

OFFICIAL STATEMENT

New Issue
Book-Entry Only

Rating: S&P "AA-"

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Municipality (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).

\$8,105,000
TOWN OF GREENEVILLE, TENNESSEE
GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2021
(BQ) (ULT)

Dated: Date of Issuance

Due: June 1, as shown below

The Town of Greeneville, Tennessee (the "Municipality") will issue its \$8,105,000 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 June 1 and December 1 of each year, commencing on June 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 Municipality to the designated 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 Municipality at any time on or after June 1, 2029, at a price of par plus accrued interest to the redemption date. The Bonds are payable on June 1 of each year as follows:

<u>Maturity</u> <u>(June 1)</u>	<u>Principal</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Number</u>	<u>Maturity</u> <u>(June 1)</u>	<u>Principal</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Number</u>
2022	\$365,000	4.000%	0.300%	396622ME9	2029	\$385,000	4.000%	1.100%	396622MM1
2023	\$300,000	4.000%	0.400%	396622MF6	2030	\$400,000	3.000%	1.200%*	396622MN9
2024	\$315,000	4.000%	0.550%	396622MG4	2031	\$410,000	2.000%	1.300%*	396622MP4
2025	\$325,000	4.000%	0.650%	396622MH2	2032	\$420,000	2.000%	1.380%*	396622MQ2
2026	\$340,000	4.000%	0.750%	396622MJ8	2036	\$445,000	2.000%	1.600%*	396622MU3
2027	\$355,000	4.000%	0.900%	396622MK5	2037	\$455,000	2.000%	1.700%*	396622MV1
2028	\$370,000	4.000%	1.050%	396622ML3	2038	\$465,000	2.000%	1.800%*	396622MW9

\$1,300,000 1.500% Term Bond Due June 1, 2035, Yield 1.500% CUSIP 396622MT6

\$1,455,000 2.000% Term Bond Due June 1, 2041, Yield 2.100% CUSIP 396622MZ2

* Yield to June 1, 2029 Call Date

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

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 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 Municipality by Milligan & Coleman PLLP, Greeneville, Tennessee, counsel to the Municipality. Stephens Inc. is serving as Municipal Advisor to the Municipality. The Bonds, in book-entry form, are expected to be available for delivery through Depository Trust Company in New York, New York, on or about October 14, 2021.

September 29, 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 Town of Greeneville, Tennessee (the “Municipality”), is an Official Statement with respect to the Bonds described herein that is deemed final by the Municipality 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 Municipality or by Stephens Inc. (the “Municipal 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 Municipality or the Bonds must not be relied upon as having been authorized by the Municipality or the Municipal Advisor. 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 Municipality 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 Municipality 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.

CUSIP data herein is subject to copyright 2014, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of The American Bankers Association by S&P Capital IQ. This information is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the Municipality or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds. Neither the Municipality nor the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part 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.

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 Town of Greeneville, Tennessee General Obligation Public Improvement Bonds, Series 2021.

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TOWN OF GREENEVILLE, TENNESSEE

MAYOR

W. T. Daniels

BOARD OF MAYOR AND ALDERMEN

Scott Bullington

Cal Doty

Kristin Girton

Tim Teague

ADMINISTRATION

City Administrator

Todd Smith

Recorder

Lora Young

Chief of Police

Tim Ward

Public Works Director

Brad Peters

Planning Director

Randy Davenport

Human Resources Director

Patsy S. Fuller

ISSUER ATTORNEY

Milligan & Coleman PLLP

Greeneville, 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

Raymond James & Associates, Inc.

Memphis, Tennessee

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Summary Statement

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

ISSUER	Town of Greeneville, Tennessee (the “Municipality”).
ISSUES	\$8,105,000 General Obligation Public Improvement Bonds, Series 2021 (the “Bonds”).
PURPOSE	The Bonds are being issued for the purpose of providing funds for (i) the construction and equipping of streets, sidewalks and other public infrastructure improvements related to the redevelopment of Depot Street, (ii) acquisition of all property real and personal, appurtenant thereto, or connected therewith, (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing, and (iv) payment of costs incident to the issuance and sale of the Bonds. See “The Bonds-Description” herein.
DATED DATE	October 14, 2021.
INTEREST DUE	Each June 1 and December 1, commencing June 1, 2022.
PRINCIPAL DUE	June 1, 2022 through June 1, 2041.
OPTIONAL REDEMPTION	The Bonds maturing June 1, 2030 and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on June 1, 2029 and thereafter, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date. See “The Bonds-Optional Redemption” herein.
SECURITY	The Bonds shall be payable from unlimited <u>ad valorem</u> taxes to be levied on all taxable property within the corporate limits of the Municipality. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the Municipality are irrevocably pledged. See, “The Bonds –Security” herein.
RATING	“AA-” by S&P Global Ratings (the “Rating Agency”), based on documents and other information provided by the Municipality. The rating reflects only the view of the Rating Agency and neither the Municipality, the Municipal 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. See. “Rating” herein.

TAX MATTERS	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Municipality, interest on the Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. See "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.....	Raymond James & Associates, Inc., Memphis, Tennessee

Official Statement

Town of Greeneville, Tennessee

\$8,105,000 General Obligation Public Improvement Bonds, Series 2021 (BQ)(ULT)

Introduction

The Official Statement, including the cover page and appendices hereto, is furnished in connection with the issuance by the Town of Greeneville, Tennessee (the “Municipality”) of \$8,105,000 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 detailed bond resolution adopted by the Board of Mayor and Aldermen of the Municipality on August 3, 2021 (the “Resolution”) authorizing the execution, terms, issuance and sale of the Bonds.

This Official Statement includes descriptions of, among other matters, the Bonds, the Resolution, and the Municipality. 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 Municipality. After delivery of the Bonds, copies of such documents will be available for inspection at the Office of Recorder, Greeneville City Hall, 200 North College Street, Greeneville, Tennessee 37745. 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 for the purpose of providing funds for (i) the construction and equipping of streets, sidewalks and other public infrastructure improvements related to the redevelopment of Depot Street, (ii) acquisition of all property real and personal, appurtenant thereto, or connected therewith, (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing (collectively, the “Projects”), and (iv) payment of costs incident to the issuance and sale of the Bonds.

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 their date of issuance. 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 June 1 and December 1 of each year (herein an “Interest Payment Date”), commencing June 1, 2022.

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

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 Bond 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 Municipality 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 Bond 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 Municipality 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 Municipality shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Municipality 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 Municipality of such Special Record Date and, in the name and at the expense of the Municipality, 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 Bond 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 Municipality to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

Redemption

Optional Redemption

The Bonds maturing June 1, 2030 and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on June 1, 2029 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 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 Sinking Fund Redemption

The Bonds maturing on June 1, 2035 and June 1, 2041 are subject to scheduled mandatory redemption prior to maturity in part (as selected by DTC or a successor depository using its general procedures or, if DTC or a successor depository is no longer serving as securities depository, by lot or in such other manner as may be designated by the Registration Agent) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the following principal amounts and on the dates set forth below (the June 1, 2035 and June 1, 2041 amounts to be paid rather than redeemed):

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds Redeemed</u>
June 1, 2035	June 1, 2033	\$425,000
	June 1, 2034	\$435,000
	June 1, 2035*	\$440,000
June 1, 2041	June 1, 2039	\$475,000
	June 1, 2040	\$485,000
	June 1, 2041*	\$495,000

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding such scheduled mandatory redemption date, the Municipality may (a) receive a credit with respect to its scheduled mandatory redemption obligation for any Bond of the same maturity subject to scheduled mandatory redemption which are delivered to the Registration Agent for cancellation and not theretofore applied as a credit against a scheduled mandatory redemption obligation or (b) receive a credit with respect to its scheduled mandatory redemption obligation for any Bond of the same maturity which prior to said date have been redeemed (otherwise than through scheduled mandatory redemption) and canceled by the Registration Agent and not theretofore applied as a credit against said scheduled mandatory redemption obligation. Each Bond so delivered or previously redeemed shall be credited by the Registration Agent, at the principal amount thereof to the obligation of the Municipality on such scheduled mandatory redemption date and the principal amount of the Bonds to be redeemed by operation of such scheduled mandatory redemption on such date shall be accordingly reduced.

Notice of Redemption

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than thirty (30) 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 Bond 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 the redemption of any of the Bonds for which proper notice was given. An optional redemption notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect 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

Municipality 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 will not affect the validity of such redemption. From and after any 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 as set forth in the Resolution. In the case of a Conditional Redemption, the failure of the Municipality 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 Municipality. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the Municipality are pledged.

Under Tennessee law, the Municipality's legislative body is authorized to levy a tax on all taxable property within the Municipality, 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. For a more complete statement of the general covenants and provisions pursuant to which the Bonds are issued, reference is hereby made to the Resolution.

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 Municipality 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 Governing Body 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 Municipality to the holders of such Bonds shall be fully discharged and satisfied.

If the Municipality 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.

Remedies of Bondholders

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

(1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the Municipality, including, but not limited to, the right to require the Municipality to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the Municipality to carry out any other covenants and agreements, or

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder.

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 Municipality 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 Municipality, 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 Municipality 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 Municipality 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 Municipality 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 Municipality believes to be reliable, but the Municipality takes no responsibility for the accuracy thereof.

THE MUNICIPALITY 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 BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

Plan of Financing

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	\$8,105,000.00
Reoffering Premium (Discount)	452,720.80
Issuer Contribution	<u>69,022.63</u>
Total Sources	<u>\$8,626,743.43</u>

Uses of Funds

Deposit to Project Fund	\$8,502,675.35
Costs of Issuance ⁽¹⁾	<u>124,068.08</u>
Total Uses	<u>\$8,626,743.43</u>

(1) Includes all fees and expenses, including underwriter's discount and expenses

Application of Bond Proceeds

The proceeds of the Bonds will be deposited to a Project Fund held by the Municipality, 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 Municipality. The rating reflects only the view of the Rating Agency, and neither the Municipality, the Municipal 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 they 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 ratings may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the ratings may be obtained from the Rating Agency.

Continuing Disclosure

General

The Municipality 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 (i) to provide certain financial information and operating data relating to the Municipality 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"), (ii) to provide notice of the occurrence of certain enumerated events and (iii) to provide notice of failure to timely provide any required financial information of the Municipality. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the Municipality with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org 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 Underwriters 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 Municipality has not failed to comply, in any material respect, with any previous undertakings with regard to the Rule.

Annual Report

The Municipality’s Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the Municipality for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the Municipality’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. The Annual Report shall also include in a similar format the following information included in Appendix B to this Official Statement as follows.

1. “Summary of Outstanding Debt”;
2. “Debt Statement”;
3. “Debt Record”;
4. “Per Capita Debt Ratios”;
5. “Debt Ratios”;
6. “Debt Trend”;
7. “General Obligation Debt Service Requirements”;
8. “Airport Supported Debt Service Requirements”;
9. “Property Valuation and Property Tax”;
10. “Top Taxpayers”;
11. “Fund Balances”;
12. “Net Assets for Fiscal Years Ending June 30th – Proprietary Funds “;
13. “Local Option Sales Tax Collections”; and
14. “Statement of Operating Revenues, Expenditures and Changes in Fund Balances – General Fund for the Fiscal Year”.

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 Municipality or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final Official Statement, in final form, it will be available from the Municipal Securities Rulemaking Board. The Municipality shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events

The Municipality will file notice regarding certain significant events with the MSRB and SID, if any, as follows:

1. Upon the occurrence of a Listed Event (as defined in (3) below), the Municipality shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB and SID, if any. Notwithstanding the foregoing, notice of Listed Events described in subsection (3)(h) and (i) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Resolution.
2. For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the Municipality shall determine the materiality of such event as soon as possible after learning of its occurrence.
3. The following are the Listed Events:
 - 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 Bondholders, if material;
 - h. Bond calls, if material, and tender offers;
 - i. Defeasances;
 - j. Release, substitution, or sale of property securing repayment of the securities, 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 Municipality, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Municipality, 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 Municipality, any of which reflect financial difficulties.

Upon the occurrence of a Listed Event, the Municipality 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 Municipality shall determine the materiality of such event as soon as possible after learning of its occurrence.

Termination of Reporting Obligation

The Municipality'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 Municipality 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 Municipality 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 Municipality. 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 Municipality to comply with any provision of the Disclosure Certificate, any Bondholder 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 Municipality 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 Municipality to comply with the Disclosure Certificate shall be an action to compel performance.

Future Issues

The Municipality has no additional debt planned or authorized for new capital projects at this time.

Litigation

The Municipality, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. After reviewing the current status of all pending and threatened litigation with its counsel, the Municipality believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the Municipality 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 Municipality's financial condition.

As of the date of this Official Statement, the Municipality has no knowledge or information concerning any pending or threatened litigation contesting the Municipality of the Municipality to issue, sell or deliver the Bonds. The Municipality has no knowledge or information of any actions pending or expected that would materially affect the Municipality's ability to pay the debt service requirements of the 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 available upon delivery of the Bonds. (See Appendix A). Certain legal matters will be passed upon for the Municipality by Milligan & Coleman PLLP, Greeneville, Tennessee, counsel to the Municipality.

Tax Matters

Federal

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

- is excluded from a bondholder's federal gross income under 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 Municipality 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 Municipality 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 Municipality has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder 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, county 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. For example, various proposals have been made in Congress and by the President which, if enacted, would subject interest on bonds, such as the Bonds, that is otherwise excluded from gross income for federal income tax purposes, to a tax payable by certain bondholders with an adjusted gross income in excess of certain proposed thresholds. Further, such proposals may impact the marketability of the Bonds simply by being proposed. 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. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. 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 Municipality 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 Municipality 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 Municipality 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

Raymond James & Associates, Inc., Memphis, Tennessee, 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 \$8,502,675.35, which is par, plus net original issue premium of \$452,720.80, less underwriter's discount of \$55,045.45.

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.

Forward Looking Statements

The statements contained in this Official Statement, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof, and assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

Miscellaneous

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 Municipality.

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Certificate of Mayor

I, W. T. Daniels, do hereby certify that I am the duly qualified and acting Mayor of the Town of Greeneville, Tennessee, and as such official, I do hereby further certify with respect to the Official Statement dated September 29, 2021 issued in connection with the sale of the Municipality's \$8,105,000 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 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 14th day of October, 2021.

/s/ W.T. Daniels
Mayor

I, Lora A. Young, do hereby certify that I am the duly qualified and acting Recorder of the Town of Greeneville, Tennessee, and as such official, I do hereby certify that W. T. Daniels is the duly qualified and acting Mayor of said Municipality and that the signature appended to the foregoing certificate is the true and genuine signature of such official.

WITNESS my official signature and the seal of said Municipality as of the date subscribed to the foregoing certificate.

/s/ Lora A. Young
Recorder

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APPENDIX A

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

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(Form of Opinion of Bond Counsel)

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

October 14, 2021

We have acted as bond counsel to the Town of Greeneville, Tennessee (the “Issuer”) in connection with the issuance of \$8,105,000 General Obligation Public Improvement Bonds, Series 2021, dated October 14, 2021 (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 has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The Bonds constitute general obligations of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit. The principal of and interest on the Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality.

4. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, 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, county 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
Related to the Municipality

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DEMOGRAPHIC AND GENERAL FINANCIAL INFORMATION OF THE MUNICIPALITY

GENERAL INFORMATION

The Issuer

The Town of Greeneville (the “Town”) is located in the northeastern portion of Tennessee in Greene County (the “County”). The County is bordered by Sullivan, Washington, Unicoi, Cocke and Hamblen Counties in Tennessee and the State of North Carolina. The Town serves as the County seat. It is located approximately 70 miles northeast of Knoxville, 50 miles southwest of Bristol and 50 miles north of Asheville, North Carolina. The other incorporated areas in the County are Tusculum, Mosheim and Baileyton.

Greeneville is the second oldest Town in the State of Tennessee. The Town was the home and burial place of Andrew Johnson, the seventeenth President of the United States. Frontiersman Davy Crockett was born in the County in 1786. The U.S. Department of the Interior maintains various sites pertaining to these historical events.

The Town is accessed by Interstate Highway 81, U.S. Highway 11-E and 321 and State Highways 70, 34, 93, 107 and 172. The Norfolk Southern Railway serves as the Town’s railway. The Greeneville Municipal Airport is owned by the Town. The airport has a 6,300 foot lighted runway and provides 24-hour fuel service, aircraft maintenance, car rental and overnight aircraft lodging. Commercial flights are available at the McGhee Tyson Airport near Knoxville, Tri-Cities Regional Airport in Blountville, Tennessee and also at the Asheville Airport.

DEMOGRAPHIC DATA

Population

	<u>Town</u>	<u>Greene County</u>	<u>Tennessee</u>
1990 U.S. Census	13,532	55,990	4,890,626
2000 U.S. Census	15,198	63,049	5,703,719
2010 U.S. Census	15,062	68,834	6,355,518
2011 U.S. Census Estimate	15,058	69,174	6,400,298
2012 U.S. Census Estimate	14,938	68,773	6,455,752
2013 U.S. Census Estimate	14,886	68,352	6,496,943
2014 U.S. Census Estimate	14,930	68,491	6,544,617
2015 U.S. Census Estimate	14,921	68,621	6,595,354
2016 U.S. Census Estimate	14,875	68,582	6,651,277
2017 U.S. Census Estimate	14,870	68,866	6,714,748
2018 U.S. Census Estimate	14,898	69,237	6,778,180
2019 U.S. Census Estimate	14,891	69,127	6,830,325

Source: U.S. Bureau of Census

ECONOMIC DATA

Income

The statistics below are for Greene County.

	County	Tennessee	% of State
2010 Per Capita Personal Income	\$32,269	\$35,652	90.5%
2011 Per Capita Personal Income	\$33,175	\$37,610	88.2%
2012 Per Capita Personal Income	\$34,124	\$39,285	86.9%
2013 Per Capita Personal Income	\$35,157	\$39,406	89.2%
2014 Per Capita Personal Income	\$35,363	\$40,778	86.7%
2015 Per Capita Personal Income	\$35,433	\$42,599	83.2%
2016 Per Capita Personal Income	\$34,380	\$43,591	78.9%
2017 Per Capita Personal Income	\$35,347	\$45,193	78.2%
2018 Per Capita Personal Income	\$36,271	\$47,165	76.9%
2019 Per Capita Personal Income	\$37,287	\$48,676	76.6%

Source: Bureau of Economic Analysis, CA1-3 Personal Income Summary

Employment

Year	Employment	Unemployment	Total Labor Force	Unemployment Percent		
				County	State	U.S.
2011	27,090	3,555	30,645	11.6%	9.1%	8.9%
2012	26,956	3,095	30,051	10.3%	8.0%	8.1%
2013	27,539	2,925	30,464	9.6%	7.7%	7.4%
2014	27,790	2,449	30,239	8.1%	6.6%	6.2%
2015	28,708	1,963	30,671	6.4%	5.6%	5.3%
2016	29,194	1,699	30,893	5.5%	4.8%	4.9%
2017	28,892	1,393	30,285	4.6%	3.7%	4.4%
2018	28,417	1,370	29,787	4.6%	3.5%	3.9%
2019	28,456	1,372	29,828	4.6%	3.4%	3.7%
2020	26,351	2,417	28,768	8.4%	7.5%	8.1%
Jun-21	26,588	1,697	28,285	6.0%	4.9%	5.9%

Source: Bureau of Labor Statistics

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 August 31, 2021, there were approximately 1,039 confirmed active cases of COVID-19 in the County and 180 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 operations, and is following guidance produced by the Centers for Disease Control and Prevention for businesses and employers. From a financial perspective, there was no material change in property tax collections in Fiscal Year 2020 as a result of the pandemic, as most property taxes for the applicable tax year were due prior to March 2020. Likewise, the Issuer did not see any material change in property tax collections in Fiscal Year 2021 as a result of the pandemic. There can be no assurance that future property tax collections will not be impacted.

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 COVID-19, the City has received \$536,696 in local support grant funds from the State and \$223,470 from the Cares Act Provider Relief Fund. Also, though no assurances can be made, the City expects to receive \$4.4 million 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.

Local Industry

Greene County is one of the largest manufacturing counties in Tennessee and ranks highly in the number of manufacturing jobs per capita. The Town is the location of many industries, several of which are divisions of Fortune 500 companies.

The Greene County Partnership was formed in 1993 to promote, preserve and enhance the quality of life and economic well-being of all Greene Countians by providing collective leadership and serving as a facilitator, catalyst and unifying force to achieve common community goals. In the past 15 years, the Greene County Partnership has helped locate 20 manufacturing and distribution firms, the most recent of which is US Nitrogen with a capital investment nearing \$150 million.

The County and Town are home to three separate industrial parks. The Hardin Industrial Complex, located within the city limits of Greeneville, has over 150 total acres of industrial properties. The Mount Pleasant Industrial Park, built in 1991, is located just 5 miles west of downtown Greeneville and has a total of 175 acres. Elk Creek Industrial park is located adjacent to the Mount Pleasant Industrial Park and has 60 total acres of land.

In mid-2015, Worthington Industries announced an expansion of its engineering cabs facility in Greeneville by 140 employees with a \$14.25 million capital investment. The action brought Worthington's total employee count in Greeneville to 460.

In 2017, Publix opened a Super Market at Fairgrounds Plaza within the city limits. The project included an approximate \$9 million investment and created more than 100 jobs.

In 2019, Marshalls opened a location in the Greeneville Commons shopping center creating 60 full-time and part-time jobs.

In 2019, Aubrey's, a Knoxville based restaurant opened their 12th location in the Towne Crossing development.

Major Employers in Greene County

Employer	Employees	Product/Service
Greene County School System	1,100	Education
Walmart Logistics	776	Retail Distribution Center
SumiRiko Tennessee, Inc.	750	Automotive Parts
Greene County Government	512	Government
Laughlin Memorial Hospital	599	Healthcare
Takoma Regional Hospital	478	Healthcare
Deere & Company	450	Ag. And Lawn Equipment
Landair Transport	450	Logistics
Greeneville City Schools	420	Education
Parker Hannifin	400	Steering Gears
Wal-Mart Stores	275	Retail

Source: Tennessee Department of Economic and Community Development

EDUCATION

Public Education

The Greeneville City School System consists of four elementary schools, one middle school and one high school serving approximately 2,800 students. The system also serves as the fiscal agent for the Greeneville/Greene County Center for Technology, which provides technology education classes for students in all county high schools.

The following table shows enrollment figures for the past ten years.

Greeneville City Schools	
School Year	Average Daily Membership
2010 - 2011	2,676
2011 - 2012	2,682
2012 - 2013	2,726
2013 - 2014	2,715
2014 - 2015	2,725
2015 - 2016	2,769
2016 - 2017	2,739
2017 - 2018	2,739
2018 - 2019	2,800
2019 - 2020	2,819

Source: Tennessee Department of Education

Higher Education

East Tennessee State University was founded in 1910 in the northeast corner of Tennessee. The 366 acre main campus is located in southwest Johnson City, approximately 20 minutes from the Town of Greeneville and adjacent to the Veterans Administration and the Johnson City Medical Center Hospital. The university offers nearly 200 undergraduate, graduate, and medical programs of study. Extended regional campuses are in Kingsport, Elizabethton and Greeneville.

Tusculum College was founded in 1794 in Greeneville. Tusculum College is the oldest college in Tennessee, the twenty-eighth oldest college in the nation, and the oldest coeducational institution affiliated with the Presbyterian Church (USA). The wooded 140-acre Tusculum College campus has eight buildings and the Tusculum Arch that are listed on the National Register of Historic Places. Located in Greeneville, Tennessee, Tusculum College lies in the foothills of the Great Smoky Mountains. Tusculum also maintains offices in Knoxville, Tennessee, for its Graduate and Professional Studies Program, in addition to other class sites across East Tennessee.

Tennessee Technology Center at Greeneville-Greene County is a satellite facility of the Tennessee Technology Center at Morristown (TTC-M) and offers courses in electronics, computer skills, auto mechanics, and job skills training. The Center also offers a cooperative program with Walters State Community College for college credits.

The TTC-M is one of the 26 Technology Centers located throughout Tennessee. TTC-M is governed by the Tennessee Board of Regents, a system which is comprised of six universities, thirteen community colleges, and twenty -six technology centers. Training is provided for entry-level employment in business and industry. Each instructor is constantly updating the equipment and curriculum of its programs. Business and industries provide input to the school in order that course work parallels local industrial needs.

Walters State Community College Greeneville/Greene County Campus serves as an extension of the main campus in Morristown offering both credit and non-credit courses. The facility includes general education classrooms, administrative offices, computer, chemistry and biology laboratories, student lounge areas, and media center. In addition, the center is home for the Regional Police Academy and Respiratory Care program. East Tennessee State University also offers classes in the Walters State facility. Over 1,000 students are enrolled at the Greeneville facility each semester.

Walters State Community College is a public two-year higher education institution founded in 1970 and is located in Morristown, Tennessee. The college offers programs of study that lead to Associate of Science, Associate of Arts, and Associate of Applied Science degrees. There are four principal campuses in Hamblen, Sevier, Greene, and Claiborne counties.

MEDICAL SERVICES

In 2018, Mountain States Alliance and Wellmont Health System merged to create Ballard Health. With this merger came the merger of the two hospitals located in Greeneville and their renaming to the Greeneville Community Hospital East and West Campuses.

In March 2021 Ballard Health announced the launch of the Niswonger Children's Network and with it the transformation of The West campus, formerly the Takoma Regional Hospital, into the new home to Ballard Health Niswonger Children's Network Strong Futures, the addiction-treatment program for women and families. The East campus, formerly the Laughlin Memorial Hospital, was renamed to Greeneville Community Hospital and has served the community since 1939 and is located in a state-of-the art \$38 million facility that was opened in 1995 with a total of 140 beds. Greeneville Community Hospital serves as an acute inpatient facility, with a wide variety of additional services including diagnostic imaging, ICU, surgery and women's services, including obstetrics and imaging.

TOURISM

Greeneville is located in the foothills of the Great Smoky Mountains. Due to the proximity to the mountains and the history of Greeneville, tourism is an important industry to the Town. Following are some of the nearby sites for tourists:

Andrew Johnson National Historic Site and National Cemetery - Andrew Johnson National Historic Site honors the life of the 17th President. Andrew Johnson's presidency, 1865-1869, illustrates the United States Constitution at work following President Lincoln's assassination and during attempts to reunify a nation torn by civil war. Andrew Johnson owned the home twenty-four years, both before and after his presidency. Today the house is furnished extensively with original furnishings and belongings. The Visitor Center houses a museum collection and Andrew Johnson's Tailor Shop. The site was also used during the Civil War. The National Cemetery contains the remains of Andrew Johnson and his family. The cemetery continues today as a burial ground for the nation's veterans.

Appalachian National Scenic Trail (the “AT”) – is a 2,175 mile long footpath stretching through 14 eastern states from Maine to Georgia. It can be accessed in Greene County through the Cherokee National Forest. Conceived in 1921 and first completed in 1937, it traverses the wild, scenic, wooded, pastoral, and culturally significant lands of the Appalachian Mountains. The AT is enjoyed by an estimate 4 million people each year.

Cherokee National Forest - The Cherokee National Forest is located in Eastern Tennessee and stretches from Chattanooga to Bristol along the North Carolina border. The 640,000-acre forest is the largest tract of public land in Tennessee. It lies in the heart of the Southern Appalachian mountain range, one of the world's most diverse areas. These mountains are home to more than 20,000 species of plants and animals. Each year millions of people visit Tennessee's Cherokee National Forest. It is a place of scenic beauty that provides opportunities for anyone interested in nature and history.

Davy Crockett Birthplace State Park – consists of 105 partially wooded acres of land along the Nolichucky River in Greene County. The museum at the park contains exhibits which tell of the different aspects of the life of Davy Crockett. Visitors can hear about Crockett the hunter, the politician, the businessman and the legendary hero. In addition to the museum, a replica of the cabin he was born in is a short walking distance from the museum. The park also offers campsites, picnic facilities and a swimming pool. Fishing and boating on the Nolichucky River is also a popular attraction.

Nathanael Greene Museum – is located in Greeneville. The museum was begun in 1993 and incorporated in 1986. At present the museum consists of ten galleries and numerous independent exhibits. The museum is named for the outstanding Revolutionary War general for whom the town and county are named.

President Andrew Johnson Museum and Library is located in “Old College”. Built in 1841, the Museum is located at Tusculum College. The facility contains the personal library of President Johnson, along with exhibits of personal artifacts of the President and his family and the history of the College. It is listed on the National Register of Historic Places and is part of the campus’ National Historic District.

FINANCIAL INFORMATION

Government-Wide and Fund Financial Statements

The government-wide financial statement (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

Basis of Accounting and Financial Statements

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 statement. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flow. Property taxes are recognized as revenues in the year for which they are levied even though the receivable is recognized in the prior period when the enforceable legal claim arises. Property taxes recognized as receivable before the period of revenue recognition are reported as deferred revenues. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenue also has a period of availability of 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses 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. Only the portion of special assessments receivable due within the current fiscal period are considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Certain revenues are required to be recognized in the General Fund as a receivable at June 30th and either as revenue or deferred revenue, depending upon revenue recognition policies of the entity. The following items for the Town are recorded: property tax, in-lieu of tax, TVA, State beer tax, income tax, local beer tax, mixed drink and gasoline tax.

The Town reports the following fund types:

Governmental Funds – the focus of the governmental funds’ measurement (in the fund statements) is upon determination of financial position and changes in financial positions (sources, uses, and balances of the financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

General Fund – is the general operating fund of the Town. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

General Purpose School Fund – accounts for the transactions of the School System. The major sources of revenues for this fund are state-shared revenues and local property and sales taxes.

Special Revenue Funds – are used to account for all proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Town reports the following special revenue funds: State Street Aid, Community Development Fund, Municipal Solid Waste Fund and Parking Fund. The School System also reports three special revenue funds: Federal Projects Fund, School Nutrition Fund and Extended School Program.

Capital Projects Fund – is used to account for all resources for the acquisition of capital facilities by the Board of Education.

Proprietary Funds:

The focus of the proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are similar to those of business in the private sector. The Greeneville Light and Power and Greeneville Water Commission are proprietary funds.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Town's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Process

Annual budgets are prepared and adopted on a basis consistent with GAAP for governmental funds except capital project funds and certain revenue funds associated with grants which are adopted on project-by-project basis and normally span a multi-fiscal-year period.

The Town chief financial officer coordinates the development of a preliminary budget for the upcoming fiscal year and presents the preliminary budget to the Board of Mayor and Aldermen. After a review and adjustments are made to the Annual Budget, the Board of Mayor and Aldermen must pass the budget on two readings before it is adopted and becomes the approved spending plan for the Town.

In accordance with state law, budgetary accounting is administered as a management control for all funds of the Town. In the past, financial reports have been prepared by the Accounting Department and submitted to the Board of Mayor and Aldermen.

Investment and Cash Management Practices

Investment of cash funds of the Town are in accordance with *Tennessee Code Annotated* Title 6, Section 56 and paragraphs 106 and 107. Generally, investments are limited to U.S. Government obligations, U.S. agencies obligations guaranteed by the U.S. Government, certificates of deposit guaranteed by the FDIC or properly collateralized under state law or the State Collateral Pool. Required collateral for investments and demand deposit accounts must be held by a third party escrow account for the benefit of the Town. For reporting purposes, all investments are stated at cost that approximates market value.

