City of MEMPHIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Paul A. Young
Mayor

FISCAL YEAR ENDED JUNE 30, 2025

Memphis, TN

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2025

City of Memphis

Tennessee

Paul Young

Mayor

PREPARED BY THE DIVISION OF FINANCE

Paul A. Young
MEMPHIS MAYOR

December 31, 2025

Dear Fellow Memphians,

I am pleased to share with you the **Fiscal Year 2025 Annual Comprehensive Financial Report**. As I reflect on this past year, I am proud to report that the City of Memphis continues to demonstrate fiscal responsibility, operational efficiency, and measurable progress, even in a challenging economic environment.

Through prudent financial management, we have balanced the budget while stretching every dollar to deliver more for our residents. We've continued to strengthen essential services, invest in neighborhood infrastructure, and support public safety, all without reductions to the vital programs that our citizens depend on most.

In FY25, Memphis maintained a strong financial position with a stable bond rating, fully funded annual pension and OPEB obligations, and capital spending that remained within responsible debt limits. We also continued targeted investments in blight removal, youth opportunity, and infrastructure improvements that make our city stronger block by block.

These accomplishments are the direct result of teamwork and commitment. I want to extend my gratitude to the members of the **Memphis City Council**, our **Finance Division**, and all **City of Memphis employees** for their tireless work and fiscal stewardship. Their dedication ensures that every taxpayer dollar is used efficiently, transparently, and with lasting impact.

Even amid national economic headwinds, Memphis continues to attract investment and job growth — from advanced manufacturing to technology and logistics — reflecting the confidence that businesses and residents alike have in our city's direction.

We are proving that responsible government and real progress can go hand in hand. We are maximizing every resource, innovating across departments, and finding smarter ways to serve our community — because every dollar matters, and every Memphian deserves results.

It remains an honor to serve as your mayor, and I look forward to continuing our shared work to build a stronger, safer, and more vibrant Memphis for all.

In partnership and progress,

Mayor Paul A. Young
City of Memphis

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INTRODUCTORY SECTION

CITY OF MEMPHIS

T E N N E S S E E

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December 31, 2025

To the Mayor, City Council, and Citizens of Memphis:

The Annual Comprehensive Financial Report (ACFR) of the City of Memphis (City) for the fiscal year ended June 30, 2025, is hereby submitted. In accordance with the Memphis City Charter requirement, the ACFR includes financial statements that have been audited by an independent certified public accounting firm. The financial statements are presented in conformity with the United States generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and have been audited in accordance with the United States generally accepted auditing standards. Additionally, the report is presented for compliance with the provisions of the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

This report consists of management's representations concerning the financial position and operations of the City. Accordingly, management assumes responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management has established and maintains a comprehensive framework of internal control designed to protect the City's assets and ensure the accuracy and reliability of its financial reporting. Because the cost of internal control should not exceed anticipated benefits, the system of internal control is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

The Office of Internal Audit supports the City's system of internal control by conducting independent reviews and assessments of accounting and administrative controls, evaluating compliance with applicable laws, policies, and procedures, and assessing the reliability of financial and operational information developed throughout the City.

The City's financial statements have been audited by Banks, Finley, White and Co., licensed certified public accountants. Banks, Finley, White & Co. has issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2025. The independent auditor's report is located at the beginning of the financial section of this ACFR.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative overview and analysis of the City's basic financial statements. The MD&A is intended to complement this letter of transmittal and should be read in conjunction with, and considered an integral part of, the entire report.

Profile of the Government

The City of Memphis (the City) is a home rule municipality under Tennessee state law and was incorporated in 1826. The City operates under a Charter adopted in 1968, which provides for a Mayor–Council form of government. The Charter provides for the election of a Mayor and thirteen City Council members. The City encompasses approximately 301 square miles and serves an estimated population of 610, 919[1] The City is authorized to levy property taxes on both real and personal property located within its jurisdiction.

Under the provisions of the City Charter, legislative authority is vested in the City Council, which is responsible for enacting ordinances and resolutions governing the City. Among its duties, the City Council approves the annual budget, sets the property tax rate, and establishes other lawful taxes and fees necessary to generate revenues sufficient to fund approved expenditures. Executive and administrative authority for the day-to-day operations of City government is vested in the Mayor. The various divisions of City government are administered by Chiefs or Directors appointed by the Mayor and confirmed by the City Council.

