

CITY OF GREENBRIER, TENNESSEE

**FINANCIAL STATEMENTS
AND OTHER INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2022

CITY OF GREENBRIER, TENNESSEE
FINANCIAL STATEMENTS

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INTRODUCTORY SECTION



CITY OF GREENBRIER, TENNESSEE
OFFICIALS OF THE CITY OF GREENBRIER, TENNESSEE
JUNE 30, 2022

<u>Position</u>	<u>Official</u>	<u>Period of Service</u>
Mayor	Lanny Adcock	7/1/2021 - 6/30/2022
Vice Mayor/Alderman	Bill Deaver	7/1/2021 - 6/30/2022
Alderman	Jeff DeLong	7/1/2021 - 6/30/2022
Alderman	Billy Ray Dorris	7/1/2021 - 6/30/2022
Alderman	Steve Hidgon	7/1/2021 - 6/30/2022
Alderman	Chris Davis	7/1/2021 - 6/30/2022
Alderman	Sam Owen	7/1/2021 - 6/30/2022
City Recorder	Stephanie Toland	7/1/2021 - 6/30/2022
Police Chief	Randall Pack	7/1/2021 - 6/30/2022
City Attorney	Reba Brown	7/1/2021 - 6/30/2022
City Judge	William Kroeger	7/1/2021 - 6/30/2022

All employees of the City of Greenbrier are covered under the Property and Crime policy with the Tennessee Municipal League Risk Management Pool, with up to \$150,000 of coverage.

FINANCIAL SECTION





Independent Auditor's Report

Honorable Mayor and Members of the Board of Aldermen
City of Greenbrier, 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, each major fund, and the aggregate remaining fund information of the City of Greenbrier, Tennessee (the "City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, budgetary comparison information for the general fund and capital projects fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.



Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information on pages 46 through 56 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedule of expenditures of 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 financial statements. The other information comprises the introductory section and the schedules in the other information section, as listed in the table of contents, 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 March 30, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Crosslin, PLLC

Nashville, Tennessee
March 30, 2023

CITY OF GREENBRIER, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains additional required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Highlights

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Comparing the year-to-year increases or decreases in net position may be used as an indicator of whether the financial position of the City is improving or deteriorating. The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when 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 the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences). These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues from 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 and administration, public safety, state street aid, public works, parks and recreation, stormwater, and the solid waste operation. The business-type activities of the City include the water and sewer operation.

Fund Financial Statements

The fund financial statements include statements for two categories of activities - governmental and proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Government Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be used in evaluating a government's near-term financing requirements. Since the focus of governmental funds is narrower than that of the government-wide financial statements, a comparison of the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements may offer readers a better understanding of the long-term effect of near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between funds and activities.

CITY OF GREENBRIER, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

The City maintains six 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 major funds, which are the general fund and the capital projects fund. Individual fund data for each of the non-major governmental funds is provided elsewhere in this report.

Proprietary (Enterprise) Funds

The City maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its sewer operations. Proprietary funds provide the same type of information as the government-wide financial statements.

Notes to 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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

Statements in connection with the non-major governmental fund are presented following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 46 - 51 of this report.

**Condensed Comparative Data
Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	\$11,501,064	\$ 6,683,703	\$ 2,921,721	\$ 1,985,912	\$14,422,785	\$ 8,669,615
Capital Assets, Net	3,650,659	3,855,926	13,278,225	13,742,179	16,928,884	17,598,105
Total Assets	15,151,723	10,539,629	16,199,946	15,728,091	31,351,669	26,267,720
Deferred Outflows of Resources	987,961	306,368	246,990	74,066	1,234,951	380,434
Total Assets and Deferred Outflows of Resources	<u>\$16,139,684</u>	<u>\$10,845,997</u>	<u>\$16,446,936</u>	<u>\$15,802,157</u>	<u>\$32,586,620</u>	<u>\$26,648,154</u>
Liabilities						
Current Liabilities	\$ 415,128	\$ 175,697	\$ 476,662	\$ 459,022	\$ 891,790	\$ 634,719
Long-term Liabilities	3,926,920	838,425	6,453,968	7,320,168	10,380,888	8,158,593
Total Liabilities	4,342,048	1,014,122	6,930,630	7,779,190	11,272,678	8,793,312
Deferred Inflows of Resources	3,178,508	2,197,062	1,204,882	28,989	4,383,390	2,226,051
Net Position						
Net Investment in Capital Assets	3,275,924	3,398,926	6,534,815	6,578,973	9,810,739	9,977,899
Restricted	1,159,306	972,403	66,901	86,229	1,226,207	1,058,632
Unrestricted	4,183,898	3,263,484	1,709,708	1,328,776	5,893,606	4,592,260
Total Net Position	<u>\$ 8,619,128</u>	<u>\$ 7,634,813</u>	<u>\$ 8,311,424</u>	<u>\$ 7,993,978</u>	<u>\$16,930,552</u>	<u>\$15,628,791</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$16,139,684</u>	<u>\$10,845,997</u>	<u>\$16,446,936</u>	<u>\$15,802,157</u>	<u>\$32,586,620</u>	<u>\$26,648,154</u>

CITY OF GREENBRIER, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

**Condensed Comparative Data
Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services	\$ 1,121,904	\$ 994,282	\$ 3,880,940	\$ 2,979,386	\$ 5,002,844	\$ 3,973,668
Operating Grants and Contributions	441,006	539,566	108,678	90,926	549,684	630,492
Capital Grants and Contributions	-	-	-	44,775	-	44,775
General Revenues	4,502,872	4,154,470	30,164	12,443	4,533,036	4,166,913
Total Revenues	6,065,782	5,688,318	4,019,782	3,127,530	10,085,564	8,815,848
Expenses						
General Government	918,159	852,541	-	-	918,159	852,541
Public Safety	1,984,470	1,829,101	-	-	1,984,470	1,829,101
City Court	160,948	143,620	-	-	160,948	143,620
Highways, Streets and Roadways	600,046	474,881	-	-	600,046	474,881
Solid Waste	433,072	424,561	-	-	433,072	424,561
Stormwater	26,729	60,921	-	-	26,729	60,921
Parks and Recreation	513,837	550,003	-	-	513,837	550,003
Building and Codes	202,581	194,292	-	-	202,581	194,292
Cemeteries	13,216	14,583	-	-	13,216	14,583
Animal Control	80,736	90,042	-	-	80,736	90,042
Capital Projects	162	-	-	-	162	-
Debt Service Interest	147,511	12,940	-	-	147,511	12,940
Water and Sewer	-	-	3,168,332	3,577,011	3,168,332	3,577,011
Total Expenses	5,081,467	4,647,485	3,168,332	3,577,011	8,249,799	8,224,496
Change in Net Position	984,315	1,040,833	851,450	(449,481)	1,835,765	591,352
Net Position -						
Beginning of Year	7,634,813	6,511,274	7,993,978	8,443,459	15,628,791	14,954,733
Prior Period Adjustment	-	82,706	(534,004)	-	(534,004)	82,706
Net Position - End of Year	\$ 8,619,128	\$ 7,634,813	\$ 8,311,424	\$ 7,993,978	\$16,930,552	\$15,628,791

Overall Analysis

The overall financial condition of the City on June 30, 2022 is sound. The governmental activities net position increased from \$7,634,813 to \$8,619,128, which is an increase in net position of \$984,315. The business-type activities had an increase in net position of \$851,450 from \$7,459,974 (after the prior period adjustment) to \$8,311,424.

Fund Analysis

General Fund. The general fund balance increased by \$924,004, which is higher than budgeted. The favorable budget to actual outcome was due to higher than originally projected revenues, as well as lower than projected expenses.

Water and Sewer Fund. The water and sewer fund experienced income from operations of \$799,605 and an increase of net position of \$851,450. The cash balance increased from \$837,454 to \$2,383,301 at the close of the fiscal year, an increase of \$1,545,847.

CITY OF GREENBRIER, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

Budget Variances in the General Fund

The most significant revenue variance resulted from higher than projected sales tax, licenses and permits, and contributions. The most significant variance in expenses was the result of lower than projected salaries, taxes, and benefits expenses in a number of departments.

Capital Assets and Long-term Debt Activity

Changes in capital assets occurred in various departments. Most notably, the capital asset additions related to CIP in governmental activities related to the new municipal building and infrastructure related to new culverts. The Water and Sewer Fund continued work on a sewer line rehab project.

Following is a summary of the City's capital assets:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 479,683	\$ 479,683	\$ 31,500	\$ 31,500	\$ 511,183	\$ 511,183
Construction in Progress	65,946	-	8,334	8,334	74,280	8,334
Buildings and improvements	1,287,792	1,287,792	1,818,080	1,818,080	3,105,872	3,105,872
Machinery, equipment, and vehicles	2,460,872	2,725,973	633,555	707,055	3,094,427	3,433,028
Infrastructure	8,848,506	8,813,847	-	-	8,848,506	8,813,847
Utility plant	-	-	16,398,708	16,398,708	16,398,708	16,398,708
Accumulated depreciation	(9,492,140)	(9,451,369)	(5,611,952)	(5,221,498)	(15,104,092)	(14,672,867)
Total net of depreciation	\$ 3,650,659	\$ 3,855,926	\$ 13,278,225	\$ 13,742,179	\$ 16,928,884	\$ 17,598,105

Following is a summary of the City's long-term liabilities:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Compensated Absences	\$ 60,584	\$ 38,220	\$ 12,208	\$ 6,607	\$ 72,792	\$ 44,827
Customer Deposits	100	100	10,650	67,282	10,750	67,382
Notes Payable	3,645,000	457,000	6,743,410	7,163,206	10,388,410	7,620,206
Premium on Notes Payable	169,764	-	-	-	-	-
OPEB Liability	257,890	343,105	64,473	83,073	322,363	426,178
Total net of depreciation	\$ 4,133,338	\$ 838,425	\$ 6,830,741	\$ 7,320,168	\$ 10,794,315	\$ 8,158,593

More detailed information can be found in the notes to financial statements.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for citizens, taxpayers, customers, investors, creditors, and all others with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be forwarded to the City Recorder at 615-643-4531.

BASIC FINANCIAL STATEMENTS



CITY OF GREENBRIER, TENNESSEE
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS			
Current assets			
Cash and cash equivalents	\$ 4,100,350	\$ 1,370,328	\$ 5,470,678
Certificates of deposit	984,692	323,819	1,308,511
Receivables, net	2,623,959	123,760	2,747,719
Internal balances	49,581	-	49,581
Inventory	-	23,940	23,940
Restricted cash	3,474,877	1,012,973	4,487,850
Total current assets	<u>11,233,459</u>	<u>2,854,820</u>	<u>14,088,279</u>
Noncurrent assets			
Net pension asset	267,605	66,901	334,506
Capital Assets:			
Depreciable capital assets, net of accumulated depreciation	3,105,030	13,238,391	16,343,421
Nondepreciable capital assets	545,629	39,834	585,463
Total capital assets, net of accumulated depreciation	<u>3,650,659</u>	<u>13,278,225</u>	<u>16,928,884</u>
Total noncurrent assets	<u>3,918,264</u>	<u>13,345,126</u>	<u>17,263,390</u>
Total assets	<u>15,151,723</u>	<u>16,199,946</u>	<u>31,351,669</u>
Deferred outflows of resources			
Deferred pension outflows	980,510	245,127	1,225,637
Deferred OPEB outflows	7,451	1,863	9,314
Total deferred outflows of resources	<u>987,961</u>	<u>246,990</u>	<u>1,234,951</u>
Total assets and deferred outflows of resources	<u>\$ 16,139,684</u>	<u>\$ 16,446,936</u>	<u>\$ 32,586,620</u>
LIABILITIES			
Current liabilities			
Accounts payable and other payables	\$ 208,710	\$ 50,308	\$ 259,018
Internal balances	-	49,581	49,581
Long-term debt, current portion	206,418	364,565	570,983
Compensated absences, current portion	-	12,208	12,208
Total current liabilities	<u>415,128</u>	<u>476,662</u>	<u>891,790</u>
Noncurrent liabilities			
Compensated absences	60,584	-	60,584
Customer deposits	100	10,650	10,750
Long-term debt, less current portion	3,608,346	6,378,845	9,987,191
OBEP liability	257,890	64,473	322,363
Total noncurrent liabilities	<u>3,926,920</u>	<u>6,453,968</u>	<u>10,380,888</u>
Total liabilities	<u>4,342,048</u>	<u>6,930,630</u>	<u>11,272,678</u>
Deferred inflows of resources			
Deferred property tax revenues	2,441,138	-	2,441,138
Deferred other revenues	-	1,016,540	1,016,540
Deferred pension inflows	616,162	154,040	770,202
Deferred OPEB inflows	121,208	30,302	151,510
Total deferred inflows of resources	<u>3,178,508</u>	<u>1,200,882</u>	<u>4,379,390</u>
NET POSITION			
Net position			
Net investment in capital assets	3,275,924	6,534,815	9,810,739
Restricted:			
Solid waste	319,039	-	319,039
State street aid	364,447	-	364,447
Stormwater	135,593	-	135,593
Drug education and investigations	37,774	-	37,774
Net pension asset	267,605	66,901	334,506
Other purposes	34,848	-	34,848
Unrestricted	<u>4,183,898</u>	<u>1,713,708</u>	<u>5,897,606</u>
Total net position	<u>8,619,128</u>	<u>8,315,424</u>	<u>16,934,552</u>
Total liabilities, deferred inflows, and net position	<u>\$ 16,139,684</u>	<u>\$ 16,446,936</u>	<u>\$ 32,586,620</u>

