

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 1, 2026**

NEW ISSUES – BOOK ENTRY ONLY

RATINGS: Moody's Investors Service: Aaa
S&P Global Ratings: AAA
(See "Ratings" herein.)

IN THE OPINION OF ADAMS AND REESE LLP, BOND COUNSEL, UNDER EXISTING LAW AND ASSUMING COMPLIANCE WITH CERTAIN TAX COVENANTS DESCRIBED HEREIN, INTEREST ON THE BONDS 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; HOWEVER, SUCH INTEREST IS TAKEN INTO ACCOUNT IN DETERMINING THE ANNUAL FINANCIAL STATEMENT INCOME OF APPLICABLE CORPORATIONS (AS DEFINED IN SECTION 59(K) OF THE CODE) FOR THE PURPOSE OF COMPUTING THE ALTERNATIVE MINIMUM TAX IMPOSED ON CORPORATIONS. BOND COUNSEL IS ALSO OF THE OPINION, UNDER EXISTING LAW, THAT THE BONDS AND INTEREST ON THE BONDS ARE EXEMPT FROM ALL STATE, COUNTY, AND MUNICIPAL TAXATION IN THE STATE OF TENNESSEE, EXCEPT TO THE EXTENT THAT INTEREST ON THE BONDS IS INCLUDED WITHIN THE MEASURE OF CERTAIN PRIVILEGE AND EXCISE TAXES IMPOSED UNDER TENNESSEE LAW. SEE "TAX MATTERS" HEREIN.

OFFICIAL STATEMENT
CITY OF GERMANTOWN, TENNESSEE
\$13,265,000* GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2026A
\$11,540,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2026B

Dated: Date of Delivery

Due: June 1(as shown on inside front cover)

This Official Statement has been prepared on behalf of the City of Germantown, Tennessee (the "City") to provide information relating to the City's \$13,265,000* General Obligation Improvement, Series 2026A (the "Series 2026A Bonds") and \$11,540,000* General Obligation Refunding Bonds, Series 2026B (the "Series 2026B Bonds", and, together with the Series 2026A Bonds, collectively, the "Bonds"). Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Bonds, a prospective investor should read this Official Statement in its entirety.

Security The Bonds, including the principal thereof, the premium, if any, and interest thereon, are a general obligation of the City and as such the full faith, credit and taxing power of the City are irrevocably pledged for the payment of the principal of and interest on the Bonds as they mature. The Bonds are payable from ad valorem taxes to be levied on all taxable property within the City, without limitation as to time, rate, and amount, and for the punctual payment of said principal of, premium, if any, and interest on, the Bonds, the full faith and credit of the City will be irrevocably pledged. See "THE BONDS – Security" herein.

Authority for Issuance The Bonds are being issued pursuant to the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended.

Purpose The Series 2026A Bonds are being issued for the purpose of (1) financing a portion of the costs of certain public works projects, consisting of the acquisition, construction, improvement, renovation and equipping of public school facilities; acquisition, construction, improvement, renovation and equipping of public recreational facilities and (2) paying costs incident to the issuance and sale of the Series 2026A Bonds. The Series 2026B Bonds are being issued for the purpose of (1) current refunding certain maturities of the General Obligation Improvement and Refunding Bonds, Series 2016A and the General Obligation Bonds, Series 2016B (collectively, the "Refunded Bonds") and (2) paying costs incident to the issuance and sale of the Series 2026B Bonds. See "PLAN OF FINANCING" herein.

Interest Payment Dates June 1 and December 1, commencing on December 1, 2026.

Interest Rates and Yields See inside front cover.

Denominations \$5,000 and integral multiples thereof.

Book-Entry Only System The Depository Trust Company. See "BOOK ENTRY ONLY SYSTEM" herein.

Redemption The Bonds are subject to optional and mandatory redemption. See "THE BONDS - Optional Redemption" and "THE BONDS - Mandatory Redemption" herein.

Closing & Delivery Date On or about October __, 2026.

Registration Agent U.S. Bank Trust Company, National Association

Bond Counsel Adams and Reese LLP, Nashville, Tennessee

Dated: October __, 2026

* Preliminary, Subject to Change.

**REVISED ON OCTOBER 2, 2026

MATURITIES, AMOUNTS, INTEREST RATES, AND YIELDS

\$13,265,000* GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2026A

<u>Due June 1</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>	<u>Due June 1</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP†</u>
2027	\$370,000				2037	750,000			
2028	485,000				2038	785,000			
2029	505,000				2039	825,000			
2030	530,000				2040	865,000			
2031	560,000				2041	910,000			
2032	585,000				2042	625,000			
2033	615,000				2043	655,000			
2034	645,000				2044	685,000			
2035	680,000				2045	720,000			
2036	715,000				2046	755,000			

\$11,540,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2026B

<u>Due June 1</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>	<u>Due June 1</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP†</u>
2027	\$1,000,000				2037	\$395,000			
2028	810,000				2038	415,000			
2029	835,000				2039	435,000			
2030	480,000				2040	455,000			
2031	510,000				2041	480,000			
2032	535,000				2042	505,000			
2033	555,000				2043	525,000			
2034	585,000				2044	555,000			
2035	615,000				2045	585,000			
2036	650,000				2046	615,000			

*Preliminary, Subject to Change.

† These CUSIP numbers have been assigned by Standard & Poor's CUSIP Service Bureau, a Division of The McGraw Hill Companies, Inc., and are included solely for the convenience of the Bondholders. Neither the Underwriters nor the City is responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those in this Official Statement in connection with the offering contained herein; and if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer of the securities offered hereby to any jurisdiction where such offer or solicitation of such offer would be unlawful. The information set forth herein has been provided by the City and other sources that are believed to be reliable, but the accuracy or completeness of the information is not guaranteed by and is not to be construed as a representation by the Municipal Advisor of the City. The delivery of this Official Statement at any time does not imply that information herein is correct as of any time subsequent to its date.

This Official Statement is not to be construed as a contract or agreement between the City and any purchaser of any of the Bonds. Any statements made herein involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information contained herein is subject to change without notice and neither the delivery hereof nor any sale made hereunder shall, under any circumstances, create any implication that there has not been any change in the affairs of the City, or its agencies and authorities, since the date hereof.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose.

TABLE OF CONTENTS

Part I

CITY OFFICIALS.....	1	CAPITAL IMPROVEMENTS PROGRAM.....	10
INTRODUCTION	2	OPINIONS OF BOND COUNSEL.....	10
THE BONDS	2	APPROVAL OF LEGAL PROCEEDINGS	10
DESCRIPTION.....	2	LITIGATION	10
AUTHORITY FOR ISSUANCE OF THE BONDS	2	TAX MATTERS.....	10
SECURITY	2	ARBITRAGE COVENANT.....	12
OPTIONAL REDEMPTION.....	3	RATINGS	12
MANDATORY REDEMPTION.....	3	MUNICIPAL ADVISOR.....	12
REDEMPTION PROVISIONS	3	SALE OF THE BONDS.....	12
SELECTION OF BONDS TO BE REDEEMED	4	AUDITED FINANCIAL STATEMENTS.....	13
BOOK ENTRY ONLY SYSTEM.....	4	CERTIFIED PUBLIC ACCOUNTANTS	13
CONTINUING DISCLOSURE	5	MISCELLANEOUS.....	13
PLAN OF FINANCING.....	6	CERTIFICATE AS TO OFFICIAL STATEMENT	13
ESTIMATED SOURCES AND USES OF FUNDS.....	7		
LONG TERM DEBT SERVICE REQUIREMENTS.....	8		
STATEMENT OF DEBT	9		
 Yearly Information Statement		Part II	
General Purpose Financial Statements		Appendix A	
Forms of Bond Counsel Opinions		Appendix B	
Form of Continuing Disclosure Certificate		Appendix C	

CITY OFFICIALS

MAYOR

The Honorable Mike Palazzolo

Vice Mayor

Mary Anne Gibson

ALDERMEN

Scott Sanders
Sherrie Hicks

Brian Ueleke
Tony Salvaggio

CITY ADMINISTRATOR

Jason Huisman

CITY ATTORNEY

David E. Goodman, Jr.

CITY CLERK/RECORDER

Michele Betty

CITY JUDGES

Robert M. Brannon, Jr.
Rhea Clift

DEPARTMENT HEADS

Economic & Community Development DirectorCameron Ross
Public Works Director Allen “Oz” Broughton
Budget & Financial Services Director Adrienne Royals
Fire Chief..... Eric Grizzard
Parks and Recreation Director Pam Beasley
Human Resources Director..... Ola Terrell-Jordan
Police ChiefMike Fisher
General Services Director..... Reynold Douglas
Germantown Athletic Club Director..... Phil Rogers
Germantown Performing Arts Center Executive Director..... Paul Chandler
Information Technology Director Tony Fischer
Procurement Director Cathryn Perdue

BOND COUNSEL

Adams and Reese LLP

CERTIFIED PUBLIC ACCOUNTANTS

Watkins Uiberall, PLLC

MUNICIPAL ADVISOR

PFM Financial Advisors LLC

REGISTRATION AGENT

U.S. Bank Trust Company, National Association

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, of the City of Germantown, Tennessee (the “City”), is provided for the purpose of setting forth certain information concerning the sale by the City of its \$13,265,000* General Obligation Improvement Bonds, Series 2026A (the “Series 2026A Bonds”) and its \$11,540,000* General Obligation Refunding Bonds, Series 2026B (the “Series 2026B Bonds”, and together with the Series 2026A Bonds, collectively, the “Bonds”).

All financial and other information presented herein and, in the Appendices, has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as might be shown by such financial and other information, will necessarily continue or be repeated in the future.

THE BONDS

DESCRIPTION

The Bonds are dated the date of original issuance and delivery and will bear interest from that date to their respective maturities in the amounts and at the rates set forth on the inside front cover. The Bonds are issuable only as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable on June 1 and December 1 of each year, commencing December 1, 2026, based on a 360-day year of twelve 30-day months.

The Bonds, when issued, will be registered 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. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly to DTC. Disbursement of such payments to the individual purchasers (“Beneficial Owners”) is the responsibility of DTC Participants or Indirect Participants (as such terms are defined in “BOOK ENTRY ONLY SYSTEM” herein) as more fully described herein. Individual purchases of the Bonds will be made in book-entry form only. Beneficial Owners of the Bonds will not receive physical delivery of bond certificates.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. See “BOOK ENTRY ONLY SYSTEM.”

AUTHORITY FOR ISSUANCE OF THE BONDS

The Bonds are being issued by the City pursuant to the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended, other applicable provisions of law, and pursuant to certain resolutions adopted by the Board of Mayor and Aldermen on August 24, 2026 (collectively, the “Resolutions”).

SECURITY

The Bonds, including the principal thereof, the premium, if any, and interest thereon, will be direct general obligations of the City and the City has pledged its full faith, credit and unlimited taxing power to the punctual payment of the principal of and interest on the Bonds. An ad valorem tax sufficient to pay when due such principal and interest shall be levied annually and assessed, collected and paid, in like manner with the other taxes of the City and shall be in addition to all the other taxes authorized or limited by law. It shall be the duty of the Board of Mayor and Aldermen to include in the annual levy a tax sufficient to pay the interest on and principal of the Bonds as the same become due. When any part of the principal of or interest on the Bonds shall not be paid when due, there shall be levied and assessed by said Board of Mayor and Aldermen and collected by the proper collecting officers at the first assessment, levy and collection of taxes in the City, after such omission or failure, a tax sufficient to pay the same.

Any holder of Bonds issued under the provisions of Section 9-21-407, Tennessee Code Annotated, as amended, or any person or officer being a party in interest, may either by law or in equity by suit, action or mandamus, enforce and compel the performance of the duties required by such section of the governing body or any board or officer of the City.

The Bonds are not obligations of the State of Tennessee (the “State”) or of Shelby County, Tennessee or of any other public jurisdiction.

* Preliminary, Subject to Change.

OPTIONAL REDEMPTION

The Bonds which mature on or before June 1, 2036 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after June 1, 2037 are subject to redemption prior to maturity at the option of the City on and after June 1, 2036, in whole or in part on any date at par.

MANDATORY REDEMPTION

Subject to the credit hereinafter provided, the City shall redeem the [Series 2026A/B] Bonds maturing June 1, 20__ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the Bonds, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Redemption Date

Principal Amount Redeemed

At its option, to be exercised on or before the thirtieth (30th) day next preceding any such redemption date, the City may (i) deliver to the Registration Agent for cancellation the Bonds maturing June 1, 20__ to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond maturing June 1, 20__ so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the City on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of the Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced.

REDEMPTION PROVISION

Notice of redemption shall be given by the Registration Agent on behalf of the City not less than 30 nor more than 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 books of registry kept by the Registration Agent as of the close of business on the forty-fifth (45th) day preceding the date fixed for redemption. Neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given, and failure of any registered owner to receive such notice if properly given in the manner described above shall not affect the validity of the proceedings of the redemption of the Bonds held by such owner. 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 provided, and neither the City nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. If notice of redemption shall have been given and payment of the principal amount of the Bonds to be redeemed, and of the interest and premium, if any, payable upon redemption shall have been duly made or provided for, interest on such Bonds shall cease to accrue after the redemption date.

Any notice of redemption of Bonds may state that the redemption is conditioned upon the receipt by the Registration Agent of sufficient money to pay the redemption price of the Bonds to be redeemed, plus interest accrued and unpaid to the redemption date, or upon satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event.

SELECTION OF BONDS TO BE REDEEMED

Upon redemption of any of the Bonds, the amounts of the Bonds of the respective maturities to be redeemed shall be selected by the City in accordance with the provisions of the Resolutions. If less than all Bonds of one maturity are to be redeemed, the Bonds (or portion thereof) within each maturity to be redeemed shall be selected by the Registration Agent by lot. All actions of the City relating to the redemption of the Bonds shall conform to the provisions of the Resolutions.

BOOK ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book entry-only system has been obtained from DTC and the City does not make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC 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, or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2026 Bond certificate will be issued for each maturity of each series of the Bonds as set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, 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, as amended. DTC holds and provides asset servicing for U.S. and non U.S. equity issues, corporate and municipal debt issues and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between accounts of Direct Participants. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with the Direct Participants, the "DTC Participants"). The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

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 Bond (a "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. Beneficial Owners are, however, expected to receive written confirmations 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 interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry-only system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any 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 Direct and Indirect 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial

Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a series and maturity of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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 Bonds are credited on the record date, as identified in a listing attached to the Omnibus Proxy.

