246</u>	<u>89,302</u>	<u>58,944</u>
Deficiency of revenues under expenditures	(116,246)	(116,246)	(49,834)	66,412
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (16,246)</u>	<u>\$ (16,246)</u>	50,166	<u>\$ 66,412</u>
Fund balances - beginning			<u>172,278</u>	
Fund balances - ending			<u>\$ 222,444</u>	

CITY OF GERMANTOWN, TENNESSEE

Exhibit C-8

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

For the Year Ended June 30, 2022

	<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	\$ 1,350,000	\$ 1,350,000	\$ 1,501,860	\$ 151,860
Interest on investments	-	-	37	37
Other income	-	-	1,302	1,302
Total revenues	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,503,199</u>	<u>153,199</u>
EXPENDITURES:				
Public Safety				
Salaries	1,380,535	1,291,632	1,291,628	4
Benefits	532,493	610,477	610,468	9
Contractual services	105,000	79,392	79,391	1
Materials and supplies	125,385	135,979	135,934	45
Other charges	40,017	34,557	33,985	572
Expense reimbursement	68,110	100,462	100,461	1
Total expenditures	<u>2,251,540</u>	<u>2,252,499</u>	<u>2,251,867</u>	<u>632</u>
Deficiency of revenues under expenditures	(901,540)	(902,499)	(748,668)	153,831
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>860,000</u>	<u>860,000</u>	<u>860,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (41,540)</u>	<u>\$ (42,499)</u>	111,332	<u>\$ 153,831</u>
Fund balances - beginning			<u>508,878</u>	
Fund balances - ending			<u>\$ 620,210</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, 2022

	<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	\$ 28,600	\$ 28,600	\$ 31,547	\$ 2,947
EXPENDITURES:				
Public Safety				
Materials and supplies	29,200	29,200	396	28,804
Net change in fund balances	<u>\$ (600)</u>	<u>\$ (600)</u>	31,151	<u>\$ 31,751</u>
Fund balances - beginning			<u>81,856</u>	
Fund balances - ending			<u>\$ 113,007</u>	

CITY OF GERMANTOWN, TENNESSEE

Exhibit C-10

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

For the Year Ended June 30, 2022

	<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	105,000	105,000	26,649	\$ (78,351)
Federal, state, and other grants	25,000	25,000	-	(25,000)
Total revenues	<u>130,000</u>	<u>130,000</u>	<u>26,649</u>	<u>(103,351)</u>
EXPENDITURES:				
General Government				
Salaries	30,000	30,000	28,305	1,695
Benefits	2,445	2,445	2,166	279
Contractual services	48,000	42,000	20,842	21,158
Materials and supplies	4,200	4,200	-	4,200
Other charges	8,500	17,500	13,952	3,548
Total expenditures	<u>93,145</u>	<u>96,145</u>	<u>65,265</u>	<u>30,880</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>132,500</u>	<u>132,500</u>	<u>132,500</u>	<u>-</u>
Net change in fund balances	<u>\$ 169,355</u>	<u>\$ 166,355</u>	<u>93,884</u>	<u>\$ (72,471)</u>
Fund balances - beginning			<u>36,200</u>	
Fund balances - ending			<u>\$ 130,084</u>	

CITY OF GERMANTOWN, TENNESSEE

Exhibit C-11

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

For the Year Ended June 30, 2022

	<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	\$ 696,445	\$ 696,445	\$ 582,704	\$ (113,741)
EXPENDITURES:				
Community Services				
Salaries	320,670	320,670	193,172	127,498
Benefits	65,889	65,889	48,586	17,303
Contractual services	146,826	161,064	119,165	41,899
Materials and supplies	101,900	93,668	48,200	45,468
Other charges	7,950	8,988	3,753	5,235
Capital outlay	100,000	101,990	101,990	-
Expense reimbursement	15,296	15,562	15,554	8
Total expenditures	<u>758,531</u>	<u>767,831</u>	<u>530,420</u>	<u>237,411</u>
Net change in fund balances	<u>\$ (62,086)</u>	<u>\$ (71,386)</u>	52,284	<u>\$ 123,670</u>
Fund balances - beginning			<u>324,752</u>	
Fund balances - ending			<u>\$ 377,036</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, 2022

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	\$ 467,180	\$ 467,180	\$ 453,125	\$ (14,055)
Federal, state, and other grants	936,442	2,532,442	2,651,497	119,055
Other income	4,000	4,000	4,698	698
Total revenues	<u>1,407,622</u>	<u>3,003,622</u>	<u>3,109,320</u>	<u>105,698</u>
EXPENDITURES:				
Education				
Cafeteria				
Contractual services	1,383,622	2,144,622	2,035,183	109,439
Materials and supplies	7,000	7,000	131,909	(124,909)
Other charges	42,000	42,000	23,265	18,735
Total education	<u>1,432,622</u>	<u>2,193,622</u>	<u>2,190,357</u>	<u>3,265</u>
CAPITAL OUTLAY	<u>75,000</u>	<u>125,000</u>	<u>46,392</u>	<u>78,608</u>
Total expenditures	<u>1,507,622</u>	<u>2,318,622</u>	<u>2,236,749</u>	<u>(81,873)</u>
Excess (deficiency) of revenues over (under) expenditures	(100,000)	685,000	872,571	187,571
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 785,000</u>	<u>872,571</u>	<u>\$ 87,571</u>
Fund balances - beginning			<u>1,277</u>	
Fund balances - ending			<u>\$ 873,848</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, 2022

	<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	\$ 1,056,000	\$ 1,056,000	\$ 207,071	\$ (848,929)
EXPENDITURES:				
Capital Outlay				
Professional services	750,000	657,274	269,086	388,188
Other Improvements	445,000	445,000	-	445,000
Total expenditures	<u>1,195,000</u>	<u>1,102,274</u>	<u>269,086</u>	<u>833,188</u>
Deficiency of revenues under expenditures	(139,000)	(46,274)	(62,015)	(15,741)
OTHER FINANCING SOURCES (USES)				
Transfers in	320,000	320,000	-	(320,000)
Transfers out	-	-	(320,000)	(320,000)
Total other financing sources (uses)	<u>320,000</u>	<u>320,000</u>	<u>(320,000)</u>	<u>(640,000)</u>
Net change in fund balances	<u>\$ 181,000</u>	<u>\$ 273,726</u>	(382,015)	<u>\$ (655,741)</u>
Fund balances - beginning			<u>1,164,684</u>	
Fund balances - ending			<u>\$ 782,669</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, 2022

	<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	\$ 8,900,000	\$ 8,900,000	\$ 725,845	\$ (8,174,155)
EXPENDITURES:				
Capital Outlay				
Professional services	-	402,511	410,803	(8,292)
Other improvements	8,900,000	8,802,663	18,857	8,783,806
Total expenditures	<u>8,900,000</u>	<u>9,205,174</u>	<u>429,660</u>	<u>8,775,514</u>
Excess (deficiency) of revenues over (under) expenditures	-	(305,174)	296,185	601,359
OTHER FINANCING SOURCES (USES)				
Transfers in	300,000	300,000	-	(300,000)
Transfers out	-	-	(300,000)	(300,000)
Total other financing sources (uses)	<u>300,000</u>	<u>300,000</u>	<u>(300,000)</u>	<u>(600,000)</u>
Net change in fund balances	<u>\$ 300,000</u>	<u>\$ (5,174)</u>	(3,815)	<u>\$ 1,359</u>
Fund balances - beginning			<u>1,888,312</u>	
Fund balances - ending			<u>\$ 1,884,497</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, 2022

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	\$ -	\$ -	\$ 5,340	\$ 5,340
Grant proceeds	-	-	10	10
Total revenues	<u>-</u>	<u>-</u>	<u>5,350</u>	<u>5,350</u>
EXPENDITURES:				
Capital Outlay				
Professional services	-	6,000	4,800	1,200
Other improvements	195,000	265,565	263,951	1,614
Equipment	-	-	5,340	(5,340)
Total expenditures	<u>195,000</u>	<u>271,565</u>	<u>274,091</u>	<u>(2,526)</u>
Deficiency of revenues under expenditures	(195,000)	(271,565)	(268,741)	2,824
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (70,000)</u>	<u>\$ (146,565)</u>	<u>(143,741)</u>	<u>\$ 2,824</u>
Fund balances - beginning			<u>300,837</u>	
Fund balances - ending			<u>\$ 157,096</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, 2022

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	\$ -	\$ -	\$ 333,826	\$ 333,826
EXPENDITURES:				
Capital Outlay				
Professional services	513,000	614,408	74,625	539,783
Land	2,700,000	2,682,998	2,502,366	180,632
Other improvements	467,000	107,521	107,518	3
Total expenditures	<u>3,680,000</u>	<u>3,404,927</u>	<u>2,684,509</u>	<u>720,418</u>
Deficiency of revenues under expenditures	(3,680,000)	(3,404,927)	(2,350,683)	1,054,244
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>3,620,000</u>	<u>3,620,000</u>	<u>3,620,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (60,000)</u>	<u>\$ 215,073</u>	1,269,317	<u>\$ 1,054,244</u>
Fund balances - beginning			<u>846,489</u>	
Fund balances - ending			<u>\$ 2,115,806</u>	

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL PROJECTS FUND
For the Year Ended June 30, 2022

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	\$ -	\$ -	\$ 6,531	\$ 6,531
EXPENDITURES:				
Education	-	200,000	200,000	-
Debt service				
Bond issuance costs	-	68,045	68,044	1
Total expenditures	<u>-</u>	<u>268,045</u>	<u>268,044</u>	<u>1</u>
Deficiency of revenues under expenditures	-	(268,045)	(261,513)	6,532
OTHER FINANCING SOURCES (USES)				
Issuance of debt	5,000,000	5,000,000	4,440,000	(560,000)
Premium on bonds issued	-	-	632,372	632,372
Transfers in	1,076,310	1,076,310	1,076,310	-
Transfers out	(6,076,310)	(5,876,310)	(4,190,117)	1,686,193
Total other financing sources	<u>-</u>	<u>200,000</u>	<u>1,958,565</u>	<u>1,758,565</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (68,045)</u>	1,697,052	<u>\$ 1,765,097</u>
Fund balances - beginning			<u>1,203,226</u>	
Fund balances - ending			<u>\$ 2,900,278</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, 2022

