CITY OF GERMANTOWN
TENNESSEE

Annual Comprehensive Financial Report

For the Fiscal Year Ended

June 30, 2023

Prepared by the City of Germantown Finance Department

CITY OF GERMANTOWN, TENNESSEE
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INTRODUCTORY SECTION (UNAUDITED)

December 20, 2023

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, 2023. This document reports the sound financial position of the various funds of the City of Germantown and the financial results for operations during FY23. 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 94% against operating expenditures in FY23. 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 124 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 heath care. The police, fire, and ambulance departments take pride in a five minute-or-less emergency response time.

Malcolm Baldrige National Quality Award
2019 Award Recipient

1930 S. Germantown Road
Germantown, TN 38138-2815
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Germantown-TN.gov

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:

- 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 20, 2023

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, 2023, is hereby submitted. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and have been audited in accordance with the generally accepted auditing standards.

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

Watkins Uiberall, PLLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Germantown's financial statements for the year ended June 30, 2023. 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, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements: assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement basis for rendering an unmodified opinion.

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

Profile of the Government

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

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

Malcolm Baldrige National Quality Award
2019 Award Recipient

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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 is 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 48.8% of total general fund revenue with collections remaining very strong. For fiscal year 2023, the city tax rate was $1.6732 per $100 of assessed value. Real and personal property are assessed by the Shelby County Assessor. Last year's certified tax rate of $1.678 included an appeals allowance for projected loss of reappraisal assessments due to appeals in a reappraisal year. The law authorizing this adjustment requires recapture of any portion of the adjustment which exceeds or does not meet actual appeals reductions in the year following the reappraisal. The recapture rate was calculated using the actual 2021 tax rate adopted by City of Germantown and the actual 2021 assessment tax base after appeals.

Multiple factors attributed to the creation of the FY23 Budget. Now having reached the two-year mark in response to the COVID-19 pandemic, the City has continued to successfully manage through a variety of economic and financial uncertainties. Our ability to capture internet and out-of-state sales taxes, in addition to the stability of sales tax generated from our local community grocers and brick-and-mortar specialty stores, has been instrumental in achieving record levels of our primary source of elastic tax revenue, local and state-shared sales and use taxes. The added sales and use tax revenue have been timely as the city is no longer receiving Hall Income Tax revenue.

Property tax increased this past year by $1,089,899. 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 $922,728. 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 $180,828.

During fiscal year 2023, the City issued 36 permits for new single-family residence structures with a value of $33,908,221.00 or average value of $941,895.03. Commercial renovation permits including restaurants and retail stores were up by almost 30% with a combined permit value of $27,180,896.00. Economic development initiatives for fiscal year 2023 included the completion of a new middle school expansion at Houston Middle, as well as other improvements to the sports facilities at Houston High School. With the completion of the Forest Hill Irene Road widening road to handle the additional traffic and the new elementary school being opened there were many new housings starts and residential neighborhood developments approved in fiscal year 2023.

In fiscal year 2023, 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 redevelopment of the Carrefour Shopping center into the Standard of Germantown will result in a reinvestment of $300 million dollars for the full build out of the ten acres that will include retail, office, and hospitality uses. This project will include 100,000 square feet of retail, 100 room boutique hotel, 200,000 square feet of office (including medical), 320 units of multifamily and 40 condominium units. This investment will be able to create opportunities for future Germantown residential and office relocations and make it a centerpiece of Shelby County. Several developments continue to move forward and will begin in fiscal year 2023 including phases of other mixed-use redevelopments, new hotels being completed, and other new medical office buildings.

Long Term Financial Planning

In January 2015, the Germantown Board of Mayor and Aldermen approved the Germantown Forward 2030 strategic plan. The citizen-driven plan encourages leaders to look to the future and focus on a sustainable Germantown based on the triple bottom line of economic, environmental and social sustainability. 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 2035 long range strategic plan. Several funding priorities were developed that focus on supplying the necessary materials and tools to address the strategic and operational objectives.

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

The City was reaffirmed as Triple-A by 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, 2022. This was the 41th 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.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual 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, 2023. The city has received the Award for each of the 39 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,

Adrienne Royals
Budget & Financial Services Director

CITY OF GERMANTOWN, TENNESSEE
GOVERNMENT FINANCE OFFICERS ASSOCIATION
CERTIFICATE FOR EXCELLENCE IN FINANCIAL REPORTING
June 30, 2023

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, 2022

Christopher P. Morrill

Executive Director/CEO

CITY OF GERMANTOWN, TENNESSEE
CITY AND SCHOOL OFFICIALS
June 30, 2023

TOWN OFFICIALS AND EXECUTIVE STAFF

MAYOR

Honorable Mike Palazzolo (2026*)

ALDERMEN

Mary Anne Gibson, Vice Mayor (2026*)

Scott Sanders (2026*)
Brian Ueleke (2024*)
Sherrie Hicks (2024*)
Jon McCreery (2024*)

City Administrator	Jason Huisman
City Attorney	John R. McCarroll, III
City Judges	Kevin G. Patterson Robert M. Brannon, Jr.
Director of Finance	Adrienne Royals**
Deputy City Administrator	Lisa Piefer
Assistant City Administrator	Andy Sanders
Economic and Community Development Director	Cameron Ross
Engineering Director	Ethan Skaggs
Fire Chief	Eric Grizzard
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

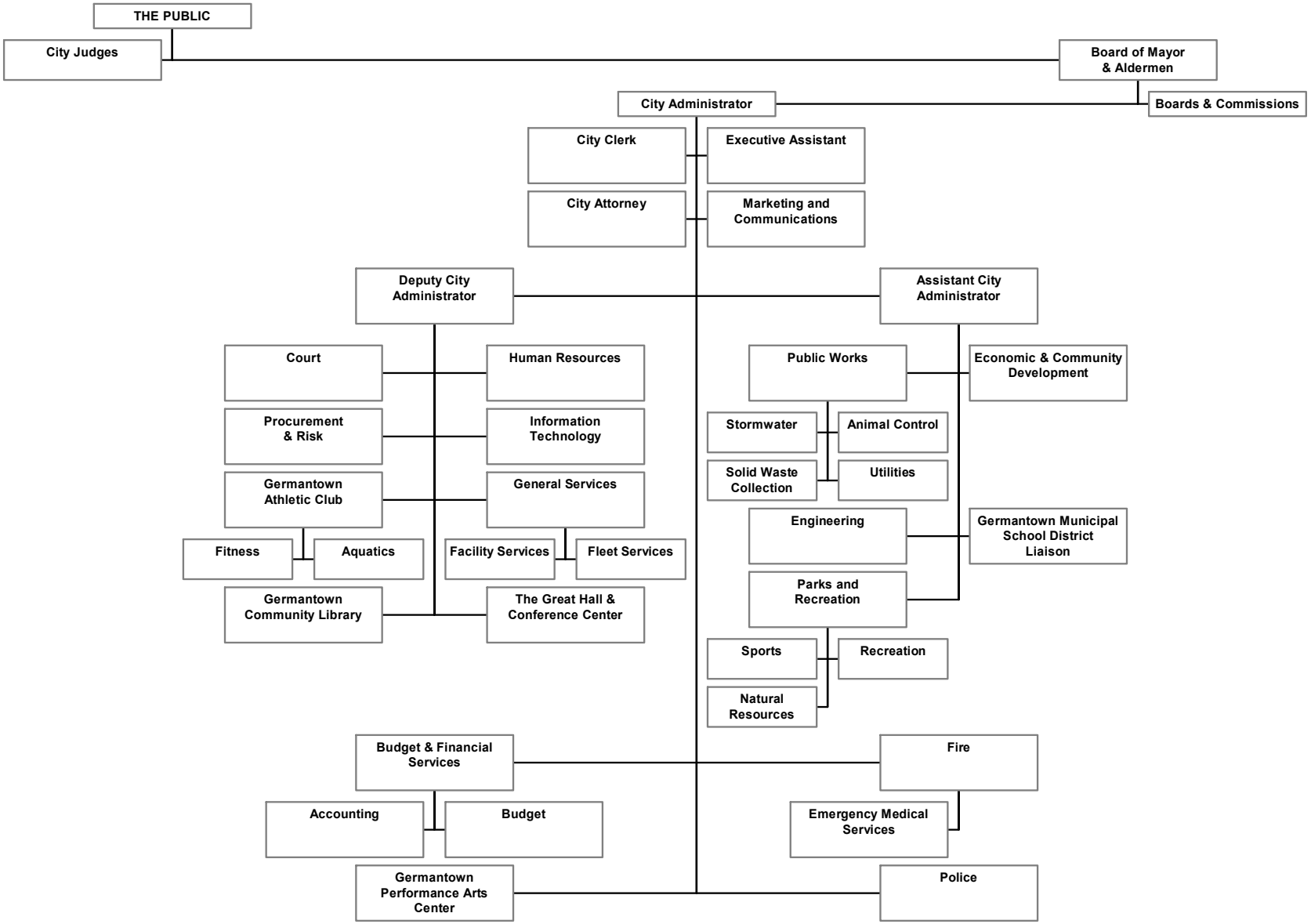
BOARD MEMBERS

Chair	Ryan Strain, Position 1 (2024*)
Board Member	Dr. Daniel Chatham, Position 2 (2026*)
Board Member	Brian Curry, Position 3 (2024*)
Board Member	Angela Griffith, Position 4 (2026*)
Vice-Chair	Amy Eoff, Position 5 (2024*)

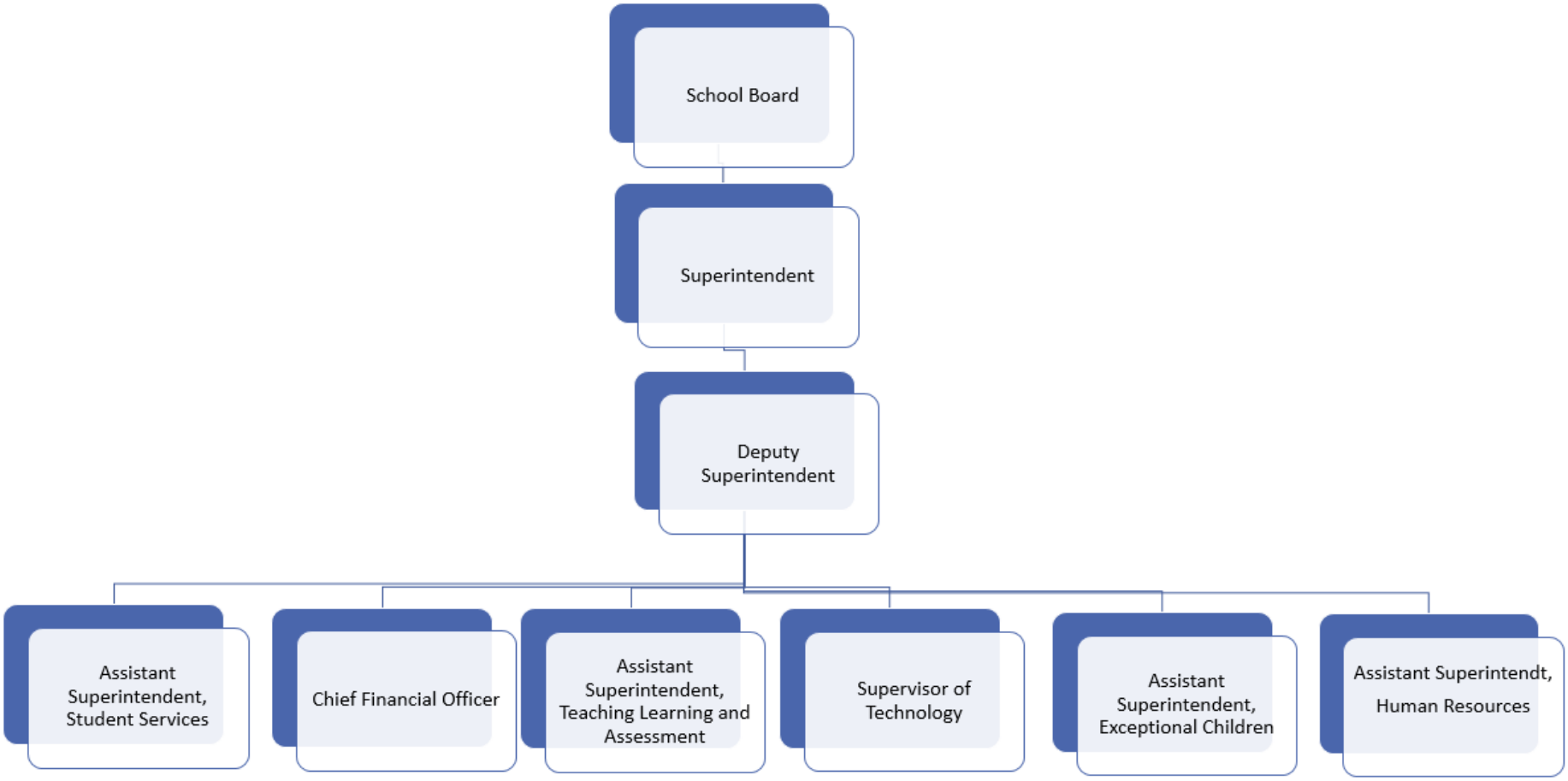
Superintendent	Jason Manuel
Deputy Superintendent, Chief of Operations	Josh Cathey
Assistant Superintendent of Student Services	Chauncey Bland
Assistant Superintendent of Exceptional Student Education	Sarah Huffman
Chief Financial Officer	Kevin Jones**
Supervisor of Technology	John Burnett
Assistant 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, 2023



CITY OF GERMANTOWN, TENNESSEE
GERMANTOWN MUNICIPAL SCHOOL DISTRICT ORGANIZATIONAL CHART
June 30, 2023



FINANCIAL SECTION

WATKINS UIBERALL
Certified Public Accountants
Independent Member of BKR International

Watkins Uiberall, PLLC

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www.wucpas.com

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, 2023, 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, 2023, 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 0.51 percent, 0.72 percent, and 2.22 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, 2023, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Software Based IT Arrangements.* 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 20, 2023, 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 20, 2023

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, 2023. 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, 2023 by $355,915,465 (net position). Of this amount, $85,269,109 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2023, the City's governmental funds reported total fund balances of $101,252,535. Of this amount, $27,187,599 (unassigned fund balances) may be used to meet the general government's spending requirements. The unassigned fund balance represents 49% of total General Fund expenditures.
- During the fiscal year, the City's total debt had a net increase of $1,588,866. The increase is due issuance of new debt and offset by paying down the capital outlay note and general obligation bonds.

Overview of the Financial Statements

This discussion and analysis are 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, 2023. 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.

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

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

The City maintains twenty-three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the General Purpose School Fund. Data from the other twenty-one governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the annual appropriated budget.

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

Component unit. The component unit is not a "fund" of the City of Germantown as the primary government. However, the government-wide financial statements include a column for the component unit as described in Note 1 - Summary of Significant Accounting 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-9 through A-11.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 49 of this report.

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

Combining and Individual Fund Statements and Schedules. The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information. Combining and Individual Fund Statements and Schedules are presented as Exhibits C-1 through D-8 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $355,915,465 at June 30, 2023.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 174,200,362	$ 190,231,984	$ 26,760,661	$ 22,472,140	$ 200,961,023	$ 212,704,124
Capital assets	259,395,950	249,959,766	64,542,771	63,388,637	323,938,721	313,348,403
Total Assets	433,596,312	440,191,750	91,303,432	85,860,777	524,899,744	526,052,527
Deferred Outflows of Resources	35,625,418	41,711,479	2,229,047	2,603,844	37,854,465	44,315,323
Long-term liabilities outstanding	131,089,803	131,505,368	7,232,355	7,586,841	138,322,158	139,092,209
Other liabilities	15,457,750	13,359,429	3,270,070	3,419,170	18,727,820	16,778,599
Total Liabilities	146,547,553	144,864,797	10,502,425	11,006,011	157,049,978	155,870,808
Deferred Inflows of Resources	49,447,555	66,822,565	341,211	77,910	49,788,766	66,900,475
Net Asset						
Invested in capital assets	194,818,235	192,577,715	62,520,793	61,063,584	257,339,028	253,641,299
Restricted	13,307,328	8,026,134	-	-	13,307,328	8,026,134
Unrestricted	65,101,059	69,612,018	20,168,050	16,317,116	85,269,109	85,929,134
Total Net Position	$ 273,226,622	$ 270,215,867	$ 82,688,843	$ 77,380,700	$ 355,915,465	$ 347,596,567

By far the largest portion of the City's net position (72%) 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 (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of $85,269,109 may be used to meet the government's ongoing obligations to citizens and creditors.

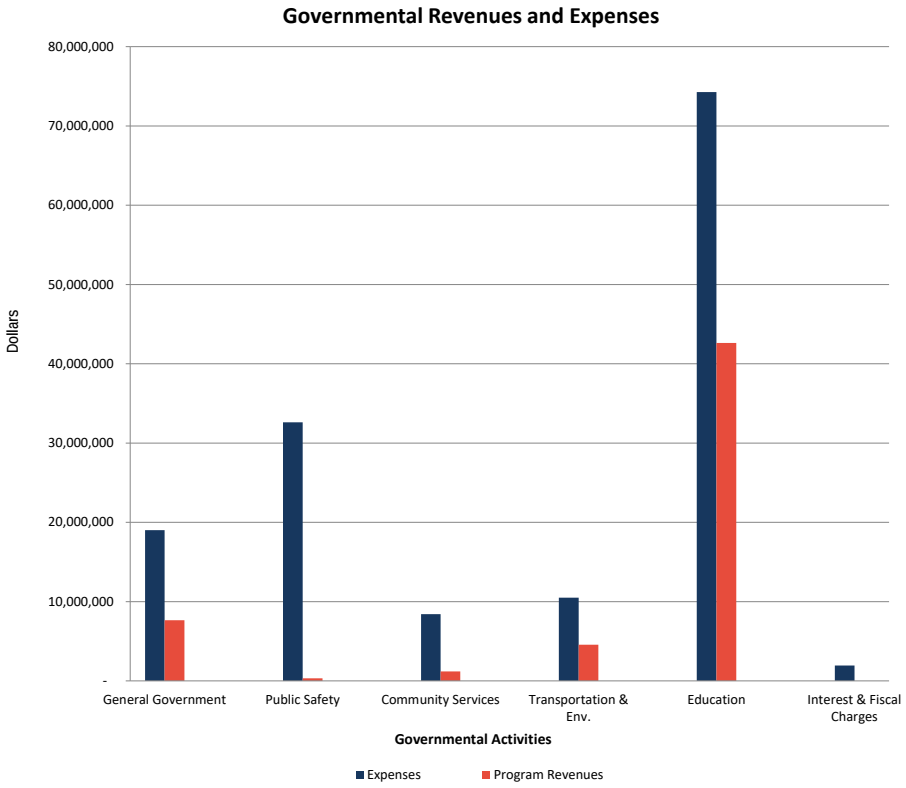
At the end of the current fiscal year, the City can report positive balances in both categories of net position, both for the government as well as for its separate governmental and business-type activities. The positive unrestricted net position for governmental activities is reflective of the City's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

Condensed Statement of Changes in Net Position

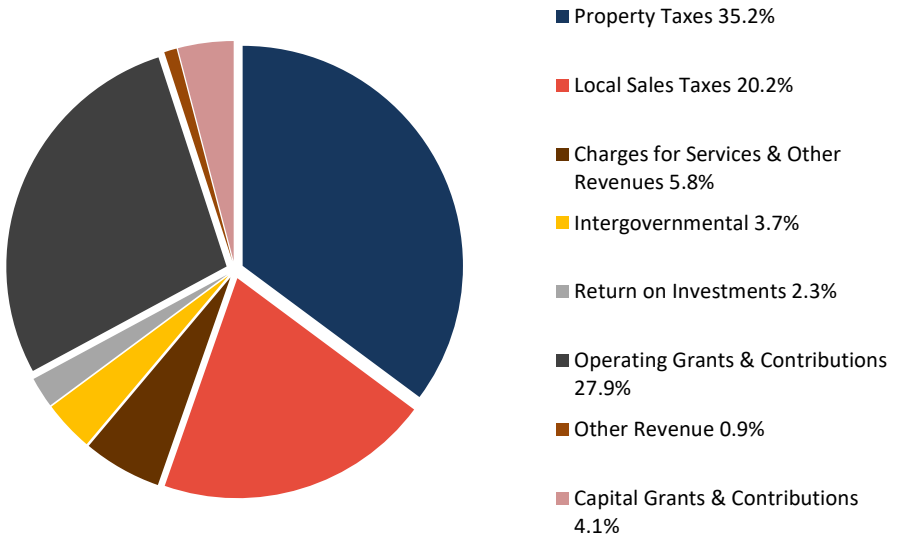
	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	$ 8,633,727	$ 6,459,877	$ 24,010,100	$ 21,619,855	$ 32,643,827	$ 28,079,732
Operating grants and contributions	41,677,379	67,506,447	-	6,065	41,677,379	67,512,512
Capital grants and contributions	6,101,085	1,363,787	711,564	2,637,321	6,812,649	4,001,108
General Revenues:						
Property taxes	52,602,547	51,690,293	-	-	52,602,547	51,690,293
Local sales taxes	30,162,047	29,115,217	-	-	30,162,047	29,115,217
Intergovernmental	5,579,071	5,398,243	-	-	5,579,071	5,398,243
Interest on investments	3,236,146	277,840	851,829	41,489	4,087,975	319,329
Other revenue	1,385,582	767,404	52,722	67,705	1,438,304	835,109
Insurance proceeds	-	-	-	-	-	-
Total Revenues	149,377,584	162,579,108	25,626,215	24,372,435	175,003,799	186,951,543
Expenses:						
General government	$ 19,011,842	$ 17,930,296	$ -	$ -	$ 19,011,842	$ 17,930,296
Public safety	32,630,297	30,016,614	-	-	32,630,297	30,016,614
Transportation and environment	10,592,741	8,038,769	-	-	10,592,741	8,038,769
Community services	8,429,661	8,154,700	-	-	8,429,661	8,154,700
Education	74,287,377	64,959,302	-	-	74,287,377	64,959,302
Interest and fiscal charges	1,951,589	2,196,302	-	17,618	1,951,589	2,213,920
Utilities	-	-	9,309,921	9,320,179	9,309,921	9,320,179
Athletic club	-	-	3,760,250	3,872,845	3,760,250	3,872,845
Sanitation	-	-	5,179,380	5,517,932	5,179,380	5,517,932
Great Hall	-	-	507,529	506,338	507,529	506,338
Stormwater	-	-	1,188,126	1,312,398	1,188,126	1,312,398
Total Expenses	146,903,507	131,295,983	19,945,206	20,547,310	166,848,713	151,843,293
Increase/(Decrease) in net position before transfers	2,474,077	31,283,125	5,681,009	3,825,125	8,155,086	35,108,250
Gain on disposal of capital assets	163,812	275,892	-	-	163,812	275,892
Transfers	372,866	279,267	(372,866)	(279,267)	-	-
Increase/(Decrease) in net position	3,010,755	31,838,284	5,308,143	3,545,858	8,318,898	35,384,142
Net position, June 30, 2022	270,215,867	238,377,583	77,380,700	73,834,842	347,596,567	312,212,425
Net position, June 30, 2023	$ 273,226,622	$ 270,215,867	$ 82,688,843	$ 77,380,700	$ 355,915,465	$ 347,596,567

Governmental activities. Governmental activities increased the City's net position by $3,010,755 from the prior fiscal year for an ending balance of $273,226,622. Key elements of this increase are as follows:

- Property Taxes increased to $52,602,547 which is $912,254 more than FY22. The main reason for the increase is due to higher reappraisals and new construction. Total governmental activities expenses increased by $15,511,374 from FY22. The largest increase is in education expenses.

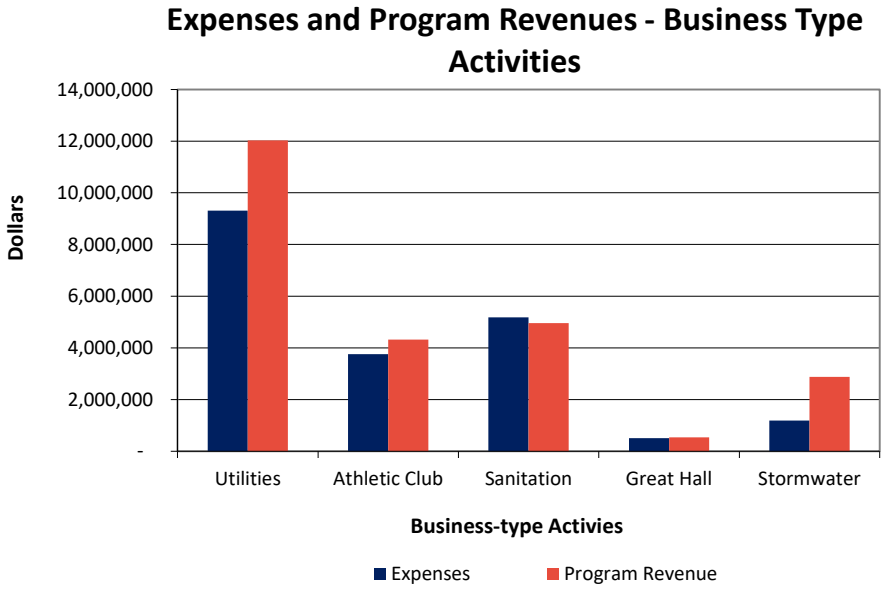


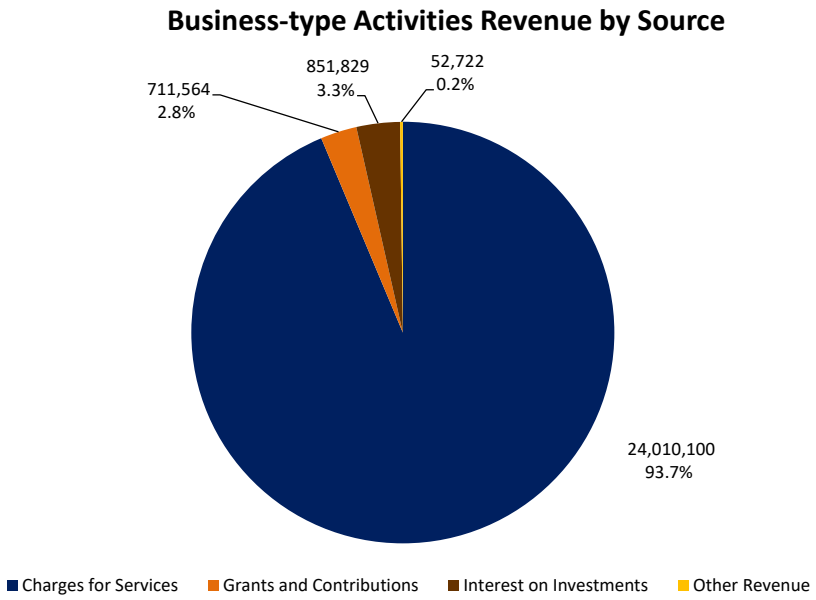
Governmental Revenues by Source



Business-type activities. Business-type activities increased the City's net position by $5,308,143. The business- type activities are Utility, Athletic Club, and the Nonmajor Enterprise Funds.

- The Germantown Utility Fund increased by $2,911,711, with operating income of $2,111,570 covering the cost of operations.
- The Germantown Athletic Club's net position increased by $640,667 as the current year saw a $559,500 operating income due to an increase in membership and class revenues.
- The Nonmajor Enterprise Funds' overall net position increased by $1,757,278. The Great Hall had an increase in net position of $113,437 due to increased rental revenue. The Sanitation Fund had a decrease in net position by $161,008 reflecting increased operating cost related to storm debris removal. The Stormwater Fund had an increase in net position of $1,804,849 due to a rate increase.





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, 2023, the City's governmental funds reported combined ending fund balances of $101,252,535, an increase of $4,122,622 in comparison with the prior year. Most of the increase was due to interest on investments, which increased $2,750,915 in the governmental funds. Approximately 27% of this total amount, or $27,187,599, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is made up of $958,229 nonspendable, $6,154,157 restricted, $54,158,415 committed and $12,794,135 assigned. The General Fund is the chief operating fund of the City.