Principal of, premium, if any, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Registration Agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is 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 Direct Participant or Indirect Participant and not of DTC, the Registration Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on the Bonds, as applicable, to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the City or the Registration Agent. Disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

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

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

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY-ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY AND THE UNDERWRITERS BELIEVE TO BE RELIABLE, BUT THE CITY AND THE UNDERWRITERS TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE CITY NOR THE REGISTRATION AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (B) DISTRIBUTION OF CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS; (C) THE PAYMENT BY DTC OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION OR PURCHASE PRICE OF, OR INTEREST ON, ANY BONDS; (D) THE DELIVERY OF ANY NOTICE BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (E) THE ELECTION OF THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (F) ANY CONSENT GIVEN OR ANY OTHER ACTION TAKEN BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT.

So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, references herein to the registered owners of the Bonds shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds.

CONTINUING DISCLOSURE

The City will, at the time the Bonds are delivered, execute a Continuing Disclosure Certificate under which it will covenant for the benefit of the holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the City, notice of the occurrence of certain enumerated events and notice of failure of the City to provide any required financial information. The information, data and notices described above will be filed or caused to be filed by the City with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any state information depository which may hereafter be established in Tennessee. The specific nature of the information contained in the Annual Report and notices can be found in the form of Continuing Disclosure Certificate attached hereto as Appendix C. 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.

PRIOR COMPLIANCE

The City has entered into continuing disclosure certificates for various series of obligations of the City for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission of the United States of America (collectively, the "Prior Undertakings"). In these Prior Undertakings, the City agreed to provide, annually, its audited financial statements and certain financial and operating data relating to the City, and to provide notices of the occurrence of certain events specified therein. During the preceding five years, the City did not comply with certain provisions of the Prior Undertakings, as follows:

During the last five years, the City did not file its audited financial statements for the fiscal years ended June 30, 2022, June 30, 2023, and June 30, 2024, by the due dates provided in the Prior Undertakings.

Other than audited financial information not timely filed, the City did not timely file a notice of its failure to file the items described in the preceding paragraph for the fiscal year ended June 30, 2023, as required under its Prior Undertakings. The City has remedied all late filings and is now in compliance.

To correct this and ensure compliance, the City approved a new auditing firm in 2026 and appointed the Budget & Finance Director to lead Continuing Disclosure efforts. For further information related to the City's efforts to remain in compliance with Continuing Disclosure requirements, please contact Adrienne Royals, Budget & Finance Director for the City of Germantown at aroyals@germantown-tn.gov or (901) 751-5641.

PLAN OF FINANCING

The Series 2026A Bonds are being issued for the purpose of (1) financing a portion of the costs of certain public works projects, consisting of the acquisition, construction, improvement, renovation and equipping of public school facilities; acquisition, construction, improvement, renovation and equipping of public recreational facilities and (2) paying costs incident to the issuance and sale of the Series 2026A Bonds.

The Series 2026B Bonds are being issued for the purpose of (1) current refunding certain maturities of the General Obligation Improvement and Refunding Bonds, Series 2016A and of the General Obligation Bonds, Series 2016B (the "Refunded Bonds")* and (2) paying costs incident to the issuance and sale of the 2026B Bonds.

The Refunded Bonds* will be called on the date, at the prices and in the amounts as provided in the following table. Upon issuance of the Series 2026B Bonds, the City will irrevocably instruct the paying agent for the Refunded Bonds to redeem the Refunded Bonds on the call date.

The portion of the proceeds of the Series 2026B Bonds for refunding purposes will be sufficient to pay principal and interest on the Refunded Bonds*.

General Obligation Improvement and Refunding Bonds, Series 2016A					
Maturity		Amount	Interest Rate	Redemption Date	Redemption Price
6/1/2027		\$530,000	5.000%	11/27/2026	100%
6/1/2028		560,000	5.000%	11/27/2026	100%
6/1/2029		580,000	5.000%	11/27/2026	100%
6/1/2030		210,000	5.000%	11/27/2026	100%
6/1/2031		225,000	5.000%	11/27/2026	100%
6/1/2032		235,000	5.000%	11/27/2026	100%
6/1/2033	S	245,000	5.000%	11/27/2026	100%
6/1/2034	S	260,000	5.000%	11/27/2026	100%
6/1/2035	S	270,000	5.000%	11/27/2026	100%
6/1/2036	T	285,000	5.000%	11/27/2026	100%
		\$3,400,000			
S: Mandatory Sinking Fund Redemption					
T: Stated Term Bond Maturity					

* Preliminary, Subject to Change.

General Obligation Improvement and Refunding Bonds, Series 2016B

<u>Maturity</u>		<u>Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
6/1/2027		\$250,000	5.000%	11/27/2026	100%
6/1/2028		265,000	5.000%	11/27/2026	100%
6/1/2029		270,000	5.000%	11/27/2026	100%
6/1/2030		285,000	5.000%	11/27/2026	100%
6/1/2031		300,000	5.000%	11/27/2026	100%
6/1/2032		315,000	5.000%	11/27/2026	100%
6/1/2033		330,000	5.000%	11/27/2026	100%
6/1/2034		345,000	5.000%	11/27/2026	100%
6/1/2035	S	365,000	5.000%	11/27/2026	100%
6/1/2036	S	385,000	5.000%	11/27/2026	100%
6/1/2037	T	405,000	5.000%	11/27/2026	100%
6/1/2038	S	425,000	5.000%	11/27/2026	100%
6/1/2039	S	445,000	5.000%	11/27/2026	100%
6/1/2040	T	465,000	5.000%	11/27/2026	100%
6/1/2041	S	490,000	5.000%	11/27/2026	100%
6/1/2042	S	515,000	5.000%	11/27/2026	100%
6/1/2043	T	540,000	5.000%	11/27/2026	100%
6/1/2044	S	570,000	5.000%	11/27/2026	100%
6/1/2045	S	600,000	5.000%	11/27/2026	100%
6/1/2046	T	630,000	5.000%	11/27/2026	100%
		\$8,195,000			

S: Mandatory Sinking Fund Redemption

T: Stated Term Bond Maturity

ESTIMATED SOURCES AND USES OF FUNDS

	<u>Series 2026A Bonds</u>	<u>Series 2026B Bonds</u>	<u>Total</u>
Sources:			
Par Value			
Original Issue Premium/Discount			
Total Sources			
Uses:			
Project Fund		\$	
Escrow Fund			
Costs of Issuance ¹			
Underwriter's Discount			
Total Uses			

(1) Includes legal fees, municipal advisory fees, rating agencies fees, printing and mailing expenses and other miscellaneous expenses.

LONG TERM DEBT SERVICE REQUIREMENTS

General Obligation Debt Service

As of June 30, 2026 (unaudited)

Fiscal Years	Existing Debt Service			Less: Refunded Bonds*			Plus: Series 2026AB*			Total Debt Service			% of Principal Retired
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2027	\$ 2,571,000	\$ 1,939,941	\$ 4,510,941	\$ 780,000	\$ 579,750	\$ 2,719,500	\$ 1,370,000	\$ 733,815	\$ 2,103,815	\$ 3,161,000	\$ 2,094,006	\$ 5,255,006	
2028	2,695,000	1,817,800	4,512,800	825,000	540,750	1,365,750	1,295,000	1,171,750	2,466,750	3,165,000	2,448,800	5,613,800	
2029	2,809,000	1,696,794	4,505,794	850,000	499,500	1,349,500	1,340,000	1,107,000	2,447,000	3,299,000	2,304,294	5,603,294	
2030	2,523,000	1,578,321	4,101,321	495,000	457,000	952,000	1,010,000	1,040,000	2,050,000	3,038,000	2,161,321	5,199,321	
2031	2,638,000	1,474,249	4,112,249	525,000	432,250	957,250	1,070,000	989,500	2,059,500	3,183,000	2,031,499	5,214,499	30.6%
2032	2,430,000	1,370,325	3,800,325	550,000	406,000	956,000	1,120,000	936,000	2,056,000	3,000,000	1,900,325	4,900,325	
2033	2,175,000	1,274,175	3,449,175	575,000	378,500	953,500	1,170,000	880,000	2,050,000	2,770,000	1,775,675	4,545,675	
2034	2,260,000	1,182,719	3,442,719	605,000	349,750	954,750	1,230,000	821,500	2,051,500	2,885,000	1,654,469	4,539,469	
2035	2,125,000	1,093,175	3,218,175	635,000	319,500	954,500	1,295,000	760,000	2,055,000	2,785,000	1,533,675	4,318,675	
2036	2,220,000	1,003,925	3,223,925	670,000	287,750	957,750	1,365,000	695,250	2,060,250	2,915,000	1,411,425	4,326,425	56.3%
2037	2,015,000	910,625	2,925,625	405,000	254,250	659,250	1,145,000	627,000	1,772,000	2,755,000	1,283,375	4,038,375	
2038	2,095,000	828,275	2,923,275	425,000	234,000	659,000	1,200,000	569,750	1,769,750	2,870,000	1,164,025	4,034,025	
2039	1,790,000	750,350	2,540,350	445,000	212,750	657,750	1,260,000	509,750	1,769,750	2,605,000	1,047,350	3,652,350	
2040	1,855,000	677,125	2,532,125	465,000	190,500	655,500	1,320,000	446,750	1,766,750	2,710,000	933,375	3,643,375	
2041	1,930,000	601,075	2,531,075	490,000	167,250	657,250	1,390,000	380,750	1,770,750	2,830,000	814,575	3,644,575	77.9%
2042	1,780,000	525,250	2,305,250	515,000	142,750	657,750	1,130,000	311,250	1,441,250	2,395,000	693,750	3,088,750	
2043	1,860,000	449,550	2,309,550	540,000	117,000	657,000	1,180,000	254,750	1,434,750	2,500,000	587,300	3,087,300	
2044	1,945,000	370,475	2,315,475	570,000	90,000	660,000	1,240,000	195,750	1,435,750	2,615,000	476,225	3,091,225	
2045	2,025,000	287,850	2,312,850	600,000	61,500	661,500	1,305,000	133,750	1,438,750	2,730,000	360,100	3,090,100	
2046	2,115,000	201,575	2,316,575	630,000	31,500	661,500	1,370,000	68,500	1,438,500	2,855,000	238,575	3,093,575	95.5%
2047	1,540,000	111,550	1,651,550	-						1,540,000	111,550	1,651,550	
2048	1,600,000	50,775	1,650,775							1,600,000	50,775	1,650,775	
2049	215,000	16,575	231,575							215,000	16,575	231,575	
2050	220,000	10,050	230,050							220,000	10,050	230,050	
2051	225,000	3,375	228,375							225,000	3,375	228,375	100.0%
Total	\$47,656,000	\$20,225,899	\$67,881,899	\$11,595,000	\$ 5,752,250	\$ 18,707,000	\$ 24,805,000	\$12,632,815	\$ 37,437,815	\$ 60,866,000	\$ 27,106,464	\$ 87,972,464	

* Preliminary, Subject to Change.

STATEMENT OF DEBT

As of June 30, 2026 (unaudited); unless otherwise footnoted

General Obligation Bonded Debt

Existing ⁽¹⁾	\$47,656,000
Less: Refunded Bonds*	(11,595,000)
Add: The 2026AB Bonds*	24,805,000
Total Bonded Debt	<u>\$60,866,000</u>
Less: Self Supporting Debt	-
Net Bonded Debt	<u>\$60,866,000</u>
 Net Overlapping Bonded Debt	 \$80,667,689
Less: Self-Supporting Bonded Debt	-
Net Overlapping Bonded Debt	<u>\$80,667,689</u>
 Bonded Debt Outstanding Including Overlapping Bonded Debt	 \$141,533,689
Net Bonded Debt Outstanding Including Net Overlapping Bonded Debt	<u>\$141,533,689</u>

	<u>City of Germantown</u>	<u>City and Net Overlapping</u>
Bond Debt Per Capita	\$1,483	\$3,449
Net Direct Bonded Debt Per Capita	\$1,483	\$3,449
 Bonded Debt/Actual Value	 0.80%	 1.87%
Net Bonded Debt/Actual Value	0.80%	1.87%
 Bonded Debt/Assessed Value	 2.97%	 6.91%
Net Bonded Debt/Assessed Value	2.97%	6.91%

	<u>Germantown</u>	<u>Shelby County</u>
2025 Assessed Value	\$2,048,983,292	\$25,441,398,686
2025 Appraised Value	\$7,586,334,785	\$85,916,754,367
2025 Population ⁽²⁾	41,034	910,530

Shelby County's Bonded Debt ⁽³⁾

Bonded Debt ⁽³⁾	\$1,001,618,140
Self Supporting Bonded Debt	\$0
Net Bonded Debt	<u>\$1,001,618,140</u>

Germantown's Assessed Value as a Percentage of Shelby County's Assessed Value: 8.05%

(1) General Obligation and Self-Supporting Debt as of June 30, 2026.

(2) Population Per the City and County's FY 2025 ACFR.

(3) Shelby County, Tennessee 2025 Comprehensive Annual Financial Report

CAPITAL IMPROVEMENTS PROGRAM

The Capital Improvements Program (CIP) is a plan for capital expenditures over a fixed period of several future years. Projects include the construction of new roads and facilities, improvement of existing roads, drainage improvements, park development and water and sewer improvements.

OPINIONS OF BOND COUNSEL

The City will deliver at its expense to the bond purchasers the opinions of Adams and Reese LLP, Nashville, Tennessee, Bond Counsel, dated as of the date of the delivery of the Bonds, as attached hereto as Appendix B.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinions of Adams and Reese LLP, Nashville, Tennessee, Bond Counsel. (See Appendix B for the forms of the opinions). Certain legal matters will be passed upon for the City by David E. Goodman, Jr., City Attorney.

LITIGATION

At the time of delivery of the Bonds, the City will certify that there is no litigation or other proceedings of any nature pending or to the knowledge of the City threatening to restrain or enjoin the sale, execution, issuance or delivery of the Bonds or in any way contesting the validity of the Bonds or affecting corporate existence or the boundaries of the City or the titles of its officers to the respecting offices or the power of the City to levy and collect taxes to pay the Bonds.

TAX MATTERS

In the opinion of Adams and Reese LLP, as Bond Counsel, under existing law, interest on the Bonds is excluded from gross income for federal income purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted minimum tax of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended, the "Code") for the purpose of computing the alternative minimum tax imposed on corporations.

In rendering its opinion, Bond Counsel has relied on certain representations, certifications of facts and statements of reasonable expectations made by the City in connection with the Bonds, and Bond Counsel has assumed compliance by the City with certain ongoing covenants to comply with applicable requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Bond Counsel has not undertaken to advise in the future whether any events after the date of execution and delivery of the Bonds may affect the federal tax status of the interest on the Bonds.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers. Prospective purchasers of the Bonds should consult their tax advisers as to collateral federal income tax consequences.