Current state law does not allow cities and counties in the state to invest in repurchase agreements unless they follow the State Funding Board Regulations or invest in unusual derivative products.

Property Tax

State Authority. Under Tennessee law, a municipality is authorized to levy a tax on all taxable property within the municipality without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount.

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 subclassifications 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 subclassifications 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 subclassifications 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.

Pension Plans

See Appendix C, page 108, Note 14.

Other Post-Retirement Benefits (OPEB)

See Appendix C, page 81, Note 12.

GENERAL FINANCIAL INFORMATION
SUMMARY OF OUTSTANDING DEBT ⁽¹⁾⁽²⁾
As of June 30, 2020

Amount Issued	Issue	Date Issued	Maturity Date	Interest Rate	Principal Outstanding 6/30/2020 ⁽¹⁾
General Obligation Notes and Bonds					
9,125,000	General Obligation Refunding Bonds, Series 2017	12/07/17	06/01/25	3.00%	7,680,000
250,000	General Obligation Capital Outlay Notes, Series 2019	12/03/19	06/01/24	2.544%	200,000
6,540,000	General Obligation Refunding Bonds, Series 2020	04/29/20	06/01/29	3.00% - 5.00%	6,540,000
8,105,000	General Obligation Bonds, Series 2021	10/14/21	06/01/41	1.50% - 4.00%	8,105,000
Total General Obligation Notes and Bonds					\$22,525,000
54,215	Capital Lease	2018	2022	3.78%	22,901
Total Other Obligations					\$22,901
Revenue and Tax Bonds ⁽²⁾					
1,615,000	General Obligation Bonds, Series 2016A	12/02/16	09/01/41	3.00% - 4.00%	1,615,000
\$555,000	Airport Revenue & Tax Refunding Bonds, Series 2016B	12/28/16	09/01/23	2.42%	320,000
Total Revenue and Tax Bonds					\$1,935,000
Total Current Outstanding Debt					\$24,482,901

DEBT STATEMENT
June 30, 2020

Outstanding Debt		
Total Current Outstanding Debt		\$24,482,901
Gross Direct Debt		\$24,482,901
Less: Self-Supporting Debt Issues ⁽²⁾		
General Obligation Bonds, Series 2016A		(1,615,000)
Airport Revenue & Tax Refunding Bonds, Series 2016B		(320,000)
Net Direct Debt		\$22,547,901
Net Overlapping Debt (As of June 30, 2020)		
Town's Portion of Greene County Debt (31.96% of \$8,480,000) - excludes rural school debt		2,710,141
Total Net Overlapping Debt		\$2,710,141
Overall Net Debt		\$25,258,042

Source: Comprehensive Annual Financial Report for the fiscal year ending June 30, 2020 and Town officials.

(1) As of 6/30/2020 and adjusted for General Obligation Bonds, Series 2021.

(2) The Series 2016A and 2016B Bonds are secured by the pledge of the full faith and credit of the Municipality. They are additionally payable from, but not secured by payments made by the Airport Authority under the Joint Venture Agreement.

DEBT RECORD

There is no record of a default on bond principal and interest from information available.

POPULATION

	<u>Town</u>	<u>Greene County</u>	<u>Tennessee</u>
1990 U.S. Census	13,532	55,990	4,890,626
2000 U.S. Census	15,198	63,049	5,703,719
2010 U.S. Census	15,062	68,834	6,355,518
2011 U.S. Census Estimate	15,058	69,174	6,400,298
2012 U.S. Census Estimate	14,938	68,773	6,455,752
2013 U.S. Census Estimate	14,886	68,352	6,496,943
2014 U.S. Census Estimate	14,930	68,491	6,544,617
2015 U.S. Census Estimate	14,921	68,621	6,595,354
2016 U.S. Census Estimate	14,875	68,582	6,651,277
2017 U.S. Census Estimate	14,870	68,866	6,714,748
2018 U.S. Census Estimate	14,898	69,237	6,778,180
2019 U.S. Census Estimate	14,891	69,127	6,830,325

Source: U.S. Bureau of Census

DEBT PER CAPITA RATIOS

Outstanding Debt	\$1,644.14
Gross Direct Debt	\$1,644.14
Net Direct Debt	\$1,514.20
Net Overlapping Debt	\$182.00
Overall Net Debt	\$1,696.20

DEBT RATIOS

	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
Property Values	\$ 444,611,529	\$1,648,869,335
Outstanding Debt	5.51%	1.48%
Gross Direct Debt	5.51%	1.48%
Net Direct Debt	5.07%	1.37%
Net Overlapping Debt	0.61%	0.16%
Overall Net Debt	5.68%	1.53%

DEBT TREND

Debt Type	<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>
Airport Debt ⁽¹⁾	\$1,935,000	\$2,015,000	\$2,095,000	\$2,170,000	\$615,000
General Obligation Bonds & Notes	14,420,000	16,990,000	18,470,000	19,805,000	21,100,000
Capital Leases	22,901	570,197	1,104,541	1,572,027	0
	<u>\$16,377,901</u>	<u>\$19,575,197</u>	<u>\$21,669,541</u>	<u>\$23,547,027</u>	<u>\$21,715,000</u>

(1) Includes Series 2016A and 2016B self-supporting debt issues totaling \$1,935,000 in principal outstanding as of 6/30/2020.

Source: Comprehensive Annual Financial Report for the fiscal years ending June 30, 2016 - 2020.

GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS
as of June 30, 2020 ⁽¹⁾⁽²⁾

		Principal				Interest			
Year No.	Year	Total G.O. Bonds and Notes 6/30/2020	Plus: General Obligation Bonds, Series 2021	Total Principal Requirements	Percent Principal Retired	Total G.O. Bonds 6/30/2020	Plus: General Obligation Bonds, Series 2021	Total Interest Requirements	Total Debt Service Requirements
1	2021	1,585,000		1,585,000		542,088		542,088	2,127,088
2	2022	1,630,000	365,000	1,995,000		494,766	135,380	630,146	2,625,146
3	2023	1,660,000	300,000	1,960,000		446,094	200,100	646,194	2,606,194
4	2024	1,710,000	315,000	2,025,000		396,522	188,100	584,622	2,609,622
5	2025	1,710,000	325,000	2,035,000	42.62%	343,650	175,500	519,150	2,554,150
6	2026	1,460,000	340,000	1,800,000		290,350	162,500	452,850	2,252,850
7	2027	1,495,000	355,000	1,850,000		217,350	148,900	366,250	2,216,250
8	2028	1,580,000	370,000	1,950,000		142,600	134,700	277,300	2,227,300
9	2029	1,590,000	385,000	1,975,000		63,600	119,900	183,500	2,158,500
10	2030		400,000	400,000	78.02%		104,500	104,500	504,500
11	2031		410,000	410,000			92,500	92,500	502,500
12	2032		420,000	420,000			84,300	84,300	504,300
13	2033		425,000	425,000			75,900	75,900	500,900
14	2034		435,000	435,000			69,525	69,525	504,525
15	2035		440,000	440,000	87.48%		63,000	63,000	503,000
16	2036		445,000	445,000			56,400	56,400	501,400
17	2037		455,000	455,000			47,500	47,500	502,500
18	2038		465,000	465,000			38,400	38,400	503,400
19	2039		475,000	475,000			29,100	29,100	504,100
20	2040		485,000	485,000	97.80%		19,600	19,600	504,600
21	2041		495,000	495,000	100.00%		9,900	9,900	504,900
		<u>\$14,420,000</u>	<u>\$8,105,000</u>	<u>\$22,525,000</u>		<u>\$2,937,020</u>	<u>\$1,955,705</u>	<u>\$4,892,725</u>	<u>\$27,417,725</u>

(1) As of 6/30/2020 and adjusted for General Obligation Bonds, Series 2021.

(2) Does not include the Series 2016A or 2016B Bonds, which are also secured by the full faith and credit of the Municipality, but additionally payable from payments made under the Joint Venture Agreement. See "Airport Supported Debt Service Requirements." Also excludes \$22,901 in capital leases.

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

AIRPORT SUPPORTED DEBT SERVICE REQUIREMENTS ⁽¹⁾
as of June 30, 2020

Year No.	Year	Principal			Interest		Total Debt Service Requirements
		Outstanding Principal 6/30/2020	Total Outstanding Principal	Percent Principal Retired	Interest Requirements 6/30/2020	Total Interest Requirements	
1	2021	80,000	80,000		57,245	57,245	137,245
2	2022	80,000	80,000		55,309	55,309	135,309
3	2023	80,000	80,000		53,373	53,373	133,373
4	2024	80,000	80,000		51,437	51,437	131,437
5	2025	70,000	70,000	20.16%	49,419	49,419	119,419
6	2026	70,000	70,000		47,319	47,319	117,319
7	2027	75,000	75,000		45,144	45,144	120,144
8	2028	75,000	75,000		42,894	42,894	117,894
9	2029	75,000	75,000		40,644	40,644	115,644
10	2030	80,000	80,000	39.53%	38,319	38,319	118,319
11	2031	80,000	80,000		35,919	35,919	115,919
12	2032	85,000	85,000		33,444	33,444	118,444
13	2033	85,000	85,000		30,894	30,894	115,894
14	2034	90,000	90,000		28,269	28,269	118,269
15	2035	95,000	95,000	62.02%	25,494	25,494	120,494
16	2036	95,000	95,000		22,644	22,644	117,644
17	2037	100,000	100,000		19,594	19,594	119,594
18	2038	100,000	100,000		16,344	16,344	116,344
19	2039	105,000	105,000		13,013	13,013	118,013
20	2040	110,000	110,000	88.37%	9,450	9,450	119,450
21	2041	110,000	110,000		5,738	5,738	115,738
22	2042	115,000	115,000	100.00%	1,941	1,941	116,941
		<u>\$1,935,000</u>	<u>\$1,935,000</u>		<u>\$723,841</u>	<u>\$723,841</u>	<u>\$2,658,841</u>

Source: Comprehensive Annual Financial Report for the fiscal year ending June 30, 2020 and town officials.

(1) The Series 2016A and 2016B Bonds are secured by the pledge of the full faith and credit of the Municipality. They are additionally payable from, but not secured by payments made by the Airport Authority under the Joint Venture Agreement.

PROPERTY VALUATION AND PROPERTY TAX

Fiscal Year Tax Year	<u>2020-2021</u> 2020	<u>2019-2020</u> 2019	<u>2018-2019</u> 2018	<u>2017-2018</u> 2017	<u>2016-2017</u> 2016
ESTIMATED ACTUAL VALUES					
Residential & Farm	\$798,822,117	\$678,299,000	\$670,999,200	\$687,520,770	\$659,145,027
Commercial & Industrial	558,688,805	477,801,000	476,506,100	497,548,432	475,716,275
Personal Tangible Property	259,294,440	268,108,014	244,481,013	217,930,383	215,730,492
Public Utilities	32,063,973	38,465,374	35,810,809	32,720,862	35,092,259
Total Estimated Actual Values	<u>\$1,648,869,335</u>	<u>\$1,462,673,388</u>	<u>\$1,427,797,122</u>	<u>\$1,435,720,447</u>	<u>\$1,385,684,053</u>
Annual Percentage Change	12.73%	2.44%	-0.55%	3.61%	2.40%
Estimated Per Capita Amount	\$110,729	\$98,225	\$95,838	\$96,551	\$93,155
ASSESSED VALUES					
Residential & Farm (at 25%)	\$170,508,575	\$169,574,750	\$167,749,800	\$162,753,350	\$161,918,975
Commercial & Industrial (at 40%)	190,803,400	191,120,400	190,602,440	188,451,440	186,975,520
Personal Tangible Property (at 30%)	69,302,709	80,432,459	73,344,341	62,294,323	63,701,442
Public Utilities (at 30%-55%)	13,996,845	16,791,677	15,632,759	14,283,652	15,319,112
Total Assessed Values	<u>\$444,611,529</u>	<u>\$457,919,286</u>	<u>\$447,329,340</u>	<u>\$427,782,765</u>	<u>\$427,915,049</u>
Annual Percentage Change	-2.91%	2.37%	4.57%	-0.03%	2.35%
Estimated Per Capita Amount	\$29,858	\$30,751	\$30,026	\$28,768	\$28,767
Appraisal Ratios	85.38%	100.00%	100.00%	94.69%	98.26%
Assessed Values to Actual Values	26.96%	31.31%	31.33%	29.80%	30.88%
Property Tax Rate	\$2.1775	\$2.1775	\$2.1775	\$2.2153	\$2.2153
Taxes Levied	\$9,742,296	\$9,946,060	\$9,716,709	\$9,501,967	\$9,477,100
Collections					
Current Fiscal Year	In Process	\$9,624,293	\$9,350,321	\$9,100,688	\$9,131,048
Percent Collected Current FY	In Process	96.76%	96.23%	95.78%	96.35%

Sources: Comprehensive Annual Financial Report for the fiscal year ending June 30, 2020, State Board of Equalization, 2016-2020 Tax Aggregate Reports of Tennessee and Town officials.

TOP TAXPAYERS

<u>Business</u>	<u>Type of Business</u>	<u>Tax Year 2020 Assessed Value</u>	<u>Assessed Value as a percent of Total Assessment</u>
John Deere Power Products	Lawn Mower Manufacturing	\$14,163,306	3.19%
Imerys Fuse Minerals	Manufacturing	7,386,868	1.66%
Wal-Mart	Retail	6,446,572	1.45%
Chasan LLC	Electronics	6,039,920	1.36%
Parker Hannifin	Manufacturing	5,939,396	1.34%
Meco Corporation	Grill/Chair Manufacturing	5,184,245	1.17%
Bewley Properties	Property Management	4,777,414	1.07%
BRE Retail Minerals	Greenville Commons	4,477,140	1.01%
Premium Waters	Manufacturing	4,077,986	0.92%
CRENLO	Manufacturing	3,822,433	0.86%

Source: Town officials

FUND BALANCES

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>
GOVERNMENTAL FUNDS					
General Fund	\$11,018,439	\$10,059,670	\$12,382,375	\$14,095,401	\$11,819,305
General Purpose School Fund	4,417,386	4,041,728	3,462,204	3,459,789	3,468,030
School Nutrition Fund	590,733	475,099	407,890	373,570	358,557
Extended School Program	32,011	(6,591)	5,665	35,000	50,962
State Street Aid	1,422,806	1,173,679	1,333,531	1,822,278	1,841,377
Community Development Fund	166,890	166,890	166,890	166,890	166,890
Municipal Solid Waste Fund	204,606	160,990	659,271	917,834	807,764
Parking Fund	36,322	24,108	37,088	43,449	51,364
Total Governmental Funds	<u>\$17,889,193</u>	<u>\$16,095,573</u>	<u>\$18,454,914</u>	<u>\$20,914,211</u>	<u>\$18,564,249</u>

Sources: Comprehensive Annual Financial Reports for fiscal years ending June 30, 2016-2020 and Town Officials.

NET ASSETS

PROPRIETARY FUNDS	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>
Light & Power System(1)	\$0	\$79,308,292	\$78,968,124	\$87,156,837	\$86,306,092
Water & Light Commission	47,470,189	45,969,669	44,343,053	42,964,450	40,575,037
Total Proprietary Funds	<u>\$47,470,189</u>	<u>\$125,277,961</u>	<u>\$123,311,177</u>	<u>\$130,121,287</u>	<u>\$126,881,129</u>

(1) Effective July 1, 2019, Greenville Light and Power System reorganized as an Energy Authority and is no longer under the jurisdiction or control of the Town.

Sources: Comprehensive Annual Financial Reports for fiscal years ending June 30, 2016-2020 and Town Officials.

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 Greene County and shared with the Town 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:

	<u>FY2019-20</u>	<u>FY2018-19</u>	<u>FY2017-18</u>	<u>FY2016-17</u>	<u>FY2015-16</u>
Sales Tax Rate	2.75%	2.75%	2.75%	2.75%	2.75%
Total Amount to City (General Fund)	\$7,795,710	\$7,415,564	\$7,393,367	\$7,327,186	\$7,043,940
% of Increase	5.13%	0.30%	0.90%	4.02%	3.91%

Sources: Comprehensive Annual Financial Reports for fiscal years ending June 30, 2016-2020 and Town Officials.

Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
Fiscal Year ended June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
REVENUES					
Local Taxes	\$21,419,862	\$18,970,183	\$18,580,823	\$18,595,634	\$18,078,970
Intergovernmental Revenues	4,387,747	4,366,425	2,236,975	3,919,525	2,834,911
Charges for Services	832,619	1,192,414	1,004,087	1,262,343	809,314
Licenses and Permits	130,625	148,138	104,079	118,562	142,415
Revenues from Use of Property	0	0	0	0	0
Fines, Fees and Costs	116,973	140,014	146,792	139,903	131,803
Interest Income	278,571	185,510	91,484	62,225	75,795
Other Revenues	0	0	0	0	0
Total Revenues	27,166,397	25,002,684	22,164,240	24,098,192	22,073,208
EXPENDITURES					
Debt Service	\$2,759,123	\$2,808,698	\$2,881,769	\$2,766,558	\$2,140,841
Public Safety	6,117,059	5,875,777	6,661,190	5,388,157	5,386,024
Public Works	1,583,130	1,559,321	1,539,370	1,410,822	1,283,262
Other Expenditures	4,648,755	4,171,124	4,233,543	4,129,838	3,935,885
Health and Welfare	1,874,501	1,640,224	1,572,414	1,403,421	1,387,382
General Government	1,207,204	1,121,911	996,612	908,377	867,713
Capital Outlay	2,115,611	4,131,634	463,083	3,367,315	1,674,503
Public Enterprises	185,000	465,315	194,239	1,419,472	30,380
Total Expenditures	20,490,383	21,774,004	18,542,220	20,793,960	16,705,990
Excess of Revenues over (under) Expenditures	6,676,014	3,228,680	3,622,020	3,304,232	5,367,218
OTHER FINANCING SOURCES (USES)					
Operating transfers out	(\$6,683,109)	(\$6,760,297)	(\$7,337,905)	(\$6,602,019)	(\$6,811,685)
Operating transfers in	338,987	1,898,931	1,757,516	1,763,492	1,746,226
Bond Proceeds	7,971,497	0	9,639,428	2,197,041	0
Refunding Bond Payment	(7,843,033)	0	(9,496,505)	0	0
Insurance Recoveries	45,779	41,514	37,525	25,438	41,458
Proceeds from Sales of Assets	41,021	60,133	10,680	15,885	31,239
Proceeds from Sales of Capital Lease	0	0	54,215	1,572,027	0
Repayments of Intergovernmental Loans	0	0	0	0	0
Intergovernmental Loans	0	0	0	0	0
Total Other Financing Sources (Uses)	(6,128,858)	(4,759,719)	(5,335,046)	(1,028,136)	(4,992,762)
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	547,156	(1,531,039)	(1,713,026)	2,276,096	374,456
Fund Balance July 1	\$10,059,670	\$12,382,375	\$14,095,401	\$11,819,305	\$11,444,849
Prior Period Adjustments	411,613	(791,666)	0	0	0
Fund Balance, June 30	\$11,018,439	\$10,059,670	\$12,382,375	\$14,095,401	\$11,819,305

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

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APPENDIX C

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

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**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

For the Fiscal Year Ended June 30, 2020

TOWN OF GREENEVILLE, TENNESSEE

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

For the Fiscal Year Ended June 30, 2020

TOWN OF GREENEVILLE, TENNESSEE
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**INTRODUCTORY
SECTION**

TOWN OF GREENEVILLE, TENNESSEE
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2020

Town of Greeneville, Tennessee: Elected Officials - as of June 30, 2020

Mayor	W. T. Daniels
Alderman	Buddy Hawk
Alderman	Scott Bullington
Alderman	Cal Doty
Alderman	Tim Teague

Town of Greeneville, Tennessee: Officials - as of June 30, 2020

City Administrator	Todd Smith
Recorder/Finance Director	Carolyn Susong, CMFO
Interim Finance Director	Lora Young, CMFO

Greeneville Water and Light Commission: Officials - as of June 30, 2020

Superintendent	Laura White
Controller	Kim Bowers

Greeneville Water and Light Commission: Board Members - as of June 30, 2020

Member	Doug DeBusk
Member	Joe Waggoner
Member	Johnny Honeycutt

Greeneville Board of Education: Officials - as of June 30, 2020

Director of Schools	Steve Starnes
Assistant Director of Schools for Instruction	Dr. Suzanne Bryant
Assistant Director of Schools for Administration	Beverly Miller
Chief Financial Officer	Ellen Lipe, CPA

Greeneville Board of Education: Board Members - as of June 30, 2020

Member - Chairman	Cindy Luttrell
Member - Vice Chairman	Craig Shepherd
Member - Treasurer	Jerry Anderson
Member	Josh Quillen
Member	Pamela Botta

**FINANCIAL
SECTION**

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Board of Aldermen,
Recorder and City Administrator
Greeneville, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Greeneville, Tennessee (the Town) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town'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 did not audit the financial statements of the Greeneville Board of Education or Greeneville Water and Light Commission. The financial statements of the Greeneville Board of Education represent 21%, 28% and 48%, respectively, of the assets, fund balances and revenues of the governmental funds. The Greeneville Water and Light Commission represents 100% of the total business-type activities of the Town of Greeneville, Tennessee. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Greeneville Board of Education and Greeneville Water and Light Commission, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Town of Greeneville, Tennessee
Independent Auditors' Report

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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town 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 and the General Purpose School Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents on pages 5 through 14 and pages 135 through 149, respectively, 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 and other auditors 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.

Other Matters (Continued)

Required Supplementary Information (Continued)

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 Town's basic financial statements. The introductory section, supplementary information section and other supplementary information section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information section is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the supplementary information section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2020, on our consideration of the Town'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 Town'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 Town's internal control over financial reporting and compliance.

Blackburn, Childers + Steagall, PLLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 28, 2020

TOWN OF GREENEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

As management of the Town of Greeneville, Tennessee (the Town), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the Town's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$75,508,329 (net position). Of this amount, \$57,237,905 is net investment in capital assets, \$5,590,080 is restricted, and 12,680,344 may be used to meet the government's ongoing obligations to citizens and creditors (unrestricted net position).
- The Town's overall net position decreased \$77,619,954 from the previous year, as a result of the following: Approved in open meeting on November 20, 2018, the Greeneville Light & Power System reorganized as the Greeneville Energy Authority by resolution from the Town of Greeneville. As a result of the reorganization, the Town of Greeneville transferred its rights, title, and interest in and all the assets of the Greeneville Light & Power System to the Authority, as well as the jurisdiction and control. (Approved in accordance with TCA 7-36-101 and approved by the State of Tennessee).
- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$17,889,193, an increase of \$1,793,620 from the prior year. Of this amount, \$168,990 is nonspendable, \$1,986,545 is restricted, \$20,888 is committed for specific purposes, and \$3,075,399 is assigned. The remaining amount of \$12,637,371 is unrestricted and available for spending at the discretion of the Town.
- At the close of the current fiscal year, the general fund reported a fund balance of \$11,018,439, or 41% of total general fund expenditures including transfers out. This balance includes \$128,196 of nonspendable funds, \$13,800 of restricted funds, \$20,888 committed for specific purposes, and \$2,507,850 assigned. The remaining amount of \$8,347,705 is unrestricted and available for spending at the discretion of the Town.
- The Town's total outstanding long-term debt (bonds, notes payable and related premiums) decreased by \$1,618,264 during the current fiscal year. This decrease is attributable to the regularly scheduled debt payments made during the fiscal year, refunding of debt and removal of the Greeneville Light & Power System from the Town's report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Greeneville's financial statements. The basic financial statements consist of three parts: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

TOWN OF GREENEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

Government-wide financial statements – The government-wide financial statements are designed to provide readers with both long-term and short-term information about the Town's overall financial status in a manner similar to a private-sector business.

There are two government-wide financial statements:

Statement of Net Position – presents information about the Town's assets, liabilities and deferred inflows / outflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

Statement of Activities – presents information showing how the Town's net position changed during the most recent fiscal year. All current year revenues and expenses are taken into account regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish between functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, education, public safety, public works, health and welfare, community development, food service, public enterprises and other miscellaneous operating expenditures. The business-type activities include the Town's water, and sewer operations. The Board of Education, although legally separate, functions as a department of the Town and therefore has been included as a governmental activity of the primary government.

The government-wide financial statements can be found beginning on page 15 of this report.

Fund financial statements – The fund financial statements provide more detailed information about the most significant funds – not the Town as a whole. 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 Town of Greeneville, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds – The Town's basic services are included in governmental funds. The focus of these funds is on (1) how cash and other financial assets that can readily be converted to cash were received and used and (2) what remains at the end of the fiscal year for future spending. This detailed short-term view helps in determining whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

TOWN OF GREENEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

Because this information does not include the additional long-term focus of the government-wide statements, we provide additional information after the governmental fund statement that explains the differences between the long-term view and the short-term view.

The Town of Greeneville maintains a general fund and multiple special revenue funds as governmental funds. Information is presented separately in the governmental fund statements for the general fund and the general purpose school fund since both of these are considered major funds. Data for the other funds is combined into a single column. Individual fund data for each of these nonmajor governmental funds (including the special revenue funds) is provided in the supplemental section of this report.

Budgetary comparisons for the general fund and the general purpose school fund are found in the fund financial statements section, and comparisons for the other governmental funds are provided in the supplementary information section of the report. Budgetary comparisons are provided to demonstrate compliance with the budget.

The governmental fund financial statements begin on page 18 of this report.

Proprietary funds – Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. The Town of Greeneville maintains one type of proprietary fund: enterprise funds.

Enterprise funds are the same as business-type activities in the government-wide financial statements but provide more detail and additional information, such as cash flows. The Greeneville Water and Light Commission is considered a major fund.

The proprietary fund statements begin on page 31 of this report.

Notes to the financial statements – The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The additional information contained in these notes is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 36 of this report.

Other information – In addition to the basic financial statements discussed above, this report also presents required supplementary information about the Town's progress in funding its obligation to provide pension and OPEB benefits to its employees.

TOWN OF GREENEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

The combining statements referred to earlier in connection with the nonmajor governmental funds and nonmajor special revenue funds are presented as supplemental information. The supplemental information also contains budget to actual comparisons for governmental funds other than the general fund and the general purpose school fund, as well as a number of schedules that provide additional detailed information about the operations of the Town.

Both the required and additional supplemental information can be found following the notes to the financial statements.

Financial Analysis of the Town as a Whole

Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$75,508,329 at the close of the most recent fiscal year. The largest portion of the Town's net position (76%) reflects its net investment in capital assets (land, building, equipment, etc.), less any related debt used to acquire those assets that is still outstanding. Because capital assets are used to provide services to citizens, the assets are not available for future spending. Although the Town's investment in capital assets is shown net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Approximately \$12.6 million of unrestricted net position may be used to meet the ongoing obligations of the Town. At the end of the fiscal year, the Town is able to report a positive total net position for the government as a whole. A negative net position is reported for the unrestricted portion of the Town's governmental activities. This is due to an approximately \$2.3 million increase in the Restricted Net Position for Pension and approximately \$1 million increase in Net Investment in Capital Assets.

**TOWN OF GREENEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020**

The following is a summary of financial position for the Town at June 30, 2020:

**Town of Greeneville's Net Position
(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 33,632	\$ 33,202	15,644	45,599	49,276	78,801
Pension Asset	3,604	1,245	-	-	3,604	1,245
Capital assets, net	41,705	44,702	33,851	118,814	75,556	163,516
Total assets	<u>78,941</u>	<u>79,149</u>	<u>49,495</u>	<u>164,413</u>	<u>128,436</u>	<u>243,562</u>
Deferred Outflows of Resources	6,702	7,835	424	4,066	7,126	11,901
Long term debt outstanding	19,159	21,227	355	3,403	19,514	24,630
Other liabilities	21,399	23,636	1,719	38,833	23,118	62,469
Total liabilities	<u>40,558</u>	<u>44,863</u>	<u>2,074</u>	<u>42,236</u>	<u>42,632</u>	<u>87,099</u>
Deferred Inflows of Resources	17,047	14,270	375	965	17,422	15,235
Net investment in capital assets	23,387	22,316	33,851	118,814	57,238	141,130
Restricted	5,590	2,876	-	-	5,590	2,876
Unrestricted	(939)	2,659	13,619	6,464	12,680	9,123
Total net position	<u>\$ 28,038</u>	<u>\$ 27,851</u>	<u>47,470</u>	<u>125,278</u>	<u>75,508</u>	<u>153,129</u>

Changes in Net Position

Net position of the governmental activities of the Town was approximately \$28 million at the close of the current fiscal year. Of the Town's \$28 million governmental activities net position, \$23.3 million is net investment in capital assets (buildings, land, equipment, etc.), \$5.6 million is restricted. There is approximately a \$1 million deficit in unrestricted net position at year-end. A \$2.3 million increase in the Pension Asset and a \$1 million increase in net investment in capital assets caused the unrestricted net position to be negative. The total net position remains positive.

During the same period, the net position of the business-type activities was approximately \$47.5 million. The decrease of approximately \$78 million in business-type activities net position was attributable to the Light & Power System reorganizing as the Greeneville Energy Authority, which removed all jurisdiction and control from the Town. Of the Town's \$47.5 million business-type activities net position, \$33.9 million is net investment in capital assets. The Town generally can only use the net position of the business-type activities to finance the continuing operations of the Water and Light Commission.

The following is a summary of financial activities for the Town during the fiscal year ended June 30, 2020

TOWN OF GREENEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

Town of Greeneville's Changes in Net Position
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program revenues						
Charges for services	\$ 3,716	\$ 4,627	10,091	118,337	13,807	122,964
Grants and Contributions	22,914	23,934	334	540	23,248	24,474
General revenues						
Local taxes	28,040	25,165	-	-	28,040	25,165
Investment income	285	191	47	260	332	451
Gain on disposal	26	-	-	-	26	-
Miscellaneous	624	-	-	-	624	-
Total revenues	<u>55,605</u>	<u>53,917</u>	<u>10,472</u>	<u>119,137</u>	<u>66,077</u>	<u>173,054</u>
Expenses						
Governmental activities						
General government	1,641	1,506	-	-	1,641	1,506
Education	31,672	28,914	-	-	31,672	28,914
Public safety	6,536	6,297	-	-	6,536	6,297
Public works	4,025	4,543	-	-	4,025	4,543
Health and welfare	2,201	1,954	-	-	2,201	1,954
Community development	434	181	-	-	434	181
School nutrition	1,510	1,610	-	-	1,510	1,610
Public enterprises	185	465	-	-	185	465
Other	4,954	4,171	-	-	4,954	4,171
Interest	411	701	-	-	411	701
Business-type activities						
Light and Power System	-	-	-	106,861	-	106,861
Water and Light Commission	-	-	8,972	8,745	8,972	8,745
Total expenses	<u>53,569</u>	<u>50,342</u>	<u>8,972</u>	<u>115,606</u>	<u>62,541</u>	<u>165,948</u>
Excess (deficiency) before transfers	<u>2,036</u>	<u>3,575</u>	<u>1,500</u>	<u>3,531</u>	<u>3,536</u>	<u>7,106</u>
Transfers, net	<u>-</u>	<u>1,564</u>	<u>-</u>	<u>(1,564)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 2,036</u>	<u>\$ 5,139</u>	<u>1,500</u>	<u>1,967</u>	<u>3,536</u>	<u>7,106</u>

Governmental Activities

Current fiscal year revenues, including other financing sources, for the governmental activities of the Town were \$57,254,240, while the same period expenses were \$55,872,233, resulting in a net increase in net position of \$1.3 million. The largest sources of governmental activity revenue were property taxes, and the single largest expense was education. This increase in net position can be attributed to an increase in tax revenue for the current fiscal year.