At June 30, 2023, unassigned fund balance of the General Fund was $27,187,599 while the total fund balance reached $52,126,850. 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 49.0% of total General Fund expenditures while total fund balance represents 94% of that same amount.

The fund balance of the City's General Fund increased by $8,278,163 during the fiscal year ended June 30, 2023. Key factors are as follows:

- Total revenues increased $3,656,809
- Property tax increased $1,089,899
- Local sales tax increased $922,726
- Intergovernmental tax increased $180,828
- Fines and Forfeitures increased $897,481
- Fees for services increased $47,210
- Investment income increased $2,031,886
- Other revenue increased $437,411

Property tax increased over the past year by $1,089,899. This was due to higher reappraisals and new construction. Local sales tax increased by $922,726. This was due to the strong economic conditions and growth. Intergovernmental tax increased by $180,828 due to an increase in all areas with the exception of the petroleum special tax. Fines and Forfeitures increased by $897,481 due to an increase in city court costs. Fees for services increased by $47,210 due to an increase in all areas except telecom fees and zoning application fees. Investment income increased by $2,031,886. This was due to interest rates increasing throughout the year and interest income recognized from long-term leases. Other revenue increased by $437,411 due to in part to an increase in uninsured recovery loss and rental revenue.

Total expenditures increased by $1,311,145. The increase in total general fund expenses is mainly attributed to general government and park maintenance. Public Safety and debt service had a nominal impact on expenditures compared to last fiscal year. Transportation and environment decreased due an increase in vacant positions.
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School General Purpose Fund. As of June 30, 2023, GMSD reported an ending fund balance of $24,286,814, a decrease of $2,633,549 in comparison with the prior year. Revenues and other financing sources totaled $66,658,494 and expenditures and other financing uses totaled $69,292,043.

Revenues. 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, 2023, the weighted full-time equivalency of average daily attendance percentage was 4.31%, an increase from 4.27% in 2022.

Total revenues and other financing sources increased $3,176,208. Factors contributing to the increased amount include:

- Wheel tax revenues increased by $627,532.
- Local option sales tax revenues increased by $556,988.
- Interest income increased by $725,029.
- BEP revenues increased by $673,682.
- Transfers from the City of Germantown increased by $659,052.

Expenses. Total expenditures and other financing uses increased by $10,886,956. Factors contributing to the increased expenses include:

- Regular Education instructional salaries increased by $1,078,272 and related benefits increased $461,647.
- Regular Education Support salaries increased by $170,117 and related benefits increased $50,304.
- Substitute costs increased by $292,804.
- Regular Education instructional materials and supplies increased by $1,272,963.
- Special Education salaries increased by $375,570 and related benefits increased $79,469.
- Special Education Support salaries increased by $236,431 and related benefits increased $53,130.
- Office of the Principal salaries increased by $457,615 and related benefits increased $63,097.
- Guidance salaries increased by $246,803 and related benefits increased $31,898.
- Health services expenditures for employee health and wellness clinic increased by $175,071.
- Janitorial services and utilities increased by $277,134.
- Architectural services and other capital outlay costs increased by $578,252.
- Building construction and improvement costs increased by $4,302,947.
- Contracted transportation costs increased by $229,321.

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 $19,950,651 is comprised of $13,327,722 for the Utility Fund, $1,889,753 for the Athletic Club Fund, and $4,733,176 for the nonmajor enterprise funds. Nonmajor funds include Sanitation $737,932, Great Hall $704,966, and Stormwater $3,290,278. User fees support these funds.

General Fund Budgetary Highlights

The General Fund revenues were higher than budget by $7,228,256. Property tax came in higher than budget by $1,059,278. This was due to new properties being added to the tax rolls. Local sales tax came in higher than budget by $2,429,576 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 $660,071. This was due to higher than projected state sales tax. License and permits are $28,154 less than budget due to less than budgeted automobile registrations. Charges for services higher than budget by $101,561 due to increased fire inspections and rental income. Fines, forfeitures, and penalties higher than budget by $976,867 due to City court. Interest on investments was higher than budget by $2,202,540 due to higher interest rates than predicted during the fiscal year.

General Fund expenditures were lower than budget by $3,264,218. 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 $1,753,932 and Public Safety in the amount of $1,128,702.

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, 2023 amounts to $323,938,721 (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 $10,590,318. Governmental activities increased $9,436,184 or 3.78% and business activities increased $1,154,134 or 1.82%.

Condensed Statement of Capital Assets, Net of Depreciation

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	$ 21,976,922	$ 21,976,922	$ 2,772,593	$ 2,772,593	$ 24,749,515	$ 24,749,515
Buildings and improvements	110,541,547	113,753,362	25,317,658	26,401,408	135,859,205	140,154,770
Improvements other than buildings	51,894,578	46,225,840	30,427,796	30,919,627	82,322,374	77,145,467
Machinery and equipment	12,234,632	13,630,288	2,475,802	2,766,289	14,710,434	16,396,577
Vehicles	4,219,807	4,162,228	-	-	4,219,807	4,162,228
Infrastructure	28,970,658	30,807,939	-	-	28,970,658	30,807,939
Right-of-use subscription	1,185,542	-	-	-	1,185,542	-
Right-of-use equipment	-	-	-	223,630	-	223,630
Construction in progress	28,372,264	19,403,187	3,548,922	305,090	31,921,186	19,708,277
Total capital assets, net	$ 259,395,950	$ 249,959,766	$ 64,542,771	$ 63,388,637	$ 323,938,721	$ 313,348,403

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

Long-term debt. At June 30, 2023 the City had total bonded debt outstanding of $51,705,000 which is backed by the full faith and credit of the government. The total other debt outstanding was $7,494,140.

Condensed Statement of Outstanding Debt, net of premiums and discounts

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
General obligation bonds	$ 51,705,000	$ 53,840,000	$ 1,720,000	$ 1,785,000	$ 53,425,000	$ 55,625,000
Other debt	7,494,140	3,478,294	-	-	7,494,140	3,478,294
Leases	-	-	-	226,980	-	226,980
Total debt, net	$ 59,199,140	$ 57,318,294	$ 1,720,000	$ 2,011,980	$ 60,919,140	$ 59,330,274

During FY23, the City's total debt increased by $5 million due to note payable issued to purchase two schools owned by Memphis Shelby County Schools that reside with the Germantown School District. Total debt includes general obligation bonds and capital outlay note. Total debt for governmental activities increased by 3.3%. 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 capital income; and (4) per capital debt may not exceed 4% of per capita income. The City's full faith, credit and taxing power are pledged to the repayment of all general obligation bond principal and interest and the City is contingently liable for the repayment of revenue bond principal and interest.

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

Economic Factors and Next Year's Budgets

Factors considered in preparing the City's Budget for the 2024 fiscal year are further discussed in the Budget document and include:

- The development of the FY24 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 FY24 was set at $1.8382. The FY24 budget anticipates approximately $38.9 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 81% of the funding, or approximately $16 million. With the possibility of a recession, a buffer in local sales tax was budgeted for the potential of lower collections.
- 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 FY24.

Factors considered in preparing GMSD's Budget for the 2024 fiscal year are further discussed in the Budget document and include:

FUNDING SOURCES

- 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 are given to education and are distributed in the same manner as property taxes. The district's allocated share was 4.31 percent in 2023. Assuming no major change in economic conditions, any adjustment in County funds should be minimal for 2024.
- In 2023, the Tennessee Department of Education moved to a new funding formula, known as the Tennessee Investment in Student Achievement (TISA). TISA replaced the Basic Education Plan (BEP) and funds are projected to increase for the 2024 fiscal year to $35.5 million, up $4.4 million from 2023.

CAPITAL PROJECTS

- GMSD has created and updated 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 2024 fiscal year budget includes costs for security upgrades and other projects. The plan was built on enrollment data, growth projections and facility conditions.

GMSD has a total approved operating budget of $70,382,026 in expenditures for the 2024 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, 2023, FY24 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 **Exhibit A-1**

STATEMENT OF NET POSITION

June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activity	Total	GPAC
ASSETS				
Cash and cash equivalents	$ 106,381,608	$ 23,115,070	$ 129,496,678	$ 876,856
Investments	-	-	-	444,627
Receivables				
Taxes	38,092,131	-	38,092,131	-
Accounts receivable	1,685,490	1,977,355	3,662,845	13,305
Leases	4,684,890	-	4,684,890	-
Interest	94,466	-	94,466	-
Other	1,004,685	522,220	1,526,905	799,837
Less allowance for doubtful accounts	(1,600,788)	(212,405)	(1,813,193)	-
Due from other governments	9,711,261	-	9,711,261	-
Internal balances	(278,174)	278,174	-	-
Inventories	250,534	45,332	295,866	2,403
Prepaid items	483,200	69,107	552,307	29,445
Restricted cash and cash equivalents	4,077,899	965,808	5,043,707	-
Restricted investments	1,217,260	-	1,217,260	-
Net pension asset	8,395,900	-	8,395,900	-
Capital assets, not being depreciated	50,349,186	6,321,515	56,670,701	-
Capital assets, being depreciated, net	209,046,764	58,221,256	267,268,020	507,696
Total assets	433,596,312	91,303,432	524,899,744	2,674,169
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	27,551,709	1,587,793	29,139,502	-
Related to OPEB	8,073,709	641,254	8,714,963	-
Total deferred outflows of resources	35,625,418	2,229,047	37,854,465	-
LIABILITIES				
Accounts payable and accrued liabilities	6,413,319	1,549,216	7,962,535	81,912
Accrued interest payable	583,857	5,279	589,136	-
Accrued payroll	4,228,228	83,610	4,311,838	-
Customer deposits	25,242	965,808	991,050	-
Unearned revenue	4,207,104	666,157	4,873,261	176,691
Noncurrent liabilities:				
Due within one year	4,048,536	85,309	4,133,845	-
Due in more than one year				
Other liabilities	67,514,074	2,116,604	69,630,678	-
Net pension liability	47,870,969	4,281,137	52,152,106	-
Net OPEB liability	11,656,224	749,305	12,405,529	-
Total liabilities	146,547,553	10,502,425	157,049,978	258,603
DEFERRED INFLOWS OF RESOURCES				
Current property taxes assessed for subsequent period	37,150,933	-	37,150,933	-
Leases	4,590,041	-	4,590,041	-
Related to pension	2,693,592	86,614	2,780,206	-
Related to OPEB	4,958,379	254,597	5,212,976	-
Deferred gain on refunding	54,610	-	54,610	-
Total deferred inflows of resources	49,447,555	341,211	49,788,766	-
NET POSITION				
Net investment in capital assets	194,818,235	62,520,793	257,339,028	507,696
Restricted for:				
Net pension asset	8,395,900	-	8,395,900	-
Stabilization reserve trust	1,217,260	-	1,217,260	-
Drug enforcement	574,178	-	574,178	-
Federal asset forfeiture	79,731	-	79,731	-
Education	2,786,989	-	2,786,989	-
Library endowment - nonexpendable	253,270	-	253,270	-
Unrestricted	65,101,059	20,168,050	85,269,109	1,907,870
Total net position	$ 273,226,622	$ 82,688,843	$ 355,915,465	$ 2,415,566

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

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Exhibit A-2

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total	Component Unit GPAC
Primary government:								
Governmental Activities:								
General government	$ 19,011,842	$ 3,955,224	$ 26,800	$ 3,679,902	$ (11,349,916)	$ -	$ (11,349,916)	$ -
Public safety	32,630,297	158,111	175,723	-	(32,296,463)	-	(32,296,463)	-
Transportation and environment	10,592,741	1,755,281	1,435,885	1,399,813	(6,001,762)	-	(6,001,762)	-
Community services	8,429,661	1,187,708	-	20,219	(7,221,734)	-	(7,221,734)	-
Education	74,287,377	1,577,403	40,038,971	1,001,151	(31,669,852)	-	(31,669,852)	-
Interest on long-term debt	1,951,589	-	-	-	(1,951,589)	-	(1,951,589)	-
Total governmental activities	146,903,507	8,633,727	41,677,379	6,101,085	(90,491,316)	-	(90,491,316)	-
Business-type activity:								
Utilities	9,309,921	11,317,813	-	711,564	-	2,719,456	2,719,456	-
Athletic club	3,760,250	4,316,472	-	-	-	556,222	556,222	-
Sanitation	5,179,380	4,958,665	-	-	-	(220,715)	(220,715)	-
Great Hall	507,529	540,901	-	-	-	33,372	33,372	-
Stormwater	1,188,126	2,876,249	-	-	-	1,688,123	1,688,123	-
Total business-type activities	19,945,206	24,010,100	-	711,564	-	4,776,458	4,776,458	-
Total primary government	$ 166,848,713	$ 32,643,827	$ 41,677,379	$ 6,812,649	(90,491,316)	4,776,458	(85,714,858)	-
Component Unit:								
GPAC	$ 3,578,199	$ 1,251,602	$ 2,522,550	$ -	-	-	-	195,953
		General revenues:						
		Property taxes			52,602,547	-	52,602,547	-
		Local option sales tax			26,479,285	-	26,479,285	-
		Other taxes						
		Wholesale liquor and beer taxes			1,373,616	-	1,373,616	-
		Local gross receipts tax			908,235	-	908,235	-
		Business, cable tv, and hotel-motel taxes			1,400,911	-	1,400,911	-
		Intergovernmental revenues:						
		State sales tax			4,980,227	-	4,980,227	-
		State income tax			168,880	-	168,880	-
		Other state revenue			429,964	-	429,964	-
		Other revenue			1,385,582	52,722	1,438,304	28,377
		Return on investments			3,236,146	851,829	4,087,975	64,542
		Gain on sale of capital assets			163,812	-	163,812	-
		Transfers			372,866	(372,866)	-	-
		Total general revenues and transfers			93,502,071	531,685	94,033,756	92,919
		Change in net position			3,010,755	5,308,143	8,318,898	288,872
		Net position - beginning			270,215,867	77,380,700	347,596,567	2,126,694
		Net position - ending			$ 273,226,622	$ 82,688,843	$ 355,915,465	$ 2,415,566

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

CITY OF GERMANTOWN, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

Exhibit A-3

	General Fund	School General Purpose Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 52,003,352	$ 23,699,787	$ 24,119,434	$ 99,822,573
Receivables				
Taxes	38,092,131	-	-	38,092,131
Customer	1,653,592	-	31,898	1,685,490
Leases	4,684,890	-	-	4,684,890
Interest	94,466	-	-	94,466
Other	333,204	89,068	154,066	576,338
Less allowance for doubtful accounts	(1,572,080)	-	(28,708)	(1,600,788)
Due from other governments	3,927,918	4,737,693	1,045,650	9,711,261
Due from other funds	308,832	538,902	792,599	1,640,333
Inventory	101,721	-	28,459	130,180
Prepaid Items	441,786	15,818	25,596	483,200
Restricted cash and cash equivalents	61,805	-	4,016,094	4,077,899
Restricted investments	-	1,217,260	-	1,217,260
Total assets	$ 100,131,617	$ 30,298,528	$ 30,185,088	$ 160,615,233
LIABILITIES				
Accounts payable and accrued liabilities	$ 1,276,793	$ 1,270,224	$ 2,499,031	$ 5,046,048
Accrued payroll	942,042	3,124,668	148,816	4,215,526
Customer deposits	-	-	25,242	25,242
Due to other funds	989,769	-	711,339	1,701,108
Unearned revenue	2,251,448	69,714	1,885,942	4,207,104
Total liabilities	5,460,052	4,464,606	5,270,370	15,195,028
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue				
Taxes	37,717,533	1,547,108	-	39,264,641
Leases	4,590,041	-	-	4,590,041
Grants	126,401	-	72,911	199,312
Other	110,740	-	2,936	113,676
Total deferred inflows of resources	42,544,715	1,547,108	75,847	44,167,670
FUND BALANCES				
Nonspendable	638,356	15,818	304,055	958,229
Restricted	-	1,217,260	4,936,897	6,154,157
Committed	21,022,831	23,053,736	10,081,848	54,158,415
Assigned	3,278,064	-	9,516,071	12,794,135
Unassigned	27,187,599	-	-	27,187,599
Total fund balances	52,126,850	24,286,814	24,838,871	101,252,535
Total liabilities, deferred inflows of resources and fund balances	$ 100,131,617	$ 30,298,528	$ 30,185,088	$ 160,615,233

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, 2023

Total fund balances, governmental funds		$ 101,252,535
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.		259,395,950
(2) Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned or unavailable in the funds.		2,426,696
(3) Long-term debt is not due and payable in the current period and, therefore is not reported in the funds.		
Less: bonds payable	$ (51,705,000)	
Less: capital outlay note	(1,928,000)	
Less: other debt obligations	(6,066,358)	
Less: subscription liability	(1,008,128)	
Less: unamortized premiums and discounts on debt	(6,306,460)	
Less: deferred gain on refunding	(54,610)	(67,068,556)
(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	(583,857)	
Less: compensated absences payable	(4,548,664)	(5,132,521)
(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	8,395,900	
Less: net pension liability	(47,870,969)	
Less: net OPEB liability	(11,656,224)	(51,131,293)
(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	27,551,709	
Less: deferred inflows of resources related to pensions	(2,693,592)	
Add: deferred outflows of resources related to OPEB	8,073,709	
Less: deferred inflows of resources related to OPEB	(4,958,379)	27,973,447
(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.		5,510,364
Net position of governmental activities		$ 273,226,622

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, 2023

	General Fund	School General Purpose Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 35,528,278	$ 17,176,606	$ -	$ 52,704,884
Local sales taxes	19,906,076	12,008,740	-	31,914,816
Intergovernmental				
State sales, income, and other tax	5,579,071	31,470,890	1,001,151	38,051,112
State gas tax	-	-	1,435,885	1,435,885
Licenses and permits	1,385,046	-	-	1,385,046
Charges for services	1,311,361	192,557	3,843,035	5,346,953
Fines, forfeitures, and penalties	1,770,867	-	119,486	1,890,353
Federal, state, and local grants	4,077,069	789,844	6,637,322	11,504,235
Interest on investments	2,252,540	759,331	224,275	3,236,146
Contributions	-	-	3,679,902	3,679,902
Other	1,027,740	285,309	72,533	1,385,582
Total revenues	72,838,048	62,683,277	17,013,589	152,534,914
EXPENDITURES				
Current				
General government	17,353,174	-	85,158	17,438,332
Public safety	25,501,234	-	2,625,805	28,127,039
Transportation and environment	4,429,939	-	4,546,433	8,976,372
Community services	3,211,136	-	682,333	3,893,469
Education	-	60,759,218	10,655,942	71,415,160
Debt Service				
Principal	2,616,977	357,420	-	2,974,397
Interest	2,341,227	-	-	2,341,227
Capital Outlays	-	7,647,210	11,971,966	19,619,176
Total expenditures	55,453,687	68,763,848	30,567,637	154,785,172
Excess (deficiency) of revenues over (under) expenditures	17,384,361	(6,080,571)	(13,554,048)	(2,250,258)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	5,000,000	5,000,000
Discount on debt issuance	-	-	(431,972)	(431,972)
Issuance of subscription arrangement	1,249,105	-	-	1,249,105
Proceeds from sale of capital assets	18,207	164,674	-	182,881
Transfers in	951,061	3,810,543	10,934,640	15,696,244
Transfers out	(11,324,571)	(528,195)	(3,470,612)	(15,323,378)
Total other financing sources (uses)	(9,106,198)	3,447,022	12,032,056	6,372,880
Net change in fund balances	8,278,163	(2,633,549)	(1,521,992)	4,122,622
Fund balances - beginning	43,848,687	26,920,363	26,360,863	97,129,913
Fund balances - ending	$ 52,126,850	$ 24,286,814	$ 24,838,871	$ 101,252,535

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, 2023

Net change in fund balance - total governmental funds		$ 4,122,622
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	$ 24,169,483	
Depreciation expense	(14,729,455)	9,440,028
(2) Gain (losses) from the disposition of capital assets are reported net of any remaining net book value in the statement of activities.		(3,844)
(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	(127,169)	
Sales and income taxes	(53,547)	
Grant revenue	(4,003,638)	
Other revenue	11,375	(4,172,979)
(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	2,731,453	
Add: principal payments on subscription liability	240,977	
Less: issuance of debt	(5,000,000)	
Less: issuance of subscription liability	(1,249,105)	(3,276,675)
(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	778,017	
Amortization of deferred amount on refunding debt	6,345	
Change in accrued interest payable	39,215	
Change in compensated absences	(281,872)	541,705
(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	(3,530,987)	
Difference between actual contributions and OPEB expense	(454,379)	(3,985,366)
(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.		345,264
Change in net position of governmental activities		$ 3,010,755

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

CITY OF GERMANTOWN, TENNESSEE

Exhibit A-7

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

GENERAL FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
PROPERTY TAXES				
Real property taxes	$ 32,750,000	$ 32,750,000	$ 33,649,978	$ 899,978
Personalty property taxes	850,000	850,000	854,493	4,493
Property tax interest and penalties	125,000	125,000	168,337	43,337
Receipts in lieu of taxes - TVA	434,000	434,000	496,957	62,957
Receipts in lieu of taxes - MLGW	310,000	310,000	358,513	48,513
Total property taxes	34,469,000	34,469,000	35,528,278	1,059,278
LOCAL TAXES				
Local sales tax	14,021,500	14,021,500	16,144,935	2,123,435
Wholesale beer and liquor tax	1,400,000	1,400,000	1,373,616	(26,384)
Gross receipts tax	680,000	680,000	908,235	228,235
Room occupancy tax	1,375,000	1,375,000	1,479,290	104,290
Total local taxes	17,476,500	17,476,500	19,906,076	2,429,576
INTERGOVERNMENTAL				
State of Tennessee shared taxes				
State sales tax	4,588,000	4,588,000	4,980,227	392,227
Income tax	-	-	168,880	168,880
Beer and liquor tax	199,400	199,400	280,547	81,147
Other tax	50,000	50,000	73,690	23,690
Petroleum special tax	75,600	75,600	75,727	127
Total state shared taxes	4,913,000	4,913,000	5,579,071	666,071
LICENSES AND PERMITS				
Automobile registration	1,240,000	1,240,000	1,222,687	(17,313)
Building and related permits	66,700	66,700	57,588	(9,112)
Animal licenses	75,500	75,500	74,031	(1,469)
Beer and liquor licenses	31,000	31,000	30,740	(260)
Total licenses and permits	1,413,200	1,413,200	1,385,046	(28,154)
CHARGES FOR SERVICES				
Engineering fees	38,000	38,000	47,802	9,802
Zoning application fees	45,000	45,000	55,699	10,699
Cable TV and telecom fees	680,000	680,000	686,436	6,436
Fire inspection fees	24,800	24,800	38,625	13,825
Parks and recreation charges	27,000	27,000	36,120	9,120
Rental income	350,000	350,000	396,588	46,588
Library fees	45,000	45,000	50,091	5,091
Total charge for services	1,209,800	1,209,800	1,311,361	101,561
FINES, FORFEITURES, AND PENALTIES				
City court costs	790,000	790,000	1,768,866	978,866
Animal impoundment fees	4,000	4,000	2,001	(1,999)
	794,000	794,000	1,770,867	976,867

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

CITY OF GERMANTOWN, TENNESSEE

Exhibit A-7

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

GENERAL FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
FEDERAL, STATE, AND LOCAL GRANTS	$ 4,819,292	$ 4,819,292	$ 4,077,069	$ (742,223)
INTEREST ON INVESTMENTS	50,000	50,000	2,252,540	2,202,540
OTHER	465,000	465,000	1,027,740	562,740
Total revenues	65,609,792	65,609,792	72,838,048	7,228,256
EXPENDITURES				
GENERAL GOVERNMENT				
Aldermen				
Salaries	60,000	60,227	60,226	1
Benefits	44,766	46,932	46,055	877
Contractual services	58,450	58,450	58,300	150
Materials and supplies	30,311	29,334	28,008	1,326
Other charges	13,680	13,680	12,831	849
	207,207	208,623	205,420	3,203
City Court				
Salaries	664,574	657,513	643,332	14,181
Benefits	236,219	232,492	199,582	32,910
Contractual services	17,500	25,288	23,935	1,353
Materials and supplies	5,000	5,000	4,686	314
Other charges	32,950	35,950	26,387	9,563
Expense reimbursement	3,879	3,879	3,739	140
	960,122	960,122	901,661	58,461
Administration				
Salaries	893,754	943,217	914,396	28,821
Benefits	342,354	351,019	308,207	42,812
Contractual services	476,250	398,036	329,331	68,705
Materials and supplies	25,900	71,710	49,640	22,070
Other charges	207,023	215,436	178,643	36,793
Expense reimbursement	(27,877)	(27,043)	(28,938)	1,895
	1,917,404	1,952,375	1,751,279	201,096
Human Resources				
Salaries	373,625	375,427	368,178	7,249
Benefits	156,865	149,312	108,337	40,975
Contractual services	71,500	88,826	60,145	28,681
Materials and supplies	2,700	3,467	3,172	295
Other charges	59,145	55,757	42,372	13,385
Expense reimbursement	(38,527)	(38,527)	(38,714)	187
	625,308	634,262	543,490	90,772

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CITY OF GERMANTOWN, TENNESSEE

Exhibit A-7

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

GENERAL FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Finance				
Salaries	$ 831,276	$ 836,564	$ 825,795	$ 10,769
Benefits	367,302	367,302	332,667	34,635
Contractual services	401,000	342,959	243,013	99,946
Materials and supplies	44,500	50,082	45,326	4,756
Other charges	38,640	38,640	28,044	10,596
Capital outlay	30,000	30,000	-	30,000
Expense reimbursement	(143,748)	(143,748)	(144,774)	1,026
	1,568,970	1,521,799	1,330,071	191,728
Information Technology				
Salaries	588,642	593,866	581,448	12,418
Benefits	238,782	239,190	211,520	27,670
Contractual services	257,460	257,460	213,495	43,965
Materials and supplies	1,451,575	2,529,806	2,467,498	62,308
Other charges	206,750	206,557	111,185	95,372
Capital outlay	265,000	283,127	266,028	17,099
Expense reimbursement	(129,303)	(129,303)	(129,447)	144
	2,878,906	3,980,703	3,721,727	258,976
Facility Services				
Salaries	981,676	918,777	911,494	7,283
Benefits	455,100	458,108	407,985	50,123
Contractual services	12,000	10,469	3,000	7,469
Materials and supplies	810,750	992,083	976,134	15,949
Other charges	30,197	35,912	26,880	9,032
Capital outlay	90,000	152,336	151,786	550
Expense reimbursement	(24,575)	(24,575)	(32,994)	8,419
	2,355,148	2,543,110	2,444,285	98,825
Budget and Performance				
Salaries	261,773	261,773	220,897	40,876
Benefits	108,662	108,462	90,638	17,824
Materials and supplies	1,650	24,349	23,180	1,169
Other charges	42,730	27,708	22,572	5,136
Expense reimbursement	(22,494)	(22,494)	(22,519)	25
	392,321	399,798	334,768	65,030
Economic and Community Development				
Salaries	809,688	779,801	745,844	33,957
Benefits	297,866	301,427	240,975	60,452
Contractual services	322,499	254,498	191,875	62,623
Materials and supplies	32,400	38,861	25,108	13,753
Other charges	66,885	76,685	53,305	23,380
Capital outlay	-	46,800	41,900	4,900
Expense reimbursement	29,929	29,929	28,342	1,587
	1,559,267	1,528,001	1,327,349	200,652