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	\$ 4,200,000	\$ 4,200,000	\$ 335,188	\$ (3,864,812)
Interest on investments	-	-	3,207	(3,207)
Total revenues	<u>4,200,000</u>	<u>4,200,000</u>	<u>338,395</u>	<u>(3,868,019)</u>
EXPENDITURES:				
Capital outlay				
Professional services	1,950,000	1,518,471	450,030	1,068,441
Land	-	148,047	148,046	1
Other improvements	2,125,000	2,153,971	742,321	1,411,650
Other	350,000	136,962	-	136,962
Debt service				
Bond issuance costs	-	21,536	21,535	1
Total expenditures	<u>4,425,000</u>	<u>3,978,987</u>	<u>1,361,932</u>	<u>2,617,055</u>
Excess (deficiency) of revenues over (under) expenditures	(225,000)	221,013	(1,023,537)	(1,244,550)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	1,600,000	1,600,000	1,380,000	(220,000)
Premium on bonds issued	-	-	243,919	243,919
Transfers in	<u>1,450,000</u>	<u>6,269,292</u>	<u>6,269,292</u>	<u>-</u>
Net change in fund balances	<u>\$ 2,825,000</u>	<u>\$ 8,090,305</u>	6,869,674	<u>\$ (1,220,631)</u>
Fund balances - beginning			<u>964,254</u>	
Fund balances - ending			<u>\$ 7,833,928</u>	

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2022

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	\$ 1,241,824	\$ 597,220	\$ 2,238,225	\$ 4,077,269
Receivables				
Customers	252,252	56,551	192,905	501,708
Less allowance for doubtful accounts	(30,429)	(29,628)	(39,291)	(99,348)
Due from other governments	-	-	1,990	1,990
Due from other funds	-	-	17,285	17,285
Restricted cash and cash equivalents	-	94,057	-	94,057
Total current assets	<u>1,463,647</u>	<u>718,200</u>	<u>2,411,114</u>	<u>4,592,961</u>
Noncurrent assets:				
Capital assets, not being depreciated	-	-	66,737	66,737
Capital assets, being depreciated, net	86,840	288,013	572,762	947,615
Total capital assets, net	<u>86,840</u>	<u>288,013</u>	<u>639,499</u>	<u>1,014,352</u>
Total assets	<u>1,550,487</u>	<u>1,006,213</u>	<u>3,050,613</u>	<u>5,607,313</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	1,403	3,507	429,600	434,510
Related to OPEB	6,849	42,427	30,452	79,728
Total deferred outflows of resources	<u>8,252</u>	<u>45,934</u>	<u>460,052</u>	<u>514,238</u>
LIABILITIES				
Current liabilities:				
Accounts payable	449,525	20,373	178,905	648,803
Accrued payroll	4,574	10,050	28,981	43,605
Customer deposits	-	94,057	-	94,057
Unearned revenue	75,667	-	-	75,667
Due to other funds	40,047	-	-	40,047
Accrued compensated absences, current	756	2,165	1,862	4,783
Total current liabilities	<u>570,569</u>	<u>126,645</u>	<u>209,748</u>	<u>906,962</u>
Noncurrent liabilities:				
Accrued compensated absences	4,283	12,269	10,548	27,100
Net pension liability	1,962	4,906	907,534	914,402
Net OPEB liability	10,014	62,037	44,524	116,575
Total noncurrent liabilities	<u>16,259</u>	<u>79,212</u>	<u>962,606</u>	<u>1,058,077</u>
Total liabilities	<u>586,828</u>	<u>205,857</u>	<u>1,172,354</u>	<u>1,965,039</u>
DEFERRED INFLOWS OF RESOURCES				
Related to pension	1,605	4,013	14,225	19,843
NET POSITION				
Net investment in capital assets	86,840	288,013	639,499	1,014,352
Unrestricted	883,466	554,264	1,684,587	3,122,317
Total net position	<u>\$ 970,306</u>	<u>\$ 842,277</u>	<u>\$ 2,324,086</u>	<u>\$ 4,136,669</u>

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2022

Exhibit D-2

	Sanitation Fund	Great Hall Fund	Stormwater Fund	Total
Operating Revenues:				
Sanitation fees	\$ 4,813,312	\$ -	\$ -	\$ 4,813,312
Stormwater fees	-	-	2,765,582	2,765,582
Forfeited discounts	32,339	-	-	32,339
Rental income	-	441,923	-	441,923
Other	882	1,596	-	2,478
Total operating revenues	<u>4,846,533</u>	<u>443,519</u>	<u>2,765,582</u>	<u>8,055,634</u>
Operating Expenses:				
Salaries	56,277	151,722	477,671	685,670
Benefits	21,257	38,669	252,415	312,341
Contractual services	5,332,405	13,166	64,527	5,410,098
Utilities	-	51,354	727	52,081
Materials and supplies	-	68,177	442,645	510,822
Other service charges	92,519	101,999	2,519	197,037
Expense reimbursement	-	20,262	43,601	63,863
Depreciation	15,474	65,876	28,293	109,643
Total operating expenses	<u>5,517,932</u>	<u>511,225</u>	<u>1,312,398</u>	<u>7,341,555</u>
Operating income (loss)	(671,399)	(67,706)	1,453,184	714,079
Nonoperating Revenues (Expenses):				
Interest	<u>3,195</u>	<u>1,118</u>	<u>6,072</u>	<u>10,385</u>
Income (loss) before transfers	(668,204)	(66,588)	1,459,256	724,464
Federal grants	-	-	6,065	6,065
Transfers in	-	150,000	-	150,000
Change in net position	<u>(668,204)</u>	<u>83,412</u>	<u>1,465,321</u>	<u>880,529</u>
Total net position - beginning	<u>1,638,510</u>	<u>758,865</u>	<u>858,765</u>	<u>3,256,140</u>
Total net position - ending	<u>\$ 970,306</u>	<u>\$ 842,277</u>	<u>\$ 2,324,086</u>	<u>\$ 4,136,669</u>

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2022

Exhibit D-3

	Sanitation Fund	Great Hall Fund	Stormwater Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 4,954,418	\$ 435,958	\$ 2,680,215	\$ 8,070,591
Payments to suppliers	(5,641,213)	(248,888)	(401,893)	(6,291,994)
Payments to employees	(75,878)	(182,911)	(675,568)	(934,357)
Other receipts	883	1,595	(1,915)	563
Net cash from (used for) operating activities	<u>(761,790)</u>	<u>5,754</u>	<u>1,600,839</u>	<u>844,803</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds	-	150,000	-	150,000
CASH FLOW USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	-	(347,441)	(347,441)
Contributions from government agencies	-	-	6,065	6,065
Net cash from (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(341,376)</u>	<u>(341,376)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	<u>3,195</u>	<u>1,118</u>	<u>6,072</u>	<u>10,385</u>
Net increase (decrease) in cash and cash equivalents	(758,595)	156,872	1,265,535	663,812
Cash and cash equivalents - beginning	<u>2,000,419</u>	<u>534,405</u>	<u>972,690</u>	<u>3,507,514</u>
Cash and cash equivalents - ending	<u><u>\$ 1,241,824</u></u>	<u><u>\$ 691,277</u></u>	<u><u>\$ 2,238,225</u></u>	<u><u>\$ 4,171,326</u></u>
Classified as:				
Current assets	\$ 1,241,824	\$ 597,220	\$ 2,238,225	\$ 4,077,269
Restricted assets	-	94,057	-	94,057
	<u><u>\$ 1,241,824</u></u>	<u><u>\$ 691,277</u></u>	<u><u>\$ 2,238,225</u></u>	<u><u>\$ 4,171,326</u></u>
Reconciliation of operating income to net cash from operating activities:				
Operating income (loss)	\$ (671,399)	\$ (67,706)	\$ 1,453,184	\$ 714,079
Adjustments to reconcile operating income to net cash from (used for) operating activities				
Depreciation	15,474	65,876	28,293	109,643
Pension expense in excess of employer contributions	654	1,295	37,264	39,213
OPEB expense in excess of employer contributions	(1,100)	3,219	5,487	7,606
Change in assets and liabilities				
Receivables	108,448	(19,757)	(87,207)	1,484
Accounts payable	(216,289)	6,070	152,126	(58,093)
Accrued payroll	1,607	1,670	10,948	14,225
Compensated absences	495	1,296	819	2,610
Customer deposits	-	13,792	-	13,792
Unearned revenue	319	-	(75)	244
Net cash from (used for) operating activities	<u><u>\$ (761,791)</u></u>	<u><u>\$ 5,755</u></u>	<u><u>\$ 1,600,839</u></u>	<u><u>\$ 844,803</u></u>

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2022

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	\$ 3,181,040	\$ 2,196,419	\$ 819,579	\$ 6,197,038
Other receivables	24,034	34,419	-	58,453
Inventory	-	-	133,491	133,491
Total current assets	<u>3,205,074</u>	<u>2,230,838</u>	<u>953,070</u>	<u>6,388,982</u>
Noncurrent assets:				
Capital assets, being depreciated, net	-	-	1,466,122	1,466,122
Total assets	<u>3,205,074</u>	<u>2,230,838</u>	<u>2,419,192</u>	<u>7,855,104</u>
LIABILITIES				
Current liabilities:				
Accounts payable	241,089	706,035	21,110	968,234
Accrued payroll	9,044	-	27,692	36,736
Total current liabilities	<u>250,133</u>	<u>706,035</u>	<u>48,802</u>	<u>1,004,970</u>
NET POSITION				
Investment in capital assets	-	-	1,466,122	1,466,122
Unrestricted	2,954,941	1,524,803	904,268	5,384,012
Total net position	<u>\$ 2,954,941</u>	<u>\$ 1,524,803</u>	<u>\$ 2,370,390</u>	<u>\$ 6,850,134</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, 2022