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

**CITY OF GREENBRIER, TENNESSEE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Activities	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position Primary Government		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities							
General government	\$ 918,159	\$ 68,040	\$ 64,839	\$ -	\$ (785,280)	\$ -	\$ (785,280)
Public safety	1,984,470	185,297	106,085	-	(1,693,088)	-	(1,693,088)
City court	160,948	-	-	-	(160,948)	-	(160,948)
Highways, streets, and roadways	600,046	-	252,320	-	(347,726)	-	(347,726)
Solid waste	433,072	463,905	-	-	30,833	-	30,833
Stormwater	26,729	135,599	-	-	108,870	-	108,870
Parks and recreation	513,837	258,493	14,475	-	(240,869)	-	(240,869)
Building and codes	202,581	-	-	-	(202,581)	-	(202,581)
Cemeteries	13,216	9,750	-	-	(3,466)	-	(3,466)
Animal control	80,736	820	3,287	-	(76,629)	-	(76,629)
Capital projects	162	-	-	-	(162)	-	(162)
Interest	147,511	-	-	-	(147,511)	-	(147,511)
Total governmental activities	<u>5,081,467</u>	<u>1,121,904</u>	<u>441,006</u>	<u>-</u>	<u>(3,518,557)</u>	<u>-</u>	<u>(3,518,557)</u>
Business-type activities							
Water and sewer	3,168,332	3,880,940	112,678	-	-	825,286	825,286
Total business-type activities	<u>3,168,332</u>	<u>3,880,940</u>	<u>112,678</u>	<u>-</u>	<u>-</u>	<u>825,286</u>	<u>825,286</u>
Total primary government	<u>\$ 8,249,799</u>	<u>\$ 5,002,844</u>	<u>\$ 553,684</u>	<u>\$ -</u>	<u>(3,518,557)</u>	<u>825,286</u>	<u>(2,693,271)</u>
General revenues							
Property and personalty taxes					2,163,021		2,163,021
Payment in lieu of tax					71,620	-	71,620
Income and excise taxes					1,337	-	1,337
Sales taxes					1,654,942	-	1,654,942
Alcoholic beverage taxes					206,879	-	206,879
Business taxes					77,379	-	77,379
Miscellaneous state taxes					137,730	-	137,730
Investment income					10,401	3,385	13,786
Gain on disposals of capital assets					148,786	666	149,452
Insurance settlement					7,304	26,113	33,417
Miscellaneous					23,473	-	23,473
Total general revenues					<u>4,502,872</u>	<u>30,164</u>	<u>4,533,036</u>
Change in net position					984,315	855,450	1,839,765
Net position, beginning of year					7,634,813	7,993,978	15,628,791
Prior period adjustment					-	(534,004)	(534,004)
Net position, end of year					<u>\$ 8,619,128</u>	<u>\$ 8,315,424</u>	<u>\$ 16,934,552</u>

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

CITY OF GREENBRIER, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 3,335,668	\$ -	\$ 764,682	\$ 4,100,350
Certificates of deposit	984,692	-	-	984,692
Receivables, net				
Property taxes	2,367,985	-	-	2,367,985
Intergovernmental	177,272	-	41,795	219,067
Customers, net of allowance	-	-	36,907	36,907
Due from other funds	262	-	49,319	49,581
Restricted cash	34,848	3,440,029	-	3,474,877
Total assets	<u>\$ 6,900,727</u>	<u>\$ 3,440,029</u>	<u>\$ 892,703</u>	<u>\$ 11,233,459</u>
Liabilities and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 102,641	\$ -	\$ 35,850	\$ 138,491
Accrued payroll	70,219	-	-	70,219
Customer deposits	100	-	-	100
Total Liabilities	<u>172,960</u>	<u>-</u>	<u>35,850</u>	<u>208,810</u>
Deferred inflows of resources				
Deferred property tax revenues	2,367,985	-	-	2,367,985
Total deferred inflow of resources	<u>2,367,985</u>	<u>-</u>	<u>-</u>	<u>2,367,985</u>
Fund balances				
Restricted:				
Capital projects	-	3,440,029	-	3,440,029
Solid waste	-	-	319,039	319,039
State street aid	-	-	364,447	364,447
Stormwater	-	-	135,593	135,593
Drug education and investigations	-	-	37,774	37,774
Unassigned	4,359,782	-	-	4,359,782
Total Fund Balances	<u>4,359,782</u>	<u>3,440,029</u>	<u>856,853</u>	<u>8,656,664</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,900,727</u>	<u>\$ 3,440,029</u>	<u>\$ 892,703</u>	<u>\$ 11,233,459</u>

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

**CITY OF GREENBRIER, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total Fund Balances for Governmental Funds	\$ 8,656,664
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,650,659
Revenues that have been deferred in the balance sheet of the governmental funds because they were not available to pay current liabilities of the period are recognized as revenue in the statement of activities and therefore are not included in the statement of net position.	(73,153)
Net pension asset and deferred pension outflow, net of deferred pension inflow, which do not represent current period sources or uses and, therefore, are not reported in the fund financial statements.	631,953
Net accrued post-retirement plan (OPEB) liability and deferred OPEB outflow, net of deferred OPEB inflow, which do not represent current period sources or uses and, therefore, are not reported in the fund financial statements.	(371,647)
Some liabilities, including long-term debt, unamortized bond premiums, and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(3,875,348)</u>
Net Position of Governmental Activities	<u><u>\$ 8,619,128</u></u>

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

CITY OF GREENBRIER, TENNESSEE
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED 30, 2022

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 4,325,564	-	\$ 239,664	\$ 4,565,228
License and permits	320,346	-	-	320,346
Fines and forfeitures	172,813	-	13,304	186,117
Charges for services	9,000	-	599,504	608,504
Intergovernmental	188,436	-	-	188,436
Investment income	7,673	1,472	1,256	10,401
Miscellaneous revenues	28,558	-	2,102	30,660
Total revenues	<u>5,052,390</u>	<u>1,472</u>	<u>855,830</u>	<u>5,909,692</u>
Expenditures				
Current				
General government	628,037	-	-	628,037
Public safety	1,878,660	-	4,442	1,883,102
City court	160,948	-	-	160,948
Highways, streets, and roadways	481,432	-	95,238	576,670
Solid waste	-	-	412,331	412,331
Stormwater	-	-	26,729	26,729
Parks and recreation	472,988	-	-	472,988
Building and codes	202,581	-	-	202,581
Cemeteries	13,216	-	-	13,216
Animal control	77,080	-	-	77,080
Capital projects	-	162	-	162
Debt Service:				
Principal	150,000	-	72,000	222,000
Interest	54,325	-	11,072	65,397
Issuance costs	-	82,114	-	82,114
Capital outlay	162,802	65,946	34,659	263,407
Total expenditures	<u>4,282,069</u>	<u>148,222</u>	<u>656,471</u>	<u>5,086,762</u>
Excess (deficiency) of revenues over (under) expenditures	<u>770,321</u>	<u>(146,750)</u>	<u>199,359</u>	<u>822,930</u>
Other financing sources (uses)				
Insurance proceeds	7,304	-	-	7,304
Proceeds from sale of capital assets	146,379	-	2,407	148,786
Proceeds from issuance of debt	-	3,410,000	-	3,410,000
Debt issue premium	-	176,779	-	176,779
Net other financing sources (uses)	<u>153,683</u>	<u>3,586,779</u>	<u>2,407</u>	<u>3,742,869</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	924,004	3,440,029	201,766	4,565,799
Fund balance - beginning of year	<u>3,435,778</u>	<u>-</u>	<u>655,087</u>	<u>4,090,865</u>
Fund balance - end of year	<u>\$ 4,359,782</u>	<u>\$ 3,440,029</u>	<u>\$ 856,853</u>	<u>\$ 8,656,664</u>

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

CITY OF GREENBRIER, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	\$ 4,565,799
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation and loss on disposals in the current year.	(205,267)
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(73,153)
The issuance of long-term debt (e.g. bonds, 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. Governmental funds also report interest expense in the period it is paid. However, in the statement of activities, interest expense is recorded on the accrual basis of accounting in the period to which the interest relates. Also, governmental funds report the effect of premiums, discounts, refunding losses and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related accounts.	(3,357,764)
Expense from net pension assets is recognized in the statement of activities but does not represent a current use of resources. Current year pension contributions of are expenditures in the governmental funds but recognized as deferred outflows of resources in the statement of net position.	105,606
Expense from net other post retirement employment benefits ("OPEB") is recognized in the statement of activities but does not represent a current use of resources. Current year OPEB benefit payments are expenditures in the governmental funds but recognized as deferred inflows of resources in the statement of net position.	(28,542)
The current year increase in the liability for compensated absences does not require the use of current financial resources and therefore is not reported in the governmental funds.	(22,364)
Change in net position of governmental activities	\$ 984,315

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

CITY OF GREENBRIER, TENNESSEE
STATEMENT OF GENERAL FUND BUDGETARY COMPARISON
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Local Taxes:				
Property and personalty taxes	\$ 2,006,064	\$ 2,171,064	\$ 2,163,021	\$ (8,043)
Sales taxes	700,000	781,715	872,120	90,405
Alcoholic beverage taxes	161,000	161,000	206,879	45,879
Business taxes	40,000	42,800	77,379	34,579
Cable TV franchise and lease taxes	78,000	78,000	70,240	(7,760)
Other taxes	65,000	65,000	67,490	2,490
Licenses and Permits	217,200	269,934	320,346	50,412
Fines	146,500	150,900	172,813	21,913
Intergovernmental:				
Sales taxes	617,568	647,568	782,822	135,254
Petroleum special taxes	12,000	12,000	12,656	656
Income taxes	-	6,400	1,337	(5,063)
In lieu of taxes	76,000	76,000	71,620	(4,380)
Contributions	80,850	111,275	188,436	77,161
Charges for Service	7,000	9,000	9,000	-
Investment income	5,000	5,000	7,673	2,673
Miscellaneous	13,000	17,400	28,558	11,158
Total revenues	<u>4,225,182</u>	<u>4,605,056</u>	<u>5,052,390</u>	<u>447,334</u>
Expenditures				
Current:				
General government:				
Salaries, taxes and benefits	432,620	450,927	441,991	8,936
Contractual services	14,000	18,000	24,548	(6,548)
Repairs and maintenance	3,000	6,025	3,256	2,769
Supplies	11,250	11,250	5,877	5,373
Utilities	16,200	19,700	17,674	2,026
Other operating expenses	149,300	165,120	134,691	30,429
Capital outlay	12,500	43,048	11,252	31,796
Total general government	<u>638,870</u>	<u>714,070</u>	<u>639,289</u>	<u>74,781</u>
Public safety, police:				
Salaries, taxes and benefits	1,181,481	1,216,179	1,225,291	(9,112)
Contractual services	60,000	72,077	74,279	(2,202)
Repairs and maintenance	30,000	31,000	25,824	5,176
Supplies	62,000	70,000	64,606	5,394
Utilities	22,000	22,000	21,155	845
Other operating expenses	76,500	96,500	94,485	2,015
Capital outlay	-	38,555	38,555	-
Total public safety, police	<u>1,431,981</u>	<u>1,546,311</u>	<u>1,544,195</u>	<u>2,116</u>
Public safety, fire:				
Salaries, taxes and benefits	276,912	276,912	230,809	46,103
Contractual services	55,000	63,577	59,846	3,731
Repairs and maintenance	15,000	15,000	9,333	5,667
Supplies	40,500	45,550	39,237	6,313
Utilities	18,700	20,450	18,687	1,763
Other operating expenses	20,115	20,215	15,108	5,107
Total public safety, fire	<u>426,227</u>	<u>441,704</u>	<u>373,020</u>	<u>68,684</u>
City Court:				
Salaries, taxes and benefits	139,024	142,774	136,369	6,405
Supplies	2,500	2,500	2,003	497
Utilities	250	250	-	250
Other operating expenses	22,000	25,346	22,576	2,770
Total city court	<u>163,774</u>	<u>170,870</u>	<u>160,948</u>	<u>9,922</u>