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

CITY OF GERMANTOWN, TENNESSEE

Exhibit A-7

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

GENERAL FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
GPAC				
Salaries	$ 982,334	$ 985,966	$ 969,283	$ 16,683
Benefits	408,199	410,012	361,921	48,091
Materials and supplies	38,730	93,422	6,998	86,424
Other charges	171,350	169,771	139,223	30,548
Capital outlay	-	172,155	153,678	18,477
Expense reimbursement	34,230	34,230	27,357	6,873
	1,634,843	1,865,556	1,658,460	207,096
Civic Support				
Salaries	651,947	643,951	498,331	145,620
Benefits	267,788	275,784	255,974	19,810
Contractual services	6,000	6,000	-	6,000
Grants	665,395	678,903	584,457	94,446
	1,591,130	1,604,638	1,338,762	265,876
Procurement				
Salaries	430,537	425,140	423,029	2,111
Benefits	169,675	167,613	139,151	28,462
Contractual services	500	500	-	500
Materials and supplies	15,250	26,521	26,227	294
Other charges	23,710	26,798	24,415	2,383
Expense reimbursement	(59,750)	(59,750)	(59,907)	157
	579,922	586,822	552,915	33,907
Engineering				
Salaries	717,912	704,396	692,368	12,028
Benefits	284,538	281,334	261,357	19,977
Materials and supplies	131,044	223,543	222,840	703
Other charges	145,912	152,805	117,309	35,496
Capital outlay	38,400	16,609	8,104	8,505
Expense reimbursement	(57,390)	(57,390)	(58,991)	1,601
	1,260,416	1,321,297	1,242,987	78,310
Total general government	17,530,964	19,107,106	17,353,174	1,753,932
PUBLIC SAFETY				
Police Services				
Salaries	9,446,695	9,501,908	9,310,581	191,327
Benefits	4,189,518	4,226,826	3,885,100	341,726
Contractual services	192,500	192,500	189,701	2,799
Materials and supplies	668,750	752,648	708,490	44,158
Other charges	167,945	172,178	154,650	17,528
Capital outlay	696,250	608,460	601,159	7,301
Expense reimbursement	494,640	507,423	502,473	4,950
	15,856,298	15,961,943	15,352,154	609,789

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

CITY OF GERMANTOWN, TENNESSEE

Exhibit A-7

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

GENERAL FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Fire Services				
Salaries	$ 6,527,403	$ 6,545,300	$ 6,453,329	$ 91,971
Benefits	2,787,526	2,896,579	2,579,603	316,976
Contractual services	12,000	17,511	17,495	16
Materials and supplies	336,458	348,601	331,674	16,927
Other charges	192,823	193,544	174,273	19,271
Capital outlay	173,000	224,623	220,086	4,537
Expense reimbursement	441,835	441,835	372,620	69,215
	10,471,045	10,667,993	10,149,080	518,913
Total public safety	26,327,343	26,629,936	25,501,234	1,128,702
TRANSPORTATION AND ENVIRONMENT				
Public Services				
Salaries	1,976,854	1,923,505	1,733,966	189,539
Benefits	980,349	986,801	880,248	106,553
Materials and supplies	1,275,900	1,288,640	1,284,428	4,212
Other charges	49,793	52,429	42,428	10,001
Capital outlay	288,000	177,909	151,712	26,197
Expense reimbursement	(3,394)	27,095	25,449	1,646
	4,567,502	4,456,379	4,118,231	338,148
Animal Control				
Salaries	178,951	179,392	154,253	25,139
Benefits	80,165	80,165	64,836	15,329
Contractual services	7,200	7,200	7,200	-
Materials and supplies	68,180	68,180	57,229	10,951
Other charges	31,290	30,849	21,911	8,938
Expense reimbursement	7,799	7,799	6,279	1,520
	373,585	373,585	311,708	61,877
Total transportation and environment	4,941,087	4,829,964	4,429,939	400,025
COMMUNITY SERVICES				
Parks and Recreation				
Salaries	747,298	724,444	680,499	43,945
Benefits	237,577	274,121	218,167	55,954
Contractual services	110,000	100,580	75,599	24,981
Materials and supplies	50,450	111,811	107,666	4,145
Other charges	466,200	433,645	378,182	55,463
Capital outlay	15,000	44,203	43,670	533
Expense reimbursement	52,148	62,567	61,511	1,056
	1,678,673	1,751,371	1,565,294	186,077

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

CITY OF GERMANTOWN, TENNESSEE

Exhibit A-7

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

GENERAL FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Cultural Arts Program				
Contractual services	$ 13,925	$ 14,374	$ 7,528	$ 6,846
Materials and supplies	29,500	32,471	29,861	2,610
Other charges	34,500	34,580	33,580	1,000
	77,925	81,425	70,969	10,456
Genealogical Library				
Benefits	200	200	174	26
Contractual services	39,900	46,401	43,400	3,001
Materials and supplies	2,000	2,000	863	1,137
Other charges	22,356	22,356	19,841	2,515
Expense reimbursement	1,998	1,998	1,926	72
	66,454	72,955	66,204	6,751
Library				
Benefits	1,500	2,868	2,220	648
Contractual services	1,345,772	1,336,905	1,331,801	5,104
Materials and supplies	33,350	38,094	28,073	10,021
Other charges	137,994	145,194	117,107	28,087
Expense reimbursement	30,570	30,570	29,468	1,102
	1,549,186	1,553,631	1,508,669	44,962
Total community services	3,372,238	3,459,382	3,211,136	248,246
DEBT SERVICE				
Principal	2,376,000	2,376,000	2,616,977	(240,977)
Interest	2,315,246	2,315,517	2,341,227	(25,710)
Total debt service	4,691,246	4,691,517	4,958,204	(266,687)
Total expenditures	56,862,878	58,717,905	55,453,687	3,264,218
Excess of revenues over expenditures	8,746,914	6,891,887	17,384,361	10,492,474
OTHER FINANCING SOURCES (USES)				
Issuance of subscription arrangement	-	-	1,249,105	1,249,105
Proceeds from sale of capital assets	(9,000)	(9,000)	18,207	27,207
Transfers in	957,462	957,462	951,061	(6,401)
Transfers out	(13,861,356)	(12,168,502)	(11,324,571)	843,931
Total other financing uses	(12,912,894)	(11,220,040)	(9,106,198)	2,113,842
Net change in fund balances	$ (4,165,980)	$ (4,328,153)	8,278,163	$ 12,606,316
Fund balances - beginning			43,848,687	
Fund balances - ending			$ 52,126,850	

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

CITY OF GERMANTOWN, TENNESSEE **Exhibit A-8**

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

SCHOOL GENERAL PURPOSE FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
PROPERTY TAXES				
Property tax	$ 16,708,846	$ 16,708,846	$ 16,882,493	$ 173,647
Receipts in lieu of tax	279,094	279,094	294,113	15,019
Total property taxes	16,987,940	16,987,940	17,176,606	188,666
LOCAL TAXES				
Local sales tax	9,000,000	9,165,224	10,334,350	1,169,126
Wheel tax	1,477,882	1,477,882	1,674,390	196,508
Total local taxes	10,477,882	10,643,106	12,008,740	1,365,634
INTERGOVERNMENTAL				
Mixed drink taxes	204,000	204,000	261,675	57,675
Basic Education Program	31,086,000	31,086,000	31,141,673	55,673
Career Ladder Program	90,206	90,206	67,542	(22,664)
Total intergovernmental	31,380,206	31,380,206	31,470,890	90,684
CHARGES FOR SERVICES	347,765	347,765	192,557	(155,208)
FEDERAL, STATE, AND LOCAL GRANTS	232,441	860,733	789,844	(70,889)
OTHER	157,000	148,000	285,309	137,309
INTEREST ON INVESTMENTS	10,000	45,000	759,331	714,331
Total Revenues	59,593,234	60,412,750	62,683,277	2,270,527
EXPENDITURES				
EDUCATION				
Regular Instruction				
Salaries	22,089,996	21,975,944	21,882,905	93,039
Benefits	5,520,125	6,093,755	5,649,482	444,273
Contractual services	814,265	1,068,741	943,988	124,753
Materials and supplies	2,963,000	3,171,095	2,636,501	534,594
Other charges	54,634	49,634	34,260	15,374
	31,442,020	32,359,169	31,147,136	1,212,033
Alternative Education				
Salaries	317,858	317,858	315,812	2,046
Benefits	82,838	82,838	70,285	12,553
Materials and supplies	4,000	4,000	441	3,559
	404,696	404,696	386,538	18,158
Special Education				
Salaries	4,197,043	4,197,043	3,873,939	323,104
Benefits	1,095,732	1,095,732	996,113	99,619
Contractual services	59,900	59,900	57,493	2,407
Materials and supplies	27,300	27,300	24,495	2,805
	5,379,975	5,379,975	4,952,040	427,935

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

CITY OF GERMANTOWN, TENNESSEE

Exhibit A-8

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

SCHOOL GENERAL PURPOSE FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Technical Education				
Salaries	$ 1,024,223	$ 1,024,223	$ 939,298	$ 84,925
Benefits	298,158	298,158	247,623	50,535
Materials and supplies	47,000	52,548	30,764	21,784
Other charges	1,000	1,000	250	750
	1,370,381	1,375,929	1,217,935	157,994
Attendance and Planning				
Salaries	619,118	619,118	609,665	9,453
Benefits	157,724	155,724	122,766	32,958
Contractual services	1,000	3,000	1,207	1,793
Materials and supplies	12,000	3,759	1,320	2,439
Other charges	22,500	30,741	29,876	865
	812,342	812,342	764,834	47,508
Health Services				
Salaries	409,763	94,078	86,965	7,113
Benefits	134,112	29,364	23,399	5,965
Contractual services	1,000	429,600	176,071	253,529
Materials and supplies	27,424	27,924	23,245	4,679
Other charges	7,000	7,000	7,000	-
	579,299	587,966	316,680	271,286
Other Student Support				
Salaries	1,266,245	1,280,875	1,202,550	78,325
Benefits	322,330	324,445	277,897	46,548
Contractual services	30,000	30,000	11,525	18,475
Materials and supplies	10,900	45,545	37,114	8,431
Other charges	30,700	38,195	37,037	1,158
	1,660,175	1,719,060	1,566,123	152,937
Regular Instruction Support				
Salaries	1,894,698	1,871,698	1,835,191	36,507
Benefits	458,857	483,857	465,443	18,414
Contractual services	68,000	68,000	48,450	19,550
Materials and supplies	71,900	74,076	65,648	8,428
Other charges	55,000	84,203	62,185	22,018
	2,548,455	2,581,834	2,476,917	104,917
Special Education Support				
Salaries	1,591,410	1,597,910	1,561,168	36,742
Benefits	406,605	400,105	381,227	18,878
Contractual services	11,000	11,000	11,000	-
Materials and supplies	13,000	8,000	6,298	1,702
Other charges	22,000	27,000	25,186	1,814
	2,044,015	2,044,015	1,984,879	59,136
Technical Education Support				
Salaries	19,821	19,821	20,021	(200)
Benefits	5,938	5,688	5,370	318
Contractual services	-	250	226	24
Materials and supplies	1,953	1,953	1,344	609
Other charges	4,000	4,000	3,812	188
	31,712	31,712	30,773	939

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CITY OF GERMANTOWN, TENNESSEE

Exhibit A-8

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

SCHOOL GENERAL PURPOSE FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Technology				
Salaries	$ 747,845	$ 743,775	$ 711,839	$ 31,936
Benefits	229,524	229,524	181,169	48,355
Materials and supplies	636,600	726,355	634,906	91,449
Other charges	428,400	362,779	291,918	70,861
	2,042,369	2,062,433	1,819,832	242,601
Board of Education Services				
Salaries	21,500	21,500	21,500	-
Benefits	766,645	672,645	662,003	10,642
Contractual services	734,316	826,316	768,847	57,469
Materials and supplies	1,000	1,000	400	600
Insurance	181,048	181,048	158,747	22,301
Other charges	41,000	41,000	28,023	12,977
	1,745,509	1,743,509	1,639,520	103,989
Office of Superintendent				
Salaries	434,829	434,829	422,340	12,489
Benefits	113,033	113,033	107,382	5,651
Contractual Services	29,600	29,600	25,789	3,811
Materials and supplies	48,250	83,250	67,363	15,887
Other charges	46,700	46,700	26,292	20,408
	672,412	707,412	649,166	58,246
Office of Principal				
Salaries	3,304,456	3,317,035	3,250,779	66,256
Benefits	868,427	870,170	772,430	97,740
Contractual services	30,000	30,000	30,000	-
Materials and supplies	130,723	131,523	130,722	801
Other charges	42,777	42,777	40,767	2,010
	4,376,383	4,391,505	4,224,698	166,807
Fiscal Services				
Salaries	435,970	435,970	419,998	15,972
Benefits	124,334	110,834	97,067	13,767
Contractual services	4,000	4,000	760	3,240
Materials and supplies	84,500	84,500	66,213	18,287
Other charges	24,550	39,550	34,358	5,192
	673,354	674,854	618,396	56,458
Human Resources				
Salaries	422,626	422,626	373,474	49,152
Benefits	107,798	106,298	76,696	29,602
Contractual services	6,500	6,500	6,500	-
Materials and supplies	3,200	3,200	2,397	803
Other charges	58,835	58,835	56,268	2,567
	598,959	597,459	515,335	82,124

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CITY OF GERMANTOWN, TENNESSEE

Exhibit A-8

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

SCHOOL GENERAL PURPOSE FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operation of Plant				
Salaries	$ 356,287	$ 343,787	$ 343,490	$ 297
Benefits	116,469	116,469	98,587	17,882
Contractual services	150,000	184,480	184,480	-
Materials and supplies	5,000	2,129	2,119	10
Other charges	2,533,232	2,535,604	2,535,041	563
	3,160,988	3,182,469	3,163,717	18,752
Maintenance of Plant				
Salaries	535,580	535,580	524,800	10,780
Benefits	150,383	150,383	133,810	16,573
Contractual services	10,000	10,000	9,536	464
Materials and supplies	1,000	1,500	1,129	371
Other charges	875,000	879,584	858,273	21,311
	1,571,963	1,577,047	1,527,548	49,499
Transportation				
Contractual services	1,729,445	1,729,445	1,518,830	210,615
Other charges	225,000	225,000	187,044	37,956
	1,954,445	1,954,445	1,705,874	248,571
School Safety				
Materials and supplies	750	750	16	734
Other charges	35,944	35,944	33,349	2,595
	36,694	36,694	33,365	3,329
Cafeteria				
Salaries	-	10,400	8,556	1,844
Materials and supplies	-	16,000	9,356	6,644
	-	26,400	17,912	8,488
Total education	63,106,146	64,250,925	60,759,218	3,491,707
CAPITAL OUTLAY	7,600,000	8,567,067	7,647,210	919,857
DEBT SERVICE				
Principal	355,453	357,453	357,420	33
Total Expenditures	71,061,599	73,175,445	68,763,848	4,411,597
Deficiency of revenues under expenditures	(11,468,365)	(12,762,695)	(6,080,571)	6,682,124
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	75,000	75,000	164,674	89,674
Transfers in	3,152,068	3,152,068	3,810,543	658,475
Transfers out	(528,225)	(528,225)	(528,195)	30
Total other financing sources	2,698,843	2,698,843	3,447,022	748,179
Net change in fund balances	$ (8,769,522)	$ (10,063,852)	(2,633,549)	$ 7,430,303
Fund balances - beginning			26,920,363	
Fund balances - ending			$ 24,286,814	

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

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

Exhibit A-9

	Business-type Activities - Enterprise Funds				Governmental Activities
	Utility Fund	Athletic Club Fund	Nonmajor Enterprise Fund	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$ 14,489,392	$ 2,984,625	$ 5,641,053	$ 23,115,070	$ 6,559,035
Receivables					
Customers	1,469,037	26,924	481,394	1,977,355	-
Other	521,970	250	-	522,220	428,347
Less allowance for doubtful accounts	(75,582)	(19,447)	(117,376)	(212,405)	-
Due from other funds	61,194	22,343	17,285	100,822	-
Inventory	41,811	3,521	-	45,332	120,354
Prepaid expenses	67,793	1,314	-	69,107	-
Restricted cash and cash equivalents	847,455	-	118,353	965,808	-
Total current assets	17,423,070	3,019,530	6,140,709	26,583,309	7,107,736
Noncurrent assets:					
Net pension asset	-	-	-	-	-
Capital assets, not being depreciated	3,613,048	2,391,580	316,887	6,321,515	-
Capital assets, being depreciated, net	44,166,497	13,210,875	843,884	58,221,256	1,433,087
Total capital assets, net	47,779,545	15,602,455	1,160,771	64,542,771	1,433,087
Total assets	65,202,615	18,621,985	7,301,480	91,126,080	8,540,823
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension	1,068,460	197,196	322,137	1,587,793	-
Related to OPEB	382,045	183,721	75,488	641,254	-
Total deferred outflows of resources	1,450,505	380,917	397,625	2,229,047	-
LIABILITIES					
Current liabilities:					
Accounts payable	915,906	121,419	511,891	1,549,216	1,367,271
Accrued interest payable	5,279	-	-	5,279	-
Accrued payroll	25,356	40,426	17,828	83,610	12,702
Customer deposits	847,455	-	118,353	965,808	-
Unearned revenue	151,385	436,027	78,745	666,157	-
Due to other funds	-	-	40,047	40,047	-
Long-term debt, current	65,000	-	-	65,000	-
Accrued compensated absences, current	9,993	6,062	4,254	20,309	-
Total current liabilities	2,020,374	603,934	771,118	3,395,426	1,379,973
Noncurrent liabilities:					
Long-term debt, net of current portion, and premiums	1,956,978	-	-	1,956,978	-
Accrued compensated absences	81,596	53,926	24,104	159,626	-
Net pension liability	2,868,748	541,418	870,971	4,281,137	-
Net OPEB liability	446,420	214,678	88,207	749,305	-
Total noncurrent liabilities	5,353,742	810,022	983,282	7,147,046	-
Total liabilities	7,374,116	1,413,956	1,754,400	10,542,472	1,379,973
DEFERRED INFLOWS OF RESOURCES					
Related to pension	42,032	23,795	20,787	86,614	-
Related to OPEB	151,683	72,943	29,971	254,597	-
Total deferred inflows of resources	193,715	96,738	50,758	341,211	-
NET POSITION					
Net investment in capital assets	45,757,567	15,602,455	1,160,771	62,520,793	1,433,087
Unrestricted	13,327,722	1,889,753	4,733,176	19,950,651	5,727,763
Total net position	$ 59,085,289	$ 17,492,208	$ 5,893,947	82,471,444	$ 7,160,850
Adjustment to reflect the consolidation of internal service funds related to the enterprise funds				217,399	
Net position of the business-type activity				$ 82,688,843	

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

CITY OF GERMANTOWN, TENNESSEE **Exhibit A-10**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities
	Utility Fund	Athletic Club Fund	Nonmajor Enterprise Fund	Total	Internal Service Funds
Operating Revenues:					
Metered water sales	$ 6,394,021	$ -	$ -	$ 6,394,021	$ -
Sewer service fee	4,704,626	-	-	4,704,626	-
Service connections fees	133,983	-	-	133,983	-
Membership fees	-	3,525,607	-	3,525,607	-
Class fees	-	705,274	-	705,274	-
Daily admissions	-	6,195	-	6,195	-
Sanitation fees	-	-	4,926,169	4,926,169	-
Stormwater fees	-	-	2,876,249	2,876,249	-
Forfeited discounts	85,183	-	32,496	117,679	-
Rental income	-	79,396	540,901	620,297	-
Internal charges	-	-	-	-	14,233,634
Other	48,556	148	4,018	52,722	13,528
Total operating revenues	11,366,369	4,316,620	8,379,833	24,062,822	14,247,162
Operating Expenses:					
Salaries	1,075,909	1,369,620	732,391	3,177,920	506,876
Benefits	1,029,851	239,431	378,009	1,647,291	173,876
Contractual services	2,403,689	409,964	4,788,154	7,601,807	-
Utilities	723,807	366,885	42,961	1,133,653	19,334
Materials and supplies	583,684	359,189	609,889	1,552,762	483,481
Other service charges	106,287	15,902	141,176	263,365	278,160
Expense reimbursement	1,170,523	127,531	68,192	1,366,246	-
Insurance claims	-	-	-	-	12,409,953
Depreciation	2,161,049	868,598	114,263	3,143,910	64,766
Total operating expenses	9,254,799	3,757,120	6,875,035	19,886,954	13,936,446
Operating income (loss)	2,111,570	559,500	1,504,798	4,175,868	310,716
Nonoperating Revenues (Expenses):					
Interest	565,052	84,297	202,480	851,829	-
Bond interest and fiscal charges	(53,609)	-	-	(53,609)	-
Lease interest	-	(3,130)	-	(3,130)	-
Total non-operating expenses	511,443	81,167	202,480	795,090	-
Income (loss) before contributions and transfers	2,623,013	640,667	1,707,278	4,970,958	310,716
Capital contributions - development	711,564	-	-	711,564	-
Transfers in	-	-	50,000	50,000	-
Transfers out	(422,866)	-	-	(422,866)	-
Change in net position	2,911,711	640,667	1,757,278	5,309,656	310,716
Total net position - beginning	56,173,578	16,851,541	4,136,669	77,161,788	6,850,134
Total net position - ending	$ 59,085,289	$ 17,492,208	$ 5,893,947	$ 82,471,444	$ 7,160,850

Change in net position	$ 5,309,656
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(1,513)
Change in net position of the business-type activity	$ 5,308,143

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

CITY OF GERMANTOWN, TENNESSEE **Exhibit A-11**

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2023

	Business-type Activity - Enterprise Funds				Governmental Activities
	Utility Fund	Athletic Club Fund	Nonmajor Enterprise Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 11,526,081	$ 4,361,487	$ 8,441,531	$ 24,329,099	$ -
Receipts from interfund services provided	-	-	-	-	13,877,268
Payments to suppliers	(5,637,277)	(1,318,107)	(5,787,284)	(12,742,668)	(12,778,754)
Payments to employees	(1,558,291)	(1,709,659)	(1,063,973)	(4,331,923)	(704,786)
Other receipts (payments)	48,556	148	6,008	54,712	-
Net cash from (used for) operating activities	4,379,069	1,333,869	1,596,282	7,309,220	393,728
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES					
Increase (decrease) in due from other funds	(422,866)	-	-	(422,866)	-
Transfer from (to) other fund	-	-	50,000	50,000	-
Net cash from (used for) noncapital financing activities	(422,866)	-	50,000	(372,866)	-
CASH FLOW USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	711,564	-	-	711,564	-
Contributions from government agencies	1,100,000	-	-	1,100,000	-
Purchases of capital assets	(3,989,897)	(47,465)	(260,681)	(4,298,043)	(31,731)
Principal paid on long-term debt	(65,000)	(226,980)	-	(291,980)	-
Debt issuance costs	(64,975)	-	-	(64,975)	-
Interest receipt on long-term debt	-	(3,130)	-	(3,130)	-
Net cash from (used for) capital and related financing activities	(2,308,308)	(277,575)	(260,681)	(2,846,564)	(31,731)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	565,052	84,297	202,479	851,828	-
Net increase (decrease) in cash and cash equivalents	2,212,947	1,140,591	1,588,080	4,941,618	361,997
Cash and cash equivalents - beginning	13,123,900	1,844,034	4,171,326	19,139,260	6,197,038
Cash and cash equivalents - ending	$ 15,336,847	$ 2,984,625	$ 5,759,406	$ 24,080,878	$ 6,559,035
Classified as:					
Current assets	$ 14,489,392	$ 2,984,625	$ 5,641,053	$ 23,115,070	$ 6,559,035
Restricted assets	847,455	-	118,353	965,808	-
	$ 15,336,847	$ 2,984,625	$ 5,759,406	$ 24,080,878	$ 6,559,035
Reconciliation of operating income to net cash from operating activities:					
Operating income (loss)	$ 2,111,570	$ 559,500	$ 1,504,798	$ 4,175,868	$ 310,716
Adjustments to reconcile operating income to net cash from (used for) operating activities					
Depreciation and amortization	2,161,049	868,598	114,263	3,143,910	64,766
Pension expense in excess of (less than) employer contributions	576,451	(99,328)	69,886	547,009	-
OPEB expense in excess of (less than) employer contributions	21,961	30,297	5,843	58,101	-
Change in assets and liabilities					
Receivables	(412,032)	(1,006)	40,332	(372,706)	(369,894)
Inventory	(3,740)	(3,458)	-	(7,198)	13,137
Prepaid expenses	(67,198)	(1,314)	-	(68,512)	-
Accounts payable	(56,379)	(33,864)	(136,912)	(227,155)	399,037
Accrued payroll	(26,394)	(41,228)	(25,777)	(93,399)	(24,034)
Compensated absences	(24,549)	9,651	(3,525)	(18,423)	-
Customer deposits	65,815	-	24,296	90,111	-
Unearned revenue	32,515	46,021	3,078	81,614	-
Net cash from (used for) operating activities	$ 4,379,069	$ 1,333,869	$ 1,596,282	$ 7,309,220	$ 393,728

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

CITY OF GERMANTOWN, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2023

Exhibit A-12

	Pension and OPEB Trust Funds
ASSETS	
Cash and cash equivalents	$ 13,102,773
Other receivable	4,050
Interest receivable	68,154
Investments	
Domestic common stock	7,130,134
Foreign common stock	354,528
Fixed income mutual funds	13,671,932
Equity mutual funds	47,020,677
Limited partnerships bond funds	2,400,478
Limited partnerships hedge funds	15,298,491
Total investments	85,876,240
Total assets	99,051,217
LIABILITIES	
Accounts payable	293,684
NET POSITION	
Restricted for pension	85,143,809
Restricted for OPEB	13,613,724
Total net position	$ 98,757,533

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

CITY OF GERMANTOWN, TENNESSEE **Exhibit A-13**
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2023

	Pension and OPEB Trust Funds
ADDITIONS	
Contributions:	
Employer	$ 6,613,118
Plan members	1,843,370
Total contributions	8,456,488
Investment earnings (losses):	
Interest and dividends	1,404,466
Net appreciation in fair value of investments	6,846,820
Total investment earnings	8,251,286
Total additions	16,707,774
DEDUCTIONS	
Benefits	8,388,007
Premiums	40,130
Administrative expense	269,964
Total deductions	8,698,101
Change in net position	8,009,673
Net position - beginning of the year	90,747,860
Net position - end of the year	$ 98,757,533

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

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 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

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 Federal Projects, School Cafeteria, and Internal School. The special revenue funds also include the School General Purpose Fund which is considered a major fund and described in further detail below:

School General Purpose 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 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.

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 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 and financing through leases and SBITAs are 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, 2023. 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 $3.39 per $100 of assessed value includes $1.587 for both the county schools and the municipal schools of Shelby County. Distribution of the $1.587 to the county schools and the municipal school districts is based on the average daily attendance of each system. Approximately 75.8% and 24.2% 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.

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 are presented at cost. 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 capital assets and related liabilities

Right-of use lease assets are recorded 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 charges necessary to place the lease into service. Right-of-use subscription-based IT arrangements (SBITA) are recorded at an amount equal to the initially measurement of the related SBITA liability, plus payments made prior to the SBITA term, and plus capitalizable implementation costs. The right-of-use assets are amortized on a straight-line basis over the life of the related lease term or SBITA term.

Lease and SBITA liabilities are initially measured at the present value of payments expected to be made during the term of the related agreements. Subsequently, the liabilities are reduced by the principal portion of the payments made. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by lessor is not determinable, the City uses its estimated incremental borrowing rate as the discount rate for the liabilities. The lease or SBITA term includes the noncancellable period of the lease including renewal periods reasonably certain to be exercised and termination options reasonably certain not to be exercised.

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 including 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.

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Adoption of New Accounting Standard

Effective July 1, 2022, the City implemented accounting and financial reporting requirements of GASB No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). Under this statement, the City is required to recognize a SBITA liability and an intangible right-to-use SBITA asset. At July 1, 2022, the City recognized a right-to-use asset of $1,481,928 and a SBITA liability of $1,249,105. There was no effect on net position as a result of the adoption 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, 2023, expenditures did not exceed appropriations for any fund.

C. Deficit fund equity

As of June 30, 2023, 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 105% of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are insured for purposes of credit risk disclosure.

NOTE 3 – DEPOSITS (CONTINUED)

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, 2023, 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 stature 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, 2023. 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.

NOTE 4 – INVESTMENTS (CONTINUED)

The following table summarizes fair value disclosures and measurements for Germantown School's investments held by the TRGT on its behalf at June 30, 2023:

Investments at Fair Value	Total	Level 1	Level 2	Level 3
U.S. equity	$ 377,350	$ 377,350	$ -	$ -
Developed market international equity	170,416	170,416	-	-
Emerging market international equity	48,690	48,690	-	-
U.S. fixed income	243,452	-	243,452	-
Short-term securities	12,174	-	12,174	-
Real estate	121,726	-	-	121,726
	973,808	$ 596,456	$ 255,626	$ 121,726
Investments at amortized cost using NAV				
Private equity and strategic lending	243,452			
Total restricted investments	$ 1,217,260			

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, 2023:

Investments at Fair Value	Total	Level 1	Level 2
Domestic common stock	$ 7,130,134	$ 7,130,134	$ -
Foreign common stock	354,528	354,528	-
Fixed income mutual funds	13,671,932	13,671,932	-
Equity mutual funds	47,020,677	47,020,677	-
Limited partnerships bond funds	2,400,478	-	2,400,478
	70,577,749	$ 68,177,271	$ 2,400,478
Investments at amortized cost using NAV			
Limited partnerships hedge funds	15,298,491		
	$ 85,876,240		

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, 2023:

- *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.

