

# OFFICIAL STATEMENT

New Issue  
Book-Entry Only

Rating: S&P Global Ratings "AA-"  
(See "RATING" herein)

*In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Issuer (i) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code. Under existing law, the Bonds and the income therefrom will be exempt from all state, City and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).*

**\$3,410,000**  
**CITY OF GREENBRIER, TENNESSEE**  
**GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2021**  
**(ULT) (BANK QUALIFIED)**

Dated: Date of Delivery

Due: May 1, as shown below

The City of Greenbrier, Tennessee (the "Issuer") will issue its \$3,410,000 General Obligation Public Improvement Bonds, Series 2021 (the "Bonds") in fully registered form, without coupons, and, when issued, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases of beneficial ownership interest in the Bonds will be made in book-entry form only, in denominations of \$5,000 or multiples thereof through DTC Participants. Interest on the Bonds will be payable semiannually on May 1 and November 1 of each year, commencing on May 1, 2022, calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of principal of and interest on the Bonds are to be made to purchasers by DTC through the Participants (as such term is herein defined). Purchasers will not receive physical delivery of Bonds purchased by them. See "The Bonds-Book-Entry-Only System." Principal of and interest on the Bonds are payable by the Issuer to the corporate trust office of U.S. Bank National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent").

The Bonds are subject to redemption prior to maturity at the option of the Issuer at any time on or after May 1, 2030 at a price of par. The Bonds are payable on May 1 of each year as follows:

<u>Maturity</u> <u>(May 1)</u>	<u>Principal</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>Maturity</u> <u>(May 1)</u>	<u>Principal</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>
2022	\$150,000	3.000%	0.300%	2027	\$145,000	3.000%	0.800%
2023	\$125,000	3.000%	0.350%	2028	\$145,000	3.000%	0.900%
2024	\$130,000	3.000%	0.450%	2029	\$150,000	3.000%	1.000%
2025	\$135,000	3.000%	0.550%	2042	\$200,000	2.050%	2.050%
2026	\$140,000	3.000%	0.700%				

\$315,000 2.000% Term Bond Due June 1, 2031, Yield 1.200%<sup>C</sup>  
\$325,000 2.000% Term Bond Due June 1, 2033, Yield 1.250%<sup>C</sup>  
\$340,000 2.000% Term Bond Due June 1, 2035, Yield 1.400%<sup>C</sup>  
\$355,000 2.000% Term Bond Due June 1, 2037, Yield 1.650%<sup>C</sup>  
\$370,000 2.000% Term Bond Due June 1, 2039, Yield 1.800%<sup>C</sup>  
\$385,000 2.000% Term Bond Due June 1, 2041, Yield 2.000%

<sup>C</sup> Yield to May 1, 2030 Call Date

The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer. The full faith and credit of the Issuer are irrevocably pledged for the prompt payment of principal of and interest on the Bonds.

*The Bonds are offered when, as and if issued, subject to the approval of the legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the Issuer by Lewis Thomason, P.C., Nashville, Tennessee, Counsel to the Issuer. Stephens Inc. is serving as Municipal Advisor to the City. The Bonds, in book-entry form, are expected to be available for delivery through The Depository Trust Company in New York, New York, on or about August 25, 2021.*

August 10, 2021

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the “Official Statement”) by the Issuer from time to time, is an Official Statement with respect to the Bonds described herein that is deemed final by the Issuer as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, broker, salesman or other person has been authorized by the Issuer or by Stephens Inc., as financial advisor, to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the Issuer or the Bonds must not be relied upon as having been authorized by the Issuer or Stephens Inc. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date as of which information is given in this Official Statement.

**In making an investment decision investors must rely on their own examination of the Issuer and the terms of the offering, including the merits and risks involved. No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Bonds have not been approved or disapproved by the Securities and Exchange Commission or any state securities agency, nor has the Securities and Exchange Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.**

City of Greenbrier, Tennessee  
 General Obligation Public Improvement Bonds, Series 2021  
 (ULT) (Bank Qualified)

Dated August 25, 2021

<u>Maturity (May 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.**</u>
2022	\$150,000	3.000%	0.300%	393671DE9
2023	\$125,000	3.000%	0.350%	393671DF6
2024	\$130,000	3.000%	0.450%	393671DG4
2025	\$135,000	3.000%	0.550%	393671DH2
2026	\$140,000	3.000%	0.700%	393671DJ8
2027	\$145,000	3.000%	0.800%	393671DK5
2028	\$145,000	3.000%	0.900%	393671DL3
2029	\$150,000	3.000%	1.000%	393671DM1
2031*	\$315,000	2.000%	1.200%	393671DN9
2033*	\$325,000	2.000%	1.250%	393671DP4
2035*	\$340,000	2.000%	1.400%	393671DQ2
2037*	\$355,000	2.000%	1.650%	393671DR0
2039*	\$370,000	2.000%	1.800%	393671DS8
2041*	\$385,000	2.000%	2.000%	393671DT6
2042	\$200,000	2.050%	2.050%	393671DU3

\*Term Bonds

\*\*These CUSIP numbers have been assigned by Standard & Poor's CUSIP Service Bureau, a Division of The McGraw Hill Companies, Inc., and are included solely for the convenience of the Noteholders. The Issuer is not responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

[This page is intentionally left blank]

*The material contained herein has been obtained from sources believed to be current and reliable, but the accuracy thereof is not guaranteed. The Official Statement contains statements which are based upon estimates, forecasts, and matters of opinion, whether or not expressly so described, and such statements are intended solely as such and not as representations of fact. All summaries of statutes, resolutions, and reports contained herein are made subject to all the provisions of said documents. The Official Statement is not to be construed as a contract with the purchasers of any of the City of Greenbrier, Tennessee General Obligation Public Improvement Bonds, Series 2021.*

## **Table of Contents**

Summary Statement .....	i
The Bonds .....	1
Description .....	1
Mandatory Redemption .....	3
Notice of Redemption .....	4
Security and Sources of Payment .....	4
Discharge and Satisfaction of Bonds .....	4
Book-Entry-Only System.....	5
Sources and Uses of Funds .....	7
Application of Bond Proceeds .....	7
Rating.....	7
Continuing Disclosure .....	7
General .....	7
Annual Report.....	8
Reporting of Significant Events.....	8
Termination of Reporting Obligation .....	9
Amendment/Waiver .....	9
Default.....	10
Future Issues .....	10
Litigation.....	10

Approval of Legal Proceedings .....	10
Tax Matters .....	11
Municipal Advisor .....	13
Underwriting.....	13
Miscellaneous .....	14
Certificate of Issuer.....	14
Proposed Form of Legal Opinion.....	Appendix A
Demographic and General Financial Information for the Issuer.....	Appendix B
Comprehensive Annual Financial Report of the Issuer for the Fiscal Year Ended June 30, 2020 .....	Appendix C

**CITY OF GREENBRIER, TENNESSEE**

**MAYOR**

Lanny Adcock

**BOARD OF MAYOR AND ALDERMEN**

Chris Davis  
Bill Deaver  
Jeff DeLong  
Billy Ray Dorris  
Steve Higdon  
Sam Owen

**ADMINISTRATION**

Rachel Slusser, City Administrator  
Stephanie Peterson Toland, City Recorder

**ISSUER ATTORNEY**

Lewis Thomason, P.C.  
Nashville, Tennessee

**BOND COUNSEL**

Bass, Berry & Sims PLC  
Nashville, Tennessee

**REGISTRATION AND PAYING AGENT**

U.S. Bank National Association  
Nashville, Tennessee

**MUNICIPAL ADVISOR**

Stephens Inc.  
Nashville, Tennessee

**UNDERWRITER**

FHN Financial Capital Markets  
Memphis, Tennessee

[This page is intentionally left blank]



## Summary Statement

*This Summary is expressly qualified by the entire Official Statement, which should be viewed in its entirety by potential investors.*

<b>ISSUER</b> .....	City of Greenbrier, Tennessee (the “Issuer”).
<b>ISSUE</b> .....	\$3,410,000 General Obligation Public Improvement Bonds, Series 2021 (the “Bonds”).
<b>PURPOSE</b> .....	The Bonds are being issued to provide funds to finance capital improvements for the Municipality and to pay Bond issuance costs.
<b>SECURITY</b> .....	The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer. The full faith and credit of the Issuer are irrevocably pledged for the prompt payment of principal of and interest on the Bonds.
<b>DATED DATE</b> .....	August 25, 2021.
<b>INTEREST DUE</b> .....	Each May 1 and November 1, commencing May 1, 2022.
<b>PRINCIPAL DUE</b> .....	May 1, commencing May 1, 2022 through May 1, 2042.
<b>SETTLEMENT DATE</b> .....	August 25, 2021.
<b>OPTIONAL REDEMPTION</b>	The Bonds maturing May 1, 2031 and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on May 1, 2030 and thereafter, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date.
<b>RATING</b> .....	“AA-” by S&P Global Ratings (the “Rating Agency”), based on documents and other information provided by the Issuer. The rating reflects only the view of the Rating Agency and neither the Issuer, the Financial Advisor nor the Underwriter makes any representations as to the appropriateness of such rating.  There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by the Rating Agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from the Rating Agency.
<b>TAX MATTERS</b> .....	Bass, Berry & Sims PLC will provide an unqualified opinion as to the tax exemption of the Bonds discussed under “TAX MATTERS” herein.

**BANK QUALIFICATION**..... The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended.

**REGISTRATION AND PAYING AGENT**..... U.S. Bank National Association, Nashville, Tennessee.

**MUNICIPAL ADVISOR**..... Stephens Inc., Nashville, Tennessee.

**UNDERWRITER**..... FHN Financial Capital Markets, Memphis, Tennessee.

## **Official Statement**

**City of Greenbrier, Tennessee**

**\$3,410,000**

**General Obligation Public Improvement Bonds, Series 2021  
(ULT) (Bank Qualified)**

### **Introduction**

The Official Statement, including the cover page and appendices hereto, is furnished in connection with the issuance by The City of Greenbrier, Tennessee (the “Issuer”) of \$3,410,000 General Obligation Public Improvement Bonds, Series 2021 (the “Bonds”).

The Bonds are issuable under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101, et seq., Tennessee Code Annotated, and pursuant to a resolution adopted by the Board of Mayor and Aldermen of the Issuer on June 7, 2021 (the “Resolution”) authorizing the issuance, sale and payment of the Bonds.

This Official Statement includes descriptions of, among other matters, the Bonds, the Resolution, and the Issuer. Such descriptions and information do not purport to be comprehensive or definitive. All references to the Resolution are qualified in their entirety by reference to the definitive document, including the form of the Bonds included in the Resolution. During the period of the offering of the Bonds, copies of the Resolution and any other documents described herein or in the Resolution may be obtained from the Issuer. After delivery of the Bonds, copies of such documents will be available for inspection at the Mayor's office. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Resolution.

### **The Bonds**

#### **Description**

The Bonds are being issued to (i) finance capital improvements for the Issuer, including improvements to administrative and public safety facilities (collectively, the “Projects”); and (ii) pay Bond issuance costs.

The Bonds will be issued as fully registered book-entry Bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated the date of delivery. Interest on the Bonds, at the rates per annum set forth on the cover page and calculated on the basis of a 360-day year, consisting of twelve 30-day months, will be payable semiannually on May 1 and November 1 of each year (herein an “Interest Payment Date”), commencing May 1, 2022.

The Bonds will mature on the dates and in the amounts set forth on the cover page.

Except as otherwise provided in the Detailed Notice of Sale and in the Resolution, the Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds.

U.S. Bank National Association, Nashville, Tennessee (the “Registration Agent”) will make all interest payments with respect to the Bonds on each Interest Payment Date directly to the registered owners as shown on the Note registration records maintained by the Registration Agent as of the close of business

on the fifteenth day of the month next preceding the Interest Payment Date (the “Regular Record Date”) by check or draft mailed to such owners at their addresses shown on said registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Issuer in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

Any interest on any Note which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter “Defaulted Interest”) shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Issuer to the persons in whose names the Bonds are registered at the close of business on a date (the “Special Record Date”) for the payment of such Defaulted Interest, which shall be fixed in the following manner: The Issuer shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date of the proposed payment, and at the same time the Issuer shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall not be more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Note registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Issuer to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

### **Optional Redemption**

The Bonds maturing May 1, 2031 and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on May 1, 2030 and thereafter, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds of a series shall be called for redemption, the maturities to be redeemed shall be selected by the Issuer in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

### **Mandatory Redemption**

Subject to the credit hereinafter provided, the Issuer shall redeem Bonds maturing May 1, 20\_\_ on the redemption dates set forth below opposite, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Note is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds Redeemed</u>
May 1, 2031	May 1, 2030	\$155,000
	May 1, 2031*	\$160,000
May 1, 2033	May 1, 2032	\$160,000
	May 1, 2033*	\$165,000
May 1, 2035	May 1, 2034	\$170,000
	May 1, 2035*	\$170,000
May 1, 2037	May 1, 2036	\$175,000
	May 1, 2037*	\$180,000
May 1, 2039	May 1, 2038	\$185,000
	May 1, 2039*	\$185,000
May 1, 2041	May 1, 2040	\$190,000
	May 1, 2041*	\$195,000

\*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Issuer may (i) deliver to the Registration Agent for cancellation Bonds maturing May 1, 2031, 2033, 2035, 2037, 2039 or 2041 to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Note maturing May 1, 2031, 2033, 2035, 2037, 2039 or 2041 so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Issuer on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of

Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced.

### **Notice of Redemption**

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the Issuer not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date (“Conditional Redemption”). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Issuer nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants, or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the Issuer pursuant to written instructions from an authorized representative of the Issuer (other than for a mandatory sinking fund redemption, if applicable, notices of which shall be given at least forty-five (45) days prior to the redemption date unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided. In the case of a Conditional Redemption, the failure of the Issuer to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

### **Security and Sources of Payment**

The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer. The full faith and credit of the Issuer are irrevocably pledged for the prompt payment of principal of and interest on the Bonds.

### **Discharge and Satisfaction of Bonds**

The Bonds may be discharged and defeased in any one or more of the following ways:

(a) By depositing sufficient funds as and when required with the Registration Agent, to pay the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an “Agent”; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the Issuer shall also pay or cause to be paid all other sums payable under the Resolution, or make adequate provision therefor, and by resolution of the Board of Mayor and Aldermen instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Issuer to the holders of such Bonds shall be fully discharged and satisfied.

If the Issuer pays and discharges the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners of such Bonds shall thereafter be entitled only to payment out of the money or Defeasance Obligations.

Defeasance Obligations are direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

### **Book-Entry-Only System**

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee). Only one fully-registered Note certificate will be issued in the aggregate principal amount of each maturity of the Bonds, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (“Participants”) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with Direct Participants, either directly or indirectly (“Indirect Participants”). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC, the Registration Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Registration Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

**THE ISSUER AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO NOTEHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS NOTEHOLDER.**



## Sources and Uses of Funds

The following table sets forth the sources and uses of funds in connection with the issuance of the Bonds.

### Sources of Funds

Par Amount	\$3,410,000.00
Reoffering Premium (Discount)	<u>176,779.15</u>
Total Sources	\$3,586,779.15

### Uses of Funds

Deposit to Project Fund	\$3,504,665.43
Costs of Issuance (includes Underwriter's Discount, Municipal Advisory Fees, and Expenses)	<u>82,113.72</u>
Total Uses	\$3,586,779.15

## Application of Bond Proceeds

The proceeds of the Bonds will be deposited to a Project Fund held by the Issuer, and used to pay costs of the Projects and costs of issuance of the Bonds.

## Rating

The Bonds have been assigned a rating of "AA-" by S&P Global Ratings (the "Rating Agency") based on documents and other information provided by the Issuer. The rating reflects only the view of the Rating Agency, and neither the Issuer, the Financial Advisor, nor the Underwriter make any representation as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by the Rating Agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from the Rating Agency.

## Continuing Disclosure

### General

The Issuer will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Issuer by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2021 (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events and notice of failure to provide any required financial information of the Issuer. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the Issuer with the Municipal Securities Rulemaking Board ("MSRB") at [www.emma.msrb.com](http://www.emma.msrb.com) and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been

made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the “Rule”).

In the past five years, the Issuer has not failed to comply, in any material respect, with any previous undertakings with regard to the Rule.

### **Annual Report**

The Issuer’s Annual Report shall contain or incorporate by reference (i) the audited financial statements of the Issuer for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the Issuer’s audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available; and (ii) any other publicly available financial information related to the Issuer.