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

CITY OF GREENBRIER, TENNESSEE
STATEMENT OF GENERAL FUND BUDGETARY COMPARISON - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Highways, streets, and roadways, non-SSA:				
Salaries, taxes and benefits	419,450	438,906	424,609	14,297
Contractual services	2,000	17,866	928	16,938
Repairs and maintenance	25,000	25,000	21,422	3,578
Supplies	20,750	26,250	17,903	8,347
Utilities	6,500	8,500	8,311	189
Other operating expenses	12,500	12,563	8,259	4,304
Capital outlay	-	117,003	107,595	9,408
Total highways, streets, and roadways, non-SSA	486,200	646,088	589,027	57,061
Parks and recreation:				
Salaries, taxes and benefits	230,009	237,227	200,894	36,333
Contractual services	5,000	5,000	3,740	1,260
Repairs and maintenance	20,000	44,453	48,618	(4,165)
Supplies	114,700	127,202	134,943	(7,741)
Utilities	26,000	28,000	27,639	361
Other operating expenses	37,800	64,004	57,154	6,850
Capital outlay	-	5,400	5,400	-
Total parks and recreation	433,509	511,286	478,388	32,898
Building and codes:				
Salaries, taxes and benefits	162,868	168,973	153,342	15,631
Repairs and maintenance	5,000	5,000	146	4,854
Supplies	5,850	6,050	5,088	962
Utilities	4,500	4,500	3,416	1,084
Other operating expenses	54,900	55,903	40,589	15,314
Total building and codes	233,118	240,426	202,581	37,845
Cemeteries:				
Salaries, taxes and benefits	5,370	5,370	5,111	259
Contractual services	6,000	7,000	8,050	(1,050)
Repairs and maintenance	1,000	1,000	17	983
Other operating expenses	-	-	38	(38)
Total cemeteries	12,370	13,370	13,216	154
Animal control:				
Salaries, taxes and benefits	66,437	67,037	61,272	5,765
Contractual services	300	300	-	300
Repairs and maintenance	5,000	5,000	-	5,000
Supplies	7,250	7,250	5,199	2,051
Utilities	5,500	5,500	4,881	619
Other operating expenses	6,200	8,246	5,728	2,518
Total animal control	90,687	93,333	77,080	16,253
Debt service				
Principal	150,000	150,000	150,000	-
Interest	54,325	54,325	54,325	-
Total debt service	204,325	204,325	204,325	-
Total expenditures	4,121,061	4,581,783	4,282,069	299,714
Excess of revenues over expenses	104,121	23,273	770,321	147,620
Other financing sources (uses)				
Insurance proceeds	7,304	7,304	7,304	-
Proceeds from sale of capital assets	146,379	146,379	146,379	-
Total other financing sources (uses)	153,683	153,683	153,683	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	257,804	176,956	924,004	747,048
Fund balance - beginning of year	3,435,778	3,435,778	3,435,778	-
Fund balance - end of year	3,693,582	3,612,734	4,359,782	747,048

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

**CITY OF GREENBRIER, TENNESSEE
STATEMENT OF BUDGETARY COMPARISON
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Investment income	\$ 1,000	\$ 1,000	\$ 1,472	\$ 472
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,472</u>	<u>472</u>
Expenditures				
Current:				
Other operating expenses	162	162	162	-
Debt service:				
Issuance costs	82,114	82,114	82,114	-
Capital outlay	150,000	150,000	65,946	84,054
Total expenditures	<u>232,276</u>	<u>232,276</u>	<u>148,222</u>	<u>84,054</u>
Excess of revenues over expenses	<u>(231,276)</u>	<u>(231,276)</u>	<u>(146,750)</u>	<u>(84,526)</u>
Other financing sources (uses)				
Proceeds from issuance of debt	3,410,000	3,410,000	3,410,000	-
Debt issue premium	176,779	176,779	176,779	-
Total other financing sources (uses)	<u>3,586,779</u>	<u>3,586,779</u>	<u>3,586,779</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>3,355,503</u>	<u>3,355,503</u>	<u>3,440,029</u>	<u>(84,526)</u>
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,355,503</u>	<u>\$ 3,355,503</u>	<u>\$ 3,440,029</u>	<u>\$ (84,526)</u>

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

**CITY OF GREENBRIER, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022**

ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,370,328
Certificates of deposit	323,819
Receivables, customer, less allowance of \$34,467	123,760
Inventories	23,940
Restricted cash	1,012,973
Total current assets	2,854,820
Noncurrent assets	
Capital assets:	
Land	31,500
Construction in Progress	8,334
Buildings	1,807,745
Land improvements	10,335
Utility plant	16,398,708
Machinery, equipment, and vehicles	633,555
Less: accumulated depreciation	(5,611,952)
Total capital assets	13,278,225
Other assets	
Net pension asset	66,901
Total other assets	66,901
Total noncurrent assets	13,345,126
Total assets	16,199,946
Deferred outflows of resources	
Pension related items	245,127
OPEB	1,863
Total deferred outflows of resources	246,990
Total assets and deferred outflows of resources	16,446,936
LIABILITIES AND NET POSITION	
Current liabilities	
Accounts payable and other payables	35,377
Due to other governments	14,931
Due to other funds	49,581
Notes and bonds payable, current portion	364,565
Compensated absences - current portion	12,208
Total current liabilities	476,662
Noncurrent liabilities	
Customer deposits	10,650
Notes and bonds payable, net of current portion	6,378,845
OPEB liability	64,473
Total noncurrent liabilities	6,453,968
Total liabilities	6,930,630
Deferred inflows of resources	
Pension related items	154,040
OPEB	30,302
Grants for future periods	1,016,540
Total deferred inflows of resources	1,200,882
Net position	
Net investment in capital assets	6,534,815
Restricted	
Net pension asset	66,901
Unrestricted	1,713,708
Total net position	8,315,424
Total liabilities, deferred inflows of resources, and net position	\$ 16,446,936

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

CITY OF GREENBRIER, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Water and Sewer Fund
Operating revenues	
Charges for services	\$ 3,590,300
Other revenues from operations	290,640
Total operating revenues	3,880,940
Operating expenses	
Water purchased	958,924
General administration	945,035
Utilities	207,005
Supplies	170,129
Contractual services	32,857
Repairs and maintenance	307,831
Depreciation	455,392
Grant	4,162
Total operating expenses	3,081,335
Operating income	799,605
Non-operating revenues (expenses)	
Investment income	3,385
Interest expense	(86,997)
Insurance recoveries, net	26,113
Sale of equipment	666
Total non-operating revenues (expenses)	(56,833)
Net income before capital grants and contributions	742,772
Capital grants and contributions	112,678
Change in net position	855,450
Total net position, beginning of year	7,993,978
Prior period adjustment	(534,004)
Net position, end of year	\$ 8,315,424

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

**CITY OF GREENBRIER, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Water and Sewer Fund
Cash flows from operating activities	
Cash received from customers	\$ 3,980,101
Cash paid to suppliers for goods and services	(2,525,345)
Cash paid to employees for services	(568,757)
Net cash provided by operating activities	885,999
Cash flows from capital and related financing activities	
Cash received from customers for taps and grant funds	1,129,218
Sales of property and equipment	666
Proceeds from insurance recoveries	26,113
Principal paid on notes	(419,796)
Interest paid on capital debt	(86,997)
Net cash provided by capital and related financing activities	649,204
Cash flows from investing activities	
Proceeds from sale of equipment	7,259
Interest received	3,385
Net cash provided by investing activities	10,644
Net increase in cash and cash equivalents	1,545,847
Cash and cash equivalents at beginning of year	837,454
Cash and cash equivalents at end of year	\$ 2,383,301
Reconciliation of operating income from operations to net cash provided by operating activities	
Operating loss	\$ 742,772
Adjustments to reconcile operating income to Net cash provided by operating activities:	
Depreciation and amortization	455,392
(Increase) decrease in:	
Accounts receivable	(1,167,169)
Net pension asset	(19,328)
Pension related to outflows	171,061
Change in deferred outflows - OPEB Expense	1,863
Increase (decrease) in:	
Accounts payable	(405,988)
Due to (from) other govts	(2,726)
Due to other funds	7,860
Compensated absences payable	5,601
Customer deposits	(56,632)
OPEB liability	(18,600)
Change in deferred inflows - grants	1,016,540
Change in deferred inflows - pension expense	125,051
OPEB inflows	30,302
Total adjustments	143,227
Net cash provided by operating activities	\$ 885,999

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

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Greenbrier, Tennessee (the “City”) was incorporated in 1937 and operates under a Mayor-Alderman form of government that provides the following services as authorized by its charter and ordinances: public safety (police and fire), city court, parks and recreation, highways and streets, codes, animal control, cemeteries, general administrative services, solid waste, and water and sewer.

The City’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing US GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in US GAAP and used by the City are discussed below.

Reporting Entity

These financial statements present the financial position and activities of the City government. City officials are responsible for the appointment of residents to the Parks and Recreation Advisory Board and the Beer Board. These boards report to the Board of Aldermen. The City has no component units, thus no blended or discretely presented component units are included in these financial statements.

Government-wide Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City. 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.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Long-term assets, receivables, long-term debt, and other obligations are recognized. 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 assessed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. 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. General revenues include all taxes and internally dedicated resources. Expenses are allocated among various City functions including administrative overhead charges allocated by the general fund to various City functions.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 program, and (2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported as general revenues.

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu-of-taxes where the amounts are reasonably equivalent in value to the interfund services provided, and other charges between the City's utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenditures. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered '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 all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due.

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

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The City reports the following governmental funds:

General Fund - The City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund is considered a major fund for reporting purposes.

Capital Projects Fund – This fund accounts for the financial resources to be used for the construction or renovation of major capital projects.

Nonmajor Governmental Funds - The special revenue funds of the City that are reported as nonmajor include solid waste, state street aid, stormwater, and drug.

Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided that explains the transition from one basis of accounting to another.

Proprietary Fund Financial Statements

The focus of the proprietary fund measurement is upon determination of operating income, changes in net position, and cash flows. 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 various utility funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major proprietary fund:

Water and Sewer Fund - Enterprise fund that accounts for the water and wastewater services provided to customers of the system.

Budgets and Budgetary Accounting

The City's fiscal operating year begins July 1. An annual operating budget by department is adopted by the Mayor and Board of Aldermen prior to the commencement of the fiscal year. The budget is legally enacted through the passage of an ordinance which also sets the tax rate. The mayor is authorized to transfer budget amounts between line items within each department of the same fund. Any revision that alters the total appropriations of any fund requires Board of Aldermen action. The budgetary basis is consistent with US GAAP.

Cash and Cash Equivalents

For purposes of the proprietary statement of cash flows, the City defines its cash and cash equivalents to include only cash on hand, demand deposits, and all highly liquid investments with original maturities of three months or less from the date of acquisition. Certain cash balances may be reported as restricted because they are maintained in separate bank accounts and their use is either limited by applicable bond covenants or is restricted for use by outside parties or bond issues. Bank certificates of deposit with maturity in excess of three months from the date of purchase are listed separately from cash.

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension and other post-employment benefit (“OPEB”) trust funds are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Inventory and Prepaid Items

Inventory of the water and sewer fund is stated at cost determined by the first-in, first-out method. The costs of governmental funds inventory are recorded as expenditures when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. The inventory and prepaid items recorded in the governmental funds do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reported as nonspendable.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds financial statements. Capital assets used in governmental fund operations are accounted for as capital outlay expenditures. Capital assets, not including general government infrastructure assets, are defined by the government as assets with an initial cost of more than \$500 for land, \$10,000 for buildings, \$5,000 for improvements other than buildings, machinery, equipment, and vehicles, and an estimated useful life in excess of one year. General government infrastructure assets with a cost greater than \$10,000 and an estimated useful life in excess of one year are capitalized. Capital assets are valued at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend asset lives are not capitalized.