NOTE 4 – INVESTMENTS (CONTINUED)

- *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 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, 2023.

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, 2023, is as follows:

	Payable Fund			
Receivable Fund	General	Aggregate Nonmajor Governmental	Aggregate Nonmajor Enterprise	Total
Major Fund				
General	$ -	$ 268,785	$ 40,047	$ 308,832
School General Purpose	96,348	442,554	-	538,902
Utility	61,194	-	-	61,194
Athletic Club	22,343	-	-	22,343
Aggregate Nonmajor Governmental	792,599	-	-	792,599
Aggregate Nonmajor Enterprise	17,285	-	-	17,285
Total	$ 989,769	$ 711,339	$ 40,047	$ 1,741,155

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.

The composition of interfund transfers for the year ended June 30, 2023 is as follows:

	Transfer In				
	Major Funds				
Transfer Out	General	School General Purpose	Aggregate Nonmajor Governmental	Aggregate Nonmajor Enterprise	Total
Major funds					
General	$ -	$ 3,082,064	$ 8,192,507	$ 50,000	$ 11,324,571
School General Purpose	528,195	-	-	-	528,195
Utility	422,866	-	-	-	422,866
Aggregate Nonmajor Governmental	-	728,479	2,742,133	-	3,470,612
Total	$ 951,061	$ 3,810,543	$ 10,934,640	$ 50,000	$ 15,746,244

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, 2023, was as follows:

Governmental activities:	(Restated) Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 21,976,922	$ -	$ -	$ 21,976,922
Construction in progress	19,403,187	17,213,992	(8,244,915)	28,372,264
Total capital assets, not being depreciated	41,380,109	17,213,992	(8,244,915)	50,349,186
Capital assets, being depreciated:				
Buildings and improvements	152,550,836	836,624	(3,440)	153,384,020
Improvements other than buildings	91,112,091	9,038,077	-	100,150,168
Machinery and equipment	45,994,983	2,360,512	(1,707,156)	46,648,339
Vehicles	13,546,343	947,056	(65,372)	14,428,027
Infrastructure	75,142,330	536,209	-	75,678,539
Right-of-use subscription arrangement	1,481,928	-	-	1,481,928
Total capital assets, being depreciated	379,828,511	13,718,478	(1,775,968)	391,771,021
Less accumulated depreciation for:				
Buildings and improvements	(38,797,474)	(4,045,458)	459	(42,842,473)
Improvements other than buildings	(44,886,251)	(3,369,339)	-	(48,255,590)
Machinery and equipment	(32,364,695)	(3,755,305)	1,706,293	(34,413,707)
Vehicles	(9,384,115)	(889,477)	65,372	(10,208,220)
Infrastructure	(44,334,391)	(2,373,490)	-	(46,707,881)
Right-of-use subscription arrangement	-	(296,386)	-	(296,386)
Total accumulated depreciation	(169,766,926)	(14,729,455)	1,772,124	(182,724,257)
Total capital assets, being depreciated, net	210,061,585	(1,010,977)	(3,844)	209,046,764
Governmental activities capital assets, net	$ 251,441,694	$ 16,203,015	$ (8,248,759)	$ 259,395,950

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 2,772,593	$ -	$ -	$ 2,772,593
Construction in progress	305,090	3,243,832	-	3,548,922
Total capital assets, not being depreciated	3,077,683	3,243,832	-	6,321,515
Capital assets, being depreciated:				
Buildings and improvements	47,893,647	13,913	-	47,907,560
Improvements other than buildings	63,774,576	975,063	-	64,749,639
Machinery and equipment	6,797,632	65,236	(21,495)	6,841,373
Right-of-use equipment	447,260	-	-	447,260
Total capital assets, being depreciated	118,913,115	1,054,212	(21,495)	119,945,832
Less accumulated depreciation for:				
Buildings and improvements	(21,492,239)	(1,097,663)	-	(22,589,902)
Other improvements	(32,854,949)	(1,466,894)	-	(34,321,843)
Machinery and equipment	(4,031,343)	(355,723)	21,495	(4,365,571)
Right-of-use equipment	(223,630)	(223,630)	-	(447,260)
Total accumulated depreciation	(58,602,161)	(3,143,910)	21,495	(61,724,576)
Total capital assets, being depreciated, net	60,310,954	(2,089,698)	-	58,221,256
Business-type activities capital assets, net	$ 63,388,637	$ 1,154,134	$ -	$ 64,542,771

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:		
General government	$	2,075,665
Public safety		1,370,277
Community service		1,203,488
Transportation and environment		4,376,520
Municipal school		5,703,505
Total depreciation expense - governmental activities	$	14,729,455
Business-type activities		
Utility	$	2,161,049
Athletic club		868,599
Nonmajor enterprise funds		114,262
Total depreciation expense - business-type activities	$	3,143,910

Construction and other significant commitments

The government has active construction projects as of June 30, 2023. At year-end, the government's commitments with contractors are as follows:

Function/Activity		Commitment
Wolf River Blvd./Germantown Rd. Intersection	$	11,191,000
Duntreath Ditch		1,896,000
Elevated water tank		1,880,000
Annexation Water Main		878,000
Riverdale Road Box Culverts		329,000
Johnson Road Park		275,000
Emergency Repair - Lateral F, East Bridge		120,000
	$	16,569,000

NOTE 7 – LONG-TERM LIABILITIES

1. Long-Term Debt

General obligation and revenue bonds

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

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.

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

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%.

Memphis Shelby County School "3G" Note Payable

In December 2022, the City and the School entered into a Purchase/Sale Agreement with the Board of Commissioners of Shelby County and Memphis Shelby County Schools (MSCS) for the purchase of two schools located within Germantown Municipal School District. The city agreed to pay MSCS $5,000,000 in six annual installments of $833,333 beginning in fiscal year 2024. At the end of nine years, in fiscal year 2032, MSCS will transfer title of the two schools to GMSD. The City established the note liability at its present value with an incremental discount rate of 2.287%.

Lease

The City entered into an agreement to lease athletic equipment. 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. For the year ended June 30, 2023, amortization expense recognized for the lease assets was $223,630 and interest expense recognized on the lease liability was $3,350.

Debt outstanding as of June 30, 2023 consisted of the following:

	Interest Rates	Maturity Date	Original Issue	Balance at Year End
Governmental activities:				
Payable through General Fund				
General obligation and refunding bonds:				
2013 Serial Bonds A	1.00 - 3.625%	8/1/2034	$ 3,500,000	$ 2,150,000
2013 Serial Bonds B	1.00 - 4.00%	8/1/2026	5,570,000	880,000
2016 Serial Bonds A	2.00 - 5.00%	6/1/2036	7,935,000	4,845,000
2016 Serial Bonds B	2.00 - 5.00%	6/1/2046	10,220,000	8,890,000
2017 Serial Bonds	4.00 - 5.00%	8/1/2047	29,275,000	26,740,000
2021 Serial Bonds	3.00 - 5.00%	12/1/2050	8,670,000	8,200,000
			65,170,000	51,705,000
Note from direct borrowings:				
2018 Capital Outlay Note	3.25%	7/1/2030	3,025,000	1,928,000
Payable through General CIP Fund				
MSCS 3G Note Payable	2.29%	12/20/2022	5,000,000	4,568,028
Payable through School General Purpose Fund				
Shelby County Settlement Obligation	3.33%	11/1/2025	4,265,436	998,112
			$ 77,460,436	$ 59,199,140
Business-type activities:				
Payable through Utility Fund				
Revenue bonds:				
2021 Serial Bonds	3.00 - 5.00%	12/1/2050	$ 1,840,000	$ 1,720,000

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

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
2024	$ 3,229,355	$ 2,378,989	$ 65,000	$ 61,725
2025	3,645,828	2,227,172	70,000	58,350
2026	3,793,093	2,086,648	70,000	54,850
2027	3,274,677	1,943,362	75,000	51,225
2028	3,411,485	1,807,298	80,000	47,350
2029-2033	12,934,702	7,229,647	455,000	182,850
2034-2038	10,175,000	4,922,419	540,000	96,300
2039-2043	8,850,000	2,986,775	365,000	16,575
2044-2048	9,225,000	1,022,225	-	-
2049-2050	660,000	30,000	-	-
	$ 59,199,140	$ 26,634,535	$ 1,720,000	$ 569,225

2. Subscription-based IT arrangements (SBITA) Obligations

The City entered into a long-term, noncancellable SBITAs. The liabilities are measured using a discount rate of 2.287%, which is the City's estimated incremental borrowing rate. For the year ended June 30, 2023, amortization expense recognized for the SBITA assets was $296,386 and interest expense on the SBITA liability was $28,016.

Future payments under the SBITA obligations are as follows:

Years Ending June 30	Principal	Interest	Total
2024	$ 243,312	$ 23,376	$ 266,688
2025	249,196	14,492	263,688
2026	254,895	11,793	266,688
2027	260,725	5,963	266,688
	$ 1,008,128	$ 55,624	$ 1,063,752

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

3. Changes in long-term liabilities

A summary of long-term liability activity, including debt, for the year ended June 30, 2023 is as follows. Additional detailed information is available following the summary.

	(Restated) Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 53,840,000	$ -	$ (2,135,000)	$ 51,705,000	$ 2,235,000
Unamortized premiums	7,196,994	-	(390,316)	6,806,678	-
Total bonds	61,036,994	-	(2,525,316)	58,511,678	2,235,000
Notes from direct borrowings	2,169,000	-	(241,000)	1,928,000	-
Other debt obligations	1,421,811	5,000,000	(355,453)	6,066,358	1,188,786
Unamortized discounts	(112,517)	(431,972)	44,271	(500,218)	-
Total other debt	1,309,294	4,568,028	(311,182)	5,566,140	1,188,786
Subscription lease payable	1,249,105	-	(240,977)	1,008,128	243,312
Total long-term debt	65,764,393	4,568,028	(3,318,475)	67,013,946	3,423,786
Compensated absences	4,266,792	663,310	(381,438)	4,548,664	381,438
	$ 70,031,185	$ 5,231,338	$ (3,699,913)	$ 71,562,610	$ 3,805,224
Business-type activities:					
Revenue bonds	$ 1,785,000	$ -	$ (65,000)	$ 1,720,000	$ 65,000
Unamortized premiums	313,073	-	(11,095)	301,978	-
Total bonds	2,098,073	-	(76,095)	2,021,978	65,000
Leases	226,980	-	(226,980)	-	-
Total long-term debt	2,325,053	-	(303,075)	2,021,978	65,000
Compensated absences	$ 198,358	$ 15,709	$ (34,132)	$ 179,935	$ 20,309
	$ 2,523,411	$ 15,709	$ (337,207)	$ 2,201,913	$ 85,309

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

NOTE 8 – DEFERRED LOSS ON REFUNDING

For governmental activities, the unamortized deferred gain on refunding relates to General Obligation Refunding Bonds, Series 2021 and totals $54,610 at June 30, 2023.

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	$ 259,395,950	$ 64,542,771	$ 323,938,721
Total outstanding balance of capital debt	(66,070,444)	(2,021,978)	(68,092,422)
Unspent bond proceeds related to debt	1,492,729	-	1,492,729
Net investment in capital assets	$ 194,818,235	$ 62,520,793	$ 257,339,028

NOTE 9 – NET POSITION AND FUND BALANCE (CONTINUED)

Following is more detailed information on the governmental fund balances:

	General Fund	School General Purpose Fund	Nonmajor Governmental Funds	Total
Nonspendable for:				
Inventory	$ 101,721	$ -	$ 28,459	$ 130,180
Prepaid expenditures	441,786	15,818	25,596	483,200
Leases	94,849	-	-	94,849
Library endowment	-	-	250,000	250,000
Total nonspendable fund balance	638,356	15,818	304,055	958,229
Restricted for:				
Drug enforcement	-	-	574,178	574,178
Federal asset forfeiture	-	-	79,731	79,731
Library endowment	-	-	3,270	3,270
Stabilization reserve trust	-	1,217,260	-	1,217,260
Education	-	-	2,786,989	2,786,989
Unspent bond proceeds	-	-	1,492,729	1,492,729
Total restricted fund balance	-	1,217,260	4,936,897	6,154,157
Committed for:				
State street aid	-	-	1,186,718	1,186,718
Pickering center	-	-	315,665	315,665
Ambulance	-	-	1,006,418	1,006,418
Farm Park	-	-	239,701	239,701
E-citation	-	-	134,402	134,402
Public art	-	-	183,526	183,526
Recreation	-	-	508,207	508,207
Education	-	23,053,736	-	23,053,736
Emergency purposes	900,000	-	-	900,000
Contingencies	100,000	-	-	100,000
Capital projects	3,006,000	-	6,507,211	9,513,211
Tax anticipation	12,314,943	-	-	12,314,943
Debt service	4,701,888	-	-	4,701,888
Total committed fund balance	21,022,831	23,053,736	10,081,848	54,158,415
Assigned to:				
Vacation Accrual	2,529,005	-	-	2,529,005
Contingencies	749,059	-	-	749,059
Capital projects	-	-	9,516,071	9,516,071
Total assigned fund balance	3,278,064	-	9,516,071	12,794,135
Unassigned	27,187,599	-	-	27,187,599
Total fund balances	$ 52,126,850	$ 24,286,814	$ 24,838,871	$ 101,252,535

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, and pension expense 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
Governmental Activities				
Amended and Restated Plan	$ -	$ 17,622,653	$ 47,155,625	$ 478,534
Employee Cash Balance Plan	-	109,666	701,535	550,280
BOE Legacy Plan	273,959	389,808	-	120,722
BOE Hybrid Plan	-	356,605	13,809	-
Teacher Legacy Pension Plan	7,920,598	8,383,966	-	1,378,094
Teacher Hybrid Pension Plan	201,343	689,011	-	165,962
Total governmental activities	$ 8,395,900	$ 27,551,709	$ 47,870,969	$ 2,693,592
Business-type Activities				
Amended and Restated Plan	$ -	$ 1,579,077	$ 4,225,381	$ 42,879
Employee Cash Balance Plan	-	8,716	55,756	43,735
Total business-type activities	$ -	$ 1,587,793	$ 4,281,137	$ 86,614
Total	$ 8,395,900	$ 29,139,502	$ 52,152,106	$ 2,780,206

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 7% of their pay. The City matches the 10% and guarantees a 6% 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.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

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, 2023 while the School TCRS Plans have a measurement date of June 30, 2022. 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	277	-	28	3
Inactive employees entitled to but not yet receiving benefits	93	9	41	84
Active employees	160	253	46	102
	530	262	115	189

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 7% 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% 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, 2023 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	$ 3,568,909	$ 724,417	$ 190,485	$ 112,589	$ 1,840,876	$ 377,452
Covered payroll	14,010,018	15,456,506	2,059,298	4,109,080	21,183,842	13,151,608
As a percentage of covered payroll	25.47%	4.69%	9.25%	2.74%	8.69%	2.87%

For the year ended June 30, 2023, employer contributions to the School TCRS BOE Hybrid Plan and School TCRS Teacher Hybrid Plan included contributions to the Pension Stabilization Reserve Trust of 1.26% and 1.13%, respectively, as a percentage of covered payroll.

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 in 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, 2023 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.

Asset Class	Target
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, 2023, the annual approximate rate of return on investments was 9.16%. 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, 2023 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.

Asset Class	Target
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, 2023, the annual approximate rate of return on investments was 8.78%. 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%. 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, 2022 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, 2022 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.

Investment Policy

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

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
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%
		100%

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.

C. Net Pension Liability (Asset)

The net pension liability (asset) for each City administered plan was measured as of June 30, 2023 and each TCRS administered plan was measured as of June 30, 2022. 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:

	Single-Employer Plans		Agent Plans		Cost-Sharing Plans	
	Amended & Restated Plan	Cash Balance Plan	TCRS School BOE Legacy Plan	TCRS School BOE Hybrid Plan	TCRS Teacher Plans Legacy Plan	TCRS Teacher Plans Hybrid Plan
Total Pension Liability						
Service cost	$ 1,078,281	$ 2,300,674	$ 310,377	$ 229,749		
Interest	8,923,745	297,182	241,165	74,786		
Differences between expected and actual experience	1,321,706	(223,863)	(18,662)	15,416		
Benefit payments, including refunds	(7,236,527)	(236,259)	(38,479)	(6,553)		
Other changes	-	(4,091)	-	-		
Net change in total pension liability	4,087,205	2,133,643	494,401	313,398		
Total pension liability - beginning	126,165,252	4,896,006	3,281,679	881,468		
Total pension liability - ending	130,252,457	7,029,649	3,776,080	1,194,866		
Plan Fiduciary Net Position						
Contributions - employer	3,568,909	724,417	169,303	78,814		
Contributions - employee	584,711	945,396	111,678	183,290		
Net investment income (loss)	6,820,174	447,157	(156,381)	(42,104)		
Benefit payments	(7,236,527)	(236,259)	(38,479)	(6,553)		
Administrative/BOE expense	(219,924)	(17,703)	(5,082)	(10,328)		
Net change in plan fiduciary net position	3,517,343	1,863,008	81,039	203,119		
Plan fiduciary net position - beginning	75,354,108	4,409,350	3,969,000	977,938		
Plan fiduciary net position -ending	78,871,451	6,272,358	4,050,039	1,181,057		
Net pension liability (asset)	$ 51,381,006	$ 757,291	$ (273,959)	$ 13,809		
Plan fiduciary net position as a percentage of the total liability	60.55%	89.23%	107.26%	98.84%		
Proportionate share of net pension liability (asset)					$ (7,920,598)	$ (201,343)
Proportionate share at June 30, 2022 measurement date					0.645839%	0.664464%
Proportionate share at June 30, 2021 measurement date					0.657173%	0.664463%

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%	$ 66,429,859	$ 51,381,006	$ 38,624,532
Cash Balance Plan	5.00%	2,312,226	757,291	(544,813)
TCRS School BOE Legacy Plan	6.75%	286,006	(273,959)	(735,102)
TCRS School BOE Hybrid Plan	6.75%	289,050	13,809	(197,123)
Proportionate share of the net pension asset				
TCRS Teacher Legacy Plan	6.75%	$ 15,687,975	$ (7,920,598)	$ (27,584,971)
TCRS Teacher Hybrid Plan	6.75%	1,056,936	(201,343)	(1,120,274)

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, 2023, 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)	$ 8,862,021	$ 1,424,637	$ 152,669	$ 92,565	$ 84,657	$ 280,265
Deferred Outflows of Resources						
Differences between expected and actual experience	$ 5,604,229	$ -	$ 18,550	$ 161,377	$ 1,302,908	$ 11,009
Net difference between projected and actual earnings on plan investments	5,982,791	118,382	29,476	19,520	135,438	63,464
Changes in assumptions	7,614,710	-	151,297	63,119	4,961,873	235,864
Change in proportion of net pension liability (asset)	-	-	-	-	142,871	1,222
Contributions subsequent to the measurement date of June 30, 2022	-	-	190,485	112,589	1,840,876	377,452
	$ 19,201,730	$ 118,382	$ 389,808	$ 356,605	$ 8,383,966	$ 689,011
Deferred Inflows of Resources						
Differences between expected and actual experience	$ 521,413	$ 594,015	$ 120,722	$ -	$ 1,338,341	$ 122,329
Change in proportion of net pension liability (asset)	-	-	-	-	39,753	43,633
	$ 521,413	$ 594,015	$ 120,722	$ -	$ 1,378,094	$ 165,962

The amounts shown above for "Contributions subsequent to the measurement date of June 30, 2022," 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
2024	$ 3,753,960	$ 8,529	$ (12,711)	$ 35,630	$ 808,299	$ 335
2025	2,582,532	(17,563)	(17,563)	35,746	1,508,989	981
2026	4,979,883	81,886	22,411	33,555	(1,332,775)	(9,448)
2027	1,388,900	(65,983)	86,464	59,508	4,180,483	101,092
2028	1,680,621	(27,878)	-	31,386	-	7,374
Thereafter	4,294,421	(454,624)	-	48,191	-	45,263

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

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:

	Amended & Restated Plan	Employee Cash Balance Plan
Statements of Pension Trust Net Position		
ASSETS		
Cash and cash equivalents	$ 9,388,507	$ 1,801,491
Interest receivable	51,357	7,380
Investments		
Domestic common stock	7,130,134	-
Foreign common stock	354,528	-
Fixed income mutual funds	10,027,226	1,299,915
Equity mutual funds	36,984,507	3,194,440
Limited partnerships bond funds	2,050,259	-
Limited partnerships hedge funds	12,884,933	-
Total investments	69,431,587	4,494,355
Total assets	78,871,451	6,303,226
NET POSITION		
Restricted for pension	$ 78,871,451	$ 6,272,358
Statements of Changes in Pension Plan Net Position		
ADDITIONS		
Contributions:		
Employer	$ 3,568,909	$ 724,417
Plan members	584,711	945,396
Total contributions	4,153,620	1,669,813
Investment earnings (losses):		
Interest and dividends	1,052,668	116,947
Net loss in fair value of investments	5,767,506	330,210
Total investment earnings	6,820,174	447,157
Total additions	10,973,794	2,116,970
DEDUCTIONS		
Benefits	7,236,527	236,259
Administrative expense	219,924	17,703
Total deductions	7,456,451	253,962
Change in net position	3,517,343	1,863,008
NET POSITION RESTRICTED FOR PENSION		
Beginning of year	75,354,108	4,409,350
End of year	$ 78,871,451	$ 6,272,358

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 2023, the Board of Education's employer contribution to the Hybrid Plans was $860,890.

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.

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
Governmental Activities				
City OPEB Plan	$ -	$ 6,847,808	$ 8,001,677	$ 2,718,775
School OPEB Plan	-	1,225,901	3,654,548	2,239,604
Total governmental activities	$ -	$ 8,073,709	$ 11,656,225	$ 4,958,379
Business-type Activities				
City OPEB Plan	$ -	$ 641,254	$ 749,305	$ 254,597
Total	$ -	$ 8,714,963	$ 12,405,530	$ 5,212,976

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, 2023, the date of the City OPEB valuation, and June 30, 2023, the date of the School OPEB valuation, consisted of the following:

	City OPEB Plan	School OPEB Plan
Inactive employees or beneficiaries currently receiving benefits	118	89
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	375	210
	493	299

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.

Employer contributions to each plan for the year ended June 30, 2023 were as follows:

	City OPEB Plan	School OPEB Plan
Employer contributions	$ 1,659,545	$ 660,247
Covered employee payroll	26,245,410	15,317,352
As a percentage of covered employee payroll	6.32%	4.31%

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, 2023 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, 2023. 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	SOA Pub-2010 Mortality Tables using scale MP-2021 for general employees and surviving spouses
Health care cost trend rate	7.0% initial rate, 3.0% ultimate rate, 9-year grading period

Changes of assumptions

In 2023, the health care trend rate and mortality tables were updated resulting in an increase in the total OPEB liability.

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

Investment Policy

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Large cap equity	17.50%	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%
	100%	

*Presented as real rates of return not including inflation of 2.5-3.5%

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investment was 8.2%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Discount Rate Information

The discount rate used in valuing OPEB liabilities in funded plans as of the measurement date must be based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that they are sufficient to pay for projected benefit payments and the OPEB plan assets are invested using a strategy to achieve that return. The final equivalent single discount rate as of June 30, 2023 is 7.0%.

GMSD Administered OPEB Plan

The total OPEB liability was determined as part of the June 30, 2023 actuarial valuation using the entry age normal level percent of pay cost method. Significant assumptions used in the valuation include:

Inflation	3.0%
Salary increases	Based on payroll growth used in TCRS actuarial valuation as of June 30, 2020
Investment rate of return	6.94%, net of investment expense, including inflation
Mortality table	SOA Pub-2010 Mortality Tables using scale MP-2021 for general employees, teachers and surviving spouses
Health care cost trend rate	7.5% initial rate, 4.5% ultimate rate, 8-year grading period

Changes of Assumptions

In 2023, the discount rate in59creased from 6.19% to 6.94% and mortality tables were updated resulting in a decrease to the total OPEB liability.

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

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large U.S.	25.00%	7.20%
Mid Cap U.S.	13.00%	7.98%
Small Cap U.S.	4.00%	8.60%
Developed Foreign	13.00%	8.50%
Emerging Foreign	6.00%	7.90%
Investment Grade	32.00%	5.19%
High Yield	4.00%	7.57%
U.S. Real Estate	3.00%	7.05%
	100%	6.94%

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investment was 9.31%. 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, 2023 is 6.94% 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.

C. Net OPEB Liability

The components of the net OPEB liability for each plan at June 30, 2023, were as follows:

	City OPEB Plan	School OPEB Plan
Total OPEB Liability		
Service cost	$ 487,517	$ 178,068
Interest	1,250,973	606,491
Differences between expected and actual experience	(3,345,043)	(1,345,381)
Changes in assumptions	2,147,327	(478,667)
Benefit payments, including refunds	(583,929)	(371,422)
Net change in total OPEB liability	(43,155)	(1,410,911)
Total OPEB liability - beginning	17,670,552	9,802,768
Total OPEB liability - ending	17,627,397	8,391,857
Plan Fiduciary Net Position		
Contributions - employer	1,659,545	660,247
Contributions - retiree	228,263	85,000
Net investment income	594,665	389,290
Benefit payments	(583,929)	(371,422)
Administrative expense	(14,536)	(17,801)
Net change in plan fiduciary net position	1,884,008	745,314
Plan fiduciary net position - beginning	6,992,407	3,991,995
Plan fiduciary net position -ending	8,876,415	4,737,309
Net OPEB liability (asset)	$ 8,750,982	$ 3,654,548
Plan fiduciary net position as a percentage of the total liability	50.36%	56.45%

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%	$ 10,225,534	$ 8,750,982	$ 7,423,665
School Net OPEB liability (asset)	6.94%	$ 4,458,131	$ 3,654,548	$ 2,953,873

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)	7.0% decreasing to 4.0%	$ 7,422,363	$ 8,750,982	$ 10,289,525
School Net OPEB liability (asset)	7.5% decreasing to 4.5%	$ 3,315,426	$ 3,654,548	$ 4,034,340

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

For the year ended June 30, 2023, 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	$ 2,519,599	$ 312,674
Deferred Outflows of Resources		
Differences between expected and actual experience	$ 5,106,428	$ 380,583
Actual earnings on plan investments	473,899	218,696
Changes in assumptions	1,908,735	626,622
	$ 7,489,062	$ 1,225,901
Deferred Inflows of Resources		
Differences between expected and actual experience	$ 2,973,372	$ 1,829,318
Changes in assumptions	-	410,286
	$ 2,973,372	$ 2,239,604

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
2024	$ 573,739	$ (150,713)
2025	478,334	(180,081)
2026	658,671	(58,087)
2027	396,060	(237,550)
2028	408,226	(211,279)
Thereafter	2,000,660	(175,993)

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:

	City OPEB Fund	School OPEB Fund
Statements of OPEB Trust Net Position		
ASSETS		
Cash and cash equivalents	$ 1,812,580	$ 100,195
Interest receivable	7,528	1,889
Accounts receivable	4,050	-
Investments		
Fixed income mutual funds	702,148	1,642,643
Equity mutual funds	3,658,880	3,182,850
Limited partnerships bond funds	350,219	-
Limited partnerships hedge funds	2,413,558	-
Total investments	7,124,805	4,825,493
Total assets	8,948,963	4,927,577
LIABILITIES		
Accounts payable	72,548	190,268
	72,548	190,268
NET POSITION		
Restricted for OPEB	$ 8,876,415	$ 4,737,309
Statements of Changes in OPEB Plan Net Position		
ADDITIONS		
Contributions:		
Employer	$ 1,659,545	$ 660,247
Plan members	228,263	85,000
Total contributions	1,887,808	745,247
Investment earnings (losses):		
Interest and dividends	131,299	103,552
Net appreciation in fair value of investments	463,366	285,738
Total investment earnings	594,665	389,290
Total additions	2,482,473	1,134,537
DEDUCTIONS		
Benefits	583,929	331,292
Premiums	-	40,130
Administrative expense	14,536	17,801
Total deductions	598,465	389,223
Change in net position	1,884,008	745,314
NET POSITION RESTRICTED FOR OPEB		
Beginning of year	6,992,407	3,991,995
End of year	$ 8,876,415	$ 4,737,309

NOTE 13 – LEASE INCOME

The City leases various City-owned properties to corporations for cellular towers under long-term noncancellable lease agreements with terms from 20 to 25 years, including periods under reasonably certain to extend renewal options. The City evaluated tenant leases for capitalization using an interest rate of 2.01% which represent the risk-free interest rate at the date the agreements were capitalized. The City recognized lease revenue for noncancellable leases for the year ended June 30, 2023 as follows:

Lease Revenue	
Land	$ 237,171
Building	48,145
Total Lease Revenue	285,316
Interest Revenue	94,466
Total	$ 379,782

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

Years Ending June 30	Principal	Interest	Total Receipts
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	219,715	76,710	296,425
2029-2033	1,293,483	310,842	1,604,325
2034-2038	1,362,689	169,546	1,532,235
2039-2043	852,061	58,172	910,233
2044	53,432	1,481	54,913
	$ 4,684,890	$ 969,494	$ 5,654,384

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:

	2023	2022
Unpaid claims, beginning of fiscal year*	$ 59,766	$ 62,311
Claims incurred during the year*	248,669	168,880
Claims payments	(251,117)	(171,425)
Unpaid claims, end of fiscal year*	$ 57,318	$ 59,766

* 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

NOTE 15 - RISK MANAGEMENT (CONTINUED)

reported until after June 30, 2023. 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:

	2023	2022
Incurred claims but not reported, beginning of fiscal year	$ 310,251	$ 342,478
Claims submitted for fiscal year	6,356,407	7,312,974
Total available for claims payments	6,666,658	7,655,452
Claims paid during fiscal year	(6,318,015)	(7,345,201)
Incurred claims but not reported, end of fiscal year	$ 348,643	$ 310,251

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

	2023	2022
Incurred claims but not reported, beginning of fiscal year	$ 706,035	$ 850,555
Claims submitted for fiscal year	5,589,936	6,211,973
Total available for claims payments	6,295,971	7,062,528
Claims paid during fiscal year	(5,971,055)	(6,356,493)
Incurred claims but not reported, end of fiscal year	$ 324,916	$ 706,035

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, 2023, the net amount of appreciation on investment of the endowment was $9,109.