From time to time, there are legislative proposals in Congress or in the various states that, if enacted, could alter, or amend the federal and state tax matters referred to herein or adversely affect the market value of the Bonds. Prospective purchasers of the Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation.

It cannot be predicted with certainty whether or in what form any proposed legislation might be enacted or whether if enacted, it would apply to bonds issued 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 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 or the market value thereof, would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives, or litigation.

Original issue discount (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity means the first price at which a substantial amount of the Bonds of that maturity was sold (excluding sales to bond houses, brokers or similar persons acting in the capacity as underwriters, placement agents or wholesalers). In general, the issue price of each maturity of the Bonds is expected to be the initial public offering price set forth on the cover page of this “Official Statement”.

In general, under Section 1288 of the Code, OID on any of the Bonds having OID accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compound rate determined by reference to the yield on such Bonds. The OID that has accrued and is properly allocable to the owners of Bonds having OID will be excluded from gross income for federal income tax purposes, and will increase the owner’s tax basis in such Bond. Purchasers of any Bond having OID should consult their tax advisors regarding the determination and treatment of OID for federal income tax purposes and with respect to state and local tax consequences of owning such Bonds.

In general, if an owner of a Bond acquires such Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium must be amortized over the remaining term of the Bond, based on the owner’s yield over the remaining term of the Bond, determined based on constant yield principles (in certain cases involving a premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Bond). An owner of a premium Bond must amortize the premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the premium allocable to that period. In the case of a tax-exempt premium bond, if the premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a premium Bond may realize a taxable gain upon disposition of the premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any premium Bond should consult their own tax advisors regarding the treatment of premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of premium on, sale, exchange or other disposition of premium Bonds.

In the opinion of Bond Counsel, under existing law, the Bonds and interest on the Bonds are exempt from all state, county, and municipal taxation in the State of Tennessee, except to the extent that interest on the Bonds is included within the measure of certain privilege and excise taxes imposed under Tennessee law.

Bond Counsel expresses no opinion regarding taxation of the Bonds or interest on the Bonds in any state other than Tennessee. Prospective purchasers of the Bonds should consult their tax advisers as to whether the Bonds or interest on the Bonds is or is not exempt from taxation in any other state.

The forms of the opinions of Bond Counsel are attached hereto as Appendix B. Copies of such opinions will be available at the time of the initial delivery of the Bonds.

ARBITRAGE COVENANT

The City shall comply throughout the term of the Bonds with Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and with any applicable regulations of the Internal Revenue Service adopted pursuant to said sections so as to ensure that the Bonds will not be “Arbitrage Bonds” as defined in said Internal Revenue Code. The City will covenant and certify to and for the benefit of the registered owners of the Bonds that it will neither take any action nor omit to take any action nor make any investment or use of the proceeds from the issuance and sale of the Bonds prohibited by said Sections and any applicable regulations.

RATINGS

Moody’s Investors Service and S&P Global Ratings have given the Bonds ratings of Aaa and AAA, respectively. The ratings reflect only the views of the respective rating agency. Any explanation of the significance of the rating may be obtained only from the rating agency. The City furnished to the rating agencies certain information and materials related to the City, as well as information on outstanding securities of the City, some of which may not have been included in this Official Statement. Generally, rating agencies base their ratings upon such information, materials, investigation, studies, and assumptions by the rating agencies. There can be no assurance that a rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability or market price of outstanding securities.

The City expects to furnish to the rating agencies information and materials that they may request. However, the City assumes no obligation to furnish requested information and materials and may issue debt for which a rating is not requested. Failure to furnish requested information and materials or the issuance of debt for which a rating is not requested may result in the suspension or withdrawal of a rating agency’s rating on the Bonds.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC (“PFM”) is employed by the City to perform professional services in the capacity of municipal advisor. In its role as municipal advisor to the City, PFM has provided advice on the plan of finance and structure of the Bonds, and reviewed certain legal and disclosure documents, including this Official Statement, for financial matters. PFM has not independently verified the factual information contained in this Official Statement, but relied on the information supplied by the City and other sources and the City’s certification as to the Official Statement.

SALE OF THE BONDS

The Bonds are being sold by the City at a competitive public sale on October 7 at 9:30 a.m., Central Time via electronic bids received by BiDCOMP/PARITY® Competitive Bidding System, a service of S&P Global. Details concerning the sale of the Bonds are contained in the Official Notice of Sale dated _____, which is available to bidders of the Bonds with the Preliminary Official Statement.

_____ (the “Series 2026A Purchaser”) has agreed, subject to the conditions of Closing set forth in the Official Notice of Sale, to purchase the Series 2026A Bonds at a purchase price of \$_____ (consisting of the par amount of the Series 2026A Bonds of \$_____ plus original issue premium of \$_____ and less underwriter's discount of \$_____).

_____ (the “Series 2026B Purchaser”, and together with the Series 2026A Purchaser, the “Purchasers”) has agreed, subject to the conditions of Closing set forth in the Official Notice of Sale, to purchase the Series 2026B Bonds at a purchase price of \$_____ (consisting of the par amount of the Series 2026B Bonds of \$_____ plus original issue premium of \$_____ and less underwriter's discount of \$_____).

The Bonds will be offered at the respective initial public offering prices shown on the cover page of this Official Statement. The Purchasers may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the public offering prices stated

on the cover page hereof. The initial public offering prices of each series may be changed from time to time by the Purchaser of such series in its discretion.

AUDITED FINANCIAL STATEMENTS

The balance sheets of the City as of June 30, 2025, and the related statement of revenues and expenditures and changes in fund balances and of cash flows for the year then ended have been audited by Watkins Uiberall, PLLC, independent certified public accountants. The audited financial statements and the report of Watkins Uiberall, PLLC are included in Appendix A hereto as part of this Official Statement.

CERTIFIED PUBLIC ACCOUNTANTS

The Annual Comprehensive Financial Report of the City for the year ended June 30, 2025, included in this Official Statement has been audited by Watkins Uiberall, PLLC, independent certified public accountants. Such Auditors' Report on the Annual Comprehensive Financial Report is included in this Official Statement.

MISCELLANEOUS

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

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 City.

CERTIFICATE AS TO OFFICIAL STATEMENT

At the time of payment for and delivery of the Bonds, the City will furnish the purchasers a certificate, signed by the Mayor, to the effect that (a) the descriptions and statements of or pertaining to the City contained in its Official Statement and any addendum thereto, for its Bonds, on the date of such Official Statement, on the date of sale of the Bonds and the acceptance of the best bid for each series therefore and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data of or pertaining to entities other than the City, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and that the City has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the City since June 30, 2025, the date of the last audited financial statements of the City appearing in Appendix A.

Approved by Resolutions of the Board of Mayor and Aldermen of the City of Germantown, Tennessee, on August 24, 2026.

/s/ Mike Palazzolo

Mayor

PART II
YEARLY INFORMATION STATEMENT

CITY OF GERMANTOWN, TENNESSEE YEARLY INFORMATION STATEMENT

In addition to providing information as of and for the year ended June 30, 2025, the City of Germantown, Tennessee intends that this Yearly Information Statement will be used, together with information to be specifically provided by the City for that purpose, in connection with the offering and issuance by the City of its securities.

The City of Germantown has prepared a comprehensive annual financial report for fiscal year 2025 containing additional financial statements and other information for the periods covered by this Yearly Information Statement.

Although the City of Germantown does not contract to do so, and does not represent that it will, it may maintain, from time to time, a mailing list of parties wishing to receive annual and other information regarding the City.

Please contact Jason Huisman, City Administrator, 1930 South Germantown Road, Germantown, Tennessee 38138 (901/757-7201) for questions regarding information in this Yearly Information Statement, copies of the Annual Financial Report, or placement on the mailing list for the Yearly Information Statement.

The date of this Yearly Financial Statement is June 30, 2025. The information included in this statement is dated June 30, 2025, unless otherwise indicated.

No person, except as noted on the cover page, has been authorized by the City to give any information or to make any representations not contained in this Yearly Information Statement or any supplement which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized.

The information, estimates, and expressions of opinion in this Yearly Information Statement are subject to change without notice. The delivery of this Yearly Information Statement shall not, under any circumstances, create any implication that there has been no material change in the affairs of the City since the date of this Yearly Information Statement.

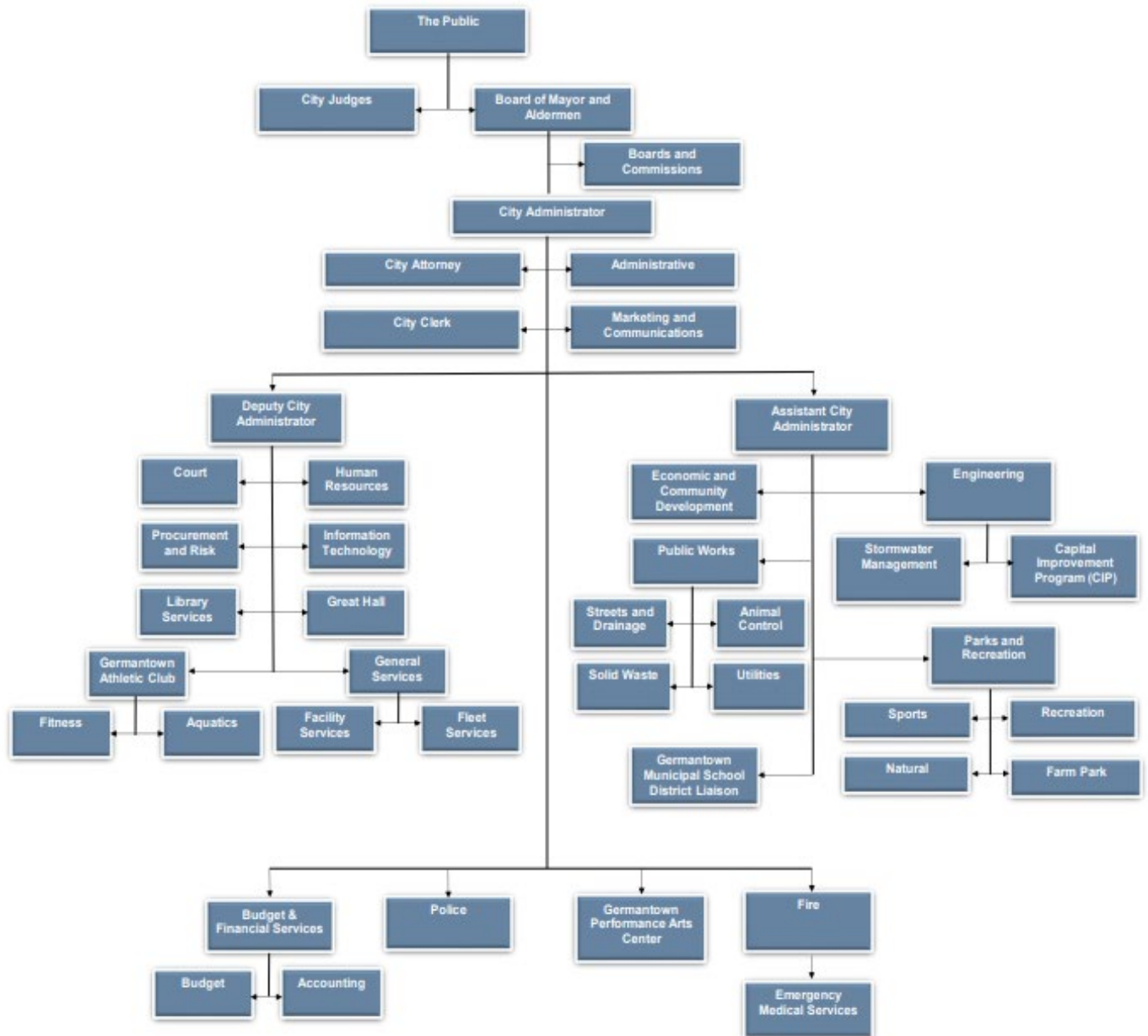
TABLE OF CONTENTS
PART II

GOVERNMENTAL INFORMATION	4
ORGANIZATIONAL CHART	4
INTRODUCTION	5
GOVERNMENTAL STRUCTURE	5
STRATEGIC MANAGEMENT	5
PERFORMANCE MEASUREMENTS	6
EMPLOYEE RELATIONS	7
POTENTIAL WEATHER EVENTS	7
CYBERSECURITY	7
PUBLIC HEALTH EMERGENCIES	7
FINANCIAL INFORMATION	8
FISCAL YEAR	8
BUDGET AND APPROPRIATIONS PROCEDURES	8
FINANCIAL REPORTING	9
BASIS OF ACCOUNTING	9
FUND ACCOUNTING	9
RESERVES	9
FUND BALANCES/FUND EQUITY/NET ASSETS	10
CAPITAL IMPROVEMENTS PROGRAM (CIP).....	10
EVALUATION CRITERIA	11
FINANCING	11
DEBT AND INVESTMENT POLICIES	12
INFRASTRUCTURE REPLACEMENT PROGRAM (IRP)	12
PROPERTY TAX.....	12
SCHEDULE OF ASSESSMENT AND VALUATION	13
TAX RATE LIMITATIONS	13
CITY OF GERMANTOWN	14
VALUE OF TAXABLE PROPERTY	14
PROPERTY TAX LEVIES AND COLLECTIONS	14
PRINCIPAL TAXPAYERS.....	15
OTHER SOURCES OF REVENUE	15
BOND AUTHORIZATION	17

DEBT LIMIT	17
OTHER LONG-TERM OBLIGATIONS	18
GENERAL FUND	20
CAPITAL PROJECTS FUNDS	21
ENTERPRISE FUNDS	22
INTRODUCTION	23
POPULATION	23
GERMANTOWN POPULATION, INCOME, SCHOOL ENROLLMENT, AND UNEMPLOYMENT	23
HOUSING AND CONSTRUCTION	24
EDUCATION	25
SCHOOLS OF HIGHER EDUCATION IN THE MEMPHIS AREA	25
TRANSPORTATION	25
UTILITIES	26
MEDICAL FACILITIES	26

GOVERNMENTAL INFORMATION

ORGANIZATIONAL CHART



INTRODUCTION

Chartered in 1841, the City of Germantown is located in Shelby County on the eastern limits of the City of Memphis, Tennessee. Germantown is an affluent suburb of Memphis, with a per capita income approximately 92% higher than the state average, per the 2024 American Community Survey 5-Year Estimates.