Depreciation has been provided over estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Governmental activities	
Buildings	20 - 40 years
Improvements other than buildings	10 - 20 years
Infrastructure assets	10 - 50 years
Machinery, equipment, and vehicles	5 - 20 years
Business-type activities	
Water and sewer plant	10 - 50 years
Machinery, equipment, and vehicles	5 - 20 years

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Outlays for capital assets and improvements are capitalized, as projects are constructed, in accordance with the City's capitalization policy. Interest and indirect costs incurred during the construction phase of capital assets of proprietary funds are reflected in the capitalized value of the asset constructed. Depreciation/amortization expense is allocated to functions/programs and included as a direct expense in the statement of activities. Capital assets that are under construction or development and have not been completed are put into construction in progress and are presented as a capital asset not being depreciated on the statement of net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The City has one item that qualifies for reporting in this category, which is deferred amounts related to pensions and OPEB.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four items that qualify for reporting in this category. Amounts reported as deferred include property tax revenues, other revenues, pensions, and grants for future periods.

Compensated Absences

The City's policies permit employees to earn vacation time on a calendar-year basis. Any unused vacation leave at December 31 is transferred to sick leave. Vacation leave earned but unpaid at June 30 is accrued and presented as a current liability in the government-wide and proprietary fund financial statements. The City's policies permit the accumulation, within certain limitations, of unused sick leave with no monetary payout of unused amounts upon termination or resignation. In lieu of monetary payout, such accumulation can be added to seniority for retirement purposes. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the general fund.

Interfund Receivables, Payables, and Transfers

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

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Noncurrent Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business- type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period as other financing sources/uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Property Tax

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the City's legal boundaries. All City taxes on real estate are deemed to be a lien on such realty from January 1 of the year the assessments are made. Taxes become delinquent in March of the year subsequent to the levy date; at that time, a lien attaches and delinquent taxes are turned over to Chancery Court for collection proceedings. Property tax revenues are recognized when levied. An allowance is established for delinquent taxes to the extent that their collectibility is doubtful.

Under Section N50 of the GASB's Codification of Governmental Accounting and Financial Reporting Standards Accounting for Non-exchange Transactions, property taxes are imposed on non-exchange revenues. Accounts receivable from imposed non-exchange transactions are recorded when the City has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date of January 1. Therefore, the City has recorded the succeeding year's receivable and deferred inflow of resources for taxes assessed as of year- end, though the amounts will not be received until after year-end.

Pensions

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

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Balances

Fund balances are classified into clearly defined categories, making the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints as defined in the City's fund balance policy:

Nonspendable - Amounts that cannot be spent because they are either in a (1) nonspendable form, including items not expected to be converted to cash (i.e., inventory, prepaid amounts, long-term portion of loans and notes receivable, and property acquired for resale), or (2) legally or contractually required to be maintained intact (i.e., principal of permanent funds).

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

Assigned - Amounts intended to be used by the City for a specific purpose, but which are neither restricted nor committed. The intent shall be expressed by the Board of Aldermen or a designee authorized by the Board of Aldermen for a specific purpose in accordance with policy established by the Board of Aldermen. The nature of the actions necessary to remove or modify an assignment is not as rigid as required under a committed fund balance classification. It does not require formal action.

Unassigned - Amounts available for any purpose (amounts that are not nonspendable, restricted, committed, or assigned) in the general fund. It represents the resources available for future spending. This classification includes negative residual fund balances of any other governmental fund that cannot be eliminated by offsetting against other assigned fund balance amounts. An appropriate level of unassigned fund balance should be maintained in the general fund in order to cover unexpected expenditures and revenue shortfalls.

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

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Position

Net position represents the net amount of assets and deferred outflows of resources less liabilities and deferred inflows of resources. Government-wide and proprietary fund net position are divided into three components:

Net Investment in Capital Assets - Amounts consist of the historical cost of capital assets less accumulated depreciation/amortization and less any debt that remains outstanding that was used to finance those assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted - Amounts consist of assets that are restricted by the City's creditors (for example, through debt covenants), by state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors (including those who have donated to the City), less related liabilities and deferred inflows of resources.

Unrestricted - All other net position is reported in this category.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

Contributions of Capital

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. These contributions are recognized as capital grants and contributions.

Use of Estimates

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

The City has no formal deposit and investment policies other than those prescribed by the State of Tennessee statute as explained below.

Policies

Deposits in financial institutions are required by State statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of the deposits placed in the institutions, less the amount protected by Federal Deposit Insurance Corporation insurance. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool.

CITY OF GREENBRIER, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Deposits

All of the City’s deposits were held by financial institutions which participate in the bank collateral pool administered by the Treasurer of the State of Tennessee or in the State of Tennessee Local Government Investment Pool (“LGIP”). Participating banks in the bank collateral pool determine the aggregate balance of their public fund accounts. The amount of collateral required to secure these public deposits must be at least 105% of the average daily balance of public deposits held. Collected securities required to be pledged by the participant banks to protect their public fund accounts are pledged to the State Treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under the additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of custodial credit risk disclosure.

Investments

The City also held certificates of deposit with initial maturities of greater than three months. The certificates of deposit earn interest at rates ranging from 0.02% to 0.97%. At June 30, 2022, there were no amounts exposed to custodial credit risk.

NOTE 3 - PROPERTY TAXES RECEIVABLE

Property taxes receivable of \$2,367,985 are summarized by year on the Schedule of Changes in Property Taxes Receivable on page 56 of this report and are presented net of allowance for doubtful accounts of \$18,000.

NOTE 4 - INTERFUND BALANCES AND TRANSFERS

Interfund receivables and payables are attributable to charges between funds that are outstanding as of June 30, 2022, and are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental activities:		
General fund	\$ 262	\$ -
Solid waste fund	36,921	-
Stormwater fund	12,398	-
Business-type activities:		
Water and sewer fund	-	<u>49,581</u>
Total	<u>\$ 49,581</u>	<u>\$ 49,581</u>

These interfund balances resulted from the time lag between the dates that (1) interfund goods and services were provided or reimbursable expenditures occurred, (2) transactions are recorded in the accounting system, and (3) payments between funds were made.

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets:

	Balance July 1, 2021	Increases	Decreases/ Adjustments	Transfers	Balance June 30, 2022
Governmental Activities:					
Capital assets not depreciated:					
Land	\$ 479,683	\$ -	\$ -	\$ -	\$ 479,683
Construction in progress	-	65,946	-	-	65,946
Total capital assets, not depreciated	<u>479,683</u>	<u>65,946</u>	<u>-</u>	<u>-</u>	<u>545,629</u>
Capital assets, being depreciated:					
Buildings	920,335	-	-	-	920,335
Building improvements	261,790	-	-	-	261,790
Land improvements	105,667	-	-	-	105,667
Machinery, equipment, and vehicles	2,725,973	162,802	(427,903)	-	2,460,872
Infrastructure	8,813,847	34,659	-	-	8,848,506
Total capital assets, being depreciated	<u>12,827,612</u>	<u>197,461</u>	<u>(427,903)</u>	<u>-</u>	<u>12,597,170</u>
Less accumulated depreciation for:					
Buildings, improvements, machinery equipment, and vehicles	(2,487,037)	(268,155)	260,042	-	(2,495,150)
Infrastructure	(6,964,332)	(32,658)	-	-	(6,996,990)
Total accumulated depreciation	<u>(9,451,369)</u>	<u>(300,813)</u>	<u>260,042</u>	<u>-</u>	<u>(9,492,140)</u>
Total capital assets, being depreciated, net	<u>3,376,243</u>	<u>(103,352)</u>	<u>(167,861)</u>	<u>-</u>	<u>3,105,030</u>
Governmental activities capital assets, net	<u>\$ 3,855,926</u>	<u>\$ (37,406)</u>	<u>\$ (167,861)</u>	<u>\$ -</u>	<u>\$ 3,650,659</u>

At June 30, 2022, construction in progress for the governmental activities related to the new municipal building. The estimated costs to complete the construction in progress totaled approximately \$3,134,000.

	Balance July 1, 2021	Increases	Decreases/ Adjustments	Transfers	Balance June 30, 2022
Business-Type Activities:					
Capital assets not depreciated:					
Land	\$ 31,500	\$ -	\$ -	\$ -	\$ 31,500
Construction in progress	8,334	-	-	-	8,334
Total capital assets, not depreciated	<u>39,834</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,834</u>
Capital assets, being depreciated:					
Buildings	1,807,745	-	-	-	1,807,745
Land improvements	10,335	-	-	-	10,335
Utility plant	16,398,708	-	-	-	16,398,708
Machinery, equipment, and vehicles	707,055	-	(73,500)	-	633,555
Total capital assets, being depreciated	<u>18,923,843</u>	<u>-</u>	<u>(73,500)</u>	<u>-</u>	<u>18,850,343</u>
Less accumulated depreciation for:					
Buildings, improvements, machinery equipment, and vehicles	(1,660,452)	(96,360)	64,938	-	(1,691,874)
Utility plant	(3,561,046)	(359,032)	-	-	(3,920,078)
Total accumulated depreciation	<u>(5,221,498)</u>	<u>(455,392)</u>	<u>64,938</u>	<u>-</u>	<u>(5,611,952)</u>
Total capital assets, being depreciated, net	<u>13,702,345</u>	<u>(455,392)</u>	<u>(8,562)</u>	<u>-</u>	<u>13,238,391</u>
Business-type activities capital assets, net	<u>\$ 13,742,179</u>	<u>\$ (455,392)</u>	<u>\$ (8,562)</u>	<u>\$ -</u>	<u>\$ 13,278,225</u>

At June 30, 2022, construction in progress for the business-type activities related to the sewer project. The estimated costs to complete the construction in progress totaled approximately \$3,117,000.

CITY OF GREENBRIER, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS - Continued

Depreciation expense, by function, is as follows:

General Government	\$110,823
Public Safety	101,368
Parks and Recreation	40,849
Sanitation	20,741
Animal Control	3,656
State Street Aid	<u>23,376</u>
	<u>\$300,813</u>
Water and Sewer	<u>\$455,392</u>

NOTE 6 - PENSION PLAN

General Information

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

Benefits Provided

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

Member and beneficiary annuitants are entitled to automatic cost-of-living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3.00%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than 0.50%. A 1.00% COLA is granted if the CPI change is between 0.50% and 1.00%. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

CITY OF GREENBRIER, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 6 - PENSION PLAN - Continued

General Information

Employees Covered by Benefit Terms

At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	12
Inactive employees entitled to but not yet receiving benefits	59
Active employees	<u>36</u>
	<u>107</u>

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees do not contribute to the plan. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022, the employer contributions for the City were \$184,230, based on a rate of 8.22% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution ("ADC") and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44%, based on age, including inflation, and averaging 4.00%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation
Cost-of-living adjustment	2.125%

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - PENSION PLAN - Continued

Mortality rates were based on actual experience, including an adjustment for some anticipated improvement.

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

Changes of assumptions

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

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

<u>Asset Class</u>	<u>Long-term Expected real Rate of Return</u>	<u>Target Allocation</u>
US 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%
US fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	<u>1%</u>
		<u>100%</u>

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

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - PENSION PLAN - Continued

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 contributions from the City will be made at the ADC 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 net position was projected to be available to make projected future benefit payments to current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	<u>Total Pension Liabilities (a)</u>	<u>Plan Fiduciary net position (B)</u>	<u>Net Pension liability (asset) (a) – (b)</u>
Balance, June 30, 2020	\$ 3,994,543	\$ 4,398,088	\$(403,545)
Service cost	147,978	-	147,978
Interest	296,074	-	296,074
Difference between expected and actual expenses	(72,017)	-	(72,017)
Changes in assumptions	1,035,917	-	1,035,917
Contributions - employer	-	175,326	(176,326)
Contributions - employees	-	22,520	(22,520)
Net investment income	-	1,144,494	(1,144,494)
Benefit payments, including refunds of employee contributions	(117,473)	(117,473)	-
Administrative expenses	-	(3,427)	3,427
Net change	<u>1,290,479</u>	<u>1,221,440</u>	<u>69,039</u>
Balance, June 30, 2021	<u>\$ 5,285,022</u>	<u>\$ 5,619,528</u>	<u>\$(334,506)</u>

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

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (5.75%) or 1.00% higher (7.75%) than the current rate:

	<u>1.00% Decrease (5.75%)</u>	<u>Current Rate (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
Net pension liability (asset)	<u>\$640,516</u>	<u>\$(334,506)</u>	<u>\$(1,107,805)</u>

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - PENSION PLAN - Continued

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

Pension Expense

For the year ended June 30, 2022, the City recognized negative pension expense of (\$132,288).