**TOWN OF GREENEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020**

Business-type Activities

Revenues for the business-type activities of the Town, including nonoperating revenue, were \$10.5 million for the fiscal year, while the same period expenses were \$9 million, resulting in a net increase in net position of \$1.5 million for the water and light commission. As noted previously, the Greenville Light and Power System reorganized as an Energy Authority and is no longer under the jurisdiction or control of the Town.

**Operating Revenues and Expenses - Business-Type Activities
(in thousands)**

	Light and Power System		Water and Light Commission		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues	\$ -	107,816	10,472	10,084	10,472	117,900
Expenses	-	106,128	8,972	8,745	8,972	114,873
Net operating income	<u>\$ -</u>	<u>1,688</u>	<u>1,500</u>	<u>1,339</u>	<u>1,500</u>	<u>3,027</u>

Financial Analysis of the Town's funds

The Town uses fund accounting to help it control and manage money for particular purposes and to demonstrate compliance with legal requirements. More detailed analysis is provided below for the Town's funds.

Governmental Funds

Governmental funds focus on providing information on the near-term flow of resources. As the Town completed the year, its governmental funds reported a combined fund balance of \$17.9 million. Approximately 70% of this amount (\$12.6 million) constitutes unassigned fund balance, which is available for spending at the discretion of the Town. All of the governmental funds reported a positive ending fund balance. Information regarding the major governmental funds is presented in the following paragraph.

General Fund – The general fund is the chief operating fund of the Town. At the close of the current fiscal year, the general fund reported a total fund balance of \$11 million. Of this amount, \$8.3 million (or 75%) was unassigned. The general fund's fund balance increased \$1 million during the fiscal year, including a prior period adjustment. The increase in net fund balance for the general fund can be attributed to an increase in tax revenue, as well as a reduction in total expenditures for the fiscal year.

General Purpose School Fund – This fund is the operating fund of the Town of Greenville Board of Education. At the end of the fiscal year, the general purpose school fund reported a total fund balance of \$4.4 million. Total fund balance of the general purpose school fund increased \$375,658 during the fiscal year.

TOWN OF GREENEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

Proprietary Funds

As the Town completed the fiscal year, the only proprietary fund, the Water and Light Commission, had a net position of \$47.5 million. Of this amount, \$13.6 million was available to meet on-going obligations (unrestricted), with the majority, \$33.9 million, net investment in capital assets.

General Fund Budgetary Highlights

Original and Final Amended Budget Amounts – Differences between the original budget and final amended budget for the general fund represent a total increase in revenues of \$873,785 and an increase in other financing sources of \$165,468, and a total increase in expenditures of \$912,580.

Final Amended Budget and Actual Amounts – Differences between the final amended budget and actual results for the general fund represent a total favorable variance with the final budget of \$1,605,881. The greatest reason for the variance is due to increase in total revenues of \$1,603,038, which reflects higher than anticipated revenues in the following categories: Local Option Sales Tax - \$795,710; State Sales Tax - \$105,986; Interest Income - \$158,571; Fines, Fees, and Litigation Costs - \$85,402; and other general fund revenues - \$457,369.

TOWN OF GREENEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

Capital Asset and Debt Administration

Capital Assets

At the end of the current fiscal year, the Town had \$75.5 million (net of accumulated depreciation) invested in capital assets, including land and land rights, buildings and improvements, infrastructure, machinery and equipment, and furniture and fixtures. The following table shows the investment in capital assets by both governmental activities and business-type activities (which only includes the Water and Light Commission for fiscal year 2020).

Town of Greeneville's Capital Assets
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land and land rights	\$ 4,359	4,359	731	2,428	5,090	6,787
Construction in progress	503	3,472	1,587	7,398	2,090	10,870
Buildings and improvements	69,912	68,312	41,478	41,231	111,390	109,543
Equipment	25,299	23,978	30,198	177,394	55,497	201,372
Infrastructure	50,938	50,315	-	-	50,938	50,315
Less accumulated depreciation	<u>(109,305)</u>	<u>(105,735)</u>	<u>(40,144)</u>	<u>(109,637)</u>	<u>(149,449)</u>	<u>(215,372)</u>
Total capital assets, net	<u>\$ 41,706</u>	<u>44,701</u>	<u>33,850</u>	<u>118,814</u>	<u>75,556</u>	<u>163,515</u>

Debt

At the end of the current fiscal year, the Town had \$38 million in long-term liabilities outstanding, a decrease of \$30.7 million from the prior year. This decrease is attributable to the Town's regularly scheduled long-term debt payments, refunding as well as decreases in OPEB and pension in addition to the Light and Power no longer included, as previously discussed.

**TOWN OF GREENEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020**

The following table shows long-term liabilities by both governmental activities and business-type activities (which only includes the Water and Light Commission for fiscal year 2020).

**Town of Greeneville's Outstanding Debt
(in thousands)**

	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Bonds and Notes Payable	\$ 18,140	19,758	-	-	18,140	19,758
Compensated absences	800	701	317	1,393	1,117	2,094
Retirement incentive	196	198	-	-	196	198
Other (TVA liabilities)	-	-	-	2,010	-	2,010
Net Pension Liability	2,477	4,055	427	3,901	2,904	7,956
OPEB Liability	15,604	16,127	80	20,084	15,684	36,211
Capital leases	23	570	-	-	23	570
Total long-term debt	<u>\$ 37,240</u>	<u>41,409</u>	<u>824</u>	<u>27,388</u>	<u>38,064</u>	<u>68,797</u>

During the current fiscal year, the Town of Greeneville maintained the upgraded rating of an "AA-" rating from Standard & Poor's rating service for its general obligation debt.

Discretely Presented Component Unit

-Greeneville Municipal Airport Authority-

Detailed audit information about the Greeneville Municipal Airport Authority can be obtained by contacting the Town's Management:

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances. Questions concerning any of the information provided in this report or requests for additional information, including that of the Greeneville Municipal Airport Authority, should be addressed to the Town of Greeneville, Recorder's Office, 200 North College Street, Greeneville, Tennessee 37745.

TOWN OF GREENEVILLE, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 7,933,660	11,337,980	19,271,640	447,700
Certificates of Deposit - Long-Term	6,552,264	-	6,552,264	-
Investments	-	2,893,829	2,893,829	-
Receivables (Net of Allowances for Uncollectible)				
Taxes	10,300,161	-	10,300,161	-
Accounts	849,491	601,193	1,450,684	20,111
Due from Other Governments				
Notes	1,935,000	-	1,935,000	-
Other	3,295,246	-	3,295,246	50,363
Inventory	40,794	516,925	557,719	-
Prepaid Expenses	128,196	222,410	350,606	9,833
Restricted or Designated Assets				
Cash and Cash Equivalents	-	71,366	71,366	16,724
Board of Education: TCRS Stabilization Trust	89,606	-	89,606	-
Self-Insurance Certificates of Deposit - Long-Term	2,482,566	-	2,482,566	-
Self-Insurance Investments	25,284	-	25,284	-
Capital Assets				
Land and Land Rights	4,359,206	730,754	5,089,960	3,415,750
Construction In Progress	502,963	1,587,533	2,090,496	7,950,023
Buildings and Improvements	69,911,733	41,478,566	111,390,299	27,850,916
Infrastructure	50,937,872	-	50,937,872	-
Equipment, Vehicles, Distribution Systems, and Other	25,298,710	30,197,886	55,496,596	233,980
Less: Accumulated Depreciation	(109,305,155)	(40,143,779)	(149,448,934)	(4,718,603)
Pension Asset	3,603,535	-	3,603,535	-
Total Assets	<u>78,941,132</u>	<u>49,494,663</u>	<u>128,435,795</u>	<u>35,276,797</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to OPEB	2,329,705	4,031	2,333,736	-
Deferred Outflows Related to Pensions	4,372,262	420,347	4,792,609	-
Total Deferred Outflows of Resources	<u>6,701,967</u>	<u>424,378</u>	<u>7,126,345</u>	<u>-</u>

(Continued)

TOWN OF GREENEVILLE, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Accounts Payable	749,082	343,115	1,092,197	85,945
Construction Accounts and Retainage Payables	-	475,012	475,012	-
Accrued Interest	62,091	-	62,091	19,404
Accrued Expenses	2,338,015	56,138	2,394,153	1,207
Due to Other Governments	168,764	-	168,764	-
Unearned Revenues	-	-	-	98,229
Customer Deposits	-	337,624	337,624	-
Other Post-Employment Benefits	15,604,393	79,995	15,684,388	-
Net Pension Liability	2,477,139	427,284	2,904,423	-
Noncurrent Liabilities				
Due Within One Year	2,076,384	316,696	2,393,080	80,000
Due In More Than One Year	17,082,148	38,375	17,120,523	1,878,583
Total Liabilities	40,558,016	2,074,239	42,632,255	2,163,368
DEFERRED INFLOWS OF RESOURCES				
Deferred - Current Property Taxes	9,742,296	-	9,742,296	-
Deferred Gain on Bond Refunding	155,649	-	155,649	-
Deferred Inflows Related to OPEB	1,924,867	24,598	1,949,465	-
Deferred Inflows Related to Pensions	5,224,131	350,015	5,574,146	-
Total Deferred Inflows of Resources	17,046,943	374,613	17,421,556	-
NET POSITION				
Net Investment in Capital Assets	23,386,945	33,850,960	57,237,905	32,773,483
Restricted				
Pensions	3,603,535	-	3,603,535	-
School Nutrition	549,939	-	549,939	-
State Street Aid	1,422,806	-	1,422,806	-
Police SOF	7,938	-	7,938	-
Special Events	5,862	-	5,862	-
Unrestricted	(938,885)	13,619,229	12,680,344	339,946
TOTAL NET POSITION	\$ 28,038,140	47,470,189	75,508,329	33,113,429

The notes to the financial statements are an integral part of this statement.

TOWN OF GREENEVILLE, TENNESSEE
STATEMENT OF ACTIVITIES
For the Fiscal 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			Discretely Presented Component Unit
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities								
General Government	\$ 1,640,369	41,421	1,727,118	-	128,170	-	128,170	-
Education	31,672,351	833,615	17,339,680	-	(13,499,056)	-	(13,499,056)	-
Public Safety	6,536,061	915,141	22,722	-	(5,598,198)	-	(5,598,198)	-
Public Works	4,025,727	1,299,128	675,692	1,370,624	(680,283)	-	(680,283)	-
Health and Welfare	2,201,034	146,213	140,081	-	(1,914,740)	-	(1,914,740)	-
Community Development	433,408	-	433,408	-	-	-	-	-
School Nutrition	1,510,198	480,988	1,204,942	-	175,732	-	175,732	-
Public Enterprises	185,000	-	-	-	(185,000)	-	(185,000)	-
Other	4,954,286	-	-	-	(4,954,286)	-	(4,954,286)	-
Interest	410,942	-	-	-	(410,942)	-	(410,942)	-
Total Governmental Activities	53,569,376	3,716,506	21,543,643	1,370,624	(26,938,603)	-	(26,938,603)	-
Business-Type Activities								
Water and Light Commission	8,972,099	10,090,956	-	334,539	-	1,453,396	1,453,396	-
Total Business-Type Activities	8,972,099	10,090,956	-	334,539	-	1,453,396	1,453,396	-
Total Primary Government	\$ 62,541,475	13,807,462	21,543,643	1,705,163	(26,938,603)	1,453,396	(25,485,207)	-
Component Unit								
Greeneville Municipal								
Airport Authority	\$ 1,034,457	247,350	-	542,973	-	-	-	(244,134)
General Revenues								
Taxes								
Property Taxes					11,779,174	-	11,779,174	-
Sales Taxes					7,795,710	-	7,795,710	-
Other Taxes					8,465,079	-	8,465,079	48,247
Intergovernmental Revenues					-	-	-	185,000
Unrestricted Investment Earnings					285,427	47,124	332,551	-
Other General Revenues					623,622	-	623,622	1,104
Gain On Asset Disposal					26,303	-	26,303	-
Total General Revenues and Transfers					28,975,315	47,124	29,022,439	234,351
Change in Net Position					2,036,712	1,500,520	3,537,232	(9,783)
Net Position - Beginning					27,850,322	45,969,669	73,819,991	33,120,212
Prior Period Adjustment					(1,848,894)	-	(1,848,894)	3,000
Net Position - Beginning, Restated					26,001,428	45,969,669	71,971,097	33,123,212
Net Position - Ending					\$ 28,038,140	47,470,189	75,508,329	33,113,429

The notes to the financial statements are an integral part of this statement.

TOWN OF GREENEVILLE, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General Fund	General Purpose School Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 960,377	4,961,194	2,012,089	7,933,660
Certificates of Deposit - Long-Term	6,341,982	-	210,282	6,552,264
Receivables, Net of Allowance				
Taxes	10,300,161	-	-	10,300,161
Accounts	598,326	57,715	193,450	849,491
Due From Other Governments				
Notes Receivable, Net of Allowance	1,935,000	-	-	1,935,000
Other	1,746,161	1,074,809	474,276	3,295,246
Inventory	-	-	40,794	40,794
Prepaid Expenses	128,196	-	-	128,196
Restricted Cash and Investments				
Board of Education: TCRS Stabilization Trust	-	89,606	-	89,606
Self-Insurance Certificates of Deposit - Long-Term	2,482,566	-	-	2,482,566
Self-Insurance Investments	25,284	-	-	25,284
TOTAL ASSETS	<u>24,518,053</u>	<u>6,183,324</u>	<u>2,930,891</u>	<u>33,632,268</u>
TOTAL ASSETS	<u>\$ 24,518,053</u>	<u>6,183,324</u>	<u>2,930,891</u>	<u>33,632,268</u>

(Continued)

TOWN OF GREENEVILLE, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General Fund	General Purpose School Fund	Total Nonmajor Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 490,239	186,415	72,428	749,082
Accrued Expenses	399,424	1,535,947	402,644	2,338,015
Due to Other Governments	168,764	-	-	168,764
TOTAL LIABILITIES	1,058,427	1,722,362	475,072	3,255,861
DEFERRED INFLOWS OF RESOURCES				
Deferred - Current Property Taxes	9,742,296	-	-	9,742,296
Deferred - Notes Receivable	1,935,000	-	-	1,935,000
Unavailable Revenues	763,891	43,576	2,451	809,918
TOTAL DEFERRED INFLOWS OF RESOURCES	12,441,187	43,576	2,451	12,487,214
FUND BALANCES				
Nonspendable	128,196	-	40,794	168,990
Restricted	13,800	-	1,972,745	1,986,545
Committed	20,888	-	-	20,888
Assigned	2,507,850	127,720	439,829	3,075,399
Unassigned	8,347,705	4,289,666	-	12,637,371
TOTAL FUND BALANCES	11,018,439	4,417,386	2,453,368	17,889,193
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 24,518,053	6,183,324	2,930,891	33,632,268

The notes to the financial statements are an integral part of this statement.

TOWN OF GREENEVILLE, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2020

Total Fund Balances - Governmental Funds	\$ 17,889,193
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and; therefore, are not reported as assets in governmental funds. The cost of the assets is \$151,010,484 and the accumulated depreciation is \$(109,305,155).	41,705,329
Tax, notes, and grant revenues not received during the period of availability are not considered "available" and are reported as deferred inflows in the funds.	2,744,918
Total OPEB liabilities of (\$15,604,393) are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Deferred inflows related to OPEB of (\$1,924,867) and deferred outflows related to OPEB of \$2,329,705 are not considered current and thus not recorded at the fund level.	(15,199,555)
Total of net pension assets of \$3,603,535 and net pension liabilities of (\$2,477,139) are not due and payable in the current period and, therefore, are not reported as assets or liabilities in the funds. Deferred inflows related to pensions of (\$5,224,131) and deferred outflows related to pensions of \$4,372,262 are not considered current and thus not recorded at the fund level.	274,527
Accrued interest is not due and payable in the current period and; therefore, is not reported as a liability in the funds.	(62,091)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	<u>(19,314,181)</u>
Total Net Position - Governmental Activities	<u>\$ 28,038,140</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF GREENEVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

	General Fund	General Purpose School Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 21,419,862	6,620,101	-	28,039,963
Licenses and Permits	130,625	-	-	130,625
Intergovernmental	4,387,747	15,458,928	4,102,033	23,948,708
Charges for Services	832,619	772,654	1,863,635	3,468,908
Fines, Fees, and Costs	116,973	-	-	116,973
Investment Income	278,571	874	5,982	285,427
Other Revenues	-	583,038	40,584	623,622
TOTAL REVENUES	27,166,397	23,435,595	6,012,234	56,614,226
EXPENDITURES				
Current				
General Government	1,207,204	-	-	1,207,204
Education	-	28,007,230	1,917,238	29,924,468
Public Safety	6,117,059	-	-	6,117,059
Public Works	1,583,130	-	2,119,634	3,702,764
Health and Welfare	1,874,501	-	-	1,874,501
Community Development	-	-	433,408	433,408
School Nutrition	-	-	1,510,198	1,510,198
Public Enterprises	185,000	-	-	185,000
Other Operating Expenditures	4,648,755	-	-	4,648,755
Capital Outlay	2,115,611	572,395	771,747	3,459,753
Debt Service				
Principal	2,162,297	-	50,000	2,212,297
Interest and Fees	596,826	-	-	596,826
TOTAL EXPENDITURES	20,490,383	28,579,625	6,802,225	55,872,233
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,676,014	(5,144,030)	(789,991)	741,993
OTHER FINANCING SOURCES (USES)				
Proceeds from Sales of Assets	41,021	-	-	41,021
Insurance Recoveries	45,779	-	174,750	220,529
Proceeds from Issuance of Notes Payable	-	-	250,000	250,000
Refunding Bonds Issued	6,540,000	-	-	6,540,000
Re-Offering Premium	1,431,497	-	-	1,431,497
Payment to Refunding Bond Escrow Agent	(7,843,033)	-	-	(7,843,033)
Transfers In	338,987	5,872,535	824,434	7,035,956
Transfers Out	(6,683,109)	(352,847)	-	(7,035,956)
TOTAL OTHER FINANCING SOURCES (USES)	(6,128,858)	5,519,688	1,249,184	640,014
NET CHANGE IN FUND BALANCES	547,156	375,658	459,193	1,382,007
FUND BALANCES - BEGINNING				
Prior Period Adjustment	411,613	-	-	411,613
FUND BALANCES - BEGINNING - RESTATED	10,059,670	4,041,728	1,994,175	16,095,573
FUND BALANCES - ENDING	\$ 11,018,439	4,417,386	2,453,368	17,889,193

The notes to the financial statements are an integral part of this statement.

TOWN OF GREENEVILLE, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Total Net Change in Fund Balances - Governmental Funds	\$ 1,382,007
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds 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 depreciation expense of \$3,874,950 exceeds capital outlay additions of \$3,154,222, which meets the Town's capitalization policy.	(720,728)
Expenses on the statement of activities for accrued interest payable do not require the use of current financial resources. Therefore, it is not reported as an expenditure in the governmental funds. Accrued interest expense changed by this amount for the current year.	9,806
Expenses for compensated absences and retirement incentives do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. Long-term obligations related to compensated absences and retirement incentives changed by this amount for the current year.	(96,706)
Total other post-employment benefits (OPEB) liability and related deferred inflows and deferred outflows are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(374,704)
Net adjustment for net pension liability (asset) and related deferred inflows and deferred outflows entries are not due and payable in the current period and, therefore, are not reported in the governmental funds.	876,285
The issuance of long-term debt (e.g., bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of 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.	2,009,911
The net effect of various miscellaneous transactions involving capital assets including disposals of assets is to decrease Net Position.	(14,718)
Some property taxes and grants will not be collected for several months after the Town's fiscal year end, and therefore they are not considered "available" revenues and are deferred inflows in the governmental funds. Unearned tax and grant revenues increased by this amount for the current year.	<u>(1,034,441)</u>
Change in Net Position of Governmental Activities	<u>\$ 2,036,712</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF GREENEVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Local Taxes				
General Property Taxes	\$ 11,284,704	11,473,530	9,991,938	(1,481,592)
Penalty and Interest	62,000	62,730	81,914	19,184
In Lieu of Tax	71,000	72,438	1,705,322	1,632,884
Local Sales Tax	7,500,000	7,000,000	7,795,710	795,710
Business Tax	660,000	575,000	578,859	3,859
Local Beer Tax	668,480	650,000	686,790	36,790
Local Liquor Tax	210,000	195,000	270,692	75,692
Franchise Taxes	303,000	300,000	290,434	(9,566)
Privilege Tax	7,200	7,200	7,078	(122)
Other Taxes	2,270	2,250	11,125	8,875
Total Local Taxes	20,768,654	20,338,148	21,419,862	1,081,714
Licenses and Permits				
On Premise License	7,000	7,000	8,474	1,474
Burn Permits	1,500	1,500	825	(675)
Building Permits	95,000	120,000	121,326	1,326
Total Licenses and Permits	103,500	128,500	130,625	2,125
Intergovernmental Revenues				
Mixed Drink Tax	75,000	77,000	76,055	(945)
In Lieu of Taxes - TVA	178,000	178,000	185,471	7,471
State Sales Tax	1,400,000	1,300,000	1,405,986	105,986
Income Tax	100,000	100,000	104,082	4,082
State Beer Tax	7,500	7,500	7,056	(444)
Excise Tax	75,000	75,000	116,581	41,581
Revenue Sharing	50,000	30,000	29,903	(97)
Police and Fire - State Salary Supplements	70,000	65,000	-	(65,000)
Senior Center - State Grant Funds	11,200	11,200	11,200	-
Senior Citizen Title III Grant Funds	39,300	39,300	33,466	(5,834)
State Grant Funds	256,000	1,733,911	1,462,475	(271,436)
State Highway Maintenance	120,000	120,000	92,761	(27,239)
Other	140,000	140,000	822,296	682,296
Greene County - Recreation	40,000	40,000	40,415	415
Total Intergovernmental Revenues	2,562,000	3,916,911	4,387,747	470,836

(Continued)

**TOWN OF GREENEVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES (CONTINUED)				
Charges for Services				
Sidewalks	8,000	8,000	5,844	(2,156)
Property Clean Up	5,000	5,000	-	(5,000)
Vendor Registration	1,000	1,000	175	(825)
Litigation and Court Costs	205,000	187,500	225,115	37,615
Driving School Fees	10,000	9,000	10,750	1,750
Drug Cash Forfeitures	17,000	15,000	14,990	(10)
Police and Fire	-	-	84,400	84,400
Fines, Fees and Costs	301,200	301,000	347,588	46,588
Outside Fire Protection	68,000	65,000	70,041	5,041
Cardboard Sales	40,000	35,000	11,704	(23,296)
Senior Center - State Transportation Funds	500	300	6,078	5,778
Senior Center	13,500	10,000	7,162	(2,838)
Miscellaneous	309,220	309,000	32,772	(276,228)
Senior Center - County	14,000	14,000	16,000	2,000
Total Charges for Services	<u>992,420</u>	<u>959,800</u>	<u>832,619</u>	<u>(127,181)</u>
Fines, Fees, and Costs				
Recreation - Miscellaneous	<u>140,000</u>	<u>100,000</u>	<u>116,973</u>	<u>16,973</u>
Total Fines, Fees, and Costs	<u>140,000</u>	<u>100,000</u>	<u>116,973</u>	<u>16,973</u>
Investment Income				
Interest	<u>123,000</u>	<u>120,000</u>	<u>278,571</u>	<u>158,571</u>
Total Investment Income	<u>123,000</u>	<u>120,000</u>	<u>278,571</u>	<u>158,571</u>
TOTAL REVENUES	<u>24,689,574</u>	<u>25,563,359</u>	<u>27,166,397</u>	<u>1,603,038</u>

(Continued)

TOWN OF GREENEVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
EXPENDITURES				
General Government				
Mayor and Aldermen	38,676	33,226	33,074	152
City Judge	6,500	5,042	5,500	(458)
Administrator	225,757	250,939	256,289	(5,350)
Election Commission	20,000	19,334	19,334	-
Recorder	405,138	424,244	444,813	(20,569)
Human Resources	166,610	133,809	109,181	24,628
Planning Commission	53,666	52,137	56,007	(3,870)
Civil Service Board	8,000	15,365	14,479	886
Other General Government	239,304	264,103	268,527	(4,424)
Total General Government	1,163,651	1,198,199	1,207,204	(9,005)
Public Safety				
Police Department	3,229,077	3,322,425	3,202,918	119,507
Fire Department	2,558,875	2,529,674	2,458,784	70,890
Building Inspector	176,137	177,836	166,947	10,889
Other Public Safety	86,196	135,831	288,410	(152,579)
Capital Outlay	542,300	730,116	750,805	(20,689)
Total Public Safety	6,592,585	6,895,882	6,867,864	28,018
Public Works				
Street Repair	1,174,938	1,213,849	1,135,583	78,266
Street Lighting	348,000	333,467	374,306	(40,839)
Town Hall	87,876	79,615	73,241	6,374
Capital Outlay	-	917,615	878,597	39,018
Total Public Works	1,610,814	2,544,546	2,461,727	82,819

(Continued)

TOWN OF GREENEVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (CONTINUED)				
Health and Welfare				
Neighborhood	15,600	12,225	13,291	(1,066)
Roby Center	225,637	209,191	200,980	8,211
General Recreation	352,961	364,948	363,013	1,935
Pools	80,000	61,540	39,193	22,347
Ball Programs	167,000	135,000	127,830	7,170
Building and Grounds Maintenance	509,408	527,373	479,274	48,099
Other Health and Welfare	331,862	370,757	650,920	(280,163)
Capital Outlay	546,500	181,168	486,209	(305,041)
Total Health and Welfare	2,228,968	1,862,202	2,360,710	(498,508)
Public Enterprises				
Airport	185,000	185,000	185,000	-
Total Public Enterprises	185,000	185,000	185,000	-
Other Operating Expenditures				
Economic Development Assistance -				
Grants and Contributions	212,000	212,000	206,660	5,340
Social Security	561,070	573,014	532,566	40,448
Retirement	1,230,638	1,255,904	1,121,168	134,736
Insurance	602,790	602,790	495,878	106,912
Medicare Supplement	11,550	11,550	11,313	237
Medical Insurance	1,852,376	1,865,876	2,089,506	(223,630)
Miscellaneous	6,000	5,000	-	5,000
Clerk and Master Fees	-	-	5,297	(5,297)
Contingencies	-	-	788	(788)
Chamber of Commerce	10,227	9,700	9,700	-
Industrial Board	74,798	74,798	74,798	-
Ambulance Authority	-	-	60,341	(60,341)
Unemployment Compensation	13,500	-	1,078	(1,078)
Junior Achievement Board	1,000	1,000	-	1,000
Main Street - Greeneville	39,500	39,662	39,662	-
Other Capital Projects	-	121,494	-	121,494
Total Other Operating Expenditures	4,615,449	4,772,788	4,648,755	124,033

(Continued)

TOWN OF GREENEVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (CONTINUED)				
Debt Service				
Principal	2,162,297	2,162,297	2,162,297	-
Interest	589,260	439,259	467,912	(28,653)
Bond Issue Costs	150,000	150,000	126,933	23,067
Fees	1,550	1,981	1,981	-
Total Debt Service	<u>2,903,107</u>	<u>2,753,537</u>	<u>2,759,123</u>	<u>(5,586)</u>
 TOTAL EXPENDITURES	 <u>19,299,574</u>	 <u>20,212,154</u>	 <u>20,490,383</u>	 <u>(278,229)</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 <u>5,390,000</u>	 <u>5,351,205</u>	 <u>6,676,014</u>	 <u>1,324,809</u>
 OTHER FINANCING SOURCES (USES)				
Proceeds from Sales of Assets	72,750	50,000	41,021	(8,979)
Insurance Recoveries	35,000	26,000	45,779	19,779
Re-Offering Premium	-	-	1,431,497	1,431,497
Refunding Bond Issued	-	-	6,540,000	6,540,000
Payment to Refunding Bond Escrow Agent	-	-	(7,843,033)	(7,843,033)
Transfers In	370,000	370,000	338,987	(31,013)
Transfers Out	<u>(6,722,212)</u>	<u>(6,855,930)</u>	<u>(6,683,109)</u>	<u>172,821</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>(6,244,462)</u>	 <u>(6,409,930)</u>	 <u>(6,128,858)</u>	 <u>281,072</u>
 NET CHANGE IN FUND BALANCE	 (854,462)	 (1,058,725)	 547,156	 1,605,881
 FUND BALANCE - BEGINNING	 10,059,670	 10,059,670	 10,059,670	 -
Prior Period Adjustment	<u>411,613</u>	<u>411,613</u>	<u>411,613</u>	<u>-</u>
 FUND BALANCE - BEGINNING - RESTATED	 <u>10,471,283</u>	 <u>10,471,283</u>	 <u>10,471,283</u>	 <u>-</u>
 FUND BALANCE - ENDING	 <u>\$ 9,616,821</u>	 <u>9,412,558</u>	 <u>11,018,439</u>	 <u>1,605,881</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF GREENEVILLE, TENNESSEE
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
State Education Funds	\$ 15,276,236	15,342,329	15,357,941	15,612
Federal Funds through State	50,000	50,000	46,935	(3,065)
Direct Federal Funds	57,548	45,925	54,052	8,127
Local Taxes	6,106,925	6,657,140	6,620,101	(37,039)
Charges for Services	746,579	798,652	772,654	(25,998)
Investment Income	823	823	874	51
Other Local Revenue	224,191	441,959	583,038	141,079
TOTAL REVENUES	22,462,302	23,336,828	23,435,595	98,767
EXPENDITURES				
Instruction				
Salaries	12,927,274	13,005,424	12,742,042	263,382
Employee Benefits	4,336,317	4,341,017	4,372,287	(31,270)
Contracted Services	256,806	256,806	202,414	54,392
Fee Waivers	25,000	25,000	25,000	-
Equipment	208,069	316,588	451,916	(135,328)
Materials and Supplies	360,431	360,431	390,884	(30,453)
Textbooks	220,250	126,988	199,955	(72,967)
Staff Development	124,200	137,373	127,946	9,427
Travel	14,500	14,500	4,781	9,719
Other	36,210	45,217	12,415	32,802
Total Instruction	18,509,057	18,629,344	18,529,640	99,704
Technology				
Salaries	393,416	393,416	363,509	29,907
Employee Benefits	138,102	138,102	128,774	9,328
Staff Development	45,000	45,000	28,253	16,747
Equipment	367,819	524,628	400,388	124,240
Materials and Supplies	8,500	8,500	5,458	3,042
Other	55,404	62,404	76,882	(14,478)
Total Instruction	1,008,241	1,172,050	1,003,264	168,786
Board of Education				
Salaries	79,944	79,944	91,552	(11,608)
Employee Benefits	6,116	6,116	7,004	(888)
Contracted Services	259,790	259,790	237,693	22,097
Trustee Commissions	96,993	96,993	97,625	(632)
Dues and Memberships	12,370	12,370	10,367	2,003
Other	48,020	54,535	43,667	10,868
Total Board of Education	503,233	509,748	487,908	21,840

(Continued)