Any or all of the items above may be incorporated by reference from other documents, including Official Statements in final form for debt issues of the Issuer or related public entities, which have been submitted to the Securities and Exchange Commission. If the document incorporated by reference is a final Official Statement, it will be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

### **Reporting of Significant Events**

The Issuer will file notice of the following events (the “Listed Events”) with the MSRB and SID, if any:

- a. Principal and interest payment delinquencies.
- b. Non-payment related defaults, if material.
- c. Unscheduled draws on debt service reserves reflecting financial difficulties.
- d. Unscheduled draws on credit enhancements reflecting financial difficulties.
- e. Substitution of credit or liquidity providers, or their failure to perform.
- f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds.
- g. Modifications to rights of the security holders, if material.
- h. Bond calls, if material, and tender offers.
- i. Defeasances.
- j. Release, substitution or sale of property securing repayment of the security, if material.
- k. Rating changes.
- l. Bankruptcy, insolvency, receivership or similar event of the obligated person.

- m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material
- o. Incurrence of a financial obligation (as defined by the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

Upon the occurrence of a Listed Event, the Issuer shall file a notice of such occurrence with the MSRB and SID, if any, no more than ten (10) business days after the occurrence of such event.

For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the Issuer shall determine the materiality of such event as soon as possible after learning of its occurrence.

### **Termination of Reporting Obligation**

The Issuer's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

### **Amendment/Waiver**

Notwithstanding any other provision of the Disclosure Certificate, the Issuer may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized Bond Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of the respective Holders, or (ii) does not, in the opinion of nationally recognized Bond Counsel, materially impair the interests of the Holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

### **Default**

In the event of a failure of the Issuer to comply with any provision of the Disclosure Certificate, any Noteholder or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the Issuer to comply with the Disclosure Certificate shall be an action to compel performance.

### **Future Issues**

Due to the City's population growth, the City regularly reviews other capital needs, but no action, other than mentioned herein, has been taken for any additional capital financing at this time.

### **Litigation**

The Issuer, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. As of the date of this Official Statement and after reviewing the current status of all pending and threatened litigation with its counsel, the Issuer believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits that have been filed and of any actions or claims pending or threatened against the Issuer or its officials in such capacity are adequately covered by insurance or by sovereign immunity or will not have a material adverse effect upon the Issuer's financial condition.

As of the date of this Official Statement, the Issuer has no knowledge or information concerning any pending or threatened litigation contesting the authority of the Issuer to issue, sell or deliver the proposed Bonds. The Issuer has no knowledge or information of any actions pending or expected which would materially affect the Issuer's ability to pay the debt service requirements of the proposed Bonds.

### **Approval of Legal Proceedings**

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Bass, Berry & Sims PLC, Bond Counsel. A copy of the opinion will be delivered with the Bonds. (See Appendix A). Certain legal matters will be passed upon for the Issuer by Lewis Thomason, P.C., Nashville, Tennessee, Counsel to the Issuer.

## Tax Matters

### Federal Taxes

**General.** Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the City and assuming compliance by the City with certain covenants, is that interest on the Bonds:

- is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and
- is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code.

The Code imposes requirements on the Bonds that the City must continue to meet after the Bonds are issued. These requirements generally involve the way that the Bond proceeds must be invested and ultimately used. If the City does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The City has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder or who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also “Changes in Federal and State Tax Law” below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

**Bond Premium.** If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is “bond premium” on that Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized a bondholder’s tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with bond premium, even though the Bond is sold for an amount less than or equal to the owner’s original cost. If a bondholder owns any Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

**Original Issue Discount.** A Bond will have “original issue discount” if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel’s opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder’s federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder’s tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

**Information Reporting and Backup Withholding.** Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

## **State Taxes**

Under existing law, the Bonds and the income therefrom are exempt from all present state, City and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

## **Qualified Tax-Exempt Obligations**

Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the City as to the Bonds, Bond Counsel has determined that the Bonds upon issuance will be "qualified tax-exempt obligations" within the meaning of the Code.

## **Changes in Federal and State Tax Law**

From time to time, there are Presidential proposals, proposals of various federal and Congressional committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax

exemption of interest on the Bonds. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to Bonds prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

### **Municipal Advisor**

Stephens Inc. is serving as Municipal Advisor to the Issuer in connection with the issuance of the Bonds. Stephens Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal or state income tax status of the Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. The information set forth herein has been obtained from the Issuer and other sources believed to be reliable, but has not been independently verified by Municipal Advisor.

The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds.

The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Issuer and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

### **Underwriting**

FHN Financial Capital Markets, Memphis, Tennessee (the "Underwriter"), acting for and on behalf of itself and such other securities dealers as it may designate, will purchase the Bonds for an aggregate purchase price of \$3,556,740.43, which is par, plus original issue premium of \$176,779.15, less Underwriter's discount of \$30,038.72.

The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

[This page is intentionally left blank]



### Miscellaneous

The foregoing summaries do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. For details of all terms and conditions, purchasers are referred to the Resolution, copies of which may be obtained from the Issuer.

Any statement made in this Official Statement involving matters of opinion and estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement was duly authorized by the Issuer.

### Certificate of Issuer

I, Lanny Adcock, do hereby certify that I am the duly qualified and acting Mayor of the City of Greenbrier, Tennessee, and as such official, I do hereby further certify with respect to the Official Statement dated August 10, 2021 issued in connection with the sale of the Issuer's \$3,410,000 General Obligation Public Improvement Bonds, Series 2021, and to the best of my knowledge, information, and belief (a) the descriptions and statements contained in said Official Statement were at the time of the acceptance of the winning bid and are on the date hereof true and correct in all material respects; and (b) that said Official Statement did not at the time of the acceptance of the winning bid and does not on the date hereof contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements made, in light of the circumstances under which they are made, not misleading.

WITNESS my official signature this 25<sup>th</sup> day of August, 2021.

/s/ Lanny Adcock

Lanny Adcock

Mayor

[This page is intentionally left blank]

**APPENDIX A**

Proposed Form of Legal Opinion of Bass, Berry & Sims PLC, Attorneys,  
Nashville, Tennessee relating to the Bonds.

[This page is intentionally left blank]

(Form of Opinion of Bond Counsel)

Bass, Berry & Sims PLC  
150 Third Avenue South, Suite 2800  
Nashville, Tennessee 37201

August 25, 2021

We have acted as bond counsel to the City of Greenbrier, Tennessee (the “Issuer”) in connection with the issuance of \$3,410,000 General Obligation Public Improvement Bonds, Series 2021, dated the date hereof (the “Bonds“). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding general obligations of the Issuer.

2. The resolution of the Board of Mayor and Aldermen of the Issuer authorizing the Bonds have been duly and lawfully adopted, is in full force and effect and is the valid and binding agreement of the Issuer, enforceable in accordance with its terms.

3. The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer. The full faith and credit of the Issuer are irrevocably pledged for the prompt payment of principal of and interest on the Bonds.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and interest on the Bonds is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4 and Paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, City and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

6. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

Bass Berry & Sims PLC

**APPENDIX B**

Demographic and General Financial Information  
for the Issuer

[This page is intentionally left blank]



# DEMOGRAPHIC AND GENERAL FINANCIAL INFORMATION OF THE COUNTY

## GENERAL INFORMATION

The City of Greenbrier (the “City”) is located in the Northcentral portion of Tennessee in Robertson County (the “County”). The County is bordered by Montgomery, Cheatham, Davidson and Sumner Counties in Tennessee and the State of Kentucky. The City has a total area of 6.6 square miles and is approximately 23 miles north of Nashville.

An elected City Mayor and a 6 Aldermen govern the County. Elections are held every four years.

## DEMOGRAPHIC DATA

### Population

The U.S. Census Bureau estimated a 2019 population of 6,852 residents in the City which represents a 38% increase since the 2000 Census.

### POPULATION

	<u>City</u>	<u>County</u>	<u>Tennessee</u>
1980 U.S. Census	3,180	37,021	4,600,252
1990 U.S. Census	3,062	41,669	4,890,626
2000 U.S. Census	4,981	54,825	5,703,719
2010 U.S. Census	6,433	66,314	6,355,518
2011 U.S. Census Estimate	6,530	66,775	6,400,298
2012 U.S. Census Estimate	6,551	66,809	6,455,752
2013 U.S. Census Estimate	6,635	67,423	6,496,943
2014 U.S. Census Estimate	6,678	68,063	6,544,617
2015 U.S. Census Estimate	6,738	68,709	6,595,354
2016 U.S. Census Estimate	6,789	69,439	6,651,277
2017 U.S. Census Estimate	6,870	70,342	6,714,748
2018 U.S. Census Estimate	6,854	71,159	6,778,180
2019 U.S. Census Estimate	6,852	71,693	6,830,325

Source: U.S. Census Bureau

## Per Capita Personal Income

The County's per capita personal income for 2019 was \$43,856 reflecting a 38% increase since 2010.

### PER CAPITA PERSONAL INCOME

	Robertson County	Tennessee	% of State
2010 Per Capita Personal Income	\$31,748	\$35,653	89.0%
2011 Per Capita Personal Income	\$33,093	\$37,616	88.0%
2012 Per Capita Personal Income	\$35,239	\$39,296	89.7%
2013 Per Capita Personal Income	\$35,716	\$39,421	90.6%
2014 Per Capita Personal Income	\$36,440	\$40,799	89.3%
2015 Per Capita Personal Income	\$37,744	\$42,626	88.5%
2016 Per Capita Personal Income	\$38,685	\$43,626	88.7%
2017 Per Capita Personal Income	\$40,662	\$45,233	89.9%
2018 Per Capita Personal Income	\$42,067	\$47,210	89.1%
2019 Per Capita Personal Income	\$43,856	\$48,684	90.1%

Source: U.S. Department of Commerce, Bureau of Economic Analysis, CA1-3 Personal Income Summary

## Median Housing Values

	County	Tennessee	% of State
2010 Median Housing Value	\$148,500	\$149,900	99.1%
2011 Median Housing Value	\$145,000	\$150,925	96.1%
2012 Median Housing Value	\$149,000	\$160,000	93.1%
2013 Median Housing Value	\$154,000	\$165,000	93.3%
2014 Median Housing Value	\$165,000	\$166,000	99.4%
2015 Median Housing Value	\$164,900	\$175,000	94.2%
2016 Median Housing Value	\$183,922	\$185,000	99.4%
2017 Median Housing Value	\$192,250	\$196,800	97.7%
2018 Median Housing Value	\$206,000	\$210,000	98.1%
2019 Median Housing Value	\$230,000	\$226,000	101.8%

Source: Tennessee Housing Development Agency – This data reflects only the sales prices of new and existing homes that were sold in the respective years. This data may not be representative of the median value of all homes in the County.

## Covid-19

The worldwide spread of COVID-19, a respiratory disease caused by a novel strain of coronavirus, has affected the State, including the City, and is considered a Public Health Emergency of International Concern by the World Health Organization. The spread of COVID-19 has led to quarantine and other “social-distancing” measures in affected regions, including the State and the City, undertaken, from time to time, by government agencies, businesses, schools and other entities. The State’s Governor declared a state of emergency in March 2020 and issued State-wide stay-at-home orders for much of the State, including the Issuer, at various points for all but essential businesses. Although the stay-at-home orders for the City have been lifted, additional social-distancing measures may be instituted by the State and County, if necessary, to mitigate the spread of COVID-19. Further, individuals may choose on their own to modify their behavior in order to mitigate the spread of COVID-19. As such, the disease has affected travel and commercial markets within the State and may continue to do so in the future. As of July 6, 2021, there were approximately 26 confirmed active cases of COVID-19 in the County and 141 deaths.

Multiple vaccines for the virus that causes COVID-19 were developed in late 2020. To date, three vaccines have been approved for distribution in the United States with each of these vaccines having an efficacy rate exceeding 65%. Multiple variants of the virus that causes COVID-19 have been documented in the United States and globally, but studies so far suggest that antibodies generated through vaccination with approved vaccines recognize these variants to varying extents. COVID-19 vaccines are currently available to all residents within the State, including the City, who are age 12 and older.

Given the evolving nature of the spread of the disease and the behavior of governments, businesses, and individuals in response thereto, the Issuer is unable to predict (i) the extent or duration of the COVID-19 outbreak or other epidemic or pandemic, (ii) the extent or duration of existing or future quarantines, business or school closures, travel restrictions and other measures relating to COVID-19 or other epidemic or pandemic, (iii) whether and to what extent the COVID-19 outbreak or other epidemic or pandemic may adversely affect the operations of the Issuer, (iv) the impact of COVID-19 on the financial condition of the City or (v) the impact of, or the timing of distribution of, the COVID-19 vaccines.

From an operations perspective, the City is working proactively to preserve effective staffing for all essential City and System operations and is following guidance produced by the Centers for Disease Control and Prevention for businesses and employers.

Though no assurances can be made, the City expects its current liquidity position to be adequate to fund essential services and to make timely payments on its debt service when due. In connection with the COVID-19, the City has received \$180,926 in local support grant funds from the State and \$102,585 from the Cares Act Provider Relief Fund. Also, though no assurances can be made, the City expects to receive \$89,967 from the Local Government Coronavirus Relief Fund and \$1,800,000 from the federal American Rescue Plan Act of 2021. The City expects to apply such aid to various operating and capital expenditures within the City.

## Economic Data

### Labor Force, Employment and Unemployment Data

The labor force within the County has increased from 34,042 in 2011 to 38,209 as of May 2021, reflecting a 12% increase.

Year	Employment	Unemployment	Total Labor Force	Unemployment Percent		
				Robertson County	State	U.S.
2011	31,148	2,894	34,042	8.5%	9.1%	8.9%
2012	31,301	2,392	33,693	7.1%	8.0%	8.1%
2013	31,437	2,258	33,695	6.7%	7.7%	7.4%
2014	31,648	1,913	33,561	5.7%	6.6%	6.2%
2015	32,230	1,661	33,891	4.9%	5.6%	5.3%
2016	33,319	1,461	34,780	4.2%	4.8%	4.9%
2017	34,679	1,221	35,900	3.4%	3.7%	4.4%
2018	35,906	1,149	37,055	3.1%	3.5%	3.9%
2019	37,117	1,109	38,226	2.9%	3.4%	3.7%
2020	34,987	2,313	37,300	6.2%	7.5%	8.1%
May-21	36,757	1,452	38,209	3.8%	5.0%	5.8%

Source: Bureau of Labor Statistics

### Major Employers

The following are the largest employers and their respective number of employees in the County.

#### LIST OF MAJOR EMPLOYERS IN ROBERTSON COUNTY

Employer	Employees	Products/Services
Electrolux Home Products	2,400	Gas & Electric Ranges
Robertson County Board of Education	1,592	Schools
Macy's Logistics	1,400	Distribution for Macy's
NorthCrest Medical Center	650	Healthcare – Hospitals
Lowe's Home Centers, LLC	550	Retail
Walmart Inc.	500	Retail
Robertson County Government	442	Government
Unarco Material Handling, Inc.	350	Pallet and Warehouse Storage Systems
Hollingsworth Oil Co. Inc	300	Gas Stations

Source: Tennessee Department of Economic and Community Development.

### Location and Transportation

The City is located in the Southeast section of Robertson County. The County adjoins Tennessee's Davidson County on the south, Montgomery County on the west, Sumner County on the east, and Cheatham County on the southwest. The County also adjoins Kentucky's Logan County, Simpson County, and Todd County to the north.

Interstate highways I-65 and I-24 run through the County along with U.S. Highways 41, which runs right through the City, and 431. There are various State Highways running through the County as well.

*Air Transport*

The Springfield-Robertson County Airport handles corporate jets and general aviation aircraft and is approximately 12 miles from the City. The nearest commercial airport, Nashville International Airport, is approximately 30 miles away in Nashville. The Nashville International Airport operates an average of 580 daily flights to approximately 95 nonstop markets.

*Water Transport*

The nearest port facility for water transport is in Nashville on the Cumberland River.

*Rail Transport*

The CSX Railroad runs through the middle of the City.

**Health Care**

NorthCrest Medical Center, which began operations in 1956 under the name of Jesse Holman Jones Hospital, is a 109-bed facility located in Springfield, just 8 miles from Greenbrier. The hospital serves Robertson and surrounding counties as well as Southern Kentucky. The 43 acre NorthCrest Medical Center campus includes the hospital and four medical office buildings that house more than 100 physicians in a broad range of specialties. NorthCrest Medical Center has been named Top Performer on Key Quality Measures by The Joint Commission, the leading accreditor of health care organizations in America.

**Retail Sales**

The County's retail sales in 2020 totaled \$930,003,934, reflecting a 129% increase since 2001.