	<u>Health Insurance</u>	<u>Municipal School Health Insurance</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
OPERATING REVENUES				
Internal charges	\$ 7,661,749	\$ 5,505,804	\$ 1,970,007	\$ 15,137,560
Other	-	-	5,000	5,000
Total revenues	<u>7,661,749</u>	<u>5,505,804</u>	<u>1,975,007</u>	<u>15,142,560</u>
OPERATING EXPENSES:				
Salaries	-	-	501,948	501,948
Benefits	-	-	183,041	183,041
Utilities	-	-	27,308	27,308
Materials and supplies	-	-	398,653	398,653
Other service charges	24,329	244,460	4,026	272,815
Insurance claims	7,288,645	5,967,513	712,747	13,968,905
Depreciation	-	-	68,016	68,016
Total operating expenses	<u>7,312,974</u>	<u>6,211,973</u>	<u>1,895,739</u>	<u>15,420,686</u>
Operating income (loss)	348,775	(706,169)	79,268	(278,126)
Total net position - beginning	<u>2,606,166</u>	<u>2,230,972</u>	<u>2,291,122</u>	<u>7,128,260</u>
Total net position - ending	<u><u>\$ 2,954,941</u></u>	<u><u>\$ 1,524,803</u></u>	<u><u>\$ 2,370,390</u></u>	<u><u>\$ 6,850,134</u></u>

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2022

Exhibit D-6

	<u>Health Insurance</u>	<u>Municipal School Health Insurance</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	\$ 7,667,492	\$ 5,568,933	\$ 1,975,007	\$ 15,211,432
Payments to suppliers	(7,415,814)	(6,356,493)	(1,210,433)	(14,982,740)
Payments to employees	(11,163)	-	(682,150)	(693,313)
Net cash provided by (used for)	<u>240,515</u>	<u>(787,560)</u>	<u>82,424</u>	<u>(464,621)</u>
CASH FLOW USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	-	(6,988)	(6,988)
Net increase (decrease) in cash and cash equivalents	240,515	(787,560)	75,436	(471,609)
Cash and cash equivalents - beginning	<u>2,940,525</u>	<u>2,983,979</u>	<u>744,143</u>	<u>6,668,647</u>
Cash and cash equivalents - ending	<u>\$ 3,181,040</u>	<u>\$ 2,196,419</u>	<u>\$ 819,579</u>	<u>\$ 6,197,038</u>
Reconciliation of operating income to net cash from operating activities				
Operating income (loss)	\$ 348,775	\$ (706,169)	\$ 79,268	\$ (278,126)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	-	-	68,016	68,016
Change in assets and liabilities				
Other receivables	5,743	63,129	-	68,872
Inventory	-	-	(46,636)	(46,636)
Accounts payable	(102,840)	(144,520)	(21,063)	(268,423)
Accrued payroll	(11,163)	-	2,839	(8,324)
Net cash from (used for) operating activities	<u>\$ 240,515</u>	<u>\$ (787,560)</u>	<u>\$ 82,424</u>	<u>\$ (464,621)</u>

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2022

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	\$ 722,096	\$ 314,158	\$ 1,016,422	\$ 92,217	\$ 2,144,893
Investments					
Domestic common stock	6,194,432	-	-	-	6,194,432
Foreign common stock	416,034	-	-	-	416,034
Fixed income mutual funds	9,867,412	1,307,078	691,704	1,454,113	13,320,307
Equity mutual funds	33,029,606	2,787,294	3,191,184	2,526,347	41,534,431
Limited partnerships bond funds	2,059,755	-	226,842	-	2,286,597
Limited partnerships hedge funds	22,552,994	-	1,960,044	-	24,513,038
Total investments	<u>74,120,233</u>	<u>4,094,372</u>	<u>6,069,774</u>	<u>3,980,460</u>	<u>88,264,839</u>
Interest receivable	11,779	820	1,065	764	14,428
Other receivables	500,000	-	4,050	-	504,050
Total assets	75,354,108	4,409,350	7,091,311	4,073,441	90,928,210
LIABILITIES					
Accounts payable	-	-	98,904	81,446	180,350
NET POSITION					
Restricted for pension	75,354,108	4,409,350	-	-	79,763,458
Restricted for OPEB	-	-	6,992,407	3,991,995	10,984,402
Total net position	<u>\$ 75,354,108</u>	<u>\$ 4,409,350</u>	<u>\$ 6,992,407</u>	<u>\$ 3,991,995</u>	<u>\$ 90,747,860</u>

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

Exhibit D-8

For the Year Ended June 30, 2022

	<u>Amended & Restated Pension Fund</u>	<u>Cash Value Pension Fund</u>	<u>City OPEB Fund</u>	<u>GMSD OPEB Fund</u>	<u>Total Pension and OPEB Trust Funds</u>
ADDITIONS					
Contributions:					
Employer	\$ 4,103,598	\$ 453,186	\$ 1,630,555	\$ 679,422	\$ 6,866,761
Plan members	621,645	562,531	243,386	80,000	1,507,562
Total contributions	<u>4,725,243</u>	<u>1,015,717</u>	<u>1,873,941</u>	<u>759,422</u>	<u>8,374,323</u>
Investment earnings (loss):					
Interest and dividends	901,463	69,397	75,105	78,441	1,124,406
Net (loss) in fair value of investments	<u>(12,508,915)</u>	<u>(595,500)</u>	<u>(857,715)</u>	<u>(698,055)</u>	<u>(14,660,185)</u>
Total investment earnings (loss)	<u>(11,607,452)</u>	<u>(526,103)</u>	<u>(782,610)</u>	<u>(619,614)</u>	<u>(13,535,779)</u>
Total additions	(6,882,209)	489,614	1,091,331	139,808	(5,161,456)
DEDUCTIONS					
Benefits	6,116,938	106,025	1,280,262	356,992	7,860,217
Premiums	-	-	-	47,027	47,027
Administrative expense	<u>286,800</u>	<u>32,551</u>	<u>16,062</u>	<u>23,200</u>	<u>358,613</u>
Total deductions	<u>6,403,738</u>	<u>138,576</u>	<u>1,296,324</u>	<u>427,219</u>	<u>8,265,857</u>
Change in net position	(13,285,947)	351,038	(204,993)	(287,411)	(13,427,313)
Net position - beginning 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>
Net position - end of the year	<u>\$ 75,354,108</u>	<u>\$ 4,409,350</u>	<u>\$ 6,992,407</u>	<u>\$ 3,991,995</u>	<u>\$ 90,747,860</u>

SUPPORTING SCHEDULES

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF TRANSFERS
June 30, 2022

Exhibit E-1

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds		
General Fund		
School General Purpose Fund	\$ 526,437	\$ 3,082,064
Utility Fund	429,267	-
State Street Aid Fund	-	1,000,000
Farm Park Fund	-	100,000
Ambulance Fund	-	860,000
Public Art Fund	-	132,500
CIP Major Roads	320,000	-
CIP Intersections	300,000	-
CIP General Government Fund	-	125,000
CIP Fire Department Fund	-	1,700,000
CIP Parks Improvement Fund	-	3,620,000
CIP Municipal Schools Projects	-	1,076,310
CIP Drainage Projects	-	6,269,292
Great Hall Fund	-	150,000
	<u>1,575,704</u>	<u>18,115,166</u>
School General Purpose Fund		
School Capital Projects Fund	-	526,437
School Federal Projects Fund	65,852	-
CIP Municipal Schools Projects	<u>3,082,064</u>	<u>-</u>
	<u>3,147,916</u>	<u>526,437</u>
School Federal Projects Fund		
School General Purpose Fund	-	65,852
Utility Fund		
General Fund	<u>-</u>	<u>429,267</u>
Total major funds	<u>4,723,620</u>	<u>19,136,722</u>
Aggregate Nonmajor Governmental Funds		
State Street Aid Fund		
General Fund	1,000,000	-
Farm Park Fund		
General Fund	100,000	-
Ambulance Fund		
General Fund	860,000	-
Public Art		
General Fund	132,500	-
CIP Major Roads		
General Fund	-	320,000
CIP Intersections		
General Fund	-	300,000
CIP General Government Fund		
General Fund	125,000	-
CIP Fire		
General Fund	1,700,000	-
CIP Parks Improvement Fund		
General Fund	3,620,000	-
CIP Municipal Schools Projects		
School Capital Projects Fund	1,076,310	4,190,117
CIP Drainage Projects Fund		
General Fund	6,269,292	-
School Federal Projects Fund		
School General Purpose Fund	-	-
School Capital Projects Fund		
CIP Germantown Municipal Schools	<u>4,190,117</u>	<u>-</u>
Total aggregate nonmajor governmental funds	<u>19,073,219</u>	<u>4,810,117</u>
Aggregate Nonmajor Proprietary Funds		
Great Hall Fund		
General Fund	<u>150,000</u>	<u>-</u>
	<u>\$ 23,946,839</u>	<u>\$ 23,946,839</u>