TOWN OF GREENEVILLE, TENNESSEE
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (CONTINUED)				
Health				
Salaries	230,949	245,949	237,328	8,621
Employee Benefits	121,019	121,019	107,200	13,819
Contracted Services	14,349	14,349	6,190	8,159
Materials and Supplies	11,394	26,119	32,451	(6,332)
Travel	900	900	-	900
Other	3,000	3,000	4,081	(1,081)
Total Health	381,611	411,336	387,250	24,086
Greene Technology Center	128,143	128,143	135,336	(7,193)
Student Support Services				
Salaries	712,419	772,419	757,012	15,407
Employee Benefits	245,617	245,617	235,517	10,100
Evaluation and Testing	77,945	102,945	102,094	851
Equipment	3,650	103,650	50,639	53,011
Other	8,000	74,090	77,819	(3,729)
Total Student Support Services	1,047,631	1,298,721	1,223,081	75,640
Transportation				
Salaries	291,545	291,545	316,438	(24,893)
Employee Benefits	159,777	159,777	174,696	(14,919)
Contracted Services	71,934	71,934	71,094	840
Materials and Supplies	274,549	276,094	204,040	72,054
Maintenance and Repairs	12,500	12,500	10,303	2,197
Other	13,969	13,969	7,645	6,324
Total Transportation	824,274	825,819	784,216	41,603
Administration				
Salaries	1,675,262	1,690,262	1,668,998	21,264
Employee Benefits	523,067	523,067	504,262	18,805
Contracted Services	-	-	422	(422)
Equipment	81,284	102,061	97,692	4,369
Materials and Supplies	15,295	15,295	13,042	2,253
Communications	82,215	97,215	93,527	3,688
Travel	3,288	3,288	215	3,073
Dues and Memberships	7,883	7,883	7,273	610
Other	60,551	66,551	67,028	(477)
Total Administration	2,448,845	2,505,622	2,452,459	53,163

(Continued)

TOWN OF GREENEVILLE, TENNESSEE
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (CONTINUED)				
Maintenance and Operations				
Salaries	994,788	994,788	955,699	39,089
Employee Benefits	459,649	459,649	438,009	21,640
Insurance	139,757	139,757	126,739	13,018
Contracted Services	91,500	91,500	89,341	2,159
Equipment	-	-	29,435	(29,435)
Utilities	781,264	781,264	686,784	94,480
Materials and Supplies	84,850	84,850	106,249	(21,399)
Maintenance and Repairs	295,431	455,103	436,159	18,944
Communications	4,536	4,536	3,810	726
Building Improvements	438,476	565,896	564,048	1,848
Capital and Other Funds to Town	118,193	118,193	111,000	7,193
Other	16,650	28,766	29,198	(432)
Total Maintenance and Operations	<u>3,425,094</u>	<u>3,724,302</u>	<u>3,576,471</u>	<u>147,831</u>
TOTAL EXPENDITURES	<u>28,276,129</u>	<u>29,205,085</u>	<u>28,579,625</u>	<u>625,460</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,813,827)</u>	<u>(5,868,257)</u>	<u>(5,144,030)</u>	<u>724,227</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	5,884,121	5,884,121	5,872,535	(11,586)
Operating Transfers Out	<u>(338,987)</u>	<u>(338,987)</u>	<u>(352,847)</u>	<u>(13,860)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,545,134</u>	<u>5,545,134</u>	<u>5,519,688</u>	<u>(25,446)</u>
NET CHANGE IN FUND BALANCE	(268,693)	(323,123)	375,658	698,781
FUND BALANCE - BEGINNING	<u>4,041,728</u>	<u>4,041,728</u>	<u>4,041,728</u>	-
FUND BALANCE - ENDING	<u>\$ 3,773,035</u>	<u>3,718,605</u>	<u>4,417,386</u>	<u>698,781</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF GREENEVILLE, TENNESSEE
STATEMENT OF NET POSITION
WATER AND LIGHT COMMISSION
June 30, 2020

ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 10,432,597
Cash - Construction Account	905,383
Accounts and Other Receivables, Net	601,193
Inventory - Materials and Supplies	516,925
Prepaid Expenses and Other Current Assets	222,410
Investments	<u>2,893,829</u>
Total Current Assets	<u>15,572,337</u>
Capital Assets	
Land and Land Rights	730,754
Construction in Progress	1,587,533
Buildings and Improvements	41,478,566
Equipment, Vehicles, and Distribution Systems	30,197,886
Less: Accumulated Depreciation	<u>(40,143,779)</u>
Net Capital Assets	33,850,960
Cash - Restricted Retainage	<u>71,366</u>
Total Noncurrent Assets	<u>33,922,326</u>
TOTAL ASSETS	<u>49,494,663</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to OPEB	4,031
Deferred Outflows Related to Pensions	<u>420,347</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>424,378</u>

(Continued)

TOWN OF GREENEVILLE, TENNESSEE
STATEMENT OF NET POSITION
WATER AND LIGHT COMMISSION
June 30, 2020

TOTAL LIABILITIES	
Current Liabilities, Payable from Current Assets	
Accounts Payable	343,115
Accrued Wages and Other Accrued Expenses	35,276
Accrued Sales Tax	20,862
Accrued Compensated Absences, Current Portion	316,696
Total Current Liabilities, Payable from Current Assets	715,949
Current Liabilities, Payable from Designated Assets	
Accounts Payable, Construction Funds	403,646
Retainage Payable, Construction Funds	71,366
Total Current Liabilities, Payable from Designated Assets	475,012
Long-Term Liabilities	
Customer Deposits	337,624
Other Post-Employment Benefits	79,995
Net Pension Liability	427,284
Amounts Due for Easements Purchased	38,375
Total Long-Term Liabilities	883,278
TOTAL LIABILITIES	2,074,239
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to OPEB	24,598
Deferred Inflows Related to Pensions	350,015
TOTAL DEFERRED OUTFLOWS OF RESOURCES	374,613
NET POSITION	
Investment in Capital Assets	33,850,960
Unrestricted	13,619,229
TOTAL NET POSITION	\$ 47,470,189

The notes to the financial statements are an integral part of this statement.

TOWN OF GREENEVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
WATER AND LIGHT COMMISSION
For the Fiscal Year Ended June 30, 2020

OPERATING REVENUES	
Charges for Services	<u>\$ 10,090,956</u>
TOTAL OPERATING REVENUES	<u>10,090,956</u>
OPERATING EXPENSES	
Power and Pumping	818,251
Purification and Treatment	2,188,473
Sewer Mains	386,970
Maintenance	207,427
Distribution Expense	781,954
Depreciation	1,842,699
Customer Accounts Expense	318,088
General and Administrative Expense	2,330,814
Other	<u>97,423</u>
TOTAL OPERATING EXPENSES	<u>8,972,099</u>
OPERATING INCOME (LOSS)	<u>1,118,857</u>
NONOPERATING REVENUES (EXPENSES)	
Investment Income	47,124
Intergovernmental	<u>334,539</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>381,663</u>
CHANGE IN NET POSITION	1,500,520
NET POSITION - BEGINNING	<u>45,969,669</u>
NET POSITION - ENDING	<u><u>\$ 47,470,189</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF GREENEVILLE, TENNESSEE
STATEMENT OF CASH FLOWS
WATER AND LIGHT COMMISSION
For the Fiscal Year Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received From Customers	\$ 10,503,195
Cash Payments to Suppliers for Goods and Services	(4,696,895)
Cash Payments to Employees for Services	<u>(2,257,771)</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>3,548,529</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	(3,885,857)
Grants from Federal and State Sources	<u>334,539</u>
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(3,551,318)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Certificates of Deposits	<u>(744,901)</u>
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	<u>(744,901)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(747,690)
CASH, RESTRICTED CASH AND CASH EQUIVALENTS - BEGINNING	<u>12,157,036</u>
CASH, RESTRICTED CASH AND CASH EQUIVALENTS - ENDING	<u><u>\$ 11,409,346</u></u>

(Continued)

TOWN OF GREENEVILLE, TENNESSEE
STATEMENT OF CASH FLOWS
WATER AND LIGHT COMMISSION
For the Fiscal Year Ended June 30, 2020

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES

OPERATING INCOME (LOSS)	\$ 1,118,857
Depreciation	1,842,699
Provision for Bad Debts	8,167
(Increase) Decrease in	
Accounts and Other Receivables, Net, and Due from Other Governments	404,072
Inventory - Materials and Supplies	(105,337)
Prepaid Expenses and Other Current Assets	(27,326)
Deferred Outflows Related to Pensions	66,018
Deferred Outflows Related to OPEB	(1,838)
Increase (Decrease) in	
Accounts, Construction, and Retainage Payables	305,792
Other Accrued Liabilities	62,300
Customer Deposits	5,433
Net Pension Liability	(288,941)
Other Post-Employment Benefits	2,872
Deferred Inflows Related to Pensions	159,187
Deferred Inflows Related to OPEB	(3,426)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 3,548,529</u>

The Cash and Cash Equivalents are classified on the Statement of Net Position as the following:

Cash and Cash Equivalents	\$ 10,432,597
Cash - Construction Account	905,383
Cash - Restricted Retainage	<u>71,366</u>
Total Cash and Cash Equivalents	<u>\$ 11,409,346</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Greeneville, Tennessee (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The Town is a municipal corporation governed by a Mayor and Alderman form of government. The Town was incorporated in 1903 under the provisions of the State of Tennessee and operates under a Council/Administrator form of government. It has the usual corporate powers of municipalities including taxation, entering into contracts, and issuing bonds. The following services are authorized by Charter: Public Safety (Police and Fire), Public Works, Public Welfare, Public Utilities, Education, Planning and Zoning, and general administrative duties.

The Town, for financial statement purposes, includes all of the funds relevant to the operations of the Town. The financial statements presented herein do not include agencies that have been formed under applicable state laws as separate and distinct units of government apart from the Town.

As required by accounting principles generally accepted in the United States of America, these financial statements present the Town and its special revenue and enterprise fund types. The Town of Greeneville Board of Education and Greeneville Water and Light Commission are included in the Town's reporting entity because of the significance of their operational or financial relationships with the Town.

The Town of Greeneville Board of Education – Members of the Town of Greeneville Board of Education (Board of Education), which are elected officials, approve its budgets including funding for the operation of the schools. The operations of the Board of Education are reported in the General Purpose School, Federal Projects, School Nutrition, and Extended School Program Funds, which are special revenue funds.

Commissioners of the Greeneville Water and Light Commission (Water and Light Commission) are elected officials. The Water and Light Commission cannot issue bonded debt without the approval of the Mayor and Board of Aldermen. Operations of the water and wastewater systems are reported in the Water and Light Commission, which is an enterprise fund.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Individual Component Unit Disclosures

In evaluating how to define the government, for financial reporting purposes, the Town management has considered all potential component units. A component unit is an organization for which the Town is financially accountable, or for which the nature and significance of their relationship with the Town is such that exclusion from the Town's financial statements would cause them to be misleading or incomplete. The decision to include a potential component unit in the reporting entity was made by applying the criteria as set forth by GASB. The Town is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization or there is a potential for the entity to provide specific financial benefit to or impose specific financial burden on the Town. Additionally, the primary government is required to consider other entities for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon the application of these criteria, the Town has one discretely presented component unit:

The Greeneville Municipal Airport Authority (the Authority) operated as a joint venture of the Town and Greene County, Tennessee (the County) until August 2019. A dissolution agreement between the Authority, County and Town was signed and became effective by the Authority on August 3, 2019. At that time, the previous joint venture agreement was terminated and the Authority, a component unit of the Town, assumed all assets, liabilities, projects and risks with the sole exception of any tort claim arising out of the Authority's operations prior to July 1, 2019. Also, effective August 3, 2019, articles of amendment to the charter with the State of Tennessee was filed to change the name and charter structure of the entity from the Greeneville-Greene County Airport Authority to the Greeneville Municipal Airport Authority. The Authority was chartered in 1980 to develop and operate aviation facilities to service the Town and the County, and the revised charter is dated in 2019 as a municipal Authority.

The Board of the Authority is appointed by the Town's Board of Mayor and Aldermen. The Authority is dependent upon ongoing funding from the Town, in addition, the full faith, credit and resources of the Town are also pledged on the airport debt.

Complete financial statements of the Authority may be obtained from the administrative office at Town of Greeneville at:

Town of Greeneville
200 N. College Street
Greeneville, Tennessee 37745

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Joint Ventures and Jointly Governed Entities

The Town participates in several joint ventures and jointly governed entities as follows:

Greeneville-Greene County Landfill - The Greeneville-Greene County Landfill (the Landfill) is operated jointly by the Town and Greene County, Tennessee. The facility serves as a transfer station for Classes I and II and classified special waste, which is transported out of Greene County. In addition, the Landfill operates a Class III/IV landfill. The Town acts as a fiscal agent for the Landfill. The Town and Greene County have an ongoing financial responsibility for the Landfill. For the fiscal year ended June 30, 2020, the Town and Greene County did not appropriate funds to the Landfill. At June 30, 2020, the Landfill's net position was \$1,743,356, of which \$645,929 was the investment in capital assets.

Greeneville-Greene County Library - The Greeneville-Greene County Library (the Library), a discretely presented component unit of Greene County, is also a joint venture of Greene County and the Town. The Library serves all citizens of Greene County and is governed by a board appointed, in majority, by the Greene County Commission and also by the Town of Greeneville. The Town acts as a fiscal agent for the Library. The Library generates its operating revenue from donations, fines, copy fees, and appropriations from Greene County and the Town. For the fiscal year ended June 30, 2020, the Town and Greene County appropriated \$108,500 and \$90,000, respectively, to supplement the Library's operating revenues. At June 30, 2020, the Library's net position was \$501,040, of which \$251,017 was the investment in capital assets.

Greeneville-Greene County Center for Technology - The Greeneville-Greene County Center for Technology (Greene Technology Center or the Center) is a joint venture that is operated by the Board of Education and the Greene County Board of Education. The Center is dependent upon funding from both of these related entities.

For the fiscal year ended June 30, 2020, the appropriations from the Town's Board of Education, the Greene County Board of Education and Greene County as reported in the audit report of the Board of Education, audited by other auditors, were as follows:

State of Tennessee and Federal Funds	\$	938,357
(includes \$111,373 in Federal Funds from Greene County Board of Education)		
Greene County		607,495
Greene County Board of Education		304,571
Greeneville Board of Education		135,336
Total	\$	1,985,759

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Joint Ventures and Jointly Governed Entities (Continued)

Greenville-Greene County Center for Technology (Continued)

The Center maintains its own bank account, through which all revenues and expenses are run. The Board of Education is responsible for this account. The Center's expenditures were paid out of this account during the year.

Industrial Development Board - The Industrial Development Board (IDB) was created and jointly governed by the Town and Greene County. The board is composed of sixteen members, eight from each government, including the mayors for the Town and Greene County and seven other members each as approved by the Town and Greene County. The Town's administrator assists with certain financial procedures of the IDB, including signing disbursements. The purpose is to promote economic development by inducing manufacturing, industrial, governmental, educational, financial, service, commercial, recreational, and agricultural enterprises to locate in or remain in Greene County and the Town of Greeneville. Other than pass-through of tax-increment financing collections and remissions, the Town did not appropriate any funds for this operation during the fiscal year ending June 30, 2020 or have any ongoing financial interest or responsibilities for the entity. There were no separately issued audited financial statements for the IDB.

A summary of the joint ventures' audited information as of June 30, 2020 is presented below, including the Library, a discretely presented component unit of Greene County. All are presented on the accrual basis.

	Greene County Landfill	Greenville- Greene County Library (A Component Unit of Greene County)	Greenville- Greene Technology Center
Charges for Services/Operating Revenues	\$ 1,812,830	19,308	-
Operating Grants and Contributions	-	50,296	1,364,325
Operating and Other Expenses	(1,777,941)	(313,271)	(1,872,387)
General Revenues	43,913	230,984	595,000
Change in Net Position	78,802	(12,683)	86,938
Net Position, Beginning	1,664,554	513,723	977,862
Net Position, Ending	\$ 1,743,356	501,040	1,064,800
Total Assets and Deferred Outflows	\$ 3,129,076	581,438	1,794,686
Total Liabilities and Deferred Inflows	1,385,720	80,398	729,886
Total Net Position	\$ 1,743,356	501,040	1,064,800

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Joint Ventures and Jointly Governed Entities (Continued)

Complete sets of financial statements are issued separately for each of the Town's joint ventures and jointly governed entities and are available upon request.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements, and it relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred regardless of the timing of related cash flows.

The governmental fund financial statements are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid sick pay, which is not accrued; and (2) principal and interest on general obligation long-term debt, which is recognized when due.

Basic Financial Statements

The Town's basic financial statements include both the government-wide (reporting the Town as a whole) and fund financial statements. Separate fund financial statements are provided for governmental funds and the proprietary fund. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

Basic Financial Statements – Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity 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.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Government-Wide Statements (Continued)

In the government-wide statement of net position, the governmental activities are reported on the full accrual, economic resources basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations, as are the proprietary fund financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The net cost (by function) is normally covered by general revenue (intergovernmental revenues, interest income, etc.).

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 fiscal year for which they are levied, even though the receivable is recognized in the prior period when the enforceable legal claim arises. Property taxes recognized as receivable before the period of revenue recognition have been reported as unearned revenues. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The Town's net position is reported in three parts – net investment in capital assets, restricted net position, and unrestricted net position, as applicable. When both unrestricted and restricted fund resources are available for use, it is the Town's policy to use restricted resources first.

This government-wide focus is more on the sustainability of the Town as an entity and the changes in the Town's net position resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the Town are reported in the fund financial statements. The funds are accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows, deferred outflows, fund balance, net position, revenues and expenditures/expenses.

Governmental Funds

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. The government considers property taxes as available if they are collected within 60 days after fiscal year-end.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

Governmental Funds (Continued)

A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

In accordance with the GASB, certain revenues are required to be, and are recognized, in the General Fund as a receivable at June 30 and either as revenue or deferred outflows of resources, depending upon revenue recognition policies of the entity. In general, taxes, licenses, federal and state grant funds, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Business taxes are not considered measurable and therefore are not susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the government.

The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial positions (sources, uses, and balances of the financial resources) rather than on net income.

The Town reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the Town. It is established to account for resources devoted to financing the general services of the Town for its citizens. General tax revenues and other sources of revenue used in the operation of the Town are included in this fund. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

General Purpose School Fund – The General Purpose School Fund accounts for transactions of the Board of Education. The major sources of revenues for this fund are State-shared revenues and Town-shared local property and sales taxes.

Nonmajor Governmental Funds – The Town reports the following nonmajor governmental funds: State Street Aid Fund, Community Development Fund, Municipal Solid Waste Fund, Parking Fund, Federal Projects Fund, School Nutrition Fund, and Extended School Program.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

Governmental Funds (Continued)

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” At June 30, 2020, there were no such government-wide internal balances.

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, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary Fund

The focus of the proprietary fund measurement is on determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are similar to those of businesses in the private sector. The following is a description of the proprietary fund of the Town:

Enterprise Fund – Water and Light Commission is an enterprise fund. An enterprise fund is a proprietary type fund used to account for operations 1) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Town reports the Water and Light Commission as a major proprietary fund. The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

Proprietary Fund (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 Town's enterprise fund is charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Effective July 1, 2019, Greeneville Light and Power System reorganized to form an energy authority and is now the Greeneville Energy Authority. The Authority is a political subdivision of the State of Tennessee, and is the new legal entity which replaced the former Light and Power System. Effective July 1, 2019, the Authority is no longer a fund of the Town. Therefore the Light and Power System is no longer reflected in the Town's audit report and the business-type activities columns on the Statement of Activities as well as beginning balances for capital assets and long-term liabilities have been adjusted to no longer include the Light and Power System balances as of June 30, 2019.

Revenue Recognition

Property taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied on October 1 become delinquent March 1 of the following year. Property taxes attach as a lien on property after one year of delinquency.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year-end. Allowances for uncollectible taxes within the General Fund are based upon historical experience in collecting taxes.

Revenue for the Water and Light Commission is billed to customers based on a monthly meter reading cycle. The Water and Light Commission's net revenue from any service rendered from the latest billing cycle date to the end of the month and their related expenses are not considered material and are not reflected in the financial statements. Expenses of the Water and Light Commission are allocated between the water and wastewater divisions by the specific identification method for direct costs. Other costs are allocated in the ratio of operating revenues and the ratio of water customers to wastewater customers.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Commodities of School Nutrition Fund and Other Nonmonetary Contributions

Commodities received by School Nutrition from the USDA and other nonmonetary assistance received by the Town are recognized as revenue at the estimated fair market value in the period when all eligibility requirements are met (usually, when the commodities or other nonmonetary items are received).

Pricing of Meals - School Nutrition

The cost of meals exceeds the price charged to students set by the Board of Education. The costs are supplemented by the USDA reimbursements on all meals and USDA donated commodities.

Tap Fees

Tap fees charged by the Water and Light Commission to join an existing line or extension of an existing line are recorded as operating income. The related costs are expensed.

Budgets and Budgetary Accounting

The Town presents its budget on the modified accrual basis of accounting.

Encumbrance Accounting

Encumbrance accounting is used for the General Purpose School, Federal Projects, School Nutrition, and Extended School Program Funds. Encumbrances are recorded when purchase orders are issued, but are not considered expenditures until liabilities for payments are incurred.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, regular savings accounts, and certificates of deposit with original maturities of three months or less.

Investments

Investments are reported at fair value (generally based on quoted market prices), except for Local Government Investment Pool (LGIP), which is at amortized cost. Investments consist of LGIP, Corporate Bonds and Asset and Mortgage Backed Securities with a maturity date greater than three months.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance
(Continued)**

Investments (Continued)

Specifically, the LGIP was established under *Tennessee Code Annotated* Title 9, Chapter 4, Part 7. This investment pool is established for the use of idle funds of local governments located within the State of Tennessee. These funds are placed by the participating entity into accounts that are held and invested by the State Treasurer. The LGIP invests in time deposits, such as Certificates of Deposit, commercial paper, United States of America agency securities, repurchase agreements, and United States of America treasuries. By law, the LGIP is required to maintain a 90-day or less weighted-average-maturity. The fair value of shares held in the LGIP is the same as the value of the LGIP shares. LGIP investments are carried at amortized cost, which approximates fair value. The Water and Light Commission's interest in the LGIP has been classified as investments and is recorded at amortized cost which approximates fair value. The Tennessee LGIP has not been rated by a nationally recognized statistical rating organization.

Receivables and Allowance for Uncollectible Accounts

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arise. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 60 days of fiscal year-end are considered available and accrued. Estimated uncollectible taxes were based on the prior year's collection experience. Property taxes are levied as of October 1 and the billings are considered past due on March 1 at which time the applicable property is subject to lien and penalties and interest are assessed. For the fiscal year ending June 30, 2020, the 2019 calendar year property tax rate was \$2.1775 per \$100 of assessed value. At June 30, 2020, the allowance for uncollectible accounts in the Town's General Fund was \$81,682.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance
(Continued)**

Receivables and Allowance for Uncollectible Accounts (Continued)

Receivables of the Water and Light Commission are considered past due 30 days from the invoice date. Receivables are stated at the amount management expects to collect from outstanding balances. Amounts are aggregated into a single accounts receivable (net of allowance for uncollectible of \$34,211 at June 30, 2020) line. Management provides for probable uncollectible amounts based on its assessment of the current status of individual accounts through a provision for uncollectible accounts based on the historical collection experience. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. Unbilled receivables are generally not accrued. Unbilled receivables of the Water and Light Commission at June 30, 2020 were estimated at \$406,300. Also, at June 30, 2020, the allowance for uncollectible accounts in the Board of Education's Extended School Program Fund was \$5,740.

Inventories and Prepaid Items

The Water and Light Commission's materials and supplies inventories are valued at the lower of average cost or market.

Food and supply inventories for School Nutrition consist of food and expendable supplies stated on a first-in, first-out basis. They are carried at cost and are subsequently charged to expenditures when consumed.

Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the government-wide financial statements and on the fund level for the proprietary funds. The payments are recorded as prepaid expenditures on the fund level for the governmental funds.

Restricted Assets

Resources have been set aside in demand deposits and certificates of deposit for restricted use, such as cash and cash equivalents set aside for debt retirements and certificates of deposits and investments designated for self-insurance in the Town's general fund. Also, certain assets of the Water and Light Commission have been restricted or designated for a particular use. These assets include restricted cash for construction and retainage deposits.

Unearned Revenues

Governmental funds balance sheet and government-wide statement of net position report unearned revenue liabilities in connection with resources that have been received but not yet earned when applicable.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance
(Continued)**

Capital Assets

Capital assets, including land, buildings and improvements, infrastructure, equipment and vehicles, and construction in progress, are carried at historical cost in the proprietary fund and in the government-wide financial statements for governmental and business-type activities. Donated capital assets are recorded on the government-wide statements at the estimated fair market value of the property received at the date of donation. Capital assets are defined by the Town as items with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Repairs and maintenance are expensed as incurred. Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis over the estimated service life. The estimated useful lives of capital assets are as follows:

Land Improvements	30 - 40 years
Buildings	30 - 40 years
Equipment and Vehicles	3 - 25 years
Infrastructure	3 - 75 years

Payables and Accrued Expenses

Certain payments due reflect costs payable in future accounting periods and are recorded as payables and accrued expenses in the government-wide financial statements and on the fund level for the governmental and the proprietary fund. Accrued expenses at June 30, 2020 include accrued wages and benefits in the governmental funds and include accrued wages sales tax, and other accrued liabilities in the enterprise fund.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance
(Continued)**

Deferred Outflows and Deferred Inflows

In addition to assets, the statement of net position and governmental fund's balance sheet will sometimes report a separate section for deferred outflows of resources. These separate financial statement elements represent a consumption of fund balance or net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2020, the Town reported no deferred outflows in the governmental funds. The Town had certain pension and other post-employment benefit items that qualified for reporting on the government-wide statements in this category at June 30, 2020.

In addition to liabilities, the statement of net position and governmental fund's balance sheet will sometimes report a separate section for deferred inflows of resources. These separate financial statement elements represent an acquisition of fund balance or net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Under the modified accrual basis of accounting, unavailable revenue is reported in the governmental fund's balance sheet, but not on the statement of net position. At June 30, 2020, certain governmental funds of the Town reported unavailable revenues from taxes, grants and related inflows, and notes receivable and other sources collected past the period of availability. These amounts are currently deferred and subsequently recognized as inflows of resources in the period that the amounts become available. The Town had certain pension, other post-employment benefit items, and tax items that qualified for reporting on the government-wide statements in this category at June 30, 2020.

Internal Activity

Loans are reported as interfund receivables and payables as appropriate, and are subject to elimination in the government-wide financial statements, when applicable. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bond issuance costs are expensed as incurred. In the fund financial statements, governmental fund types recognize bond premiums and discounts as expenditures during the current period. The face amount of debt issued is reported as other financing sources, net of applicable premiums and discounts.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

Long-term Obligations (Continued)

Refunded debt when applicable is reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Accumulated Compensated Absences

It is the Town's policy to permit employees to accumulate a limited amount of earned but unused vacation, up to one year's vacation time plus 100 hours which will be paid to employees upon separation from the Town's service. The Town's Board of Education employees are permitted to accumulate a limited amount of earned but unused vacation up to twenty days, which will be paid to employees upon separation from the Board of Education. Sick leave can be accumulated indefinitely, but can only be used as service time for retirement if not used for sickness. In the governmental funds, the cost of accumulated vacation expected to be paid in the next 12 months is recorded as a fund liability. The liability for the compensated absences is recorded as long-term liability in the government-wide financial statements. The cost of sick leave is recognized when payments are made to employees. Full-time regular employees are granted sixteen hours of personal leave each calendar year and hours not used during a calendar year are lost. Employees who are separated from employment during the fiscal year will be paid any unused personal leave.

The enterprise fund recognizes the cost of vacation and sick leave pay, up to maximum allowable accumulation, as earned. The Water and Light Commission's policies provide that in the event of termination or retirement, employees are reimbursed for accumulated vacation days up to a maximum of 30 days of vacation for prior years plus any vacation earned in the current year. Water and Light Commission employees can accumulate unlimited days of sick leave. Upon retirement or termination, Water and Light Commission employees are reimbursed for one-third of a maximum of 130 working days.

Other Post-Employment Benefits

For purposes of measuring the other post-employment benefits (OPEB) liability and related OPEB expense, the Town, including the Water and Light Commission and Board of Education, recognizes benefits when they are due and payable, and related deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, in accordance with the benefit terms and actuarial valuations. The Town does not fund the OPEB liability; expenses are paid as incurred.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance
(Continued)**

Pension Plan Obligations

For purposes of measuring the net pension liability (asset) of the Town, including the Water and Light Commission and Board of Education, as applicable, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the Town'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. Pension investments are reported at fair value.

Fund Balance

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The Town has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Mayor and Aldermen is the highest level of decision-making authority for the government that can, by adoption of an ordinance, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned – includes amounts that the Town intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Amounts can be assigned by the Board of Mayor and Aldermen, by the Town's Board of Education, or management.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

Fund Balance (Continued)

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town has provided otherwise in its commitment or assignment actions.

Self-Insurance Reserve

The Town is self-insured for the purpose of paying medical claims of the Town of Greeneville's General Fund employees and their covered dependents, as well as post-employment health care benefits and certain related parties, thus minimizing the total cost of annual medical insurance to the Town. Medical claims exceeding \$70,000 per incident are covered through a private insurance carrier. The self-insurance transactions are recorded in the Town's General Fund and not accounted for in a separate fund.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounting Changes

Provisions of GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, were implemented for the year ended June 30, 2020. This Statement clarifies the definition of debt and requires additional disclosure, such as unused lines of credit, assets pledged as collateral, specified terms with regard to default, and acceleration clauses. The adoption of this standard was done prospectively and had no impact on the beginning net position.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain reclassifications have been made to the June 30, 2019 financial information in order for them to conform to the June 30, 2020 financial statement presentation. Certain reclassifications have been made to the financial information of the Town’s Board of Education and Water and Light Commission, in order for them to conform to the Town-wide financial statement presentation. As discussed previously, given the Light and Power System’s reorganization as of July 1, 2019, the Light and Power System is no longer reflected in the Town’s audit report and the business-type activities columns on the Statement of Activities as well as beginning balances for capital assets and long-term liabilities have been adjusted to no longer include the Light and Power System balances as of June 30, 2019.

The Board of Education’s separately issued report show amounts as reported by other auditors. However, certain amounts were reclassified in the Town’s Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Purpose School Fund in order to conform to the Town’s financial statement presentation. Thus total revenues, total expenditures, and total other financing sources (uses) differ between the aforementioned separately issued report and the Town’s governmental funds financial statements; however, the General Purpose School Fund’s total net change in fund balance and ending fund balance agree between reports, as detailed in Note 2.

NOTE 2 - RECONCILIATION OF FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Funds’ Balance Sheet and the Government-Wide Statement of Net Position

The governmental funds’ Balance Sheet includes a reconciliation between *fund balances- governmental funds* and *net position-governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period, and therefore, are not reported as liabilities in the funds. The details of this \$(19,314,181) difference are as follows:

Bonds Payable	\$ (16,155,000)
Deferred Amount on Issuance Premiums	(1,784,834)
Notes Payable	(200,000)
Deferred Bond Refunding	(155,649)
Retirement Incentive	(196,312)
Capital Leases	(22,901)
Compensated Absences	(799,485)
Net adjustment to reduce fund balances - governmental funds to arrive at net position - governmental activities	\$ (19,314,181)

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 2 - RECONCILIATION OF FINANCIAL STATEMENTS (CONTINUED)

Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. Two elements of that reconciliation states that “net adjustment for net pension liability (asset) and related deferred inflows and deferred outflows are not due and payable in the current period and, therefore, are not reported in the governmental funds” and “total OPEB liability and related deferred inflows and deferred outflows entries are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds”.