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred inflow of Resources</u>
Difference between expected and actual experience	\$ 103,696	\$158,831
Net difference between projected and actual earnings on pension plan investments	-	611,371
Change in assumptions	937,711	-
Contributions subsequent to the measurement date of June 30, 2021	<u>184,230</u>	<u>N/A</u>
	<u>\$1,225,637</u>	<u>\$770,202</u>

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

Deferred Outflows of Resources and Deferred Inflows of Resources

The amounts shown above for “Contributions subsequent to the measurement date of June 30, 2021” will be recognized as a reduction (addition) 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:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	\$(28,328)
2024	(8,028)
2025	(16,569)
2026	(49,088)
2027	119,836
Thereafter	<u>253,383</u>
Total	<u>\$ 271,205</u>

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

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - PENSION PLAN - Continued

Payable to the Pension Plan

At June 30, 2022, the City had no payable balances for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS

General Information

Plan Description

The City administers a single-employer defined benefit postemployment healthcare plan (the Plan) to provide medical and supplemental medical insurance coverage to retired employees of the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The City currently funds the postemployment healthcare benefits on a pay-as-you-go basis. The Board of Aldermen has the authority to establish and amend benefits and funding policy.

Benefits Provided

The City provides post-retirement health care benefits (medical, dental, and vision) to all employees who retire from the City on or after attaining age 55 with at least 20 years of service. Benefits continue until the retiree reaches age 65 and are deemed similar to those benefits provided for active employees.

The City pays 100% of the current monthly premium for elected medical and dental/vision coverages, up to a maximum of \$1,500 per month. The retiree pays any excess over this amount.

Employees Covered by Benefit Terms

At June 30, 2022, 36 active employees were covered by these benefit terms and there was one retiree for a total of 37 employees and retirees receiving benefits at June 30, 2022.

Total OPEB Liability

The City's total OPEB liability of \$322,363 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS - Continued

Actuarial cost method	Entry age normal
Inflation rate	2.50%
Discount rate	3.54%
Healthcare cost trend rates	Level 4.50% per year for medical Level 1.50% per year for dental
Salary increases	3.50%
Retirement age	Retirement after age 55 with 20 years of service
Retiree's share of benefit-related cost	Monthly premium in excess of \$1,500 per month

The discount rate was based on the Bond Buyer GO-20 bond index.

Mortality rates were based on RHP-2014 Total Table with the MP-2021 Mortality Projection.

The actuarial assumptions used in the June 30, 2022 valuation were based on plan data and costs presented by the City with concurrence by the actuary.

Changes in the Net OPEB Liability

	<u>Total OPEB Liability</u>
Balance, July 1, 2021	\$ 426,178
Service cost	\$ 47,481
Interest	10,047
Differences between expected and actual experience	(91,497)
Changes in assumptions	(52,806)
Benefit payments	<u>(17,040)</u>
Net change	<u>(103,815)</u>
Balance, June 30, 2022	<u>\$ 322,363</u>

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

The following represents the net OPEB liability calculated using the stated discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	<u>1.00% Decrease (2.54%)</u>	<u>Current Rate (3.54%)</u>	<u>1.00% Increase (4.54%)</u>
Total OPEB liability	\$359,896	\$322,363	\$288,760

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS - Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following represents the net OPEB liability calculated using the stated healthcare cost trend assumption, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1.00% lower or 1.00% higher than the current rate:

	1.00% Decrease (0.16%)	Current Rate (1.16%)	1.00% Increase (2.16%)
Total OPEB liability	\$274,593	\$322,363	\$381,302

OPEB Expense

For the year ended June 30, 2022, the City recognized OPEB expense of \$40,022.

NOTE 8 - LONG-TERM DEBT

Governmental Activities

The following is a summary of changes to long-term liabilities in the governmental activities during the year:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due in Year Ending June 30, 2023
Governmental Activities:					
Bonds payable	\$ 457,000	\$ 3,410,000	\$ (222,000)	\$ 3,645,000	\$ 198,000
Premium on Bond Issuance	-	176,779	(7,015)	169,764	8,418
Sub-Total	457,000	3,586,779	(229,015)	3,814,764	206,418
Compensated Absences	38,221	22,363	-	60,584	-
Total Governmental Activities	\$ 495,221	\$ 3,609,142	\$ (229,015)	3,875,348	\$ 206,418

Notes payable are comprised of the following:

General Obligation, Series 2014, original amount of \$1,214,700, at fixed interest rate of 2.63%, payable semiannually on March 1 and September 1, and principal payable annually on September 1, with the final payment due September 2026	\$ 385,000
General Obligation, Series 2021, original amount of \$3,410,000, at fixed interest rate of 2.00% to 3.00%, payable annually on May 1, and principal payable annually on May 1, with the final payment due May 2042	3,260,000
Less current portion	(198,000)
Governmental activities long-term debt, net of current portion	<u>\$ 3,447,000</u>

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 - LONG-TERM DEBT - Continued

Business-type Activities

The following is a summary of changes to long-term liabilities, excluding customer deposits of \$10,650 as of June 30, 2022, in the business-type activities during the year:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due in Year Ending June 30, 2023
Business-type Activities:					
Bonds payable	\$ 7,163,206	\$ -	\$ (419,796)	\$ 6,743,410	\$ 364,565
Sub-Total	7,163,206	-	(419,796)	6,743,410	364,565
Compensated Absences	6,607	5,601	-	12,208	-
Total Business-type Activities	<u>\$ 7,169,813</u>	<u>\$ 5,601</u>	<u>\$ (419,796)</u>	<u>\$ 6,755,618</u>	<u>\$ 364,565</u>

Notes payable are comprised of the following:

State Revolving Loan #01-152 - Original loan amount of \$78,190, bearing interest at 2.55% per annum, payable in monthly installments of \$416, with final payment due December 2022	\$ 561
State Revolving Loan #16-370 - Original loan amount of \$1,500,000, bearing interest at 0.32% per annum, payable in monthly installments of \$5,485, with final payment due June 2037	963,208
State Revolving Loan #16-371 - Original loan amount of \$2,227,000, bearing interest at 0.32% per annum, payable in monthly installments of \$9,142, with final payment due August 2037	1,691,959
State Revolving Loan #17-380 - Original loan amount of \$2,163,700, bearing interest at 0.52% per annum, payable in monthly installments of \$5,564, with final payment due April 2039	1,827,382
General Obligation Capital Outlay Note, Series 2019 - Original amount of \$2,000,000, bearing interest at 3.00% per annum, payable semiannually on March 1 and September 1, principal payable annually on September 1, with final payment due October 2024	1,889,000
General Obligation Capital Outlay Note, Series 2020 - Original amount of \$400,000, bearing interest at 2.69% per annum, payable semiannually on March 1 and September 1, principal payable annually on September 1, with final payment due September 2032	<u>371,300</u>
Total business-type activities long-term debt	6,743,410
Less: business-type long-term debt, current portion	<u>(364,565)</u>
Total business-type long-term debt, net of current portion	<u>\$ 6,378,845</u>

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 - LONG-TERM DEBT - Continued

Business-type Activities

The above bonds and notes payable are secured by a pledge of a portion of the City's net revenues. Additionally, the bonds and notes payable contain provisions stating that, in the event of default, the lenders can exercise one or more of the following options: 1) make the outstanding bond and/or note due and payable with accrued interest immediately, or 2) use remedies allowed by state or federal law.

Government-wide

Below is a condensed government-wide schedule of maturities for notes payable. A detailed Schedule of Long-term Debt, Principal, and Interest Requirements is included on pages 54 - 55 of this report.

Year Ended June 30,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 198,000	\$ 84,166	\$ 364,565	\$ 82,935	\$ 562,565	\$ 167,101
2024	205,000	78,469	367,796	79,270	572,796	157,739
2025	212,000	72,571	371,788	75,524	583,788	148,095
2026	219,000	66,469	375,704	71,671	594,704	138,140
2027	226,000	60,165	379,708	67,747	605,708	127,912
2028 - 2032	770,000	233,450	1,956,776	276,905	2,726,776	510,355
2033 - 2037	860,000	148,300	1,902,584	173,676	2,762,584	321,976
2038 - 2042	955,000	58,600	699,489	86,529	1,654,489	145,129
2043 - 2045	-	-	325,000	14,835	325,000	14,835
	<u>\$ 3,645,000</u>	<u>\$ 802,190</u>	<u>\$ 6,743,410</u>	<u>\$ 929,092</u>	<u>\$ 10,388,410</u>	<u>\$ 1,731,282</u>

NOTE 9 - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees at their option, permits participants to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. The plan does allow loans. The plan's investments are held in trust by ICMA Retirement Corporation. The City does not match employee deferrals.

NOTE 10 - CONCENTRATIONS, COMMITMENTS, AND CONTINGENCIES

The business-type activities have a concentration of accounts receivable with customers who are geographically concentrated in the City service area. The business-type activities require a cash deposit from new rental customers. All accounts are due by the 15th of each month and are recorded at net estimated collectible amounts. These requirements are in place to mitigate the risk of uncollectible accounts.

The City has a contract with the City of Springfield for the purchase of water. The contract allows the City to purchase up to 20,000,000 gallons per 30-day month, at a rate of \$4.10 per 1,000 gallons.

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 - CONCENTRATIONS, COMMITMENTS, AND CONTINGENCIES - Continued

The City has an outstanding moratorium administered by the State of Tennessee Department of Environment and Conservation (“TDEC”) which limits new connections to the collections system. The moratorium can only be lifted after meeting certain conditions which, among other items, require improvements to the system and approval by the state.

During the year ended June 30, 2019, the City and TDEC entered into a consent order (“Consent Order”) to address the sanitary sewer overflows (“SSOs”) that the City has experienced. SSOs are prohibited under the City’s permit for its sewer treatment plant. The total penalty amount assessed is \$140,880, but all of that amount except \$26,415 is structured on a contingency basis, to be due and payable only if the City fails to take the required corrective actions. Subsequent to year end, the City entered into a new Consent Order with TDEC. See Note 13 for additional information.

NOTE 11 - RISK MANAGEMENT

The City is exposed to various risks of general liability and property and casualty losses. The City has deemed it to be more economically feasible to participate in a public entity risk pool than to purchase commercial insurance for general liability, property and casualty, and workers’ compensation coverage. The City partners with Public Entity Partners (“PEP”), which provides effective risk management products and services to the City. The City pays an annual premium to PEP to insure against each of the following liabilities: general, law enforcement, errors and omissions, auto, workers’ compensation, and property. The City’s workers’ compensation coverage is retrospectively rated, whereby premiums are accrued based on the ultimate cost of the experience of the City. Claims arising are paid through PEP. The City also obtains commercial insurance coverage for accidents involving elected officials and volunteer firemen. Settled claims have not exceeded insurance coverage in any of the last three years.

NOTE 12 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment in the amount of \$534,004 was made to both the government-wide net position and the water and sewer fund net position to decrease previously stated net positions of \$15,628,791 and \$7,993,978, respectively. The correction of an error was made to properly state the prior year accounts receivable balance in the water and sewer fund.

NOTE 13 – SUBSEQUENT EVENTS

On July 14, 2022, the City entered into a new Consent Order with TDEC to continue to address the SSOs that the City has experienced as SSOs are prohibited under the City’s permit for its sewer treatment plant. The total penalty amount assessed is \$120,500, but all of that amount except \$6,025, which is to be paid upfront, is structured on a contingency basis, to be due and payable only if the City fails to take the required corrective actions noted in the Consent Order. The City is required to be completed with all scheduled activities in the Consent Order by December 31, 2027. The Consent Order shall be considered closed effective June 30, 2028 provided that all requirements of the Consent Order have been met, any outstanding penalties have been paid, and the City is in substantial compliance with Tennessee Code Annotated (“TCA”) §§ 69-3-101 to -148.