**Retail Sales By Calendar Year**

2001 Retail Sales	\$406,608,331	2011 Retail Sales	\$601,074,174
2002 Retail Sales	\$408,525,911	2012 Retail Sales	\$614,987,645
2003 Retail Sales	\$459,908,179	2013 Retail Sales	\$656,930,692
2004 Retail Sales	\$519,959,186	2014 Retail Sales	\$670,882,089
2005 Retail Sales	\$545,060,606	2015 Retail Sales	\$682,614,878
2006 Retail Sales	\$596,883,751	2016 Retail Sales	\$743,689,138
2007 Retail Sales	\$632,037,659	2017 Retail Sales	\$784,355,523
2008 Retail Sales	\$616,557,109	2018 Retail Sales	\$794,450,440
2009 Retail Sales	\$545,705,722	2019 Retail Sales	\$884,458,229
2010 Retail Sales	\$564,468,268	2020 Retail Sales	\$930,003,934

Source: Tennessee Department of Revenue

## **Tourism, Restaurants and Lodging**

There are several hotels/motels within the County and a multitude of restaurants. Area attractions include the Port Royal State Historic Park, Highland Rim Speedway, Tennessee-Kentucky Threshermen’s Show, and the Bell Witch Bluegrass Festival.

## **Higher Education**

The County’s population is served locally by the Highland Crest College Campus that was opened in August 2011. In coordination with Volunteer State Community College and Austin Peay State University, the college offers general education core classes in a 30,000 square foot, two-story building. In addition, many colleges and universities in the Greater Nashville Area, including Belmont University, Fisk University, Lipscomb University, Tennessee State University, Trevecca Nazarene University, and Vanderbilt University provide many options within driving distance of the County.

## **Public Education**

There are 25 schools in the Robertson County public school system. All Robertson County schools are accredited by the Southern Association of Colleges and Schools and are approved by the Tennessee Department of Education. The City is served Greenbrier Elementary School, Greenbrier Middle School and Greenbrier High School.

The school system operates under the direction of a six-member School Board and a Director of Schools. Members are elected by popular vote in county elections. They serve staggered, four-year terms. The Director of Schools is appointed by the Board members. The average daily membership of the Robertson County school system was 12,296 for the 2019-2020 school year.

<b>Average Daily Membership</b>			
<b>Robertson County</b>		<b>Robertson County</b>	
<b>School Year</b>	<b>Schools</b>	<b>School Year</b>	<b>Schools</b>
2001-2002	9,867	2011-2012	11,050
2002-2003	9,446	2012-2013	11,182
2003-2004	9,696	2013-2014	10,807
2004-2005	9,974	2014-2015	11,143
2005-2006	10,261	2015-2016	10,977
2006-2007	10,551	2016-2017	11,085
2007-2008	10,710	2017-2018	11,050
2008-2009	10,774	2018-2019	10,959
2009-2010	10,909	2019-2020	12,296
2010-2011	10,957		

Source: Tennessee Department of Education

## **Accounting and Financial Reporting for Retirement Commitments**

See page 27, Note 6, of the City’s Annual Financial Report for the fiscal year ending June 30, 2020.

## **Accounting and Financial Reporting for Other Post-employment Benefits (“OPEB”)**

See page 31, Note 7 of the City’s Annual Financial Report for the fiscal year ending June 30, 2020.

**CITY OF GREENBRIER, TENNESSEE  
GENERAL FINANCIAL INFORMATION  
SUMMARY OF OUTSTANDING DEBT**

Amount Issued	Issue	Date Issued	Maturity Date	Interest Rate	Principal Outstanding 6/30/2020 <sup>(1)</sup>
<b>General Obligation Notes and Bonds</b>					
1,214,700	General Obligation Capital Outlay Note, Series 2014	09/08/14	09/01/26	2.63%	527,000
3,410,000	General Obligation Public Improvement Bonds, Series 2021	08/25/21	05/01/42	2.00% - 3.00%	3,410,000
<b>Total General Obligation Notes and Bonds</b>					<u>\$3,937,000</u>
<b>Self-Supporting Debt</b>					
1,214,700	SRLF #99-124	01/01/02	12/31/21	2.92%	153,961
78,190	SRLF #01-152	01/01/03	12/31/22	2.55%	12,658
1,500,000	SRLF #16-370	07/01/16	06/30/37	0.32%	1,088,736
2,227,000	SRLF #16-371	09/01/17	08/31/37	0.32%	1,909,003
2,163,700	SRLF #17-380	01/10/17	04/30/39	0.52%	2,014,727
2,000,000	General Obligation Capital Outlay Note, Series 2019	10/24/19	10/24/24	3.00%	954,112
<b>Total Self-Supporting Debt</b>					<u>\$6,133,197</u>
<b>Total Current Outstanding Debt</b>					<u>\$10,070,197</u>

**DEBT STATEMENT  
(As of June 30, 2020)<sup>(1)</sup>**

<b>Outstanding Debt</b>	
Total Outstanding Debt as of 6/30/2020	\$10,070,197
<b>Gross Direct Debt</b>	\$10,070,197
Less: Self-Supporting Debt	(6,133,197)
<b>Net Direct Debt</b>	<u>\$3,937,000</u>
<b>Net Overlapping Debt (governmental activities debt as of June 30, 2020)</b>	
City's Portion of Robertson County Debt	9,251,270
<b>Total Net Overlapping Debt</b>	<u>\$9,251,270</u>
<b>Overall Net Debt</b>	<u>\$13,188,270</u>

**DEBT RECORD**

**There is no record of a default of payment of principal and interest from information available.**

(1) As of June 30, 2020 and adjusted for GO Public Improvement Bonds, Series 2021.

Source: Annual Financial Report for the fiscal year ending June 30, 2020.

### POPULATION

	<u>City</u>	<u>County</u>	<u>Tennessee</u>
1980 U.S. Census	3,180	37,021	4,600,252
1990 U.S. Census	3,062	41,669	4,890,626
2000 U.S. Census	4,981	54,825	5,703,719
2010 U.S. Census	6,433	66,314	6,355,518
2011 U.S. Census Estimate	6,530	66,775	6,400,298
2012 U.S. Census Estimate	6,551	66,809	6,455,752
2013 U.S. Census Estimate	6,635	67,423	6,496,943
2014 U.S. Census Estimate	6,678	68,063	6,544,617
2015 U.S. Census Estimate	6,738	68,709	6,595,354
2016 U.S. Census Estimate	6,789	69,439	6,651,277
2017 U.S. Census Estimate	6,870	70,342	6,714,748
2018 U.S. Census Estimate	6,854	71,159	6,778,180
2019 U.S. Census Estimate	6,852	71,693	6,830,325

Source: U.S. Census Bureau

### PER CAPITA DEBT RATIOS

Outstanding Debt	\$1,469.67
Gross Direct Debt	1,469.67
Net Direct Debt	574.58
Total Net Overlapping Debt	1,350.16
Overall Net Debt	1,924.73

### DEBT RATIOS

	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
Outstanding Debt to	7.29%	1.71%
Gross Direct Debt to	7.29%	1.71%
Net Direct Debt to	2.85%	0.67%
Total Net Overlapping Debt to	6.70%	1.57%
Overall Net Debt to	9.55%	2.24%

### DEBT TREND

	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
GO Debt	\$527,000	\$672,000	\$813,000	\$951,000	\$1,085,000
Self-Supporting Debt	6,133,197	5,485,558	4,829,922	2,071,803	562,651
<b>Total Debt</b>	<u>\$6,660,197</u>	<u>\$6,157,558</u>	<u>\$5,642,922</u>	<u>\$3,022,803</u>	<u>\$1,647,651</u>

Sources: Annual Financial Reports for the fiscal years ending June 30, 2016 - 2020.



## GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

(as of June 30, 2020)<sup>(1)</sup>

Year Ended June 30	Principal Requirements				Interest Requirements			Total Debt Service Requirements
	Bonds, Notes, and Capital Leases as of 6/30/2020	Plus: General Obligation Public Improvement Bonds, Series 2021	Total Principal Requirements	Percent Principal Retired	Bonds, Notes, and Capital Leases as of 6/30/2020	Plus: General Obligation Public Improvement Bonds, Series 2021	Total Interest Requirements	
2021	70,000		70,000		12,940		12,940	82,940
2022	72,000	150,000	222,000		11,072	54,325	65,397	287,397
2023	73,000	125,000	198,000		9,166	75,000	84,166	282,166
2024	75,000	130,000	205,000		7,219	71,250	78,469	283,469
2025	77,000	135,000	212,000	23.0%	5,221	67,350	72,571	284,571
2026	79,000	140,000	219,000		3,169	63,300	66,469	285,469
2027	81,000	145,000	226,000		1,065	59,100	60,165	286,165
2028	-	145,000	145,000		-	54,750	54,750	199,750
2029	-	150,000	150,000		-	50,400	50,400	200,400
2030	-	155,000	155,000	45.8%	-	45,900	45,900	200,900
2031	-	160,000	160,000		-	42,800	42,800	202,800
2032	-	160,000	160,000		-	39,600	39,600	199,600
2033	-	165,000	165,000		-	36,400	36,400	201,400
2034	-	170,000	170,000		-	33,100	33,100	203,100
2035	-	170,000	170,000	66.7%	-	29,700	29,700	199,700
2036	-	175,000	175,000		-	26,300	26,300	201,300
2037	-	180,000	180,000		-	22,800	22,800	202,800
2038	-	185,000	185,000		-	19,200	19,200	204,200
2039	-	185,000	185,000		-	15,500	15,500	200,500
2040	-	190,000	190,000	90.0%	-	11,800	11,800	201,800
2041	-	195,000	195,000		-	8,000	8,000	203,000
2042	-	200,000	200,000	100.0%	-	4,100	4,100	204,100
	527,000	3,410,000	3,937,000		49,852	830,675	880,527	4,817,527

(1) As of June 30, 2020 and adjusted for GO Public Improvement Bonds, Series 2021.

Source: Annual Financial Report for the fiscal year ending June 30, 2020 and County Officials.

## SELF-SUPPORTING DEBT SERVICE REQUIREMENTS

(as of June 30, 2020)

Year Ended June 30	Principal Requirements			Interest Requirements		Total Debt Service Requirements
	Bonds, Notes, and Capital Leases as of 6/30/2020	Total Principal Requirements	Percent Principal Retired	Bonds, Notes, and Capital Leases as of 6/30/2020	Total Interest Requirements	
2021	417,664	417,664		51,027	51,027	468,691
2022	369,068	369,068		45,978	45,978	415,046
2023	316,272	316,272		43,188	43,188	359,460
2024	314,294	314,294		40,947	40,947	355,241
2025	315,388	315,388	28.3%	38,706	38,706	354,094
2026	316,488	316,488		36,462	36,462	352,950
2027	317,591	317,591		34,214	34,214	351,805
2028	318,698	318,698		31,962	31,962	350,660
2029	319,809	319,809		29,706	29,706	349,515
2030	320,923	320,923	54.2%	27,446	27,446	348,369
2031	322,043	322,043		25,183	25,183	347,226
2032	323,178	323,178		22,903	22,903	346,081
2033	324,304	324,304		20,631	20,631	344,935
2034	325,435	325,435		18,354	18,354	343,789
2035	326,583	326,583	80.7%	16,062	16,062	342,645
2036	327,722	327,722		13,778	13,778	341,500
2037	328,710	328,710		11,480	11,480	340,190
2038	168,499	168,499		9,395	9,395	177,894
2039	131,544	131,544		7,666	7,666	139,210
2040	38,164	38,164	96.9%	6,297	6,297	44,461
2041	38,164	38,164		5,152	5,152	43,316
2042	38,164	38,164		4,007	4,007	42,171
2043	38,164	38,164		2,862	2,862	41,026
2044	38,164	38,164		1,717	1,717	39,881
2045	38,164	38,164	100.0%	572	572	38,736
	<u>6,133,197</u>	<u>6,133,197</u>		<u>545,695</u>	<u>545,695</u>	<u>6,678,892</u>

Source: Annual Financial Report for the fiscal year ending June 30, 2020 and County Officials.

## Real Property Assessment, Tax Levy and Collection Procedures

### State Taxation of Property; Classifications of Taxable Property; Assessment Rates

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the “*General Assembly*”) exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as defined under the *Tennessee Code Annotated*.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four sub classifications and assessed at the rates as follows:

(a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;

(b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;

(c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and

(d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three sub classifications and assessed at the rates as follows:

(a) Public Utility Property, to be assessed at 55% of its value;

(b) Industrial and Commercial Property, to be assessed at 30% of its value; and

(c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of \$7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into sub classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

### **County Taxation of Property**

The Constitution of the State of Tennessee empowers the General Assembly to authorize the several counties and incorporated towns in the State of Tennessee to impose taxes for county and municipal purposes in the manner prescribed by law. Under the *Tennessee Code Annotated*, the General Assembly has authorized the counties in Tennessee to levy an *ad valorem* tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the county legislative body of each county.

All property is required to be taxed according to its values upon the principles established in regard to State taxation as described above, including equality and uniformity. All counties, which levy and collect taxes to pay off any bonded indebtedness are empowered, through the respective county legislative bodies, to place all funds levied and collected into a special fund of the respective counties and to appropriate and use the money for the purpose of discharging any bonded indebtedness of the respective counties. Under Tennessee law, the County's legislative body is authorized to levy a tax on all taxable property within the County, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount.

### **Assessment of Property**

The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own such property on January 1 for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessment records are open to public inspection at the assessor's office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the county board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local board of equalization begins its annual session.

### **Valuation for Property Tax Purposes**

The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State board of equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

**PROPERTY VALUATION AND PROPERTY TAX**

<b>Fiscal Year Tax Year</b>	<b>2020-2021 2020</b>	<b>2019-2020 2019</b>	<b>2018-2019 2018</b>	<b>2017-2018 2017</b>	<b>2016-2017 2016</b>
<b>ESTIMATED ACTUAL VALUES</b>					
Residential & Farm	\$494,159,730	\$409,215,400	\$404,864,600	\$373,327,641	\$325,036,343
Commercial & Industrial	46,863,673	38,384,900	38,276,600	42,887,408	36,859,541
Personal Tangible Property	31,371,152	28,761,342	21,592,826	17,771,927	17,286,690
Public Utilities	16,771,237	16,737,377	13,002,451	9,688,351	12,236,364
<b>Total Estimated Actual Values</b>	<b>\$589,165,792</b>	<b>\$493,099,019</b>	<b>\$477,736,477</b>	<b>\$443,675,327</b>	<b>\$391,418,938</b>
Annual Percentage Change	19.48%	3.22%	7.68%	13.35%	1.54%
Estimated Per Capita Amount	\$85,984	\$71,964	\$69,702	\$64,582	\$57,655
<b>ASSESSED VALUES</b>					
Residential & Farm (at 25%)	\$105,663,700	\$102,303,850	\$101,216,150	\$79,080,125	\$77,813,700
Commercial & Industrial (at 40%)	16,033,000	15,353,960	15,310,640	14,535,400	14,118,680
Personal Tangible Property (at 30%)	9,049,535	8,628,425	6,477,871	4,594,732	4,998,364
Public Utilities (at 30%-55%)	7,320,645	7,305,865	5,675,570	4,228,965	5,341,173
<b>Total Assessed Values</b>	<b>\$138,066,880</b>	<b>\$133,592,100</b>	<b>\$128,680,231</b>	<b>\$102,439,222</b>	<b>\$102,271,917</b>
Annual Percentage Change	3.35%	3.82%	25.62%	0.16%	1.47%
Estimated Per Capita Amount	\$20,150	\$19,497	\$18,774	\$14,911	\$15,064
<b>Appraisal Ratio</b>	85.53%	100.00%	100.00%	84.73%	95.76%
<b>Assessed Values to Actual Values</b>	23.43%	27.09%	26.94%	23.09%	26.13%
<b>Property Tax Rate</b>	<b><u>\$1.5700</u></b>	<b><u>\$1.5700</u></b>	<b><u>\$1.0700</u></b>	<b><u>\$1.0700</u></b>	<b><u>\$1.0700</u></b>
<b>Taxes Levied</b>	\$2,167,650	\$2,097,396	\$1,376,878	\$1,096,100	\$1,094,310
<b>Collections</b>					
Current Fiscal Year	In Process	\$1,909,105	\$1,331,467	\$1,075,348	\$1,071,736
Percent Collected Current FY		91.02%	96.70%	98.11%	97.94%

Sources: Annual Financial Reports for the fiscal years ending June 30, 2016 - 2020, State Board of Equalization, 2016-2020 Tax Aggregate Reports of Tennessee and City Officials.

## TOP TAXPAYERS

<b>Business</b>	<b>Tax Year 2020 Assessed Value</b>	<b>Assessed Value as a % of Total Assessment</b>
Atwood Mobile Products LLC	\$6,166,974	4.47%
Highmark Ridgewood LP	1,966,520	1.42%
Laborg Mike P Etal	1,697,880	1.23%
Southeastern Tool & Die	631,300	0.46%
Franklin Center Partners LLC	618,560	0.45%
Ben The Builder LLC	474,087	0.34%
Laborg James	473,275	0.34%
Flatirons Self-Storage Dst	401,400	0.29%
Green Ridge Assoc Ltd	392,790	0.28%
Reed Donnie Etux	384,800	0.28%

Source: Robertson County Trustee's Office.