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES
June 30, 2022

Exhibit E-2

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds		
General Fund		
School General Purpose Fund	\$ -	\$ 142,095
School Capital Projects Fund	-	1,141,833
Utility Fund	-	61,194
Athletic Club Fund	-	22,343
CIP Municipal School	218,667	
Sanitation Fund	40,047	-
Stormwater Fund	-	17,285
	<u>258,714</u>	<u>1,384,750</u>
School General-Purpose Fund		
General Fund	142,095	-
School Federal Projects Fund	717,735	-
School Capital Projects Fund	-	42,812
	<u>859,830</u>	<u>42,812</u>
School Federal Projects Fund		
School General Purpose Fund		717,735
Utility Fund		
General Fund	61,194	-
Athletic Club Fund		
General Fund	22,343	-
Total major funds	<u>1,202,081</u>	<u>2,145,297</u>
Aggregate Nonmajor Governmental Funds		
School Capital Projects Fund		
General Fund	1,141,833	
School General Purpose Fund	42,812	-
School Capital Projects Fund		
General Fund	-	218,667
Total aggregate nonmajor governmental funds	<u>1,184,645</u>	<u>218,667</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>\$ 2,404,011</u>	<u>\$ 2,404,011</u>

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - SERIAL GENERAL OBLIGATION BONDS
GOVERNMENTAL FUNDS
 June 30, 2022

Fiscal Year	Series 2013 Bonds (Series A)		Series 2013 Bonds (Series B)		Series 2016 Bonds (Series A)		Series 2016 Bonds (Series B)		Series 2017 Bonds		Series 2021 Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 165,000	\$ 69,338	\$ 280,000	\$ 24,590	\$ 435,000	\$ 264,000	\$ 220,000	\$ 439,700	\$ 680,000	\$ 1,126,300	\$ 355,000	\$ 318,825	\$ 2,135,000	\$ 2,242,753
2024	170,000	65,569	285,000	18,234	460,000	242,250	225,000	435,300	715,000	1,091,425	380,000	300,450	2,235,000	2,153,228
2025	175,000	61,387	295,000	11,413	480,000	219,250	230,000	428,550	750,000	1,054,800	390,000	281,200	2,320,000	2,056,600
2026	175,000	56,831	300,000	3,900	505,000	195,250	240,000	419,350	795,000	1,016,175	415,000	261,075	2,430,000	1,952,581
2027	180,000	51,856	-	-	530,000	170,000	250,000	409,750	835,000	975,425	435,000	239,825	2,230,000	1,846,856
2028	185,000	46,381	-	-	560,000	143,500	265,000	397,250	875,000	932,675	455,000	217,575	2,340,000	1,737,381
2029	195,000	40,559	-	-	580,000	115,500	270,000	384,000	915,000	892,500	480,000	196,600	2,440,000	1,629,159
2030	200,000	34,263	-	-	210,000	86,500	285,000	370,500	955,000	855,100	495,000	177,100	2,145,000	1,523,463
2031	205,000	27,425	-	-	225,000	76,000	300,000	356,250	990,000	816,200	525,000	156,700	2,245,000	1,432,575
2032	215,000	20,075	-	-	235,000	64,750	315,000	341,250	1,030,000	775,800	540,000	135,400	2,335,000	1,337,275
2033	220,000	12,325	-	-	245,000	53,000	330,000	325,500	1,075,000	733,700	205,000	120,500	2,075,000	1,245,025
2034	230,000	4,169	-	-	260,000	40,750	345,000	309,000	1,115,000	689,900	210,000	113,250	2,160,000	1,157,069
2035	-	-	-	-	270,000	27,750	365,000	291,750	1,165,000	644,300	220,000	106,800	2,020,000	1,070,600
2036	-	-	-	-	285,000	14,250	385,000	273,500	1,215,000	596,700	225,000	100,125	2,110,000	984,575
2037	-	-	-	-	-	-	405,000	254,250	1,265,000	547,100	235,000	93,225	1,905,000	894,575
2038	-	-	-	-	-	-	425,000	234,000	1,315,000	495,500	240,000	86,100	1,980,000	815,600
2039	-	-	-	-	-	-	445,000	212,750	975,000	449,700	250,000	78,750	1,670,000	741,200
2040	-	-	-	-	-	-	465,000	190,500	1,015,000	409,900	255,000	71,175	1,735,000	671,575
2041	-	-	-	-	-	-	490,000	167,250	1,055,000	368,500	260,000	63,450	1,805,000	599,200
2042	-	-	-	-	-	-	515,000	142,750	1,095,000	325,500	170,000	57,000	1,780,000	525,250
2043	-	-	-	-	-	-	540,000	117,000	1,140,000	280,800	180,000	51,750	1,860,000	449,550
2044	-	-	-	-	-	-	570,000	90,000	1,190,000	234,200	185,000	46,275	1,945,000	370,475
2045	-	-	-	-	-	-	600,000	61,500	1,235,000	185,700	190,000	40,650	2,025,000	287,850
2046	-	-	-	-	-	-	630,000	31,500	1,290,000	135,200	195,000	34,875	2,115,000	201,575
2047	-	-	-	-	-	-	-	-	1,340,000	82,600	200,000	28,950	1,540,000	111,550
2048	-	-	-	-	-	-	-	-	1,395,000	27,900	205,000	22,875	1,600,000	50,775
2049	-	-	-	-	-	-	-	-	-	-	215,000	16,575	215,000	16,575
2050	-	-	-	-	-	-	-	-	-	-	220,000	10,050	220,000	10,050
2051	-	-	-	-	-	-	-	-	-	-	225,000	3,375	225,000	3,375
	<u>\$ 2,315,000</u>	<u>\$ 490,178</u>	<u>\$ 1,160,000</u>	<u>\$ 58,137</u>	<u>\$ 5,280,000</u>	<u>\$ 1,712,750</u>	<u>\$ 9,110,000</u>	<u>\$ 6,683,150</u>	<u>\$ 27,420,000</u>	<u>\$ 15,743,600</u>	<u>\$ 8,555,000</u>	<u>\$ 3,430,500</u>	<u>\$ 53,840,000</u>	<u>\$ 28,118,315</u>

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - OTHER LONG-TERM DEBT
GOVERNMENTAL FUNDS
 June 30, 2022

Exhibit E-4

Fiscal Year	2018 Capital Outlay Note		GMSD Shelby County Settlement Obligation	
	Principal	Interest	Principal	Interest
2023	\$ -	\$ 35,246	\$ 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>\$2,169,000</u>	<u>\$329,258</u>	<u>\$ 1,309,294</u>	<u>\$ 112,517</u>

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - BONDS AND OTHER LONG-TERM DEBT
PROPRIETARY FUNDS
 June 30, 2022

Exhibit E-5

Fiscal Year	Utility Fund		Athletic Club Fund	
	Series 2021 Bonds		Equipment Lease	
	Principal	Interest	Principal	Interest
2023	\$ 65,000	\$ 64,975	\$ 226,980	\$ 3,130
2024	65,000	61,725	-	-
2025	70,000	58,350	-	-
2026	70,000	54,850	-	-
2027	75,000	51,225	-	-
2028	80,000	47,350	-	-
2029	85,000	43,650	-	-
2030	85,000	40,250	-	-
2031	90,000	36,750	-	-
2032	95,000	33,050	-	-
2033	100,000	29,150	-	-
2034	100,000	25,650	-	-
2035	105,000	22,575	-	-
2036	110,000	19,350	-	-
2037	110,000	16,050	-	-
2038	115,000	12,675	-	-
2039	120,000	9,150	-	-
2040	120,000	5,550	-	-
2041	125,000	1,875	-	-
	<u>\$ 1,785,000</u>	<u>\$ 634,200</u>	<u>\$ 226,980</u>	<u>\$ 3,130</u>

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
 June 30, 2022

Exhibit E-6

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 6/30/2021	Issued During Period	Paid During Period	Refunded During Period	Outstanding 6/30/2022
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	\$ 290,000	\$ -	\$ (290,000)	\$ -	\$ -
2011 Serial Bonds	6,025,000	2.00 - 3.25%	9/28/2011	12/1/2031	3,660,000	-	(290,000)	(3,370,000)	-
2013 Serial Bonds A	3,500,000	2.00 - 3.625%	10/9/2013	8/1/2034	2,475,000	-	(160,000)	-	2,315,000
2013 Serial Bonds B	5,570,000	1.00 - 4.00%	10/9/2013	8/1/2026	1,430,000	-	(270,000)	-	1,160,000
2016 Serial Bonds A	7,935,000	2.00 - 5.00%	2/12/2016	6/1/2036	5,740,000	-	(460,000)	-	5,280,000
2016 Serial Bonds B	10,220,000	2.00 - 5.00%	2/12/2016	6/1/2046	9,320,000	-	(210,000)	-	9,110,000
2017 Serial Bonds	29,275,000	4.00 - 5.00%	9/28/2017	8/1/2047	28,065,000	-	(645,000)	-	27,420,000
2021 Serial Bonds	12,325,127	3.00 - 5.00%	9/9/2021	12/1/2050		8,670,000	(115,000)	-	8,555,000
Total general obligation bonds					<u>\$ 50,980,000</u>	<u>\$ 8,670,000</u>	<u>\$ (2,440,000)</u>	<u>\$ (3,370,000)</u>	<u>\$ 53,840,000</u>
Note from direct borrowings:									
2018 Capital Outlay Note	\$ 3,025,000	3.25%	8/21/2018	7/1/2030	\$ 2,403,000	\$ -	\$ (234,000)	\$ -	\$ 2,169,000
<u>Payable through School General Purpose Fund</u>									
Shelby County Settlement Obligation	\$ 4,265,436	3.33%	1/6/2014	11/1/2025	\$ 1,610,299	\$ -	\$ (301,005)	\$ -	\$ 1,309,294
					<u>\$ 54,993,299</u>	<u>\$ 8,670,000</u>	<u>\$ (2,975,005)</u>	<u>\$ (3,370,000)</u>	<u>\$ 57,318,294</u>
Business-Type Activities									
<u>Payable through Utility Fund</u>									
2021 Serial Bonds	\$ 1,840,000	3.00 - 5.00%	9/9/2021	12/1/2050	\$ -	\$ 1,840,000	\$ (55,000)	\$ -	\$ 1,785,000
<u>Payable through Athletic Fund</u>									
Equipment lease liability	447260.00%	3.00%	7/1/2021	6/15/2023	\$ -	\$ 447,260	\$ (220,280)	\$ -	\$ 226,980