The details of these pension and OPEB differences are as follows:

Changes in deferred outflows of resources related to OPEB	\$ (365,976)
Changes in deferred inflows of resources related to OPEB	(531,734)
Changes in total OPEB liability	523,006
Net changes for the effect of OPEB related amounts	\$ (374,704)
Changes in deferred outflows of resources related to pensions	\$ (767,229)
Changes in deferred inflows of resources related to pensions	(2,292,770)
Changes in net pension liability	3,936,284
Net changes for the effect of pension related amounts	\$ 876,285

Another element of that reconciliation states that “expenses for compensated absences and retirement incentives do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. Long-term obligations related to compensated absences and retirement incentives changed by this amount for the current year.” The details of this difference are as follows:

Compensated Absences for the Prior Year	\$ 700,862
Retirement Incentive for the Prior Year	198,229
Compensated Absences for the Current Year	(799,485)
Retirement Incentive for the Current Year	(196,312)
Net adjustment to reduce net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	\$ (96,706)

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 2 - RECONCILIATION OF FINANCIAL STATEMENTS (CONTINUED)

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds and notes) provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of 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.” The details of this difference are as follows:

Principal Repayments:	
Bonds Payable	\$ 1,695,000
Notes Payable	50,000
Capital Leases	547,296
Bond Refunding	7,695,000
Proceeds from Bond Refunding and Notes Payable	
Bonds Payable	(6,540,000)
Premium on Issuance of Bonds	(1,431,497)
Deferred Bond Refunding	(155,649)
Notes Payable	(250,000)
Amortization of Premium	399,761
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$ 2,009,911

Explanation of Certain Differences Between the Town’s Financial Statements Governmental Funds and Governmental Activities and the Separately Issued Board of Education Report

As discussed in Note 1, the General Purpose School Fund required certain reclassifications from the separately issued report by other auditors to conform to the presentation of the Town’s governmental funds financial statements. The details of the fund differences are as follows:

	General Purpose School Fund			Net Change in Fund Balance
	Revenues	Expenditures	Other Financing Sources (Uses)	
Totals - Reported in the Board of Education's Separately Issued Report - Governmental Funds	\$ 29,308,130	28,918,612	(13,860)	375,658
Transfers to the BOE from the Town's General Fund for Operations and Other Items	(5,872,535)	-	5,872,535	-
Transfers from the BOE to the Town's General Fund for Debt Service	-	(338,987)	(338,987)	-
Totals - Reported in the Town's Governmental Funds Financial Statements	\$ 23,435,595	28,579,625	5,519,688	375,658

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 3 - BUDGETARY INFORMATION AND COMPLIANCE

Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund, General Purpose School Fund, and certain Special Revenue Funds. These budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The statements of revenues, expenditures, and changes in fund balance – budget and actual for the General Fund and General Purpose School Fund present comparisons of legally adopted budgets with actual data on a budgetary basis. The schedules of revenues, expenditures, and changes in fund balance – budget and actual present comparisons for nonmajor funds of legally adopted budgets with actual data on a budgetary basis.

The Board of Mayor and Aldermen approve, by ordinance, total budget appropriations by department for the Town. The Town Recorder is authorized to transfer budget amounts within departments of any fund; however, any revisions that alter the total appropriations of any department must be approved by the Board of Mayor and Aldermen. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis within departments.

The Board of Education’s budget process begins with the development of the Board of Education’s goals. The administrative team, school administrators, and central office administrators identify priorities. The Board of Education reviews the budget, and the team makes refinement to the budget until it is adopted by the Board of Education. The Board of Education submits a proposed fiscal year operating budget to the Board of Mayor and Aldermen. The Board of Mayor and Aldermen does not have the authority to make line item adjustments to the budget; they control only the Town appropriation. The operating budget includes proposed revenues and expenditures. Public hearings are conducted to obtain citizen comments on the proposed budget. Upon second reading by the Board of Mayor and Aldermen, the budget is legally adopted. A copy of the budget must be filed with the Commissioner of Education. The Board of Education has the authority to make revisions to the budget as deemed necessary. The amended budget is approved by the Board of Education and reflected in the official minutes of the Board of Education. The original and amended budgets are reflected in these financial statements. Actual expenditures may not legally exceed budget appropriations at the individual fund level. Unused appropriations for all the above annually budgeted funds lapse at the end of the fiscal year.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 3 - BUDGETARY INFORMATION AND COMPLIANCE (CONTINUED)

For the fiscal year ended June 30, 2020, expenditures exceeded budgeted appropriations in the listed departments or funds as follows:

General Fund	
General Government	\$ 9,005
Health and Welfare	498,508
Debt Service	5,586
 General Purpose School Fund	
Greene Technology Center	\$ 7,193
Other Financing Uses	25,446
 Municipal Solid Waste Fund	\$ 151,948

NOTE 4 - DEPOSITS AND INVESTMENTS

Cash includes demand deposits, passbook savings accounts and certificates of deposit with original maturities less than ninety days. Certificates of deposit with original maturities greater than ninety days but less than one year are reflected as certificates of deposit.

Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized as follows:

DEPOSITS: All deposits with financial institutions must be collateralized in an amount equal to 105% of the market value of uninsured deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the Town of Greeneville. Deposits with savings and loan associations must be collateralized by one of the following methods: 1) by an amount equal to 110% of the face amount of uninsured deposits if the collateral is of the same character as that required for other financial institutions; 2) by an irrevocable letter of credit issued by the Federal Home Loan Bank; or 3) by providing notes secured by first mortgages or first deeds of trust upon residential real property located in Tennessee. The promissory notes must be in an amount equal to 150% of the amount of uninsured deposits.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS: State statutes authorize the Town to invest in treasury bonds, notes or bills of the United States; nonconvertible debt securities of the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank and the State Loan Marketing Association; other obligations not listed above which are guaranteed as to principal and interest by the United States or any of its agencies; other evidence of deposit at State and Federal chartered banks and Savings and Loan Associations, obligations of the United States or its agencies under a repurchase agreement and money market funds whose portfolios consist of any of the foregoing investments if approved by the State Director of Local Finance and made in accordance with procedures established by the State Funding Board; the State of Tennessee Local Government Investment Pool; obligations of the Public Housing Authority and bonds of the Tennessee Valley Authority.

The Town does not have a policy for interest rate risk or other credit risk other than pledging securities for amounts in excess of FDIC coverage.

Deposits

Governmental Activities - Town of Greeneville

At June 30, 2020, the bank balance of the Town's governmental activities' bank deposit balances (excluding the Board of Education) approximated \$2,706,294 for cash and cash equivalents and \$9,034,830 for certificates of deposit – long-term. All of the bank carrying value was either covered by the federal depository insurance or through the bank's participation in the Tennessee Bank Collateral Pool. The book balances for cash and cash equivalents was \$2,439,083.

Governmental Activities - Board of Education

The Board of Education's cash accounts represent funds on deposit in a local financial institution. Bank balances of the Board of Education's balances at June 30, 2020 totaled \$5,424,220, all of which was either covered by the federal depository insurance or through the bank's participation in the Tennessee Bank Collateral Pool. The book balance was \$5,494,577.

Business-Type Activities - Water and Light Commission

At June 30, 2020, the bank balances of the Water and Light Commission was approximately \$12 million, all of which was covered by federal depository insurance and the bank participation in the Tennessee Bank Collateral Pool.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Summary of Deposits

A summary of the carrying amount of the Town’s governmental activities deposits per the Statement of Net Position are as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 7,933,660	-	7,933,660
Certificates of Deposit - Long-Term	<u>6,552,264</u>	<u>2,482,566</u>	<u>9,034,830</u>
Total Governmental Activities	<u>\$ 14,485,924</u>	<u>2,482,566</u>	<u>16,968,490</u>

Included within Self-Insurance Investments is \$977 of cash and cash equivalents, not listed above.

A summary of the carrying amount of the Town’s business-type activities deposits per the fund level Statement of Net Position follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Designated</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 11,337,980	71,366	-	11,409,346
Total Business-Type Activities	<u>\$ 11,337,980</u>	<u>71,366</u>	<u>-</u>	<u>11,409,346</u>

Investments

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Credit Risk

As of June 30, 2020, all of the Town's investments in corporate bonds were rated as B-/WR. Certain asset and mortgage backed securities owned by the Town were not rated. Investments rated BBB and higher are considered to be investment grade. Investments rated BB or lower indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time.

Concentration of Credit Risk over Investments

More than 5 percent of the Town's governmental activities investments (excluding long-term certificates of deposits) are in corporate bonds.

Governmental Activities

Investments for the Town are reported at fair value (generally based on quoted market prices). The Town places no limit on the amount the Town may invest in any one issuer.

As of June 30, 2020, the Town held investments in callable corporate bonds totaling \$22,000, funds held with an investment company covered by SPIC. These investments are not permitted under State statutes. Upon sale, call or maturity, the proceeds from these securities will be reinvested in compliance with State Code.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Governmental Activities (Continued)

At June 30, 2020, the Town's credit quality distribution for investments, with credit exposure as a percentage of total investments and weighted average maturity in years, are as follows:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Corporate Bonds	\$ 22,000	7.82
Asset and Mortgage Backed Securities	2,307	1.19
Total Fair Value	\$ 24,307	
Portfolio Weighted Average Maturity		7.57

Investment Type	Rating	Rating Agency	Fair Value	Percentage
Corporate Bonds	B-/WR	Fitch / Standard & Poor's	\$ 22,000	91%
Asset and Mortgage Backed Securities	N/A	N/A	2,307	9%
			\$ 24,307	

Investment maturities by type are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More Than 10
Corporate Bonds	\$ 22,000	-	-	-	22,000
Asset and Mortgage Backed Securities	2,307	-	-	-	2,307
Total Bond Fund Investments	\$ 24,307	-	-	-	24,307

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Governmental Activities (Continued)

Investments at fair value on recurring basis are as follows:

	Total	Fair Value Measurements at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level One)	Significant Other Observable Inputs (Level Two)	Significant Unobservable Inputs (Level Three)
Corporate Bonds	\$ 22,000	22,000	-	-
Asset and Mortgage Backed Securities	2,307	2,307	-	-
Total Investments Reported at Fair Value	<u>\$ 24,307</u>	<u>24,307</u>	<u>-</u>	<u>-</u>

Cash, money market, and brokered certificates of deposit accounts held with investment firms are not represented in this table. This amount as of fiscal year-end was \$977.

Restricted Investments

Certain investments have been restricted for use in the Town’s Self-Insurance Plan. At June 30, 2020, the balance of investments restricted for self-insurance was \$25,284.

Restricted Investments - TCRS Stabilization Trust

Legal Provisions. Greeneville City Schools is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The School Department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member’s funds are restricted for the payment of retirement benefits of that member’s employees. Trust funds are not subject to the claims of general creditors of the Greeneville City Schools. The trust is authorized to make investments as directed by the TCRS Board of Trustees. Greeneville City Schools may not impose any restrictions on investments placed by the trust on their behalf.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Governmental Activities (Continued)

Restricted Investments - TCRS Stabilization Trust (Continued)

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2020, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments where fair value is measured using the Net Asset Value ("NAV") per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Governmental Activities (Continued)

Restricted Investments - TCRS Stabilization Trust (Continued)

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan's custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute ("MAI"), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Governmental Activities (Continued)

Restricted Investments - TCRS Stabilization Trust (Continued)

At June 30, 2020, the Greeneville City Schools had the following investments held by the trust on its behalf:

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 27,778
Developed Market International Equity	N/A	N/A	12,545
Emerging Market International equity	N/A	N/A	3,584
U.S. Fixed Income	N/A	N/A	17,921
Real Estate	N/A	N/A	17,921
Short-term Securities	N/A	N/A	8,961
NAV - Private Equity and Strategic Lending	N/A	N/A	896
Total			\$ 89,606

Investment by Fair Value Level:	Fair Value Measurements Using				NAV
	Fair Value June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 27,778	27,778	-	-	-
Developed Market International Equity	12,545	12,545	-	-	-
Emerging Market International equity	3,584	3,584	-	-	-
U.S. Fixed Income	17,921	-	17,921	-	-
Real Estate	17,921	-	-	17,921	-
Short-term Securities	8,961	-	8,961	-	-
Private Equity and Strategic Lending	896	-	-	-	896
Total	\$ 89,606	43,907	26,882	17,921	896

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Governmental Activities (Continued)

Restricted Investments - TCRS Stabilization Trust (Continued)

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Greeneville City Schools' investment in a single issuer. Greeneville City Schools places no limit on the amount the Town may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Greeneville City Schools to pay retirement benefits of the School employees.

For further information concerning the School Department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at:

<https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag19091.pdf>.

Business-Type Activities

The Water and Light Commission invests funds in the State of Tennessee's Local Government Investment Pool (LGIP), which are measured at amortized cost.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Business-Type Activities (Continued)

At June 30, 2020, the LGIP reported weighted average maturity of 1 to 105 days.

NOTE 5 - RECEIVABLES

Receivables as of June 30, 2020 with the applicable allowances for uncollectible accounts are as follows:

	Governmental Activities			Business - Type Activities
	General	General Purpose School	Nonmajor and Other Funds	Water and Light
Current Receivables:				
Accounts	\$ 598,326	57,715	199,190	568,685
Taxes	10,381,843	-	-	-
Other	-	-	-	66,719
Gross Receivables	10,980,169	57,715	199,190	635,404
Less: Allowance for Uncollectible	(81,682)	-	(5,740)	(34,211)
Total Receivables	<u>\$ 10,898,487</u>	<u>57,715</u>	<u>193,450</u>	<u>601,193</u>

Governmental funds report unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 5 - RECEIVABLES (CONTINUED)

At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	Unavailable	Unearned
Receivables not earned:		
General Government		
Property tax levied for ensuing fiscal year	\$ -	9,742,296
Receivables not received within period of availability:		
General Government		
Notes Receivable	1,935,000	-
Taxes not collected in the period of availability	507,576	-
State Income Tax	50,000	-
Payments in Lieu of Tax	46,367	-
Federal and State Grants	159,947	-
Other Receivables Not Collected in the Period of Availability	46,028	-
	\$ 2,744,918	9,742,296

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 4,359,206	-	-	4,359,206
Construction in Progress	3,471,944	1,181,566	(4,150,547)	502,963
Total Capital Assets, Not Being Depreciated	<u>7,831,150</u>	<u>1,181,566</u>	<u>(4,150,547)</u>	<u>4,862,169</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	68,311,821	1,599,912	-	69,911,733
Infrastructure	50,315,202	622,670	-	50,937,872
Equipment and Vehicles	23,977,951	1,640,114	(319,355)	25,298,710
Total Capital Assets, Being Depreciated	<u>142,604,974</u>	<u>3,862,696</u>	<u>(319,355)</u>	<u>146,148,315</u>
Less Accumulated Depreciation				
Buildings and Improvements	(41,550,040)	(1,796,861)	-	(43,346,901)
Infrastructure	(45,954,535)	(371,023)	-	(46,325,558)
Equipment and Vehicles	(18,230,267)	(1,707,066)	304,637	(19,632,696)
Total Accumulated Depreciation	<u>(105,734,842)</u>	<u>(3,874,950)</u>	<u>304,637</u>	<u>(109,305,155)</u>
Total Capital Assets, Being Depreciated, Net	<u>36,870,132</u>	<u>(12,254)</u>	<u>(14,718)</u>	<u>36,843,160</u>
Governmental Activities, Capital Assets, Net	<u>\$ 44,701,282</u>	<u>1,169,312</u>	<u>(4,165,265)</u>	<u>41,705,329</u>

Current year capital outlay additions of \$3,154,222 are included within Capital Outlay on page 21. In addition, certain capital outlay expenditures were below the Town's capitalization threshold, thus these items were not recorded as additions to capital assets. As further disclosed in Note 20, a prior period adjustment of \$2,260,507 was posted related to construction in progress activities, originally understood to be part of a Town project for Walters State Community College. In fiscal year 2020, it was understood part of the project ultimately is owned by Walters State Community College and not the Town.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business - Type Activities				
Capital Assets, Not Being Depreciated				
Land and Land Rights	\$ 730,754	-	-	730,754
Construction in Progress	2,315,875	3,242,032	(3,970,374)	1,587,533
Total Capital Assets, Not Being Depreciated	<u>3,046,629</u>	<u>3,242,032</u>	<u>(3,970,374)</u>	<u>2,318,287</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	37,903,350	3,575,216	-	41,478,566
Equipment and Distribution Systems	29,158,903	1,038,983	-	30,197,886
Total Capital Assets, Being Depreciated	<u>67,062,253</u>	<u>4,614,199</u>	<u>-</u>	<u>71,676,452</u>
Less Accumulated Depreciation	<u>(38,301,080)</u>	<u>(1,842,699)</u>	<u>-</u>	<u>(40,143,779)</u>
Total Capital Assets, Being Depreciated, Net	<u>28,761,173</u>	<u>2,771,500</u>	<u>-</u>	<u>31,532,673</u>
Business - Type Activities, Capital Assets, Net	<u>\$ 31,807,802</u>	<u>6,013,532</u>	<u>(3,970,374)</u>	<u>33,850,960</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
General Government	\$ 479,018
Education	1,644,722
Public Safety	752,346
Public Works	610,669
Health and Welfare	388,195
Total Governmental Activities Depreciation Expense	<u>\$ 3,874,950</u>
Business-type Activities	
Water and Light Commission	<u>\$ 1,842,699</u>

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 7 - LONG-TERM LIABILITIES

General Obligation and Revenue Bonds

The Town issues general obligation and revenue bonds to provide funds for various construction and major infrastructure improvements, including those of the Board of Education and the discretely presented component unit, Greeneville Municipal Airport Authority. In addition, general obligation bonds have been issued to refund other general obligation bonds. The bonds are direct obligations and are payable from and are secured by a pledge of the tax authority of the Town. General obligation and revenue bonds outstanding were issued for original terms up to 19 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included within the governmental activities will be retired from the General Fund.

Direct Borrowing and Direct Placements

The Town issues other loans to provide funds for various construction and capital outlay projects within the Municipal Solid Waste Fund. Capital Outlay Notes are direct obligations of the Town and pledge the full faith, credit and taxing authority of the Town. Capital outlay notes outstanding were issued for original terms up to 4 years. Repayment terms are structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Capital outlay notes as listed within the governmental activities will be retired by the Municipal Solid Waste Fund.

During the June 30, 2020 year, bonds were issued in the amount of \$6,540,000 to refinance the outstanding 2010A G.O. Refunding Bonds. At the time of the refunding, the 2010A Bonds had an outstanding balance of \$7,880,000, of which all but \$185,000 was refunded. The proceeds were used to advance refund \$7,880,000 of the 2010A bond issue. The net proceeds of \$7,843,033 was deposited to the escrow fund for future debt service payments on the refunded bonds. The objectives of the transaction included, but are not limited to, realizing significant annual aggregate and net present value savings, strengthening the overall financial position of the Town.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

During the fiscal year ended June 30, 2020, the following debt transactions occurred:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation Bonds	\$ 16,990,000	6,540,000	(9,310,000)	14,220,000	1,535,000
Plus: Premiums	728,423	1,431,497	(398,721)	1,761,199	-
General Obligation Bonds - Airport	1,615,000	-	-	1,615,000	-
Plus: Premiums	24,675	-	(1,040)	23,635	-
Airport Revenue and Tax Refunding Bonds	400,000	-	(80,000)	320,000	80,000
Capital Outlay Note	-	250,000	(50,000)	200,000	50,000
Total Governmental Activities					
- Bonds and Notes Payable	<u>\$ 19,758,098</u>	<u>8,221,497</u>	<u>(9,839,761)</u>	<u>18,139,834</u>	<u>1,665,000</u>
Long-Term Obligations					
Compensated Absences	\$ 992,071	1,160,173	(1,036,063)	1,116,181	626,280
Retirement Incentive	198,229	89,636	(91,553)	196,312	90,562
Net Pension Liability	4,771,620	6,717,256	(8,584,453)	2,904,423	-
OPEB Liability	16,204,509	1,082,744	(1,602,865)	15,684,388	-
Capital Leases	570,197	-	(547,296)	22,901	11,238
Total Long-Term Obligations	<u>\$ 22,736,626</u>	<u>9,049,809</u>	<u>(11,862,230)</u>	<u>19,924,205</u>	<u>728,080</u>

The Town's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities. Compensated absences of \$316,696 are related to business-type activities and will be paid from that fund and are reflected as due within one year. Compensated absences of \$799,485 are payable from governmental activities of which \$309,584 are considered due within one year. Net pension liability will be paid from governmental activities (\$2,477,139) and business-type activities (\$427,284). The Board of Education includes two additional pension plans, both of which reflect a pension asset at fiscal year-end and thus are not reflected in the schedule above. OPEB obligations will be paid from governmental activities (\$15,604,393) and business-type activities (\$79,995). The Water and Light Commission also reflects \$38,375 long-term obligation for amounts due for easements purchased.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Accrued Compensated Absences, by Function:

General Government	\$ 60,415
Education	128,203
Public Safety	422,908
Public Works	127,544
Health and Welfare	60,415
Total Accrued Compensated Absences	799,485

Accrued Retirement Incentive - Education	196,312
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\$54,215 capital lease obtained in fiscal year 2018 to purchase public safety equipment. Payments are due annually beginning in fiscal year 2018 until fiscal year 2022. Interest rate of the lease is 3.78%.	22,901
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\$250,000 capital outlay noted obtained in fiscal year 2020 for municipal solid waste equipment. Payments are due annually until fiscal year 2024. Interest rate on the note is 3.74%. The full faith and credit and unlimited property taxing authority of the Town is pledged as security.	200,000
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\$6,540,000 bond issue (G.O. Refunding Bonds, Series 2020). Proceeds to the Town were used to pay off G.O. Refunding Bonds, Series 2010A. Interest is due semi-annually. The bond matures on June 1, 2029. Interest ranges from 2.00% to 5.00%. The bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Town. The full faith and credit of the Town are irrevocably pledged.	6,540,000
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Unamortized premium related to \$6,540,000 bond issue (G.O. Refunding Bonds, Series 2020).	1,418,243
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\$1,615,000 bond issue (General Obligation Bonds, Series 2016A). Proceeds to the Town were to sustain the Authority's future payments on liabilities, paying off the capital outlay note and litigation settlement liability. Interest is due semi-annually. The bond matures on September 1, 2041. Interest ranges from approximately 3.00% to 3.38%. The bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Town. The full faith and credit of the Town are irrevocably pledged. The bonds are additionally payable from, but not secured by, revenues derived from the operation of the Airport.	1,615,000
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Unamortized premium related to \$1,615,000 bond issue (General Obligation Bonds, Series 2016A).	23,635
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\$555,000 bond issue (Airport Revenue and Tax Refunding Bond, Series 2016B, AMT). Proceeds to the Town were to pay off Series 2003 Airport Improvement Project obligation. The bond matures on September 1, 2023 and the interest rate is 2.42%. The bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Town. The full faith and credit of the Town are irrevocably pledged. The bonds are additionally payable from, but not secured by, revenues derived from the operation of the Airport.	320,000
--	---------

\$9,125,000 bond issue (General Obligation Bonds, Series 2017). Proceeds to the Town were restricted to pay off G.O. Refunding Bonds, Series 2009. Interest is due semi-annually. The bond matures on June 1, 2025. Interest rate is 3.00%. The bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Town. The full faith and credit of the Town are irrevocably pledged.	7,680,000
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Unamortized premium related to \$9,125,000 bond issue (G.O. Refunding Bonds, Series 2017).	342,956
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Total Governmental Activities Long-Term Liabilities	19,158,532
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Less: Amounts Due Within One Year	(2,076,384)
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Noncurrent	\$ 17,082,148
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TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Bonds Payable

General Obligation Refunding Bonds, Series 2020, debt service requirements are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 75,000	306,600	381,600
2022	75,000	304,350	379,350
2023	75,000	302,100	377,100
2024	90,000	299,850	389,850
2025	100,000	295,350	395,350
2026-2029	6,125,000	713,900	6,838,900
	<u>\$ 6,540,000</u>	<u>2,222,150</u>	<u>8,762,150</u>

General Obligation Bonds, Series 2016A, debt service requirements are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ -	50,469	50,469
2022	-	50,469	50,469
2023	-	50,469	50,469
2024	-	50,469	50,469
2025	70,000	49,419	119,419
2026-2030	375,000	214,320	589,320
2031-2035	435,000	154,020	589,020
2036-2040	510,000	81,045	591,045
2041-2042	225,000	7,679	232,679
	<u>\$ 1,615,000</u>	<u>708,359</u>	<u>2,323,359</u>

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Bonds Payable (Continued)

Airport Revenue and Tax Refunding Bonds, Series 2016B, debt service requirements are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 80,000	6,776	86,776
2022	80,000	4,840	84,840
2023	80,000	2,904	82,904
2024	80,000	968	80,968
	<u>\$ 320,000</u>	<u>15,488</u>	<u>335,488</u>

In December 2017, the Town, on behalf of the Town's Board of Education, refinanced the General Obligation Bonds, Series 2009, issuing \$9,125,000 General Obligation Bonds, Series 2017. A portion of the new debt's proceeds, \$1,329,975, was advance crossover funding for General Obligation Bonds, Series 2009, payments due in fiscal year 2020; cash of an equal amount was considered restricted at June 30, 2020. G.O. Refunding Bonds, Series 2017, debt service requirements are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 1,460,000	230,400	1,690,400
2022	1,505,000	186,600	1,691,600
2023	1,535,000	141,450	1,676,450
2024	1,570,000	95,400	1,665,400
2025	1,610,000	48,300	1,658,300
	<u>\$ 7,680,000</u>	<u>702,150</u>	<u>8,382,150</u>

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Bonds Payable (Continued)

Annual Debt Service Requirements - Governmental Activities Totals

Total future maturities of governmental long-term debt general obligation and refunding bonds at June 30, 2020 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 1,615,000	594,245	2,209,245
2022	1,660,000	546,259	2,206,259
2023	1,690,000	496,923	2,186,923
2024	1,740,000	446,687	2,186,687
2025	1,780,000	393,069	2,173,069
2026-2030	6,500,000	928,220	7,428,220
2031-2035	435,000	154,020	589,020
2036-2040	510,000	81,045	591,045
2041-2042	225,000	7,679	232,679
	<u>\$ 16,155,000</u>	<u>3,648,147</u>	<u>19,803,147</u>

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Bonds Payable (Continued)

To assist the Town with the Board of Education’s bond payments, the Board of Education agreed to pay the Town for the renovation of two schools. The agreements the Board of Education has with the Town are as follows:

The Board of Education agreed to pay \$1,800,000 to the Town for the renovation of Greeneville Middle School. The Board of Education funds the annual payment from the Basic Education Program (BEP) non-classroom funds. The principal and interest are paid in annual installments, and the last payment is due June 2025. The interest rate is 6.0%. The amount paid to the Town for June 30, 2020 was \$148,500. The principal balance the Board of Education owes the Town for Greeneville Middle School at June 30, 2020 was \$620,000.

To assist the Town for the construction of Greeneville High School, the Board of Education agreed to pay to the Town, on an annual basis, the quarter cent sales tax money the Board of Education receives. The amount paid to the Town for June 30, 2020 was \$190,497. This payment will be made annually through the fiscal year ended 2025.

Capital Outlay Note

Total future maturities of 2020 Capital Outlay Note at June 30, 2020 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 50,000	5,088	55,088
2022	50,000	3,816	53,816
2023	50,000	2,544	52,544
2024	50,000	1,272	51,272
	\$ 200,000	12,720	212,720

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Deferred bond refunding consists of the following.

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
Deferred Gain on Bond Refunding	\$ -	155,649	-	155,649
	<u>\$ -</u>	<u>155,649</u>	<u>-</u>	<u>155,649</u>

Premiums on Long-Term Debt

At June 30, 2020, the governmental activities' premiums on long-term debt, related to the Town's Board of Education and the Town on behalf of the Greeneville-Greene County Airport Authority, were as follows:

Unamortized Premium on Notes Payable Related to:	
G.O. Refunding Bonds, Series 2020	\$ 1,418,243
General Obligation Bonds - Airport, Series 2016A	23,635
G.O. Refunding Bonds, Series 2017	<u>342,956</u>
Total Premiums	<u>\$ 1,784,834</u>

NOTE 8 - CAPITAL LEASES

In fiscal year 2019, the Town entered into a \$54,215 lease agreement for safety equipment, recording initial proceeds from the lease in the governmental funds and recording debt of the governmental activities in the government-wide financial statements. The lease includes five annual installments beginning in fiscal year 2019 of approximately \$12,105, including interest at a rate of 3.78%. Management determined the equipment was individually under the Town's capitalization threshold.

The remaining minimum lease obligation payments at June 30, 2020 were as follows:

<u>Fiscal Year</u>	<u>Total</u>
2021	\$ 12,105
2022	<u>12,104</u>
Total Requirements	24,209
Less: Interest	<u>(1,308)</u>
Total Principal	<u>\$ 22,901</u>

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 9 - FUND BALANCES

As of June 30, 2020, fund balances are composed of the following:

	General Fund	General Purpose School Fund	Nonmajor Governmental Funds	Total
Fund Balances:				
Nonspendable:				
School Nutrition Food Inventory	\$ -	-	40,794	40,794
Prepaid Insurance	128,196	-	-	128,196
Total Nonspendable	<u>128,196</u>	<u>-</u>	<u>40,794</u>	<u>168,990</u>
Restricted for:				
School Nutrition	-	-	549,939	549,939
Police SOF	7,938	-	-	7,938
Special Events	5,862	-	-	5,862
State Street Aid	-	-	1,422,806	1,422,806
Total Restricted	<u>13,800</u>	<u>-</u>	<u>1,972,745</u>	<u>1,986,545</u>
Committed to:				
Driving School Fees	9,076	-	-	9,076
Sidewalks	11,812	-	-	11,812
Total Committed	<u>20,888</u>	<u>-</u>	<u>-</u>	<u>20,888</u>
Assigned to:				
Education	-	119,900	32,011	151,911
Community Development	-	-	166,890	166,890
Municipal Solid Waste	-	-	204,606	204,606
Parking Fund	-	-	36,322	36,322
Self-Insurance Fund	2,507,850	-	-	2,507,850
Board of Education - Other	-	7,820	-	7,820
Total Assigned	<u>2,507,850</u>	<u>127,720</u>	<u>439,829</u>	<u>3,075,399</u>
Unassigned	<u>8,347,705</u>	<u>4,289,666</u>	<u>-</u>	<u>12,637,371</u>
Total Fund Balances	<u>\$ 11,018,439</u>	<u>4,417,386</u>	<u>2,453,368</u>	<u>17,889,193</u>

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 10 - DUE TO/FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units, including certain funds with separate reports, are as follows at June 30, 2020:

	Governmental Activities
Due from Other Governments	
State and Local Sales Tax	\$ 862,742
Mixed Drink Tax	6,005
Greeneville Light and Power In Lieu of Taxes	214,245
TVA In Lieu of Tax	46,368
State Income Tax	154,082
State Revenues - Other	2,465
State Street Aid	41,644
Business Tax	159,429
Board of Education Grants and Other	1,457,441
State and Federal Grant Programs	280,395
TDOT Maintenance Contract	70,430
Airport Authority Notes Receivable	1,935,000
Total Due from Other Governments	\$ 5,230,246

NOTE 11 - INTERFUND RECEIVABLES, INTERFUND PAYABLES AND TRANSFERS

The outstanding balances between funds result mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. At fiscal year ended June 30, 2020, there were no interfund receivables or payables reported.