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 2023.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GERMANTOWN, TENNESSEE **Exhibit B-1**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

AMENDED AND RESTATED PENSION PLAN

Last Ten Fiscal Years June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	$ 1,078,281	$ 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
Interest	8,923,745	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
Changes of benefit items	-	-	-	-	-	-	-	660,332	-	669,081
Differences between expected and actual experience	1,321,706	2,470,376	(610,701)	(111,608)	742,260	493,735	1,200,719	1,217,222	1,185,371	810,017
Changes in assumptions	-	-	-	-	8,896,166	-	4,636,983	-	-	-
Benefit payments	(7,236,527)	(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)
Net change in total pension liability	4,087,205	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
Total pension liability - beginning	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
Total pension liability - ending	130,252,457	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
Plan Fiduciary Net Position										
Contributions - employer	3,568,909	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
Contributions - employee	584,711	621,645	639,789	669,889	697,216	711,081	768,169	708,541	693,659	698,881
Net investment income (loss)	6,820,174	(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
Benefit payments	(7,236,527)	(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)
Administrative expense	(219,924)	(286,800)	(217,991)	(217,823)	(223,475)	(225,152)	(113,077)	(109,217)	(115,523)	(179,296)
Net change in plan fiduciary net position	3,517,343	(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
Plan fiduciary net position - beginning	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
Plan fiduciary net position - ending	78,871,451	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
Net pension liability	$ 51,381,006	$ 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
Plan fiduciary net position as a percentage of total pension liability	60.55%	59.73%	73.76%	60.53%	64.62%	73.22%	72.69%	73.22%	84.02%	88.28%
Covered payroll	$ 12,846,932	$ 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
Net pension liability as a percentage of covered payroll	399.95%	362.68%	203.40%	277.28%	233.05%	149.21%	139.77%	118.80%	65.94%	44.68%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 3,568,909	$ 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
Contributions	3,568,909	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
Contribution deficiency (surplus)	$ -	$ -	$ (2,000,000)	$ (17,011)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 12,846,932	$ 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
Contributions as a percentage of covered payroll	27.78%	29.29%	38.17%	18.58%	17.46%	16.51%	11.45%	7.26%	8.37%	11.65%

NOTE - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Valuation date	Actuarially determined contributions are calculated as of January 1st, eighteen months year prior to the fiscal year in which contributions are reported.
Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed
Remaining amortization period	23 years from January 1, 2022
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 Actuary's Pension Handbook
Other Information	Closed to new employees after 6/30/2013

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

Exhibit B-3

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expenses	9.16%	-13.21%	24.56%	-89.00%	1.95%	6.60%	11.90%	-4.40%	3.10%	18.30%

CITY OF GERMANTOWN, TENNESSEE **Exhibit B-4**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

EMPLOYEE CASH BALANCE PENSION PLAN

Last Ten Fiscal Years June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	$ 2,300,674	$ 1,145,349	$ 982,764	$ 884,336	$ 682,256	$ 552,091	$ 459,963	$ 295,803	$ 144,160	$ 28,439
Interest	297,182	186,586	142,881	101,827	69,214	44,011	21,875	8,126	1,258	-
Differences between expected and actual experience	(223,863)	(120,099)	(133,207)	(65,796)	(47,118)	(52,133)	(15,559)	(13,342)	(2,213)	-
Benefit payments	(236,259)	(106,025)	(130,650)	(56,871)	(47,440)	(32,365)	(14,736)	(16,523)	(856)	-
Changes in assumptions	(4,091)	-	-	-	-	-	-	-	-	
Net change in total pension liability	2,133,643	1,105,811	861,788	863,496	656,912	511,604	451,543	274,064	142,349	28,439
Total pension liability - beginning	4,896,006	3,790,195	2,928,407	2,064,911	1,407,999	896,395	444,852	170,788	28,439	0
Total pension liability - ending	7,029,649	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	724,417	453,186	454,605	347,300	284,779	239,598	246,099	82,455	17,925	-
Contributions - employee	945,396	562,531	492,179	429,731	335,473	267,313	220,365	132,159	61,705	10,513
Net investment income (loss)	447,157	(526,103)	636,567	(24,845)	59,394	49,793	48,243	4,319	219	1
Benefit payments	(236,259)	(106,025)	(130,650)	(56,871)	(47,440)	(32,365)	(14,736)	(16,523)	(856)	-
Administrative expense	(17,703)	(32,551)	(11,126)	(8,798)	(7,911)	(6,727)	(480)	(3,921)	(203)	-
Other	-	-	-	-	-	-	-	1,029	-	-
Net change in plan fiduciary net position	1,863,008	351,038	1,441,575	686,517	624,295	517,612	499,491	199,518	78,790	10,514
Plan fiduciary net position - beginning	4,409,350	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	6,272,358	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)	$ 757,291	$ 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	89.23%	90.06%	107.07%	89.36%	93.48%	92.75%	87.94%	64.93%	52.29%	36.97%
Covered payroll	$ 15,456,506	$ 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	4.90%	4.08%	-2.73%	3.43%	1.92%	1.79%	2.18%	4.77%	4.94%	5.00%

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

Exhibit B-5

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 724,417	$ 453,186	$ 454,605	$ 347,300	$ 284,779	$ 239,598	$ 163,644	$ 82,455	$ 17,925
Contributions	724,417	453,186	454,605	347,300	284,779	239,598	246,099	82,455	17,925
Contribution deficiency (surplus)	$ -	$ -	$ -	$ -	$ -	$ -	$ (82,455)	$ -	-
Covered payroll	$ 15,456,506	$ 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	4.69%	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 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Valuation date	Actuarially determined contributions are calculated as of June 30th, prior to the fiscal year in which contributions are
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
Last Ten Fiscal Years June 30

Exhibit B-6

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expenses	8.78%	-11.77%	22.00%	-1.15%	4.18%	4.70%	10.30%	0.20%	0.00%	n/a

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 **Exhibit B-7**

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

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service cost	$ 310,377	$ 302,877	$ 313,832	$ 345,843	$ 400,432	$ 383,628	$ 419,227	$ 416,170
Interest	241,165	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	(18,662)	24,226	(95,946)	-	-	(16,391)	19,334	14,407
Changes in assumptions	-	245,417	-	-	-	28,322	-	-
Benefit payments, including refunds of employee contributions	(38,479)	(40,963)	(32,970)	(37,052)	(24,015)	(11,957)	(16,665)	(752)
Net change in total pension liability	494,401	736,552	364,564	399,950	349,266	483,048	487,289	461,010
Total pension liability - beginning	3,281,679	2,545,127	2,180,563	1,780,613	1,431,347	948,299	461,010	-
Total pension liability - ending	3,776,080	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	169,303	182,273	191,557	227,773	264,748	291,593	304,673	270,452
Contributions - employee	111,678	116,456	103,322	122,856	142,798	157,278	165,864	145,718
Net investment income	(156,381)	788,020	132,332	165,362	144,057	130,205	16,955	6,292
Benefit payments	(38,479)	(40,963)	(32,970)	(37,052)	(24,015)	(11,957)	(16,665)	(752)
Administrative expense	(5,082)	(5,227)	(5,595)	(6,376)	(8,162)	(8,178)	(7,944)	(6,804)
Other	-	-	-	-	-	111,076	-	-
Net change in plan fiduciary net position	81,039	1,040,559	388,646	472,563	519,426	670,017	462,883	414,906
Plan fiduciary net position - beginning	3,969,000	2,928,441	2,539,795	2,067,232	1,547,806	877,789	414,906	-
Plan fiduciary net position - ending	4,050,039	3,969,000	2,928,441	2,539,795	2,067,232	1,547,806	877,789	414,906
Net pension liability (asset)	$ (273,959)	$ (687,321)	$ (383,314)	$ (359,232)	$ (286,619)	$ (116,459)	$ 70,510	$ 46,104
Plan fiduciary net position as a percentage of total pension liability	107.26%	120.94%	115.06%	116.47%	116.10%	108.14%	92.56%	90.00%
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
Net pension liability as a percentage of covered payroll	-12.27%	-29.51%	-16.50%	-14.62%	-10.04%	-3.70%	2.12%	1.58%

Changes of assumptions.

In 2021, 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.
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 **Exhibit B-8**
SCHEDULE OF CONTRIBUTIONS
GMSD LEGACY PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS
Last Ten Fiscal Years June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 190,485	$ 169,302	$ 182,273	$ 168,000	$ 206,642	$ 264,748	$ 291,593	$ 304,673	$ 270,452
Contributions	190,485	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	$ 2,059,298	$ 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	9.25%	7.58%	7.83%	8.25%	9.27%	9.27%	9.27%	9.18%	9.27%

NOTE - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Valuation date	Actuarially determined contribution rates for fiscal year 2023 were calculated based on the June 30, 2021 actuarial valuation.
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	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4%
Investment rate of return	6.75%, 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	2.125%

Changes of assumptions
In 2021, the following assumptions were changed: decreased inflation rate from 2.5% 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.
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 an average of 4%; and modified mortality assumptions.

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 **Exhibit B-9**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

GMSD HYBRID PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS

Last Ten Fiscal Years June 30

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service cost	$ 229,749	$ 175,038	$ 125,238	$ 86,922	$ 54,287	$ 25,937	$ 4,077	$ 1,357
Interest	74,786	50,709	31,821	18,881	10,281	4,111	501	102
Differences between expected and actual experience	15,416	63,065	65,501	38,810	25,649	26,069	21,700	1,138
Changes in assumptions	-	79,793	-	-	-	2,642	-	-
Benefit payments	(6,553)	(23,072)	(604)	(8,266)	(219)	-	-	-
Net change in total pension liability	313,398	345,533	221,956	136,347	89,998	58,759	26,278	2,597
Total pension liability - beginning	881,468	535,935	313,979	177,632	87,634	28,875	2,597	-
Total pension liability - ending	1,194,866	881,468	535,935	313,979	177,632	87,634	28,875	2,597
Plan Fiduciary Net Position								
Contributions - employer	78,814	66,662	62,321	42,157	50,699	31,017	15,582	776
Contributions - employee	183,290	160,355	145,089	93,268	63,373	38,771	19,477	969
Net investment income	(42,104)	180,493	23,732	22,023	13,797	7,934	500	26
Benefit payments	(6,553)	(23,072)	(604)	(8,266)	(219)	-	-	-
Administrative expense	(10,328)	(8,397)	(7,384)	(5,266)	(4,212)	(2,529)	(1,046)	(30)
Other	-	-	-	-	-	-	-	(58)
Net change in plan fiduciary net position	203,119	376,041	223,154	143,916	123,438	75,193	34,513	1,683
Plan fiduciary net position - beginning	977,938	601,897	378,743	234,827	111,389	36,196	1,683	-
Plan fiduciary net position - ending	1,181,057	977,938	601,897	378,743	234,827	111,389	36,196	1,683
Net pension liability (asset)	$ 13,809	$ (96,470)	$ (65,962)	$ (64,764)	$ (57,195)	$ (23,755)	$ (7,321)	$ 914
Plan fiduciary net position as a percentage of total pension liability	98.84%	110.94%	112.31%	120.63%	132.20%	127.11%	125.35%	64.81%
Covered payroll	$ 3,665,737	$ 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	0.38%	-3.02%	-2.50%	-3.47%	-4.51%	-3.06%	-1.88%	4.71%

Changes of assumptions.

In 2021, 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.
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 **Exhibit B-10**

SCHEDULE OF CONTRIBUTIONS

GMSD HYBRID PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS

Last Ten Fiscal Years June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 112,589	$ 78,814	$ 66,662	$ 62,321	$ 42,157	$ 25,223	$ 15,896	$ 7,791	$ 388
Contributions	112,589	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	$ 4,109,080	$ 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	2.74%	2.15%	2.09%	2.36%	2.26%	4.00%	4.00%	4.00%	4.00%
Contributions as a percentage of covered payroll placed into Pension Stabilization Reserve Trust*	1.26%	1.85%	1.91%	1.64%	1.74%	0.00%	0.00%	0.00%	0.00%

* Beginning in fiscal year 2019, contributions in excess of amounts required by TCRS to be placed towards the pension were placed in a Pension Stabilization Reserve Trust.

NOTE - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Valuation date	Actuarially determined contribution rates for fiscal year 2023 were calculated based on the June 30, 2021 actuarial valuation.
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	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4%
Investment rate of return	6.75%, 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	2.125%

Changes of assumptions

In 2021, the following assumptions were changed: decreased inflation rate from 2.5% 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.

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 an average of 4%; and modified mortality assumptions.

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 **Exhibit B-11**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

GMSD TEACHER LEGACY PENSION PLAN OF TCRS

Last Ten Fiscal Years June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.645839%	0.657173%	0.648471%	0.638646%	0.616054%	0.614649%	0.614341%	0.534251%	0.002723%
Proportionate share of the net pension liability (asset)	$ (7,920,598)	$ (28,345,438)	$ (4,945,066)	$ (6,566,428)	$ (2,167,844)	$ (201,103)	$ 3,839,293	$ 218,847	$ (442)
Covered payroll	$ 21,254,151	$ 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	-37.27%	-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	104.42%	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 **Exhibit B-12**
SCHEDULE OF CONTRIBUTIONS
GMSD TEACHER LEGACY PENSION PLAN OF TCRS
Last Ten Fiscal Years June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required	$ 1,840,876	$ 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	1,840,876	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 deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 21,183,842	$ 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	8.69%	10.30%	10.27%	10.63%	10.46%	9.08%	9.04%	9.04%	9.04%

Changes of assumptions
In 2021, the following assumptions were changed: decreased inflation rate from 2.5% 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.
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 an average of 4%; and modified mortality assumptions.

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 **Exhibit B-13**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

GMSD TEACHER HYBRID RETIREMENT PLAN OF TCRS

Last Ten Fiscal Years June 30

	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.664664%	0.664463%	0.630836%	0.588576%	0.557613%	0.555902%	0.501126%	0.600631%
Proportionate share of the net pension liability (asset)	$ (201,343)	$ (719,755)	$ (358,719)	$ (332,243)	$ (252,893)	$ (146,667)	$ (52,169)	$ (24,163)
Covered payroll	$ 11,350,494	$ 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	-1.77%	-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	104.55%	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 **Exhibit B-14**
SCHEDULE OF CONTRIBUTIONS
GMSD TEACHER HYBRID RETIREMENT PLAN OF TCRS
Last Ten Fiscal Years June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required	$ 377,452	$ 228,144	$ 193,711	$ 161,601	$ 120,830	$ 79,464	$ 145,944	$ 88,299	$ 31,199
Contribution in relation to the contractually required contribution	377,452	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	$ 13,151,608	$ 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	2.87%	2.01%	2.02%	2.03%	1.94%	4.00%	4.18%	4.00%	4.00%
Contributions as a percentage of covered payroll placed into Pension Stabilization Reserve Trust*	1.13%	1.99%	1.98%	1.97%	2.06%	0.00%	0.00%	0.00%	0.00%

* Beginning in fiscal year 2019, contributions in excess of amounts required by TCRS to be placed towards the pension were placed in a Pension Stabilization Reserve Trust.

Changes of assumptions
In 2021, the following assumptions were changed: decreased inflation rate from 2.5% 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.
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 an average of 4%; and modified mortality assumptions.

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 **Exhibit B-15**

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

CITY OTHER POSTEMPLOYMENT BENEFITS PLAN

Last Ten Fiscal Years June 30

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	$ 487,517	$ 286,719	$ 183,386	$ 183,386	$ 183,386	$ 183,386	$ 183,386
Interest	1,250,973	1,164,552	931,001	869,414	628,131	592,001	551,617
Differences between expected and actual experience	(3,345,043)	457,905	4,096,965	807,413	-	810,904	1,054,723
Changes in assumptions	2,147,327	-	-	-	4,503,406	-	-
Benefit payments	(583,929)	(1,280,262)	(1,500,402)	(1,585,261)	(1,085,149)	(1,123,973)	(1,378,579)
Net change in total OPEB liability	(43,155)	628,914	3,710,950	274,952	4,229,774	462,318	411,147
Total OPEB liability - beginning	17,670,552	17,041,638	13,330,688	13,055,736	8,825,962	8,363,644	7,952,497
Total OPEB liability - ending	17,627,397	17,670,552	17,041,638	13,330,688	13,055,736	8,825,962	8,363,644
Plan Fiduciary Net Position							
Contributions - employer	1,659,545	1,630,555	1,123,593	1,158,647	741,248	741,248	491,229
Contributions - employee	228,263	243,386	294,284	275,152	247,245	215,062	180,121
Net investment income (loss)	594,665	(782,610)	1,323,119	(46,041)	183,727	357,132	578,557
Benefit payments	(583,929)	(1,280,262)	(1,500,402)	(1,585,261)	(1,085,149)	(1,123,973)	(1,378,579)
Administrative expense	(14,536)	(16,062)	(25,779)	(9,441)	(23,868)	(16,351)	(17,869)
Net change in plan fiduciary net position	1,884,008	(204,993)	1,214,815	(206,944)	63,203	173,118	(146,541)
Plan fiduciary net position - beginning	6,992,407	7,197,400	5,982,585	6,189,529	6,126,326	5,953,208	6,099,749
Plan fiduciary net position - ending	8,876,415	6,992,407	7,197,400	5,982,585	6,189,529	6,126,326	5,953,208
Net OPEB liability (asset)	$ 8,750,982	$ 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	50.36%	39.57%	42.23%	44.88%	47.41%	69.41%	71.18%
Covered payroll	$ 26,245,410	$ 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	33.34%	40.69%	42.04%	31.38%	29.40%	11.56%	10.53%

Changes of assumptions

In 2023, amounts reported as changes of assumptions resulted from changes to the health care trend rates.

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

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 1,945,647	$ 1,630,555	$ 1,123,593	$ 1,123,593	$ 741,248	$ 741,248	$ 491,229
Contributions	1,659,545	1,630,555	1,123,593	1,158,647	741,248	741,248	491,229
Contribution deficiency (surplus)	$ 286,102	$ -	$ -	$ (35,054)	$ -	$ -	$ -
Covered-employee payroll	$ 26,245,410	$ 26,245,410	$ 23,416,112	$ 23,416,112	$ 23,353,685	$ 23,353,685	$ 22,882,490
Contributions as a percentage of covered-employee payroll	6.32%	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 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Valuation date	Actuarially determined contributions for June 30, 2023 were determined from the valuation performed as of January 1, 2021.
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
Last Ten Fiscal Years June 30

Exhibit B-17

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expenses	8.20%	-10.15%	22.59%	-0.77%	3.18%	6.08%	10.02%	n/a	n/a	n/a

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 **Exhibit B-18**

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

SCHOOL OTHER POSTEMPLOYMENT BENEFITS PLAN

Last Ten Fiscal Years June 30

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	$ 178,068	$ 169,060	$ 180,300	$ 176,312	$ 238,851	$ 224,642	$ 863,233
Interest	606,491	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	(1,345,381)	(601,749)	275,787	(79,147)	360,661	(291,485)	74,057
Changes in assumptions	(478,667)	68,095	182,653	-	769,269	-	(104,778)
Benefit payments	(371,422)	(404,019)	(247,211)	(773,071)	(354,364)	(597,414)	(185,730)
Net change in total OPEB liability	(1,410,911)	(716,706)	996,255	(82,625)	1,580,703	(100,307)	(7,157,494)
Total OPEB liability - beginning	9,802,768	10,519,474	9,523,219	9,605,844	8,025,141	8,125,448	15,282,942
Total OPEB liability - ending	8,391,857	9,802,768	10,519,474	9,523,219	9,605,844	8,025,141	8,125,448
Plan Fiduciary Net Position							
Contributions - employer	660,247	679,422	709,990	706,600	725,467	735,092	800,000
Contributions - retirees	85,000	80,000	75,000	80,000	75,000	50,000	40,000
Net investment income (loss)	389,290	(619,614)	815,801	40,638	157,561	109,894	14,084
Benefit payments	(371,422)	(404,019)	(247,211)	(773,071)	(354,364)	(597,414)	(185,730)
Administrative expense	(17,801)	(23,200)	(17,600)	(25,000)	(11,350)	(27,000)	(14,217)
Net change in plan fiduciary net position	745,314	(287,411)	1,335,980	29,167	592,314	270,572	654,137
Plan fiduciary net position - beginning	3,991,995	4,279,406	2,943,426	2,914,259	2,321,945	2,051,373	1,397,236
Plan fiduciary net position - ending	4,737,309	3,991,995	4,279,406	2,943,426	2,914,259	2,321,945	2,051,373
Net OPEB liability (asset)	$ 3,654,548	$ 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	56.45%	40.72%	40.68%	30.91%	30.34%	28.93%	25.25%
Covered employee payroll	$ 15,317,352	$ 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	23.86%	30.59%	28.02%	28.92%	27.87%	20.16%	22.11%

Changes of assumptions

In 2023, amounts reported as changes of assumptions resulted from changes to the discount rate, health care trend rate, and mortality tables.

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.

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 **Exhibit B-19**
SCHEDULE OF CONTRIBUTIONS
SCHOOL OTHER POSTEMPLOYMENT BENEFIT PLAN
Last Ten Fiscal Years June 30

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 660,247	$ 679,422	$ 709,990	$ 706,600	$ 725,467	$ 735,092	$ 1,982,233
Contributions	660,247	679,422	709,990	706,600	725,467	735,092	800,000
Contribution deficiency (surplus)	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,182,233
Covered employee payroll	$ 15,317,352	$ 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	4.31%	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 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Valuation date	Actuarially determined contributions were based on a valuation date of June 30, 2021.
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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expenses	9.31%	-12.82%	26.00%	2.54%	5.10%	7.54%	1.05%	n/a	n/a	n/a

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, 2023

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 Federal Projects	School Cafeteria	Internal School Fund
ASSETS												
Cash and cash equivalents	$ 1,936,285	$ -	$ -	$ 323,819	$ 263,186	$ 947,554	$ 134,148	$ 188,265	$ 539,350	$ -	$ 1,303,897	$ 1,769,044
Receivables												
Customer	-	-	-	-	-	-	31,898	-	-	-	-	-
Other	-	-	-	65	-	154,001	-	-	-	-	-	-
Less allowance for doubtful accounts	-	-	-	-	-	-	(28,708)	-	-	-	-	-
Due from other governments	245,508	-	-	-	-	-	-	-	-	596,541	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	28,459
Prepaid Items	-	14,330	-	-	-	-	-	-	-	-	-	11,266
Restricted cash and cash equivalents	-	682,647	79,731	18,057	7,185	-	-	-	-	-	-	-
Total assets	$ 2,181,793	$ 696,977	$ 79,731	$ 341,941	$ 270,371	$ 1,101,555	$ 137,338	$ 188,265	$ 539,350	$ 596,541	$ 1,303,897	$ 1,808,769
LIABILITIES												
Accounts payable and accrued liabilities	$ 995,075	$ 59,584	$ -	$ 8,219	$ 2,247	$ 47,298	$ -	$ 4,156	$ 28,258	$ 57,720	$ 170,836	$ -
Accrued payroll	-	-	-	-	1,242	47,839	-	583	2,885	96,267	-	-
Customer deposits	-	-	-	18,057	7,185	-	-	-	-	-	-	-
Due to other funds	-	48,885	-	-	-	-	-	-	-	442,554	-	-
Unearned revenue	-	-	-	-	19,996	-	-	-	-	-	115,116	-
Total liabilities	995,075	108,469	-	26,276	30,670	95,137	-	4,739	31,143	596,541	285,952	-
DEFERRED INFLOWS OF RESOURCES												
Unavailable revenue - grants	-	-	-	-	-	-	-	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-	-	2,936	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	2,936	-	-	-	-	-
FUND BALANCES												
Nonspendable	-	14,330	-	-	-	-	-	-	-	-	-	39,725
Restricted	-	574,178	79,731	-	-	-	-	-	-	-	1,017,945	1,769,044
Committed	1,186,718	-	-	315,665	239,701	1,006,418	134,402	183,526	508,207	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	1,186,718	588,508	79,731	315,665	239,701	1,006,418	134,402	183,526	508,207	-	1,017,945	1,808,769
Total liabilities, deferred inflows of resources and fund balances	$ 2,181,793	$ 696,977	$ 79,731	$ 341,941	$ 270,371	$ 1,101,555	$ 137,338	$ 188,265	$ 539,350	$ 596,541	$ 1,303,897	$ 1,808,769

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CITY OF GERMANTOWN, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

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	$ 239,767	$ 1,195,494	$ 78,027	$ 860,998	$ 1,382,744	$ 1,228,788	$ 10,946,277	$ 781,791	$ -	$ 24,119,434
Receivables										
Customer	-	-	-	-	-	-	-	-	-	31,898
Other	-	-	-	-	-	-	-	-	-	154,066
Less allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	(28,708)
Due from other governments	112,732	7,954	-	-	-	-	-	82,915	-	1,045,650
Due from other funds	-	-	-	-	-	-	-	792,599	-	792,599
Inventory	-	-	-	-	-	-	-	-	-	28,459
Prepaid Items	-	-	-	-	-	-	-	-	-	25,596
Restricted cash and cash equivalents	-	-	-	-	-	-	2,975,204	-	253,270	4,016,094
Total assets	$ 352,499	$ 1,203,448	$ 78,027	$ 860,998	$ 1,382,744	$ 1,228,788	$ 13,921,481	$ 1,657,305	$ 253,270	$ 30,185,088
LIABILITIES										
Accounts payable and accrued liabilities	$ -	$ -	$ 18,801	$ 4,113	$ 18,757	$ -	$ 85,779	$ 998,188	$ -	$ 2,499,031
Accrued payroll	-	-	-	-	-	-	-	-	-	148,816
Customer deposits	-	-	-	-	-	-	-	-	-	25,242
Due to other funds	-	-	-	-	-	219,900	-	-	-	711,339
Unearned revenue	-	271,592	-	-	-	-	1,479,238	-	-	1,885,942
Total liabilities	-	271,592	18,801	4,113	18,757	219,900	1,565,017	998,188	-	5,270,370
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - grants	71,859	1,052	-	-	-	-	-	-	-	72,911
Unavailable revenue - other	-	-	-	-	-	-	-	-	-	2,936
Total deferred inflows of resources	71,859	1,052	-	-	-	-	-	-	-	75,847
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	250,000	304,055
Restricted	-	-	-	-	-	-	1,492,729	-	3,270	4,936,897
Committed	280,640	930,804	16,293	710,658	413,809	1,008,888	2,487,002	659,117	-	10,081,848
Assigned	-	-	42,933	146,227	950,178	-	8,376,733	-	-	9,516,071
Total fund balances	280,640	930,804	59,226	856,885	1,363,987	1,008,888	12,356,464	659,117	253,270	24,838,871
Total liabilities, deferred inflows of resources and fund balances	$ 352,499	$ 1,203,448	$ 78,027	$ 860,998	$ 1,382,744	$ 1,228,788	$ 13,921,481	$ 1,657,305	$ 253,270	$ 30,185,088