The City provides a comprehensive range of municipal services, including public safety, culture and recreation, community development, solid waste management, public works, planning and zoning, sewer and utility services, public transit, and general administrative services. This Annual Comprehensive Financial Report includes the financial statements of the City's funds, as well as those boards, authorities, and organizations for which the City is financially accountable. Financial accountability is the criterion used to determine whether an organization is considered part of the primary government or reported as a component unit.

The City evaluates its financial reporting entity in accordance with the requirements of the Governmental Accounting Standards Board (GASB). Under these standards, organizations are included in the City's reporting entity if they are: (1) legally part of the City; (2) legally separate organizations for which the City appoints a voting majority of the governing body and is able to impose its will or has the potential to receive a financial benefit or incur a financial burden; or (3) organizations that are fiscally dependent on the City.

This report includes the Division of Memphis Light, Gas, and Water (MLGW). MLGW was created by amendment to the City Charter through Chapter 381 of the Private Acts of the General Assembly of Tennessee, adopted March 9, 1939, as amended (the "Private Act"). MLGW operates three utility divisions that provide electricity, natural gas, and water services to the City of Memphis and portions of Shelby County. Each utility division operates as a separate accounting entity in accordance with the provisions of the Private Act. Activities common to all three divisions are administered jointly, with costs allocated among the divisions on a monthly basis.

[1] Tennessee-Demographics.com 12-29-25 listed as population through Calendar Year End 2024.

MLGW controls the administration of its operations and business affairs, manages its own finances, and is responsible for obligations incurred in the course of its operations, including indebtedness payable from utility revenues. MLGW also administers separate pension and other post-employment benefit (OPEB) plans for its employees and does not participate in the City's pension or OPEB plans. MLGW's annual budget and certain significant actions, including the acquisition of real property and the exercise of eminent domain, require approval by the City Council. Governance of MLGW is vested in a Board of Commissioners, and daily operations are managed by a President and Chief Executive Officer appointed by the Mayor and approved by the City Council for a five-year term. MLGW is audited independently and reported separately from the City's annual audit. Because MLGW operates on a calendar-year basis, disclosures throughout this report distinguish the timing and reporting differences between MLGW and the City. The City's independent auditors rely on the audit opinion issued by MLGW's independent auditors, and MLGW financial information is presented without modification from its audited financial statements.

The following organizations are component units of the City and as such are discretely presented (separated from the primary government) in the basic financial statements section of this report:

- Memphis Metropolitan Land Bank Authority (MMLBA) - formerly known as the Blight Authority of Memphis, Inc.
- Memphis Area Transit Authority (MATA)
- Renasant Convention Center (RCC)
- Memphis and Shelby County Airport Authority (MSCAA)
- Memphis Zoological Society (MZS)
- Memphis Health Educational Housing Facility Board (HEHFB)

Additional information regarding these discretely presented component units and the basis for their inclusion in the City's reporting entity is provided in the notes to the financial statements.

The following entities are considered to be joint ventures of the City:

- Memphis and Shelby County Port Commission
- New Memphis Arena Public Building Authority of Memphis and Shelby County, Tennessee
- Sports Authority of Memphis and Shelby County Incorporated

These organizations are also further described in the notes to the financial statements.

The following related organizations and jointly governed organizations is excluded from the City's financial statements, as they do not meet the definition of financial accountability as defined by GASB standards:

- Memphis Housing Authority *(related organization)*
- Depot Redevelopment Corporation of Memphis and Shelby County
- Downtown Memphis Commission
- Economic Development Growth Engine (EDGE) for Memphis and Shelby County
- Industrial Development Board
- Memphis Center City Revenue Finance Corporation
- Memphis and Shelby County Parking Authority

Budget Process

The City administration annually prepares a plan of services for the upcoming fiscal year and the estimated cost of providing these services. This plan is reviewed by the City Council and is formally adopted by the passage of a budget ordinance prior to the end of the fiscal year. The ordinance provides for budgetary control at program levels (e.g., public safety) and by Division (e.g., police), and said budgets cannot be exceeded without the approval of the City Council. The Mayor has authority to approve transfers between categories (e.g., personnel, materials, and supplies) up to $100,000 for each transfer and each program. Transfers between programs, however, require authorization by ordinance or resolution of the City Council.

The budgeting process for the coming year takes place before the completion of the annual reporting year. The Fiscal Year 2026 operating budget are available online on the City's website and in printed form from the Comptroller.

The City has continued to adapt its business model to sustain not only mission critical services, but also the reporting transparency that provides the metrics that track quality, performance, productivity, innovation, and service delivery. The City's top priorities continue to focus on service to its community, and for the protection, safety, and well-being of its employees and citizens.