CITY OF GREENBRIER, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 - SUBSEQUENT EVENTS - Continued

On March 1, 2023, the City entered into an agreement for the purchase and sale of real estate for a tract of land ("Land") containing approximately 2.23 acres situated at 2414 Highway 41 South, Greenbrier, Robertson County, Tennessee, a 14,400 square foot building and a 3,750 square foot steel frame building located on an adjacent parcel (the "Buildings") together with fixtures, equipment, machinery, and property (collectively the "Improvements"), including, without limitation, all right, title, and interest in and to all mineral rights above and below the surface of the Land, all utility capacity(ies), easements of ingress to and egress from the Land, the Building, and the Improvements from and to adjacent streets, public throughfares or rights-of-way licenses, other easements and permit with respect to the Land, and all maintenance or other contracts relating to the ownership or operation of the Land, the Buildings and the Improvements, together with all warranties and guaranties related to the Land, the Buildings, and the Improvements (collectively the "Property"). The purchase price of the Property was \$1,050,000 payable in cash. Of the purchase price of the Property, \$50,000 was reflected as a charitable donation for the 3,750 square foot steel frame building noted previously and \$1,000,000 was for the remainder of the Property. The settlement and closing date for the purchase of the Property was March 17, 2023.

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF GREENBRIER, TENNESSEE
SCHEDULES OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
LAST FISCAL YEAR ENDED JUNE 30,

	2022 Financial Statement Date 2021 Measurement	2021 Financial Statement Date 2020 Measurement	2020 Financial Statement Date 2019 Measurement	2019 Financial Statement Date 2018 Measurement	2018 Financial Statement Date 2017 Measurement	2017 Financial Statement Date 2016 Measurement	2016 Financial Statement Date 2015 Measurement	2015 Financial Statement Date 2014 Measurement
Total Pension Liability								
Service cost	\$ 147,978	\$ 135,698	\$ 140,889	\$ 132,396	\$ 114,602	\$ 103,582	\$ 108,532	\$ 94,643
Interest	296,074	266,020	250,994	231,426	210,412	188,358	169,787	161,370
Change in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(72,017)	99,250	(104,486)	(34,846)	24,539	52,938	30,688	(117,835)
Change in assumptions	1,035,917	-	-	-	83,429	-	-	-
Benefit payments, including refunds of member contributions	(117,473)	(79,930)	(69,984)	(65,143)	(63,228)	(60,454)	(52,439)	(27,251)
Net Change in Total Pension Liability	1,290,479	421,038	217,413	263,833	369,754	284,424	256,568	110,927
Total Pension Liability - Beginning	3,994,543	3,573,505	3,356,092	3,092,259	2,722,505	2,438,081	2,181,513	2,070,586
Total Pension Liability - Ending (a)	\$ 5,285,022	\$ 3,994,543	\$ 3,573,505	\$ 3,356,092	\$ 3,092,259	\$ 2,722,505	\$ 2,438,081	\$ 2,181,513
Plan Fiduciary Net Position								
Contributions - Employer	175,326	158,055	150,048	157,660	141,875	132,736	124,060	128,341
Contributions - Member	22,520	-	-	-	-	-	-	-
Net Investment Income	1,144,494	206,071	282,657	284,603	340,640	75,799	83,296	376,872
Benefit payments, including refunds of member contributions	(117,473)	(79,930)	(69,984)	(65,143)	(63,228)	(60,454)	(52,439)	(27,251)
Administrative Expenses	(3,427)	(3,235)	(3,339)	(3,624)	(3,127)	(2,732)	(1,786)	(1,306)
Net Change in Plan Fiduciary Net Position	1,221,440	280,961	359,382	373,496	416,160	145,349	153,131	476,656
Plan Fiduciary Net Position - Beginning	4,398,088	4,117,127	3,757,745	3,384,249	2,968,089	2,822,740	2,669,609	2,192,953
Plan Fiduciary Net Position - Ending (b)	\$ 5,619,528	\$ 4,398,088	\$ 4,117,127	\$ 3,757,745	\$ 3,384,249	\$ 2,968,089	\$ 2,822,740	\$ 2,669,609
Net Pension Liability/(Asset) - Ending (a-b)	\$ (334,506)	\$ (403,545)	\$ (543,622)	\$ (401,653)	\$ (291,990)	\$ (245,584)	\$ (384,659)	\$ (488,096)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.33%	110.10%	115.21%	111.97%	109.44%	109.02%	115.78%	122.37%
Covered payroll	\$ 1,948,067	\$ 1,839,993	\$ 1,746,772	\$ 1,835,392	\$ 1,665,202	\$ 1,557,930	\$ 1,456,100	\$ 1,338,289
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-17.17%	-21.93%	-31.12%	-21.88%	-17.53%	-15.76%	-26.42%	-36.47%

Notes: 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, 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 GREENBRIER, TENNESSEE
SCHEDULES OF CONTRIBUTIONS
BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS-LEGACY PLAN
LAST FISCAL YEAR ENDED JUNE 30,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 184,230	\$ 160,131	\$ 151,247	\$ 142,187	\$ 149,401	\$ 136,713	\$ 132,736	\$ 124,060	\$ 128,341
Contributions in Relation to the Actuarially Determined Contributions	<u>184,230</u>	<u>175,326</u>	<u>158,055</u>	<u>150,048</u>	<u>157,660</u>	<u>141,875</u>	<u>132,736</u>	<u>124,060</u>	<u>128,341</u>
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ (15,195)</u>	<u>\$ (6,808)</u>	<u>\$ (7,861)</u>	<u>\$ (8,259)</u>	<u>\$ (5,162)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 2,241,241	\$ 1,948,067	\$ 1,839,993	\$ 1,746,772	\$ 1,835,392	\$ 1,665,202	\$ 1,557,930	\$ 1,456,100	\$ 1,338,289
Contributions as a Percentage of Covered Payroll	8.22%	9.00%	8.59%	8.59%	8.59%	8.52%	8.52%	8.52%	9.59%

Note: 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.

Notes to Schedule:

Valuation date: Actuarially determined contribution rates for 2022 were calculated based on the June 30, 2020 actuarial valuation.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level dollar, closed (not to exceed 20 years)
Remaining Amortization Period:	Various
Asset Valuation:	10-year smoothed within a 20.0% corridor to market value
Inflation	2.50%
Salary Increases:	Graded salary ranges from 8.72% to 3.44% based on age, including inflation averaging 4.00%
Investment Rate of Return	7.25%, net of investment expense, including inflation
Retirement Age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.25%

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00% to 2.50%; decreased the investment rate of return from 7.50% to 7.25%; decreased the cost-of-living adjustment from 2.50% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4.00%; and modified mortality assumptions.

CITY OF GREENBRIER, TENNESSEE
SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST FISCAL YEAR ENDED 30

Total OPEB liability	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 47,481	\$ 47,481	\$ 38,600	\$ 38,600	\$ 37,158
Interest	10,047	9,078	14,987	11,544	11,113
Experience (gain)/loss	(91,497)	8,626	-	-	-
Changes in assumptions	(52,806)	3,042	(32,650)	-	-
Benefit payments	(17,040)	(10,655)	-	-	-
Net change in total OPEB Liability	(103,815)	57,572	20,937	50,144	48,271
Total OPEB liability- beginning	426,178	368,606	347,669	297,525	249,254
Total OPEB liability - ending	<u>\$ 322,363</u>	<u>\$ 426,178</u>	<u>\$ 368,606</u>	<u>\$ 347,669</u>	<u>\$ 297,525</u>
Covered payroll	\$ 1,652,394	\$ 1,933,545	\$ 1,839,992	\$ 1,746,772	\$ 1,835,392
Total OPEB liability (asset) as a percentage of covered payroll	19.51%	22.04%	20.03%	19.90%	16.21%

Note: There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 related to this OPEB plan. This schedule is intended to display ten years of information. Additional years will be displayed as they become available.

SUPPLEMENTARY INFORMATION



**CITY OF GREENBRIER, TENNESSEE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022**

	Solid Waste	State Street Aid	Stormwater	Drug	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	\$ 278,417	\$ 322,652	\$ 123,339	\$ 40,274	\$ 764,682
Receivables, net:					
Intergovernmental	-	41,795	-	-	41,795
Customers, net of allowance	36,907	-	-	-	36,907
Due from other funds	36,921	-	12,398	-	49,319
Total assets	<u>\$ 352,245</u>	<u>\$ 364,447</u>	<u>\$ 135,737</u>	<u>\$ 40,274</u>	<u>\$ 892,703</u>
Liabilities and fund balance					
Liabilities					
Accounts payable and accrued liabilities	\$ 33,206	\$ -	\$ 144	\$ 2,500	\$ 35,850
Total liabilities	<u>33,206</u>	<u>-</u>	<u>144</u>	<u>2,500</u>	<u>35,850</u>
Fund balance					
Restricted:					
Solid waste	319,039	-	-	-	319,039
State street aid	-	364,447	-	-	364,447
Stormwater	-	-	135,593	-	135,593
Drug education and investigation	-	-	-	37,774	37,774
Total fund balance	<u>319,039</u>	<u>364,447</u>	<u>135,593</u>	<u>37,774</u>	<u>856,853</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 352,245</u>	<u>\$ 364,447</u>	<u>\$ 135,737</u>	<u>\$ 40,274</u>	<u>\$ 892,703</u>

See the independent auditor's report.

**CITY OF GREENBRIER, TENNESSEE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
JUNE 30, 2022**

	Solid Waste	State Street Aid	Stormwater	Drug	Total Nonmajor Governmental Funds
Revenues					
Taxes	\$ -	\$ 239,664	\$ -	\$ -	\$ 239,664
Fines and forfeitures	-	-	-	13,304	13,304
Charges for Services	463,905	-	135,599	-	599,504
Investment income	566	581	56	53	1,256
Miscellaneous revenues	1,852	-	-	250	2,102
Total revenues	<u>466,323</u>	<u>240,245</u>	<u>135,655</u>	<u>13,607</u>	<u>855,830</u>
Expenditures					
Current:					
Public safety	-	-	-	4,442	4,442
Highways, street, and roadways	-	95,238	-	-	95,238
Solid waste	412,331	-	-	-	412,331
Stormwater	-	-	26,729	-	26,729
Debt service					
Principal	-	72,000	-	-	72,000
Interest	-	11,072	-	-	11,072
Capital outlay	-	-	34,659	-	34,659
Total expenditures	<u>412,331</u>	<u>178,310</u>	<u>61,388</u>	<u>4,442</u>	<u>656,471</u>
Excess of revenues over expenditures	53,992	61,935	74,267	9,165	199,359
Other financing sources (uses)					
Proceeds from sale of capital assets	-	-	-	2,407	2,407
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,407</u>	<u>2,407</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	53,992	61,935	74,267	11,572	201,766
Fund balance - beginning of year	<u>265,047</u>	<u>302,512</u>	<u>61,326</u>	<u>26,202</u>	<u>655,087</u>
Fund balance - end of year	<u>\$ 319,039</u>	<u>\$ 364,447</u>	<u>\$ 135,593</u>	<u>\$ 37,774</u>	<u>\$ 856,853</u>

See the independent auditor's report.

**CITY OF GREENBRIER, TENNESSEE
SOLID WASTE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services	\$ 430,000	\$ 445,000	\$ 463,905	\$ 18,905
Investment income	1,000	1,000	566	(434)
Miscellaneous revenues	-	700	1,852	1,152
Total revenues	<u>431,000</u>	<u>446,700</u>	<u>466,323</u>	<u>19,623</u>
Expenditures				
Current				
Repairs and maintenance	1,000	1,000	-	1,000
Contractual services	380,000	394,800	397,415	(2,615)
Other operating expenses	16,800	17,700	14,916	2,784
Total expenditures	<u>397,800</u>	<u>413,500</u>	<u>412,331</u>	<u>1,169</u>
Excess of revenues over expenditures	33,200	33,200	53,992	20,792
Fund balance - beginning of year	<u>265,047</u>	<u>265,047</u>	<u>265,047</u>	<u>-</u>
Fund balance - end of year	<u>\$ 298,247</u>	<u>\$ 298,247</u>	<u>\$ 319,039</u>	<u>\$ 20,792</u>

See the independent auditor's report.