Transfers are used to move revenues from the fund with collections authorization to the fund authorized to make debt service principal and interest payments as they become due, move restricted amounts to establish mandatory reserve accounts, move payments made in lieu of taxes, or move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various programs.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 11 - INTERFUND RECEIVABLES, INTERFUND PAYABLES AND TRANSFERS (CONTINUED)

Transfers for the fiscal year ended June 30, 2020 are as follows:

Transfer In	Transfer Out	Amount	Purpose
General Fund	General Purpose School Fund	338,987	Debt service payments
General Purpose School Fund	General Fund	5,872,535	Operations
Municipal Solid Waste Fund	General Fund	798,574	Operations
Parking Fund	General Fund	12,000	Operations
Extended School Program	General Purpose School Fund	13,860	Operations

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS

Governmental Activities

Board of Education - Special Termination Benefits

The Board of Education offers an Early Retirement Incentive Program in accordance with Tennessee Code Annotated 49-2-203(b)(9). All State certified teaching personnel who have completed 15 years of employment with the Greeneville City Schools System and who meet the retirement eligibility requirements for full benefits under TCRS, are eligible to participate in the Early Retirement Incentive Program. The benefits to be received by the participants are as follows:

1. An employee who chooses to participate in the Early Retirement Incentive Program in the first year of eligibility shall receive an annual amount equal to 20% of his/her annual base salary.
2. Benefits shall begin in July following retirement and shall be paid annually or biannually at the election of the recipient for three (3) years from the date of retirement.
3. Any applicant with thirty (30) years or more of credited service, as defined by TCRS, or any applicant who has less than thirty (30) years of credited service, as defined by TCRS, but who has attained age sixty (60) by the end of the fiscal school year (June 30) and who fails to make timely application for the total benefits provided by the program, shall be deemed to have waived the right to claim total benefits. Benefits in the program will then be determined in the following manner:
 - (a) Second year eligibility participation: 15% of the most recent annual contractual salary (to be paid in two (2) years);
 - (b) Third year eligibility participation: 10% of the most recent annual contractual salary (to be paid in one (1) year).
4. Benefits provided by the Program may not be assigned or transferred in any manner. Program benefits shall automatically cease at the death of the participant and shall not pass on to the estate or beneficiary of the participant.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Special Termination Benefits (Continued)

The benefits expensed during the year were \$91,553. At June 30, 2020, the Board of Education had a liability of \$196,312 for future benefits of current participants, assuming all participants live until eligibility expires.

Board of Education - Closed Teacher Group Insurance Plan

General Information about the OPEB Plan

Plan Description

Employees of the Town's Board of Education (Greeneville City Schools) who were hired prior to July 1, 2015 are provided with pre-65 retiree health insurance benefits through the closed Teacher Group OPEB Plan (TGOP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide post-employment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single employer plan. All eligible pre-65 retired teachers, support staff and disability participants of local education agencies, who choose coverage, participate in the TGOP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided

The Greeneville City Schools offer the TGOP to provide health insurance coverage to eligible pre-65 retired teachers, support staff and disabled participants of the local education agencies. Insurance coverage is the only post-employment benefit provided to retirees under this plan. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the TGOP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer driven health plan (CDHP) for healthcare benefits. Retired plan members of the TGOP receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The State, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retiree's premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP. The TGOP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

**TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Closed Teacher Group Insurance Plan (Continued)

General Information about the OPEB Plan

Employees Covered by Benefit Terms and Funding Policy

At July 1, 2019, the following employees of the Greeneville City Schools were covered by the benefit terms of the TGOP:

Inactive employees currently receiving benefit payments	41
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	282
	323
	323

An insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the TGOP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute toward employee costs based on their own developed policies. During the current reporting period, the Greeneville City Schools paid \$392,763 to the TGOP for OPEB benefits as they came due.

Total OPEB Liability

Actuarial Assumptions

The collective total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent.
Healthcare cost trend rates	6.03% for pre-65 in 2019, decreasing annually over a 10 year period to an ultimate rate of 4.50%. 5.20% for post-65 in 2019, decreasing annually over a 4 year period to an ultimate rate of 4.50%.
Retiree's share of benefit-related costs	Members are required to make monthly contributions in order to maintain their coverage. For purposes of this valuation, a weighted average has been used with weights derived from the current distribution of members among plans offered.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Closed Teacher Group Insurance Plan (Continued)

Total OPEB Liability (Continued)

Actuarial Assumptions (Continued)

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2019 valuations were the same as those employed in the July 1, 2018 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled postretirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.51 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Fidelity 20-Year Municipal GO AA index.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Closed Teacher Group Insurance Plan (Continued)

Changes in Collective Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	\$ 10,593,379
Changes for the year:	
Service cost	577,798
Interest	393,411
Changes of benefit terms	-
Differences between expected and actual experience	(279,107)
Change in assumptions	(734,193)
Benefit payments	(612,422)
Net changes	(654,513)
Balance at June 30, 2019	9,938,866
Nonemployer contributing entities proportionate share of the collective total OPEB liability	2,155,382
Employer's proportionate share of the collective total OPEB liability	\$ 7,783,484
Employer's proportion of the collective total OPEB liability	78.31%

The Greeneville City Schools has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TGOP. Greeneville City School's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The proportion changed -0.53% from the prior measurement date. Greeneville City Schools recognized \$124,133 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TGOP for Greeneville City School's retirees.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Closed Teacher Group Insurance Plan (Continued)

Changes in Collective Total OPEB Liability (Continued)

Changes in Assumptions

The discount rate was changed from 3.62% as of the beginning of the measurement period to 3.51% as of June 30, 2019. This change in assumption decreased the total OPEB liability.

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate

The following presents the proportionate share of the collective total OPEB liability related to the TGOP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.51%) or 1-percentage-point higher (4.51%) than the current discount rate.

	1.0% Decrease (2.51%)	Current Discount Rate (3.51%)	1.0% Increase (4.51%)
Proportionate Share of the Collective Total OPEB Liability	\$ 8,346,700	7,783,484	7,245,650

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the proportionate share of the collective total OPEB liability related to the TGOP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate.

	1% Decrease (5.03%/4.20% decreasing to 3.50%)	Current Discount Rate (6.03%/5.20% decreasing to 4.50%)	1% Increase (7.03%/6.20% decreasing to 5.00%)
Proportionate Share of the Collective Total OPEB Liability	\$ 6,959,115	7,783,484	8,750,685

**TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Closed Teacher Group Insurance Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB Expense

For the fiscal year ended June 30, 2020, Greeneville City Schools recognized OPEB expenses of \$925,154.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2020, Greeneville City Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the TGOP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 403,149	192,496
Changes of Assumptions	256,857	711,196
Changes in Proportion and Differences Between Amounts Paid as Benefits Came and Proportionate Share Certain Amounts Paid By the Employer and Nonemployer Contributors as the Benefits Came Due	588,148	38,280
Employer Payments Subsequent to Measurement Date	392,763	-
	\$ 1,640,917	941,972

The amounts shown above for "Employer payments subsequent to the measurement date" will be recognized as a reduction to the Greeneville City Schools' proportionate share of the collective total OPEB liability in the following measurement period.

**TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Closed Teacher Group Insurance Plan (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30:		\$	
2021		\$	40,433
2022			40,433
2023			40,433
2024			40,433
2025			40,433
Thereafter			104,017
		<u>\$</u>	<u>306,182</u>

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

Board of Education - Closed Tennessee Plan

General Information about the OPEB Plan

Plan Description

Employees of the Town’s Board of Education (Greeneville City Schools) who were hired prior to July 1, 2015 are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan (TNP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide post-employment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single employer plan. All eligible post-65 retired teachers and disability participants of local education agencies, who choose coverage, participate in the TNP. The TNP also includes eligible retirees of the State, certain component units of the State, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided

The State offers the TNP to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers and disabled participants of the local education agencies. Insurance coverage is the only post-employment benefit provided to retirees under this plan. The TNP does not include pharmacy coverage. In accordance with TCA 8-27-209, benefits of the TNP are established and amended by cooperation of insurance committees created by TCAs 8-27-201, 8-27-301 and 8-27-701.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Closed Tennessee Plan (Continued)

General Information about the OPEB Plan

Benefits Provided (Continued)

Retirees and disabled employees of the State, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible, and also receive a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The State, as a governmental non-employer contributing entity, contributes to the premiums of eligible retirees of local education agencies based on years of service. Therefore, retirees with 30 or more years of service will receive \$50 per month; 20 but less than 30 years, \$37.50; and less than 20 years, \$25. The TPN is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Employees Covered by Benefit Terms and Funding Policy

At July 1, 2019, the following employees of the Greeneville City Schools were covered by the benefit terms of the TNP:

Inactive employees currently receiving benefit payments	82
Inactive employees entitled to but not yet receiving benefit payments	49
Active employees	299
	430

In accordance with TCA 8-27-209, the State insurance committees established by TCAs 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the TNP plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute toward employee costs based on their own developed policies. During the current reporting period, the Greeneville City Schools paid \$154 to the TNP for OPEB benefits as they came due.

**TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Closed Tennessee Plan (Continued)

Total OPEB Liability (Continued)

Actuarial Assumptions

The collective total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent.
Healthcare cost trend rates	The premium subsidies provided to retirees in the Tennessee Plan are assumed to remain unchanged for the entire projection, therefore trend rates are not applicable.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2019 valuations were the same as those employed in the July 1, 2018 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled postretirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.51 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Fidelity 20-Year Municipal GO AA index.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Closed Tennessee Plan (Continued)

Changes in Collective Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	\$ 1,131,694
Changes for the year:	
Service cost	20,847
Interest	40,901
Changes of benefit terms	-
Differences between expected and actual experience	(87,802)
Change in assumptions	10,111
Benefit payments	(45,759)
Net changes	(61,702)
Balance at June 30, 2019	1,069,992
Nonemployer contributing entities proportionate share of the collective total OPEB liability	969,661
Employer's proportionate share of the collective total OPEB liability	\$ 100,331
Employer's proportion of the collective total OPEB liability	9.38%

The Greeneville City Schools has a special funding situation related to the benefits paid by the State of Tennessee for its eligible retired employees participating in the TNP. Greeneville City School's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefits paid through the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The Greeneville City Schools' proportion 1.04% did not change from the prior measurement date. Greeneville City Schools recognized \$128,544 in revenue for support provided by nonemployer contributing entities for benefits paid to the TNP for Greeneville City Schools' retired employees.

**TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Closed Tennessee Plan (Continued)

Changes in Collective Total OPEB Liability (Continued)

Changes in Assumptions

The discount rate was changed from 3.62% as of the beginning of the measurement period to 3.51% as of June 30, 2019. This change in assumption decreased the total OPEB liability.

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate

The following presents the proportionate share of the collective total OPEB liability related to the TNP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.51%) or 1-percentage-point higher (4.51%) than the current discount rate.

	1.0% Decrease (2.51%)	Current Discount Rate (3.51%)	1.0% Increase (4.51%)
Proportionate Share of the Collective Total OPEB Liability	\$ 114,950	100,331	88,350

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB Expense

For the fiscal year ended June 30, 2020, Greeneville City Schools recognized negative OPEB expenses of (\$9,315).

**TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Closed Tennessee Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2020, Greeneville City Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the TNP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	23,717
Changes of Assumptions	820	13,170
Changes in Proportion and Differences Between Amounts Paid as Benefits Came and Proportionate Share Certain Amounts Paid By the Employer and Nonemployer Contributors as the Benefits Came Due	13,127	722,990
Employer Payments Subsequent to Measurement Date	154	-
	\$ 14,101	759,877

The amounts shown above for "Employer payments subsequent to the measurement date" will be recognized as a reduction to the Greeneville City Schools' proportionate share of the collective total OPEB liability in the following measurement period. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30:		
2021	\$	(143,649)
2022		(143,649)
2023		(143,649)
2024		(143,649)
2025		(143,649)
Thereafter		(27,685)

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

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Local OPEB Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

Employees of the Town of Greeneville (excluding employees of the Board of Education and the proprietary fund), the Greeneville-Greene County Library (a discretely presented component unit of Greene County), and the Greeneville-Greene County Landfill are provided a plan that provides post-employment medical benefits for retirees, collectively the Town's Local OPEB Plan, a multiple-employer other post-employment benefits (OPEB) operating as a single-employer plan as administered through the Town of Greeneville. The Town of Greeneville employees comprised approximately 99.02%, the Library employees comprised approximately 0.37%, and the Landfill employees comprised approximately 0.61% of the plan based on actual projected future costs of participants. This plan is considered to be multiple-employer defined benefit plan that is used to provide OPEB. However, for accounting purposes, this plan will be treated as a single-employer plan.

The Town's Local OPEB Plan provides post-employment medical benefits for retirees. Upon retirement, eligible employees may continue to receive coverage under the employer provided group medical plan until becoming eligible for Medicare. The benefit applies to those full-time employees hired prior to October 1, 2010 retiring under TCRS guidelines and have 30 years continuous service with no minimum age being required or have 5 years of service and age 55. Employees pay \$1,200 per year under the plan. Spouses are permitted to remain on the plan until the employee or the spouse becomes eligible for Medicare. Spouses pay \$1,200 annually under the plan. This plan is closed to employees hired on or after October 1, 2010.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Local OPEB Plan (Continued)

General Information about the OPEB Plan (Continued)

Employees Covered by Benefit Terms and Funding Policy

For the July 1, 2018 actuarial valuation with a measurement date of June 30, 2019 and projection to June 30, 2020, the following employees of the different reporting entities in the Town’s Local OPEB Plan were covered by the benefit terms of the closed plan:

Inactive employees currently receiving benefit payments	32
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	99
	131
	131

The contribution requirements of plan members are based on pay-as-you-go financing requirements. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies.

During the current reporting period, the Town’s Local OPEB Plan paid OPEB benefits as they came due totaling \$492,438, with proportionate shares of \$476,738 for the primary government, \$15,426 for the Landfill, and \$274 for the Library.

Actuarial Assumptions

The collective total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation - payroll growth rate	2.50% annually	
Participant salary increases	3.50% annually	
Healthcare cost trend rates	The healthcare cost trend rate was reset at 8.00% scaling down .50% per annum to an ultimate trend rate of 5.00% for calendar year 2024 and later.	

**TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Local OPEB Plan (Continued)

Total OPEB Liability

Actuarial Assumptions (Continued)

Discount Rate	3.87%
2018 Medical Trend Rates	8.00%
2019 Medical Trend Rates	7.50%
Ultimate Medical Trend Rate	5.00%
Calendar Year Ultimate Trend Rates Reached	2024
Annual Payroll Increase	2.50%

The plan’s accumulated change in experience was primarily due to changes in health care costs. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2000 Combined Fully Generational Mortality Table projected to all future years using Scale BB.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87%. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer’s 20-Year Municipal GO AA index.

Healthcare Cost Trend Rate

The healthcare cost trend rate used to measure the total OPEB liability was 7.00% as of June 30, 2020. It is assumed that health care costs will change in accordance with the future trend rates as follows:

Valuation for Calendar Year	Valuation %
2020	7.00%
2021	6.50%
2022	6.00%
2023	5.50%
2024+	5.00%

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Local OPEB Plan (Continued)

Total OPEB Liability (Continued)

Changes in Assumptions

The healthcare cost trend rate was reset at 9.00% for calendar year 2016, continuing the reset trend at 8.00% for calendar year 2019 utilized in the current reporting period, grading down 0.50% per annum to an ultimate trend rate of 5.00% for calendar year 2024 and later. The net of these changes in assumptions, along with demographic and plan cost changes, increased the total OPEB liability at June 30, 2020.

Changes in the Total OPEB Liability

	Primary Government	Greeneville- Greene County Landfill	Greeneville- Greene County Library	Total OPEB Liability
Balances - beginning of year	\$ 7,243,624	56,954	25,783	7,326,361
Changes for the year:				
Service cost	221,000	1,235	972	223,207
Interest	279,744	1,956	1,031	282,731
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	-	-
Change in assumptions	-	-	-	-
Benefit payments	<u>(476,738)</u>	<u>(15,426)</u>	<u>(274)</u>	<u>(492,438)</u>
Net changes	<u>24,006</u>	<u>(12,235)</u>	<u>1,729</u>	<u>13,500</u>
Balances - end of year	<u>\$ 7,267,630</u>	<u>44,719</u>	<u>27,512</u>	<u>7,339,861</u>

Sensitivity of the Total OPEB Liability to Changes in Proportionate Share

Reporting of the total Local OPEB Plan liability may be impacted in future periods as it relates to the different reporting entities' proportionate share of the plan, and the beginning balances will be adjusted annually accordingly.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Local OPEB Plan (Continued)

Changes in the Total OPEB Liability (Continued)

Sensitivity of Total OPEB Liability to Changes in the Discount Rate Assumptions

The following presents the total Local OPEB Plan liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate, as allocated to the different reporting entities.

	1.0% Decrease (2.87%)	Current Discount Rate (3.87%)	1.0% Increase (4.87%)
Primary Government	\$ 7,772,414	7,267,630	6,792,207
Greeneville-Greene County Landfill	47,825	44,719	41,794
Greeneville-Greene County Library	29,423	27,512	25,712
Total OPEB Liability	<u>\$ 7,849,662</u>	<u>7,339,861</u>	<u>6,859,713</u>

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

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate (7.5%), as allocated to the different reporting entities.

	1% Decrease	Current Discount Rate	1% Increase
Primary Government	\$ 6,992,387	7,267,630	8,683,243
Greeneville-Greene County Landfill	43,025	44,719	53,430
Greeneville-Greene County Library	26,470	27,512	32,871
Total OPEB Liability	<u>\$ 7,061,882</u>	<u>7,339,861</u>	<u>8,769,544</u>

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Local OPEB Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB Expense

For the fiscal year ended June 30, 2020, the Town’s Local OPEB Plan recognized OPEB expense of \$608,831, with proportionate shares of \$598,449 for the primary government, \$8,055 for the Landfill, and \$2,327 for the Library.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2020, the Town’s Local OPEB Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 624,025	-
Changes of Assumptions	29,493	83,740
Employer Payments Subsequent to Measurement Date	-	-
	\$ 653,518	83,740

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Local OPEB Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The Town's Local OPEB Plan's deferred outflows of resources and deferred inflows of resources was allocated to the different reporting entities as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 651,856	83,740
Greeneville-Greene County Landfill	1,532	-
Greeneville-Greene County Library	130	-
	\$ 653,518	83,740

Other amounts reported as deferred outflows of resources and deferred inflows of resources (detailed by reporting entity) will be recognized in OPEB expense as follows:

	Primary Government	Greeneville- Greene County Landfill	Greeneville- Greene County Library	Total OPEB Expense
Year Ended June 30:				
2021	\$ 97,705	1,532	130	99,367
2022	97,705	-	-	97,705
2023	97,705	-	-	97,705
2024	97,705	-	-	97,705
2025	102,300	-	-	102,300
Thereafter	74,996	-	-	74,996

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

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Closed Tennessee Medicare Supplement OPEB Plan

General Information about the OPEB Plan

Plan Description

Employees of the Town of Greeneville, non-certified employees of the Greeneville Board of Education, employees of the Greeneville Water and Light Commission, employees of the Greeneville-Greene County Library, a discretely presented component unit of Greene County, and the Greeneville-Greene County Landfill are provided a plan that provides post-employment medical benefits for retirees, a multiple-employer other post-employment benefits (OPEB) operating as a single-employer plan as administered through the Town of Greeneville, collectively referred to as the Closed Tennessee Medicare Supplement OPEB Plan of the Town of Greeneville.

This plan includes employees of the Water and Light Commission (representing approximately 14.9%), the Governmental Funds of the Town (other than the Board of Education) (representing approximately 57.15%), the non-certified employees of the Board of Education (representing 26.9%), the separate entity Greeneville-Greene County Landfill (representing 0.28%), and the separate entity Greeneville-Greene County Library (representing 0.77%), based on TCRS census data and current year contributions of the Agent Plan for the Town of Greeneville. Thus, total primary government (Board of Education, Water and Light Commission, and other Town Governmental funds) represent 98.95%, and the separate entities represent 1.05% collectively.

Employees who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan (TNP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be multiple-employer defined benefit plan that is used to provide post-employment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible post-65 retirees and disability participants of local governments, who choose coverage, participate in the TNP. The TNP also includes eligible retirees of the state, certain component units of the state, and local education agencies. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided

The state offers the TNP to help fill most of the coverage gaps created by Medicare for eligible post-65 retirees and disabled participants of local governments. Insurance coverage is the only post-employment benefit provided to retirees. The TNP does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNP are established and amended by cooperation of insurance committees created by TCA 8-27-201, 8-27-301 and 8-27-701.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Closed Tennessee Medicare Supplement OPEB Plan (Continued)

General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The Town does not directly subsidize pre-65 retiree insurance coverage and is only subject to the implicit coverage. The TNP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Employees Covered by Benefit Terms and Funding Policy

At July 1, 2019, the following employees of the different reporting entities in the Closed Tennessee Medicare Supplement OPEB Plan of the Town of Greeneville were covered by the benefit terms of the closed TNP:

Inactive employees currently receiving benefit payments	42
Inactive employees entitled to but not yet receiving benefit payments	27
Active employees	188
	<u>257</u>

In accordance with TCA 8-27-209, the state insurance committees, established by TCAs 8-27-201, 8-27-301 and 8-27-701, determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies.

During the current reporting period, the Closed Tennessee Medicare Supplement OPEB Plan of the Town of Greeneville paid to the TNP for OPEB benefits as they came due totaling \$17,572, with proportionate shares of \$17,388 for the primary government, and \$185 for the Landfill and the Library.

**TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Closed Tennessee Medicare Supplement OPEB Plan (Continued)

Total OPEB Liability

Actuarial Assumptions

The collective total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent.
Healthcare cost trend rates	The premium subsidies provided to retirees in the Tennessee Plan are assumed to remain unchanged for the entire projection, therefore trend rates are not applicable.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2019, valuations were the same as those employed in the July 1, 2018 Pension Actuarial Valuation of TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.51 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Closed Tennessee Medicare Supplement OPEB Plan (Continued)

Changes in the Total OPEB Liability

	Primary Government	Greeneville- Greene County Landfill	Greeneville- Greene County Library	Total OPEB Liability
Balances - Beginning	\$ 513,793	1,451	3,998	519,242
Changes for the year:				
Service cost	10,365	29	81	10,475
Interest	18,712	53	146	18,911
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(6,200)	(18)	(48)	(6,266)
Change in assumptions	10,881	31	70	10,982
Benefit payments	(14,608)	(41)	(114)	(14,763)
Net changes	19,150	54	135	19,339
Balances - Ending	\$ 532,943	1,505	4,133	538,581

Changes in Assumptions

The discount rate was changed from 3.62% as of the beginning of the measurement period to 3.51% as of June 30, 2019. This change in assumption increased the total OPEB liability.

Sensitivity of the Total OPEB Liability to Changes in Proportionate Share

Reporting of the total Closed Tennessee Medicare Supplement OPEB Plan liability may be impacted in future periods as it relates to the different reporting entities' proportionate share of the plan, and the beginning balances will be adjusted annually accordingly.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Closed Tennessee Medicare Supplement OPEB Plan (Continued)

Changes in the Total OPEB Liability (Continued)

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability related to the TNP, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.51%) or 1-percentage-point higher (4.51%) than the current discount rate, as allocated to the different reporting entities.

	1.0% Decrease (2.51%)	Current Discount Rate (3.51%)	1.0% Increase (4.51%)
Primary Government	\$ 612,828	532,943	466,944
Greeneville-Greene County Landfill	1,734	1,505	1,321
Greeneville-Greene County Library	4,769	4,133	3,634
Total OPEB Liability	<u>\$ 619,331</u>	<u>538,581</u>	<u>471,899</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB Expense

For the fiscal year ended June 30, 2020, the Closed Tennessee Medicare Supplement OPEB Plan of the Town of Greeneville recognized OPEB expense of \$1,461, with proportionate shares of \$1,322 for the primary government, \$4 for the Landfill, and \$135 for the Library.

**TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Closed Tennessee Medicare Supplement OPEB Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2020, the Closed Tennessee Medicare Supplement OPEB Plan of the Town of Greeneville reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	114,781
Changes of Assumptions	9,574	50,829
Employer Payments Subsequent to Measurement Date	17,572	-
	\$ 27,146	165,610

The Closed Tennessee Medicare Supplement OPEB Plan of the Town of Greeneville's deferred outflows of resources and deferred inflows of resources was allocated to the different reporting entities as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 26,863	163,876
Greeneville-Greene County Landfill	76	463
Greeneville-Greene County Library	207	1,271
	\$ 27,146	165,610

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Closed Tennessee Medicare Supplement OPEB Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The amounts shown above for "Employer payments subsequent to the measurement date" will be recognized as a reduction to total OPEB liability in the following measurement period. Amounts reported as deferred outflows of resources and deferred inflows of resources (detailed by reporting entity) will be recognized in OPEB expense as follows:

Year Ended June 30:	Primary Government	Greeneville- Greene County Landfill	Greeneville- Greene County Library	Total OPEB Expense
2021	\$ (27,632)	(78)	(215)	(27,925)
2022	(27,632)	(78)	(215)	(27,925)
2023	(27,632)	(78)	(215)	(27,925)
2024	(27,632)	(78)	(215)	(27,925)
2025	(27,632)	(78)	(215)	(27,925)
Thereafter	(16,243)	(46)	(122)	(16,411)

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

Water and Light Commission Employees and Board of Education's Non-Certified Employees

As detailed within the disclosure for the Closed Tennessee Medicare Supplement OPEB Plan of the Town of Greeneville above, the Town's Closed Tennessee Medicare Supplement OPEB Plan includes employees of the Water and Light Commission and non-certified employees of the Board of Education, who are provided other post-employment benefits through the multiple-employer closed Tennessee Plan (TNP) administered by the State of Tennessee.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 13 - CONDUIT DEBT OBLIGATIONS

From time to time, the Town has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Town, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

NOTE 14 - PENSION PLAN FUNDS

Governmental Activities

Board of Education - Teacher Legacy Pension Plan

General Information about the Pension Plan

Plan Description

Tennessee Consolidated Retirement System (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 all employer pension plans in the TCRS. 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 www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies. Teachers employed by Greeneville City Schools with membership in the TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing, multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

Other Entities within the Pension Plan

This plan also includes employees of the Greene Technology Center (representing 5.00% of the plan), which is a joint venture as described in Note 1; thus plan amounts for the Greene Technology Center are not included in the disclosures herein.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Teacher Legacy Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 if vested. Members are vested 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.

Contributions

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Greeneville City Schools for the fiscal year ended June 30, 2020 to the Teacher Legacy Pension Plan were \$1,168,870 which is 10.63 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the fiscal year, the cost of administration, as well as an amortized portion of any unfunded liability.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Teacher Legacy Pension Plan (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets)

At June 30, 2020, the Greeneville City Schools reported a liability (asset) of (\$3,505,676) for its proportionate share of net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial value as of that date. Greeneville City Schools' proportion of the net pension liability (asset) was based on Greeneville City Schools' share of the contributions to the pension plan relative to the contributions of all LEAs. At the June 30, 2019 measurement date, Greeneville City Schools' proportion was 0.358905 percent. The proportion measured as of June 30, 2018 was 0.346784 percent.

Pension Expense

For the fiscal year ended June 30, 2020, Greeneville City Schools recognized pension expense of \$508,119.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Teacher Legacy Pension Plan (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 170,683	2,141,336
Changes in assumption	472,407	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,001,639
Changes in Proportion of Net Pension Liability (Asset)	72,286	22,057
Contributions Subsequent to the Measurement Date of June 30, 2019	1,168,870	-
	\$ 1,884,246	3,165,032

Greeneville City Schools' employer contributions of \$1,168,870, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension liability (asset) in the fiscal year ended June 30, 2020.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Teacher Legacy Pension Plan (Continued)

Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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

Year Ended June 30:		
2021	\$	(675,025)
2022		(996,708)
2023		(443,565)
2024		(334,358)
Thereafter		-

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

Actuarial Assumptions

The total pension liability (asset) in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

Mortality rates are customized based on actual experience study 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.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Teacher Legacy Pension Plan (Continued)

Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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 2.5 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.

Asset Class	Expected Real Rate of Return	Target Allocation
U.S. Equity	5.69%	31%
Developed Market International Equity	5.29%	14%
Emerging Market International Equity	6.36%	4%
Private Equity Strategic Lending	5.79%	20%
U.S. Fixed Income	2.01%	20%
Real Estate	4.32%	10%
Short-term Securities	0.00%	1%
		100.00%

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.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Teacher Legacy Pension Plan (Continued)

Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount Rate

The discount rate used to measure the total pension liability (asset) was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the all LEAs 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 (asset).

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

The following presents Greeneville City Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what Greeneville City Schools' proportionate share of 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:

	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
Proportionate Share of the Net Pension Liability (Asset)	\$ 7,168,093	(3,505,676)	(11,996,363)

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Payable to the Pension Plan

At June 30, 2020, Greeneville City Schools reported a payable of \$287,243 for the outstanding amount of contributions to the pension plan required at the fiscal year ended June 30, 2020.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Teacher Retirement Plan

General Information about the Pension Plan

Plan Description

Teachers employed by Greeneville City Schools with memberships in TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014 but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in 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 www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Other Entities within the Pension Plan

This plan also includes employees of the Greene Technology Center (representing 5.00% of the plan), which is a joint venture as described in Note 1, thus plan amounts are not included in the disclosures herein.

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Members are vested 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.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Teacher Retirement Plan (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. As reported by the other auditors, employer contributions for the fiscal year ended June 30, 2020 to the Teacher Retirement Plan were \$34,786, which is 2.03 percent of covered payroll and the City Schools placed 1.97% of covered payroll into the Pension Stabilization Reserve Trust. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the fiscal year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets)

At June 30, 2020, the Greeneville City Schools reported a liability (asset) of (\$97,859) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. Greeneville City Schools' proportion of the net pension liability (asset) was based on Greeneville City Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Teacher Retirement Plan (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Pension Liabilities (Assets) (Continued)

At the measurement date of June 30, 2019 Greenville City Schools' proportion was 0.182482 percent. The proportion measured as of June 30, 2018 was 0.200122 percent.

Pension Expense

For the year ended June 30, 2020, Greenville City Schools recognized pension expense of \$30,657.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 4,057	17,083
Changes in assumptions	3,400	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	4,137
Changes in Proportion of Net Pension Liability (Asset)	8,905	8,698
Contributions Subsequent to the Measurement Date of June 30, 2019	34,786	-
	\$ 51,148	29,918

Greeneville City Schools' employer contributions of \$34,786 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as a reduction in net pension liability (asset) in the fiscal year ended June 30, 2020.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Teacher Retirement Plan (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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

Year Ended June 30:		
2021	\$	(2,128)
2022		(2,761)
2023		(1,601)
2024		(1,009)
2025		(841)
Thereafter		(5,216)

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

Actuarial Assumptions

The total pension liability (asset) in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

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

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Teacher Retirement Plan (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

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.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Teacher Retirement Plan (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Changes in Assumptions (Continued)

The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Expected Real Rate of Return	Target Allocation
U.S. Equity	5.69%	31%
Developed Market International Equity	5.29%	14%
Emerging Market International Equity	6.36%	4%
Private Equity Strategic Lending	5.79%	20%
U.S. Fixed Income	2.01%	20%
Real Estate	4.32%	10%
Short-term Securities	0.00%	1%
		100.00%

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 (asset) was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the all LEAs 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 (asset).