Germantown has grown and prospered because residents, developers, and local government have worked together: to educate their children, to keep the crime rate low, to provide exceptional parks and recreational facilities, to assure clean and attractive neighborhoods and business districts, and to exercise strong leadership in both land use policies and financial planning. This planned approach and teamwork have created a City known nationwide not only for its strong support for quality development but also for its credit rating. As a residential community adjacent to Memphis, Germantown does not simply and unilaterally benefit from the region's economic development. Rather, Germantown's amenities and quality of life are integral to the Memphis area's attractiveness. Quality housing is considered Germantown's industry. Germantown has a wide variety of housing. The community includes high-quality new subdivisions, well-established neighborhoods with mature trees, and zero-lot-line homes and condominiums. The community is known for some of the finest and most expensive houses in Shelby County.

The City is committed to quality living and planning. Except for the annexed area in its southern section, a park is within one mile of every residence in Germantown; the community has more than 500 acres of parkland, one of the highest percentages of municipal acreage devoted to parks in Tennessee. In addition to the twenty-nine parks within the City limits, the citizens of Germantown enjoy the lakes, trails, and rolling hills of Shelby Farms, which are less than ten minutes away.

Germantown has two hospitals within the City limits, Methodist LeBonheur Healthcare – Germantown Hospital and Baptist Rehabilitation - Germantown. In addition, both Police and Fire services pride themselves in providing a quick response time to all emergencies, thus adding to the quality of life Germantown citizens expect. The City consistently has one of the lowest crime rates in the State of Tennessee, and the Police and Fire departments have an average response time of just under 3 minutes and 5.4 minutes, respectively, to emergency calls.

GOVERNMENTAL STRUCTURE

The City of Germantown is governed by an elected Board of Mayor and Aldermen that represents citizens on local issues. These officials are elected at large for four-year overlapping terms. The Mayor serves as the City's chief administrative officer, overseeing City government through the city administrator and professional staff. The Mayor's responsibilities are to see that the government is administered efficiently and effectively, to see that all ordinances of the City and laws of the State are enforced within the City, and to preside at the meetings of the Board of Mayor and Aldermen. The Aldermen represent the Legislative Branch of the City. They represent the community's citizens by establishing policies. These policies may take the form of ordinances, resolutions, or motions that establish the laws, proceedings, and City service levels for the community. The Board of Mayor and Aldermen appoints a City Administrator whose responsibilities include executive and administrative supervision over all departments. The City Administrator directly represents the acting Mayor. The City Administrator assists the Mayor in carrying out his/her responsibilities outlined in the City Charter but does not substitute for or relieve the Mayor of ultimate responsibility.

The Germantown Municipal School District operates seven schools: three elementary, one middle school, one high school, one K-8 school and one virtual school. For more information regarding the Germantown Municipal School District, see "Education".

The Memphis Light, Gas and Water Division of the City of Memphis provides electrical and natural gas distribution to the Germantown service area. The City of Memphis treats sewage collected by Germantown's sewer system. These entities make financial data available upon request from their respective offices in Memphis, Tennessee.

STRATEGIC MANAGEMENT

In 2016, Germantown adopted a long-range strategic plan to guide the community's growth and development for the next 15 years. The year-long planning process focused on understanding and influencing the future, rather than simply preparing for or adapting to it, by aligning resources to bridge the gap between our present condition and the desired future. The strategic planning process began with the appointment of a 30-member steering committee. These citizens led the development of the Germantown Forward 2030 vision statement, which the City reevaluates every five years. Through a dedicated steering committee, the plan was most recently updated as Germantown Forward 2035, continuing its emphasis on public safety, community engagement, quality of life, education, fiscal responsibility,

and natural resources. Most recently, the City announced its plan to launch the planning process to update its comprehensive plan with Thrive Germantown 2050

Current Key Performance areas include:

1. City Services and Finances – How to create a culture of continuous improvement and innovation, providing outstanding customer value and high product and service quality in a sound financial manner to the City’s residents, businesses, and visitors.
2. Economic Development – How to create a strong local economy by attracting new businesses and maintaining successful, resilient businesses that help move the community toward sustainability.
3. Education – How to provide an educational system that prepares students to be adults in a world that is rapidly changing and to continue to address the economic, infrastructure, and technological issues confronting formal and informal lifelong learning.
4. Land Use & Transportation – How land use and transportation policy decisions are made regarding the modification and/or management of land and how people move within the community in a more sustainable manner.
5. Natural Resources – How ecosystem integrity and biodiversity are protected, how to provide a dependable supply of high-quality water, reduce greenhouse gas emissions and improve air quality, and protect the City’s rivers and streams from pollutants.
6. Public Safety – How to protect the community from natural and man-made events that could endanger lives or property.
7. Quality of Life – How arts, culture, recreation and leisure activities for both residents and visitors remain relevant and are delivered in a manner that exceeds expectations.
8. Technology – How to manage technologies strategically and invest infrastructure dollars wisely to meet the expectations of the City’s citizens and business community.

The City won the Malcolm Baldrige Quality Award in 2019. The award recognizes national role models who then share their best-in-class practices with other organizations. Germantown is one of only five governments to win the award in its 39-year history. The award is the nation’s highest presidential award for performance excellence, administered by the U.S. Commerce Department to promote U.S. companies’ competitiveness in the global economy and long-term financial growth. A 2011 study found that the return on investment for implementing the Baldrige criteria is 820:1 through efficiency and economic growth; as a result, Baldrige-based organizations significantly outperform their non-Baldrige peer organizations in virtually all critical measures.

PERFORMANCE MEASUREMENTS

Providing good customer service is not enough; the City continually strives to improve overall value to its citizens. Business planning is a basic step in understanding how departments operate and provides a framework to examine alternatives to “business as usual.” Performance measures are central to any results-based business planning and budgeting system. Thus, the City’s business planning process focuses on performance measurement linked to the desired outcomes and performance measures in the City’s Strategic Plan. Departments monitor the need to adjust performance measures as their operating environment evolves. Results-based business planning and budgeting directly connect resource allocations to specific, measurable outcomes. Budgets drive progress and strengthen accountability, rather than maintaining the status quo. This system gives policymakers the tools they need to respond more effectively to what the community wants, as well as the political support needed to make tough choices.

The City of Germantown’s performance management and strategic planning approach involves identifying organizational strategies based on the Board of Mayor and Aldermen’s policy agenda, then translating those strategies across departments. The City reviews performance measures during the budget process to ensure target goals align with the Board of Mayor and Aldermen’s policy agenda. Changes reflect each department’s evaluation of past service results and new program changes. Performance measures are reported quarterly, along with a year-end report summarizing the fiscal year’s performance, which is distributed to elected officials and all levels of city management. These reports highlight service levels and support appropriate changes in staffing, funding allocations, and service delivery.

The quality of customer service largely depends on the organization's ability to meet citizens' and customers' expectations. Because customer expectations are ever-evolving, it can be challenging to know them precisely. The best course of action is to ask the City's citizens and customers directly.

Each year, departments conduct customer focus groups with both internal and external customers to determine departmental requirements. Questions such as: "What do you expect of the department?" "What must be accomplished to meet your expectations?" "What is the most important factor leading to your complete satisfaction?" These answers provide valuable feedback that helps identify possible program changes and processes that need to be amended in order to meet community needs. From this, departments validate or modify their performance measures to support citizen expectations.

EMPLOYEE RELATIONS

The City's 451 full-time employees (as of the FY 2027 Budget) are managed through a structured personnel administrative system, coordinated within the Administrator's office. Each job is carefully defined and ranked within a comprehensive and competitive pay and classification schedule. The City conducts job market assessments and reviews the compensation and classification system annually. Individual salary increases are affected once a year based on the budgeted general increase. In addition, the City conducts annual structured performance evaluations on all employees. The City has no civil service or collective bargaining.

POTENTIAL WEATHER EVENTS

The City of Germantown, Tennessee acknowledges that its geographic location subjects the area to a variety of weather-related events that may impact public safety, city services, and community operations. These potential weather events include, but are not limited to, severe thunderstorms, tornadoes, flash flooding, ice storms, winter weather events, extreme heat, and high winds. While the City of Germantown strives to maintain continuous municipal services and infrastructure, certain weather conditions may temporarily disrupt utilities, close roads, delay emergency response times, and suspend non-essential city functions. Residents are encouraged to monitor local weather alerts from the National Weather Service, register for the City's emergency notification system, and prepare household emergency plans in accordance with guidance from the Shelby County Emergency Management Agency. The City actively manages localized flooding and stormwater risks through capital infrastructure upgrades, real-time monitoring, community-level preventive maintenance, and grant pursuit.

The City actively manages localized flooding and stormwater risks through its comprehensive Citywide Master Drainage Plan, which serves as the overarching framework to denote, assess, and mitigate environmental flood hazards throughout the municipality. Guided by this plan and fully aligned with federal guidelines established by agencies such as FEMA, the City executes a multi-pronged strategy combining capital infrastructure upgrades, real-time monitoring, community-level preventative maintenance, and active pursuit of federal and state grant opportunities.

To systematically expand stormwater conveyance capacity and safeguard high-risk drainage areas, the City plans and executes major infrastructure improvements, including significant conveyance upgrades along Miller Farms Ditch. System efficiency and watershed intelligence are continuously maintained through the City's lateral stage monitoring program, which actively tracks real-time water levels to direct operational readiness, optimize emergency response, and guide future capital investment decisions.

CYBERSECURITY

To limit cyber-attack risk, the City employs a defense-in-depth security framework that combines strict network architecture, endpoint protection, and independent validation, including enterprise endpoint defense, network segmentation and isolation, cellular APN and encrypted gateways, and third-party validation. To ensure comprehensive incident readiness across detection, response, and recovery, the City maintains several active security practices, including continuous threat detection, automated containment and isolation, log aggregation and monitoring, access control and least privilege, and data backup and disaster recovery. The City also maintains a dedicated Cyber Liability Insurance policy to further mitigate financial exposure in the event of a cybersecurity incident.

PUBLIC HEALTH EMERGENCIES

Public health emergencies, including but not limited to infectious disease outbreaks, pandemics, environmental health crises, and biological incidents, may arise and significantly impact the health, safety, and daily lives of its residents and workforce. In the event of a declared public health emergency, the City of Germantown will coordinate response efforts in partnership with the Shelby County Health Department, the Tennessee Department of Health, and applicable federal agencies, including the Centers for Disease Control and Prevention (CDC). Such emergencies may necessitate temporary modifications to city services, facility closures, restrictions on public gatherings, and the implementation of emergency public health orders in accordance with state and local law. The City will make reasonable efforts to communicate timely and accurate public health information through official City channels, including its website, social media platforms, and the City's emergency notification system. The City of Germantown assumes no liability for health-related outcomes resulting from public health emergencies that are beyond the reasonable control of municipal authorities and strongly encourages all residents to follow guidance issued by qualified public health officials.

FINANCIAL INFORMATION

The Finance Director manages the City's finances and reports to the City Administrator. Responsibilities include accounting, financial reporting, investing City funds, and data processing. The fifteen staff members are organized into two sections: Accounting and Treasury, and Budgeting. Other responsibilities include reporting on performance measures, producing the City's line item document, monthly and quarterly financial monitoring and reporting, fiscal forecasting and planning, and financial and policy analysis.

FISCAL YEAR

The City operates on a fiscal year that commences July 1 and ends June 30.

BUDGET AND APPROPRIATIONS PROCEDURES

The City's financial plans are set forth in the annual capital and operating budgets, which project all receipts and disbursements from and to all sources. Under the City's Charter, the Board of Mayor and Aldermen annually enacts, by ordinance, the operating budgets of the various funds by June 30. These budgets constitute legal spending limits. The City prints the final budget and makes it available to the Board, the Financial Advisory Commission (FAC), the staff, and all citizens. Important excerpts appear in the Budget in Brief brochure and the City Calendar, both of which the City distributes to each household. Budgets are amended by resolution of the Board of Mayor and Aldermen authorizing expenditures of various funds received within the total dollar limitations of the Budget Ordinance. The City of Germantown's annual operating budget document has received the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award each year since the program began in 1988.

Each department develops its budget request under the direction of the City Administration and in accordance with specific written financial policies. The FAC, a citizens' advisory commission composed of 24 business executives and community professionals and one alderman, formulated the financial policies, and the Board of Mayor and Aldermen approved them. The Budget and Performance Division presents the budget requests and conducts the administrative review in close coordination with the City Administrator and the Mayor. The City Administrator discusses each departmental request with the department head. Based on the submitted material, personal communication with the budget preparer, and an overall understanding of the City's direction, the City Administrator recommends departmental funding.

The budget requests, including the administration's recommendation, are presented to the FAC for review. The FAC holds public meetings with City staff to review the budget, particularly funding strategies. In addition to their broad financial and management expertise, the FAC provides valuable input from a citizen's viewpoint. Their budget contributions include close reviews of debt management, service delivery levels and performance, long-range planning strategies and assumptions, revenue projections, and other related budget material. The City Administrator then submits the final proposed budget, along with supporting material, to the Board of Mayor and Aldermen. In addition to the formal budget documents, the City produces a user-friendly **Budget in Brief**—a graphic-rich, accessible summary provided to the Board of Mayor and Aldermen (BMA) and all Germantown residents via the City's website. To ensure transparency, the City executes an extensive outreach campaign throughout the budget process, centralizing content online and sharing it across multiple channels to reach every member of the community. The City presents the Recommended Budget to the Board of Mayor and Aldermen at a special work session scheduled months in advance. In addition to this in-depth presentation, the Board discusses the budget at three regularly scheduled Board meetings and two special meetings dedicated totally to the budget. All meetings are open to the public and receive extensive press coverage.

FINANCIAL REPORTING

The City maintains a financial reporting system that provides timely, accurate reports on revenues, expenditures, and financial position. Independent certified public accountants audit the City's financial statements annually. The City has received the GFOA Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the past 44 years. This certificate evidences conformance with the high financial reporting standards promulgated by the Government Accounting Standards Board. The report of the certified public accountants with respect to the City's General-Purpose Financial Statements for the fiscal year ended June 30, 2025, is included in the Yearly Information Statement of the Official Statement in its final form as Appendix A.

BASIS OF ACCOUNTING

Governmental funds follow the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual, that is, when they are both measurable and available. Expenditures, other than interest on general long-term debt, are recorded when the liability is incurred, if measurable. Proprietary Funds and Fiduciary Funds (including Pension Trust Funds) use the accrual basis of accounting. In FY25, the City implemented GASB Statement No. 101, *Compensated Absences*. Also, in FY25, the City and Germantown Municipal School District changed their measurement dates for the City-administered Amended and Restated Pension Plan, the City-administered Employee Cash Balance Pension Plan, the City-administered OPEB Plan, and the GMSD-administered OPEB Plan to one year prior to the fiscal year-end. Under GASB Statements 68 and 75, this transition is considered a change in accounting principle.