CITY OF GERMANTOWN, TENNESSEE

Exhibit E-7

SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE - BY LEVY YEAR

For the Year Ended June 30, 2022

<u>Year</u>	<u>June 30, 2021</u>	<u>Assessment</u>	<u>Adjustments/ Abatements</u>	<u>Collections</u>	<u>June 30, 2022</u>
2022	\$ -	\$ 33,918,072	\$ -	\$ -	\$ 33,918,072
2021	34,335,517	-	(838,192)	(33,146,635)	350,690
2020	313,388	-	-	(218,727)	94,661
2019	139,006	-	-	(95,727)	43,279
2018	62,146	-	-	(31,534)	30,612
2017	39,075	-	-	(12,422)	26,653
2016	26,078	-	-	(1,507)	24,571
2015	24,686	-	-	(78)	24,608
2014	27,768	-	-	(1,258)	26,510
2013	30,064	-	-	(1,253)	28,811
2012 & Prior	111,311	-	2,316	(715)	112,912
	<u>\$ 35,109,039</u>	<u>\$ 33,918,072</u>	<u>\$ (835,876)</u>	<u>\$ (33,509,856)</u>	<u>\$ 34,681,379</u>
Allowance for uncollectible property taxes	(152,012)				(161,824)
	<u>\$ 34,957,027</u>				<u>\$ 34,519,555</u>

DELINQUENT PROPERTY TAXES

The previous year's taxes are turned over to the Shelby County Trustee every March when the current year becomes delinquent. This year, the majority of delinquent taxes turned over to the Trustee were for tax year 2020 with a few exceptions from previous years. The total turned over for real property was \$152,906.29 (includes penalty, interest and stormwater fees) and the total personal property turned over was \$20,397.62 (includes penalty and interest), for a total of \$173,303.91 turned over for collections.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF BONDS OF PRINCIPAL OFFICIALS
 June 30, 2022

Exhibit E-8

	<u>Amount of Bond/Issuance*</u>
Mayor	
Honorable Mike Palazzolo	\$ 500,000
Five Aldermen (each)*	
Mary Anne Gibson	500,000
Scott Sanders	500,000
Sherrie Hicks	500,000
Brian Ueleke	500,000
Jon McCreery	500,000
City Administrator*	
Jason Huisman	500,000
Deputy City Administrator*	
Lisa Piefer	500,000
Assistant City Administrator*	
Andrew Sanders	500,000
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 to 6/30/22, Eric Grizzard as of 7/1/22	500,000
Germantown Performing Arts Center Executive Director*	
Paul Chandler	500,000
Germantown Athletic Club Director*	
Amy LaRusso	500,000
Human Resources Director*	
Courtney Taylor	500,000
Information Technology Director*	
Tony Fischer	500,000
Parks and Recreation Director*	
Pam Beasley to 6/30/22, Natalie Ruffin as of 7/1/22	500,000
Police Chief*	
Richard Hall	500,000
Public Works Director*	
Bo Mills	500,000
Procurement and Risk Director*	
Cathryn Perdue	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, 2022

Exhibit E-9

As of June 30, 2022, City of Germantown, Tennessee served approximately 13,969 water customers and 13,846 sewer customers and had the following rate structure in place:

Water Rates	Amount	
Residential		
1,000 gallons minimum	\$ 8.78	per month
Next 10,000 gallons	\$ 1.14	per TGL
11,000 gallons and above	\$ 2.50	per TGL
Commercial		
2,000 gallons minimum	\$ 14.49	per month
Next 48,000 gallons	\$ 3.73	per TGL
50,000 gallons and above	\$ 5.30	per TGL
Sewer Rates	Amount	
Residential		
1,000 gallons minimum	\$ 5.58	per month
Next 10,000 gallons	\$ 1.98	per TGL
11,000 gallons and above	\$ 2.40	per TGL
Maximum at 21,000 gallons	\$ 51.78	per month
Commercial		
1,000 gallons minimum	\$ 6.95	per month
Next 4,000 gallons	\$ 1.99	per TGL
5,000 gallons and above	\$ 3.44	per TGL

(TGL = Thousand Gallons)

**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
<p>These exhibits contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</p>	
Revenue Capacity	155
<p>These exhibits contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes</p>	
Debt Capacity	164
<p>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.</p>	
Demographic and Economic Information	168
<p>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.</p>	
Operating Information	170
<p>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.</p>	

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>2022</u>	<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>
Governmental activities										
Net investment in capital assets	\$ 192,577,715	\$ 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
Restricted	8,026,134	8,794,293	8,419,622	3,682,299	906,219	481,518	513,416	575,787	346,637	1,218,763
Unrestricted	69,612,018	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
Total governmental activities net position	<u>\$ 270,215,867</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 61,063,584	\$ 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
Restricted	-	15,041	-	-	-	787,961	-	-	-	-
Unrestricted	16,317,116	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
Total business-type activities net position	<u>\$ 77,380,700</u>	<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>
Primary government										
Net investment in capital assets	\$ 253,641,299	\$ 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
Restricted	8,026,134	8,809,334	8,419,622	3,682,299	906,219	1,269,479	513,416	575,787	346,637	1,218,763
Unrestricted	85,929,134	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
Total primary government net position	<u>\$ 347,596,567</u>	<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>

CITY OF GERMANTOWN, TENNESSEE
CHANGES IN NET POSITION

Exhibit F-2

Last Ten Fiscal Years
(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental activities:										
General government	\$ 17,930,296	\$ 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
Public safety	30,016,614	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
Transportation and environment	8,038,769	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
Community services	8,154,700	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
Education	64,959,302	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	2,196,302	2,056,976	2,153,886	2,362,573	1,330,426	926,194	1,358,382	679,845	831,623	1,415,478
Total governmental activities expenses	131,295,983	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
Business-type activities:										
Utilities	9,337,797	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
Athletic Club	3,872,359	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
Sanitation	5,517,932	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
Great Hall	511,225	488,669	490,555	547,534	516,416	543,064	516,496	518,443	483,534	481,115
Stormwater	1,312,398	834,440	1,008,354	998,219	1,025,913	1,220,410	878,422	907,366	902,059	913,452
Total business-type activities expenses	20,551,711	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
Total primary government expenses	\$ 151,847,694	\$ 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
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,859,038	\$ 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
Public safety	339,750	247,108	189,750	219,853	152,327	163,442	1,182,858	1,298,067	943,545	175,474
Transportation and environment	1,501,860	1,224,550	1,204,811	1,300,146	1,191,338	1,042,161	952,147	970,079	969,947	978,001
Community services	1,104,563	672,407	994,956	1,382,475	1,332,581	1,227,751	832,155	803,292	455,041	348,865
Education	654,666	464,010	1,251,104	1,428,982	1,236,058	1,148,080	3,207,977	729,266	-	-
Operating grants and contributions	67,506,447	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
Capital grants and contributions	1,363,787	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
Total governmental activities program revenues	75,330,111	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
Business-type activities:										
Charges for services:										
Utilities	9,848,042	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
Athletic Club	3,723,058	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
Sanitation	4,845,651	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
Great Hall	441,923	158,238	375,349	514,161	490,391	471,193	437,188	410,430	358,902	308,225
Stormwater	2,765,582	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
Operating grants and contributions	6,065	-	-	19,304	19,358	-	-	-	-	-
Capital grants and contributions	2,637,321	168,226	-	576,946	228,752	40,764	1,085,523	329,674	259,000	86,243
Total business-type activities program revenues	24,267,642	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
Total primary government program revenues	\$ 99,597,753	\$ 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
Net (expense)/revenue										
Governmental activities	\$ (55,965,872)	\$ (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)
Business-type activities	3,715,931	1,416,913	324,819	2,011,599	1,974,845	2,021,995	4,146,988	2,536,973	444,361	331,815
Total primary government net expense	\$ (52,249,941)	\$ (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)

CONTINUED ON NEXT PAGE

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

Exhibit F-2

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 51,690,293	\$ 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
Other local taxes	29,115,217	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
Intergovernmental revenues:										
State sales tax	4,774,762	4,327,116	3,718,954	3,618,715	3,490,064	3,328,313	-	-	-	-
State income and other taxes	255,576	1,121,564	1,702,192	2,216,722	2,152,031	2,969,807	-	-	-	-
Other state revenue	367,905	274,898	260,276	268,152	267,099	228,026	-	-	-	-
Other revenue	767,404	716,412	1,065,189	1,560,076	697,315	818,311	716,573	457,938	970,816	2,730,051
Investment earnings	277,840	238,149	1,116,978	1,874,580	980,430	310,119	166,588	75,688	65,482	82,582
Gain on sale of capital assets	275,892	153,023	-	-	18,514	98,073	51,726	55,213	50,649	-
Insurance proceeds	-	-	655,050	-	-	-	-	-	-	-
Transfers	279,267	212,843	457,072	507,149	510,458	(1,037)	242,168	267,815	327,207	1,166,609
Total government activities	87,804,156	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
Business-type activities:										
Other revenue	67,705	145,535	26,676	68,546	61,444	52,939	40,102	-	-	-
Investment earnings	41,489	20,068	225,664	419,323	214,246	72,856	-	22,599	11,997	19,795
Gain on sale of capital assets	-	-	-	-	8,369	8,660	-	(10,756)	4,621	-
Transfers	(279,267)	(212,843)	(457,072)	(507,149)	(510,458)	1,037	(242,168)	(267,815)	(327,201)	(1,166,609)
Total business-type activities	(170,073)	(47,240)	(204,732)	(19,280)	(226,399)	135,492	(202,066)	(255,972)	(310,583)	(1,146,814)
Total primary government	\$ 87,634,083	\$ 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
Change in Net Position										
Governmental activities	\$ 31,838,284	\$ 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
Business-type activities	3,545,858	1,369,673	120,087	1,992,319	1,748,446	2,157,487	3,944,922	2,281,001	133,778	(814,999)
Total primary government	\$ 35,384,142	\$ 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