Economic Condition Assessment

The U.S. economy experienced a period of moderate growth and easing inflation from July 2024 through June 2025. Economic expansion continued, but at a slower pace than in previous post-pandemic years. Inflation, which had peaked in 2022, continued to decelerate, averaging approximately 3% annually as of mid-2025, closer to the Federal Reserve's long-term target of 2%. The Federal Reserve maintained relatively high interest rates during fiscal year 2025 to ensure continued price stability, resulting in elevated borrowing costs for consumers and businesses.

Real GDP growth slowed compared to the rapid recovery years of 2021–2023, with sectors sensitive to interest rate changes—such as residential and commercial real estate, construction, and manufacturing—experiencing slower activity. Residential real estate transactions remained modest, with higher mortgage rates and affordability constraints dampening demand. Construction activity stabilized, and housing affordability challenges persisted, particularly in mid-priced and workforce housing segments.

The labor market remained generally resilient, though labor force growth slowed. As of June 2025, the national unemployment rate was 4.1%, slightly above historical lows, reflecting a moderation in hiring across cyclical sectors such as retail, manufacturing, and hospitality. Job growth continued in sectors including healthcare, logistics, and professional services. While job openings remained elevated, businesses were more cautious in their hiring decisions, reflecting broader economic uncertainty.

Consumer spending, a key driver of the economy, moderated in fiscal year 2025. Spending on services, including travel, leisure, and hospitality, remained steady, while expenditures on durable goods—such as vehicles and electronics—slowed due to higher prices and tighter household budgets. Business investment also moderated, particularly in sectors dependent on credit and financing, including commercial real estate and industrial production.

The financial sector remained stable, although regional banks and commercial lenders faced pressures from higher financing costs and moderate increases in loan delinquency rates. Equity markets experienced continued volatility driven by economic, geopolitical, and policy uncertainties. Energy markets showed variability, with oil and natural gas prices affected by global supply-demand dynamics, while investment in renewable energy continued to expand unevenly across sectors.

Overall, the national economic environment in fiscal year 2025 was characterized by moderate growth, easing inflation, and a resilient but slowing labor market. These conditions created a cautious outlook for businesses and households, with continued attention to interest rates, employment trends, and consumer confidence shaping economic performance.

This report assesses the economic conditions of the United States as a whole, with particular attention to the state of Tennessee and the Memphis Metropolitan Statistical Area (MSA) during this period.

The National Economy

- **Inflation and Monetary Policy Uncertainty**
  In 2025, inflation pressures in the U.S. economy moderated compared with the elevated levels seen in 2022 and 2023 but remained above the Federal Reserve's long-run target. Headline consumer price inflation stayed elevated though showing signs of slowing, with inflation measured by the Consumer Price Index reported around 3.0 percent on a 12-month basis as of late 2025—above the Federal Reserve's 2 percent objective. Annual core inflation excluding food and energy also hovered above target, reflecting continued pricing pressures in services and other sectors. Elevated inflation has posed challenges for both consumers and policymakers, contributing to ongoing monetary policy uncertainty and complicating forecasts for investment, spending, and employment.

- **Impact of Rising Interest Rates and Inflation on Commercial Real Estate (CRE)**
  Persistent inflation throughout 2024 and into 2025 prompted the Federal Reserve to maintain higher interest rates for an extended period before beginning modest rate reductions later in the year. Elevated borrowing costs continued to strain interest-rate sensitive sectors, including commercial real estate (CRE). The national office vacancy rate remained high near the end of 2025, reflecting structural shifts in office space demand and continued remote/hybrid work patterns. While some markets experienced localized improvements, overall office vacancies stayed elevated relative to pre-pandemic norms, exerting downward pressure on rental rates and valuations in certain segments of the CRE market.

Construction Market Trends

The construction sector in 2025 faced a dynamic environment shaped by high material costs, constrained financing conditions, and shifting demand across segments. While residential construction faced challenges due to elevated mortgage rates and affordability concerns, non-residential construction particularly in industrial, healthcare, and public infrastructure showed relative resilience. Industry forecasts projected total U.S. construction spending to increase moderately, supported by public investment and institutional projects, though growth was tempered by cost pressures and labor availability.

- **Resilient U.S. Economy Despite Slowdown**
  Despite signs of economic moderation, the U.S. economy continued to display resilience in 2025. Real Gross Domestic Product (GDP) expanded at an annual rate of approximately 3.0 percent in the second quarter of 2025 (April–June), indicating continued positive output growth across broad sectors of the economy. However, growth was less robust than the rapid expansions seen in the immediate post-pandemic period.