## FUND BALANCES

	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
<b>GOVERNMENTAL FUNDS</b>					
General Government Fund	\$2,532,869	\$1,516,409	\$1,473,157	\$1,831,277	\$2,038,580
Solid Waste Fund	243,064	348,087	391,039	326,036	236,631
State Street Aid Fund	244,437	405,391	355,791	401,274	603,340
Non-Major Governmental Funds	23,560	24,769	26,634	22,426	28,338
<b>Total Governmental Funds</b>	<u>3,043,930</u>	<u>2,294,656</u>	<u>2,246,621</u>	<u>2,581,013</u>	<u>2,906,889</u>

Sources: Annual Financial Reports for the fiscal years ending June 30, 2016 - 2020.

## NET ASSETS

	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
<b>PROPRIETARY FUNDS</b>					
Water and Sewer Fund	8,443,459	8,720,062	8,630,370	8,420,372	7,812,525
<b>Total Proprietary Funds</b>	<u>8,443,459</u>	<u>8,720,062</u>	<u>8,630,370</u>	<u>8,420,372</u>	<u>7,812,525</u>

Sources: Annual Financial Reports for the fiscal years ending June 30, 2016 - 2020.

## LOCAL SALES TAX

	<u>FY 2019-20</u>	<u>FY 2018-19</u>	<u>FY 2017-18</u>	<u>FY 2016-17</u>	<u>FY 2015-16</u>
<b>Rate (Percent of retail sales)</b>	2.75%	2.75%	2.75%	2.75%	2.75%
<b>Distribution</b>					
<b>Total Amount to City (General Fund)</b>	<u>\$1,100,630</u>	<u>\$1,010,453</u>	<u>\$966,061</u>	<u>\$952,308</u>	<u>\$953,267</u>
% of Increase	8.92%	4.60%	1.44%	-0.10%	8.25%

Sources: Annual Financial Reports for the fiscal years ending June 30, 2016 - 2020.

## Local Option Sales and Use Tax

Pursuant to applicable provision of Title 67, Chapter 6, Part 7 of *Tennessee Code Annotated* as amended, the “Local Sales Tax”), a county levies a county-wide local option sales tax. Under the Local Sales Tax, counties and incorporated cities may levy a sales tax on the same privileges on which the State levies its sales tax. The rate of any sales tax levied by a county or town is limited under State law to two and three-fourths percent (2 ¾%).

Pursuant to the Local Sales Tax, the levy of a sales tax by a county precludes any city or town within the county from levying a sales tax, but a city or town may levy a sales tax in addition to the county’s sales tax at a rate not exceeding the difference between the county sales tax rate and the maximum local option sales tax rate of two and three-fourths percent (2 ¾%). If a city or town is located in more than one county, each portion of the city or town that is located in a separate county is treated as a separate city or town for purposes of determining the maximum sales tax rate.

The revenues from the county-wide sales taxes are distributed pursuant to the provisions of the Local Sales Tax and other provision of the *Tennessee Code Annotated*. Fifty percent (50%) of the revenues raised through the county-wide sales taxes are directed to educational purposes and are distributed to all organized school systems in the county in which the taxes are collected based upon the average daily attendance of each school system. The balance of the sales tax collections are divided between the general fund of the county in which the taxes are collected and all incorporated cities or towns in such county bases upon the sites of collection, unless a separate agreement has been ratified concerning the distribution of these funds.

Local Sales Taxes collected by Robertson County and shared with the City pursuant to State statutory authorities are based on the current rate of two and three-fourths percent (2.75%) for the fiscal years 2016 – 2020 are outlined below:

### LOCAL SALES TAX

	<u>FY 2019-20</u>	<u>FY 2018-19</u>	<u>FY 2017-18</u>	<u>FY 2016-17</u>	<u>FY2015-16</u>
<b>Rate (Percent of retail sales)</b>	2.75%	2.75%	2.75%	2.75%	2.75%
<b>Distribution</b>					
<b>Total Amount to City (General Fund)</b>	\$1,100,630	\$1,010,453	\$966,061	\$952,308	\$953,267
% of Increase	8.92%	4.60%	1.44%	-0.10%	8.25%

Sources: Annual Financial Reports for the fiscal years ending June 30, 2016 - 2020.

**STATEMENT OF OPERATING REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GENERAL FUND  
FOR YEARS ENDING JUNE 30**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>					
Taxes	\$3,736,235	\$2,708,961	\$2,522,356	\$2,470,190	\$2,401,138
Licenses & Permits	249,839	209,123	163,497	159,556	173,128
Fines and Forfeitures	120,145	114,721	156,028	205,768	234,216
Charges for Services	9,100	13,310	9,990	9,180	10,071
Intergovernmental	118,410	177,235	172,019	208,339	251,937
Investment Income	13,508	4,737	4,633	5,745	4,991
Miscellaneous Revenues	48,201	194,057	29,404	315,427	4,706
Other Sources:					
Contributions and Grants	0	0	0	0	69,783
Insurance Recovery	1,750	3,500	1,750	1,750	2,842
Proceeds from Sale of Capital Assets	88,128	7,654	44,385	98,627	80,439
<b>Total Revenues &amp; Other Sources</b>	<u>\$4,385,316</u>	<u>\$3,433,298</u>	<u>\$3,104,062</u>	<u>\$3,474,582</u>	<u>\$3,233,251</u>
<b>EXPENDITURES</b>					
General Government	\$557,142	\$620,000	\$564,512	\$570,404	\$509,779
Public Safety	\$1,521,841	\$1,405,949	\$1,572,483	\$1,449,425	\$1,376,009
City Court	\$121,515	\$114,962	\$118,938	\$114,091	\$111,329
Highways, Streets and Roadways	249,118	270,124	275,980	274,208	175,309
Parks and Recreation	396,222	405,102	370,148	320,013	359,712
Building and Codes	202,379	183,455	183,651	148,065	100,624
Cemeteries	13,867	17,241	8,732	8,489	14,481
Animal Control	78,837	68,480	89,781	90,500	89,794
Debt Service	78,014	78,649	78,917	86,023	48,021
General Capital Projects	109,575	226,084	199,040	620,667	373,590
<b>Total Expenditures</b>	<u>\$3,328,510</u>	<u>\$3,390,046</u>	<u>\$3,462,182</u>	<u>\$3,681,885</u>	<u>\$3,158,648</u>
Other Uses:					
Payments to Refunding Bond	0	0	0	0	0
Operating Transfers	0	0	0	0	0
<b>Total Expenditures &amp; Other Uses</b>	<u>\$3,328,510</u>	<u>\$3,390,046</u>	<u>\$3,462,182</u>	<u>\$3,681,885</u>	<u>\$3,158,648</u>
Excess of Revenues & Other Sources					
Over (Under) Expenditures & Other Uses	\$1,056,806	\$43,252	(\$358,120)	(\$207,303)	\$74,603
<b>Fund Balance, July 1</b>	1,516,409	1,473,157	1,831,277	2,038,580	1,963,977
Prior Period Adjustments	(40,346)	0	0	0	0
<b>Fund Balance, June 30</b>	<u>\$2,532,869</u>	<u>\$1,516,409</u>	<u>\$1,473,157</u>	<u>\$1,831,277</u>	<u>\$2,038,580</u>

Sources: Annual Financial Reports for the fiscal years ending June 30, 2016 - 2020.



**APPENDIX C**

Comprehensive Annual Financial Report of the Issuer for the  
Fiscal Year Ended June 30, 2020

[This page is intentionally left blank]

**City of Greenbrier, Tennessee**  
Annual Financial Report  
For the Year Ended June 30, 2020

City of Greenbrier, Tennessee

Annual Financial Report

June 30, 2020

Contents

	Page
<b>Introductory Section</b>	
Roster of City Officials	1
<b>Financial Section</b>	
Independent Auditors' Report	2 - 3
Management's Discussion and Analysis	4 - 7
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet - Governmental Funds	10
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	13 - 14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Other Major Governmental Funds	15
Statement of Fund Net Position - Proprietary Fund	16
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund	17
Statement of Cash Flows - Proprietary Fund	18
Notes to Financial Statements	19 - 35
Required Supplementary Information:	
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS	36
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS	37
Schedule of Changes in OPEB Liability and Related Ratios	38
Supplementary Information:	
Individual Fund Statements and Schedules:	
Balance Sheet - Non-major Governmental Fund	39
Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-major Governmental Fund	40
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Non-major Governmental Fund	41
Schedule of Expenditures of Federal Awards and State Financial Assistance	42
Schedule of Changes in Long-Term Debt by Individual Issue	43
Schedule of Long-Term Debt, Principal, and Interest Requirements	44 - 45
Other Supplementary Information:	
Schedule of Changes in Property Taxes Receivable	46
Schedule of Property Tax Rates and Assessments	47
Schedule of Utility Rate Structure and Number of Customers	48
Schedule of Unaccounted for Water Using AWWA Model	49 - 50
<b>Internal Control and Compliance Section</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	51
Schedule of Prior Year Findings and Questioned Costs	52

## **Introductory Section**

**City of Greenbrier, Tennessee**

Roster of City Officials

June 30, 2020

<b>Position</b>	<b>Official</b>	<b>Period of Service</b>
Mayor	Bonnette Dawson	7/1/19-6/30/20
Vice Mayor and Alderman	Steven Higdon	7/1/19-6/30/20
Alderman	Bill Deaver	7/1/19-6/30/20
Alderman	Jeff DeLong	7/1/19-6/30/20
Alderman	Billy Ray Dorris	7/1/19-6/30/20
Alderman	Carol Fagg	7/1/19-6/30/20
Alderman	Chris Davis	7/1/19-6/30/20
City Recorder	Rachel Slusser, CMFO	7/1/19-6/30/20
City Superintendent	Tommy Maitland	7/1/19-6/30/20
Police Chief	Randall Pack	7/1/19-6/30/20
City Attorney	Bill Vernich	7/1/19-6/30/20
City Judge	William Kroeger	7/1/19-6/30/20

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

## Financial Section



## Independent Auditors' Report

Honorable Mayor and Members of the Board of Aldermen  
City of Greenbrier, Tennessee

### **Report on the Financial Statements**

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, Solid Waste Fund, and State Street Aid Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 7 and the schedule of changes in net pension liability (asset) and related ratios based on participation in the public employee pension plan of TCRS, schedule of contributions based on participation in the public employee pension plan of TCRS, and schedule of changes in OPEB liability and related ratios on pages 36 – 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, individual fund statements and schedules on pages 39 – 41, schedule of expenditures of federal awards and state financial assistance, schedule of changes in long-term debt by individual issue, schedule of long-term debt, principal, and interest requirements, schedule of changes in property taxes receivable, schedule of property tax rates and assessments, schedule of utility rate structure and number of customers, and schedule of unaccounted for water using AWWA model, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund statements and schedules, schedule of expenditures of federal awards and state financial assistance, schedule of changes in long-term debt by individual issue, schedule of long-term debt, principal, and interest requirements, and schedule of changes in property taxes receivable are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements and schedules listed above are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, schedule of property tax rates and assessments, schedule of utility rate structure and number of customers, and schedule of unaccounted for water using AWWA model have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2021, 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.



Blankenship CPA Group, PLLC  
Goodlettsville, Tennessee  
January 25, 2021

**City of Greenbrier, Tennessee**  
Management's Discussion and Analysis  
June 30, 2020

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 Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all 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, public works, parks and recreation and the solid waste operation. The business-type activities of the City include the sewer operation. The government-wide financial statements can be found on pages 8 - 9 of this report.

**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.

**Governmental 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.

The City maintains four 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 include the General Fund, Solid Waste Fund, and State Street Aid Fund. Individual fund data for each of the non-major governmental fund 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.

**City of Greenbrier, Tennessee**  
Management's Discussion and Analysis  
June 30, 2020

**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. Combined and individual fund statements and schedules can be found on pages 39 – 41 of this report.

**Condensed Comparative Data**

	Condensed Comparative Data					
	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
<b>ASSETS</b>						
Current and Other Assets	\$ 5,776,528	\$ 4,103,384	\$ 2,258,042	\$ 2,590,761	\$ 8,034,570	\$ 6,694,145
Capital Assets	3,863,701	3,826,374	13,058,397	12,126,495	16,922,098	15,952,869
Total Assets	<u>9,640,229</u>	<u>7,929,758</u>	<u>15,316,439</u>	<u>14,717,256</u>	<u>24,956,668</u>	<u>22,647,014</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
	214,340	225,917	51,306	55,244	265,646	281,161
<b>LIABILITIES</b>						
Other Liabilities	445,584	395,495	599,910	408,341	1,045,494	803,836
Long-term Liabilities	584,081	716,611	6,280,228	5,625,661	6,864,309	6,342,272
Total Liabilities	<u>1,029,665</u>	<u>1,112,106</u>	<u>6,880,138</u>	<u>6,034,002</u>	<u>7,909,803</u>	<u>7,146,108</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	2,313,630	1,455,050	44,148	18,436	2,357,778	1,473,486
<b>NET POSITION</b>						
Net Investment in						
Capital Assets	3,336,701	3,154,374	6,925,200	6,580,426	10,261,901	9,734,800
Restricted	940,679	1,101,932	114,004	77,967	1,054,683	1,179,899
Unrestricted	2,233,894	1,332,213	1,404,255	2,061,669	3,638,149	3,393,882
Total Net Position	<u>\$ 6,511,274</u>	<u>\$ 5,588,519</u>	<u>\$ 8,443,459</u>	<u>\$ 8,720,062</u>	<u>\$ 14,954,733</u>	<u>\$ 14,308,581</u>

**City of Greenbrier, Tennessee**  
Management's Discussion and Analysis  
June 30, 2020

**Condensed Comparative Data – Continued**  
**Change in Net Position**

<u>Functions/Programs:</u>	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Program Revenues						
Charges for Services	\$ 799,972	\$ 749,581	\$ 2,540,809	\$ 2,327,510	\$ 3,340,781	\$ 3,077,091
Operating Grants and Contributions	329,167	314,351	-	-	329,167	314,351
Capital Grants and Contributions	48,696	212,158	169,200	150,100	217,896	362,258
General Revenues	3,717,353	2,795,992	23,047	6,149	3,740,400	2,802,141
Total Revenues	<u>4,895,188</u>	<u>4,072,082</u>	<u>2,733,056</u>	<u>2,483,759</u>	<u>7,628,244</u>	<u>6,555,841</u>
Expenses						
General Government	660,935	703,977	-	-	660,935	703,977
Public Safety	1,654,818	1,537,366	-	-	1,654,818	1,537,366
City Court	122,348	115,913	-	-	122,348	115,913
Highways, Streets and Roadways	347,897	365,682	-	-	347,897	365,682
Solid Waste	396,347	379,206	-	-	396,347	379,206
Parks and Recreation	433,583	440,275	-	-	433,583	440,275
Building and Codes	202,151	183,919	-	-	202,151	183,919
Cemeteries	13,913	17,241	-	-	13,913	17,241
Animal Control	84,328	74,334	-	-	84,328	74,334
Interest	15,767	19,529	-	-	15,767	19,529
Water and Sewer	-	-	3,029,005	2,394,067	3,029,005	2,394,067
Total Expenses	<u>3,932,087</u>	<u>3,837,442</u>	<u>3,029,005</u>	<u>2,394,067</u>	<u>6,961,092</u>	<u>6,231,509</u>
Increase (Decrease) in Net Position	963,101	234,640	(295,949)	89,692	667,152	324,332
Net Position - Beginning	5,588,519	5,383,133	8,720,062	8,630,370	14,308,581	14,013,503
Prior Period Adjustment	(40,346)	(29,254)	19,346	-	(21,000)	(29,254)
Net Position - Ending	<u>\$ 6,511,274</u>	<u>\$ 5,588,519</u>	<u>\$ 8,443,459</u>	<u>\$ 8,720,062</u>	<u>\$ 14,954,733</u>	<u>\$ 14,308,581</u>

**Overall Analysis**

The overall financial condition of the City on June 30, 2020 is sound. The governmental activities increased from \$5,588,519 to \$6,487,818 and the net position increased by \$939,645. The business-type activities had a decrease in net position of \$305,145 from \$8,720,062 to \$8,434,263.

**Fund Analysis**

General Fund. The general fund balance increased by \$662,445 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.

Solid Waste Fund. The solid waste fund balance decreased by \$105,023 which is lower than budgeted due to revenues being slightly more than originally budgeted and lower than projected expenses.