CITY OF GERMANTOWN, TENNESSEE
FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit F-3

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nondspendable	759,512	715,835	481,186	308,397	315,646	\$ 1,153,721	\$ 1,439,204	\$ 696,207	\$ 829,361	\$ 953,837
Committed	18,566,905	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
Assigned	3,212,109	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
Unassigned	21,310,161	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
Total general fund	<u>\$ 43,848,687</u>	<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>
Municipal Schools										
Nondspendable	\$ 6,650	\$ 6,650	\$ 36,365	\$ 63,879	\$ 77,585	\$ 191,041	\$ -	\$ -	\$ -	\$ -
Restricted	959,580	853,456	396,503	221,230	122,762	-	-	-	-	-
Committed	25,954,133	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>\$ 26,920,363</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Major Roads										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313,856
Committed	-	-	-	-	-	-	-	-	-	1,000,389
Total major roads	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,314,245</u>
Schools Capital Projects Fund										
Committed	\$ -	\$ -	\$ 2,885,754	\$ 2,315,151	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All other governmental funds										
Nondspendable	\$ 289,044	\$ 270,353	\$ 243,308	\$ -	\$ 1,800	\$ -	\$ -	\$ -	\$ 69,811	\$ -
Restricted	5,174,929	1,814,699	457,489	696,518	418,235	3,230,614	513,416	575,787	346,637	904,907
Committed	12,170,010	9,862,606	7,632,099	13,680,140	27,665,465	-	17,863,458	5,305,410	4,512,531	2,214,284
Assigned	8,726,880	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
Unassigned	-	-	(345)	-	(1,470,902)	-	-	-	(66,597)	-
Total all other governmental funds	<u>\$ 26,360,863</u>	<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>

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)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes	\$ 120,433,759	\$ 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
Fines and forfeitures	1,180,336	777,548	860,948	1,147,530	1,244,883	1,144,942	1,438,013	750,866	778,641	812,454
Licenses and permits	1,394,671	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
Charges for services	4,087,693	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
Interest on investments	277,840	238,149	1,116,978	1,874,580	980,430	310,119	166,588	75,688	65,482	82,582
Grants	27,488,777	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
Donations	3,238,652	2,476,684	6,559,158	1,513,165	-	-	-	-	-	-
Other revenues	767,404	716,412	1,065,189	1,560,076	697,315	818,311	4,505,315	2,332,403	2,427,881	3,271,793
Total revenues	<u>158,869,132</u>	<u>139,559,261</u>	<u>136,519,267</u>	<u>131,382,615</u>	<u>120,936,822</u>	<u>111,294,205</u>	<u>109,551,006</u>	<u>99,239,289</u>	<u>52,725,632</u>	<u>53,356,961</u>
Expenditures										
General government	16,101,105	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
Public safety	27,772,760	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
Transportation and Environment	6,635,757	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
Community services	3,903,299	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
Education	68,680,399	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	3,029,453	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
Interest	2,368,672	2,271,396	2,442,621	2,751,702	1,146,557	1,382,402	959,454	688,485	762,645	830,248
Bond issuance cost	134,956	-	-	24,001	242,238	-	290,428	-	120,576	-
Capital outlay	22,566,400	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
Total expenditures	<u>151,192,801</u>	<u>134,953,693</u>	<u>142,695,857</u>	<u>147,274,268</u>	<u>120,726,827</u>	<u>116,560,493</u>	<u>107,747,086</u>	<u>89,968,655</u>	<u>56,201,085</u>	<u>61,103,583</u>
Excess of revenues over (under) expenditures	7,676,331	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)
Other financing sources (uses)										
Transfers in	23,796,839	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
Transfers out	(23,517,572)	(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)
Debt Proceeds - General Obligation	8,670,000	-	-	3,025,000	29,275,000	-	13,970,000	-	9,070,000	-
Refunding bond issued	-	-	-	-	-	-	4,185,000	-	-	-
Discount on bond issued	-	-	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	614,677	-	-	-	-	-	-	-	-	-
Premium on bonds issued	876,291	-	-	-	3,778,809	-	3,579,349	-	222,803	-
Payment to refunded bond escrow agent	(3,370,000)	-	-	-	-	-	-	-	-	-
Contribution from developers	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	308,532	239,059	986	103,305	25,423	98,959	91,529	69,007	50,649	38,985
Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	655,050	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>7,378,767</u>	<u>451,902</u>	<u>1,113,108</u>	<u>3,635,454</u>	<u>33,589,690</u>	<u>97,922</u>	<u>22,053,046</u>	<u>336,822</u>	<u>9,670,653</u>	<u>1,205,594</u>
Net change in fund balances	<u>\$ 15,055,098</u>	<u>\$ 5,057,470</u>	<u>\$ (5,063,482)</u>	<u>\$ (12,256,199)</u>	<u>\$ 33,799,685</u>	<u>\$ (5,168,366)</u>	<u>\$ 23,856,966</u>	<u>\$ 9,607,456</u>	<u>\$ 6,195,200</u>	<u>\$ (6,541,028)</u>
Debt service as a percentage of noncapital expenditures	4.1%	4.5%	4.9%	4.2%	3.5%	4.4%	7.6%	3.8%	19.1%	8.1%

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					
2022	\$ 1,543,756,200	\$ 3,102,350	\$ 459,625,295	\$ 10,118,207	\$ 39,732,900	\$ 2,056,334,952	1.678	\$ 7,532,603,540	27.30%
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%

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	
2022	\$ 1.673	\$ 1.25	\$ 1.59	\$ 0.55	\$ -	\$ 5.06
2021	1.678	1.24	1.64	0.57	-	5.13
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

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	2022			2013		
	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.	\$ 19,635,800	1	0.95%	\$ 12,777,160	1	0.86%
Neshoba-Exter Real Estate Partners	16,033,280	2	0.78%	-	-	-
West Wolf River Partners, LLC	13,981,240	3	0.68%	-	-	-
PEBB Germantown LEB LLC	13,123,040	4	0.64%	-	-	-
Whitney Bridges LLC	12,726,040	5	0.62%	-	-	-
HCP Germantown LLC	11,916,640	6	0.58%	-	-	-
PC/APDG Germantown LLC	11,294,360	7	0.55%	-	-	-
G&I VII Brook Chase LLC	9,964,080	8	0.48%	-	-	-
Shops at Saddle Creek Inc	9,308,640	9	0.45%	-	-	-
Crestwyn Health Group LLC	9,056,160	10	0.44%	-	-	-
VA Germantown LLC	-	-	-	8,310,400	2	0.56%
FSP Germantown LLC	-	-	-	6,939,480	3	0.47%
Germantown Village Square Joint Venture	-	-	-	6,807,400	4	0.46%
Vineyard Apartments Inc	-	-	-	6,664,520	5	0.45%
BIC-MTS Partners	-	-	-	5,953,240	6	0.40%
Taylor Senter Crook et al	-	-	-	5,772,040	7	0.39%
UT Medical Group Inc	-	-	-	5,438,920	8	0.37%
SWC Poplar FHI Partners LLC	-	-	-	5,428,520	9	0.37%
LMP Wolf River LLC	-	-	-	4,913,880	10	0.33%
Totals	\$ 127,039,280		6.18%	\$ 69,005,560		4.67%

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
2021	\$ 34,335,517	\$ 33,984,827	99.0%	\$ -	\$ 33,984,827	99.0%	\$ 350,690	1.0%
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%

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>2022</u>	<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>
Property Taxes	\$ 51,608,770	\$ 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
Local Sales Taxes	29,807,570	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
State Taxes (Local Share)	39,017,419	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
Total	<u>\$ 120,433,759</u>	<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>

CITY OF GERMANTOWN, TENNESSEE
PROGRAM REVENUES BY FUNCTION/PROGRAM

Exhibit F-10

Last Ten Fiscal Years
(accrual basis of accounting)

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
General government	\$ 2,859,038	\$ 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
Public safety	339,750	247,108	189,750	219,853	152,327	163,442	1,182,858	1,298,067	943,545	175,474
Transportation and environment	1,501,860	1,224,550	1,204,811	1,300,146	1,191,338	1,042,161	952,147	970,079	969,947	978,001
Community services	1,104,563	672,407	994,956	1,382,475	1,332,581	1,227,751	832,155	803,292	455,041	348,865
Education	654,666	464,010	1,251,104	1,428,982	1,236,058	1,148,080	3,207,977	729,266	-	-
Total governmental activities	6,459,877	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
Business-type activities:										
Utilities	9,848,042	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
Athletic Club	3,723,058	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
Sanitation	4,845,651	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
Great Hall	441,923	158,238	375,349	514,161	490,391	471,193	437,188	410,430	358,902	308,225
Stormwater	2,765,582	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
Total business-type activities	21,624,256	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
Total primary government	\$ 28,084,133	\$ 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

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>
2022	1.625 %	1.125 %	7.00 %
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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Building Materials	\$ 14,366,279	\$ 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
General Merchandise Stores	58,652,722	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
Food Stores	150,538,671	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
MV Dealers and Service Stations	16,594,805	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
Apparel Stores	76,027,665	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
Furniture Stores	39,764,236	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
Eating and Drinking Places	103,415,355	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
Other Retail	84,461,230	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
All Other Outlets	87,405,649	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
	<u>\$631,226,612</u>	<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>

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

	2022				2013			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	415	46.01%	\$15,630,506	85.99%	433	53.52%	\$8,885,909	85.58%
Services	300	33.26%	1,466,319	8.07%	209	25.83%	983,487	9.47%
Manufacturing	50	5.54%	430,077	2.37%	36	4.45%	80,824	0.78%
Wholesale Trade	41	4.55%	18,423	0.10%	56	6.92%	60,172	0.58%
Construction	15	1.66%	18,534	0.10%	10	1.24%	3,955	0.04%
Finance Insurance Real Estate	11	1.22%	206,867	1.14%	4	0.49%	130	0.00%
Transportation and Utilities	11	1.22%	210,259	1.16%	-	0.00%		
Agriculture	12	1.33%	51,228	0.28%	8	0.99%	26,927	0.26%
Other, Non Classified	47	5.21%	144,463	0.79%	53	6.55%	341,452	3.29%
Total	902	100%	\$18,176,676	100%	809	100%	\$10,382,856	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