**CITY OF GREENBRIER, TENNESSEE
STATE STREET AID FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 239,664	\$ 39,664
Investment income	1,000	1,000	581	(419)
Total revenues	<u>201,000</u>	<u>201,000</u>	<u>240,245</u>	<u>39,245</u>
Expenditures				
Current				
Repairs and maintenance	16,000	16,000	10,721	5,279
Utilities	85,000	85,000	84,517	483
Debt service				
Principal	72,928	72,928	72,000	928
Interest	11,072	11,072	11,072	-
Total expenditures	<u>185,000</u>	<u>185,000</u>	<u>178,310</u>	<u>5,762</u>
Excess of revenues over expenditures	16,000	16,000	61,935	33,483
Fund Balance - beginning of year	<u>302,512</u>	<u>302,512</u>	<u>302,512</u>	<u>-</u>
Fund Balance - end of year	<u>\$ 318,512</u>	<u>\$ 318,512</u>	<u>\$ 364,447</u>	<u>\$ 33,483</u>

See the independent auditor's report.

**CITY OF GREENBRIER, TENNESSEE
STORMWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services	\$ 140,000	\$ 146,500	\$ 135,599	\$ (10,901)
Investment income	-	-	56	56
Total revenues	<u>140,000</u>	<u>146,500</u>	<u>135,655</u>	<u>(10,845)</u>
Expenditures				
Current:				
Supplies	-	1,000	845	155
Other operating expenses	3,000	3,000	1,969	1,031
Capital outlay	150,000	150,000	58,574	91,426
Total expenditures	<u>153,000</u>	<u>154,000</u>	<u>61,388</u>	<u>92,612</u>
Excess of revenues over expenditures	(13,000)	(7,500)	74,267	(103,457)
Fund Balance - beginning of year	<u>61,326</u>	<u>61,326</u>	<u>61,326</u>	<u>-</u>
Fund Balance - end of year	<u>\$ 48,326</u>	<u>\$ 53,826</u>	<u>\$ 135,593</u>	<u>\$ (103,457)</u>

See the independent auditor's report.

**CITY OF GREENBRIER, TENNESSEE
DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fines	\$ 3,700	\$ 3,700	\$ 13,304	\$ 9,604
Investment income	50	50	53	3
Miscellaneous revenues	-	-	250	250
Total revenues	<u>3,750</u>	<u>3,750</u>	<u>13,607</u>	<u>9,857</u>
Expenditures				
Current:				
Salaries, taxes, and benefits	500	500	75	425
Contractual services	2,500	2,500	2,178	322
Repairs and maintenance	1,500	1,500	1,390	110
Supplies	250	250	799	(549)
Utilities	4,000	4,000	-	4,000
Total expenditures	<u>8,750</u>	<u>8,750</u>	<u>4,442</u>	<u>4,308</u>
Excess of revenues over expenditures	(5,000)	(5,000)	9,165	5,549
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	2,407	2,407
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,407</u>	<u>2,407</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(5,000)	(5,000)	11,572	7,956
Fund balance - beginning of year	<u>26,202</u>	<u>26,202</u>	<u>26,202</u>	<u>-</u>
Fund Balance - end of year	<u>\$ 21,202</u>	<u>\$ 21,202</u>	<u>\$ 37,774</u>	<u>\$ 5,549</u>

See the independent auditor's report.

**CITY OF GREENBRIER, TENNESSEE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Grantor / Pass-through Grantor</u>	<u>Program Name</u>	<u>Assistance Listing</u>	<u>Contract Number</u>	<u>Expenditures</u>
State Financial Assistance				
Tennessee Department of Revenue	Governors Relief Grant	N/A	N/A	\$ 89,967
Total State Financial Assistance				<u>\$ 89,967</u>

Notes

Note 1 - Basis of Presentation

This schedule of expenditures of state financial assistance summarizes the expenditures of the City under programs of the state government for the year ended June 30, 022. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it s not intended to and does not present the financial position, change in net position, or cash flows of the City. 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.

Note 2 - Loans Outstanding

At June 30, 2022, there was an outstanding balance of \$4,483,110 on various loans obtained through the State of Tennessee Revolving Loan Fund. Principal payments and loan forgiveness during the year totaled \$335,096.

Note 3 - Indirect Cost Rate

The City has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2021	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2022
Governmental Activities									
Bonds payable									
<u>Payable through State Street Aid Fund</u>									
General Obligation, Series 2014	\$ 1,214,700	2.63%	9/8/2014	9/1/2026	\$ 457,000	\$ -	\$ 72,000	\$ -	\$ 385,000
Total Payable through State Street Aid Fund					<u>457,000</u>	<u>-</u>	<u>72,000</u>	<u>-</u>	<u>385,000</u>
<u>Payable through General Fund</u>									
General Obligation, Series 2021	\$ 3,410,000	2.00% - 3.00%	8/25/2021	5/1/2042	-	3,410,000	150,000	-	3,260,000
Total Payable through General Fund					<u>-</u>	<u>3,410,000</u>	<u>150,000</u>	<u>-</u>	<u>3,260,000</u>
Total Governmental Activities					<u>\$ 457,000</u>	<u>\$ 3,410,000</u>	<u>\$ 222,000</u>	<u>\$ -</u>	<u>\$ 3,645,000</u>
Business-Type Activities									
Other loans payable									
<u>Payable through Water Fund</u>									
State Revolving Loan, SRF 99-124	\$ 1,593,462	2.92%	1/1/2002	12/31/2021	\$ 52,081	\$ -	\$ 52,081	\$ -	\$ -
State Revolving Loan, SRF 01-152	\$ 78,190	2.55%	1/1/2003	12/31/2022	7,948	-	7,387	-	561
State Revolving Loan, CWS 2016-371	\$ 1,500,000	0.32%	7/1/2016	6/30/2037	1,026,052	-	62,844	-	963,208
State Revolving Loan, SRF 2016-371	\$ 2,227,000	0.32%	9/1/2017	8/31/2037	1,800,655	-	108,696	-	1,691,959
State Revolving Loan, SRF 2017-380	\$ 2,163,700	0.52%	1/10/2017	4/30/2039	1,931,470	-	104,088	-	1,827,382
Public Building Authority, Series 2019	\$ 2,000,000	3.00%	10/24/2019	10/24/2044	1,945,000	-	56,000	-	1,889,000
General Obligation, Series 2020	\$ 400,000	2.69%	9/23/2020	9/1/2032	400,000	-	28,700	-	371,300
Total Payable through Water Fund					<u>7,163,206</u>	<u>-</u>	<u>419,796</u>	<u>-</u>	<u>6,743,410</u>
Total Business-Type Activities					<u>\$ 7,163,206</u>	<u>\$ -</u>	<u>\$ 419,796</u>	<u>\$ -</u>	<u>\$ 6,743,410</u>

See the independent auditor's report.

**CITY OF GREENBRIER, TENNESSEE
SCHEDULE OF DEBT SERVICE REQUIREMENTS
JUNE 30, 2022**

For the Year Ended June 30,	Governmental Activities						Business-type Activities			
	TN Municipal Bond Fund		General Obligation Series 2021		Total Governmental Activities		State Revolving Loan 01-152		State Revolving Loan 16-370	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 73,000	\$ 9,166	\$ 125,000	\$ 75,000	\$ 198,000	\$ 84,166	\$ 561	\$ -	\$ 62,832	\$ 2,988
2024	75,000	7,219	130,000	71,250	205,000	78,469	-	-	63,024	2,796
2025	77,000	5,221	135,000	67,350	212,000	72,571	-	-	63,228	2,592
2026	79,000	3,169	140,000	63,300	219,000	66,469	-	-	63,432	2,388
2027	81,000	1,065	145,000	59,100	226,000	60,165	-	-	63,636	2,184
2028	-	-	145,000	54,750	145,000	54,750	-	-	63,840	1,980
2029	-	-	150,000	50,400	150,000	50,400	-	-	64,044	1,776
2030	-	-	155,000	45,900	155,000	45,900	-	-	64,248	1,572
2031	-	-	160,000	42,800	160,000	42,800	-	-	64,452	1,368
2032	-	-	160,000	39,600	160,000	39,600	-	-	64,668	1,152
2033	-	-	165,000	36,400	165,000	36,400	-	-	64,872	948
2034	-	-	170,000	33,100	170,000	33,100	-	-	65,076	744
2035	-	-	170,000	29,700	170,000	29,700	-	-	65,292	528
2036	-	-	175,000	26,300	175,000	26,300	-	-	65,496	324
2037	-	-	180,000	22,800	180,000	22,800	-	-	65,068	111
2038	-	-	185,000	19,200	185,000	19,200	-	-	-	-
2039	-	-	185,000	15,500	185,000	15,500	-	-	-	-
2040	-	-	190,000	11,800	190,000	11,800	-	-	-	-
2041	-	-	195,000	8,000	195,000	8,000	-	-	-	-
2042	-	-	200,000	4,100	200,000	4,100	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-
	<u>\$ 385,000</u>	<u>\$ 25,840</u>	<u>\$ 3,260,000</u>	<u>\$ 776,350</u>	<u>\$ 3,645,000</u>	<u>\$ 802,190</u>	<u>\$ 561</u>	<u>\$ -</u>	<u>\$ 963,208</u>	<u>\$ 23,451</u>

See the independent auditor's report.

CITY OF GREENBRIER, TENNESSEE
SCHEDULE OF DEBT SERVICE REQUIREMENTS - CONTINUED
JUNE 30, 2022

For the Year Ended June 30,	Business-Type Activities											
	State Revolving Loan 16-371		State Revolving Loan 17-380		Public Building Authority Series 2019		General Obligation Series 2020		Total Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 109,044	\$ 5,256	\$ 104,628	\$ 9,300	\$ 58,000	\$ 55,800	\$ 29,500	\$ 9,591	\$ 364,565	\$ 82,935	\$ 562,565	\$ 167,101
2024	109,392	4,908	105,180	8,748	60,000	54,030	30,200	8,788	367,796	79,270	572,796	157,739
2025	109,740	4,560	105,720	8,208	62,000	52,200	31,100	7,964	371,788	75,524	583,788	148,095
2026	110,100	4,200	106,272	7,656	64,000	50,310	31,900	7,117	375,704	71,671	594,704	138,140
2027	110,448	3,852	106,824	7,104	66,000	48,360	32,800	6,247	379,708	67,747	605,708	127,912
2028	110,808	3,492	107,388	6,540	67,000	46,365	33,600	5,353	382,636	63,730	527,636	118,480
2029	111,156	3,144	107,940	5,988	69,000	44,325	34,500	4,437	386,640	59,670	536,640	110,070
2030	111,516	2,784	108,504	5,424	72,000	42,210	35,500	3,496	391,768	55,486	546,768	101,386
2031	111,876	2,424	109,068	4,860	74,000	40,020	36,400	2,529	395,796	51,201	555,796	94,001
2032	112,224	2,076	109,644	4,284	76,000	37,770	37,400	1,536	399,936	46,818	559,936	86,418
2033	112,584	1,716	110,208	3,720	78,000	35,460	38,400	516	404,064	42,360	569,064	78,760
2034	112,944	1,356	110,784	3,144	81,000	33,075	-	-	369,804	38,319	539,804	71,419
2035	113,316	984	111,360	2,568	83,000	30,615	-	-	372,968	34,695	542,968	64,395
2036	113,676	624	111,948	1,980	85,000	28,095	-	-	376,120	31,023	551,120	57,323
2037	114,036	264	112,524	1,404	88,000	25,500	-	-	379,628	27,279	559,628	50,079
2038	19,099	8	113,112	816	91,000	22,815	-	-	223,211	23,639	408,211	42,839
2039	-	-	85,221	36	93,000	20,055	-	-	178,221	20,091	363,221	35,591
2040	-	-	1,057	4	96,000	17,220	-	-	97,057	17,224	287,057	29,024
2041	-	-	-	-	99,000	14,295	-	-	99,000	14,295	294,000	22,295
2042	-	-	-	-	102,000	11,280	-	-	102,000	11,280	302,000	15,380
2043	-	-	-	-	105,000	8,175	-	-	105,000	8,175	105,000	8,175
2044	-	-	-	-	108,000	4,980	-	-	108,000	4,980	108,000	4,980
2045	-	-	-	-	112,000	1,680	-	-	112,000	1,680	112,000	1,680
	<u>\$ 1,691,959</u>	<u>\$ 41,648</u>	<u>\$ 1,827,382</u>	<u>\$ 81,784</u>	<u>\$ 1,889,000</u>	<u>\$ 724,635</u>	<u>\$ 371,300</u>	<u>\$ 57,574</u>	<u>\$ 6,743,410</u>	<u>\$ 929,092</u>	<u>\$ 10,388,410</u>	<u>\$ 1,731,282</u>

See the independent auditor's report.