State Street Aid Fund. The state street aid fund balance decreased by \$160,954 which is lower than budgeted due to revenues being higher than originally budgeted.

Water and Sewer Fund. The water and sewer fund experienced a loss from operations of \$464,757 and a decrease of net position of \$305,145. The cash balance decreased from \$1,675,662 to \$1,247,652 at the close of the fiscal year, a decrease of \$428,010.

**Budget Variances in the General Fund**

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

**City of Greenbrier, Tennessee**  
Management's Discussion and Analysis  
June 30, 2020

**Capital Assets and Long-term Debt Activity**

Significant changes in capital assets occurred in various departments. The State Street Aid Fund repaved a few roads. Purchases were funded with general governmental revenues. The Water and Sewer Fund completed work on a wastewater treatment project funded using State Revolving Loan funds that began construction in 2017 and began work on a sewer line rehab project funded using debt.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 479,683	\$ 479,683	\$ 31,500	\$ 31,500	\$ 511,183	\$ 511,183
Construction in Progress	-	-	955,957	6,173,722	955,957	6,173,722
Buildings & Improvements	1,230,849	1,230,849	1,818,080	1,818,080	3,048,929	3,048,929
Equipment & Furniture	2,609,257	2,638,418	675,055	362,098	3,284,312	3,000,516
Infrastructure	8,757,820	8,523,200	-	-	8,757,820	8,523,200
Utility Plant	-	-	14,360,669	8,156,444	14,360,669	8,156,444
Less: Accumulated Depreciation	(9,213,908)	(9,045,776)	(4,782,864)	(4,415,349)	(13,996,772)	(13,461,125)
	<u>\$ 3,863,701</u>	<u>\$ 3,826,374</u>	<u>\$ 13,058,397</u>	<u>\$ 12,126,495</u>	<u>\$ 16,922,098</u>	<u>\$ 15,952,869</u>

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Compensated Absences	\$ 57,081	\$ 44,611	\$ 10,447	\$ 10,169	\$ 67,528	\$ 54,780
Customer Deposits	-	-	65,582	64,717	65,582	64,717
Notes Payable	527,000	672,000	6,133,197	5,485,558	6,660,197	6,157,558
OPEB Liability	297,604	282,452	71,002	65,217	368,606	347,669
	<u>\$ 881,685</u>	<u>\$ 999,063</u>	<u>\$ 6,280,228</u>	<u>\$ 5,625,661</u>	<u>\$ 7,161,913</u>	<u>\$ 6,624,724</u>

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.

**City of Greenbrier, Tennessee**  
Statement of Net Position  
June 30, 2020

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 2,028,673	\$ 1,247,652	\$ 3,276,325
Certificates of Deposit	574,264	362,501	936,765
Receivables, Net	2,482,142	545,465	3,027,607
Internal Balances	35,520	(35,520)	-
Inventory	-	23,940	23,940
Restricted Cash	226,311	-	226,311
Total Current Assets	5,346,910	2,144,038	7,490,948
<b>Capital Assets</b>			
Depreciable Capital Assets, Net of Accumulated Depreciation	3,384,018	12,070,940	15,454,958
Non Depreciable Capital Assets	479,683	987,457	1,467,140
Total Capital Assets	3,863,701	13,058,397	16,922,098
<b>Other Assets</b>			
Net Pension Asset	429,618	114,004	543,622
Total Assets	9,640,229	15,316,439	24,956,668
<b>Deferred Outflows of Resources</b>			
Deferred Pensions	214,340	51,306	265,646
<b>Liabilities</b>			
Accounts Payable and Other Payables	147,980	599,910	747,890
Long-Term Liabilities:			
Compensated Absences	57,081	10,447	67,528
Customer Deposits	-	65,582	65,582
Due Within One Year	70,000	417,664	487,664
Due in More Than One Year	457,000	5,715,533	6,172,533
OPEB Liability	297,604	71,002	368,606
Total Liabilities	1,029,665	6,880,138	7,909,803
<b>Deferred Inflows of Resources</b>			
Deferred Property Tax Revenue	2,155,000	-	2,155,000
Deferred Pensions	158,630	44,148	202,778
Total Deferred Inflows of Resources	2,313,630	44,148	2,357,778
<b>Net Position</b>			
Net Investment in Capital Assets	3,336,701	6,925,200	10,261,901
Restricted for:			
Solid Waste	243,064	-	243,064
State Street Aid	244,437	-	244,437
Drug Education and Investigations	23,560	-	23,560
Other Purposes	429,618	114,004	543,622
Unrestricted	2,233,894	1,404,255	3,638,149
Total Net Position	\$ 6,511,274	\$ 8,443,459	\$ 14,954,733

**City of Greenbrier, Tennessee**  
Statement of Activities  
For the Year Ended June 30, 2020

Functions/Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary government:</b>							
Governmental Activities:							
General Government	660,935	\$ 132,884	\$ -	\$ 29,681	\$ (498,370)	\$ -	\$ (498,370)
Public Safety	1,654,818	123,706	80,971	19,015	(1,431,126)	-	(1,431,126)
City Court	122,348	-	-	-	(122,348)	-	(122,348)
Highways, Streets and Roadways	347,897	-	240,436	-	(107,461)	-	(107,461)
Solid Waste	396,347	416,147	-	-	19,800	-	19,800
Parks and Recreation	433,583	116,655	7,760	-	(309,168)	-	(309,168)
Building and Codes	202,151	-	-	-	(202,151)	-	(202,151)
Cemeteries	13,913	9,400	-	-	(4,513)	-	(4,513)
Animal Control	84,328	1,180	-	-	(83,148)	-	(83,148)
Interest	15,767	-	-	-	(15,767)	-	(15,767)
Total Governmental Activities	3,932,087	799,972	329,167	48,696	(2,754,252)	-	(2,754,252)
Business-type Activities:							
Water and Sewer	3,029,005	2,540,809	-	169,200	-	(318,996)	(318,996)
<b>Total Primary Government</b>	<b>\$ 6,961,092</b>	<b>\$ 3,340,781</b>	<b>\$ 329,167</b>	<b>\$ 217,896</b>	<b>(2,754,252)</b>	<b>(318,996)</b>	<b>(3,073,248)</b>
<b>General Revenues:</b>							
Property and Personalty Taxes					2,089,872	-	2,089,872
Payment in Lieu of Tax					79,122	-	79,122
Income and Excise Taxes					868	-	868
Sales Taxes					1,100,630	-	1,100,630
Alcoholic Beverage Taxes					165,567	-	165,567
Business Taxes					55,898	-	55,898
Miscellaneous State Taxes					231,507	-	231,507
Investment Income					16,849	23,047	39,896
Gain on Disposal of Capital Assets					(98,927)	-	(98,927)
Debt Issuance Proceeds					-	-	-
Miscellaneous					75,967	-	75,967
Total General Revenues					3,717,353	23,047	3,740,400
<b>Change in Net Position</b>					963,101	(295,949)	667,152
<b>Net Position - July 1, 2019</b>					5,588,519	8,720,062	14,308,581
<b>Prior Period Adjustment</b>					(40,346)	19,346	(21,000)
<b>Net Position - June 30, 2020</b>					<b>\$ 6,511,274</b>	<b>\$ 8,443,459</b>	<b>\$ 14,954,733</b>

**City of Greenbrier, Tennessee**

Balance Sheet  
Governmental Funds  
June 30, 2020

	<b>General Fund</b>	<b>Solid Waste Fund</b>	<b>State Street Aid Fund</b>	<b>Non-Major Governmental Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>					
Cash and Cash Equivalents	\$ 1,577,335	\$ 201,469	\$ 226,309	\$ 23,560	\$ 2,028,673
Certificates of Deposit	574,264	-	-	-	574,264
Receivables, Net:					
Property Taxes	2,342,496	-	-	-	2,342,496
Intergovernmental	84,610	-	18,128	-	102,738
Customer, Net of Allowance	-	36,908	-	-	36,908
Due From Other Funds	-	35,520	-	-	35,520
Inventory and Supplies	-	-	-	-	-
Restricted Cash	226,311	-	-	-	226,311
<b>Total Assets</b>	<b>\$ 4,805,016</b>	<b>\$ 273,897</b>	<b>\$ 244,437</b>	<b>\$ 23,560</b>	<b>\$ 5,346,910</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable and Accrued Liabilities	\$ 58,142	\$ 30,833	\$ -	\$ -	\$ 88,975
Accrued Payroll	59,005	-	-	-	59,005
<b>Total Liabilities</b>	<b>117,147</b>	<b>30,833</b>	<b>-</b>	<b>-</b>	<b>147,980</b>
<b>Deferred Inflows of Resources - Deferred Property Tax Revenue</b>					
	2,155,000	-	-	-	2,155,000
<b>Fund Balances</b>					
Restricted For:					
Solid Waste	-	243,064	-	-	243,064
State Street Aid	-	-	244,437	-	244,437
Drug Education and Investigations	-	-	-	23,560	23,560
Assigned To:					
Police Equipment	44,367	-	-	-	44,367
Unassigned	2,488,502	-	-	-	2,488,502
<b>Total Fund Balances</b>	<b>2,532,869</b>	<b>243,064</b>	<b>244,437</b>	<b>23,560</b>	<b>3,043,930</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,805,016</b>	<b>\$ 273,897</b>	<b>\$ 244,437</b>	<b>\$ 23,560</b>	<b>\$ 5,346,910</b>

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Total Governmental Fund Balances	\$ 3,043,930
Some assets, including accounts receivable are not available in the current period and therefore are not reported in the funds.	429,618
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,863,701
Deferred outflows of resources that are not reported in the funds.	214,340
Some liabilities, including notes payable and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(881,685)
Deferred inflows of resources that are not reported in the funds.	(158,630)
Net Position of the Governmental Activities	<u>\$ 6,511,274</u>



**City of Greenbrier, Tennessee**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2020

	General	Solid Waste Fund	State Street Aid Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 3,736,235	\$ -	\$ 227,665	\$ -	\$ 3,963,900
Licenses and Permits	249,839	-	-	-	249,839
Fines and Forfeitures	120,145	-	-	-	120,145
Charges for Services	9,100	416,147	-	-	425,247
Intergovernmental	118,410	-	-	4,741	123,151
Investment Income	13,508	1,474	1,729	138	16,849
Miscellaneous Revenues	48,201	-	46,781	-	94,982
Total Revenues	<u>4,295,438</u>	<u>417,621</u>	<u>276,175</u>	<u>4,879</u>	<u>4,994,113</u>
<b>Expenditures</b>					
Current:					
General Government	557,142	-	-	-	557,142
Public Safety	1,521,841	-	-	7,028	1,528,869
City Court	121,515	-	-	-	121,515
Highways, Streets and Roadways	249,118	-	93,576	-	342,694
Solid Waste	-	374,767	-	-	374,767
Parks and Recreation	396,222	-	-	-	396,222
Building and Codes	202,379	-	-	-	202,379
Cemeteries	13,867	-	-	-	13,867
Animal Control	78,837	-	-	-	78,837
Debt Service:					
Principal	77,000	-	68,000	-	145,000
Interest	1,014	-	14,753	-	15,767
Capital Outlay	109,575	149,413	260,800	-	519,788
Total Expenditures	<u>3,328,510</u>	<u>524,180</u>	<u>437,129</u>	<u>7,028</u>	<u>4,296,847</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>966,928</u>	<u>(106,559)</u>	<u>(160,954)</u>	<u>(2,149)</u>	<u>697,266</u>
<b>Other Financing Sources</b>					
Insurance Proceeds	1,750	-	-	-	1,750
Proceeds from Sale of Capital Assets	88,128	1,536	-	940	90,604
Total Other Financing Sources	<u>89,878</u>	<u>1,536</u>	<u>-</u>	<u>940</u>	<u>92,354</u>
<b>Net Change in Fund Balances</b>	1,056,806	(105,023)	(160,954)	(1,209)	789,620
<b>Fund Balance - July 1, 2019</b>	1,516,409	348,087	405,391	24,769	2,294,656
<b>Prior Period Adjustment</b>	(40,346)	-	-	-	(40,346)
<b>Fund Balance - June 30, 2020</b>	<u>\$ 2,532,869</u>	<u>\$ 243,064</u>	<u>\$ 244,437</u>	<u>\$ 23,560</u>	<u>\$ 3,043,930</u>

**City of Greenbrier, Tennessee**  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balances of Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds	\$	789,620
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period, net of loss on disposal.		37,327
Governmental funds report retirement contributions as expenditures. These expenditures are reported as deferred outflows of resources and either pension income or expense in the government-wide financial statements. This is the amount by which pension income exceeds pension expenditures in the current period.		3,624
The issuance of long-term debt 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. Also, governmental funds report the effect of issuance costs, premiums, discounts, 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 items.		145,000
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds.		<u>(12,470)</u>
Change in net position of governmental activities	\$	<u><u>963,101</u></u>

**City of Greenbrier, Tennessee**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Positive (Negative) Variance with Final Budget
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Revenues</b>				
Local Taxes:				
Property and Personalty Taxes	\$ 1,901,150	\$ 1,955,150	\$ 2,089,872	\$ 134,722
Sales Taxes	410,000	420,000	518,005	98,005
Alcoholic Beverage Taxes	158,800	158,800	165,567	6,767
Business Taxes	59,000	59,000	55,898	(3,102)
Cable TV Franchise and Lease Taxes	80,000	80,000	70,174	(9,826)
Other Taxes	67,000	88,019	161,333	73,314
Licenses and Permits	143,400	214,681	249,839	35,158
Fines	117,000	117,000	120,145	3,145
Intergovernmental Revenues:				
Sales Taxes	570,000	570,000	582,625	12,625
Petroleum Special Taxes	12,800	12,800	12,771	(29)
Income Taxes	16,500	16,500	868	(15,632)
In Lieu of Taxes	75,900	75,900	79,122	3,222
Contributions	76,650	106,205	118,410	12,205
Charges for Services	6,000	6,000	9,100	3,100
Investment Income	2,000	11,000	13,508	2,508
Miscellaneous Revenues	500	8,500	48,201	39,701
Total Revenues	<u>3,696,700</u>	<u>3,899,555</u>	<u>4,295,438</u>	<u>395,883</u>
<b>Expenditures</b>				
Current:				
General Government:				
Salaries, Taxes and Benefits	452,499	452,499	414,693	37,806
Contractual Services	7,000	7,000	11,340	(4,340)
Repairs and Maintenance	-	-	1,696	(1,696)
Supplies	13,600	13,600	7,731	5,869
Utilities	15,500	15,500	14,711	789
Other Operating Expenses	115,800	115,800	106,971	8,829
Public Safety - Police:				
Salaries, Taxes and Benefits	1,118,654	1,118,654	1,093,828	24,826
Contractual Services	10,000	10,000	10,277	(277)
Repairs and Maintenance	25,500	25,500	27,966	(2,466)
Supplies	63,000	63,000	47,080	15,920
Utilities	21,000	21,000	22,719	(1,719)
Other Operating Expenses	59,600	83,600	73,813	9,787
Capital Outlay	-	65,332	53,799	11,533
Public Safety - Fire:				
Salaries, Taxes and Benefits	146,590	171,590	169,125	2,465
Contractual Services	3,000	3,000	2,052	948
Repairs and Maintenance	15,000	40,000	34,412	5,588
Supplies	30,500	30,500	11,280	19,220
Utilities	18,700	18,700	16,572	2,128
Other Operating Expenses	21,100	21,100	12,717	8,383
Capital Outlay	-	26,955	26,956	(1)
City Court:				
Salaries, Taxes and Benefits	98,769	108,769	101,235	7,534
Contractual Services	500	500	-	500
Supplies	3,250	3,250	2,463	787
Utilities	250	250	129	121
Other Operating Expenses	21,350	21,350	17,688	3,662