CITY OF GERMANTOWN, TENNESSEE **Exhibit C-2**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2023

	Special Revenue Funds											
	State Street Aid	Drug Enforcement	Federal Asset Forfeiture	Pickering Center	Farm Park	Ambulance	E-Citation	Public Art	Recreation	School Federal Projects	School Cafeteria	Internal School Fund
REVENUES												
Intergovernmental												
State gas tax	$ 1,435,885	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other tax	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	28,051	25,682	1,755,281	-	-	649,175	-	1,384,846	-
Fines, forfeitures, and penalties	-	98,091	-	-	-	-	21,395	-	-	-	-	-
Federal, state and other grants	-	48,855	6,846	-	-	-	-	26,800	-	5,419,864	683,983	-
Interest on investments	101,938	-	-	-	-	3,492	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-	-	3,664,737
Other income	-	-	-	48,057	-	19,701	-	-	-	-	4,775	-
Total revenues	1,537,823	146,946	6,846	76,108	25,682	1,778,474	21,395	26,800	649,175	5,419,864	2,073,604	3,664,737
EXPENDITURES												
Current												
General government	-	-	-	-	-	-	-	85,158	-	-	-	-
Public safety	-	252,311	6,228	-	-	2,367,266	-	-	-	-	-	-
Transportation and environment	4,546,433	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	55,904	108,425	-	-	-	518,004	-	-	-
Education	-	-	-	-	-	-	-	-	-	5,225,806	1,693,634	3,536,502
Capital outlay	-	-	-	-	-	-	-	-	-	124,631	235,873	-
Total expenditures	4,546,433	252,311	6,228	55,904	108,425	2,367,266	-	85,158	518,004	5,350,437	1,929,507	3,536,502
Excess (deficiency) of revenues over (under) expenditures	(3,008,610)	(105,365)	618	20,204	(82,743)	(588,792)	21,395	(58,358)	131,171	69,427	144,097	128,235
OTHER FINANCING SOURCES (USES)												
Issuance of debt	-	-	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	700,000	-	-	-	100,000	975,000	-	111,800	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(69,427)	-	-
Total other financing sources and uses	700,000	-	-	-	100,000	975,000	-	111,800	-	(69,427)	-	-
Net change in fund balances	(2,308,610)	(105,365)	618	20,204	17,257	386,208	21,395	53,442	131,171	-	144,097	128,235
Fund balances - beginning	3,495,328	693,873	79,113	295,461	222,444	620,210	113,007	130,084	377,036	-	873,848	1,680,534
Fund balances - ending	$ 1,186,718	$ 588,508	$ 79,731	$ 315,665	$ 239,701	$ 1,006,418	$ 134,402	$ 183,526	$ 508,207	$ -	$ 1,017,945	$ 1,808,769

(CONTINUED ON NEXT PAGE)

CITY OF GERMANTOWN, TENNESSEE **Exhibit C-2**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2023

	Capital Projects								Permanent	Total
	Major Roads	Intersections	General Government Projects	Fire Department	Parks Improvement	School Projects	Drainage Projects	Schools Capital Projects	Library Endowment	Nonmajor Governmental Funds
REVENUES										
Intergovernmental										
State gas tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,435,885
Other tax	-	-	-	-	-		-	1,001,151	-	1,001,151
Charges for services	-	-	-	-	-	-	-	-	-	3,843,035
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	-	-	119,486
Federal, state and other grants	90,065	181,342	-	-	20,219	-	159,348	-	-	6,637,322
Interest on investments	-	-	-	-	-	-	109,736	-	9,109	224,275
Donations	-	-	15,165	-	-	-	-	-	-	3,679,902
Other income	-	-	-	-	-	-	-	-	-	72,533
Total revenues	90,065	181,342	15,165	-	20,219	-	269,084	1,001,151	9,109	17,013,589
EXPENDITURES										
Current										
General government	-	-	-	-	-	-	-	-	-	85,158
Public safety	-	-	-	-	-	-	-	-	-	2,625,805
Transportation and environment	-	-	-	-	-	-	-	-	-	4,546,433
Community services	-	-	-	-	-	-	-	-	-	682,333
Education	-	-	-	-	-	200,000	-	-	-	10,655,942
Capital outlay	151,889	575,240	4,731,063	613,443	1,247,038	-	1,577,255	2,715,534	-	11,971,966
Total expenditures	151,889	575,240	4,731,063	613,443	1,247,038	200,000	1,577,255	2,715,534	-	30,567,637
Excess (deficiency) of revenues over (under) expenditures	(61,824)	(393,898)	(4,715,898)	(613,443)	(1,226,819)	(200,000)	(1,308,171)	(1,714,383)	9,109	(13,554,048)
OTHER FINANCING SOURCES (USES)										
Issuance of debt	-	-	5,000,000	-	-	-	-	-	-	5,000,000
Premium on bonds issued	-	-	(431,972)	-	-	-	-	-	-	(431,972)
Transfers in	9,795	-	50,000	250,000	475,000	700,000	5,830,707	1,732,338	-	10,934,640
Transfers out	(450,000)	(559,795)	-	-	-	(2,391,390)	-	-	-	(3,470,612)
Total other financing sources and uses	(440,205)	(559,795)	4,618,028	250,000	475,000	(1,691,390)	5,830,707	1,732,338	-	12,032,056
Net change in fund balances	(502,029)	(953,693)	(97,870)	(363,443)	(751,819)	(1,891,390)	4,522,536	17,955	9,109	(1,521,992)
Fund balances - beginning	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
Fund balances - ending	$ 280,640	$ 930,804	$ 59,226	$ 856,885	$ 1,363,987	$ 1,008,888	$ 12,356,464	$ 659,117	$ 253,270	$ 24,838,871

CITY OF GERMANTOWN, TENNESSEE

Exhibit C-3

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

STATE STREET AID FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental - state gas tax				
Gas motor fuel	$ 1,440,000	$ 1,440,000	$ 736,512	$ (703,488)
Gas 1989	-	-	115,264	115,264
Gas 3 cent	-	-	584,109	584,109
Subtotal state gas tax	1,440,000	1,440,000	1,435,885	(4,115)
Interest on investments	1,500	1,500	101,938	100,438
Total revenues	1,441,500	1,441,500	1,537,823	96,323
EXPENDITURES:				
Transportation and Environment				
Materials and supplies	3,175,000	3,482,810	3,508,558	(25,748)
Other charges	975,000	1,043,280	1,037,875	5,405
Total expenditures	4,150,000	4,526,090	4,546,433	(20,343)
Deficiency of revenues under expenditures	(2,708,500)	(3,084,590)	(3,008,610)	75,980
OTHER FINANCING SOURCES (USES)				
Transfers in	700,000	700,000	700,000	-
Net change in fund balances	$ (2,008,500)	$ (2,384,590)	(2,308,610)	$ 75,980
Fund balances - beginning			3,495,328	
Fund balances - ending			$ 1,186,718	

CITY OF GERMANTOWN, TENNESSEE

Exhibit C-4

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

DRUG ENFORCEMENT FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines, forfeitures, and penalties	$ 232,245	$ 232,245	$ 98,091	$ (134,154)
Federal, state, and other grants	-	-	48,855	48,855
Total revenues	232,245	232,245	146,946	(85,299)
EXPENDITURES:				
Public Safety				
Salaries	40,392	40,392	38,441	1,951
Benefits	75,000	75,000	29,894	45,106
Materials and supplies	135,103	109,545	62,548	46,997
Other charges	6,750	6,979	1,228	5,751
Capital outlay	140,000	156,386	120,200	36,186
Total expenditures	397,245	388,302	252,311	135,991
Net change in fund balances	$ (165,000)	$ (156,057)	(105,365)	$ 50,692
Fund balances - beginning			693,873	
Fund balances - ending			$ 588,508	

CITY OF GERMANTOWN, TENNESSEE

Exhibit C-5

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

FEDERAL ASSET FORFEITURE FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines, forfeitures, and penalties	$ 55,000	$ 55,000	$ -	$ (55,000)
Federal, state, and other grants	-	-	6,846	6,846
Total revenues	55,000	55,000	6,846	(48,154)
EXPENDITURES:				
Public Safety				
Salaries	5,500	5,500	5,500	-
Benefits	20,000	20,000	-	20,000
Materials and supplies	29,500	29,500	728	28,772
Total expenditures	55,000	55,000	6,228	48,772
Net change in fund balances	$ -	$ -	618	$ 618
Fund balances - beginning			79,113	
Fund balances - ending			$ 79,731	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	$ 32,500	$ 32,500	$ 28,051	$ (4,449)
Other income	44,500	44,500	48,057	3,557
Total revenues	77,000	77,000	76,108	(892)
EXPENDITURES:				
Community Services				
Contractual services	38,310	32,428	30,324	2,104
Materials and supplies	5,000	7,317	7,317	-
Other charges	17,000	14,214	8,620	5,594
Capital outlay	-	6,351	6,351	-
Expense reimbursement	3,415	3,415	3,292	123
Total expenditures	63,725	63,725	55,904	7,821
Net change in fund balances	$ 13,275	$ 13,275	20,204	$ 6,929
Fund balances - beginning			295,461	
Fund balances - ending			$ 315,665	

CITY OF GERMANTOWN, TENNESSEE

Exhibit C-7

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

FARM PARK FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	$ 33,000	$ 33,000	$ 25,682	$ (7,318)
EXPENDITURES:				
Community Services				
Salaries	63,484	63,518	45,871	17,647
Benefits	22,314	25,862	19,031	6,831
Contractual services	20,990	14,208	2,814	11,394
Materials and supplies	12,200	10,778	9,356	1,422
Other charges	35,830	44,130	30,108	14,022
Expense reimbursement	1,292	1,292	1,245	47
Total expenditures	156,110	159,788	108,425	51,363
Deficiency of revenues under expenditures	(123,110)	(126,788)	(82,743)	44,045
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
Net change in fund balances	$ (23,110)	$ (26,788)	17,257	$ 44,045
Fund balances - beginning			222,444	
Fund balances - ending			$ 239,701	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	$ 1,365,000	$ 1,365,000	$ 1,755,281	$ 390,281
Interest on investments	-	-	3,492	3,492
Other income	-	-	19,701	19,701
Total revenues	1,365,000	1,365,000	1,778,474	413,474
EXPENDITURES:				
Public Safety				
Salaries	1,416,277	1,332,394	1,314,721	17,673
Benefits	577,650	623,238	551,505	71,733
Contractual services	105,000	196,971	196,676	295
Materials and supplies	134,985	166,026	165,834	192
Other charges	46,517	39,144	35,068	4,076
Expense reimbursement	89,256	104,162	103,462	700
Total expenditures	2,369,685	2,461,935	2,367,266	94,669
Deficiency of revenues under expenditures	(1,004,685)	(1,096,935)	(588,792)	508,143
OTHER FINANCING SOURCES (USES)				
Transfers in	975,000	975,000	975,000	-
Net change in fund balances	$ (29,685)	$ (121,935)	386,208	$ 508,143
Fund balances - beginning			620,210	
Fund balances - ending			$ 1,006,418	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	$ 9,900	$ 9,900	$ 21,395	$ 11,495
EXPENDITURES:				
Public Safety				
Materials and supplies	4,800	4,800	-	4,800
Net change in fund balances	$ 5,100	$ 5,100	21,395	$ 16,295
Fund balances - beginning			113,007	
Fund balances - ending			$ 134,402	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal, state, and other grants	$ 85,000	$ 85,000	$ 26,800	$ (58,200)
Other revenue	(50,000)	(50,000)	-	50,000
Total revenues	35,000	35,000	26,800	(8,200)
EXPENDITURES:				
General Government				
Salaries	35,000	35,000	29,820	5,180
Benefits	2,840	2,840	2,411	429
Contractual services	50,000	58,000	47,217	10,783
Materials and supplies	8,200	8,200	4,487	3,713
Other charges	22,700	17,700	1,074	16,626
Expense reimbursement	155	155	149	6
Total expenditures	118,895	121,895	85,158	36,737
Deficiency of revenues under expenditures	(83,895)	(86,895)	(58,358)	28,537
OTHER FINANCING SOURCES (USES)				
Transfers in	135,000	135,000	111,800	(23,200)
Net change in fund balances	$ 51,105	$ 48,105	53,442	$ 5,337
Fund balances - beginning			130,084	
Fund balances - ending			$ 183,526	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	$ 691,900	$ 691,900	$ 649,175	$ (42,725)
EXPENDITURES:				
Community Services				
Salaries	322,425	293,695	213,375	80,320
Benefits	69,763	77,672	65,774	11,898
Contractual services	128,622	147,417	124,234	23,183
Materials and supplies	102,619	112,945	91,489	21,456
Other charges	10,920	9,120	7,038	2,082
Expense reimbursement	16,697	16,697	16,094	603
Total expenditures	651,046	657,546	518,004	139,542
Net change in fund balances	$ 40,854	$ 34,354	131,171	$ 96,817
Fund balances - beginning			377,036	
Fund balances - ending			$ 508,207	

CITY OF GERMANTOWN, TENNESSEE **Exhibit C-12**
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL FEDERAL PROJECTS FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal, state, and other grants	$ 2,644,312	$ 8,665,320	$ 5,419,864	$ (3,245,456)
EXPENDITURES:				
EDUCATION				
Regular Instruction				
Salaries	553,031	2,341,599	980,032	1,361,567
Benefits	133,286	309,176	112,832	196,344
Contractual services	4,145	223,773	223,773	-
Materials and supplies	174,888	478,454	455,600	22,854
Other charges	-	159,081	86,291	72,790
	865,350	3,512,083	1,858,528	1,653,555
Special Education				
Salaries	808,387	1,001,975	755,628	246,347
Benefits	303,906	330,989	184,756	146,233
Contractual services	10,514	149,595	23,609	125,986
Materials and supplies	7,000	357,790	251,830	105,960
	1,129,807	1,840,349	1,215,823	624,526
Technical Education				
Materials and supplies	34,275	34,275	34,001	274
Health Services				
Salaries	-	754,690	670,006	84,684
Benefits	-	153,676	135,087	18,589
Contractual services	-	17,922	17,922	-
Materials and supplies	14,200	89,288	31,249	58,039
	14,200	1,015,576	854,264	161,312
Other Student Support				
Salaries	21,509	98,324	44,600	53,724
Benefits	3,490	22,605	7,095	15,510
Contractual services	10,042	34,523	34,500	23
Materials and supplies	-	2,780	2,779	1
Other charges	16,519	40,375	16,075	24,300
	51,560	198,607	105,049	93,558
Regular Instruction Support				
Salaries	133,657	361,257	301,713	59,544
Benefits	32,740	95,191	66,854	28,337
Contractual services	60,078	203,088	101,482	101,606
Materials and supplies	3,000	41,866	25,674	16,192
Other charges	178,742	445,197	219,763	225,434
	408,217	1,146,599	715,486	431,113
Special Education Support				
Salaries	37,440	37,440	36,407	1,033
Benefits	11,104	11,104	10,283	821
Materials and supplies	15,397	45,000	13,522	31,478
Other charges	5,135	122,100	67,980	54,120
	69,076	215,644	128,192	87,452

(CONTINUED ON NEXT PAGE)

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

CITY OF GERMANTOWN, TENNESSEE **Exhibit C-12**
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL FEDERAL PROJECTS FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Technical Support				
Other charges	$ 5,000	$ 5,515	$ 5,399	$ 116
Technology				
Salaries	-	47,755	48,755	(1,000)
Benefits	-	18,761	6,846	11,915
	-	66,516	55,601	10,915
Operation of Plant				
Salaries	-	205,459	170,713	34,746
Benefits	-	103,475	38,692	64,783
	-	308,934	209,405	99,529
Fiscal services				
Salaries	-	25,000	16,783	8,217
Benefits	-	4,086	2,483	1,603
Other charges	-	31,700	22,330	9,370
	-	60,786	41,596	19,190
Human resources				
Benefits	-	693	702	(9)
Transportation				
Materials and supplies	4,000	4,000	226	3,774
Other charges	2,000	4,000	1,534	2,466
	6,000	8,000	1,760	6,240
Total education	2,583,485	8,413,577	5,225,806	3,187,771
CAPITAL OUTLAY	-	150,847	124,631	(26,216)
Total Expenditures	2,583,485	8,564,424	5,350,437	3,161,555
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	60,827	100,896	69,427	(31,469)
OTHER FINANCING SOURCES (USES)				
Transfers out	(60,827)	(100,896)	(69,427)	31,469
Net change in fund balances	$ -	$ -	-	$ -
Fund balances - beginning			-	
Fund balances - ending			$ -	

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

CITY OF GERMANTOWN, TENNESSEE **Exhibit C-13**

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

SCHOOL CAFETERIA FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	$ 1,490,849	$ 1,490,849	$ 1,384,846	$ (106,003)
Federal, state, and other grants	679,884	679,884	683,983	4,099
Other income	5,000	5,000	4,775	(225)
Total revenues	2,175,733	2,175,733	2,073,604	(102,129)
EXPENDITURES:				
Education				
Cafeteria				
Contractual services	2,105,465	1,980,535	1,475,310	505,225
Materials and supplies	102,280	102,280	94,712	7,568
Other charges	42,000	166,930	123,612	43,318
Total education	2,249,745	2,249,745	1,693,634	556,111
CAPITAL OUTLAY	100,000	431,042	235,873	195,169
Total expenditures	2,349,745	2,680,787	1,929,507	(751,280)
Net change in fund balances	$ (174,012)	$ (505,054)	144,097	$ 649,151
Fund balances - beginning			873,848	
Fund balances - ending			$ 1,017,945	

CITY OF GERMANTOWN, TENNESSEE
Exhibit C-14
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR ROADS FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal, state, and other grants	$ 1,022,400	$ 1,022,400	$ 90,065	$ (932,335)
EXPENDITURES:				
Capital Outlay				
Professional services	706,000	451,630	151,889	299,741
Other Improvements	447,000	447,000	-	447,000
Total expenditures	1,153,000	898,630	151,889	746,741
Excess (deficiency) of revenues over (under) expenditures	(130,600)	123,770	(61,824)	(185,594)
OTHER FINANCING SOURCES (USES)				
Transfers in	(450,000)	(450,000)	9,795	459,795
Transfers out	-	-	(450,000)	(450,000)
Total other financing uses	(450,000)	(450,000)	(440,205)	9,795
Net change in fund balances	$ (580,600)	$ (326,230)	(502,029)	$ (175,799)
Fund balances - beginning			782,669	
Fund balances - ending			$ 280,640	

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
INTERSECTIONS FUND
For the Year Ended June 30, 2023

Exhibit C-15

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal, state, and other grants	$ 9,686,653	$ 9,686,653	$ 181,342	$ (9,505,311)
EXPENDITURES:				
Capital Outlay				
Professional services	731,000	437,665	117,440	320,225
Other improvements	8,955,653	1,003,541	457,800	545,741
Total expenditures	9,686,653	1,441,206	575,240	865,966
Excess (deficiency) of revenues over (under) expenditures	-	8,245,447	(393,898)	(8,639,345)
OTHER FINANCING SOURCES (USES)				
Transfers in	(550,000)	(550,000)	-	550,000
Transfers out	-	-	(559,795)	(559,795)
Total other financing uses	(550,000)	(550,000)	(559,795)	(9,795)
Net change in fund balances	$ (550,000)	$ 7,695,447	(953,693)	$ (8,649,140)
Fund balances - beginning			1,884,497	
Fund balances - ending			$ 930,804	

CITY OF GERMANTOWN, TENNESSEE **Exhibit C-16**
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL GOVERNMENT PROJECTS FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Donations	$ -	$ -	$ 15,165	$ 15,165
EXPENDITURES:				
Capital Outlay				
Professional services	40,000	42,357	40,448	1,909
Buildings	-	-	4,568,028	(4,568,028)
Other improvements	60,000	151,157	107,422	43,735
Equipment and furniture	-	-	15,165	(15,165)
Total expenditures	100,000	193,514	4,731,063	(4,537,549)
Deficiency of revenues under expenditures	(100,000)	(193,514)	(4,715,898)	(4,522,384)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	5,000,000	5,000,000
Discount on debt issued	-	-	(431,972)	(431,972)
Transfers in	50,000	50,000	50,000	-
Total other financing sources	50,000	50,000	4,618,028	4,568,028
Net change in fund balances	$ (50,000)	$ (143,514)	(97,870)	$ 45,644
Fund balances - beginning			157,096	
Fund balances - ending			$ 59,226	

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, 2023

Exhibit C-17

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal, state, and other grants	$ -	$ -	$ 20,219	$ 20,219
EXPENDITURES:				
Capital Outlay				
Professional services	595,000	654,919	129,921	524,998
Land	300,000	5,152	-	5,152
Other improvements	830,000	1,915,628	1,117,117	798,511
Total expenditures	1,725,000	2,575,699	1,247,038	1,328,661
Deficiency of revenues under expenditures	(1,725,000)	(2,575,699)	(1,226,819)	1,348,880
OTHER FINANCING SOURCES (USES)				
Transfers in	1,250,000	1,250,000	475,000	(775,000)
Net change in fund balances	$ (475,000)	$ (1,325,699)	(751,819)	$ 573,880
Fund balances - beginning			2,115,806	
Fund balances - ending			$ 1,363,987	

CITY OF GERMANTOWN, TENNESSEE **Exhibit C-18**
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL PROJECTS FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES:				
Education	$ 200,000	$ 200,000	$ 200,000	$ -
Deficiency of revenues under expenditures	(200,000)	(200,000)	(200,000)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	700,000	700,000	700,000	-
Transfers out	(500,000)	(2,391,391)	(2,391,390)	1
Total other financing sources (uses)	200,000	(1,691,391)	(1,691,390)	1
Net change in fund balances	$ -	$ (1,891,391)	(1,891,390)	$ 1
Fund balances - beginning			2,900,278	
Fund balances - ending			$ 1,008,888	

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, 2023

Exhibit C-19

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal, state, and other grants	$ 9,080,000	$ 9,080,000	$ 159,348	$ (8,920,652)
Interest on investments	-	-	109,736	(109,736)
Total revenues	9,080,000	9,080,000	269,084	(9,030,388)
EXPENDITURES:				
Capital outlay				
Professional services	890,000	896,200	646,200	250,000
Other improvements	11,228,000	9,207,574	931,055	8,276,519
Other	350,000	236,508	-	236,508
Total expenditures	12,468,000	10,340,282	1,577,255	8,763,027
Deficiency of revenues under expenditures	(3,388,000)	(1,260,282)	(1,308,171)	(47,889)
OTHER FINANCING SOURCES (USES)				
Transfers in	7,469,292	5,830,707	5,830,707	-
Net change in fund balances	$ 4,081,292	$ 4,570,425	4,522,536	$ (47,889)
Fund balances - beginning			7,833,928	
Fund balances - ending			$ 12,356,464	

CITY OF GERMANTOWN, TENNESSEE **Exhibit D-1**
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2023

	Sanitation Fund	Great Hall Fund	Stormwater Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 1,375,462	$ 779,863	$ 3,485,728	$ 5,641,053
Receivables				
Customers	245,421	50,999	184,974	481,394
Less allowance for doubtful accounts	(32,534)	(43,773)	(41,069)	(117,376)
Due from other governments	-	-	-	-
Due from other funds	-	-	17,285	17,285
Restricted cash and cash equivalents	-	118,353	-	118,353
Total current assets	1,588,349	905,442	3,646,918	6,140,709
Noncurrent assets:				
Net pension asset	-	-	-	-
Capital assets, not being depreciated	-	-	316,887	316,887
Capital assets, being depreciated, net	71,366	250,748	521,770	843,884
Total capital assets, net	71,366	250,748	838,657	1,160,771
Total assets	1,659,715	1,156,190	4,485,575	7,301,480
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	171,311	1,002	149,824	322,137
Related to OPEB	14,795	45,250	15,443	75,488
Total deferred outflows of resources	186,106	46,252	165,267	397,625
LIABILITIES				
Current liabilities:				
Accounts payable	421,407	26,457	64,027	511,891
Accrued payroll	2,250	3,104	12,474	17,828
Customer deposits	-	118,353	-	118,353
Unearned revenue	78,745	-	-	78,745
Due to other funds	40,047	-	-	40,047
Accrued compensated absences, current	907	2,481	866	4,254
Total current liabilities	543,356	150,395	77,367	771,118
Noncurrent liabilities:				
Accrued compensated absences	5,138	14,056	4,910	24,104
Net pension liability	459,178	6,409	405,384	870,971
Net OPEB liability	17,287	52,875	18,045	88,207
Total noncurrent liabilities	481,603	73,340	428,339	983,282
Total liabilities	1,024,959	223,735	505,706	1,754,400
DEFERRED INFLOWS OF RESOURCES				
Related to pension	5,690	5,027	10,070	20,787
Related to OPEB	5,874	17,966	6,131	29,971
Total deferred inflows of resources	11,564	22,993	16,201	50,758
NET POSITION				
Net investment in capital assets	71,366	250,748	838,657	1,160,771
Unrestricted	737,932	704,966	3,290,278	4,733,176
Total net position	$ 809,298	$ 955,714	$ 4,128,935	$ 5,893,947

CITY OF GERMANTOWN, TENNESSEE **Exhibit D-2**
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2023

	Sanitation Fund	Great Hall Fund	Stormwater Fund	Total
Operating Revenues:				
Sanitation fees	$ 4,926,169	$ -	$ -	$ 4,926,169
Stormwater fees	-	-	2,876,249	2,876,249
Forfeited discounts	32,496	-	-	32,496
Rental income	-	540,901	-	540,901
Other	1,111	2,907	-	4,018
Total operating revenues	4,959,776	543,808	2,876,249	8,379,833
Operating Expenses:				
Salaries	92,565	162,649	477,177	732,391
Benefits	340,858	38,694	(1,543)	378,009
Contractual services	4,691,613	21,779	74,762	4,788,154
Utilities	-	42,318	643	42,961
Materials and supplies	-	85,615	524,274	609,889
Other service charges	38,870	97,902	4,404	141,176
Expense reimbursement	-	21,306	46,886	68,192
Depreciation	15,474	37,266	61,523	114,263
Total operating expenses	5,179,380	507,529	1,188,126	6,875,035
Operating income (loss)	(219,604)	36,279	1,688,123	1,504,798
Nonoperating Revenues (Expenses):				
Interest	58,596	27,158	116,726	202,480
Income (loss) before contributions and transfers	(161,008)	63,437	1,804,849	1,707,278
Transfers in	-	50,000	-	50,000
Change in net position	(161,008)	113,437	1,804,849	1,757,278
Total net position - beginning	970,306	842,277	2,324,086	4,136,669
Total net position - ending	$ 809,298	$ 955,714	$ 4,128,935	$ 5,893,947