Exhibit F-14

Last Ten Fiscal Years

Fiscal Years	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Note	Settlement Obligation	Bonds	Equipment Lease			
2022	\$61,036,994	\$ 2,169,000	\$1,309,294	\$2,098,073	\$ 226,980	\$ 66,840,341	43.30%	\$ 1,609
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

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					
2022	\$ 61,036,994	\$ -	\$ -	\$ 2,169,000	\$ 1,309,294	\$ 64,515,288	1.06%	\$ 1,574	
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	

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, 2022

Exhibit F-16

	<u>Net Outstanding Debt</u>	<u>Percentage Applicable City of Germantown</u>	<u>Overlapping Debt</u>
City Net General Obligation Debt	\$ 64,515,288	100.00%	\$ 64,515,288
Shelby County (including School Board)	<u>\$ 57,794,000</u>	100.00%	<u>\$ 57,794,000</u>
Direct, Overlapping Debt	<u>\$ 122,309,288</u>		<u>\$ 122,309,288</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	
2022	\$ 9,912,923	\$ 7,159,098	\$ 2,753,825	\$ -	\$ -	0.00
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

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

Exhibit F-18

Last Ten Calendar Years

	<u>Population</u>		<u>Median Income</u>		<u>Per Capita Personal Income</u>		<u>School Enrollment</u>		<u>Unemployment Rate</u>	
2013	40,123	(1)	\$ 126,196	(1)	51,701	(1)	8,571	(3)	5.4	(2)
2014	40,123	(1)	\$ 19,294	(1)	49,857	(1)	8,551	(3)	5.6	(2)
2015	40,123	(1)	\$ 114,520	(4)	53,329	(4)	5,732	(3)	4.6	(2)
2016	40,123	(1)	\$ 154,355	(5)	54,229	(5)	5,732	(3)	3.9	(2)
2017	40,123	(1)	\$ 154,163	(6)	54,229	(5)	5,874	(3)	3.9	(2)
2018	40,123	(1)	\$ 154,163	(5)	53,919	(5)	6,016	(3)	2.6	(7)
2019	40,123	(1)	\$ 19,392	(8)	58,722	(8)	6,044	(3)	2.7	(7)
2020	40,123	(1)	\$ 116,585	(8)	60,855	(8)	5,960	(3)	2.6	(7)
2021	40,123	(1)	\$ 118,163	(8)	60,956	(8)	5,934	(3)	3.7	(9)
2022	41,034	(8)	\$ 123,387	(8)	61,788	(8)	5,981	(3)	3.9	(9)

Sources:

- (1) Special Local Census
- (2) 2013, 2014, and 2015 Unemployment rate derived from Sperling's Best Places.
2016 and 2017 Unemployment rate derived from Homefacts.com and CareerTrends.com
- (3) Germantown Municipal School District Office
- (4) Sperling's Best Places, updated December 2016
- (5) City of Germantown website
- (6) Germantown Life & Stories
- (7) Unemployment rate derived from www.cividdashboards.com
- (8) United States Census Quick Facts website
- (9) TN Dept of Labor & Workforces, Labor Force Estimates

CITY OF GERMANTOWN, TENNESSEE
PRINCIPAL EMPLOYERS

Exhibit F-19

Current Year and Five Years Ago

Employer	2022			2017		
	Employees	Rank	Percentage of Total County Employment*	Employees	Rank	Percentage of Total County Employment**
Methodist LeBonheur Hospital - Germantown	1,917	1	0.32%	1,942	1	0.38%
FedEx Logistics	848	2	0.14%			
Germantown Municipal School District	640	3	0.11%	527	2	0.10%
West Cancer Center	543	4	0.09%			
Campbell Clinic	489	5	0.08%	260	9	0.05%
City of Germantown	412	6	0.07%	394	3	0.08%
The Village at Germantown	294	7	0.05%	315	5	
ThyssenKrupp Elevator Manufacturing, Inc.	238	8	0.04%	298	7	0.06%
Gastro One	236	9	0.04%			
Kroger	195	10	0.03%	300	6	0.06%
Stern Cardiovascular				356	4	0.07%
Baptist Rehabilitation -- Germantown				129	10	0.03%
Orgill, Inc.				284	8	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:	2022		2021		2020		2019		2018		2017		2016		2015		2014		2013	
	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	9	0	8	0	7	0	7	0	7	0	7	0	7	0	7	3	7	1
Administration	11	0	9	2	9	1	8	0	8	0	7	2	5	1	5	1	5	1	5	0
Human Resources	4	0	5	0	5	0	5	0	5	0	5	0	6	0	7	0	6	0	6	0
Information Technology	6	1	5	1	5	1	5	0	5	0	5	1	5	0	5	0	5	0	5	0
Finance	12	0	10	0	9	0	12	0	12	0	11	0	11	0	10	0	16	1	9	1
Procurement	6	0	7	0	7	0	7	0	7	0	7	0	7	0	7	0	0	0	0	0
Economic and Community Development	9	0	17	1	19	0	19	0	19	0	19	0	20	0	19	0	20	0	22	0
Engineering	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Facility Services	14	1	14	1	15	1	17	1	17	1	17	0	16	0	14	0	12	0	12	0
GPAC	13	2	13	1	12	1	12	2	12	2	11	24	10	2	10	2	9	5	9	36
Office of Budget & Performance	2	0	2	0	2	0	3	0	3	0	3	0	3	0	3	0	2	0	2	0
Civic Support	8	0	9	0	8	0	7	0	6	0	6	0	7	0	0	0	0	0	0	0
Public Safety																				
Police	124	1	118	1	125	1	120	0	118	0	122	5	113	0	115	1	107	0	107	0
Fire	76	0	72	0	86	2	73	1	67	1	68	1	67	1	66	1	70	1	79	1
Transportation & Environment																				
Public Services	33	1	38	0	36	0	39	1	38	1	40	1	38	1	39	1	39	1	44	2
Fleet Services	8	0	8	1	9	0	9	0	9	0	9	0	9	0	8	1	10	0	10	0
Animal Control	4	0	4	0	4	0	4	1	4	1	3	0	4	1	4	1	5	0	4	0
Community Services																				
Parks & Recreation	10	8	7	7	7	6	8	6	8	6	7	6	7	6	6	6	7	5	5	21
The Farm	1	0	1	0	1	1	1	1	0	1	0	3	0	1	0	1	0	1		4
Community Education			2	0	2	0	3	8	2	8	1	6	1	8	0	0	0	0	0	0
Ambulance Fund	17	0	18	0	19	0	19	0	19	0	19	0	19	0	16	0	0	0	0	0
Germantown Athletic Club																				
Recreation	8	12	11	14	10	13	12	13	12	13	11	44	10	12	10	12	11	12	9	69
Aquatics	1	9	1	13	1	12	1	14	1	14	2	38	2	14	2	14	2	14	2	78
Personal Training	1	0	0	0	0	0	0	0	0	0	0	0	1	3	1	1	1	1	0	0
Great Hall	2	2	2	1	2	2	2	1	2	1	2	3	2	1	2	1	2	1	0	3
Utilities																				
Water	15	0	13	0	15	0	16	0	17	0	16	0	17	0	21	0	20	0	20	0
Sewer	5	0	4	0	5	0	5	0	5	0	5	0	5	0	6	0	6	0	6	0
Solid Waste	2	0	0	0	0	0	2	0	2	0	1	0	2	0	1	0	0	0	0	0
Stormwater	2	0	1	0	5	0	7	0	7	0	7	0	7	0	7	0	7	0	0	0
Recreation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Municipal Schools *	640	36	599	9	597	10	587	0	518	0	527	0	505	0	517	0	0	0	0	0
Total	<u>1,052</u>	<u>73</u>	<u>999</u>	<u>52</u>	<u>1,023</u>	<u>50</u>	<u>1,009</u>	<u>46</u>	<u>929</u>	<u>47</u>	<u>938</u>	<u>131</u>	<u>906</u>	<u>48</u>	<u>908</u>	<u>43</u>	<u>368</u>	<u>43</u>	<u>363</u>	<u>216</u>

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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police										
Physical arrests	1,976	1,490	1,856	2,478	2,344	2,447	1,163	1,730	1,227	1,009
Parking violations	170	130	225	243	256	370	123	159	83	101
Traffic violations	11,121	8,846	9,099	15,822	15,027	18,267	23,024	16,728	6,758	5,318
Fire										
Emergency responses	5,195	4,704	4,412	4,485	4,473	4,115	3,928	3,551	3,354	3,300
Fires extinguished	59	49	62	49	70	54	56	45	44	82
Inspections	1,659	567	633	1,577	1,225	1,517	1,939	1,515	1,613	1,585
Other public works										
Street resurfacing (miles)	8	7	3	9	8	7	8	9	8	7
Parks and recreation										
Athletic field permits issued	2	0	0	1	1	3	n/a	n/a	2	n/a
Germantown Athletic Club										
*Admissions - per day	1,049	773	1,320	1,571	1,492	1,425	1,568	1,310	1,233	1,232
*Admissions - per year	377,537	278,401	409,399	565,500	537,455	512,845	564,349	471,675	443,855	443,686
Library										
Volumes in collection	461,354	132,247	137,790	135,362	139,622	135,532	139,545	136,005	143,618	146,819
Total volumes borrowed	245,989	135,936	241,052	314,715	344,077	338,761	347,908	324,892	333,227	356,314
Water										
New connections	25	31	40	41	82	70	58	40	56	69
Water main breaks	21	19	7	8	14	18	16	20	22	19
Average daily consumption (MG)	4.934	6.376	6.470	5.744	6.117	6.229	7.530	6.899	7.205	8.658
Peak daily consumption (MG)	11.886	14.686	14.622	12.294	12.294	12.150	13.580	13.275	13.969	15.818

Sources: Various city departments.