**City of Greenbrier, Tennessee**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Positive (Negative) Variance with Final Budget
	Original	Final		Final Budget
Highways, Streets and Roadways - Non SSA:				
Salaries, Taxes and Benefits	210,639	210,639	194,229	16,410
Contractual Services	2,000	2,000	1,310	690
Repairs and Maintenance	27,000	27,000	19,378	7,622
Supplies	15,000	15,000	12,488	2,512
Utilities	5,500	5,500	13,360	(7,860)
Other Operating Expenses	11,000	11,000	8,353	2,647
Parks and Recreation:				
Salaries, Taxes and Benefits	261,007	261,007	227,987	33,020
Contractual Services	3,000	3,000	7,567	(4,567)
Repairs and Maintenance	15,000	15,000	18,718	(3,718)
Supplies	80,500	80,500	75,467	5,033
Utilities	23,000	23,000	25,809	(2,809)
Other Operating Expenses	13,200	38,200	40,674	(2,474)
Capital Outlay	-	36,000	28,820	7,180
Building and Codes:				
Salaries, Taxes and Benefits	131,166	141,166	141,598	(432)
Contractual Services	-	-	5,320	(5,320)
Repairs and Maintenance	5,000	5,000	1,418	3,582
Supplies	5,700	5,700	5,124	576
Utilities	4,000	4,000	3,175	825
Other Operating Expenses	55,700	70,700	45,744	24,956
Cemeteries:				
Salaries, Taxes and Benefits	5,475	5,475	4,567	908
Contractual Services	5,000	8,000	9,300	(1,300)
Repairs and Maintenance	2,000	2,000	-	2,000
Animal Control:				
Salaries, Taxes and Benefits	59,471	59,471	65,609	(6,138)
Contractual Services	300	300	116	184
Repairs and Maintenance	5,000	5,000	1,301	3,699
Supplies	7,600	7,600	2,893	4,707
Utilities	5,500	5,500	4,947	553
Other Operating Expenses	6,200	6,200	3,971	2,229
Debt Service:				
Principal	78,587	78,587	77,000	1,587
Interest	-	-	1,014	(1,014)
Total Expenditures	3,304,707	3,569,994	3,328,510	241,484
Excess of Revenues Over (Under) Expenditures	391,993	329,561	966,928	637,367
<b>Other Financing Sources</b>				
Insurance Proceeds	-	-	1,750	1,750
Proceeds from Sales of Capital Assets	-	64,800	88,128	23,328
Total Other Financing Sources	-	64,800	89,878	25,078
<b>Net Change in Fund Balances</b>	391,993	394,361	1,056,806	662,445
<b>Fund Balance - July 1, 2019</b>	1,516,409	1,516,409	1,516,409	-
<b>Prior Period Adjustment</b>	-	-	(40,346)	(40,346)
<b>Fund Balance - June 30, 2020</b>	\$ 1,908,402	\$ 1,910,770	\$ 2,532,869	\$ 622,099

**City of Greenbrier, Tennessee**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Other Major Governmental Funds  
For the Year Ended June 30, 2020

	Solid Waste Fund				State Street Aid Fund			
	Budgeted Amounts		Actual	Positive (Negative) Variance with Final Budget	Budgeted Amounts		Actual	Positive (Negative) Variance with Final Budget
	Original	Final			Original	Final		
<b>Revenues</b>								
Intergovernmental Revenues:								
Gasoline and Motor Fuel Taxes	\$ -	\$ -	\$ -	\$ -	\$ 102,916	\$ 102,916	\$ 117,152	\$ 14,236
Gas 1898 Taxes	-	-	-	-	16,272	16,272	18,523	2,251
Gas 2017	-	-	-	-	50,660	50,660	57,668	7,008
Gas 3 Cent	-	-	-	-	30,151	30,151	34,322	4,171
Charges for Services	400,000	400,000	416,147	16,147	-	-	-	-
Investment Income	500	500	1,474	974	500	500	1,729	1,229
Miscellaneous Revenues	-	-	-	-	-	46,781	46,781	-
Total Revenues	400,500	400,500	417,621	17,121	200,500	247,281	276,175	28,894
<b>Expenditures</b>								
Current:								
State Street Aid:								
Repairs and Maintenance	-	-	-	-	16,000	16,000	10,308	5,692
Utilities	-	-	-	-	80,000	80,000	83,268	(3,268)
Capital Outlay	-	-	-	-	200,000	260,800	260,800	-
Solid Waste:								
Repairs and Maintenance	1,000	1,000	155	845	-	-	-	-
Contractual Services	380,500	380,500	369,927	10,573	-	-	-	-
Other Operating Expenses	21,500	22,500	4,685	17,815	-	-	-	-
Capital Outlay	-	157,915	149,413	8,502	-	-	-	-
Debt Service:								
Principal	-	-	-	-	82,754	82,754	68,000	14,754
Interest	-	-	-	-	-	-	14,753	(14,753)
Total Expenditures	403,000	561,915	524,180	37,735	378,754	439,554	437,129	2,425
Excess of Revenues Over (Under) Expenditures	(2,500)	(161,415)	(106,559)	54,856	(178,254)	(192,273)	(160,954)	31,319
<b>Other Financing Sources</b>								
Proceeds from Sales of Capital Assets	-	-	1,536	1,536	-	-	-	-
Total Other Financing Sources	-	-	1,536	1,536	-	-	-	-
<b>Net Change in Fund Balances</b>	(2,500)	(161,415)	(105,023)	56,392	(178,254)	(192,273)	(160,954)	31,319
<b>Fund Balance - July 1, 2019</b>	348,087	348,087	348,087	-	405,391	405,391	405,391	-
<b>Fund Balance - June 30, 2020</b>	\$ 345,587	\$ 186,672	\$ 243,064	\$ 56,392	\$ 227,137	\$ 213,118	\$ 244,437	\$ 31,319

See notes to financial statements.

**City of Greenbrier, Tennessee**  
Statement of Fund Net Position  
Proprietary Fund  
June 30, 2020

	<b>Enterprise Fund</b>
	<b>Water and</b>
	<b>Sewer Fund</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 1,247,652
Certificates of Deposit	362,501
Receivables - Customers, Less Allowance of \$34,544	545,465
Inventory	23,940
Total Current Assets	2,179,558
<b>Capital Assets</b>	
Non-depreciable Capital Assets:	
Land	31,500
Construction in Progress	955,957
Depreciable Capital Assets:	
Buildings	1,807,745
Land Improvements	10,335
Utility Plant	14,360,669
Machinery, Equipment and Vehicles	675,055
Less Accumulated Depreciation	(4,782,864)
Total Capital Assets	13,058,397
<b>Other Assets</b>	
Net Pension Asset	114,004
Total Assets	15,351,959
<b>Deferred Outflows of Resources</b>	
Deferred Pensions	51,306
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable and Other Payables	587,908
Due to Other Governments	12,002
Due to Other Funds	35,520
Current Portion of Notes and Bonds Payable	417,664
Compensated Absences	10,447
Total Current Liabilities	1,063,541
<b>Long-Term Liabilities</b>	
Customer Deposits	65,582
Notes and Bonds Payable	5,715,533
OPEB Liability	71,002
Total Long-Term Liabilities	5,852,117
Total Liabilities	6,915,658
<b>Deferred Inflows of Resources</b>	
Deferred Pensions	44,148
<b>Net Position</b>	
Net Investment in Capital Assets	6,925,200
Restricted	114,004
Unrestricted	1,404,255
Total Net Position	\$ 8,443,459

**City of Greenbrier, Tennessee**  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Fund  
For the Year Ended June 30, 2020

	<b>Enterprise Fund</b>
	<b>Water and</b>
	<b>Sewer Fund</b>
<b>Operating Revenues</b>	
Charges for Services	\$ 2,538,916
Other Revenues from Operations	1,893
Total Operating Revenues	2,540,809
<b>Operating Expenses</b>	
Water Purchased	975,913
General Administration	996,790
Utilities	198,327
Supplies	138,598
Contractual Services	6,808
Repairs and Maintenance	312,419
Depreciation	367,515
Total Operating Expenses	2,996,370
Loss from Operations	(455,561)
<b>Non-Operating Revenues (Expenses)</b>	
Investment Income	15,730
Gain on Disposal of Capital Assets	7,317
Interest Expense	(32,635)
Total Non-operating Revenues (Expenses)	(9,588)
Loss Before Contributions	(465,149)
<b>Capital Grants and Contributions</b>	169,200
Decrease in Net Position	(295,949)
<b>Net Position - July 1, 2019</b>	8,720,062
<b>Prior Period Adjustment</b>	19,346
<b>Net Position - June 30, 2020</b>	\$ 8,443,459

**City of Greenbrier, Tennessee**  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2020

	<b>Enterprise Fund Water and Sewer Fund</b>
<b>Cash Flows from Operating Activities:</b>	
Cash Received from Customers	\$ 2,487,007
Cash Payments to Suppliers for Goods and Services	(1,898,111)
Cash Payments to Employees for Services	(520,153)
Net Cash Provided by Operating Activities	68,743
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Cash Received from Customers for Taps	169,200
Proceeds from Capital Debt	1,024,835
Principal Paid on Notes	(377,196)
Interest Paid on Long-Term Debt	(32,635)
Acquisition and Construction of Capital Assets	(1,299,417)
Transfers and Disposals of Capital Assets, Net of Proceeds	(7,317)
Net Cash Used by Capital and Related Financing Activities	(522,530)
<b>Cash Flows from Investing Activities:</b>	
Interest Received	25,777
Net Cash Provided by Investing Activities	25,777
<b>Net Decrease in Cash</b>	(428,010)
<b>Cash at Beginning of Year</b>	1,675,662
<b>Cash at End of Year</b>	\$ 1,247,652
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:</b>	
Operating Loss	\$ (455,561)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	367,515
(Increase) Decrease in:	
Receivables, Net	(56,256)
Net Pension Asset	(36,037)
Deferred Outflow - Pension	3,938
Increase (Decrease) in:	
Accounts Payable and Other Payables	269,757
Due to Other Governments	(58,842)
Due to Other Funds	1,589
Customer Deposits	865
Compensated Absences	278
OPEB Liability	5,785
Deferred Inflow - Pension	25,712
Net Cash Provided by Operating Activities	\$ 68,743



**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 1. 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 (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

**A. Reporting Entity**

These financial statements present the financial position and activities of the City government. City officials are responsible for 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.

**B. 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. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. 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 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.

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.

As a 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 and other charges between the government'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.

**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 1. Significant Accounting Policies – Continued**  
**C. 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, fund equity, 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers 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 are recorded only when payment is due.

Property taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period using the criteria specified in the paragraph above. All other revenue items are considered to be measurable and available only when cash is received by the government.

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.

Solid Waste Fund – Special revenue fund accounts for the revenue and expenditures for solid waste collection. This fund is considered a major fund for reporting purposes.

State Street Aid Fund – Special revenue fund accounts for the revenue and expenditures for state street aid. This fund is considered a major fund for reporting purposes.

Non-Major Governmental Fund – The special revenue fund of the City that is reported as non-major is the Drug Fund.

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.

**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 1. Significant Accounting Policies – Continued**

**C. Fund Financial Statements – Continued**

The City reports the following major proprietary fund:

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

**D. 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. Any revision that alters the total appropriations of any fund requires Board of Alderman action. The budgetary basis is consistent with GAAP.

**E. 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 may be reported as restricted because they are maintained in separate bank accounts and their use is either limited by applicable bond covenants or are 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.

**F. Inventory and Prepaid Items**

Inventory of the Water and Sewer Fund is stated at cost determined by the first-in, first-out (FIFO) 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 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.

**G. 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 total cost of more than \$500 for Land, \$10,000 for Buildings, \$5,000 for Improvements other than Buildings, \$5,000 for Machinery, Equipment and Vehicles and an estimated useful life in excess of one year. General government infrastructure assets with a total cost greater than \$10,000 and an estimated useful life in excess of one year are capitalized. All 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 the asset or materially extend asset lives are not capitalized.

**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 1. Significant Accounting Policies – Continued**

**G. Capital Assets – Continued**

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

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.

**H. 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 current liabilities 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 payouts of unused amounts upon termination or resignation. It can be used to add years 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.

**I. Interfund Receivables, Payables and Transfers**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "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."

**J. Long-Term 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, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 1. Significant Accounting Policies – Continued**

**K. 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 declared to be a lien on such realty from January 1 of the year 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 collectability 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 non-exchange revenue. 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 that will not be received until after year-end.

**L. Pensions**

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

**M. Fund Balance**

The City classifies fund balances in accordance with *GASB Codification of Governmental Accounting and Financial Reporting Standards*, Section 1800.165 *Fund Balance Reporting*. 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 Fund Balance – Amounts that cannot be spent because they are either in a (1) non-spendable 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 Fund Balance – Amounts constrained to be used for a specific purpose as per external parties, constitutional provision, or enabling legislation.

Committed Fund Balance – 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 Fund Balance – Amounts intended to be used by the City for a specific purpose, but are neither restricted nor committed. The intent shall be expressed by the Board of 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.

**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 1. Significant Accounting Policies – Continued**

**M. Fund Balance – Continued**

Unassigned Fund Balance – 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 of 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.

**N. Net Position**

Net position represents the difference between 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 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 Net Position – Amounts consist of assets that are restricted by the City's creditors (for example, through debt covenants), by the 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). Restrictions from enabling legislation include the State Street Aid Fund, Solid Waste Fund and Drug Fund.

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.

**O. 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.

**P. Estimates**

The preparation of the financial statements in conformity with 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.

**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 2. Cash and Investments**

The City has no formal deposit and investment policies other than those prescribed by State of Tennessee statute and 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 (FDIC). Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool.

*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 which have been classified as certificates of deposit. The certificates of deposits earn interest at rates ranging from .40% to .75%.

**Note 3. Property Taxes Receivable**

Property taxes receivable of \$2,360,497 are summarized by year on the Schedule of Changes in Property Taxes Receivable on page 46 of this report and are presented net of allowance for doubtful accounts of \$18,000.

**Note 4. Interfund Balances and Transfers**

Interfund balances consist of amounts collected by the Water and Sewer Fund on behalf of the Solid Waste Fund. There were no interfund transfers during the year.

**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 5. Capital Assets**

The following is a summary of changes in capital assets:

	Balance July 1, 2019	Additions	Disposals/ Transfers	Balance June 30, 2020
<b>Governmental Activities</b>				
Capital Assets not being Depreciated				
Land	\$ 479,683	\$ -	\$ -	\$ 479,683
Capital Assets being Depreciated				
Buildings	933,377	-	-	933,377
Building Improvements	261,790	-	-	261,790
Land Improvements	35,682	-	-	35,682
Infrastructure	8,523,200	289,620	(55,000)	8,757,820
Machinery, Equipment and Vehicles	2,638,418	203,213	(232,374)	2,609,257
Total Capital Assets being Depreciated	12,392,467	492,833	(287,374)	12,597,926
Accumulated Depreciation				
Buildings, Improvements, Machinery				
Equipment and Vehicles	2,194,068	183,592	(41,093)	2,336,567
Infrastructure	6,851,708	80,633	(55,000)	6,877,341
Total Accumulated Depreciation	9,045,776	264,225	(96,093)	9,213,908
<b>Total Governmental Activities, Net</b>	<b>\$ 3,826,374</b>	<b>\$ 228,608</b>	<b>\$ (191,281)</b>	<b>\$ 3,863,701</b>
<b>Business-type Activities</b>				
Capital Assets not being Depreciated				
Land	\$ 31,500	\$ -	\$ -	\$ 31,500
Construction in Progress	6,173,722	986,460	(6,204,225)	955,957
Total Capital Assets not being Depreciated	6,205,222	986,460	(6,204,225)	987,457
Capital Assets being Depreciated				
Buildings	1,807,745	-	-	1,807,745
Land Improvements	10,335	-	-	10,335
Utility Plant	8,156,444	6,204,225	-	14,360,669
Machinery, Equipment and Vehicles	362,098	312,957	-	675,055
Total Capital Assets being Depreciated	10,336,622	6,517,182	-	16,853,804
Accumulated Depreciation				
Buildings, Improvements, Machinery				
Equipment and Vehicles	1,490,345	76,063	-	1,566,408
Utility Plant	2,925,004	291,452	-	3,216,456
Total Accumulated Depreciation	4,415,349	367,515	-	4,782,864
<b>Total Business-type Activities, Net</b>	<b>\$ 12,126,495</b>	<b>\$ 7,136,127</b>	<b>\$ (6,204,225)</b>	<b>\$ 13,058,397</b>



**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 5. Capital Assets – Continued**

**Depreciation Expense by Function**

General Government	\$ 95,149
Public Safety	99,876
Parks and Recreation	36,492
Sanitation	21,580
Animal Control	5,529
State Street Aid	5,599
	<u>\$ 264,225</u>
Water and Sewer	<u>\$ 367,515</u>

**Note 6. Pension Plan**

**A. 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 publically 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 credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Employees Covered by Benefit Terms*

At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	10
Inactive employees entitled to but not yet receiving benefits	44
Active employees	36
Total Employees	90

**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 6. Pension Plan – Continued**  
**A. General Information – Continued**

*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, 2020, the employer contributions for the City were \$158,055 based on a rate of 8.59 percent 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.