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2023

Exhibit D-3

	Sanitation Fund	Great Hall Fund	Stormwater Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 4,970,679	$ 584,894	$ 2,885,958	$ 8,441,531
Payments to suppliers	(4,758,601)	(262,836)	(765,847)	(5,787,284)
Payments to employees	(138,147)	(195,183)	(730,643)	(1,063,973)
Other receipts (payments)	1,111	2,907	1,990	6,008
Net cash from (used for) operating activities	75,042	129,782	1,391,458	1,596,282
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from (to) other funds	-	50,000	-	50,000
CASH FLOW USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	-	(260,681)	(260,681)
Contributions from government agencies	-	-	-	-
Net cash from (used for) capital and related financing activities	-	-	(260,681)	(260,681)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	58,596	27,157	116,726	202,479
Net increase (decrease) in cash and cash equivalents	133,638	206,939	1,247,503	1,588,080
Cash and cash equivalents - beginning	1,241,824	691,277	2,238,225	4,171,326
Cash and cash equivalents - ending	$ 1,375,462	$ 898,216	$ 3,485,728	$ 5,759,406
Classified as:				
Current assets	$ 1,375,462	$ 779,863	$ 3,485,728	$ 5,641,053
Restricted assets	-	118,353	-	118,353
	$ 1,375,462	$ 898,216	$ 3,485,728	$ 5,759,406
Reconciliation of operating income to net cash from operating activities:				
Operating income (loss)	$ (219,604)	$ 36,279	$ 1,688,123	$ 1,504,798
Adjustments to reconcile operating income to net cash from (used for) operating activities				
Depreciation and amortization	15,474	37,266	61,523	114,263
Pension expense in excess of (less than) employer contributions	291,393	5,022	(226,529)	69,886
OPEB expense in excess of (less than) employer contributions	5,201	5,981	(5,339)	5,843
Change in assets and liabilities				
Receivables	8,936	19,697	11,699	40,332
Accounts payable	(28,118)	6,084	(114,878)	(136,912)
Accrued payroll	(2,324)	(6,946)	(16,507)	(25,777)
Compensated absences	1,006	2,103	(6,634)	(3,525)
Customer deposits	-	24,296	-	24,296
Unearned revenue	3,078	-	-	3,078
Net cash from (used for) operating activities	$ 75,042	$ 129,782	$ 1,391,458	$ 1,596,282

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023

Exhibit D-4

	Health Insurance	Municipal School Health Insurance	Vehicle Maintenance	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 3,371,952	$ 2,243,649	$ 943,434	$ 6,559,035
Other receivables	2,683	425,664	-	428,347
Inventory	-	-	120,354	120,354
Total current assets	3,374,635	2,669,313	1,063,788	7,107,736
Noncurrent assets:				
Capital assets, being depreciated, net	-	-	1,433,087	1,433,087
Total assets	3,374,635	2,669,313	2,496,875	8,540,823
LIABILITIES				
Current liabilities:				
Accounts payable	521,130	784,538	61,603	1,367,271
Accrued payroll	-	-	12,702	12,702
Total current liabilities	521,130	784,538	74,305	1,379,973
NET POSITION				
Investment in capital assets	-	-	1,433,087	1,433,087
Unrestricted	2,853,505	1,884,775	989,483	5,727,763
Total net position	$ 2,853,505	$ 1,884,775	$ 2,422,570	$ 7,160,850

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, 2023

	Health Insurance	Municipal School Health Insurance	Vehicle Maintenance	Total
OPERATING REVENUES				
Internal charges	$ 6,254,971	$ 5,949,908	$ 2,028,755	$ 14,233,634
Other	-	-	13,528	13,528
Total revenues	6,254,971	5,949,908	2,042,283	14,247,162
OPERATING EXPENSES:				
Salaries	-	-	506,876	506,876
Benefits	-	-	173,876	173,876
Utilities	-	-	19,334	19,334
Materials and supplies	-	-	483,481	483,481
Other service charges	16,068	257,941	4,151	278,160
Insurance claims	6,340,339	5,331,995	737,619	12,409,953
Depreciation	-	-	64,766	64,766
Total operating expenses	6,356,407	5,589,936	1,990,103	13,936,446
Operating income (loss)	(101,436)	359,972	52,180	310,716
Total net position - beginning	2,954,941	1,524,803	2,370,390	6,850,134
Total net position - ending	$ 2,853,505	$ 1,884,775	$ 2,422,570	$ 7,160,850

CITY OF GERMANTOWN, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023

Exhibit D-6

	Health Insurance	Municipal School Health Insurance	Vehicle Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	$ 6,276,322	$ 5,558,663	$ 2,042,283	$ 13,877,268
Payments to suppliers	(6,076,366)	(5,511,433)	(1,190,955)	(12,778,754)
Payments to employees	(9,044)	-	(695,742)	(704,786)
Net cash provided by (used for) operating activities	190,912	47,230	155,586	393,728
CASH FLOW USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	-	(31,731)	(31,731)
Net increase (decrease) in cash and cash equivalents	190,912	47,230	123,855	361,997
Cash and cash equivalents - beginning	3,181,040	2,196,419	819,579	6,197,038
Cash and cash equivalents - ending	$ 3,371,952	$ 2,243,649	$ 943,434	$ 6,559,035
Reconciliation of operating income to net cash from operating activities				
Operating income (loss)	$ (101,436)	$ 359,972	$ 52,180	$ 310,716
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation and amortization	-	-	64,766	64,766
Change in assets and liabilities				
Other receivables	21,351	(391,245)	-	(369,894)
Inventory	-	-	13,137	13,137
Accounts payable	280,041	78,503	40,493	399,037
Accrued payroll	(9,044)	-	(14,990)	(24,034)
Net cash from (used for) operating activities	$ 190,912	$ 47,230	$ 155,586	$ 393,728

CITY OF GERMANTOWN, TENNESSEE **Exhibit D-7**
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2023

	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	$ 9,388,507	$ 1,801,491	$ 1,812,580	$ 100,195	$ 13,102,773
Investments					
Domestic common stock	7,130,134	-	-	-	7,130,134
Foreign common stock	354,528	-	-	-	354,528
Fixed income mutual funds	10,027,226	1,299,915	702,148	1,642,643	13,671,932
Equity mutual funds	36,984,507	3,194,440	3,658,880	3,182,850	47,020,677
Limited partnerships bond funds	2,050,259	-	350,219	-	2,400,478
Limited partnerships hedge funds	12,884,933	-	2,413,558	-	15,298,491
Total investments	69,431,587	4,494,355	7,124,805	4,825,493	85,876,240
Interest receivable	51,357	7,380	7,528	1,889	68,154
Other receivables	-	-	4,050	-	4,050
Total assets	78,871,451	6,303,226	8,948,963	4,927,577	99,051,217
LIABILITIES					
Accounts payable	-	30,868	72,548	190,268	293,684
NET POSITION					
Restricted for pension	78,871,451	6,272,358	-	-	85,143,809
Restricted for OPEB	-	-	8,876,415	4,737,309	13,613,724
Total net position	$ 78,871,451	$ 6,272,358	$ 8,876,415	$ 4,737,309	$ 98,757,533

CITY OF GERMANTOWN, TENNESSEE **Exhibit D-8**
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2023

	Amended & Restated Pension Fund	Cash Value Pension Fund	City OPEB Fund	GMSD OPEB Fund	Total Pension and OPEB Trust Funds
ADDITIONS					
Contributions:					
Employer	$ 3,568,909	$ 724,417	$ 1,659,545	$ 660,247	$ 6,613,118
Plan members	584,711	945,396	228,263	85,000	1,843,370
Total contributions	4,153,620	1,669,813	1,887,808	745,247	8,456,488
Investment earnings (loss):					
Interest and dividends	1,052,668	116,947	131,299	103,552	1,404,466
Net appreciation in fair value of investments	5,767,506	330,210	463,366	285,738	6,846,820
Total investment earnings (loss)	6,820,174	447,157	594,665	389,290	8,251,286
Total additions	10,973,794	2,116,970	2,482,473	1,134,537	16,707,774
DEDUCTIONS					
Benefits	7,236,527	236,259	583,929	331,292	8,388,007
Premiums	-	-	-	40,130	40,130
Administrative expense	219,924	17,703	14,536	17,801	269,964
Total deductions	7,456,451	253,962	598,465	389,223	8,698,101
Change in net position	3,517,343	1,863,008	1,884,008	745,314	8,009,673
Net position - beginning of the year	75,354,108	4,409,350	6,992,407	3,991,995	90,747,860
Net position - end of the year	$ 78,871,451	$ 6,272,358	$ 8,876,415	$ 4,737,309	$ 98,757,533

SUPPORTING SCHEDULES

CITY OF GERMANTOWN, TENNESSEE **Exhibit E-1**

SCHEDULE OF TRANSFERS

June 30, 2023

	Transfers In	Transfers Out
Major Funds		
General Fund		
School General Purpose Fund	$ 528,195	$ 3,082,064
Utility Fund	422,866	-
State Street Aid Fund	-	700,000
Farm Park Fund	-	100,000
Ambulance Fund	-	975,000
Public Art Fund	-	111,800
CIP Parks Improvement Fund	-	475,000
CIP Drainage Projects	-	5,830,707
Great Hall Fund	-	50,000
	951,061	11,324,571
School General Purpose Fund		
General Fund	3,082,064	-
School Capital Projects Fund	-	528,195
School Federal Projects Fund	69,427	-
CIP Municipal Schools Projects	659,052	-
	3,810,543	528,195
Utility Fund		
General Fund	-	422,866
Total major funds	4,761,604	12,275,632
Aggregate Nonmajor Governmental Funds		
State Street Aid Fund		
General Fund	700,000	-
Farm Park Fund		
General Fund	100,000	-
Ambulance Fund		
General Fund	975,000	-
Public Art		
General Fund	111,800	-
CIP Major Roads		
CIP Intersections	9,795	-
CIP Fire Department		250,000
CIP General Government		50,000
School Capital Projects	-	150,000
CIP Intersections		
CIP Major Roads		9,795
School Capital Projects	-	550,000
CIP General Government Fund		
General Fund	50,000	-
CIP Fire		
General Fund	250,000	-
CIP Parks Improvement Fund		
General Fund	475,000	-
CIP Municipal Schools Projects		
School General Purpose Fund	700,000	659,052
School Capital Projects Fund	-	1,732,338
CIP Drainage Projects Fund		
General Fund	5,830,707	-
School Federal Projects Fund		
School General Purpose Fund	-	69,427
School Capital Projects Fund		
CIP Germantown Municipal Schools	1,732,338	-
Total aggregate nonmajor governmental funds	10,934,640	3,470,612
Aggregate Nonmajor Proprietary Funds		
Great Hall Fund		
General Fund	50,000	-
	$ 15,746,244	$ 15,746,244

CITY OF GERMANTOWN, TENNESSEE **Exhibit E-2**
SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES
June 30, 2023

	Interfund Receivable	Interfund Payable
Major Funds		
General Fund		
School General Purpose Fund	$ -	$ 96,348
School Capital Projects Fund	-	792,599
Utility Fund	-	61,194
Athletic Club Fund	-	22,343
CIP Municipal School	219,900	-
Sanitation Fund	40,047	-
Stormwater Fund	-	17,285
Drug Fund	48,885	
	308,832	989,769
School General-Purpose Fund		
General Fund	96,348	-
School Federal Projects Fund	442,554	-
	538,902	-
Utility Fund		
General Fund	61,194	-
Athletic Club Fund		
General Fund	22,343	-
Total major funds	931,271	989,769
Aggregate Nonmajor Governmental Funds		
Drug Fund		
General Fund	-	48,885
School Federal Projects Fund		
School General Purpose Fund	-	442,554
CIP Municipal School		
General Fund	-	219,900
School Capital Projects Fund		
General Fund	792,599	-
Total aggregate nonmajor governmental funds	792,599	711,339
Aggregate Nonmajor Proprietary Funds		
Sanitation Fund		
General Fund	-	40,047
Stormwater Fund		
General Fund	17,285	-
Total aggregate nonmajor proprietary funds	17,285	40,047
	$ 1,741,155	$ 1,741,155

CITY OF GERMANTOWN, TENNESSEE **Exhibit E-3**

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - SERIAL GENERAL OBLIGATION BONDS

GOVERNMENTAL FUNDS

June 30, 2023

Fiscal	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	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	61,381	295,000	11,413	480,000	219,250	230,000	428,550	750,000	1,054,800	390,000	281,200	2,320,000	2,056,594
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
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	$ 2,150,000	$ 420,834	$ 880,000	$ 33,547	$ 4,845,000	$ 1,448,750	$ 8,890,000	$ 6,243,450	$ 26,740,000	$ 14,617,300	$ 8,200,000	$ 3,111,675	$ 51,705,000	$ 25,875,556

CITY OF GERMANTOWN, TENNESSEE

Exhibit E-4

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - OTHER LONG-TERM DEBT

GOVERNMENTAL FUNDS

June 30, 2023

Fiscal Year	2018 Capital Outlay Note		MSCS 3G Note Payable		GMSD Shelby County Settlement Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ -	$ 31,330	$ 672,651	$ 160,682	$ 321,704	$ 33,749
2025	249,000	58,614	744,246	89,087	332,582	22,871
2026	258,000	50,375	761,267	72,066	343,826	11,626
2027	266,000	41,860	778,677	54,646	-	-
2028	275,000	33,069	796,485	36,848	-	-
2029	284,000	23,985	814,702	18,632	-	-
2030	293,000	14,609	-	-	-	-
2031	303,000	4,924	-	-	-	-
	$1,928,000	$258,766	$ 4,568,028	$ 431,961	$ 998,112	$ 68,246

CITY OF GERMANTOWN, TENNESSEE **Exhibit E-5**

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - BONDS AND OTHER LONG-TERM DEBT

PROPRIETARY FUNDS

June 30, 2023

Fiscal Year	Utility Fund Series 2021 Bonds Principal	Interest
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
	$ 1,720,000	$ 569,225

CITY OF GERMANTOWN, TENNESSEE **Exhibit E-6**

SCHEDULE OF CHANGES IN LONG-TERM DEBT AND LEASES BY INDIVIDUAL ISSUE

June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 6/30/2022	Issued During Period	Paid During Period	Refunded During Period	Outstanding 6/30/2023
Governmental Activities									
Payable through General Fund									
General obligation bonds:									
2013 Serial Bonds A	$ 3,500,000	2.00 - 3.625%	10/9/2013	8/1/2034	$ 2,315,000	$ -	$ (165,000)	$ -	$ 2,150,000
2013 Serial Bonds B	5,570,000	1.00 - 4.00%	10/9/2013	8/1/2026	1,160,000	-	(280,000)	-	880,000
2016 Serial Bonds A	7,935,000	2.00 - 5.00%	2/12/2016	6/1/2036	5,280,000	-	(435,000)	-	4,845,000
2016 Serial Bonds B	10,220,000	2.00 - 5.00%	2/12/2016	6/1/2046	9,110,000	-	(220,000)	-	8,890,000
2017 Serial Bonds	29,275,000	4.00 - 5.00%	9/28/2017	8/1/2047	27,420,000	-	(680,000)	-	26,740,000
2021 Serial Bonds	8,670,000	3.00 - 5.00%	9/9/2021	12/1/2050	8,555,000	-	(355,000)	-	8,200,000
Total general obligation bonds					$ 53,840,000	$ -	$ (2,135,000)	$ -	$ 51,705,000
Note from direct borrowings:									
2018 Capital Outlay Note	$ 3,025,000	3.25%	8/21/2018	7/1/2030	2,169,000	-	(241,000)	-	1,928,000
Payable through General CIP Fund									
MSCS 3G Note Payable	$ 5,000,000	2.29%	12/20/22	6/30/2029	-	4,568,028	-	-	4,568,028
Payable through School General Purpose Fund									
Shelby County Settlement Obligation	$ 4,265,436	3.33%	1/6/2014	11/1/2025	1,309,294	-	(311,182)	-	998,112
					$ 57,318,294	$ 4,568,028	$ (2,687,182)	$ -	$ 59,199,140
Business-Type Activities									
Payable through Utility Fund									
2021 Serial Bonds	$ 1,840,000	3.00 - 5.00%	9/9/2021	12/1/2050	$ 1,785,000	$ -	$ (65,000)	$ -	$ 1,720,000
Payable through Athletic Club Fund									
2021 Equipment Lease	$ 447,260	3.00%	7/1/2021	6/15/2023	226,980	-	(226,980)	-	-
					$ 2,011,980	$ -	$ (291,980)	$ -	$ 1,720,000

CITY OF GERMANTOWN, TENNESSEE **Exhibit E-7**

SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE - BY LEVY YEAR

For the Year Ended June 30, 2023

Year	June 30, 2022	Assessment	Adjustments/ Abatements	Collections	June 30, 2023
2023	$ -	$ 37,318,008	$ -	$ -	$ 37,318,008
2022	33,918,072	-	-	(33,542,529)	375,543
2021	350,690	-	-	(220,338)	130,352
2020	94,661	-	-	(67,435)	27,226
2019	43,279	-	-	(15,172)	28,107
2018	30,612	-	-	(6,313)	24,299
2017	26,653	-	-	(4,478)	22,175
2016	24,571	-	-	(2,990)	21,581
2015	24,608	-	-	(2,796)	21,812
2014	26,510	-	-	(1,585)	24,925
2013 & Prior	141,723	-	-	(43,620)	98,103
	$ 34,681,379	$ 37,318,008	$ -	$ (33,907,256)	$ 38,092,131
Allowance for uncollectible property taxes	(161,824)				(167,075)
	$ 34,519,555				$ 37,925,056

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 **Exhibit E-8**
SCHEDULE OF BONDS OF PRINCIPAL OFFICIALS
June 30, 2023

	Amount of Bond/Issuance*
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*	
Eric Grizzard	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*	
Natalie Ruffin	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 **Exhibit E-9**
SCHEDULE OF UTILITY RATE STRUCTURE AND NUMBER OF CUSTOMERS
June 30, 2023

As of June 30, 2023, City of Germantown, Tennessee served approximately 13,600 water customers and 14,100 sewer customers and had the following rate structure in place:

Water Rates	Amount		
Residential			
Minimum up to 1,000 gallons	$	8.78	per month
2,000 to 10,000 gallons	$	1.14	per 1,000 gallons
11,000 gallons & above	$	2.50	per 1,000 gallons
Commercial			
Minimum up to 2,000 gallons	$	14.49	per month
3,000 to 50,000 gallons	$	3.73	per 1,000 gallons
51,000 gallons & above	$	5.30	per 1,000 gallons

Sewer Rates	Amount		
Residential			
Minimum up to 1,000 gallons	$	5.58	per month
2,000 to 10,000 gallons	$	1.98	per 1,000 gallons
11,000 gallons & above	$	2.40	per 1,000 gallons
Maximum at 21,000 gallons	$	51.78	per month
Commercial			
Minimum up to 1,000 gallons	$	6.95	per month
2,000 to 5,000 gallons	$	1.99	per 1,000 gallons
6,000 gallons & above	$	3.44	per 1,000 gallons
Restaurant			
Minimum up to 1,000 gallons	$	6.95	per month
2,000 to 5,000 gallons	$	2.48	per 1,000 gallons
6,000 gallons & above	$	3.93	per 1,000 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.

Contents **Page**

Financial Trends **153**

These exhibits contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity **158**

These exhibits contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes

Debt Capacity **167**

These exhibits present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information **171**

These exhibits offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place, to help make comparisons over time and with other governments.

Operating Information **173**

These exhibits contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

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

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

Exhibit F-1

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	$ 194,818,235	$ 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
Restricted	13,307,328	8,026,134	8,794,293	8,419,622	3,682,299	906,219	481,518	513,416	575,787	346,637
Unrestricted	65,101,059	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
Total governmental activities net position	$ 273,226,622	$ 270,215,867	$ 238,377,583	$ 222,291,226	$ 211,174,609	$ 195,706,491	$ 186,574,124	$ 178,995,843	$ 164,869,530	$ 158,108,684
Business-type activities										
Net investment in capital assets	$ 62,520,793	$ 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
Restricted	-	-	15,041	-	-	-	787,961	-	-	-
Unrestricted	20,168,050	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
Total business-type activities net position	$ 82,688,843	$ 77,380,700	$ 73,834,842	$ 72,465,169	$ 72,345,082	$ 70,352,763	$ 68,759,283	$ 66,601,070	$ 62,656,874	$ 61,084,002
Primary government										
Net investment in capital assets	$ 257,339,028	$ 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
Restricted	13,307,328	8,026,134	8,809,334	8,419,622	3,682,299	906,219	1,269,479	513,416	575,787	346,637
Unrestricted	85,269,109	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
Total primary government net position	$ 355,915,465	$ 347,596,567	$ 312,212,425	$ 294,756,395	$ 283,519,691	$ 266,059,254	$ 255,333,407	$ 245,596,913	$ 227,526,404	$ 219,192,686

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

Exhibit F-2

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
General government	$ 19,011,842	$ 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
Public safety	32,630,297	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
Transportation and environment	10,592,741	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
Community services	8,429,661	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
Education	74,287,377	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	1,951,589	2,196,302	2,056,976	2,153,886	2,362,573	1,330,426	926,194	1,358,382	679,845	831,623
Total governmental activities expenses	146,903,507	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
Business-type activities:										
Utilities	9,309,921	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
Athletic Club	3,760,250	3,872,845	3,449,103	3,891,452	3,983,883	3,856,832	3,669,724	3,493,131	3,278,419	3,257,518
Sanitation	5,179,380	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
Great Hall	507,529	506,338	488,669	490,555	547,534	516,416	543,064	516,496	518,443	483,534
Stormwater	1,188,126	1,312,398	834,440	1,008,354	998,219	1,025,913	1,220,410	878,422	907,366	902,059
Total business-type activities expenses	19,945,206	20,547,310	16,790,244	18,180,096	18,055,155	17,585,235	17,362,723	14,974,046	15,180,194	15,388,537
Total primary government expenses	$ 166,848,713	$ 151,843,293	$ 144,381,352	$ 144,681,118	$ 134,453,379	$ 125,816,154	$ 121,544,139	$ 114,155,764	$ 99,998,988	$ 63,013,471
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 3,955,224	$ 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
Public safety	158,111	339,750	247,108	189,750	219,853	152,327	163,442	1,182,858	1,298,067	943,545
Transportation and environment	1,755,281	1,501,860	1,224,550	1,204,811	1,300,146	1,191,338	1,042,161	952,147	970,079	969,947
Community services	1,187,708	1,104,563	672,407	994,956	1,382,475	1,332,581	1,227,751	832,155	803,292	455,041
Education	1,577,403	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	41,677,379	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
Capital grants and contributions	6,101,085	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
Total governmental activities program revenues	56,412,191	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
Business-type activities:										
Charges for services:										
Utilities	11,317,813	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
Athletic Club	4,316,472	3,723,544	2,829,873	3,763,553	4,707,527	4,283,377	4,089,150	4,253,656	4,095,114	4,026,672
Sanitation	4,958,665	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
Great Hall	540,901	437,036	158,238	375,349	514,161	490,391	471,193	437,188	410,430	358,902
Stormwater	2,876,249	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
Operating grants and contributions	-	6,065	-	-	19,304	19,358	-	-	-	-
Capital grants and contributions	711,564	2,637,321	168,226	-	576,946	228,752	40,764	1,085,523	329,674	259,000
Total business-type activities program revenues	24,721,664	24,263,241	18,207,157	18,504,915	20,066,754	19,560,080	19,384,718	19,121,034	17,717,167	15,832,898
Total primary government program revenues	$ 81,133,855	$ 99,593,352	$ 77,969,765	$ 74,954,623	$ 69,649,658	$ 66,460,410	$ 59,738,927	$ 68,074,621	$ 58,279,009	$ 80,176,407
Net (expense)/revenue										
Governmental activities	$ (90,491,316)	$ (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
Business-type activities	4,776,458	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
Total primary government net expense	$ (85,714,858)	$ (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

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

Exhibit F-2

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 52,602,547	$ 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
Other local taxes	30,162,047	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
Intergovernmental revenues:										
State sales tax	4,980,227	4,774,762	4,327,116	3,718,954	3,618,715	3,490,064	3,328,313	-	-	-
State income and other taxes	168,880	255,576	1,121,564	1,702,192	2,216,722	2,152,031	2,969,807	-	-	-
Other state revenue	429,964	367,905	274,898	260,276	268,152	267,099	228,026	-	-	-
Other revenue	1,385,582	767,404	716,412	1,065,189	1,560,076	697,315	818,311	716,573	457,938	970,816
Investment earnings	3,236,146	277,840	238,149	1,116,978	1,874,580	980,430	310,119	166,588	75,688	65,482
Gain on sale of capital assets	163,812	275,892	153,023	-	-	18,514	98,073	51,726	55,213	50,649
Insurance proceeds	-	-	-	655,050	-	-	-	-	-	-
Transfers	372,866	279,267	212,843	457,072	507,149	510,458	(1,037)	242,168	267,815	327,207
Total government activities	93,502,071	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
Business-type activities:										
Other revenue	52,722	67,705	145,535	26,676	68,546	61,444	52,939	40,102	-	-
Investment earnings	851,829	41,489	20,068	225,664	419,323	214,246	72,856	-	22,599	11,997
Gain on sale of capital assets	-	-	-	-	-	8,369	8,660	-	(10,756)	4,621
Transfers	(372,866)	(279,267)	(212,843)	(457,072)	(507,149)	(510,458)	1,037	(242,168)	(267,815)	(327,201)
Total business-type activities	531,685	(170,073)	(47,240)	(204,732)	(19,280)	(226,399)	135,492	(202,066)	(255,972)	(310,583)
Total primary government	$ 94,033,756	$ 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
Change in Net Position										
Governmental activities	$ 3,010,755	$ 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
Business-type activities	5,308,143	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
Total primary government	$ 8,318,898	$ 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

CITY OF GERMANTOWN, TENNESSEE **Exhibit F-3**

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	$ 638,356	$ 759,512	$ 715,835	$ 481,186	$ 308,397	$ 315,646	$ 1,153,721	$ 1,439,204	$ 696,207	$ 829,361
Committed	21,022,831	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
Assigned	3,278,064	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
Unassigned	27,187,599	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
Total general fund	$ 52,126,850	$ 43,848,687	$ 45,226,324	$ 42,933,236	$ 42,990,379	$ 40,725,186	$ 32,601,124	$ 31,857,872	$ 28,250,366	$ 24,069,837
Municipal Schools										
Nonspendable	$ 15,818	$ 6,650	$ 6,650	$ 36,365	$ 63,879	$ 77,585	$ 191,041	$ -	$ -	$ -
Restricted	1,217,260	959,580	853,456	396,503	221,230	122,762	-	-	-	-
Committed	23,053,736	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	5,289,945	-
Total Municipal Schools	$ 24,286,814	$ 26,920,363	$ 21,843,164	$ 20,994,668	$ 19,564,355	$ 16,325,905	$ 13,142,212	$ 8,864,313	$ 5,289,945	$ -
Schools Capital Projects Fund										
Committed	$ -	$ -	$ -	$ 2,885,754	$ 2,315,151	$ -	$ -	$ -	$ -	$ -
All other governmental funds										
Nonspendable	304,055	$ 289,044	$ 270,353	$ 243,308	$ -	$ 1,800	$ -	$ -	$ -	$ 69,811
Restricted	4,936,897	5,174,929	1,814,699	457,489	696,518	418,235	3,230,614	513,416	575,787	346,637
Committed	10,081,848	12,170,010	9,862,606	7,632,099	13,680,140	27,665,465	-	17,863,458	5,305,410	4,512,531
Assigned	9,516,071	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
Unassigned	-	-	-	(345)	-	(1,470,902)	-	-	-	(66,597)
Total all other governmental funds	$ 24,838,871	$ 26,360,863	$ 15,005,327	$ 9,020,338	$ 16,027,590	$ 36,102,583	$ 13,610,653	$ 23,800,170	$ 7,125,078	$ 6,988,100