- **Wage Growth and Labor Market Dynamics**
  The U.S. labor market in 2025 softened relative to historically tight conditions in 2021–2023. The national unemployment rate rose to 4.1 percent in late 2025, marking its highest level in recent years. Employment growth slowed, with weaker hiring in manufacturing and government sectors, even as private-sector job gains persisted in healthcare and other services. Average hourly earnings continued to rise but at a more modest pace than in prior years, reflecting cooling labor market pressures.

- **Productivity Growth and Economic Efficiency (June 2024–June 2025)**
  Productivity growth in the nonfarm business sector remained positive through the first half of 2025. In the second quarter of 2025, labor productivity increased approximately 2.4 percent at an annualized rate, supported by a 3.7 percent rise in output and a 1.3 percent increase in hours worked. On a year-over-year basis, labor productivity increased approximately 1.3 percent compared with the same period in 2024, reflecting continued, though more moderate, gains in output per hour worked. While productivity growth supported economic efficiency, labor supply constraints and global economic uncertainty continued to limit broader productivity gains.

- **Labor Market Trends and Long-Term Recovery (June 2024-June 2025)**
  The U.S. labor market continued to recover in 2023 and 2024, although some sectors showed signs of weakness. Unemployment levels remained low, and job vacancies remained relatively high, signaling ongoing demand for workers. However, hiring slowed slightly as businesses, uncertain about the economic outlook, became more cautious. By mid-2024, the labor force participation rate had not returned to pre-pandemic levels, suggesting that a significant portion of the working-age population remains outside the labor force, possibly due to shifting work preferences or challenges in childcare and other systemic issues.

The Tennessee Economy

1. **Employment Trends (2024-2025)**
   From June 2024 to June 2025, Tennessee's labor market continued to exhibit strong growth, with employment gains recorded across major counties including Davidson, Williamson, Rutherford, Hamilton, Knox, and Shelby. Williamson County again demonstrated relatively strong growth, with a year-over-year increase in employment of approximately 4.8 percent, reflecting continued expansion in sectors such as professional services and logistics. Shelby County, the state's largest county, experienced a more modest employment increase of 1.4 percent, consistent with broader regional trends and indicative of continuing structural challenges in certain sectors.

   Overall employment growth across the state moderated in comparison with the prior period, influenced by tighter monetary conditions and slower expansion in industries sensitive to borrowing costs. Despite this moderation, total employment in Tennessee remained above pre-pandemic levels, underscoring the resilience of the state's labor market fundamentals amidst evolving economic conditions.

2. **Wage Growth (2024-2025)**
   Average weekly wages continued to rise across Tennessee's major counties between the first quarter of 2024 and the first quarter of 2025, though the pace of growth moderated slightly. Shelby County recorded a 5.0 percent year-over-year increase in average weekly wages, reflecting continued demand in healthcare, technology, and logistics sectors.

Despite moderation, wage growth continued to outpace pre-pandemic levels, supporting household income and consumer spending.

3. **Post-Pandemic Recovery and Employment Levels (2024-2025)**
   Tennessee's economy surpassed pre-pandemic levels in both employment and economic activity. As of June 2025, the state's nonfarm job count reached approximately 3.52 million, a 2.0 percent increase compared with June 2024. The unemployment rate remained low at 3.3 percent, below the national average, though labor force participation remained modestly below pre-pandemic levels.

4. **Unemployment Rate Trends (2024-2025)**
   Tennessee's seasonally adjusted unemployment rate stood at 3.3% in June 2025, a slight increase from 3.1% in June 2024. This level remained significantly below the 4.4% rate recorded in June 2021, reflecting the state's continued recovery from the pandemic. The national unemployment rate rose modestly to 4.0% in June 2025, compared with 3.6% in June 2024. Tennessee's labor market remained tight, with businesses continuing to report difficulty filling positions despite the relatively low unemployment rate.

5. **Labor Shortages and Job Openings (2024-2025)**
   Labor shortages continued to present a significant challenge for employers across Tennessee. As of June 2025, the Tennessee Department of Labor and Workforce Development reported 4.6 job openings for every unemployed individual in the state, slightly higher than the 4.5 ratio reported in June 2024. This continued a trend of elevated demand for workers, particularly in high-need sectors such as construction, healthcare, and technology. While total job openings remained high, businesses increasingly faced difficulty finding workers with the necessary skills to meet demand, especially in industries requiring specialized expertise.