FUND ACCOUNTING

The City organizes its accounts by fund, as recommended by the Governmental Accounting Standards Board ("GASB"). Each fund is a separate fiscal and accounting entity.

RESERVES

The operating budget will fund certain reserves considered necessary to the City's continued financial health. The City reflects these in its financial statements as the General Fund's fund balances, as outlined below.

Emergencies and Catastrophes – provides funds to meet major, unforeseen, infrequent, catastrophic or emergency requirements, and is to be maintained at a level of \$900,000. This amount also funds a risk management program whereby the City obtains insurance contracts for catastrophic losses but maintains relatively high deductibles or retention limits on operating equipment and maintains no insurance contracts for certain exposures.

Contingencies – provides on an annual basis funding from which appropriations may be made to meet minor, additional needs not specifically provided for in the current operating budget. The General Fund Contingency Account has a budgeted amount of \$100,000. The CIP Contingency Account budgets \$350,000 annually to meet minor, additional needs not specifically provided for in the current capital budget. The CIP Contingency Account budgets this amount. The Financial Advisory Commission and the Board of Mayor and Aldermen review this fixed funding level annually.

Infrastructure Replacement – provides funding for the replacement, reconstruction, or refurbishment of City assets consisting of, but not limited to, City buildings, parks, streets, curbs, and sidewalks, and operating equipment on a pay-as-you-go basis. Funding will be provided annually during the budget process through a transfer from General Fund operations; excess operating revenues over expenditures.

Tax Anticipation – supplements operating cash flows to avoid liquidity problems which might necessitate the issuance of Tax Anticipation Notes, and is to be maintained at a level of one-third of property tax revenues for the following year.

Debt Service – establishes a reserve to meet total debt service requirements for the following year.

FUND BALANCES/FUND EQUITY/NET ASSETS

(In Thousands of Dollars)*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Fund	\$ 46,265	\$ 52,132	\$ 52,127	\$ 43,849	\$ 45,226
Special Revenue Funds	33,383	31,969	31,356	35,501	28,361
Enterprise Funds	94,581	85,193	82,471	77,162	73,651
Internal Service Funds	5,486	7,402	7,161	6,850	7,128
Capital Projects Funds	19,180	18,802	17,516	17,536	8,244
Permanent Funds	<u>280</u>	<u>267</u>	<u>253</u>	<u>244</u>	<u>244</u>
Total	<u>\$ 199,175</u>	<u>\$ 195,765</u>	<u>\$ 190,885</u>	<u>\$ 181,142</u>	<u>\$ 162,853</u>

*Totals may not foot due to rounding

CAPITAL IMPROVEMENTS PROGRAM (CIP)

The Capital Improvements Program (CIP) reflects a consensus of the community's perceived needs and desires based on current surveys and long-range planning. The CIP will consider the financial impact in the applicable fiscal year and the City's past, present, and future goals. The CIP will generally address capital projects used to acquire or construct major capital facilities.

The City updates and adopts a six-year CIP annually, including the annual Capital Improvements Budget (CIB) and a five-year projection of capital needs and expenditures, which details the estimated cost, description, and anticipated funding sources for capital projects. Projections may cover future projects beyond the six-year CIP timeframe. The plan includes estimated costs, including consideration for inflation. The budget process determines the inflation rate annually, and the capital budget report will disclose it.

The first year of the six-year CIP was the basis of formal fiscal year appropriations during the annual budget process. As part of the annual budget process, the CIP is evaluated and adjusted as priorities change. The Mayor and City Administrator review the CIP quarterly, and if new project needs arise during the year, they must present a budget adjustment identifying both the funding sources and project appropriations to the Board of Mayor and Aldermen (BMA) for approval. The approval must occur before active progress is made on the planning, design, or construction of the project. Projects may be granted exceptions to promptly resolve any dangers to the community.

Projects involving development contracts brought before the Board of Mayor and Aldermen for approval during the operating year must identify proposed funding sources and impacts to CIP funding, particularly the General Fund Operating Reserves.

Each capital project has a "sunset provision" enforced at the end of the fiscal year, which the Board of Mayor and Aldermen can lift only by resolution.

The City monitors projects to ensure compliance with CIP Policy and Procedures. Projects are entered into a timeline to produce a CIP schedule. Post-project evaluation reports determine a project's success.

Over the last 5 years (2021–2026), Germantown has made significant progress executing the CIP. Projects include:

- **Water System Modernization:** Massive citywide overhaul to replace residential and commercial water meters with advanced ultrasonic units. By mid-2026, the initiative reached over 94% completion, significantly improving tracking and billing accuracy.
- **Wolf River Boulevard Expansion:** Completed a major two-year, \$12+ million road project at one of Germantown's busiest intersections. The project added eight new lanes, upgraded traffic signal coordination, and added painted pedestrian walking paths.
- **Rico, Chico, Toro Stormwater Project:** Rebuilt aging concrete ditch headwalls and stabilized waterways. This milestone successfully optimized local stormwater management, protecting nearby properties from flooding and erosion.
- **Roadway Resurfacing:** Delivered targeted mill-and-repave operations across major corridors.
- **Public Safety & Emergency Assets:** Financed a state-of-the-art ambulance deployed to improve emergency response capabilities.
- **Parks and Recreation Reinvestment:** Completed drainage improvements and structural upgrades at Cameron Brown Park.

EVALUATION CRITERIA

To be considered for the CIP, a project must be submitted for evaluation. A CIP Committee will be formed to help review project applications. The CIP Committee will use the following criteria to evaluate each capital project:

1. Promote safety and/or security
2. Response to federal or state mandates
3. Federal or state funding or assistance availability
4. Impact future operating costs
5. Enhance economic development or add to the tax base
6. Deferring the project will have possible significant implications to the community
7. Maintain a current level of service
8. Improve the quality of existing services
9. Support or is a continuation of another CIP project
10. Replacement or maintenance of a capital asset
11. Create a disruption or inconvenience to citizens
12. Benefits a large number of stakeholders
13. Rate this risk or uncertainty involved with this project.
14. Protect or contribute to the history of the City
15. Project timeline

FINANCING

The two basic approaches to funding capital projects are (a) pay-as-you-go and (b) pay-as-you-use. Pay-as-you-go means paying for the capital project out of current revenues at the time of expenditure. Pay-as-you-use means borrowing to finance the expenditure with debt service payments generated from revenues raised through the useful life of the project. The CIP will use a combination of these two financing methods. Capital projects are funded through bonds, reserves, grants, developer contributions, and other governmental sources. The average maturity of general obligation bonds will be at or below 30 years. Pay-as-you-go financing for capital projects must account for at least 25% of capital plan funding.

The City will maintain its physical assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs. The budget provides for the adequate maintenance and the orderly replacement of capital plant and equipment from current revenues where possible. Future maintenance or replacement costs will be factored into future years' CIP as a result of the entry of a new project. See CAPITAL IMPROVEMENTS PROGRAM (CIP) above.

DEBT AND INVESTMENT POLICIES

Debt will finance long-lived capital and operating assets within the constraints of maintaining or improving bond ratings and debt service quality.

Debt management will protect bond ratings, maintain adequate debt service reserves, comply with debt instrument provisions, and provide appropriate disclosures to investors, underwriters, and rating agencies.

The City formally adopted a debt management policy in 2011, which the Board of Mayor and Aldermen amended in 2015 and 2026. The debt management policy is part of the City's overall budget and financial policies. To request a copy of the debt management policy, contact Mr. Jason Huisman, City Administrator, 1930 South Germantown Road, Germantown, Tennessee 38138 (901/757-7201).

Investments of the City will be made and collateralized in accordance with the Tennessee Code Annotated.

Investment management will strive to maximize investment return on the City's funds through pooling of funds where permitted, frequent market analysis, cash forecasting procedures, and competitive bidding.

A separate detailed investment policy, "Policy Letter No. 27," was revised and made current during calendar year 2007. The policy letter addresses administrative involvement in City investments in greater detail. The policy defines guidelines for selecting financial institutions and investment instruments authorized under Tennessee Code Annotated, while staying mindful of cash flows and investment risk when matching maturity lengths. In addition, the Board of Mayor and Aldermen approved a City ordinance that specifically authorizes the acceptable types of investment instruments for investing City funds. The City's Debt Management Policy was updated and approved by the Board of Mayor and Aldermen on February 9, 2026. The revisions align with current State of Tennessee Comptroller requirements.

INFRASTRUCTURE REPLACEMENT PROGRAM (IRP)

The City of Germantown took a major step in recognizing the importance of maintaining its infrastructure by developing a multi-year Infrastructure Replacement Program (IRP). The IRP identifies the City's assets that will require replacement, reconstruction, or refurbishment. Items in the City's IRP include, but are not limited to, all water and sewer lines, City building systems, parks, streets, curbs, sidewalks, and operating equipment. Like the CIP, the IRP is designed to protect the City's infrastructure investments through timely, adequate maintenance and replacement of assets.

Over the last 5 years (2021–2026), Germantown has made significant progress executing the IRP alongside the CIP. Projects include:

- Public Safety & Emergency Assets: Financed critical fleet modernization .
- Parks and Recreation Reinvestment: Completed dugout roof replacements, and replaced the lake's aging fishing pier.

PROPERTY TAX

Property Tax (on real estate and commercial personal property) provides the City with a major revenue source for a variety of functions.

The Property Tax levy is without legal limit. All prior limitations and restrictions, whether restrictive as to total dollar amount or restrictive as to specific uses or a combination of the two, were repealed by Chapter 226 of the Public Acts of 1973.

All real estate and personal property, including some utilities not under the jurisdiction of the Tennessee Public Service Commission (TPSC), are assessed by the Shelby County Assessor of Property according to the regulations set forth in the Property Assessment and Classification Act of 1973, which provides for assessing farm and residential property at 25% of the current market value, commercial and industrial real property at 40%, commercial personal property at 30%, and real and personal property of public utilities at 55%, resulting in corresponding reductions in effective tax rates. The TPSC assesses utilities and Carriers (railroads, truck lines, airlines, bus lines, etc.).

SCHEDULE OF ASSESSMENT AND VALUATION

Taxable Property As of _August 3, 2026

Market Real Estate	Parcel		Assessment		
	Parcels	Percentage	Appraisals	Ratio	Assessment
Farms	7	0.044	6,443,500	25%	1,610,875
Residential	14,817	93.778	8,215,509,000	25%	2,053,877,250
Commercial	733	4.639	1,293,282,000	40%	517,312,800
Industrial	0	0.000	0	40%	0
Multiple	4	0.025	121,627,900	0-40%	16,436,105
Total Market	15,561	98.487	9,636,862,400		2,589,237,030
Greenbelt Real Estate					
Farms	12	0.076	6,011,600	25%	1,502,900
Residential	11	0.070	16,231,300	25%	4,057,825
Commercial	0	0.000	0	40%	0
Industrial	0	0.000	0	40%	0
Multiple	0	0.000	0	0-40%	0
Total Greenbelt	23	0.146	22,242,900		5,560,725
Exempt	216	1.367			0
Total Real Estate	15,800	100.000	9,659,105,300		2,594,797,755
Personal Property					
Tangible	1,703	99.883	145,786,400	30%	43,736,940
Intangible	0	0.000	0	40%	0
Local Utility	0	0.000	0	55%	0
Development	2	0.117	0	0%	0
Exempt	0	0.000	0	0%	0
Total Personalty	1,705	100.000	145,786,400		43,736,940
Total Real Estate	15,800		9,659,105,300		2,594,797,755
Total All	17,505		9,804,891,700		2,638,534,695

Source: Shelby County, TN Assessor

TAX RATE LIMITATIONS

The ad valorem (real estate and personal property) tax levy is without legal limit. All prior limitations and restrictions, whether restrictive as to total dollar amount or specific uses, or a combination of the two, have been repealed.

CITY OF GERMANTOWN

VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value to Estimated Actual Value</u>
2016	1,419,915,780	5,302,215,745	26.78%
2017	1,459,089,369	5,414,894,925	26.95%
2018	1,648,208,402	6,086,675,395	27.08%
2019	1,663,854,927	6,104,672,300	27.26%
2020	1,648,049,900	6,163,222,436	26.74%
2021	1,681,620,409	6,186,042,871	27.18%
2022	2,056,334,952	7,532,603,540	27.30%
2023	2,038,491,269	7,529,457,562	27.07%
2024	2,038,416,094	7,542,718,535	27.02%
2025	2,048,983,292	7,586,334,785	27.01%

Source: City of Germantown FY 2025 Annual Comprehensive Financial Report

CITY OF GERMANTOWN

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>% of Outstanding Delinquent Taxes to Tax Levy</u>
2016	27,166,522	26,791,978	27,160,362	98.6%	6,160	0.0%
2017	28,038,173	27,718,407	28,030,083	98.9%	8,090	0.0%
2018	32,268,236	31,905,963	32,247,222	98.9%	21,014	0.1%
2019	32,256,468	31,882,550	32,234,270	98.8%	22,198	0.1%
2020	32,406,158	31,957,973	32,381,097	98.6%	25,061	0.1%
2021	32,979,709	32,667,883	32,969,166	99.1%	10,543	0.0%
2022	34,335,517	33,984,827	34,323,987	99.0%	11,530	0.0%
2023	33,928,976	33,542,780	33,882,335	98.9%	46,641	0.1%
2024	37,318,008	36,832,522	37,157,206	98.7%	160,802	0.4%
2025	37,504,145	36,925,400	36,925,400	98.5%	578,745	1.5%

Source: City of Germantown FY 2025 Annual Comprehensive Financial Report

CITY OF GERMANTOWN

PRINCIPAL TAXPAYERS

June 30, 2025

The assessed value of total taxable property is \$2,038,416,094. Of this amount, the assessed valuation for the City's ten largest taxpayers represents 5.65% of the total assessed valuation for all property, as shown below.

	2025		Percent of Total City Taxable Assessed Valuation
	Taxable Assessed Value	Rank	
<u>Taxpayer</u>			
Neshoba-Exter Real Estate Partners	16,033,280	1	0.79%
West Wolf River Partners, LLC	13,981,240	2	0.69%
Whitney Bridges LLC (formerly Empirian Colonnade)	12,726,040	3	0.62%
The Village at Germantown Inc.	\$ 11,774,840	4	0.58%
PC/APDG Germantown, LLC	11,294,360	5	0.55%
PEB Germantown LEB LLC (formerly Belz Investment Co.)	10,779,000	6	0.53%
HCP Germantown LLC	10,188,960	7	0.50%
G&I VIII Brook Chase LLC	9,964,080	8	0.49%
Shops at Saddle Creek Inc.	9,308,640	9	0.46%
Crestwyn Health Group LLC	9,056,160	10	0.44%
Total	\$ 115,106,600		5.65%

Source: City of Germantown FY 2025 Annual Comprehensive Financial Report
Totals may not foot due to rounding.