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 **Exhibit F-4**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes	$ 124,106,697	$ 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
Fines and forfeitures	1,890,353	1,180,336	777,548	860,948	1,147,530	1,244,883	1,144,942	1,438,013	750,866	778,641
Licenses and permits	1,385,046	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
Charges for services	5,346,953	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
Interest on investments	3,236,146	277,840	238,149	1,116,978	1,874,580	980,430	310,119	166,588	75,688	65,482
Grants	11,504,235	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
Donations	3,679,902	3,238,652	2,476,684	6,559,158	1,513,165	-	-	-	-	-
Other revenues	1,385,582	767,404	716,412	1,065,189	1,560,076	697,315	818,311	4,505,315	2,332,403	2,427,881
Total revenues	152,534,914	158,869,132	139,559,261	136,519,267	131,382,615	120,936,822	111,294,205	109,551,006	99,239,289	52,725,632
Expenditures										
General government	17,438,332	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
Public safety	28,127,039	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
Transportation and Environment	8,976,372	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
Community services	3,893,469	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
Education	71,415,160	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	2,974,397	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
Interest	2,341,227	2,368,672	2,271,396	2,442,621	2,751,702	1,146,557	1,382,402	959,454	688,485	762,645
Bond issuance cost	-	134,956	-	-	24,001	242,238	-	290,428	-	120,576
Capital outlay	19,619,176	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
Total expenditures	154,785,172	151,192,801	134,953,693	142,695,857	147,274,268	120,726,827	116,560,493	107,747,086	89,968,655	56,201,085
Excess of revenues over (under) expenditures	(2,250,258)	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)
Other financing sources (uses)										
Transfers in	15,696,244	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
Transfers out	(15,323,378)	(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)
Issuance of debt	5,000,000	-	-	-	3,025,000	29,275,000	-	13,970,000	-	9,070,000
Refunding bond issued	-	2,850,000	-	-	-	-	-	4,185,000	-	-
Discount on debt issued	(431,972)	5,820,000	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	-	876,291	-	-	-	-	-	-	-	-
Premium on bonds issued	-	(3,370,000)	-	-	-	3,778,809	-	3,579,349	-	222,803
Payment to refunded bond escrow agent	-	614,677	-	-	-	-	-	-	-	-
Contribution from developers	-	308,532	-	-	-	-	-	-	-	-
Issuance of subscription asset	1,249,105	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	182,881	-	239,059	986	103,305	25,423	98,959	91,529	69,007	50,649
Insurance recoveries	-	-	-	655,050	-	-	-	-	-	-
Total other financing sources (uses)	6,372,880	7,378,767	451,902	1,113,108	3,635,454	33,589,690	97,922	22,053,046	336,822	9,670,653
Net change in fund balances	$ 4,122,622	$ 15,055,098	$ 5,057,470	$ (5,063,482)	$ (12,256,199)	$ 33,799,685	$ (5,168,366)	$ 23,856,966	$ 9,607,456	$ 6,195,200
Debt service as a percentage of noncapital expenditures	4.1%	4.3%	4.5%	4.9%	4.2%	3.5%	4.4%	7.6%	3.8%	19.1%

CITY OF GERMANTOWN, TENNESSEE **Exhibit F-5**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

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					
2023	$ 1,545,180,350	$ 3,706,725	$ 439,474,395	$ 10,701,659	$ 39,428,140	$ 2,038,491,269	1.673	$ 7,529,457,562	27.07%
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%

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 are 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

Exhibit F-6

Property Tax Rates
(Per $100 of Assessed Valuation)

	City	County				
Fiscal Year	**Direct Rate**	**General Fund**	**Education**	**Debt Service**	**Rural School Bonds**	**Total Direct & Overlapping Rates**
2023	$ 1.673	$ 1.25	$ 1.59	$ 0.55	$ -	$ 5.06
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

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	2023 Assessed Value	2023 Rank	2023 Percentage of Total City Taxable Assessed Value	2014 Assessed Value	2014 Rank	2014 Percentage of Total City Taxable Assessed Value
The Village At Germantown, Inc.	$ 19,635,800	1	0.96%	$ 12,777,160	1	0.92%
Neshoba-Exeter Real Estate Partners	16,033,280	2	0.79%	-	-	-
West Wolf River Partners, LLC	13,981,240	3	0.69%	-	-	-
Hendon Germantown Village, 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 VIII Brook Chase, LLC	9,964,080	8	0.49%	-	-	-
Shops at Saddle Creek, Inc.	9,308,640	9	0.46%	-	-	-
Crestwyn Health Group, LLC	9,056,160	10	0.44%	-	-	-
VA Germantown, LLC	-	-	-	8,310,400	2	0.60%
Germantown Village Square Joint Venture	-	-	-	6,807,400	3	0.49%
Vineyards Apartments, Inc.	-	-	-	6,664,520	4	0.48%
BIC-MTS Partners (PSO)	-	-	-	5,953,240	5	0.43%
Taylor Senter Crook, et al	-	-	-	5,772,040	6	0.42%
UT Medical Group, Inc.	-	-	-	5,438,920	7	0.39%
SWC Poplar FHI Partners, LLC	-	-	-	5,428,520	8	0.39%
LMP Wolf River I, LLC	-	-	-	4,913,880	9	0.36%
Wolf River Medical Center, LTD LP	-	-	-	4,843,320	10	0.35%
Totals	$ 127,039,280		6.23%	$ 66,909,400		4.84%

Source: Shelby County Board of Assessments

CITY OF GERMANTOWN, TENNESSEE
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Calendar Years

Exhibit F-8

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
2022	$ 33,928,976	$ 33,542,780	98.9%	$ -	$ 33,542,780	98.9%	$ 386,196	1.1%
2021	34,335,517	33,984,827	99.0%	217,350	34,202,177	99.6%	133,340	0.4%
2020	32,979,709	32,667,883	99.1%	284,599	32,952,482	99.9%	27,227	0.1%
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%

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 **Exhibit F-9**

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Property Taxes	$ 52,704,884	$ 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
Local Sales Taxes	31,914,816	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
State Taxes (Local Share)	39,486,997	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
Total	$ 124,106,697	$ 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

CITY OF GERMANTOWN, TENNESSEE

Exhibit F-10

PROGRAM REVENUES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(accrual basis of accounting)

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities:										
General government	$ 3,955,224	$ 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
Public safety	158,111	339,750	247,108	189,750	219,853	152,327	163,442	1,182,858	1,298,067	943,545
Transportation and environment	1,755,281	1,501,860	1,224,550	1,204,811	1,300,146	1,191,338	1,042,161	952,147	970,079	969,947
Community services	1,187,708	1,104,563	672,407	994,956	1,382,475	1,332,581	1,227,751	832,155	803,292	455,041
Education	1,577,403	654,666	464,010	1,251,104	1,428,982	1,236,058	1,148,080	3,207,977	729,266	-
Total governmental activities	8,633,727	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
Business-type activities:										
Utilities	11,317,813	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
Athletic Club	4,316,472	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
Sanitation	4,958,665	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
Great Hall	540,901	441,923	158,238	375,349	514,161	490,391	471,193	437,188	410,430	358,902
Stormwater	2,876,249	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
Total business-type activities	24,010,100	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
Total primary government	$ 32,643,827	$ 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

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

Exhibit F-11

Fiscal Year	City Direct Rate	Shelby County	State of Tennessee
2023	1.625 %	1.125 %	7.00 %
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	1.125	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 **Exhibit F-12**

TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Building Materials	$ 14,533,128	$ 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
General Merchandise Stores	53,855,774	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
Food Stores	157,581,633	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
MV Dealers and Service Stations	17,685,144	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
Apparel Stores	77,489,379	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
Furniture Stores	47,062,282	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
Eating and Drinking Places	120,556,084	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
Other Retail	95,150,003	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
All Other Outlets	88,619,984	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
	$672,533,411	$631,226,612	$529,279,678	$590,268,634	$563,216,136	$518,165,736	$482,101,415	$445,332,077	$414,342,737	$403,264,302

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
Current Year and Nine Years Ago

Exhibit F-13

	2023				2014			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	428	46.88%	$16,601,534	86.64%	420	52.37%	$9,463,255	84.75%
Services	302	33.08%	1,604,940	8.38%	208	25.94%	1,091,573	9.78%
Manufacturing	51	5.59%	451,798	2.36%	29	3.62%	106,352	0.95%
Wholesale Trade	38	4.16%	15,887	0.08%	53	6.61%	65,651	0.59%
Construction	15	1.64%	41,873	0.22%	11	1.37%	3,843	0.03%
Finance Insurance Real Estate	9	0.99%	66,826	0.35%	4	0.50%	529	0.00%
Transportation and Utilities	11	1.20%	222,114	1.16%	-	0.00%	-	0.00%
Agriculture	13	1.42%	47,235	0.25%	9	1.12%	30,042	0.27%
Other, Non-Classified	46	5.04%	108,888	0.57%	68	8.48%	405,351	3.63%
Total	913	100%	$19,161,095	100%	802	100%	$11,166,596	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.

CITY OF GERMANTOWN, TENNESSEE
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Exhibit F-14

Fiscal Years	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Note	Other Debt	Bonds	Equipment Lease			
2023	$58,511,678	$ 1,928,000	$5,566,140	$1,720,000	$ -	$ 67,725,818	43.88%	1,650
2022	61,036,994	2,169,000	1,309,294	2,098,073	226,980	66,840,341	43.30%	1,629
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	30.45%	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	21.33%	706

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

CITY OF GERMANTOWN, TENNESSEE **Exhibit F-15**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Years	Governmental Activities: General Obligation Bonds	Governmental Activities: Capital Note	Other Debt	Total	Percentage of Actual Taxable Value of Property	Per Capita
2023	$ 58,511,678	$ 1,928,000	$ 5,566,140	$ 66,005,818	0.88%	1,609
2022	61,036,994	2,169,000	1,309,294	64,515,288	0.86%	1,572
2021	57,158,806	2,403,000	1,610,298	61,172,104	0.99%	1,525
2020	59,834,217	2,629,000	1,901,457	64,364,674	1.04%	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

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 **Exhibit F-16**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2022

	Net Outstanding Debt	Percentage Applicable City of Germantown	Overlapping Debt
City Net General Obligation Debt	$ 66,005,818	100.00%	$ 66,005,818
Shelby County (including School Board)	$ 55,353,000	100.00%	$ 55,353,000
Direct, Overlapping Debt	$ 121,358,818		$ 121,358,818

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
Last Ten Fiscal Years

Exhibit F-17

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2023	$ 11,366,369	$ 7,093,750	$ 4,272,619	$ -	$ -	0.00
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

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 **Exhibit F-18**

DEMOGRAPHICS AND ECONOMIC STATISTICS

Last Ten Calendar Years

	Population		Median Income		Per Capita Personal Income		School Enrollment		Unemployment Rate	
2023	41,034	(8)	$ 132,949	(8)	68,279	(8)	5,909	(3)	3.4	(2)
2022	41,034	(8)	$ 123,387	(8)	61,788	(8)	5,981	(3)	3.9	(9)
2021	40,123	(1)	$ 118,163	(8)	60,956	(8)	5,934	(3)	3.7	(9)
2020	40,123	(1)	$ 116,585	(8)	60,855	(8)	5,960	(3)	2.6	(7)
2019	40,123	(1)	$ 19,392	(8)	58,722	(8)	6,044	(3)	2.7	(7)
2018	40,123	(1)	$ 154,163	(5)	53,919	(5)	6,016	(3)	2.6	(7)
2017	40,123	(1)	$ 154,163	(6)	54,229	(5)	5,874	(3)	3.9	(2)
2016	40,123	(1)	$ 154,355	(5)	54,229	(5)	5,732	(3)	3.9	(2)
2015	40,123	(1)	$ 114,520	(4)	53,329	(4)	5,732	(3)	4.6	(2)
2014	40,123	(1)	$ 19,294	(1)	49,857	(1)	8,551	(3)	5.6	(2)

Sources:

(1) Special Local Census
(2) 2014, 2015, 2023 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.civicdashboards.com
(8) United States Census Quick Facts website
(9) TN Dept of Labor & Workforces, Labor Force Estimates

CITY OF GERMANTOWN, TENNESSEE
PRINCIPAL EMPLOYERS
Current Year and Seven Years Ago

Exhibit F-19

	2023			2016		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment***	**Employees**	**Rank**	**Percentage of Total County Employment****
Methodist LeBonheur Hospital - Germantown	1,806	1	0.29%	1,960	1	0.39%
Germantown Municipal School District	672	2	0.11%	505	2	0.10%
West Cancer Center	587	3	0.09%			
Campbell Clinic	505	4	0.08%	350	5	0.07%
Stern Cardiovascular	446	5	0.07%	356	4	0.07%
City of Germantown	413	6	0.07%	394	3	0.08%
The Village at Germantown	310	7	0.05%	330	7	0.07%
Gastro One	273	8	0.04%			
Baptist Rehabilitation -- Germantown	250	9	0.04%	129	10	0.03%
ThyssenKrupp Elevator Manufacturing, Inc.	243	10	0.04%	291	8	0.06%
Kroger				332	6	0.07%
Orgill, Inc.				284	9	0.06%

Notes:

*Approximately 6,270 Personnel Staff per Shelby County Human Resources Representative (2023)

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

CITY OF GERMANTOWN, TENNESSEE

Exhibit F-20

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY PROGRAM/COST CENTER

Last Ten Fiscal Years

(Full Time Equivalents- Non-Exempt/Exempt Employees)	2023		2022		2021		2020		2019		2018		2017		2016		2015		2014	
Program/Cost Center:	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	9	0	8	0	7	0	7	0	7	0	7	0	7	0	7	3
Administration	12	2	11	0	9	2	9	1	8	0	8	0	7	2	5	1	5	1	5	1
Human Resources	5	0	4	0	5	0	5	0	5	0	5	0	5	0	6	0	7	0	6	0
Information Technology	6	1	6	1	5	1	5	1	5	0	5	0	5	1	5	0	5	0	5	0
Finance	11	0	12	0	10	0	9	0	12	0	12	0	11	0	11	0	10	0	16	1
Procurement	6	0	6	0	7	0	7	0	7	0	7	0	7	0	7	0	7	0	0	0
Economic and Community Development	20	0	9	0	17	1	19	0	19	0	19	0	19	0	20	0	19	0	20	0
Engineering	9	0	9	0																
Facility Services	16	1	14	1	14	1	15	1	17	1	17	1	17	0	16	0	14	0	12	0
GPAC	13	1	13	2	13	1	12	1	12	2	12	2	11	24	10	2	10	2	9	5
Office of Budget & Performance	3	0	2	0	2	0	2	0	3	0	3	0	3	0	3	0	3	0	2	0
Civic Support	9	0	8	0	9	0	8	0	7	0	6	0	6	0	7	0	0	0	0	0
Public Safety																				
Police	118	0	124	1	118	1	125	1	120	0	118	0	122	5	113	0	115	1	107	0
Fire	77	0	76	0	72	0	86	2	73	1	67	1	68	1	67	1	66	1	70	1
Transportation & Environment																				
Public Services	38	0	33	1	38	0	36	0	39	1	38	1	40	1	38	1	39	1	39	1
Fleet Services	3	0	8	0	8	1	9	0	9	0	9	0	9	0	9	0	8	1	10	0
Animal Control	4	0	4	0	4	0	4	0	4	1	4	1	3	0	4	1	4	1	5	0
Community Services																				
Parks & Recreation	11	9	10	8	7	7	7	6	8	6	8	6	7	6	7	6	6	6	7	5
The Farm	1	0	1	0	1	0	1	1	1	1	0	1	0	3	0	1	0	1	0	1
Community Education	0	0	0	0	2	0	2	0	3	8	2	8	1	6	1	8	0	0	0	0
Ambulance Fund	17	0	17	0	18	0	19	0	19	0	19	0	19	0	19	0	16	0	0	0
Germantown Athletic Club																				
Recreation	10	17	8	12	11	14	10	13	12	13	12	13	11	44	10	12	10	12	11	12
Aquatics	1	29	1	9	1	13	1	12	1	14	1	14	2	38	2	14	2	14	2	14
Personal Training	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	3	1	1	1	1
Great Hall	2	3	2	2	2	1	2	2	2	1	2	1	2	3	2	1	2	1	2	1
Utilities																				
Water	13	0	15	0	13	0	15	0	16	0	17	0	16	0	17	0	21	0	20	0
Sewer	4	0	5	0	4	0	5	0	5	0	5	0	5	0	5	0	6	0	6	0
Solid Waste	1	0	2	0	0	0	0	0	2	0	2	0	1	0	2	0	1	0	0	0
Stormwater	1	0	2	0	1	0	5	0	7	0	7	0	7	0	7	0	7	0	7	0
Recreation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Municipal Schools *	638	27	640	36	599	9	597	10	587	0	518	0	527	0	505	0	517	0	0	0
Total	1,058	90	1,052	73	999	52	1,023	50	1,009	46	929	47	938	131	906	48	908	43	368	43

Source: City of Germantown

Notes:

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

*5,909 Students Enrolled

CITY OF GERMANTOWN, TENNESSEE **Exhibit F-21**

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Physical arrests	2,385	1,976	1,490	1,856	2,478	2,344	2,447	1,163	1,730	1,227
Parking violations	273	170	130	225	243	256	370	123	159	83
Traffic violations	10,401	11,121	8,846	9,099	15,822	15,027	18,267	23,024	16,728	6,758
Fire										
Emergency responses	5,345	5,195	4,704	4,412	4,485	4,473	4,115	3,928	3,551	3,354
Fires extinguished	40	59	49	62	49	70	54	56	45	44
Inspections	1,096	1,659	567	633	1,577	1,225	1,517	1,939	1,515	1,613
Other public works										
Street resurfacing (miles)	14	8	7	3	9	8	7	8	9	8
Parks and recreation										
Athletic field permits issued	5	2	0	0	1	1	3	n/a	n/a	2
Germantown Athletic Club										
*Admissions - per day	1,266	1,049	773	1,320	1,571	1,492	1,425	1,568	1,310	1,233
*Admissions - per year	455,752	377,537	278,401	409,399	565,500	537,455	512,845	564,349	471,675	443,855
Library										
Volumes in collection	498,151	461,354	132,247	137,790	135,362	139,622	135,532	139,545	136,005	143,618
Total volumes borrowed	317,516	245,989	135,936	241,052	314,715	344,077	338,761	347,908	324,892	333,227
Water										
New connections	23	25	31	40	41	82	70	58	40	56
Water main breaks	11	21	19	7	8	14	18	16	20	22
Average daily consumption (MG)	5.986	4.934	6.376	6.470	5.744	6.117	6.229	7.530	6.899	7.205
Peak daily consumption (MG)	14.363	11.886	14.686	14.622	12.294	12.294	12.150	13.580	13.275	13.969

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 **Exhibit F-22**

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	52	51	54	48	41	40	39	38	37	37
Fire Stations	4	4	4	4	4	4	4	4	4	4
Other public works										
Streets (miles)	235	235	233	231	231	230	220	215	210	210
Highways (miles)	11	11	11	11	11	11	11	11	11	11
Streetlights	5,100	5,100	5,080	5,080	5,080	5,000	5,014	5,099	5,097	5,097
Parks and recreation										
Acreage	748	748	748	748	748	748	748	748	748	748
Playgrounds	26	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	14	11	11	11	11	11	11	11	11	11
Community center	0	0	0	0	0	0	0	0	0	0
Water										
Water mains (miles)	282	282	282	280	280	256	256	256	210	235
Fire hydrants	2,685	2,665	2,665	2,661	2,661	2,611	2,611	2,599	2,606	2,559
Storage capacity (million gallons)	7.8	7.8	8.1	8.1	8.1	8.1	8.1	8.1	8.1	7.9
Wastewater*										
Sanitary sewers (miles)	237	237	237	235	235	235	233	233	210	232

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, 2023

Federal Grantor/Pass-Through Grantor/Program	Assistance Listing Number	Contract Number	Expenditures
U.S. Department of Agriculture			
Passed through TN Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553		$ 46,812
National School Lunch Program - Cash Assistance	10.555		430,983
National School Lunch Program - USDA Commodities	10.555		93,127
National School Lunch Program - Supply Chain Assitance Grant	10.555		85,798
National School Lunch Program - Food Storage Distribution Rebate	10.555		6,438
Subtotal - 10.555			616,346
Total U.S. Department of Agriculture			663,158
U.S. Department of Justice			
Direct Award			
Equitable Sharing Program	16.922	TN0790200	6,846
U.S. Department of Transportation			
Passed through TN Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	Fed Proj #STP-M-9420(15)	14,123
Highway Planning and Construction	20.205	Fed Proj #STP-M-57(85)	400
Highway Planning and Construction	20.205	Fed Proj #STP-M-NH-177(36)	11,783
Highway Planning and Construction	20.205	Fed Proj #STP-M-9420(14)	37,114
Highway Planning and Construction	20.205	Fed Proj #STP-M-9420(18)	32,962
Highway Planning and Construction	20.205	Fed Proj #TAP-M-9420(19)	19,517
Highway Planning and Construction	20.205	Fed Proj #TAP-M-9420(20)	702
Highway Planning and Construction	20.205	Fed Proj #STP-M-9420(17)	25,715
Highway Planning and Construction	20.205	Fed Proj #STP-M-9420(13)	38,061
Highway Planning and Construction	20.205	Fed Proj #STP-M-9420(16)	68,326
Total U.S. Department of Transportation			248,703
U.S. Department of Treasury			
Direct Award			
Equitable Sharing Program	21.016	TN0790200	48,855
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		152,636
Total U.S. Department of Treasury			201,491
National Endowment for the Humanties			
Passed through the National Endowment for the Arts and Arts Midwest			
Promotion of the Arts Grants to Organizations & Individuals	45.024	N/A	26,800
Passed through TN State Library and Archives			
Grants to States	45.310	GRANT12681586	9,680
Total National Endowment for the Humanities			36,480
U.S. Department of Education			
Passed through TN Department of Education			
Title I Grants to Local Education Agencies	84.010	S010A200042	996,905
Consolidated Administration	84.010	N/A	114,674
Subtotal - 84.010			1,111,579
Special Education Cluster (IDEA)			
Special Education Grants to States	84.027A	H173A200095	1,156,944
Special Education Grants to States - Implementation Grant	84.027A	H027A220052	58,489
COVID-19 - Special Education Grants to States	84.027X	N/A	148,782
Special Education - Preschool Grants	84.173A	H173A200095	11,499
Special Education Grants to States - TAS Incentive Funds	84.027A	H027A220052	5,486
COVID-19 - Special Education - Preschool Grants	84.173X	N/A	12,581
Subtotal - Special Education Cluster (IDEA)			1,393,781

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, 2023

Federal Grantor/Pass-Through Grantor/Program	Assistance Listing Number	Contract Number	Expenditures
Career and Technical Education Basic Grants to States	84.048A	V048A210042	61,609
Rehabilitation Services - Vocational Rehabilitation to States	84.126	Z21-70542	105,909
English Language Acquisition State Grants	84.365A	S365A200042	11,770
Consolidated Administration	84.365A	N/A	96
Subtotal - 84.365			11,866
Supporting Effective Instruction State Grant	84.367A	S367A200042	77,577
Supporting Effective Instruction State Grant	84.367A	N/A	2,032
Subtotal - 84.367			79,609
Student Support and Academic Enrichment Program	84.424A	S424A200044	73,559
Education Stabilization Fund			
COVID-19 Elementary & Secondary School Emergency Relief (ESSER) 2.0	84.425D	S425D200047	344,877
COVID-19 American Rescue Plan - Elementary & Secondary School Emergency Relief (ARP-ESSER) 3.0	84.425U	S425D200047	1,264,666
Tennessee All Corps Grant	84.425D	S425U210047	272,622
Fiscal Pre-Monitoring Supports Grant	84.425D	S425D200047	22,330
Literacy Training Stipend Grants	84.425D	S425D200047	10,000
Subtotal - 84.425			1,914,495
Total U.S. Department of Education			4,752,407
U.S. Department of Health and Human Services			
Passed through TN Department of Education			
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	N/A	773,366
Passed through TN Department of Education			
COVID-19 Temporary Assistance for Needy Families (TANF)	93.558		19,734
Total Federal Awards			6,702,185

State Financial Assistance	Assistance Listing Number	Contract Number	Expenditures
TN Department of Transportation	N/A	79LPLM-F3-673	100
TN Department of Transportation	N/A	79LPLM-F2-331	2,945
State of TN Police Salary Supplement	N/A	N/A	76,000
State of TN Fire Salary Supplement	N/A	N/A	72,000
TEMA NC Hurricane Dorian	N/A	N/A	12,342
TEMA 2019 Mutual Aid of TN	N/A	N/A	13,991
DOE Coordinated School Health	N/A	N/A	90,000
DOE Safe Schools Act of 1998	N/A	N/A	116,116
DOE Summer Learning Camps	N/A	N/A	458,085
DOE Child Nutrition State	N/A	N/A	20,825
Total State Financial Assistance			862,404
Total Federal Awards and State and State Financial Assistance			$ 7,564,589

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, 2023

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, 2023. 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	$ 11,504,235
Change in deferred revenue at the fund level	(4,003,638)
Grant revenue per proprietary fund	0
Write-off of prior year receivable	78,105
Non-federal and non-state grants	
Germantown Municipal School District	(14,113)
Total federal awards and state financial assistance	$ 7,564,589

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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, 2023, 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 20, 2023.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

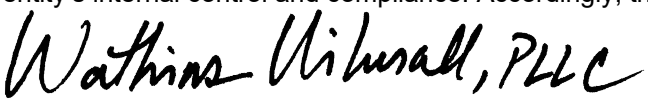
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

City of Germantown, Tennessee's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 20,2023

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE 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 the Major Federal Program

Opinion on the 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 the City's major federal program for the year-ended June 30, 2023. The City's major federal program is 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 its major federal program for the year-ended June 30, 2023.

Basis for Opinion on the 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 the 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 the 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.

Watkins Uitvall, PLLC

Memphis, Tennessee
December 20, 2023

CITY OF GERMANTOWN, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year-ended June 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
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:

- Assistance Listing No.: 84.425– Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Did auditee qualify as a low-risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

Material Weaknesses

2023-001 City Expenditures Were Not Accrued

Condition: An invoice paid by the City after year end for an expenditure incurred and payable as of year end was not accrued as liabilities at year end.

Criteria: Under the modified accrual basis of accounting, expenditures should be recorded when incurred and payable.

Cause: The vendor invoice received was dated after year end and had no indication that the work performed was related to FY23.

Effect: Expenditures and liabilities were materially understated at year end at the fund level.

Recommendation: As a part of year-end close procedures, invoices should be reviewed for a minimum of 60 days after year end to determine if expenditures were incurred prior to year end. The review should also consider knowledge of invoices that have not been received during the 60-day period but related to expenditures incurred before year end.

Management Comments: See management's corrective action plan.

2023-002 The School Did Not Accurately Report Their Incurred But Not Reported (IBNR) Claims For the Health Insurance Fund

Condition: After discussion with the School District's insurance provider, it was noted that the District did not properly report the IBNR liability.

Criteria: Liabilities must be accrued when incurred, so all claims incurred before June 2023 and paid after year end must be accrued.

Cause: The insurance provider changed the document used to calculate IBNR and as a result an error was made in the calculation.

Effect: The IBNR was overstated at year end.

Recommendation: All journal entries should be supported by adequate documentation and reviewed by management.

Views of Responsible Officials: See management's corrective action plan.

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, 2023

SECTION I – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION II – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

MANAGEMENT'S CORRECTIVE ACTION PLAN

The City of Germantown respectfully submits the following corrective action plan for the year ended June 30, 2023. The finding from the June 30, 2023 Financial Statement Findings is discussed below.

2023-001 City Expenditures Were Not Accrued

Responsible for Corrective Action: Adrienne Royals

Corrective Action: Management will review all material invoices received after year end and make the necessary accruals to ensure expenses are recorded in the proper period.

Anticipated Completion Date for Corrective Action: Completed December 2023

Signature: _____
Adrienne Royals, Director of Budget & Financial Services, City of Germantown

GERMANTOWN
MUNICIPAL SCHOOL DISTRICT
Inspiring Personal Excellence

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MANAGEMENT'S CORRECTIVE ACTION PLAN

Germantown Municipal School District respectfully submits the following corrective action plan for the year ended June 30, 2023. The finding from the June 30, 2023 schedule of findings and recommendations are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

2023-002: Material Weakness – Health Insurance Claims Incurred But Not Reported Inaccurately Calculated

Corrective Action: The insurance provider gave new documentation to support the IBNR calculation. The IBNR calculation at June 30, 2023, was updated accordingly.

Responsible for Corrective Action: Kevin Jones

Anticipated Completion Date for Corrective Action: Corrective action taken.

Signature: _____
Kevin Jones

Germantown Municipal School District offers educational and employment opportunities without regard to race, color, creed, national origin, religion, marital status, handicap/disability, sex, genetics or age and adheres to the provisions of the Family Education Rights and Privacy Act (FERPA).