**B. Net Pension Liability (Asset)**

The City's net pension liability (asset) was measured as of June 30, 2019, 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 June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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 pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.50 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 6. Pension Plan – Continued**  
**B. Net Pension Liability (Asset) – Continued**

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. Equity	5.69%	31%
Developed Market International Equity	5.29%	14%
Emerging Market International Equity	6.36%	4%
Private Equity and Strategic Lending	5.79%	20%
U.S. Fixed Income	2.01%	20%
Real Estate	4.32%	10%
Short-Term Securities	0.00%	1%
		<u>100%</u>

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

*Discount Rate*

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**C. Changes in the Net Pension Liability (Asset)**

	<u>Total pension liability (a)</u>	<u>Plan fiduciary net pension (b)</u>	<u>Net pension liability (asset) (a)-(b)</u>
Balance at June 30, 2018	\$ 3,356,092	\$ 3,757,745	\$ (401,653)
Changes for the year:			
Service cost	140,889	-	140,889
Interest	250,994	-	250,994
Differences between expected and actual experience	(104,486)	-	(104,486)
Contributions – employer	-	150,048	(150,048)
Net investment income	-	282,657	(282,657)
Benefit payments, including refunds of employee contributions	(69,984)	(69,984)	-
Administrative expenses	-	(3,339)	(3,339)
Balance at June 30, 2019	<u>\$ 3,573,505</u>	<u>\$ 4,117,127</u>	<u>\$ (543,622)</u>

**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 6. Pension Plan – Continued**

**C. Changes in the Net Pension Liability (Asset) – Continued**

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

The following presents the net pension liability (asset) of the City calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current discount rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Net pension liability	\$ <u>79,360</u>	\$ <u>(543,622)</u>	\$ <u>(1,047,742)</u>

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

*Pension Expense*

For the year ended June 30, 2020, the City recognized pension expense of \$132,894.

*Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 55,446	\$ 156,836
Net Difference Between Projected and Actual Earnings on Pension		
Plan Investments	-	45,942
Changes in Assumptions	52,142	-
Contributions Subsequent to the Measurement Date of June 30, 2019	<u>158,058</u>	<u>(Not Applicable)</u>
Total	<u>\$ 265,646</u>	<u>\$ 202,778</u>

The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2019," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

<b>Year Ended June 30,</b>			
2021		\$	(11,017)
2022			(38,720)
2023			(15,680)
2024			4,618
2025			(3,921)
Thereafter			(30,478)

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

**E. Payable to the Pension Plan**

At June 30, 2020, the City had no payable balances for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 7. Other Postemployment Benefits**

**A. 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 for establishing and amending 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 actives.

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, 2020, 37 active employees were covered by the benefit terms. There are no inactive employees or beneficiaries currently receiving benefits at June 30, 2020.

**B. Total OPEB Liability**

The City's total OPEB liability of \$401,258 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019.

*Actuarial Assumptions*

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial Cost Method	Entry Age Normal
Inflation	3.00%
Discount	2.21%
Healthcare Cost Trend	Level 4.50% per year for medical Level 1.50% per year for dental/vision
Salary Increases	3.50%
Retirement Age	Retirement after age 55 with 20 years of service
Retirees Share of Benefit Related Cost	Monthly premiums 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 Mortality Table with the MP-2018 Mortality Projection.

The actuarial assumptions used in the June 30, 2020 valuation were based on plan data and costs presented by the City with concurrence by the actuary.

**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 7. Other Postemployment Benefits – Continued**  
**C. Changes in the Total OPEB Liability**

	<b>OPEB liability</b>
Balance at July 1, 2019	\$ 347,669
Changes for the year:	
Service cost	38,600
Interest	14,987
Change in assumptions	(32,650)
Net changes	20,937
 Balance at June 30, 2020	 \$ 368,606

*Sensitivity of the Total 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 percentage-point lower or 1 percentage-point higher than the current rate:

	<b>1% Decrease (1.21%)</b>	<b>Current Discount Rate (2.21%)</b>	<b>1% Increase (3.21%)</b>
Total OPEB Liability	\$ 411,38774	\$ 368,606	\$ 329,389

*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 health care cost trend assumption, as well as what the OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the assumed trend rate:

	<b>1% Decrease (3.50%)</b>	<b>Current Trend Rate (4.50%)</b>	<b>1% Increase (5.50%)</b>
Total OPEB Liability	\$ 308,729	\$ 368,606	\$ 442,340

**D. OPEB Expense**

For the year ended June 30, 2020, the City recognized OPEB expense of \$50,207.

**Note 8. Long-Term Debt**

**A. Governmental Activities**

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

	<b>Balance July 1, 2019</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2020</b>	<b>Due Within 1 Year</b>
Compensated Absences	\$ 44,611	\$ 47,558	\$ 35,088	\$ 57,081	\$ -
Notes Payable	672,000	-	145,000	527,000	70,000
Totals	\$ 716,611	\$ 47,558	\$ 180,088	\$ 584,081	\$ 70,000

**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 8. Long-Term Debt – Continued**

**A. Governmental Activities – Continued**

Notes payable are comprised of the following:

General Obligation Capital Outlay Note, 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 of each year. Per Annum, Payable in Annual Installments with the Final Payment Due September 2026.	\$ 527,000
Less Current Portion	<u>(70,000)</u>
Total Governmental Activities Long-Term Debt	<u>\$ 457,000</u>

**B. Business-type Activities**

The following is a summary of changes to long-term liabilities, excluding customer deposits of \$65,582 as of June 30, 2020 in the Business-type activities during the year:

	<b>Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance</b>	<b>Due Within</b>
	<b>July 1, 2019</b>	<b>June 30, 2019</b>	<b>June 30, 2019</b>	<b>June 30, 2020</b>	<b>1 Year</b>
Compensated Absences	\$ 10,169	\$ 48,713	\$ 48,435	\$ 10,447	\$ -
Notes Payable	5,485,558	1,024,835	377,196	6,133,197	417,664
Totals	\$ 5,495,727	\$ 1,073,548	\$ 425,631	\$ 6,143,644	\$ 417,664

Notes payable are comprised of the following:

State Revolving Loan #99-124, Original Loan Amount of \$1,214,700, Bearing Interest at 2.92% Per Annum, Payable in Monthly Installments of \$8,752 with the Final Payment Due December 2021	\$ 153,961
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 the Final Payment Due December 2022	12,658
State Revolving Loan #16-370, Original Loan Amount of \$1,500,000, Bearing Interest at .32% Per Annum, Payable in Monthly Installments of \$5,485 with the Final Payment Due June 2037	1,088,736
State Revolving Loan #16-371, Original Loan Amount of \$2,227,000, Bearing Interest at .32% Per Annum, Payable in Monthly Installments of \$9,142 with the Final Payment Due August 2037	1,909,003
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 the Final Payment Due April 2039	2,014,727
General Obligation Capital Outlay Note, Series 2019, original amount of \$2,000,000, at fixed interest rate of 3.00% payable semiannually on March 1 and September 1, and principal payable annually on September 1 of each year. Per Annum, Payable in Annual Installments with the Final Payment Due October 2024.	<u>954,112</u>
Total Water and Sewer Fund Debt Payable	6,133,197
Less: Current Portion	<u>(417,664)</u>
Total Business-type Activities Long-Term Debt	<u>\$ 5,715,533</u>

**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 8. Long-Term Debt – Continued**

**B. Business-type Activities – Continued**

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 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 payable with accrued interest due and payable, 2) use remedies allowed by state or federal law.

**C. 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 are included on pages 44-45 of this report.

Year Ended June 30,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 70,000	\$ 12,940	\$ 417,664	\$ 51,027	\$ 487,664	\$ 63,967
2022	72,000	11,072	369,068	45,978	441,068	57,050
2023	73,000	9,166	316,272	43,188	389,272	52,354
2024	75,000	7,219	314,294	40,947	389,294	48,166
2025	77,000	5,221	315,388	38,706	392,388	43,927
2026-2030	160,000	4,234	1,593,509	159,790	1,753,509	164,024
2031-2035	-	-	1,621,543	103,133	1,621,543	103,133
2036-2040	-	-	994,639	48,616	994,639	48,616
2041-2045	-	-	190,820	14,310	190,820	14,310
Total	\$ 527,000	\$ 49,852	\$ 6,133,197	\$ 545,695	\$ 6,660,197	\$ 595,547

**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 until 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 15<sup>th</sup> of each month and are recorded at net estimated collection. 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 \$1.69 per 1,000 gallons.

The City has an outstanding self-imposed 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.



**City of Greenbrier, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**Note 11. Risk Management**

The City is exposed to various risks to general liability and property and casualty losses. The City deems it was more economically feasible to participate in a public entity risk pool as opposed to purchasing commercial insurance for general liability, property, casualty and workman's compensation coverage. The City participates in the TML Risk Management Pool (the Pool) which is a public entity risk pool established by the Tennessee Municipal League, an association of member Cities. The City pays an annual premium to the TML for its general liability, law enforcement liability, errors and omissions liability, auto liability, workers' compensation and property coverage. The City's workers' compensation coverage is retrospectively rated, whereby premiums are accrued based on the ultimate costs of the experience of the City. Claims arising are paid by the Pool. The Pool has the right to assess participants for loss experience in excess of premiums collected. The City also obtains commercial insurance coverage for accidents for elected officials and volunteer firemen. Settled claims have not exceeded insurance coverage for the last three years.

**City of Greenbrier, Tennessee**  
Required Supplementary Information\*\*  
Schedule of Changes in Net Pension Liability (Asset) and  
Related Ratios Based on Participation in the  
Public Employee Pension Plan of TCRS  
Last Fiscal Year Ending June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Total Pension Liability (Asset)</b>						
Service Cost	\$ 94,643	\$ 108,532	\$ 103,582	\$ 114,602	\$ 132,396	\$ 140,889
Interest	161,370	169,787	188,358	210,412	231,426	250,994
Changes in Benefit Terms	-	-	-	-	-	-
Differences Between Actual and Expected Experience	(117,835)	30,688	52,938	24,539	(34,846)	(104,486)
Change of Assumptions	-	-	-	83,429	-	-
Benefit Payments, Including Refunds of Employee Contributions	(27,251)	(52,439)	(60,454)	(63,228)	(65,143)	(69,984)
<b>Net Change in Total Pension Liability</b>	110,927	256,568	284,424	369,754	263,833	217,413
<b>Total Pension Liability (Asset) - Beginning</b>	2,070,586	2,181,513	2,438,081	2,722,505	3,092,259	3,356,092
<b>Total Pension Liability (Asset) - Ending (a)</b>	<u>\$ 2,181,513</u>	<u>\$ 2,438,081</u>	<u>\$ 2,722,505</u>	<u>\$ 3,092,259</u>	<u>\$ 3,356,092</u>	<u>\$ 3,573,505</u>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 128,341	\$ 124,060	\$ 132,736	\$ 141,875	\$ 157,660	\$ 150,048
Net Investment Income	376,872	83,296	75,799	340,640	284,603	282,657
Benefit Payments, Including Refunds of Employee Contributions	(27,251)	(52,439)	(60,454)	(63,228)	(65,143)	(69,984)
Administrative Expense	(1,306)	(1,786)	(2,732)	(3,127)	(3,624)	(3,339)
<b>Net Change in Plan Fiduciary Net Position</b>	476,656	153,131	145,349	416,160	373,496	359,382
<b>Plan Fiduciary Net Position - Beginning</b>	2,192,953	2,669,609	2,822,740	2,968,089	3,384,249	3,757,745
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 2,669,609</u>	<u>\$ 2,822,740</u>	<u>\$ 2,968,089</u>	<u>\$ 3,384,249</u>	<u>\$ 3,757,745</u>	<u>\$ 4,117,127</u>
<b>Net Pension Liability (Asset) - Ending (a) - (b)</b>	<u>\$ (488,096)</u>	<u>\$ (384,659)</u>	<u>\$ (245,584)</u>	<u>\$ (291,990)</u>	<u>\$ (401,653)</u>	<u>\$ (543,622)</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)</b>	122.37%	115.78%	109.02%	109.44%	111.97%	115.21%
<b>Covered Payroll</b>	\$ 1,338,289	\$ 1,456,100	\$ 1,557,930	\$ 1,665,202	\$ 1,835,392	\$ 1,746,772
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	(36.47%)	(26.42%)	(15.76%)	(17.53%)	(21.88%)	(31.12%)

*Changes of Assumptions*

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

\*\* GASB 68 requires a 10-year schedule for this data to be presented *with the implementation of GASB 68*. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

**City of Greenbrier, Tennessee**  
 Required Supplementary Information\*\*  
 Schedule of Contributions Based on Participation  
 in the Public Employee Pension Plan of TCRS  
 Last Fiscal Year Ending June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 128,341	\$ 124,060	\$ 132,736	\$ 136,713	\$ 149,401	\$ 142,187	\$ 158,055
Contributions in Relation to the Actuarially Determined Contribution	<u>128,341</u>	<u>124,060</u>	<u>132,736</u>	<u>141,875</u>	<u>157,660</u>	<u>150,048</u>	<u>158,055</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,162)</u>	<u>\$ (8,259)</u>	<u>\$ (7,861)</u>	<u>\$ -</u>
Covered Payroll	\$ 1,338,289	\$ 1,456,100	\$ 1,557,930	\$ 1,665,202	\$ 1,835,392	\$ 1,746,772	\$ 1,839,992
Contributions as a Percentage of Covered Payroll	9.59%	8.52%	8.52%	8.52%	8.59%	8.59%	8.59%

\*\* GASB 68 requires a 10-year schedule for this data to be presented with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

**Notes to Schedule**

*Valuation Date* : Actuarially determined contribution rates for fiscal year 2020 were calculated based on the June 30, 2019 actuarial valuation.

*Methods and Assumptions Used to Determine Contribution Rates* :

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, closed (not to exceed 20 years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.50 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, 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 percent

**City of Greenbrier, Tennessee**  
 Required Supplementary Information\*\*  
 Schedule of Changes in OPEB Liability and Related Ratios  
 Last Fiscal Year Ending June 30,

	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 37,158	\$ 38,600	\$ 38,600
Interest	11,113	11,544	14,987
Changes of assumptions	-	-	(32,650)
<b>Net Change in Total OPEB Liability</b>	<u>48,271</u>	<u>50,144</u>	<u>20,937</u>
<b>Total OPEB Liability - Beginning</b>	249,254	297,525	347,669
<b>Total OPEB Liability - Ending</b>	<u>\$ 297,525</u>	<u>\$ 347,669</u>	<u>\$ 368,606</u>
<b>Covered-Employee Payroll</b>	\$ 1,612,062	\$ 1,612,062	\$ 1,716,762
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	18.46%	21.57%	21.47%

There are no assets accumulating, in a trust that meets the criteria in paragraph 4 of GASB 75, related to this OPEB plan.

\*\* GASB 75 requires a 10-year schedule for this data to be presented with the implementation of GASB 75. The information in this schedule is not required to be presented retroactively prior to the implementation date.

**City of Greenbrier, Tennessee**  
 Balance Sheet  
 Non-Major Governmental Fund  
 June 30, 2020

	<b>Drug Fund</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 23,560
<b>Total Assets</b>	\$ 23,560
<b>Liabilities and Fund Balance</b>	
<b>Fund Balance</b>	
Restricted For:	
Drug Education and Investigations	23,560
Total Fund Balance	23,560
<b>Total Liabilities and Fund Balance</b>	\$ 23,560

**City of Greenbrier, Tennessee**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non-Major Governmental Fund  
For the Year Ended June 30, 2020

	<b>Drug Fund</b>
<b>Revenues</b>	
Fines and Forfeitures	\$ 4,741
Investment Income	138
Total Revenues	4,879
<b>Expenditures</b>	
Current:	
Public Safety	7,028
Total Expenditures	7,028
Deficiency of Revenues Under Expenditures	(2,149)
<b>Other Financing Sources</b>	
Proceeds from Sale of Capital Assets	940
<b>Net Change in Fund Balances</b>	(1,209)
<b>Fund Balance - July 1, 2019</b>	24,769
<b>Fund Balance - June 30, 2020</b>	\$ 23,560

**City of Greenbrier, Tennessee**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Non-Major Governmental Funds  
For the Year Ended June 30, 2020

	<b>Drug Fund</b>			
	<b>Budgeted Amounts</b>			<b>Positive (Negative) Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Fines	\$ 4,000	\$ 4,000	\$ 4,741	\$ 741
Investment Income	-	-	138	138
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>4,879</u>	<u>879</u>
<b>Expenditures</b>				
Current:				
Public Safety - Police:				
Salaries, Taxes and Benefits	1,000	1,000	500	500
Contractual Services	2,000	2,000	1,439	561
Repairs and Maintenance	-	-	1,245	(1,245)
Supplies	-	-	169	(169)
Other Operating Expenses	4,500	4,500	3,675	825
Total Expenditures	<u>7,500</u>	<u>7,500</u>	<u>7,028</u>	<u>472</u>
<b>Other Financing Sources</b>				
Proceeds from Sale of Capital Assets	-	-	940	940
<b>Net Change in Fund Balances</b>	(3,500)	(3,500)	(1,209)	2,291
<b>Fund Balance - July 1, 2019</b>	<u>24,769</u>	<u>24,769</u>	<u>24,769</u>	<u>-</u>
<b>Fund Balance - June 30, 2020</b>	<u>\$ 21,269</u>	<u>\$ 21,269</u>	<u>\$ 23,560</u>	<u>\$ 2,291</u>

**City of Greenbrier, Tennessee**  
Schedule of Expenditures of Federal Awards and State Financial Assistance  
For the Year Ended June 30, 2020

<u>Grantor / Pass-Through Grantor</u>	<u>Program Name</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
<b><u>Federal Awards</u></b>				
Department of Defense / Tennessee Department of General Services, Law Enforcement Support Office	Section 1033 Excess Property Program, Non-cash Assistance	12.U01	N/A	\$ 19,015
Department of Homeland Security / Tennessee Department of Finance and Administration, Federal Emergency Management Agency	Assistance to Fire Grant	97.044	EMW-2017-FO-06938	<u>30,872</u>
Total Federal Awards				<u>49,887</u>
<b><u>State Financial Assistance</u></b>				
Tennessee Department of Environment and Conservation	State Revolving Fund	N/A	SRF 17-380	<u>30,503</u>
Total State Financial Assistance				<u>30,503</u>
Total Federal Awards and State Financial Assistance				<u>\$ 80,390</u>

**Notes**

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance summarized the expenditures of the City under programs of the federal and state governments for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, 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 is not intended to and does not present the financial position, changes 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**

Agreements under the State Revolving Fund were executed during the year. Draws of \$70,723 were made and received by the City for fiscal year ended June 30, 2020. At June 30, 2020, there is an outstanding balance of \$5,012,466 on various loans obtained through the State of Tennessee Revolving Loan Fund. Principal payments and loan forgiveness during 2019-2020 totaled \$273,624.