CITY OF GREENBRIER, TENNESSEE
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE
JUNE 30, 2022

Tax Year	Gross property taxes receivable July 1, 2021	Property tax levied	Anticipated current year levy	Abatements and adjustments	Collections	Allowances for uncollectibles	Net receivable balance June 30, 2022
2022	\$ -	\$ -	\$ 2,294,832	\$ -	\$ -	\$ -	\$ 2,294,832
2021	2,088,000	109,783	-	-	2,139,454	(18,000)	40,329
2020	13,022	-	-	-	3,832	-	9,190
2019	12,031	-	-	-	4,533	-	7,498
2018	7,366	-	-	-	1,849	-	5,517
2017	1,619	-	-	-	497	-	1,122
2016	2,047	-	-	-	495	-	1,552
2015	916	-	-	-	470	-	446
2014	2,155	-	-	-	472	-	1,683
2013	2,722	-	-	-	1,095	-	1,627
2012	2,391	-	-	2,292	494	-	4,189
	<u>\$ 2,132,269</u>	<u>\$ 109,783</u>	<u>\$ 2,294,832</u>	<u>\$ 2,292</u>	<u>\$ 2,153,191</u>	<u>\$ (18,000)</u>	<u>\$ 2,367,985</u>

See the independent auditor's report.

OTHER INFORMATION



**CITY OF GREENBRIER, TENNESSEE
SCHEDULE OF PROPERTY TAX RATES AND ASSESSMENTS
JUNE 30, 2022**

<u>Year of levy</u>	<u>Fiscal year</u>	<u>Tax rate per \$100 Robertson County</u>	<u>Tax assessment</u>
2021	2022	\$ 1.67	* \$ 2,294,832
2020	2021	\$ 1.57	\$ 2,088,000
2019	2020	\$ 1.07	\$ 2,155,000
2018	2019	\$ 1.07	\$ 1,372,000
2017	2018	\$ 1.07	\$ 1,371,364
2016	2017	\$ 1.07	\$ 1,096,102
2015	2016	\$ 1.07	\$ 1,093,618
2014	2015	\$ 1.07	\$ 1,079,270
2013	2014	\$ 1.07	\$ 1,061,058
2012	2013	\$ 1.07	\$ 1,060,362

* Anticipated levy as of June 30, 2022.

CITY OF GREENBRIER, TENNESSEE
SCHEDULE OF UTILITY RATE STRUCTURE AND NUMBER OF CUSTOMERS
JUNE 30, 2022

Rates

Water (inside city)	\$ 17.95
First 2,000 gallons	\$ 13.04
Per 1,000 gallons over 2,000	
 Water (outside city)	
First 2,000 gallons	\$ 22.74
Per 1,000 gallons over 2,000	\$ 13.31
 Sewer (inside city)	
Minimum	\$ 8.94
Per 1,000 gallons of water used	\$ 12.65
 Sewer (outside city)	
Minimum	\$ 16.01
Per 1,000 gallons of water used	\$ 13.39

<u>Services</u>	<u>Number of Customers</u>
Water	2,822
Sewer	2,588

INTERNAL CONTROL AND COMPLIANCE





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

Honorable Mayor and Members of the Board of Aldermen
City of Greenbrier, 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, each major fund, and the aggregate remaining fund information of the City of Greenbrier, Tennessee (the "City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 30, 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003 to be significant deficiencies.



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*.

The City'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.

Crosslin, PLLC

Nashville, Tennessee
March 30, 2023

CITY OF GREENBRIER, TENNESSEE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FINANCIAL STATEMENT FINDINGS

2022-001 - Year-End Accounting

Condition, Criteria, Cause, and Effect:

At the close of the 2022 fiscal year, members of the Municipal Technical Advisory Service (“MTAS”) assisted the City’s accounting staff with the year-end bookkeeping and accounting procedures that are necessary to prepare/close the books for audit purposes. In addition to MTAS assisting with this process, there were still several audit adjustments and a prior period adjustment that were required to be made in order to reconcile subsidiary ledgers and supporting documents to the balances noted in the general ledger. These instances affected several asset, liability, and fund balance/net position accounts such as:

- Accounts receivables (including consideration of inactive accounts and adjustment of the allowance), which resulted in a prior period adjustment;
- Recording property, plant, and equipment including construction in progress and depreciation expense, and donated infrastructure, when applicable;
- Reconciliations of interfund receivables and payables to ensure balances appropriately net to \$0; and
- Proper cutoff and review of accounts payables and accrued expenses as year end subsidiary ledgers must be printed and saved on the last day of each fiscal year end.

Recommendations:

We recommend that the City continue to work with MTAS or an outsourced accountant at year end in order to ensure that all reconciliations, support workpapers, and year-end bookkeeping and accounting procedures are completed in order to prepare/close the books for audit purposes. The City should become familiar with the necessary procedures to complete the year-end accounting. In time, less help will be required in this area by the City.

Views of Responsible Officials and Planned Corrective Actions:

City staff concurs with the finding and is working to identify opportunities to improve accounting practices. As such, the City will work with MTAS or another outsourced accountant to ensure that the year end close process is completed before the fiscal year 2023 audit begins.

CITY OF GREENBRIER, TENNESSEE
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FINANCIAL STATEMENT FINDINGS - CONTINUED

2022-002 - Capital Assets

Condition, Criteria, Cause, and Effect:

During the audit, we noted that the City has access to a capital assets module within their accounting software. During our testing of the capital asset listing generated from the capital assets module, we noted the following:

- The beginning balances for fiscal year 2022 did not agree to the final ending balances per the 2021 audited financial statements.
- Approximately half of the current year capital assets additions had been added to the capital assets module; however, the other half were excluded. Capital assets excluded from the list mainly included construction in progress related to the municipal building, culvert project, and ongoing sewer projects.
- Capital asset additions were included in various expense accounts instead of being recorded in the corresponding department's capital outlay accounts.
- We noted that capital assets that were sold through gov deals had not been disposed from the listing.
- Depreciation expense for the water and sewer fund had not been recorded in the general ledger.

Recommendations:

We recommend the following:

- The City should ensure that the final 2022 balances per the audit agree to the final 2022 balances in the capital assets module so that the beginning balances for fiscal year 2023 agreed to the 2022 audited financial statements.
- The City should enter all capital assets that meet the City's capitalization policy into the fixed assets module.
- The City should record all items that need to be capitalized in each department's capital outlay account.
- The City should ensure that any capital assets recorded in the capital assets module that are approved for disposal and sale are removed from the capital assets module.
- The City should ensure that depreciation expense for the water and sewer fund is recorded in the general ledger at fiscal year end.

By maintaining the capital assets module throughout the year, it will expedite the annual year-end closing process as well as provide more accurate depreciation amounts for the financial statements.

Views of Responsible Officials and Planned Corrective Actions:

The City concurs with this finding. Moving forward, the City will work with the software vendor to ensure that the capital asset module agrees with the prior year audit numbers and then the City will identify and record capital assets in the capital assets module. Once City assets have been properly recorded and placed into the capital asset module, procedures will be developed and implemented to track, record, and reconcile capital assets on a regular basis.

CITY OF GREENBRIER, TENNESSEE
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FINANCIAL STATEMENT FINDINGS - CONTINUED

2022-003 - Human Resource Files and Census Data Testing

Condition, Criteria, Cause, and Effect:

During the audit, we reviewed the City's human resource ("HR") files for selected employees in order to test the information included in the census data that was provided to the actuaries for their use in preparing the estimates for the City's pension and other postemployment benefits ("OPEB") obligations. During our review of the City's HR files and the corresponding census data that was sent to the actuary for their use in preparing the estimates for the City's pension and OPEB obligations, we noted the following:

- Several of the City's HR files contained data that is either old or incomplete/missing.
- For two of the employees selected for testing, a HR file was not able to be located.
- There were several discrepancies between the information noted in the HR files and the census data that was provided to the actuaries.

Recommendations:

We recommend that the City develop an HR file checklist to ensure that complete and current personnel files are established and maintained for each employee upon hire and throughout their tenure of employment with the City. HR files typically include the following information:

- Employment history including hire date
- Address of next of kin and emergency contact notification information
- Authorized salary data and withholding/adjustment authorization
- Employment contracts
- Authorized and current payroll deductions
- Current federal and state withholding tax forms
- Vacation data
- Sick leave data
- Reference checks and responses
- Management authorization of all personnel changes

In addition, we recommend that the City performed a detailed review of the census data to ensure that names, social security numbers, birth dates, and hire dates agree to the HR files before the information is sent to the actuaries for their use in preparing the estimates for the City's pension and other postemployment benefits OPEB obligations.

Views of Responsible Officials and Planned Corrective Action:

The City concurs with this finding and created a new hire checklist during fiscal year 2023, which must be signed by the City Recorder upon hire. During fiscal year 2023, the City will be reviewing all TCRS and OPEB census data to ensure that all employee information is complete and accurate.

CITY OF GREENBRIER, TENNESSEE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Financial Statement Findings

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2021-001	Budget violations	Corrected

Federal Awards and Questioned Costs

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
N/A	There were no prior findings reported.	N/A



City of Greenbrier

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Management's Corrective Action Plan

2022-001 - Year-End Accounting

Condition, Criteria, Cause, and Effect:

At the close of the 2022 fiscal year, members of the Municipal Technical Advisory Service ("MTAS") assisted the City's accounting staff with the year-end bookkeeping and accounting procedures that are necessary to prepare/close the books for audit purposes. In addition to MTAS assisting with this process, there were still several audit adjustments and a prior period adjustment that were required to be made in order to reconcile subsidiary ledgers and supporting documents to the balances noted in the general ledger. These instances affected several asset, liability, and fund balance/net position accounts such as:

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- Reconciliations of interfund receivables and payables to ensure balances appropriately net to \$0; and
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Recommendations:

We recommend that the City continue to work with MTAS or an outsourced accountant at year end in order to ensure that all reconciliations, support workpapers, and year-end bookkeeping and accounting procedures are completed in order to prepare/close the books for audit purposes. The City should become familiar with the necessary procedures to complete the year-end accounting. In time, less help will be required in this area by the City.

Views of Responsible Officials and Planned Corrective Actions:

City staff concurs with the finding and is working to identify opportunities to improve accounting practices. As such, the City will work with MTAS or another outsourced accountant to ensure that the year end close process is completed before the fiscal year 2023 audit begins.

Anticipated Completion Date: August 31, 2023

Management's Corrective Action Plan - Continued

2022-002 - Capital Assets

Condition, Criteria, Cause, and Effect:

During the audit, we noted that the City has access to a capital assets module within their accounting software. During our testing of the capital asset listing generated from the capital assets module, we noted the following:

- The beginning balances for fiscal year 2022 did not agree to the final ending balances per the 2021 audited financial statements.
- Approximately half of the current year capital assets additions had been added to the capital assets module; however, the other half were excluded. Capital assets excluded from the list mainly included construction in progress related to the municipal building, culvert project, and ongoing sewer projects.
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By maintaining the capital assets module throughout the year, it will expedite the annual year-end closing process as well as provide more accurate depreciation amounts for the financial statements.

Views of Responsible Officials and Planned Corrective Actions:

The City concurs with this finding. Moving forward, the City will work with the software vendor to ensure that the capital asset module agrees with the prior year audit numbers and then the City will identify and record capital assets in the capital assets module. Once City assets have been properly recorded and placed into the capital asset module, procedures will be developed and implemented to track, record, and reconcile capital assets on a regular basis.

Anticipated Completion Date: August 31, 2023

Management's Corrective Action Plan - Continued

2022-003 - Human Resource Files and Census Data Testing

Condition, Criteria, Cause, and Effect:

During the audit, we reviewed the City's human resource ("HR") files for selected employees in order to test the information included in the census data that was provided to the actuaries for their use in preparing the estimates for the City's pension and other postemployment benefits ("OPEB") obligations. During our review of the City's HR files and the corresponding census data that was sent to the actuary for their use in preparing the estimates for the City's pension and OPEB obligations, we noted the following:

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Anticipated Completion Date: August 31, 2023



Contact Person Responsible: Stephanie Toland, City Recorder