OTHER SOURCES OF REVENUE

Local Sales Tax

A local option sales tax is collected at the rate of 2.75% on all sales of tangible personal property and certain services, except for sales of certain energy sources and other limited exemptions. Under state law, this local option sales tax is currently levied only on the first \$1,600 of a transaction.

The State collects 50% of 2.25% of the tax on each purchase of merchandise made in Germantown and returns it to Germantown. The State collects it monthly, about 65 days after the end of the tax month (i.e., 50% of October's collections would be received in the first five days of January). The County pays a 2.375% commission as a collection fee.

Wholesale Beer Taxes

A Wholesale Beer Tax is authorized by the State at a flat rate of \$35.60 per barrel (31 gallons) of beer sold at wholesale. The City collects it from wholesalers based on their sales to retailers in the City, monthly on about the 22nd, directly from wholesalers. The revenue has increased steadily over the last several years.

Gross Receipts Business

Ordinance No. 1971-8 Authorized by Chapter 387 of the Public Acts of 1971. It is collected annually from retail sales and service businesses based on varying percentages of the gross sales. Five due dates are spread throughout the year. The largest taxpayers are concentrated in the last quarter of the fiscal year. The tax base is slightly different from local sales tax, though revenue growth generally tracks that revenue source. Revenue is projected to increase at the same rate as local sales tax. Pursuant to Public Chapter 530 of the 2009 Acts, the State of Tennessee Department of Revenue administers and collects the business tax, with businesses filing returns and remitting tax directly to the Department.

Automobile Registration

Ordinance No. 1980-9: The City collects a registration fee of \$35 per vehicle, of which \$1.25 covers a collection fee.

Grants – Federal, State

Grants received from the State of Tennessee or the Federal Government.

Hotel/Motel Occupancy Tax

The City adopted by ordinance a Hotel/Motel Occupancy Tax in fiscal year 1996. This tax is a privilege tax on transient occupancy (occupancy for 30 consecutive days or less). The City remits collections from the customer by the twentieth of each month for the preceding month. The rate is 5% (under TN law, the rate is capped at 4%, but Germantown's pre-existing 5% rate is grandfathered in), and nine hotel/motel facilities are now open and fully operational within the City's boundaries.

Investment Income

This Revenue is from the investment of the pooled funds of the City, including all funds except Enterprise Funds, Drug Asset Forfeiture, and Pension. Both gains and losses on sales of investment securities and interest earned on investments are included in this account. Projections are based on budget cash flows and a current market investment rate.

State Tax Revenues (Local Share)

The City receives funds from the State of Tennessee, which are briefly described below:

1. State Sales Tax Allocation – T.C.A. 67-6-103 (3) (A). The State allocates back to all municipalities 4.603% of the 5.5% portion of the 7.0% tax rate, based on population as of a certified census. Municipalities may conduct four special censuses each decade, and they may conduct a census of annexed areas each year. Public Chapter 501, effective January 1, 2026, requires the Department of Economic and Community Development to revise and certify each county's and municipality's population annually between decennial censuses, with the Boyd Center for Economic Research generating annual population estimates. The state collects it monthly and deposits it directly to the LGIP on the 20th of each month.
2. City Street and Transportation System – State allocation is one cent per gallon for gasoline and other fuel in the state and is based on population. The state collects it monthly and deposits it directly to the LGIP on the 20th of the month.
3. State Beer Taxes Allocation – T.C.A. 57-5-201. 10.05% of the \$4.29 per barrel tax paid by manufacturers or distributors is allocated to municipalities and collected semiannually in October and April. The state deposits it directly into the LGIP on the 20th of each collection month.
4. State Liquor Taxes Allocation – T.C.A. 57-4-301. 15% gross receipts tax on all alcoholic beverages sold for consumption. The State retains 50% and distributes the remaining 50% to the municipality. The State collects this revenue monthly and deposits it directly to the LGIP on the 20th of the month.

Current Real Property Tax

Property taxes are assessed on January 1, prior to each fiscal year in which taxes are recorded. Residential property is assessed at 25% and commercial at 40% of the appraised value. The current tax rate is \$1.7825 per \$100 of assessed value. The City approved a rate of \$1.79 per \$100 of assessed value for the most recent budget.

Current Personal Property

This tax rate is set by the same ordinance as real property; state law sets the assessment ratios. It represents a 30% assessment on personal property owned by commercial entities. This assessment is taxed at the same rate and handled in the same manner as the real estate assessment.

Penalties and Interest

After February 28, a 5% penalty accrues immediately; the following month, an additional 2% penalty accrues, and each additional month adds 1%, up to a maximum of 10%. Interest accrues at 1% per month until paid.

TVA Payments in Lieu

T.C.A. 67-9-101 et. seq. collects 5% of TVA gross sales. A total of 48.5% is allocated back to local governments, with cities getting 30% of that on a per capita basis. Collected monthly, from October through August (based on unaudited estimates), with a final true-up payment in September for the prior fiscal year, as a direct deposit to the City's LGIP account on the 20th of the month.

MLGW Payments in Lieu

The 1987 Municipal Electric System Tax Equivalent Law established maximum in-lieu-of-tax payments. It is the equivalent payment for MLGW plant and equipment in Germantown assessed at 55%. Payments are due in two equal installments in November and April for the MLGW fiscal year, which is the calendar year.

Wholesale Liquor Taxes

Ordinance 1980-6. The City levies, by ordinance and as authorized by the State, a 5% inspection fee on the wholesale sale of alcoholic beverages in the City. The City collects it from wholesalers based on sales to retail liquor stores in the City, and collects it monthly.

Business Tax Interest and Penalties

Penalties collected by the State of Tennessee on gross receipts for late tax filings.

Cable TV Franchise Fee

Ordinance 1980-2. Authorizes the granting of a cable communication system franchise. The fees are collected quarterly.

Retail Beer Licenses

The city collects a \$250 fee per application and \$100 per permit annually. A total of 74 licenses are currently in effect.

Retail Liquor Licenses

Ordinance 2023-7. Privilege Tax Liquor by the Drink is based on a scale of \$120 to \$1,200, depending on the type of establishment or seating capacity. The city collects it in January, except for new establishments, and it is projected to remain at the current level.

Animal Registration

Ordinance 1979-13. The license fee for any dog over six months of age that is unneutered or unspayed is \$15.00. Neutered or spayed is \$10.00, as set by the Resolution of Revenue.

Fence and Sign Permits

Ordinance Sec. 6-110. The fee is \$50 for residential fences. Commercial fences are \$55.

Ordinance Sec. 14-8. Sign fees vary by type (permanent or temporary) and required review. The minimum cost of a permanent sign is \$150, and the minimum cost of a temporary sign is \$50 (commercial areas only).

Building Permits

Under contract with Shelby County, these fees are collected, and 25% of the base fee is remitted to the City of Germantown generally in August, October, February, and April. Non-residential fees are assessed per \$1,000 of construction valuation and rates vary based on total construction value. Residential construction and addition fees are assessed at \$0.07 per square foot.

Subdivision Engineering

The current Subdivision Development Contract requires the payment of \$750 for a commercial or residential development project to cover the cost of document preparation by the City.

Zoning Application Fee

Zoning application fees ranges from \$1,800 to \$4,300 depending on size of the property and the proposed use.

BOND AUTHORIZATION

Bonds are authorized on behalf of the City by an initial resolution of the Board of Mayor and Aldermen which requires a simple majority. The initial resolution must be published one time in a newspaper of general circulation in the City. Unless 10% of the registered voters of the City protest the issuance of the bonds within twenty days of publication, the bonds may be issued as authorized.

DEBT LIMIT

Title 9, Chapter 21, Tennessee Code Annotated, as amended, provides that bonds may be issued "without regard to any limit on indebtedness."

OTHER LONG-TERM OBLIGATIONS

Compensated Absence Liabilities

Compensated absences for accumulated unpaid vacation are accrued in all funds when incurred. Employees earn 15 or more days of vacation each year depending on length of service. The appropriate funds provide for the amount in current liabilities. Compensated absences are paid out of the employee's cost center. The City also accrues accumulated unpaid overtime when incurred in all funds. Sick leave is not accrued except at the governmental-wide presentation.

Employee Retirement System

The City administers two single-employer public employee retirement systems: the Defined Benefit Plan for employees hired prior to July 1, 2013, and the Cash Balance Plan for employees hired on or after July 1, 2013. The City includes both plans in its financial reports as pension trust funds and does not issue stand-alone financial reports.

Defined Benefit Plan

All full-time permanent employees hired prior to July 1, 2013 who are at least 18 years of age participate in the Defined Benefit Plan. Employees vest after 10 years of service, or after 5 years if hired before July 1, 2003. Benefits are calculated at 2.25% of average compensation during the highest consecutive three years of service within the ten years of service immediately preceding termination multiplied by years of service, subject to a 30-year maximum accrual of 67.5% of base salary. Emergency Service employees with fewer than 30 years of credited service contribute 6.8% of earnings and are eligible for an unreduced normal retirement benefit at age 55. The normal retirement age for all other employees is 62.

As of June 30, 2025, the Defined Benefit Plan had 525 total members: 283 inactive employees or beneficiaries currently receiving benefits, 98 inactive employees entitled to but not yet receiving benefits, and 144 active employees.

For fiscal year 2025, the City's employer contribution to the Defined Benefit Plan was \$6,683,355, representing 55.09% of covered payroll of \$12,130,932. The total pension liability was determined by an actuarial valuation as of June 30, 2024 using the entry age normal, level percent of pay actuarial cost method, with key assumptions of a 7.25% discount rate, 4.0% projected salary increases, and a 2.5% inflation rate. The money-weighted rate of return on plan investments, net of investment expense, was 11.52% for the measurement period ended June 30, 2024.

Cash Balance Plan

All full-time permanent employees hired on or after July 1, 2013 who are at least 21 years of age and have completed six months of service participate in the Cash Balance Plan. Effective July 1, 2025, plan participation and mandatory contributions begin immediately on the employee's hire date. Each participant's account is funded by a mandatory employee contribution of 7% of compensation, a City matching contribution of 10% of compensation, and a minimum guaranteed annual return of 6% credited to the account. Participants vest in the City's contribution and credited interest after 10 years. Upon termination, vested participants receive their full account balance in monthly payments, with options for a lump sum or other distribution. Non-vested participants receive a refund of their own contributions plus credited interest.

As of June 30, 2025, the Cash Balance Plan had 262 total members: 253 active participants and 9 retirees or deferred vested participants. Covered payroll under the Cash Balance Plan was \$20,071,921 as of June 30, 2025.

The City establishes benefits and contribution levels for both plans, and only the Board of Mayor and Aldermen may amend them.

Emergency Service employees who participate in the Defined Benefit Plan and have fewer than thirty years of credited service are required to contribute 6.8% of earnings to the plan. The contribution pays for an unreduced normal retirement benefit at age 55. The normal retirement date for all other employees remains at age 62. The City contributes additional amounts necessary to finance the coverage for participants in the plan. Benefits and contributions are established by the City and may be amended only by the Board of Mayor and Aldermen.

For the fiscal year ended June 30, 2025, the City's employer contribution to the Defined Benefit Plan was \$6,683,355, or 55.09% of covered payroll of \$12,130,932. At June 30, 2025, the Defined Benefit Plan membership consisted of:

Inactive employees or beneficiaries currently receiving benefits	283
Inactive employees entitled to but not yet receiving benefits	98
Active employees	<u>144</u>
Total	525

The total pension liability was determined by an actuarial valuation as of June 30, 2024, using the entry age normal, level percent of pay actuarial cost method. Significant actuarial assumptions used in the valuation include (a) a discount rate of 7.25% per year, (b) projected salary increases of 4.0% per year, compounded annually, and (c) an inflation rate of 2.5%. For the measurement period ended June 30, 2024, the money-weighted rate of return on Defined Benefit Plan investments, net of investment expense, was 11.52%.

All full-time permanent employees hired on or after July 1, 2013 who are at least 21 years of age and have completed six months of service participate in the Cash Balance Plan. Effective July 1, 2025, plan participation and mandatory contributions begin immediately on the employee's hire date. The City records an account for each Cash Balance Plan participant. Each account is funded by a mandatory employee contribution of seven percent (7%) of the employee's compensation each year, a matching contribution from the City equal to ten percent (10%) of the employee's compensation each year, and a minimum guaranteed return of six percent (6%) credited each year to the account. Participants are vested in the City's contribution and credited interest after 10 years. When a vested participant terminates employment, the vested participant receives the participant's full account balance in monthly payments unless the participant elects a lump sum or other form of distribution. When a non-vested participant terminates, the participant receives a refund of the participant's contributions and credited interest on those contributions. Employees who participate in the Cash Balance Plan are not eligible for benefits in the City's Defined Benefit Plan.

As of June 30, 2025, the Cash Balance Plan membership consisted of:

Retirees and deferred vested participants	9
Active participants	<u>253</u>
Total	262

Payroll for covered employees in the Cash Balance Plan was \$20,071,921 as of June 30, 2025. Benefits and contributions are established by the City and may be amended only by the Board of Mayor and Aldermen.

For each of the Defined Benefit Plan and Cash Balance Plan, financial statements are prepared on an accrual basis. The City recognizes employer contributions as revenue when due. The Plan recognizes benefit payments and refunds to participants when distributed, and plan expenses when incurred. Plan assets do not include any City securities, and the Plan has not made any loans to the City.