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Board of Education - Teacher Retirement Plan (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

The following presents Greeneville City Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what Greeneville City Schools' proportionate share of 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:

	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
Proportionate Share of the Net Pension Liability (Asset)	\$ 31,005	(97,859)	(193,112)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Payable to the Pension Plan

At June 30, 2020, Greeneville City Schools reported a payable of \$6,570 for the outstanding amount of contributions to the pension plan required at the fiscal year ended June 30, 2020.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Agent Plan

General Information about the Pension Plan

Plan Description

Employees of the Town of Greeneville 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>.

Employees of the Town of Greeneville, non-certified employees of the Greeneville Board of Education, employees of the Greeneville Water and Light Commission, employees of the Greeneville-Greene County Library, a discretely presented component unit of Greene County, and the Greeneville-Greene County Landfill are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS, collectively referred to as the Agent Plan of the Town of Greeneville. This plan includes employees of the Water and Light Commission (representing approximately 14.9%), the Governmental Funds of the Town (other than the Board of Education) (representing approximately 57.17%), the non-certified employees of the Board of Education (representing approximately 26.9%), the separate entity Greeneville-Greene County Landfill (representing 0.34%), and the separate entity Greeneville-Greene County Library (representing 0.69%), allocated based upon census data and current year TCRS contributions. Thus, total primary government (Board of Education, Water and Light Commission, and other Town Governmental funds) represent approximately 99%, and the separate entities represent approximately 1% collectively.

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 years of 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.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Agent Plan (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

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

Employees Covered by Benefit Terms

Employees covered by benefit terms include employees of the Town of Greeneville (including employees of the Water and Light Commission and non-certified employees of the Board of Education) as well as employees of the Greeneville-Greene County Library and the Greeneville-Greene County Landfill. At the measurement date of June 30, 2019, the following employees were covered by the benefit terms of the Agent Plan:

Inactive employees or beneficiaries currently receiving benefits	387
Inactive employees entitled to but not yet receiving benefits	242
Active employees	336
	<hr/>
	965
	<hr/> <hr/>

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Agent Plan (Continued)

General Information about the Pension Plan (Continued)

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees of the plan are non-contributory. The Town makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the fiscal year ended June 30, 2020, employer contributions totaled \$2,155,666, which included \$2,133,601 by the primary government, \$7,267 by the Landfill, and \$14,798 by the Library, based on a rate of 15.58 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the Town's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability

The Town of Greeneville's net pension liability was measured as a June 30, 2019, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability as of the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Agent Plan (Continued)

Net Pension Liability (Continued)

Actuarial Assumptions (Continued)

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 2.5 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:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. Equity	5.69%	31%
Developed Market International Equity	5.29%	14%
Emerging Market International Equity	6.36%	4%
Private Equity 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.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Agent Plan (Continued)

Net Pension Liability (Continued)

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 employee contributions will be made at the current rate and that contributions from the Town 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.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Agent Plan (Continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 6/30/2018	\$ 77,873,132	73,051,030	4,822,102
Changes for the year:			
Service cost	1,179,631	-	1,179,631
Interest	5,576,857	-	5,576,857
Change in benefit terms	-	-	-
Difference between expected and actual experience	(1,145,069)	-	(1,145,069)
Changes in assumptions	-	-	-
Contributions-employer	-	2,168,396	(2,168,396)
Contributions-employee	-	-	-
Net investment income	-	5,360,328	(5,360,328)
Benefit payments, including refunds of employee contributions	(4,261,199)	(4,261,199)	-
Administrative expense	-	(29,852)	29,852
Other changes	-	-	-
Net changes	<u>1,350,220</u>	<u>3,237,673</u>	<u>(1,887,453)</u>
Balance at 6/30/2019	<u>\$ 79,223,352</u>	<u>76,288,703</u>	<u>2,934,649</u>

As previously discussed, the Agent Plan of the Town of Greeneville includes employees of the Water and Light Commission, certain employees of the Board of Education, and employees of the Landfill and Library. The Agent Plan of the Town of Greeneville's Changes in Net Pension Liability were allocated to the different entities as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Primary Government	\$ 78,407,351	75,502,928	2,904,423
Greeneville-Greene County Landfill	269,360	259,383	9,977
Greeneville-Greene County Library	546,641	526,392	20,249
	<u>\$ 79,223,352</u>	<u>76,288,703</u>	<u>2,934,649</u>

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Agent Plan (Continued)

Changes in Net Pension Liability (Continued)

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

The following presents the net pension liability of the Town of Greeneville 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, as allocated to the different reporting entities:

	1.0% Decrease (6.25%)	Current Discount Rate (7.25%)	1.0% Increase (8.25%)
Primary Government	\$ 12,408,995	2,904,423	(5,066,430)
Greeneville-Greene County Landfill	42,630	9,977	(17,405)
Greeneville-Greene County Library	86,513	20,249	(35,322)
Net Pension Liability (Asset)	<u>\$ 12,538,138</u>	<u>2,934,649</u>	<u>(5,119,157)</u>

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

Pension Expense

For the fiscal year ended June 30, 2020, the Agent Plan of the Town of Greeneville recognized pension expense of \$1,775,114, with proportionate shares of \$1,760,222 for the primary government and \$14,895 for the Landfill and the Library.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Agent Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2020, the Agent Plan of the Town of Greeneville reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences Between Expected and Actual Experience	\$ 18,138	1,507,057
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	896,899
Changes in Assumptions	713,006	-
Contributions Subsequent to the Measurement Date of June 30, 2019	2,155,666	-
	<u>\$ 2,886,810</u>	<u>2,403,956</u>

The Agent Plan of the Town of Greeneville's deferred outflows of resources and deferred inflows of resources was allocated to the different reporting entities as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Primary Government	\$ 2,857,214	2,379,195
Greeneville-Greene County Landfill	9,753	8,173
Greeneville-Greene County Library	19,843	16,588
	<u>\$ 2,886,810</u>	<u>2,403,956</u>

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 - PENSION PLAN FUNDS (CONTINUED)

Governmental Activities (Continued)

Town of Greeneville - Agent Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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 in the following measurement period. Amounts reported by the Agent Plan of the Town of Greeneville (detailed by reporting entity) as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Primary Government	Greeneville- Greene County Library	Greeneville- Greene County Landfill	Total Agent Plan
2021	\$ (143,000)	(997)	(491)	(144,488)
2022	(763,536)	(5,323)	(2,623)	(771,482)
2023	(494,468)	(3,447)	(1,699)	(499,614)
2024	(254,578)	(1,776)	(874)	(257,228)
2025	-	-	-	-
Thereafter	-	-	-	-

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

Payable to the Pension Plan

At June 30, 2020, Board of Education, a component of the Agent Plan of the Town of Greeneville, reported a payable of \$79,823 for the outstanding amount of contributions to the pension plan required at the fiscal year ended June 30, 2020.

Water and Light Commission Employees and Board of Education's Non-Certified Employees

As detailed within the disclosure for the Agent Plan of the Town of Greeneville above, the Town's pension plan includes employees of the Water and Light Commission and non-certified employees of the Board of Education, who are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Pending Litigation

The Town, including but not limited to the Board of Education and Water and Light Commission, is the defendant in lawsuits arising principally in the normal course of operations. In the opinion of management and attorneys consulted, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded. The Water and Light Commission is involved in certain litigation, but does not believe there is risk of a significant impact on its financial position as a result of the litigation. No provision for loss has been included in the financial statements.

Other Commitments and Contingencies

The Town and Greene County operate the Greeneville-Greene County Landfill as a joint venture. The operations of the Landfill are accounted for in an enterprise fund and a separate report has been issued as of and for the fiscal year ended June 30, 2020. The Landfill's financial statements reflect a liability for future closure and postclosure care costs of \$1,161,894. The Town will be responsible for one half of any closure and postclosure costs for which the Landfill does not have adequate unrestricted funds.

The Water and Light Commission has contractual agreements with the Glen Hills, Old Knoxville Highway, Chuckey, and Cross Anchor Utility Districts and the Town of Mosheim to sell water to them at the Water and Light Commission's current inside rates. The contracts are generally for 20 years; however, the Chuckey and Cross Anchor contracts include an early termination option of 10 years with a 5 year written notice.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 16 - RISK MANAGEMENT

The Town, including but not limited to the Board of Education and Water and Light Commission, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries insurance coverage, certain risks of loss are covered by its commercial package insurance policies and other risks of loss are covered through the Public Entity Partners (PEP) Risk Management Pool. There was no reduction in insurance coverage from the prior year, and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

In addition, the Town provides medical insurance to employees, as well as post-employment health care benefits through a partially self-funded health insurance plan and maintains a self-insured reserve of fund balance, as described in Note 1. Participants in the plan pay premiums as determined by the Town to offset a portion of the cost of the plan. The participants pay 100% of claims up to \$500/\$1,000 for individual/family plans, respectively. The Town pays 80% of claims up to \$1,500/\$3,000 and 100% of the amount exceeding \$1,500/\$3,000 for individual/family plans, respectively.

A reconciliation of claims incurred but not reported liability for the fiscal years ended June 30, 2020 and 2019 are as follows:

	June 30, 2020	June 30, 2019
Claims Accrued, Beginning	\$ 96,465	\$ 126,042
Claims Incurred	2,035,310	1,716,271
Claims Paid	(1,977,686)	(1,745,848)
Claims Accrued, Ending	\$ 154,089	\$ 96,465

The total paid during the fiscal years included payments for claims incurred in previous years. The Town also has stop-loss insurance coverage for excess medical liabilities. For the fiscal year ended June 30, 2020, reimbursements received under the excess coverage were \$89,916. For the fiscal year ended June 30, 2019, reimbursements received under the excess coverage were \$141,158. For the fiscal year ended June 30, 2018, reimbursements received under the excess coverage were \$109,253.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 17 - RELATED PARTY TRANSACTIONS

The Town offers self-insurance coverage to certain related parties. Claims for the Greeneville-Greene County Library and the Greeneville-Greene County Landfill for the fiscal year ended June 30, 2020 are included in the Town's coverage.

During the fiscal year June 30, 2020, the Town appropriated the following amounts, in addition to any funding related to long-term debt, to the various joint ventures and jointly governed entities in which the Town jointly operates with Greene County:

Greeneville Municipal Airport Authority	\$ 185,000
Greeneville-Greene County Library	108,500
Greene Technology Center	135,336

Greene Technology Center is a related party as a result of shared directors from the Town's Board of Education and Greene County's Board of Education. Financial transactions are discussed in Note 1.

NOTE 18 - ECONOMIC DEPENDANCY

The Town depends on financial resources flowing from, or associated with, both the federal government and the State of Tennessee. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations.

NOTE 19 - DEFINED CONTRIBUTION PLAN

Greeneville Board of Education offers a 401(k) plan to its employees administered by Empower Retirement. The plan is available to employees hired after July 1, 2014. Retirement eligibility begins at age 65 and vested or if the Rule of 90 applies, where the sum of service and age must be equal to ninety. The plan is offered in conjunction with the TCRS Teacher Retirement Plan referred to earlier in the report. The defined contribution portion of the plan requires the employer to contribute five percent of the employee's salary while employees are required to contribute a minimum of two percent of their salary unless they opt out of the employee portion. During the year, employees contributed a total of \$141,403 and employer contributions were \$127,887.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 20 - PRIOR PERIOD ADJUSTMENTS

During the fiscal year ended June 30, 2020, the Town had a prior period adjustment decreasing the government-wide net position by \$2,260,507 for the governmental activities. This prior period adjustment is related to construction in progress activities, originally understood to be part of a Town project for Walters State Community College. In fiscal year 2020, it was understood part of the project ultimately is owned by Walters State Community College and not the Town. In addition, fund balance of the general fund was adjusted \$411,613 to increase fund balance. The prior period adjustment was related to correction of errors for prior year recognition of various intergovernmental revenues. This \$411,613 is also reflected as a prior period adjustment to government-wide net position. The total net prior period adjustment for the Governmental Activities on the Statement of Activities is therefore a decrease of net position of \$1,848,894.

NOTE 21 - SUBSEQUENT EVENTS

Subsequent to year-end, the Town and Greene County entered into an agreement related to the solid waste transfer station, active class III demolition landfill and inactive class I landfill. The agreement is for a one year term commencing July 1, 2020 and continuing until June 30, 2021 and will renew automatically for additional one year terms unless written notice is provided to the other party ninety days before the end of the current contractual year. The purpose of the agreement is to provide for the operation of a transfer station by the County, provide for the operation of the present active Class III landfill by the Town, to operate and promote recycling centers and ventures and to provide for the necessary permitting, inspection, maintenance and required remediation action by the Town for the jointly owned inactive landfills.

TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED
RATIOS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
PRIMARY GOVERNMENT
Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY						
Service Cost	\$ 939,921	966,722	981,071	1,053,412	1,159,909	1,167,481
Interest	4,637,673	4,795,955	4,888,247	5,062,321	5,373,009	5,519,416
Changes in Benefit Terms	-	-	-	3,122,929	-	-
Differences Between Actual and Expected Experience	(8,958)	(992,024)	89,823	(727,290)	(489,702)	(1,133,275)
Change of Assumptions	-	-	-	1,763,440	-	-
Benefit Payments, Including Refunds of Employee Contributions	(3,283,197)	(3,465,995)	(3,578,534)	(3,690,592)	(3,876,481)	(4,217,309)
NET CHANGE IN TOTAL PENSION LIABILITY	2,285,439	1,304,658	2,380,607	6,584,220	2,166,735	1,336,313
TOTAL PENSION LIABILITY - BEGINNING*	62,537,315	64,652,958	65,958,172	68,289,498	74,896,423	77,071,038
TOTAL PENSION LIABILITY - ENDING (a)	\$ 64,822,754	65,957,616	68,338,779	74,873,718	77,063,158	78,407,351
PLAN FIDUCIARY NET POSITION						
Contributions - Employer	\$ 1,893,614	1,888,313	1,948,359	2,104,411	2,199,270	2,146,061
Contributions - Employee	156	-	-	11	-	-
Net Investment Income	9,033,855	1,908,828	1,649,687	7,041,486	5,605,663	5,305,319
Benefit Payments, Including Refunds of Employee Contributions	(3,283,197)	(3,465,995)	(3,578,534)	(3,690,592)	(3,876,606)	(4,216,897)
Administrative Expense	(15,463)	(17,238)	(26,443)	(28,994)	(32,632)	(30,159)
Other	-	-	-	36	-	-
NET CHANGE IN TOTAL PENSION LIABILITY	7,628,965	313,908	(6,931)	5,426,358	3,895,695	3,204,324
PLAN FIDUCIARY NET POSITION - BEGINNING*	55,221,357	62,685,693	62,999,159	62,948,118	68,395,843	72,298,604
PLAN FIDUCIARY NET POSITION - ENDING (b)	\$ 62,850,322	62,999,601	62,992,228	68,374,476	72,291,538	75,502,928
NET PENSION LIABILITY - ENDING (a) - (b)	\$ 1,972,432	2,958,015	5,346,551	6,499,242	4,771,620	2,904,423
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY	96.96%	95.52%	92.18%	91.32%	93.81%	96.30%
COVERED PAYROLL	\$ 12,457,977	12,588,745	12,989,288	13,100,194	13,520,441	13,216,521
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	15.83%	23.50%	41.16%	49.61%	35.29%	21.98%

Changes in 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 starting 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.

Note: Data presented includes the primary government and excludes the Greenville-Greene County Landfill (joint venture with Greene County) and Greenville-Greene County Library, a discretely presented component unit of Greene County.

*The beginning balances are adjusted annually based on the Town of Greenville's Proportion of the Net Pension Liability for the respective year.

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION
IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
PRIMARY GOVERNMENT
Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 1,952,991	1,953,061	1,950,130	2,106,886	2,198,770	2,145,696	2,133,601
Contributions in Relation to the							
Actuarially Determined Contribution	1,952,991	1,953,061	1,950,130	2,106,886	2,198,770	2,145,696	2,133,601
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-
Covered Payroll	\$ 12,457,977	12,588,745	12,989,288	13,100,194	13,520,441	13,216,521	13,694,487
Contributions as a Percentage of Covered Payroll	15.68%	15.51%	15.01%	16.08%	16.26%	16.23%	15.58%

GASB 68 requires a 10-year schedule for this data to be presented starting 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.

Note: Data presented includes the primary government and excludes the Greeneville-Greene County Landfill (joint venture with Greene County) and Greeneville-Greene County Library, a discretely presented component unit of Greene County.

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE SCHEDULE OF CONTRIBUTIONS
PUBLIC EMPLOYEE PENSION PLAN OF TCRS
PRIMARY GOVERNMENT
For the Fiscal Year Ended June 30, 2020

Valuation date: Actuarially determined contribution rates for 2020 were calculated based on the June 30, 2018 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%
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00
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

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

See Independent Auditors' Report.

**TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY (ASSET) OF THE
TEACHER LEGACY PENSION PLAN OF TCRS
GREENEVILLE BOARD OF EDUCATION
Fiscal Year Ended June 30**

	2014	2015	2016	2017	2018	2019
PROPORTION OF THE NET PENSION LIABILITY (ASSET)	0.326602%	0.341147%	0.350024%	0.350024%	0.346784%	0.358905%
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)	\$ (50,417)	\$ 132,761	\$ 2,078,022	\$ (106,962)	\$ (1,159,286)	\$ (3,505,676)
COVERED PAYROLL	\$ 12,178,167	\$ 12,132,307	\$ 12,003,427	\$ 11,556,537	\$ 11,536,037	\$ 11,434,038
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL	-0.41%	1.09%	17.31%	-0.93%	-10.05%	-30.66%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY (ASSET)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

*GASB 68 requires a 10-year schedule for this data to be presented starting 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.

Covered payroll totals are as reported by the other auditors.

See Independent Auditors' Report.

**TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
TEACHER LEGACY PENSION PLAN OF TCRS
GREENEVILLE BOARD OF EDUCATION
Fiscal Year Ended June 30**

	2014	2015	2016	2017	2018	2019	2020
Contractually required	\$ 1,081,420	\$ 1,096,760	\$ 1,109,125	\$ 1,044,710	\$ 1,047,475	\$ 1,195,876	\$ 1,168,870
Contributions in Relation to the contractually required contribution	1,081,420	1,096,760	1,109,125	1,044,710	1,047,475	1,195,876	1,168,870
Contribution Deficiency (Excess)	-	-	-	-	-	-	-
Covered Payroll	\$12,178,153	\$ 12,132,307	\$ 12,269,082	\$ 11,556,537	\$ 11,587,113	\$ 11,432,849	\$ 10,995,955
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.04%	10.46%	10.63%

*GASB 68 requires a 10-year schedule for this data to be presented starting 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.

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

Covered payroll totals are as reported by the other auditors.

See Independent Auditors' Report.

**TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF PROPORTIONATE
SHARE OF THE NET PENSION ASSET OF THE
TEACHER RETIREMENT PLAN OF TCRS
GREENEVILLE BOARD OF EDUCATION
Fiscal Year Ended June 30**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
PROPORTION OF THE NET PENSION LIABILITY (ASSET)	0.087070%	0.118585%	0.208836%	0.200122%	0.182482%
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)	\$ (3,328)	\$ (11,728)	\$ (52,342)	\$ (86,221)	\$ (97,859)
COVERED PAYROLL	\$ 171,864	\$ 495,689	\$ 1,302,136	\$ 1,661,383	\$ 1,834,483
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL	-1.94%	-2.37%	-4.02%	-5.19%	-5.33%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY (ASSET)	127.46%	121.88%	126.81%	126.97%	123.07%

*GASB 68 requires a 10-year schedule for this data to be presented starting 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. Covered payroll totals are as reported by the other auditors.

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION
IN THE TEACHER RETIREMENT PLAN OF TCRS
GREENEVILLE BOARD OF EDUCATION
Fiscal Year Ended June 30

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required Contributions in Relation to the Contractually Required Contribution	\$ 4,297	12,408	52,086	27,093	35,589	34,786
Contribution Deficiency (Excess)	<u>(2,577)</u>	<u>(7,419)</u>	<u>-</u>	<u>(39,362)</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 171,864	\$ 495,689	\$ 1,302,136	\$ 1,661,383	\$ 1,834,483	\$ 1,713,596
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%

*GASB 68 requires a 10-year schedule for this data to be presented starting 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.

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

Covered payroll totals are as reported by the other auditors.

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION
IN THE TEACHER RETIREMENT PLAN OF TCRS - STABILIZATION TRUST
GREENEVILLE BOARD OF EDUCATION
Fiscal Year Ended June 30

	2019	2020
Contractually required	\$ 38,388	\$ 48,876
Contributions in Relation to the Contractually Required Contribution	38,388	48,876
Contribution Deficiency (Excess)	-	-
Covered Payroll	\$ 1,863,495	\$ 2,481,015
Contributions as a Percentage of Covered Payroll	2.06%	1.97%

*GASB 68 requires a 10-year schedule for this data to be presented starting 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.

As reported by the other auditors, in FY 2020, Greeneville Board of Education placed the actuarially determined contribution rate (2.03%) of covered payroll into the pension plan and placed 1.97% of covered payroll into the Pension Stabilization Reserve Trust.

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS - CLOSED TEACHER GROUP INSURANCE PLAN
GREENEVILLE BOARD OF EDUCATION
For the Fiscal Year Ending June 30

MEASUREMENT PERIOD ENDED	2017	2018	2019
TOTAL OPEB LIABILITY			
Service Cost	\$ 395,721	\$ 365,651	\$ 577,798
Interest	258,825	303,167	393,411
Changes of Benefit Terms	-	995,778	-
Differences Between Expected and Actual Experience	-	657,784	(279,107)
Changes of Assumptions	(388,118)	419,092	(734,193)
Benefit Payments	<u>(571,884)</u>	<u>(596,708)</u>	<u>(612,422)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	(305,456)	2,144,764	(654,513)
TOTAL OPEB LIABILITY - BEGINNING	<u>8,754,071</u>	<u>8,448,615</u>	<u>10,593,379</u>
TOTAL OPEB LIABILITY - ENDING	8,448,615	10,593,379	9,938,866
Nonemployer contributing entities proportionate share of the collective total OPEB liability	<u>2,510,439</u>	<u>2,240,669</u>	<u>2,155,382</u>
Employer's proportionate share of the collective total OPEB liability	<u>\$ 5,938,176</u>	<u>\$ 8,352,710</u>	<u>\$ 7,783,484</u>
COVERED PAYROLL	\$ 15,117,279	\$ 12,034,572	\$ 11,320,479
EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	39.28%	69.41%	68.76%

This schedule is intended to display 10 years of information. The information in this schedule is not required to be presented retroactively prior to the implementation date. Additional years will be displayed as they become available.

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

The amounts reported for each fiscal year were determined as of the prior fiscal year-end.

Changes in assumptions and other inputs include the change in the discount rate from 3.62% as of the beginning of the measurement period to 3.51% as of June 30, 2019.

See Independent Auditors' Report.

**TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS - CLOSED TENNESSEE PLAN
GREENEVILLE BOARD OF EDUCATION
For the Fiscal Year Ending June 30**

MEASUREMENT PERIOD ENDED	<u>2017</u>	<u>2018</u>	<u>,2019</u>
TOTAL OPEB LIABILITY			
Service Cost	\$ 46,430	\$ 37,646	\$ 20,847
Interest	72,782	81,815	40,901
Changes of Benefit Terms	-	(946,156)	-
Differences Between Expected and Actual Experience	-	(245,079)	(87,802)
Changes of Assumptions	(209,512)	(9,236)	10,111
Benefit Payments	(94,905)	(95,654)	(45,759)
NET CHANGE IN TOTAL OPEB LIABILITY	<u>(185,205)</u>	<u>(1,176,664)</u>	<u>(61,702)</u>
TOTAL OPEB LIABILITY - BEGINNING	<u>2,493,563</u>	<u>2,308,358</u>	<u>1,131,694</u>
TOTAL OPEB LIABILITY - ENDING	2,308,358	1,131,694	1,069,992
Nonemployer contributing entities proportionate share of the collective total OPEB liability	<u>1,151,876</u>	<u>1,037,312</u>	<u>969,661</u>
Employer's proportionate share of the collective total OPEB liability	<u>\$ 1,156,482</u>	<u>\$ 94,382</u>	<u>\$ 100,331</u>
EMPLOYER'S PROPORTIONATE SHARE OF COLLECTIVE TOTAL OPEB LIABILITY	50.10%	8.34%	9.38%
COVERED EMPLOYEE PAYROLL	1,661,384	1,606,287	1,786,467
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	69.61%	5.88%	5.62%

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS - CLOSED TENNESSEE PLAN
GREENEVILLE BOARD OF EDUCATION
For the Fiscal Year Ending June 30, 2020

This schedule is intended to display 10 years of information. The information in this schedule is not required to be presented retroactively prior to the implementation date. Additional years will be displayed as they become available.

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

The amounts reported for each fiscal year were determined as of the prior fiscal year-end.

Changes in assumptions and other inputs include the change in the discount rate from 3.62% as of the beginning of the measurement period to 3.51% as of June 30, 2019.

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS - LOCAL OPEB PLAN
PRIMARY GOVERNMENT
For the Fiscal Year Ending June 30

TOTAL OPEB LIABILITY	<u>2018</u>	<u>2019</u>	<u>2020</u>
Service Cost	\$ 245,113	215,610	221,000
Interest	230,003	278,956	279,744
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	842,743	-
Changes of Assumptions	(136,741)	39,857	-
Benefit Payments	<u>(335,023)</u>	<u>(482,440)</u>	<u>(476,738)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	3,352	894,726	24,006
TOTAL OPEB LIABILITY - BEGINNING	<u>6,345,546</u>	<u>6,348,898</u>	<u>7,243,624</u>
TOTAL OPEB LIABILITY - ENDING	<u>\$ 6,348,898</u>	<u>7,243,624</u>	<u>7,267,630</u>
COVERED PAYROLL	\$ 7,556,532	7,465,901	7,850,990
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	84.02%	97.02%	92.57%

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS - LOCAL OPEB PLAN
PRIMARY GOVERNMENT
For the Fiscal Year Ending June 30, 2020

This schedule is intended to display 10 years of information. The information in this schedule is not required to be presented retroactively prior to the implementation date. Additional years will be displayed as they

Note: Data presented includes the primary government and excludes the Greeneville-Greene County Landfill (joint venture with Greene County) and Greeneville-Greene County Library, a discretely presented component unit of Greene County.

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Salary Increases	3.50% annually
Payroll Growth Rate	2.50% annually
Healthcare Cost Trend Rates	The healthcare cost trend rate was reset at 8.00% in 2018, scaling down .50% per annum to an ultimate
Discount Rate	3.87%

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS - CLOSED TENNESSEE MEDICARE SUPPLEMENT PLAN
PRIMARY GOVERNMENT
For the Fiscal Year Ending June 30

TOTAL OPEB LIABILITY	2018	2019	2020
Service Cost	\$ 26,454	\$ 22,433	\$ 10,365
Interest	20,118	23,089	18,712
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	(147,505)	(6,200)
Changes of Assumptions	(71,113)	(4,332)	10,881
Benefit Payments	(11,872)	(12,134)	(14,608)
NET CHANGE IN TOTAL OPEB LIABILITY	(36,413)	(118,449)	19,150
TOTAL OPEB LIABILITY - BEGINNING	668,477	632,255	513,793
TOTAL OPEB LIABILITY - ENDING	<u>\$ 632,064</u>	<u>\$ 513,806</u>	<u>\$ 532,943</u>
COVERED PAYROLL	\$ 13,220,024	\$ 13,135,212	\$ 13,758,238
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	4.78%	3.91%	3.87%

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
NOTES TO THE SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS - CLOSED TENNESSEE MEDICARE SUPPLEMENT PLAN
PRIMARY GOVERNMENT
For the Fiscal Year Ending June 30, 2019

This schedule is intended to display 10 years of information. The information in this schedule is not required to be presented retroactively prior to the implementation date. Additional years will be displayed as they become available.

Note: Data presented includes the primary government and excludes the Greeneville-Greene County Landfill (joint venture with Greene County) and Greeneville-Greene County Library, a discretely presented component unit of Greene County.

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

The amounts reported for each fiscal year were determined as of the prior fiscal year-end.

The beginning balances are adjusted annually based on the Town of Greeneville's Proportion of the Total OPEB Liability for the respective year.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Salary Increases	Assumed salary increases are the same as used by TCRS: 8.72% at age 20 graded to 3.44% at age 70 (with 4.00% weighted average).
Healthcare Cost Trend Rates	None
Inflation	2.25%
Discount Rate	3.51%
Mortality	Healthy: RP-2014 Employees and Healthy Annuitants mortality table projected generationally with MP-2016 from central year. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females, projected generationally from 2014 with MP-2016. Disabled: reflects those used by TCRS and are taken from the gender distinct tables published in the IRS Revenue Ruling 96-7 for disabled lives with a 10% load.
Changes in Assumptions	The discount rate decreased from 3.62% to 3.51%.

See Independent Auditors' Report.