Notes:

TGL=thousand gallons; MG=million 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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	51	54	48	41	40	39	38	37	37	37
Fire Stations	4	4	4	4	4	4	4	4	4	4
Other public works										
Streets (miles)	235	233	231	231	230	220	215	210	210	210
Highways (miles)	11	11	11	11	11	11	11	11	11	11
Streetlights	5,100	5,080	5,080	5,080	5,000	5,014	5,099	5,097	5,097	5,258
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	11	21
Community center	0	0	0	0	0	0	0	0	0	1
Water										
Water mains (miles)	282	282	280	280	256	256	256	210	235	213
Fire hydrants	2,665	2,665	2,661	2,661	2,611	2,611	2,599	2,606	2,559	2,419
Storage capacity (million gallons)	7.8	8.1	8.1	8.1	8.1	8.1	8.1	8.1	7.9	8.1
Wastewater*										
Sanitary sewers (miles)	237	237	235	235	235	233	233	210	232	213

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

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program	Assistance Listing Number	Contract Number	Expenditures
U.S. Department of Agriculture			
<u>Passed through TN Department of Education</u>			
<i>Child Nutrition Cluster</i>			
School Breakfast Program	10.553		\$ 371,590
National School Lunch Program - Cash Assistance	10.555		2,137,796
National School Lunch Program - USDA Commodities	10.555		125,076
Subtotal - 10.555			<u>2,262,872</u>
Total U.S. Department of Agriculture			<u>2,634,462</u>
U.S. Department of Housing and Urban Development			
<u>Passed through TN Department of Economic and Community Development</u>			
<i>Pub. L. No. 113-2 Cluster</i>			
Hurricane Sandy CDBG Disaster Recovery Grants	14.269	Edison Contract #56217	335,188
U.S. Department of Justice			
<u>Passed through TN Department of Finance & Administration</u>			
Emergency Law Enforcement Assistance Grant	16.824	31701-64055	4,404
<u>Direct Award</u>			
Equitable Sharing Program	16.922	TN0790200	7,812
Total U.S. Department of Justice			<u>12,216</u>
U.S. Department of Transportation			
<u>Passed through TN Department of Transportation</u>			
<i>Highway Planning and Construction Cluster</i>			
Highway Planning and Construction	20.205	Fed Proj #STP-M-NH-177(36)	47,719
Highway Planning and Construction	20.205	Fed Proj #STP-M-57(85)	7,888
Highway Planning and Construction	20.205	Fed Proj #STP-M-9420(13)	37,369
Highway Planning and Construction	20.205	Fed Proj #STP-M-9420(14)	120,132
Highway Planning and Construction	20.205	Fed Proj #STP-M-9420(15)	29,480
Highway Planning and Construction	20.205	Fed Proj #STP-M-9420(16)	87,754
Highway Planning and Construction	20.205	Fed Proj #STP-M-9420(17)	64,721
Highway Planning and Construction	20.205	Fed Proj #STP-M-9420(18)	84,609
Highway Planning and Construction	20.205	Fed Proj #TAP-M-9420(12)	46,140
Highway Planning and Construction	20.205	Fed Proj #TAP-M-9420(19)	14,726
Highway Planning and Construction	20.205	Fed Proj #TAP-M-9420(20)	7,328
Total U.S. Department of Transportation			<u>547,866</u>
U.S. Department of Treasury			
<u>Direct Award</u>			
Equitable Sharing Program	21.016	TN0790200	85,407
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		10,003,356
Total U.S. Department of Treasury			<u>10,088,763</u>
National Endowment for the Humanities			
<u>Passed through TN State Library and Archives</u>			
Grants to States	45.310	GRANT12681586	22,483
U.S. Department of Education			
<u>Passed through TN Department of Education</u>			
Title I Grants to Local Education Agencies	84.010	S010A200042	1,368,493
Consolidated Administration	84.010	N/A	111,933
Subtotal - 84.010			<u>1,480,426</u>
<i>Special Education Cluster (IDEA)</i>			
Special Education Grants to States	84.027	H027A200052	1,109,162
Special Education for Systemic Change - SPDG Incentive Grant	84.027	H027A200052	9,815
COVID-19 - Special Education Grants to States	84.027X	H027X210052	182,541
Special Education - Preschool Grants	84.173	H173A200095	31,508
COVID-19 - Special Education - Preschool Grants	84.173X	H1773X210095	9,535
Subtotal - Special Education Cluster (IDEA)			<u>1,342,561</u>

See independent auditor's report and accompanying notes to the schedule.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
(CONTINUED)
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program	Assistance Listing Number	Contract Number	Expenditures
Career and Technical Education Basic Grants to States	84.048	V048A210042	50,682
Rehabilitation Services - Vocational Rehabilitation to States	84.126	Z21-54221	100,825
English Language Acquisition State Grants	84.365	S365A200042	13,534
Consolidated Administration	84.365	N/A	96
Subtotal - 84.365			13,630
Supporting Effective Instruction State Grant	84.367	S367A200040	82,595
Supporting Effective Instruction State Grant	84.367	N/A	2,024
Subtotal - 84.367			84,619
Student Support and Academic Enrichment Program	84.424	S424A200044	109,902
Consolidated Administration	84.424	N/A	96
Subtotal - 84.424			109,998
<i>Education Stabilization Fund</i>			
COVID-19 Elementary & Secondary School Emergency Relief (ESSER) 1.0	84.425D	S425D200047	185,030
COVID-19 Elementary & Secondary School Emergency Relief (ESSER) 2.0	84.425D	S425D200047	4,261,711
COVID-19 American Rescue Plan - Elementary & Secondary School Emergency Relief (ARP-ESSER) 3.0	84.425U	S425D200047	8,322,944
Civics Seal Grant	84.425C	S425C200047	14,094
Fiscal Pre-Monitoring Supports Grant	84.425U	S425U210047	14,500
Planning Grant	84.425D	S425D200047	64,220
All Corps Grant	84.425D	S425D210047	262,702
Subtotal - 84.425			13,125,201
Total U.S. Department of Education			16,307,942
U.S. Department of Health and Human Services			
<u>Passed through City of Memphis</u>			
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	N/A	325,622
<u>Passed through TN Department of Education</u>			
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		1,030
Subtotal - 93.323			326,652
<u>Passed through TN Department of Education</u>			
COVID-19 Temporary Assistance for Needy Families (TANF)	93.558		17,196
COVID-19 Temporary Assistance for Needy Families (TANF)	93.558		7,202
COVID-19 Temporary Assistance for Needy Families (TANF)	93.558		1,245
Subtotal - 93.558			25,643
U.S. Department of Homeland Security			
<u>Passed through City of Memphis</u>			
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2018-CA-USR-0023	2,028
<u>Passed through TN Emergency Management Agency</u>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4514-DR-TN	874,340
Total U.S. Department of Homeland Security/FEMA			876,368
Total Federal Awards			31,177,583

See independent auditor's report and accompanying notes to the schedule.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
(CONTINUED)
For the Year Ended June 30, 2022

State Financial Assistance	Assistance Listing Number	Contract Number	Expenditures
TN Department of Transportation	N/A	79LPLM-F3-673	1,972
TN Department of Transportation	N/A	79LPLM-F2-331	11,930
State of TN Police Salary Supplement	N/A		80,000
State of TN Fire Salary Supplement	N/A		72,000
State of TN Direct Appropriation	N/A		444,154
DOE Coordinated School Health	N/A	N/A	90,000
DOE Safe Schools Act of 1998	N/A	N/A	96,782
DOE School Safety	N/A	N/A	8,155
DOE Summer Learning Camps	N/A	N/A	367,506
DOE Bridge Camps	N/A	N/A	151,086
DOE STREAM Mini Camps	N/A	N/A	26,607
DOE Summer Learning Transportation Grant	N/A	N/A	53,675
Tennessee Connect			9,430
DOE Child Nutrition State	N/A	N/A	13,469
Total State Financial Assistance			<u>1,426,766</u>
Total Federal Awards and State and State Financial Assistance			<u><u>\$ 32,604,349</u></u>

See independent auditor's report and accompanying notes to the schedule.

CITY OF GERMANTOWN, TENNESSEE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2022

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state grant activity of the City of Germantown, Tennessee (the City) under programs of the federal and state governments for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- 2) Pass-through entity contract numbers are presented where available.
- 3) There were no federal awards passed through to subrecipients.
- 4) The City has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.
- 5) Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.

NOTE C – RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE TO THE FINANCIAL STATEMENTS

The following is a reconciliation of expenditures per the schedule of expenditures of federal awards and state financial assistance to the revenue balances in the City’s financial statements.

Total grant revenue per governmental funds financial statements	\$ 27,488,777
Change in deferred revenue at the fund level	2,994,103
Grant revenue per proprietary fund	2,106,065
Non-federal and non-state grants	
Germantown Municipal School District	15,404
Total federal awards and state financial assistance	<u>\$ 32,604,349</u>

**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 aggregate discretely presented component units, 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, 2022, 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 30, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Memphis, Tennessee
December 30, 2022

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

Memphis, Tennessee
December 30, 2022

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	
<ul style="list-style-type: none"> • Assistance Listing No.: 21.027– Coronavirus State and Local Fiscal Recovery Funds • Assistance Listing No.: 84.010 – Title I Grants to Local Education Agencies • Assistance Listing No.: 84.425– Education Stabilization Fund 	
Dollar threshold used to distinguish between Type A and Type B programs:	\$935,327
Did auditee qualify as a low-risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2022

SECTION I – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION II – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.