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CITY OF GERMANTOWN

GENERAL FUND

Summary of Revenues, Expenditures, and Changes in Fund Balance For the Fiscal Years Ended June 30 (In Thousands of Dollars)

	2025	2024	2023	2022	2021
Revenues and other Sources					
Property Taxes	\$ 38,583	\$ 38,437	\$ 35,528	\$ 34,438	\$ 34,430
Local Sales Taxes	21,125	20,490	19,906	18,983	15,831
State Taxes (Local Share)	5,992	5,807	5,579	5,398	5,724
Licenses and Permits	1,336	1,345	1,385	1,395	1,368
Charges for Services	1,242	1,132	1,311	1,264	1,175
Fines and Forfeitures	1,286	1,055	1,771	873	542
Interest on Investments	2,620	3,294	2,253	227	69
Federal & State Grants	1,566	1,126	4,077	6,012	4,395
Other Revenues	903	581	1,028	590	484
Debt Proceeds	507	-	1,249	3,465	-
Disposal of Capital Assets	77	40	18	28	83
Transfers in	896	894	951	1,576	971
Total Revenues	76,134	74,201	75,056	74,250	65,072
Expenditures and Other Uses					
General Government	\$ 19,570	\$ 18,674	\$ 17,353	\$ 16,036	\$ 15,220
Public Safety	32,675	29,090	25,501	25,378	25,494
Community Services	6,758	5,288	3,211	3,190	2,601
Transportation & Environment	3,208	3,802	4,430	4,450	4,365
Debt Service	5,133	4,969	4,958	5,088	4,842
Payment to Refunding Bonds	-	-	-	3,370	-
Transfers out	14,657	12,372	11,325	18,115	10,256
Total Expenditures	82,001	74,195	66,778	75,628	62,779
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(5,867)	5	8,278	(1,378)	2,293
Fund Balance at Beginning of Year	52,132	52,127	43,848	45,226	42,933
Prior Period Adjustment	-	-	-	-	-
Fund Balance at End of Year	<u>\$ 46,265</u>	<u>\$ 52,132</u>	<u>\$ 52,127</u>	<u>\$ 43,848</u>	<u>\$ 45,226</u>

NOTE: Totals may not foot due to rounding.

Source: City of Germantown FY 2021 – FY 2025 Annual Comprehensive Financial Reports

CITY OF GERMANTOWN

CAPITAL PROJECTS FUNDS

Summary of Revenues, Expenditures, and Changes in Fund Balance For the Fiscal Years Ended June 30 (In Thousands of Dollars)

	2025	2024	2023	2022	2021
Revenues and Other Sources					
Intergovernmental	\$ 1,893	\$ 2,801	\$ 1,001	\$ 1,403	\$ 1,776
Charges for services	-	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-
Grants	7,322	4,091	451	1,602	3,245
Interest on investments	138	163	110	10	25
Other income	405	69	15	5	165
Made by Other Funds					
Total Revenues	9,757	7,124	1,577	3,020	5,210
Expenditures					
Education	-	200	200	200	200
Debt Service/Bond Issuance Costs	833	833	-	90	-
Capital Outlay	16,146	9,555	11,611	12,306	8,625
Total Expenditures	16,979	10,588	11,811	12,596	8,825
Excess (deficiency) of revenue over (under) expenditures	(7,222)	(3,464)	(10,234)	(9,575)	(3,615)
Other Financing Sources (Uses):					
Sale of capital assets					
Operating Transfers In	7,600	5,000	9,048	16,981	4,172
Operating Transfer Out	-	(250)	(3,401)	(4,810)	(896)
Issuance of Debt	-	-	5,000	5,820	-
Premium (Discount) on debt issuance	-	-	(432)	876	-
	7,600	4,750	10,215	18,867	3,276
Net change in fund balances	378	1,286	(20)	9,291	(339)
Fund Balance Beginning of Year	18,802	17,516	17,536	8,244	8,583
Fund Balance End of Year	\$ 19,180	\$ 18,802	\$ 17,516	\$ 17,536	\$ 8,244

NOTE: Totals may not foot due to rounding.

Source: City of Germantown FY 2021 – FY 2025 Annual Comprehensive Financial Reports

CITY OF GERMANTOWN

ENTERPRISE FUNDS

Summary of Revenues, Expenditures, and Changes in Fund Balance

For the Fiscal Years Ended June 30

(In Thousands of Dollars)

	2025	2024	2023	2022	2021
Operating Revenues					
Water Sales	\$ 7,830	\$ 5,945	\$ 6,394	\$ 5,690	\$ 5,377
Sewer Service Charges	6,435	4,474	4,705	3,924	3,294
Connection and Other Fees	185	107	134	162	189
Forfeited Discounts	172	141	118	104	106
Sanitation Fees	5,400	4,936	4,926	4,813	5,038
Membership Fees	4,420	3,759	3,526	3,035	2,339
Class Fees	777	763	705	603	409
Daily Admissions	7	6	6	5	2
Other Income	3,528	3,509	3,549	3,354	1,431
Total Operating Revenues	28,755	23,639	24,063	21,692	18,184
Operating Expenses					
Personnel Services	4,452	5,949	4,825	4,604	3,458
Materials and Supply	2,296	2,255	1,553	1,239	854
Utilities	1,327	1,230	1,134	1,191	1,112
Other Services and Charges	10,664	10,025	9,231	10,304	8,645
Depreciation	3,320	3,184	3,144	3,168	2,850
Total Operating Expenses	22,059	22,643	19,887	20,505	16,920
Operating Income (loss)	6,697	996	4,176	1,187	1,265
Non-Operating Revenues (Expenses)					
Contributions from Developers	-	-	712	537	168
Federal Grants	1,951			2,106	
Interest on Investments	1,440	1,505	852	41	20
Gain/Loss on Disposal of Assets	-	-	-	-	-
Interest and Fiscal Charges	(80)	(86)	(57)	(82)	(2)
Total Non-Operating Revenues	3,311	1,419	1,507	2,603	186
Net Income (Loss) Before	10,007	2,415	5,683	3,790	1,451
Operating Transfers					
Transfers In (Out)	(369)	307	(373)	(279)	(213)
Change in Net Assets	9,638	2,722	5,310	3,511	1,238
Total net assets - beginning	85,193	82,471	77,162	73,651	72,413
Change in accounting principle	(251)	-	-	-	-
Total net assets - ending	\$ 94,581	\$ 85,193	\$ 82,471	\$ 77,162	\$ 73,651

NOTES:

Totals may not foot due to rounding.

The Enterprise Funds presented above are comprised of the Utility Fund, Athletic Club, Sanitation Fund, Stormwater, and Great Hall and Conference center.

These Funds differ from governmental funds in that their revenues come from user fees charged to customers.

Source: City of Germantown FY 2021 – FY 2025 Annual Comprehensive Financial Reports

ECONOMIC AND DEMOGRAPHIC INFORMATION

INTRODUCTION

Germantown is located within Shelby County, the largest County in the State of Tennessee, of which Memphis is the county seat. Protective ordinances, a reasonable land use plan, developer contribution regulations and a major road plan were implemented before explosive population growth. As a direct result of this planning, the increased demands on the infrastructure of the City of Germantown have been appropriately and adequately met. Germantown's success in planning for its future needs, while at the same time maintaining its citizens' life style at a high level, has prompted other communities to solicit information about Germantown's planning management procedures as well as copies of the zoning, sign and other ordinances.

POPULATION

Between 2000 and 2020, the nation's population is estimated to have increased by 7.35%; the population of the State of Tennessee is estimated to have increased by 21.47%; and Shelby County's population is estimated to have increased by 3.6%. The population of Germantown was not recorded by the U.S. Bureau of the Census until 1960 when it reached 1,101. The 2020 Census certified the population at 41,333. The U.S. Bureau of the Census estimated Germantown's population as of July 1, 2024, at 40,128.

POPULATION: CITY, COUNTY, STATE AND NATION (In Thousands)

	2025 (Est)	2020	2010	2000	% Change 2000-2020
City of Germantown	41	40	39	37	8.44%
Shelby County	910	930	928	897	3.60%
Tennessee	7,315	6,911	6,346	5,689	21.47%
United States	341,749	331,449	308,746	308,746	7.35%

Source: U.S. Bureau of the Census www.census.gov

GERMANTOWN POPULATION, INCOME, SCHOOL ENROLLMENT, AND UNEMPLOYMENT

Year	Population	Median Income	Per Capita Personal Income	School Enrollment	Unemployment Rate (%)
2016	40,123	154,355	54,229	5,732	3.9
2017	40,123	154,163	54,229	5,874	3.9
2018	40,123	154,163	53,919	6,016	2.6
2019	40,123	113,392	58,722	6,044	2.7
2020	40,123	116,585	60,855	5,960	2.6
2021	40,123	118,163	60,956	5,934	3.7
2022	41,034	123,387	61,788	5,981	3.9
2023	41,034	132,949	68,279	5,909	3.4
2024	41,034	140,429	71,070	5,923	2.9
2025	41,034	144,799	72,787	6,068	3.5

Source: City of Germantown FY 2025 Annual Comprehensive Financial Report, Exhibit F-1

Source: City of Germantown FY 2025 Annual Comprehensive Financial Report, Exhibit F-18

PRINCIPAL EMPLOYERS
Fiscal Year 2025

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Methodist Le Bonheur Hospital - Germantown	1,494	1	0.24%
Germantown Municipal School District	686	2	0.11%
West Cancer Center	614	3	0.10%
Campbell Clinic	545	4	0.09%
Stern Cardiovascular	446	5	0.07%
City of Germantown	432	6	0.07%
Gastro One	245	7	0.04%
ThyssenKrupp Elevator Manufacturing, Inc.	245	8	0.04%
The Village at Germantown	210	9	0.03%
Kroger	120	10	0.02%

Source: City of Germantown FY 2025 Annual Comprehensive Financial Report

HOUSING AND CONSTRUCTION

Between 1990 and 2020, the City of Germantown added over 4,000 housing units, reflecting sustained residential demand. The owner-occupied housing unit rate in Germantown remains high, with 87.6% of its housing units owner-occupied.

CITY OF GERMANTOWN (1990-2020)

<u>Year</u>	<u>Total Units</u>	<u>Occupied</u>		<u>Total Vacant Units</u>	<u>Renter</u>	
		<u>Owner Units</u>	<u>Renter Units</u>		<u>Vacant Renter Units</u>	<u>Vacancy Rate</u>
1990	11,131	9,597	1,116	418	128	10.30%
2000	13,676	11,761	1,459	456	168	10.33%
2010	15,434	13,255	1,545	634	73	4.50%
2020	16,106*	14,121	2,085	538	N/A *	N/A *

Source: U.S. Bureau of the Census

*2020 figures derived from ACS 5-year estimates, vacancies not available

The following table provides data on the number of construction permits issued for the City of Germantown, Tennessee, between fiscal years 2021 and 2025 and the valuations of related construction.

CITY OF GERMANTOWN
Residential Construction Permits

<u>Fiscal Year</u>	<u>Total Number Issued</u>	<u>Valuation (\$000)</u>
2021	337	41,917
2022	352	59,658
2023	283	92,214
2024	209	39,364
2025	282	61,860
2026	231	47,729

CITY OF GERMANTOWN
Non-Residential Construction Permits

Fiscal Year	Total Number Issued	Valuation (\$000)
2021	44	54,250
2022	70	64,666
2023	87	31,358
2024	40	27,358
2025	58	21,212
2026	52	16,003

Source: City of Germantown

EDUCATION

The Germantown Municipal School District operates seven public schools: three elementary schools, one K-8 school, one middle school, one high school, and one virtual school. The Germantown system has just over 5,800 students enrolled, with approximately 5,810 students in the 2026–2027 school year. All schools in the system are approved by the Tennessee State Department of Education. Memphis-Shelby County Schools currently operates three public schools in Germantown. Those schools are Germantown Elementary School, Germantown Middle School, and Germantown High School. Those three schools are under a multi-year transition plan to transfer to the District in 2032. In addition to the public schools, several private schools are within or near the City of Germantown.

SCHOOL ATTENDANCE

Year	Average Daily Membership	Average Daily Attendance
2020/21	5,929	5,762
2021/22	5,960	5,612
2022/23	5,881	5,753
2023/24	5,900	5,792
2024/25	5,908	5,647

Source: Germantown Municipal School District

SCHOOLS OF HIGHER EDUCATION IN THE MEMPHIS AREA

The Memphis area is home to numerous post-secondary institutions, notably including: the University of Memphis; Christian Brothers University; Rhodes College; Lemoyne-Owen College; Baptist Memorial College of Health Sciences; and the University of Tennessee Health Science Center – Memphis.

TRANSPORTATION

Air Service - Memphis International Airport (the "Airport") occupies about 4,600 acres of land and includes a terminal complex containing approximately one million square feet and four other buildings containing approximately 100,000 square feet. Six major passenger carriers serve the Airport: Allegiant Air, American Airlines, Delta Airlines, Frontier Airlines, Southwest Airlines, and United Airlines. Several regional and commuter airlines also serve the Airport.

The Memphis Shelby County Airport Authority (the "Airport Authority") operates the Airport and was created in 1969 by official action of the City of Memphis and Shelby County. A nine-member Board of Commissioners

governs the Airport Authority, with six members appointed by the State of Tennessee representatives and three appointed by the Mayor of the City of Memphis.

More than 35,000 individuals work at the Airport, including airline, Airport Authority, Federal Aviation Administration, concessionaires, and tenant employees. Passenger enplanements reached a record approximately 4.9 million in 2024. The Airport has undertaken a multi-phase Terminal Modernization and Seismic Program (TMSP). The first phase — a \$245 million modernization of Concourse B — has been completed, consolidating airline and retail operations into a single concourse and increasing gate capacity by 50 percent. As of early 2026, the Airport is moving into the next phases of the TMSP. Federal Express ("FedEx") is headquartered in the County and employs approximately 30,000 people in the Memphis area. The main sorting facility is located just off the Memphis International Airport runways. FedEx has completed several major expansion and improvement projects at its airport hub operations in recent years. FedEx Logistics also operates a global headquarters in downtown Memphis.

Highway - The area is connected to the rest of the nation by eight federal, three interstate, and seven state highway systems. These highways, combined with a circumferential expressway and two highway bridges crossing the Mississippi River, make all parts of Memphis-Shelby County readily accessible to the surrounding communities.

Public Transit - The Memphis Area Transit Authority (MATA) provides public mass transportation in Memphis, with limited service furnished in Germantown, Millington, Collierville, and Southeast Shelby County.

MATA also operates the Main Street Trolley, featuring Trolleys originally built between 1912 and 1940 that have been restored to their original elegance. The Trolleys operate along the Main Street Mall and Madison Avenue and serve several Downtown attractions, including the Bass Pro Shops at the Pyramid, Pinch District, Court Square, Beale Street, the National Civil Rights Museum, the South Main Historic District, and the medical center area. Trolley service has been suspended since August 2024 following brake safety concerns identified by the Tennessee Department of Transportation. MATA is working through safety testing and regulatory milestones, with service restoration targeted for fall 2026.

UTILITIES

Utilities - The Memphis Light, Gas and Water Division is a municipally-owned utility that distributes electric power and natural gas throughout Memphis and Shelby County, and water within Memphis and certain adjacent areas.