**SUPPLEMENTARY
INFORMATION SECTION**

TOWN OF GREENEVILLE, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Federal Projects Fund	School Nutrition Fund	Extended School Program	State Street Aid Fund	Community Development Fund	Municipal Solid Waste Fund	Parking Fund	
ASSETS								
Cash and Cash Equivalents	\$ -	500,667	32,716	1,213,677	166,890	61,817	36,322	2,012,089
Certificates of Deposit - Long-Term	-	-	-	210,282	-	-	-	210,282
Due from Other Governments	382,632	-	-	41,644	-	50,000	-	474,276
Accounts Receivable, Net of Allowance	-	50,913	1,942	-	-	140,595	-	193,450
Inventory	-	40,794	-	-	-	-	-	40,794
TOTAL ASSETS	\$ 382,632	592,374	34,658	1,465,603	166,890	252,412	36,322	2,930,891
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ 1,239	1,266	571	42,797	-	26,555	-	72,428
Accrued Expenses	381,393	-	-	-	-	21,251	-	402,644
TOTAL LIABILITIES	382,632	1,266	571	42,797	-	47,806	-	475,072
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenues	-	375	2,076	-	-	-	-	2,451
FUND BALANCES								
Nonspendable	-	40,794	-	-	-	-	-	40,794
Restricted	-	549,939	-	1,422,806	-	-	-	1,972,745
Assigned	-	-	32,011	-	166,890	204,606	36,322	439,829
TOTAL FUND BALANCES	-	590,733	32,011	1,422,806	166,890	204,606	36,322	2,453,368
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 382,632	592,374	34,658	1,465,603	166,890	252,412	36,322	2,930,891

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Federal Projects Fund	School Nutrition Fund	Extended School Program	State Street Aid Fund	Community Development Fund	Municipal Solid Waste Fund	Parking Fund	
REVENUES								
Intergovernmental	\$ 1,869,790	1,204,942	10,962	532,931	433,408	50,000	-	4,102,033
Charges for Services	-	480,988	60,961	-	-	1,287,424	34,262	1,863,635
Investment Income	-	-	-	5,982	-	-	-	5,982
Other Revenues	-	40,317	267	-	-	-	-	40,584
TOTAL REVENUES	1,869,790	1,726,247	72,190	538,913	433,408	1,337,424	34,262	6,012,234
EXPENDITURES								
Current								
Education	1,869,790	-	47,448	-	-	-	-	1,917,238
Public Works	-	-	-	245,202	-	1,840,384	34,048	2,119,634
School Nutrition	-	1,510,198	-	-	-	-	-	1,510,198
Community Development	-	-	-	-	433,408	-	-	433,408
Capital Outlay	-	100,415	-	-	-	626,748	-	727,163
Debt Service	-	-	-	44,584	-	50,000	-	94,584
TOTAL EXPENDITURES	1,869,790	1,610,613	47,448	289,786	433,408	2,517,132	34,048	6,802,225
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	115,634	24,742	249,127	-	(1,179,708)	214	(789,991)
OTHER FINANCING SOURCES (USES)								
Proceeds from Issuance of Notes Payable	-	-	-	-	-	250,000	-	250,000
Insurance Recovery	-	-	-	-	-	174,750	-	174,750
Transfers In	-	-	13,860	-	-	798,574	12,000	824,434
TOTAL OTHER FINANCING SOURCES (USES)	-	-	13,860	-	-	1,223,324	12,000	1,249,184
NET CHANGE IN FUND BALANCE	-	115,634	38,602	249,127	-	43,616	12,214	459,193
FUND BALANCE - BEGINNING	-	475,099	(6,591)	1,173,679	166,890	160,990	24,108	1,994,175
FUND BALANCE - ENDING	\$ -	590,733	32,011	1,422,806	166,890	204,606	36,322	2,453,368

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
FEDERAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Federal Funds through State	\$ 1,450,345	2,215,898	1,869,790	(346,108)
TOTAL REVENUES	<u>1,450,345</u>	<u>2,215,898</u>	<u>1,869,790</u>	<u>(346,108)</u>
EXPENDITURES				
Current - Regular Instruction				
Salaries	1,143,546	1,498,540	1,294,685	203,855
Employee Benefits	270,978	361,364	302,768	58,596
Contracted Services	10,000	51,257	43,297	7,960
Materials and Supplies	9,760	129,623	101,407	28,216
Staff Development	4,556	81,309	38,776	42,533
Equipment	1,600	68,225	80,418	(12,193)
Other	9,905	25,580	8,439	17,141
TOTAL EXPENDITURES	<u>1,450,345</u>	<u>2,215,898</u>	<u>1,869,790</u>	<u>346,108</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Independent Auditors' Report.

**TOWN OF GREENEVILLE, TENNESSEE
SCHOOL NUTRITION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Federal Funds	\$ 1,147,740	1,147,740	1,190,532	42,792
State of Tennessee	47,435	47,435	14,410	(33,025)
Charges for Services	491,556	491,556	480,988	(10,568)
Other Revenue	56,558	56,558	40,317	(16,241)
TOTAL REVENUES	1,743,289	1,743,289	1,726,247	(17,042)
EXPENDITURES				
Current				
Salaries	623,917	623,917	584,583	39,334
Employee Benefits	247,096	247,096	243,526	3,570
Food Service	748,115	748,115	622,612	125,503
Contracted Services	7,550	7,550	9,600	(2,050)
Equipment	81,211	81,211	100,415	(19,204)
Supplies	13,500	13,500	22,145	(8,645)
Travel	3,200	3,200	1,551	1,649
Other	18,700	18,700	26,181	(7,481)
TOTAL EXPENDITURES	1,743,289	1,743,289	1,610,613	132,676
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	115,634	115,634
FUND BALANCE - BEGINNING	475,099	475,099	475,099	-
FUND BALANCE - ENDING	\$ 475,099	475,099	590,733	115,634

See Independent Auditors' Report.

**TOWN OF GREENEVILLE, TENNESSEE
EXTENDED SCHOOL PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Federal Funds	\$ 7,139	7,139	10,962	3,823
Charges for Services	75,872	75,872	60,961	(14,911)
Other Revenue	1,400	1,400	267	(1,133)
TOTAL REVENUES	<u>84,411</u>	<u>84,411</u>	<u>72,190</u>	<u>(12,221)</u>
EXPENDITURES				
Current				
Salaries	71,957	71,957	42,206	29,751
Employee Benefits	5,504	5,504	4,625	879
Food Service	3,500	3,500	2,254	1,246
Supplies	250	250	263	(13)
Travel	-	-	729	(729)
Other	3,200	3,200	(2,629)	5,829
TOTAL EXPENDITURES	<u>84,411</u>	<u>84,411</u>	<u>47,448</u>	<u>36,963</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	24,742	24,742
OTHER FINANCING SOURCES (USES)				
Transfer In	-	-	13,860	13,860
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>38,602</u>	<u>38,602</u>
FUND BALANCE - BEGINNING	<u>(6,591)</u>	<u>(6,591)</u>	<u>(6,591)</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ (6,591)</u>	<u>(6,591)</u>	<u>32,011</u>	<u>38,602</u>

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
STATE STREET AID FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,290,000	1,290,000	532,931	(757,069)
Investment Income	2,500	2,500	5,982	3,482
TOTAL REVENUES	<u>1,292,500</u>	<u>1,292,500</u>	<u>538,913</u>	<u>(753,587)</u>
EXPENDITURES				
Current				
Contracts	100,000	100,000	82,226	17,774
Materials	700,000	700,000	162,976	537,024
Capital Outlay	998,000	998,000	44,584	953,416
TOTAL EXPENDITURES	<u>1,798,000</u>	<u>1,798,000</u>	<u>289,786</u>	<u>1,508,214</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(505,500)</u>	<u>(505,500)</u>	<u>249,127</u>	<u>754,627</u>
FUND BALANCE - BEGINNING	<u>1,173,679</u>	<u>1,173,679</u>	<u>1,173,679</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 668,179</u>	<u>668,179</u>	<u>1,422,806</u>	<u>754,627</u>

See Independent Auditors' Report.

**TOWN OF GREENEVILLE, TENNESSEE
MUNICIPAL SOLID WASTE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Garbage Fees	\$ 785,885	785,885	850,919	65,034
Pull/Rental Charges	340,000	340,000	402,161	62,161
Toter/Container Sales	15,000	15,000	20,265	5,265
Intergovernmental	-	-	50,000	50,000
Other Income	54,000	54,000	14,079	(39,921)
TOTAL REVENUES	1,194,885	1,194,885	1,337,424	142,539
EXPENDITURES				
Current				
Salaries	695,819	695,819	682,565	13,254
Fringe Benefits	425,030	425,030	409,839	15,191
Contracts	519,876	519,876	320,559	199,317
Operation of Motor Vehicles	215,000	215,000	185,487	29,513
Supplies and Other	209,459	209,459	241,934	(32,475)
Capital Outlay	300,000	300,000	626,748	(326,748)
Debt Service	-	-	50,000	(50,000)
TOTAL EXPENDITURES	2,365,184	2,365,184	2,517,132	(151,948)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,170,299)	(1,170,299)	(1,179,708)	(9,409)
OTHER FINANCING SOURCES (USES)				
Proceeds from Issuance of Notes Payable	-	-	250,000	(250,000)
Insurance Recovery	-	-	174,750	(174,750)
Transfers In	798,574	798,574	798,574	-
TOTAL OTHER FINANCING SOURCES (USES)	798,574	798,574	1,223,324	(424,750)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(371,725)	(371,725)	43,616	415,341
FUND BALANCE - BEGINNING	160,990	160,990	160,990	-
FUND BALANCE - ENDING	\$ (210,735)	(210,735)	204,606	415,341

See Independent Auditors' Report.

**TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020**

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
GENERAL FUND				
U.S. Department of Justice Drug Enforcement Agency Organized Crime Drug Enforcement, SE-TNE-0240(H)	16.U01	SE-TN-0240(H)	\$ 17,003	-
U.S. Department of Justice Bulletproof Vest Partnership Program	16.607	N/A	5,719	-
U.S. Department of Interior Passed Through State of Tennessee Environment and Conservation National Park Service - Historical Downtown Survey	15.904	N/A	4,800	-
U.S. Department of Health and Human Services Passed Through State of Tennessee Commission on Aging Passed Through First Tennessee Development District Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers - Roby Center	93.044	[1]	<u>31,288</u>	<u>-</u>
Total General Fund			<u>58,810</u>	<u>-</u>
COMMUNITY DEVELOPMENT FUND				
U.S. Department of Housing and Urban Development Passed Through State of Tennessee Department of Economic and Community Development Community Development Block Grant - Sewer Improvement	14.228	33004-56317	334,539	334,539
U.S. Department of Housing and Urban Development Passed Through State of Tennessee Department of Housing Community Development Block Grant - HOME Grant	14.239	HM-17-06	<u>98,869</u>	<u>-</u>
Total Community Development Fund			<u>433,408</u>	<u>334,539</u>
Total General and Community Development Fund			<u>\$ 492,218</u>	<u>334,539</u>
[1] Information not available				
N/A Not applicable				

(Continued)

TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards does not include the federal grant activity of the Board of Education or Greeneville Water and Light Commission as separately issued audit reports are prepared for these entities. Because the schedule presents only a selected portion of the operations of the Town of Greeneville, it is not intended to and does not present the financial position, changes in net position, or cash flows (as applicable) of the Town.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting.

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Fiscal Year Ended June 30, 2020

Grantor Agency/Program Name	State Grant Number	Expenditures
MUNICIPAL SOLID WASTE FUND		
Tennessee Department of Environment and Conservation Recycling Equipment Grant	32701-3830	\$ 50,000
Total Municipal Solid Waste Fund		<u>50,000</u>
GENERAL FUND		
Tennessee Commission on Aging Passed through First Tennessee Development District State Senior Center	N/A	11,200
Tennessee Department of Health	N/A	55,000
Tennessee Department of Environment and Conservation LPRF - All Inclusive Playground Equipment	N/A	157,768
Tennessee Department of Transportation East Church Street Bridget State Highway Maintenance Contract	30SAB1-S3-004 / Bridge 13L38630001 CMA2008	578,911 <u>92,761</u>
Total General Fund		<u>895,640</u>
Total Municipal Solid Waste and General Fund		<u>\$ 945,640</u>

See Independent Auditors' Report.

**TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF INTERFUND TRANSFERS
For the Fiscal Year Ended June 30, 2020**

Transfer From	Transfer To					Total
	General Fund	General Purpose School Fund	Municipal Solid Waste Fund	Extended School Program Fund	Parking Fund	
General Purpose School Fund	\$ 338,987	-	-	13,860	-	352,847
General Fund	-	5,872,535	-	-	-	5,872,535
General Fund	-	-	798,574	-	-	798,574
General Fund	-	-	-	-	12,000	12,000
	<u>\$ 338,987</u>	<u>5,872,535</u>	<u>798,574</u>	<u>13,860</u>	<u>12,000</u>	<u>7,035,956</u>

The School Fund transferred funds to the General Fund as a reimbursement for the General Fund's payment of debt issued on behalf of the School Fund. The remaining transfers were for operating purposes.

See Independent Auditors' Report.

**TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF INCOME AND EXPENSE
WATER AND LIGHT COMMISSION
For the Fiscal Year Ended June 30, 2020**

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Operating Revenue	\$ 6,176,544	3,914,412	10,090,956
Operating Expenses Before Depreciation	<u>4,545,920</u>	<u>2,583,480</u>	<u>7,129,400</u>
Operating Income Before Depreciation	1,630,624	1,330,932	2,961,556
Depreciation	<u>1,090,110</u>	<u>752,589</u>	<u>1,842,699</u>
Operating Income	<u>540,514</u>	<u>578,343</u>	<u>1,118,857</u>
Non-Operating Income			
Interest Income	23,562	23,562	47,124
Grant Revenue	<u>-</u>	<u>334,539</u>	<u>334,539</u>
Non-Operating Income	<u>23,562</u>	<u>358,101</u>	<u>381,663</u>
Income	<u>\$ 564,076</u>	<u>936,444</u>	<u>1,500,520</u>

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF OPERATING REVENUES - WATER
WATER AND LIGHT COMMISSION
For the Fiscal Year Ended June 30, 2020

OPERATING REVENUES

Water Revenues	
Water Sales	\$ 5,856,754
Miscellaneous Service Revenue	61,931
Penalties	47,356
Fire Protection	58,677
Service Charges and Miscellaneous Water	69,945
Water Tap Fees	57,500
Miscellaneous Revenues	24,381
Total Water Revenues	<u>6,176,544</u>
Wastewater Revenues	
Sewer Charges	3,782,269
Miscellaneous Revenue	91,843
Sewer Tap Fees	40,300
Total Wastewater Revenues	<u>3,914,412</u>
TOTAL OPERATING REVENUES	<u><u>\$ 10,090,956</u></u>

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF OPERATING EXPENSES - WATER
WATER AND LIGHT COMMISSION
For the Fiscal Year Ended June 30, 2020

OPERATING EXPENSES - WATER

Source of Supply Expenses	
Operating Labor	\$ 18,911
Maintenance of Plant	78,512
Total Source of Supply Expenses	<u>97,423</u>
Power and Pumping Expenses	
Power Purchased	795,653
Maintenance of Power and Pumping Equipment	22,599
Total Power and Pumping Expenses	<u>818,252</u>
Purification Expenses	
Purification Labor	316,333
Purification Supplies and Expense	457,966
Maintenance of Plant	249,513
Total Purification Expenses	<u>1,023,812</u>
Transmission and Distribution Expenses	
Maintenance of Mains	330,813
Maintenance of Other Distribution Plant	370,624
Other Services	38,518
Water Tap Expense	41,999
Total Transmission and Distribution Expenses	<u>781,954</u>
Maintenance and Meter Shop Expenses	
Salaries and Wages	115,483
Materials and Supplies	63,018
Maintenance of Buildings and Equipment	18,181
Utilities and Communications	10,744
Total Maintenance and Meter Shop Expenses	<u>207,426</u>
Customer Billing and Accounting Expenses	
Customer Services	63,901
Meter Reading	63,138
Billing and Accounting	108,437
Total Customer Billing and Accounting Expenses	<u>235,476</u>

(Continued)

TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF OPERATING EXPENSES - WATER
WATER AND LIGHT COMMISSION
For the Fiscal Year Ended June 30, 2020

OPERATING EXPENSES - WATER (CONTINUED)

Administrative and General Expenses	
Employees' Welfare Expense and Pension	667,616
Salaries of General Office Employees	225,917
General Insurance	102,279
Payroll Taxes	95,155
Miscellaneous Expense	54,020
General Office Supplies and Expense	129,674
Special Services	55,322
Utilities and Communications	25,657
Maintenance of General Property	19,286
Uncollectible Accounts	4,492
Board of Commissioners	2,159
Total Administrative and General Expenses	<u>1,381,577</u>

TOTAL OPERATING EXPENSES - WATER \$ 4,545,920

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF OPERATING EXPENSES - WASTEWATER
WATER AND LIGHT COMMISSION
For the Fiscal Year Ended June 30, 2020

OPERATING EXPENSES - WASTEWATER

Wastewater Treatment Plant Expenses	
Plant Labor	\$ 461,775
Supplies and Other Expenses	175,522
Power Purchased for Plant and Pumping Stations	318,030
Maintenance of Plant, Plant Equipment, and General Property	209,333
Total Wastewater Treatment Plant Expenses	<u>1,164,660</u>
Sewer Main Expenses	
Maintenance of Mains	319,962
Other Services	52,811
Sewer Tap Expense	14,197
Total Sewer Main Expenses	<u>386,970</u>
Customer Billing and Accounting Expenses	
Billing and Accounting	<u>82,611</u>
Administrative and General Expenses	
Employees' Welfare Expense and Pension	546,230
Salaries General Office Employees	184,841
General Insurance	83,683
Payroll Taxes	77,925
Special Services	44,030
Miscellaneous Expense	7,089
Uncollectible Accounts	3,675
Board of Commissioners	1,766
Total Administrative and General Expenses	<u>949,239</u>
TOTAL OPERATING EXPENSES - WASTEWATER	<u>\$ 2,583,480</u>

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2019	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2020
Governmental Activities:									
Bonds Payable									
Payable Through General Fund									
General Obligation - Refunding Bonds Series 2020	\$ 6,540,000	2% to 5%	4/29/2020	6/1/2029	\$ -	6,540,000	-	-	6,540,000
General Obligation - Refunding Bonds Series 2010A	11,120,000	2% to 4%	10/28/2010	6/30/2029	7,880,000	-	185,000	7,695,000	-
General Obligation - Refunding Bonds Series 2017	9,125,000	3.00%	12/7/2017	6/1/2025	9,110,000	-	1,430,000	-	7,680,000
General Obligation (Airport) - Refunding Bonds Series 2016A	1,615,000	3.0 to 3.38%	2/6/2016	9/1/2041	1,615,000	-	-	-	1,615,000
Airport Revenue & Tax Refunding and Improvement - Bonds Series 2016B	555,000	2.42%	12/28/2016	9/1/2023	400,000	-	80,000	-	320,000
Total Bonds Payable Through General Fund					<u>\$ 19,005,000</u>	<u>6,540,000</u>	<u>1,695,000</u>	<u>7,695,000</u>	<u>16,155,000</u>
Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2019	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2020
Governmental Activities:									
Capital Outlay Notes									
Payable Through Municipal Solid Waste Fund									
Capital Outlay Note - Series 2020	\$ 250,000	3.74%	12/16/2019	6/1/2024	\$ -	250,000	50,000	-	200,000
Total Capital Outlay Notes Payable Through Municipal Solid Waste					<u>\$ -</u>	<u>250,000</u>	<u>50,000</u>	<u>-</u>	<u>200,000</u>

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF BONDED DEBT
GOVERNMENTAL ACTIVITIES
June 30, 2020

Fiscal Year Ending	General Obligation Refunding Series 2020		General Obligation Series 2016A		Airport Revenue and Tax Refunding Series 2016B		General Obligation Refunding Series 2017		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	6/30/2021	\$ 75,000	306,600	-	50,469	80,000	6,776	1,460,000	230,400	1,615,000
6/30/2022	75,000	304,350	-	50,469	80,000	4,840	1,505,000	186,600	1,660,000	546,259
6/30/2023	75,000	302,100	-	50,469	80,000	2,904	1,535,000	141,450	1,690,000	496,923
6/30/2024	90,000	299,850	-	50,469	80,000	968	1,570,000	95,400	1,740,000	446,687
6/30/2025	100,000	295,350	70,000	49,419	-	-	1,610,000	48,300	1,780,000	393,069
6/30/2026	1,460,000	290,350	70,000	47,319	-	-	-	-	1,530,000	337,669
6/30/2027	1,495,000	217,350	75,000	45,144	-	-	-	-	1,570,000	262,494
6/30/2028	1,580,000	142,600	75,000	42,894	-	-	-	-	1,655,000	185,494
6/30/2029	1,590,000	63,600	75,000	40,644	-	-	-	-	1,665,000	104,244
6/30/2030	-	-	80,000	38,319	-	-	-	-	80,000	38,319
6/30/2031	-	-	80,000	35,919	-	-	-	-	80,000	35,919
6/30/2032	-	-	85,000	33,444	-	-	-	-	85,000	33,444
6/30/2033	-	-	85,000	30,894	-	-	-	-	85,000	30,894
6/30/2034	-	-	90,000	28,269	-	-	-	-	90,000	28,269
6/30/2035	-	-	95,000	25,494	-	-	-	-	95,000	25,494
6/30/2036	-	-	95,000	22,644	-	-	-	-	95,000	22,644
6/30/2037	-	-	100,000	19,594	-	-	-	-	100,000	19,594
6/30/2038	-	-	100,000	16,344	-	-	-	-	100,000	16,344
6/30/2039	-	-	105,000	13,013	-	-	-	-	105,000	13,013
6/30/2040	-	-	110,000	9,450	-	-	-	-	110,000	9,450
6/30/2041	-	-	110,000	5,738	-	-	-	-	110,000	5,738
6/30/2042	-	-	115,000	1,941	-	-	-	-	115,000	1,941
	<u>\$ 6,540,000</u>	<u>2,222,150</u>	<u>1,615,000</u>	<u>708,359</u>	<u>320,000</u>	<u>15,488</u>	<u>7,680,000</u>	<u>702,150</u>	<u>16,155,000</u>	<u>3,648,147</u>

See Independent Auditors' Report.

TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF CHANGES IN TAXES RECEIVABLE
For the Fiscal Year Ended June 30, 2020

Year of Levy	Assessment	Rate	Total Levy	Balance Unpaid 7/1/2019	Levy	Collections	Releases, Adjustments, Penalty/Interest & Abatements	Balance Unpaid 6/30/2020
2020	\$ 457,919,286	2.18	\$ 9,742,296	-	9,742,296	-	-	9,742,296
2019	427,915,049	2.18	9,946,060	9,946,060	-	(9,624,293)	50,006	371,773
2018	427,915,049	2.22	9,716,709	419,806	-	(330,548)	17,489	106,747
2017	427,915,049	2.22	9,501,967	98,963	-	(24,207)	576	75,332
2016	418,099,088	2.22	9,477,100	84,596	-	(34,025)	(282)	50,289
2015	418,074,744	2.05	9,262,148	49,366	-	(13,960)	-	35,406
2014	403,172,357	2.05	8,550,811	29,307	-	-	(29,307)	-
				<u>\$ 10,628,098</u>	<u>9,742,296</u>	<u>(10,027,033)</u>	<u>38,482</u>	<u>10,381,843</u>
						Less: Allowance for Uncollectible		<u>(81,682)</u>
								<u>\$ 10,300,161</u>

All uncollected taxes have been turned over to the Clerk and Master for collection.

See Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION SECTION
(UNAUDITED)

**TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF CUSTOMER AND RATE DATA
WATER AND LIGHT COMMISSION
June 30, 2020**

	Customers	
	Water	Wastewater
June 30, 2020	10,146	7,063
June 30, 2019	10,083	7,011
	63	52

The following is a schedule of water rates inside the city:

Metered Rates		
Service Fee Per Month	\$	8.50
First 1,000 cubic feet		1.30 per 100 cubic feet
Next 1,000 cubic feet		1.25 per 100 cubic feet
All over 2,000 cubic feet		1.20 per 100 cubic feet

Sewer customers are charged a service fee of \$9.50 plus \$3.25 per 100 cubic feet of water usage. Industrial water surcharges based on concentration and volume are assessed certain commercial customers.

Customers outside the city are charged an additional 100% of the basic water and sewer rates.

All bills are subject to a 10% penalty if not paid within ten days after the due date, except that commercial users, accustomed to paying at regular intervals, are allowed to pay the net bill after the penalty dates.

See Independent Auditors' Report.

**TOWN OF GREENEVILLE, TENNESSEE
SCHEDULE OF UNACCOUNTED FOR WATER
WATER AND LIGHT COMMISSION
June 30, 2020**

AWWA Free Water Audit Software: Reporting Worksheet				WAS v5.0 <small>American Water Works Association Copyright © 2014, All Rights Reserved.</small>
<input type="button" value="7"/> Click to access definition <input type="button" value="+"/> Click to add a comment		Water Audit Report for: <input type="text" value="Greenville Water Commission"/> Reporting Year: <input type="text" value="2020"/> <input type="text" value="7/2019 - 6/2020"/>		
<p>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</p> <p style="text-align: center;">All volumes to be entered as: MILLION GALLONS (US) PER YEAR</p>				
To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds <u>all</u> criteria for that grade and all grades below it.				
WATER SUPPLIED		Master Meter and Supply Error Adjustments		
<----- Enter grading in column 'E' and 'J' -----> Volume from own sources: <input type="text" value="+ 7 10"/> <input type="text" value="2,962.185"/> MG/Yr Water imported: <input type="text" value="+ 7 n/a"/> <input type="text" value=""/> MG/Yr Water exported: <input type="text" value="+ 7 n/a"/> <input type="text" value=""/> MG/Yr		Pont: <input type="text" value="8"/> Value: <input type="text" value=""/> MG/Yr <input type="text" value="+ 7"/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="+ 7"/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="+ 7"/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/>		
WATER SUPPLIED:		Enter negative % or value for under-registration Enter positive % or value for over-registration		
AUTHORIZED CONSUMPTION		Billed metered: <input type="text" value="+ 7 10"/> <input type="text" value="2,437.585"/> MG/Yr Billed unmetered: <input type="text" value="+ 7 n/a"/> <input type="text" value=""/> MG/Yr Unbilled metered: <input type="text" value="+ 7 n/a"/> <input type="text" value=""/> MG/Yr Unbilled unmetered: <input type="text" value="+ 7 10"/> <input type="text" value="37.027"/> MG/Yr Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed		
AUTHORIZED CONSUMPTION:		<input type="text" value="1.25%"/> <input type="text" value=""/> MG/Yr Click here: <input type="text" value="7"/> for help using option buttons below Use buttons to select percentage of water supplied OR value		
WATER LOSSES (Water Supplied - Authorized Consumption)		<input type="text" value="487.573"/> MG/Yr		
Apparent Losses		Unauthorized consumption: <input type="text" value="+ 7 7"/> <input type="text" value="7.405"/> MG/Yr Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed Customer metering inaccuracies: <input type="text" value="+ 7 8"/> <input type="text" value="128.294"/> MG/Yr Systematic data handling errors: <input type="text" value="+ 7 8"/> <input type="text" value="6.094"/> MG/Yr Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed Apparent Losses: <input type="text" value="7"/> <input type="text" value="141.793"/> MG/Yr		
Real Losses (Current Annual Real Losses or CARL)		Real Losses = Water Losses - Apparent Losses: <input type="text" value="7"/> <input type="text" value="345.779"/> MG/Yr WATER LOSSES: <input type="text" value="7"/> <input type="text" value="487.573"/> MG/Yr		
NON-REVENUE WATER		NON-REVENUE WATER: <input type="text" value="7"/> <input type="text" value="524.600"/> MG/Yr = Water Losses + Unbilled Metered + Unbilled Unmetered		
SYSTEM DATA		Length of mains: <input type="text" value="+ 7 1"/> <input type="text" value="311.0"/> miles Number of <u>active AND inactive</u> service connections: <input type="text" value="+ 7 8"/> <input type="text" value="12,548"/> Service connection density: <input type="text" value="7"/> <input type="text" value="40"/> conn./mile main Are customer meters typically located at the curbstop or property line? <input type="text" value="7"/> <input type="text" value="Yes"/> (length of service line, <u>beyond</u> the property boundary, that is the responsibility of the utility) Average length of customer service line has been set to zero and a data grading score of 10 has been applied Average operating pressure: <input type="text" value="+ 7 10"/> <input type="text" value="100.0"/> psi		
COST DATA		Total annual cost of operating water system: <input type="text" value="+ 7 10"/> <input type="text" value="\$5,636,029"/> \$/Year Customer retail unit cost (applied to Apparent Losses): <input type="text" value="+ 7 8"/> <input type="text" value="\$2.31"/> \$/1000 gallons (US) Variable production cost (applied to Real Losses): <input type="text" value="+ 7 8"/> <input type="text" value="\$1.90"/> \$/Million gallons <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses		
WATER AUDIT DATA VALIDITY SCORE:		*** YOUR SCORE IS: 87 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: Unauthorized consumption				
2: Systematic data handling errors				
3: Customer metering inaccuracies				

(Continued)

**TOWN OF GREENEVILLE, TENNESSEE
 SCHEDULE OF UNACCOUNTED FOR WATER
 WATER AND LIGHT COMMISSION
 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: Greenville Water Commission														
Reporting Year: 2020 7/2019 - 6/2020														
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 87 out of 100 ***														
System Attributes:														
	Apparent Losses:	141.793 MG/Yr												
	+ Real Losses:	345.779 MG/Yr												
	= Water Losses:	487.573 MG/Yr												
	? Unavoidable Annual Real Losses (UARL):	130.10 MG/Yr												
	Annual cost of Apparent Losses:	\$327,543												
	Annual cost of Real Losses:	\$657 Valued at Variable Production Cost <small>Return to Reporting Worksheet to change this assumption</small>												
Performance Indicators:														
Financial:	{	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Non-revenue water as percent by volume of Water Supplied:</td> <td style="border: 1px solid black; text-align: right; padding: 2px;">17.7%</td> <td></td> </tr> <tr> <td>Non-revenue water as percent by cost of operating system:</td> <td style="border: 1px solid black; text-align: right; padding: 2px;">5.8%</td> <td>Real Losses valued at Variable Production Cost</td> </tr> </table>	Non-revenue water as percent by volume of Water Supplied:	17.7%		Non-revenue water as percent by cost of operating system:	5.8%	Real Losses valued at Variable Production Cost						
Non-revenue water as percent by volume of Water Supplied:	17.7%													
Non-revenue water as percent by cost of operating system:	5.8%	Real Losses valued at Variable Production Cost												
Operational Efficiency:	{	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Apparent Losses per service connection per day:</td> <td style="border: 1px solid black; text-align: right; padding: 2px;">30.96</td> <td>gallons/connection/day</td> </tr> <tr> <td>Real Losses per service connection per day:</td> <td style="border: 1px solid black; text-align: right; padding: 2px;">75.51</td> <td>gallons/connection/day</td> </tr> <tr> <td>Real Losses per length of main per day*:</td> <td style="border: 1px solid black; text-align: right; padding: 2px;">N/A</td> <td></td> </tr> <tr> <td>Real Losses per service connection per day per psi pressure:</td> <td style="border: 1px solid black; text-align: right; padding: 2px;">0.76</td> <td>gallons/connection/day/psi</td> </tr> </table>	Apparent Losses per service connection per day:	30.96	gallons/connection/day	Real Losses per service connection per day:	75.51	gallons/connection/day	Real Losses per length of main per day*:	N/A		Real Losses per service connection per day per psi pressure:	0.76	gallons/connection/day/psi
Apparent Losses per service connection per day:	30.96	gallons/connection/day												
Real Losses per service connection per day:	75.51	gallons/connection/day												
Real Losses per length of main per day*:	N/A													
Real Losses per service connection per day per psi pressure:	0.76	gallons/connection/day/psi												
		From Above, Real Losses = Current Annual Real Losses (CARL): 345.78 million gallons/year												
		? Infrastructure Leakage Index (ILI) [CARL/UARL]: 2.66												
* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline														

See Independent Auditors' Report.

**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**

To the Honorable Mayor, Board of Aldermen,
Recorder, and City Administrator
Town of Greeneville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Greeneville, Tennessee (the Town) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 28, 2020.

Our report includes a reference to other auditors who audited the financial statements of the Greeneville Board of Education and Greeneville Water and Light Commission, as described in our report on the Town of Greeneville, Tennessee's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

Town of Greeneville, Tennessee
Report on Internal Control over
Financial Reporting and Compliance

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

Purpose of this Report

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

Blackburn, Childers & Steagall, P.C.

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 28, 2020

TOWN OF GREENEVILLE, TENNESSEE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Fiscal Year Ended June 30, 2020

Financial Statement Findings

Prior Year Finding Number	Finding Title	Status/Current Year Finding Number
2019-001	Material Weakness - General Ledger Maintenance	Resolved
2019-002	Significant Deficiency - Construction Contracts and Related Activity	Resolved

Federal Award Findings and Questioned Costs

None reported in the prior year.