**Note 3. Indirect Cost Rate**

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



**City of Greenbrier, Tennessee**  
Schedule of Changes in Long-Term Debt by Individual Issue  
For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2019	Issued during Period	Paid and/or Matured During	Refunded During Period	Outstanding 6/30/2020
<b>Governmental Activities</b>									
<u>BONDS PAYABLE</u>									
<u>Payable through General and State Street Aid Funds</u>									
General Obligation, Series 2014	\$ 1,214,700	2.63%	9/8/2014	9/1/2026	\$ 672,000	\$ -	\$ 145,000	\$ -	\$ 527,000
Total Bonds Payable through General and State Street Aid Funds					<u>\$ 672,000</u>	<u>\$ -</u>	<u>\$ 145,000</u>	<u>\$ -</u>	<u>\$ 527,000</u>
<b>Business-Type Activities</b>									
<u>OTHER LOANS PAYABLE</u>									
<u>Payable through Water Fund</u>									
State Revolving Loan, SRF 99-124	\$ 1,593,462	2.92%	1/1/2002	12/31/2021	\$ 252,913	\$ -	\$ 98,952	\$ -	\$ 153,961
State Revolving Loan, SRF 01-152	78,190	2.55%	1/1/2003	12/31/2022	17,278	-	4,620	-	12,658
State Revolving Loan, CW5 2016-370	1,500,000	0.32%	7/1/2016	6/30/2037	1,151,100	-	62,364	-	1,088,736
State Revolving Loan, SRF 2016-371	2,227,000	0.32%	9/1/2017	8/31/2037	2,017,255	-	108,252	-	1,909,003
State Revolving Loan, SRF 2017-380	2,163,700	0.52%	1/10/2017	4/30/2039	2,047,012	70,723	103,008	-	2,014,727
Public Building Authority, Series 2019	2,000,000	3.00%	10/24/2019	10/24/2024	-	954,112	-	-	954,112
					<u>\$ 5,485,558</u>	<u>\$ 1,024,835</u>	<u>\$ 377,196</u>	<u>\$ -</u>	<u>\$ 6,133,197</u>

**City of Greenbrier, Tennessee**  
Schedule of Long-Term Debt, Principal, and  
Interest Requirements by Fiscal Year  
June 30, 2020

Fiscal Year Ended June 30,	Governmental Activities		Business-type Activities			
	TN Municipal Bond Fund		State Revolving Loan 99-124		State Revolving Loan 01-152	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 70,000	\$ 12,940	\$ 101,880	\$ 3,144	\$ 4,740	\$ 252
2022	72,000	11,072	52,081	444	4,860	132
2023	73,000	9,166	-	-	3,058	18
2024	75,000	7,219	-	-	-	-
2025	77,000	5,221	-	-	-	-
2026	79,000	3,169	-	-	-	-
2027	81,000	1,065	-	-	-	-
Total	\$ 527,000	\$ 49,852	\$ 153,961	\$ 3,588	\$ 12,658	\$ 402

Fiscal Year Ended June 30,	Business-type Activities					
	State Revolving Loan 16-370		State Revolving Loan 16-371		State Revolving Loan 17-380	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 62,424	\$ 3,396	\$ 108,365	\$ 5,951	\$ 102,090	\$ 10,233
2022	62,628	3,192	108,712	5,603	102,622	9,701
2023	62,832	2,988	109,060	5,255	103,157	9,166
2024	63,024	2,796	109,410	4,906	103,695	8,629
2025	63,228	2,592	109,760	4,555	104,235	8,088
2026	63,432	2,388	110,112	4,203	104,779	7,545
2027	63,636	2,184	110,465	3,850	105,325	6,999
2028	63,840	1,980	110,819	3,496	105,874	6,450
2029	64,044	1,776	111,174	3,141	106,426	5,898
2030	64,248	1,572	111,530	2,785	106,980	5,343
2031	64,452	1,368	111,888	2,427	107,538	4,786
2032	64,668	1,152	112,246	2,069	108,099	4,225
2033	64,872	948	112,606	1,709	108,662	3,662
2034	65,076	744	112,967	1,348	109,228	3,095
2035	65,292	528	113,329	986	109,798	2,526
2036	65,496	324	113,692	623	110,370	1,954
2037	65,544	111	114,057	259	110,945	1,378
2038	-	-	18,811	8	111,524	800
2039	-	-	-	-	93,380	223
Total	\$ 1,088,736	\$ 30,039	\$ 1,909,003	\$ 53,174	\$ 2,014,727	\$ 100,701

See Independent Auditors' Report.

**City of Greenbrier, Tennessee**  
Schedule of Long-Term Debt, Principal, and  
Interest Requirements by Fiscal Year  
June 30, 2020

Fiscal Year Ended June 30,	Business-type Activities				Total	
	Public Building Authority Series 2019		Total Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 38,165	\$ 28,051	\$ 417,664	\$ 51,027	\$ 487,664	\$ 63,967
2022	38,165	26,906	369,068	45,978	441,068	57,050
2023	38,165	25,761	316,272	43,188	389,272	52,354
2024	38,165	24,616	314,294	40,947	389,294	48,166
2025	38,165	23,471	315,388	38,706	392,388	43,927
2026	38,165	22,326	316,488	36,462	395,488	39,631
2027	38,165	21,181	317,591	34,214	398,591	35,279
2028	38,165	20,036	318,698	31,962	318,698	31,962
2029	38,165	18,891	319,809	29,706	319,809	29,706
2030	38,165	17,746	320,923	27,446	320,923	27,446
2031	38,165	16,602	322,043	25,183	322,043	25,183
2032	38,165	15,457	323,178	22,903	323,178	22,903
2033	38,164	14,312	324,304	20,631	324,304	20,631
2034	38,164	13,167	325,435	18,354	325,435	18,354
2035	38,164	12,022	326,583	16,062	326,583	16,062
2036	38,164	10,877	327,722	13,778	327,722	13,778
2037	38,164	9,732	328,710	11,480	328,710	11,480
2038	38,164	8,587	168,499	9,395	168,499	9,395
2039	38,164	7,443	131,544	7,666	131,544	7,666
2040	38,164	6,297	38,164	6,297	38,164	6,297
2041	38,164	5,152	38,164	5,152	38,164	5,152
2042	38,164	4,007	38,164	4,007	38,164	4,007
2043	38,164	2,862	38,164	2,862	38,164	2,862
2044	38,164	1,717	38,164	1,717	38,164	1,717
2045	38,164	572	38,164	572	38,164	572
Total	\$ 954,112	\$ 357,791	\$ 6,133,197	\$ 545,695	\$ 6,660,197	\$ 595,547

See Independent Auditors' Report.

**City of Greenbrier, Tennessee**  
Schedule of Changes in Property Taxes Receivable  
June 30, 2020

Year of Levy	Gross Property Taxes Receivable July 1, 2019	Property Tax Levied	Anticipated Current Year Levy	Abatements and Adjustments	Collections	Write-Offs	Gross Receivable Balance June 30, 2020
2019	\$ -	\$ -	\$ 2,155,000	\$ -	\$ -	\$ -	\$ 2,155,000
2018	1,372,000 *	708,795 *	-	-	1,909,105	-	171,690
2017	42,180	-	-	-	27,125	-	15,055
2016	6,515	-	-	-	4,136	-	2,379
2015	5,643	-	-	-	2,715	-	2,928
2014	5,641	-	-	-	2,534	-	3,107
2013	3,145	-	-	-	721	-	2,424
2012	2,809	-	-	-	-	-	2,809
2011	2,731	-	-	-	261	-	2,470
2010	2,912	-	-	-	277	-	2,635
2009	2,124	-	-	-	305	1,819	-
Totals	<u>\$ 1,445,700</u>	<u>\$ 708,795</u>	<u>\$ 2,155,000</u>	<u>\$ -</u>	<u>\$ 1,947,179</u>	<u>\$ 1,819</u>	<u>\$ 2,360,497</u>

\* This represents the anticipated levy in the prior year adjusted to the actual levy in the current year.

**City of Greenbrier, Tennessee**  
 Schedule of Property Tax Rates and Assessments  
 Last Ten Fiscal Years

<u>Year of Levy</u>	<u>Fiscal Year</u>	<u>Tax Rate Per \$100 Robertson</u>	<u>Tax Assessment</u>
2020	2021	1.07	\$ 2,155,000 *
2019	2020	1.07	\$ 1,372,000
2019	2020	1.07	\$ 1,371,364
2018	2019	1.07	\$ 1,096,102
2017	2018	1.07	\$ 1,093,618
2016	2017	1.07	\$ 1,079,270
2015	2016	1.07	\$ 1,061,058
2014	2015	1.07	\$ 1,060,362
2013	2014	1.03	\$ 1,047,884
2012	2013	1.03	\$ 1,025,367

\* Anticipated Levy as of June 30, 2020

**City of Greenbrier, Tennessee**  
 Schedule of Utility Rate Structure and Number of Customers  
 June 30, 2020

<b>Water Customer Rates</b>				
Effective 8/1/19	<u>Inside City Limits</u>		<u>Outside City Limits</u>	
First 2,000 gallons	\$	11.88	\$	15.85
Per 1,000 gallons over 2,000		8.20		8.37

<b>Sewer Customer Rates</b>				
Effective 8/1/19	<u>Inside City Limits</u>		<u>Outside City Limits</u>	
Minimum	\$	7.00	\$	10.00
Per 1,000 gallons of water used		9.18		9.72

**Number of Customers**

<u>Service</u>	<u>June 30, 2020</u>
Water	2,837
Sewer	2,482

**City of Greenbrier, Tennessee**  
**Schedule of Unaccounted for Water Using AWWA Model**  
**June 30, 2020**

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

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

? Click to access definition

+ Click to add a comment

**Water Audit Report for:** City of Greenbrier (0000271)

**Reporting Year:** 2020 7/2019 - 6/2020

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

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

---

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

**WATER SUPPLIED**

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

Volume from own sources:	+	?	n/a	0.000	MG/Yr
Water imported:	+	?	8	211.387	MG/Yr
Water exported:	+	?	n/a	0.000	MG/Yr

---

**WATER SUPPLIED:** 211.387 MG/Yr

**Master Meter and Supply Error Adjustments**

Pcnt: Value:

+	?	n/a	0.000	MG/Yr
+	?	n/a	0.000	MG/Yr
+	?	n/a	0.000	MG/Yr

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

---

**AUTHORIZED CONSUMPTION**

Billed metered:	+	?	7	143.071	MG/Yr
Billed unmetered:	+	?	n/a	0.000	MG/Yr
Unbilled metered:	+	?	n/a	0.000	MG/Yr
Unbilled unmetered:	+	?	8	1.500	MG/Yr

---

**AUTHORIZED CONSUMPTION:** 144.571 MG/Yr

Click here: ?  
for help using option buttons below

Pcnt: Value:

+	?	n/a	1.500	MG/Yr
---	---	-----	-------	-------

Use buttons to select percentage of water supplied OR value

---

**WATER LOSSES (Water Supplied - Authorized Consumption)** 66.816 MG/Yr

**Apparent Losses**

Unauthorized consumption: 0.528 MG/Yr

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

Customer metering inaccuracies:	+	?	8	4.806	MG/Yr
Systematic data handling errors:	+	?	9	0.010	MG/Yr

**Apparent Losses:** 5.344 MG/Yr

---

**Real Losses (Current Annual Real Losses or CARL)**

**Real Losses = Water Losses - Apparent Losses:** 61.471 MG/Yr

---

**WATER LOSSES:** 66.816 MG/Yr

Pcnt: Value:

+	?	0.25%	MG/Yr
+	?	3.25%	MG/Yr
+	?	0.010	MG/Yr

---

**NON-REVENUE WATER**

**NON-REVENUE WATER:** 68.316 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

**SYSTEM DATA**

Length of mains: 32.0 miles

Number of active AND inactive service connections: 3,020

Service connection density: 94 conn./mile main

Are customer meters typically located at the curbside or property line? Yes (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line: 0 (Average length of customer service line has been set to zero and a data grading score of 10 has been applied)

Average operating pressure: 50.0 psi

---

**COST DATA**

Total annual cost of operating water system:	+	?	10	\$1,895,219	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+	?	8	\$15.89	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+	?	10	\$4,616.17	\$/Million gallons

Use Customer Retail Unit Cost to value real losses

**WATER AUDIT DATA VALIDITY SCORE:**

\*\*\* YOUR SCORE IS: 81 out of 100 \*\*\*

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

**PRIORITY AREAS FOR ATTENTION:**

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

1: Water imported


2: Billed metered

3: Unauthorized consumption

See Independent Auditors' Report.

49

**City of Greenbrier, Tennessee**  
**Schedule of Unaccounted for Water Using AWWA Model**  
**June 30, 2020**



**AWWA Free Water Audit Software:**  
**System Attributes and Performance Indicators**

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

Water Audit Report for: City of Greenbrier (0000271)

Reporting Year: 2020 | 7/2019 - 6/2020

\*\*\* YOUR WATER AUDIT DATA VALIDITY SCORE IS: 81 out of 100 \*\*\*

**System Attributes:**

	Apparent Losses:	5.344	MG/Yr	
	+ Real Losses:	61.471	MG/Yr	
	= <b>Water Losses:</b>	<b>66.816</b>	MG/Yr	
?	Unavoidable Annual Real Losses (UARL):	11.43	MG/Yr	
	Annual cost of Apparent Losses:	\$84,924		
	Annual cost of Real Losses:	\$283,761		Valued at <b>Variable Production Cost</b>

Return to Reporting Worksheet to change this assumption

**Performance Indicators:**

Financial:	{	Non-revenue water as percent by volume of Water Supplied:	32.3%	
		Non-revenue water as percent by cost of operating system:	19.8%	Real Losses valued at Variable Production Cost
Operational Efficiency:	{	Apparent Losses per service connection per day:	4.85	gallons/connection/day
		Real Losses per service connection per day:	55.77	gallons/connection/day
		Real Losses per length of main per day*:	N/A	
		Real Losses per service connection per day per psi pressure:	1.12	gallons/connection/day/psi
		From Above, Real Losses = Current Annual Real Losses (CARL):	61.47	million gallons/year
?		Infrastructure Leakage Index (ILI) [CARL/UARL]:	5.38	

\* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline



**Internal Control and Compliance Section**



**Independent Auditors' 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 25, 2021.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Blankenship CPA Group, PLLC*

Blankenship CPA Group, PLLC  
Goodlettsville, Tennessee  
January 25, 2021

**City of Greenbrier, Tennessee**  
Schedule of Prior Year Findings and Questioned Costs  
For the Year Ended June 30, 2020

**Financial Statement Findings**

<b>Finding Number</b>	<b>Finding Title</b>	<b>Status</b>
n/a	n/a	n/a

**Federal Award Findings and Questioned Costs**

<b>Finding Number</b>	<b>Finding Title</b>	<b>Status</b>
n/a	n/a	n/a