MEDICAL FACILITIES

Medical Facilities - Shelby County, home to one of the most comprehensive collections of health care centers in the nation, has approximately 13 licensed hospitals with an estimated 4,000+ licensed beds, along with numerous other health care facilities. The county also has approximately 26–29 nursing homes, multiple homes for the aged and assisted living communities, and 33 home health agencies licensed to serve the county. The area is further supported by a growing number of ambulatory surgery centers throughout the Memphis metropolitan area.

Baptist Memorial Health Care ("Baptist") is one of the largest, not-for-profit health systems in the United States, with its parent organization headquartered in the County. At its various facilities, it provides a broad array line of medical and surgical treatments. Baptist currently comprises 25 affiliate hospitals in West Tennessee, North and Central Mississippi, and Northeast Arkansas, following a series of mergers completed in 2024, 2025, and 2026. Baptist reported net operating revenue of \$4.9 billion in fiscal year 2025.

Methodist Le Bonheur Healthcare ("Methodist") is an integrated, not-for-profit healthcare delivery system based in Memphis, Tennessee, serving communities in the greater Mid-South region with six hospitals, ambulatory surgery centers, outpatient facilities, a home health agency, hospice residences, and physician practices. The system is supported by more than 13,000 Associates and over 2,000 providers.

Methodist Le Germantown Hospital is a 319-bed community hospital offering comprehensive services including 24-hour emergency care, a renowned obstetrics and maternity program, complete surgical services, and comprehensive cardiac services. Methodist Le Bonheur Germantown Hospital and Methodist University Hospital have been recognized as HeartCARE Centers by the American College of Cardiology — the only Memphis-area hospitals to earn this distinction.

Of special interest is St. Jude Children's Research Hospital, which was founded by the late Danny Thomas. St. Jude is the only National Cancer Institute-designated Comprehensive Cancer Center devoted solely to children and the world's leading childhood cancer research center, with a primary focus on leukemia and other life-threatening

diseases. St. Jude is currently in the midst of a major campus expansion, with two 15-story towers dedicated to patient care and clinical research under construction — a project exceeding \$1 billion in investment. St. Jude has also begun vertical construction on the Advanced Research Center II (ARC II), a 16-story, 865,000-square-foot facility that will be the largest building in the hospital's history and represents a \$281 million structural investment. St. Jude has been ranked among the top 10 pediatric cancer hospitals by U.S. News & World Report for 18 consecutive years

West Cancer Center provides patients with comprehensive cancer care and access to clinical trials. West Cancer Center's partnership with Methodist Healthcare and the University of Tennessee Health Science Center combines leaders in education, research, and medical care to advance cancer research and treatment, serving more than 30,000 patients each year. West Cancer Center has recently expanded its network with a new Bartlett campus.

Appendix A

Annual Comprehensive Financial Report

The Annual Comprehensive Financial Report of the City of Germantown, Tennessee, and supplementary information as of and for the Fiscal Year ended June 30, 2025, together with the independent auditors' report from Watkins Uiberall, PLLC, Certified Public Accountants, are available through the following website at:

<https://emma.msrb.org/IssuerHomePage/Issuer?id=FA6EA48DDC43DDB714C30B2DEFBF8106>

and are hereby incorporated by reference as part of this Appendix A. To the extent there are any differences between the electronically posted financial statements of the City and the printed financial statements of the City, the printed version shall control.

Appendix B
Forms of Bond Counsel Opinions

_____, 2026

Board of Mayor and Aldermen
City of Germantown, Tennessee

Re: \$_____ General Obligation Improvement Bonds, Series 2026A

Ladies and Gentlemen:

We have acted as bond counsel in connection with, and have examined a certified copy of the record of the proceedings of the Board of Mayor and Aldermen (the “Board”) of the City of Germantown, Tennessee (the “Municipality”), and other proofs submitted to us relating to the authorization, issuance and sale by the Municipality of its \$_____ General Obligation Improvement Bonds, Series 2026A, dated the date of original issuance and delivery (the “Bonds”). The Bonds are issued under and pursuant to that certain “Resolution Authorizing the Execution, Terms, Issuance, Sale, and Payment of Not to Exceed \$13,500,000 General Obligation Improvement Bonds, Series 2026A of the City of Germantown, Tennessee, and Providing the Details Thereof” (the “Resolution”), adopted by the Board on August 24, 2026.

The Bonds are issuable in definitive form as fully registered Bonds, without coupons, are numbered from one upwards, and mature serially on June 1 of the years 2027 through 2046. The Bonds will bear interest payable semiannually on June 1 and December 1 of each year, commencing December 1, 2026.

The Bonds are subject to redemption prior to maturity upon the terms and conditions set forth therein and in the Resolution.

Based upon such examination and such other documents, showings, and related matters of law as we deem necessary to render this opinion, we are of the opinion that, under existing law:

(1) Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the Constitution and laws of the State of Tennessee as now in force, including particularly Title 9, Chapter 21, Tennessee Code Annotated, as amended, and the Resolution according to its terms, and that the Resolution is valid and binding on the Municipality, enforceable in accordance with its terms.

(2) The Bonds are valid and legally binding obligations of the Municipality payable from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality, without limitation as to time, rate, or amount, and for which the punctual payment of the principal of and interest on the Bonds, the full faith and credit of the Municipality are irrevocably pledged.

(3) Interest on the Bonds 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; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinion set forth in the preceding sentence is subject to the condition that the Municipality 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 the interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Municipality has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein. We have not undertaken to advise in the future whether any events after the date of execution and delivery of the Bonds may affect the tax status of the interest on the Bonds.

(4) The Bonds and interest on the Bonds are exempt from all state, county, and municipal taxation within the State of Tennessee, except to the extent that interest on the Bonds is included within the measure of certain privilege and excise taxes imposed under Tennessee law. We express no opinion regarding taxation of the Bonds or interest on the Bonds in any state other than Tennessee.

The rights of owners of the Bonds and the enforceability of the Bonds may be limited by future proceedings under bankruptcy, reorganization, debt arrangements, insolvency, or other laws of general application or principles of equity relating to or affecting the enforcement of creditors' rights.

In rendering the above opinion, we have relied upon the opinion of even date herewith of the Attorney of the Municipality with respect to: (1) the due organization and existence of the Municipality as a valid political subdivision of the State of Tennessee; (2) the right, title, and interest of the present officials of the Municipality to their respective positions; and (3) matters that might be disclosed by an examination of agreements or instruments to which the Municipality is a party or by which it or any of its assets are bound.

We express no opinion 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, revise or supplement this opinion as to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

ADAMS AND REESE LLP
_____, 2026

Board of Mayor and Aldermen
City of Germantown, Tennessee

Re: \$ _____ General Obligation Refunding Bonds, Series 2026B

Ladies and Gentlemen:

We have acted as bond counsel in connection with, and have examined a certified copy of the record of the proceedings of the Board of Mayor and Aldermen (the “Board”) of the City of Germantown, Tennessee (the “Municipality”), and other proofs submitted to us relating to the authorization, issuance and sale by the Municipality of its \$ _____ General Obligation Refunding Bonds, Series 2026B, dated the date of original issuance and delivery (the “Bonds”), the proceeds of which will be used to refund the Municipality’s outstanding General Obligation Improvement and Refunding Bonds, Series 2016A, issued in the original principal amount of \$7,935,000, dated March 7, 2016, and the Municipality’s outstanding General Obligation Bonds, Series 2016B issued in the original principal amount of \$10,220,000, dated March 7, 2016 (collectively, the “Refunded Bonds”). The Bonds are issued under and pursuant to that certain “Resolution Authorizing the Execution, Terms, Issuance, Sale, and Payment of Not to Exceed \$11,800,000 General Obligation Refunding Bonds, Series 2026B of the City of Germantown, Tennessee, and Providing the Details Thereof” (the “Resolution”), adopted by the Board on August 24, 2026.

The Bonds are issuable in definitive form as fully registered Bonds, without coupons, are numbered from one upwards, and mature serially on June 1 of the years 2027 through 2046, inclusive. The Bonds will bear interest payable semiannually on June 1 and December 1 of each year, commencing December 1, 2026.

The Bonds are subject to redemption prior to maturity upon the terms and conditions set forth therein and in the Resolution.

Based upon such examination and such other documents, showings, and related matters of law as we deem necessary to render this opinion, we are of the opinion that, under existing law:

(1) Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the Constitution and laws of the State of Tennessee as now in force, including particularly Title 9, Chapter 21, Tennessee Code Annotated, as amended, and the Resolution according to its terms, and that the Resolution is valid and binding on the Municipality, enforceable in accordance with its terms.

(2) The Bonds are valid and legally binding obligations of the Municipality payable from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality, without limitation as to time, rate, or amount, and for which

the punctual payment of the principal of and interest on the Bonds, the full faith and credit of the Municipality are irrevocably pledged.

(3) Interest on the Bonds 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; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinion set forth in the preceding sentence is subject to the condition that the Municipality 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 the interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Municipality has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein. We have not undertaken to advise in the future whether any events after the date of execution and delivery of the Bonds may affect the tax status of the interest on the Bonds.

(4) The Bonds and interest on the Bonds are exempt from all state, county, and municipal taxation within the State of Tennessee, except to the extent that interest on the Bonds is included within the measure of certain privilege and excise taxes imposed under Tennessee law. We express no opinion regarding taxation of the Bonds or interest on the Bonds in any state other than Tennessee.

The rights of owners of the Bonds and the enforceability of the Bonds may be limited by future proceedings under bankruptcy, reorganization, debt arrangements, insolvency, or other laws of general application or principles of equity relating to or affecting the enforcement of creditors' rights.

In rendering the above opinion, we have relied upon the opinion of even date herewith of the Attorney of the Municipality with respect to: (1) the due organization and existence of the Municipality as a valid political subdivision of the State of Tennessee; (2) the right, title, and interest of the present officials of the Municipality to their respective positions; and (3) matters that might be disclosed by an examination of agreements or instruments to which the Municipality is a party or by which it or any of its assets are bound.

We express no opinion 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, revise or supplement this opinion as to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

ADAMS AND REESE LLP

Appendix C
Form of Continuing Disclosure Certificate

CITY OF GERMANTOWN, TENNESSEE

\$ _____ GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES
2026A

\$ _____ GENERAL OBLIGATION REFUNDING BONDS, SERIES 2026B

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the City of Germantown, Tennessee (the “Municipality”) in connection with the issuance of \$ _____ General Obligation Improvement Bonds, Series 2026A and \$ _____ General Obligation Refunding Bonds, Series 2026B (collectively, the “Bonds”). The Bonds are being issued pursuant to Resolutions adopted by the Board of Mayor and Aldermen of the Municipality on August 24, 2026 (collectively, the “Resolutions”). The Municipality covenants and agrees as follows:

SECTION 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Municipality for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access (“EMMA”) System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Municipality pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the Municipality, or any successor Dissemination Agent designated in writing by the Municipality and which has filed with the Municipality a written acceptance of such designation.

“Material Event” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Tennessee.

SECTION 3. Provision of Annual Reports.

(a) The Municipality shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the Municipality’s fiscal year, commencing with the report for the fiscal year ending June 30, 2026, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Municipality may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Municipality’s fiscal year changes, it shall give notice of such change in the same manner as for a Material Event under Section 5(c) hereof.

(b) Not later than fifteen (15) business days prior to said date, the Municipality shall provide the Annual Report to the Dissemination Agent (if other than the Municipality). If the Municipality is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Municipality shall send a notice to the MSRB in substantially the form of Exhibit A attached hereto.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the Municipality), file a report with the Municipality certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The Municipality’s Annual Report shall contain or include by reference (i) the audited financial statements of the Municipality for the prior 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 in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available, and (ii) the financial information and operating data with respect to the Municipality for each fiscal year of the type in Part II of the Official Statement under the headings “Fund Balances/Fund Equity/Net Assets,” “Schedule of Assessment and Valuation,” “Value of Taxable Property,” “Property Tax Levies and Collections,” “Principal Taxpayers,” “General Fund Summary of Revenues, Expenditures, and Changes in Fund Balance,” “Capital Projects Fund Summary of Revenues, Expenditures, and Changes in Fund Balance,” and “Enterprise Funds Summary of Revenues, Expenditures, and Changes in Fund Balance”.

Any or all of the items listed above may be included by specific reference to other documents, including the Municipality's annual comprehensive financial report and official statements of debt issues of the Municipality or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Municipality shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Material Events.

(a) Pursuant to the provisions of this Section 5, the Municipality shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers or their failure to perform;
- (vi) 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;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances (including disclosure as to whether the Bonds have been defeased to their maturity or to a preceding call date);
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Municipality;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Municipality or the sale of all or substantially all of the assets of the Municipality, 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;
- (xiv) Appointment of a successor or additional trustee or the change of the name of a trustee, if material;
- (xv) Incurrence of a financial obligation* 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

- (xvi) 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.

* As used in subsections (xv) and (xvi), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

For purposes of the event identified in subsection (a)(xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Municipality in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Municipality, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Municipality.

(b) When a Material Event occurs, the Municipality shall, in a timely manner not in excess of ten (10) business days after the occurrence of the Material Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Material Events described in subsections (a)(viii) and (ix) 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 Resolutions.

(c) Unless otherwise required by law, the Municipality shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

SECTION 6. Termination of Reporting Obligation. The Municipality’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Municipality shall give notice of such termination in the same manner as for a Material Event under Section 5(c).

SECTION 7. Dissemination Agent. The Municipality may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Municipality pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Municipality.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Municipality may amend this Disclosure Certificate, and any

provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), 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 Resolutions for amendments to the Resolutions with the consent of 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 this 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 in the same manner as for a Material Event under Section 5(c), 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.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Municipality from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Municipality chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Municipality shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 10. Default. In the event of a failure of the Municipality to comply with any provision of this Disclosure Certificate, any holder or Beneficial Owner of the Bonds 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 this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the Municipality to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities, and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Municipality agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Municipality under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Municipality, the Dissemination Agent, the Participating Underwriters, and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2026

CITY OF GERMANTOWN, TENNESSEE

By: _____
Mayor

Attest:

By: _____
City Clerk/Recorder

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Germantown, Tennessee

Name of Bond Issues: \$_____ General Obligation Improvement Bonds,
Series 2026A \$_____ General Obligation Refunding
Bonds, Series 2026B

Date of Issuance: _____, 2026

NOTICE IS HEREBY GIVEN that the City of Germantown, Tennessee (the “Municipality”) has not provided an Annual Report with respect to the above-named Bonds as required by the Resolutions adopted by the Board of Mayor and Aldermen of the Municipality on August 24, 2026.

The Municipality anticipates that the Annual Report will be filed by _____
_____.

Dated: _____

CITY OF GERMANTOWN, TENNESSEE

By: _____

Mayor