6. **Tourism and Economic Impact**
   Tennessee's tourism and travel sector remains a significant contributor to the state's economy. While comprehensive visitor numbers for calendar year 2024 and early 2025 are pending final release from the State's tourism agency, Tennessee routinely receives well over 100 million visitors annually, with direct visitor spending generating tens of billions in economic activity and supporting hundreds of thousands of jobs in recent years. Tourism continues to support a broad range of employment, particularly in hospitality, entertainment, and related retail sectors, and remains a key factor in the state's economic structure.

The Local Economy

The Memphis Metropolitan Statistical Area (MSA) comprises eight counties: Shelby, Tipton, and Fayette in Tennessee; DeSoto, Marshall, Tate, and Tunica in Mississippi; and Crittenden in Arkansas. The City of Memphis accounts for approximately 48 percent of the MSA's population, while Shelby County represents approximately 70 percent of the region's residents. Memphis's strategic location within 600 miles of many of the United States' major cities and commercial markets continues to support its role as a key distribution and logistics hub with direct access to interstates, the Mississippi River, railways, and an international airport.

- **Labor Market and Employment Trends (2024-2025)**
  Despite sustained efforts to improve employee retention, Memphis employers continued to face challenges in attracting qualified workers between June 2024 and June 2025. Labor shortages, particularly in skilled trades, healthcare, and logistics occupations, persisted as businesses struggled to fill vacancies. Wage pressures remained present, but the pace of growth showed signs of moderation as the regional labor market gradually softened.

  By June 2025, the seasonally adjusted unemployment rate in the Memphis MSA increased to 4.9 percent, compared with approximately 4.7 percent in June 2024. This reflected a moderately slower labor market recovery compared with broader state and national averages, even as total nonfarm employment showed modest year-over-year expansion.

  Overall, consumer spending in Memphis was relatively steady through the first half of 2025, though discretionary purchases requiring financing continued to be sensitive to elevated borrowing costs. Residential and commercial real estate activity reflected mixed performance as affordability concerns, higher interest rates, and shifting work patterns influenced market dynamics.

- **Tourism and Local Consumption**
  Tourism in Memphis and Shelby County remained an important contributor to the local economy between June 2024 and June 2025. The region continued to attract visitors drawn to music, cultural heritage, entertainment venues like Beale Street, Graceland, and museums that promote the city's distinctive cultural identity. While comprehensive tourism spending data for 2025 is pending final publication, visitation and related expenditures remained robust versus pre-pandemic levels, with tourism-driven industries such as food and beverage, transportation, and lodging sustaining employment and revenue generation.

- **Unemployment Rate Trends (2024-2025)**
  As of June 2025, the unemployment rate in the Memphis Metropolitan Statistical Area (MSA) remained higher than both the state and national averages. The seasonally adjusted unemployment rate for the Memphis MSA stood at 4.9 percent in June 2025, slightly above the 4.7 percent rate reported in June 2024, but still reflective of labor market improvements compared with earlier post-pandemic years.

In contrast, the unemployment rate in Tennessee continued to be lower than the MSA rate, with Tennessee's overall unemployment rate approximately 3.3 percent in June 2025, compared with a lower statewide rate in June 2024. Meanwhile, the national unemployment rate remained near the low-to-moderate range during this period, further underscoring the relatively slower pace of labor market recovery in the Memphis region compared to both the state and the nation.

Despite a generally stable employment environment, Memphis continued to experience a slower labor market recovery relative to the rest of the state and the nation, with ongoing challenges in workforce participation and labor supply contributing to persistently elevated local unemployment levels.

Unemployment Rate (Seasonally Adjusted) 2024 – 2025

Region	June - 2024	June - 2025
Memphis MSA	4.70%	4.90%
Tennessee (State)	3.00%	3.30%
U.S.	3.60%	3.50%

Source: U.S. Bureau of Labor Statistics – Civilian Labor Force Summary, Tennessee

- **House Price Growth (2024-2025)**
  The Memphis housing market exhibited mixed trends between June 2024 and June 2025. According to the *Memphis Area Association of REALTORS®*, total home sales in June 2025 were 0.9 percent higher year-over-year, with 1,595 total sales recorded, and the median sales price increased 10.9 percent compared with June 2024. Inventory rose moderately, with approximately 4,518 units listed for sale, reflecting a slight easing in supply constraints.

  These outcomes indicate that while sales volume showed modest gains, *year-to-date* figures through mid-2025 trailed 2024 levels, and price growth continued to reflect affordability pressures in some segments of the market.

- **Impact of Federal Reserve Interest Rate Hikes (2024-2025)**
  Commercial real estate conditions remained uneven between June 2024 and June 2025. Demand for industrial and logistics space continued to underpin regional investment; however, non-premium office and retail segments faced challenges related to shifting occupancy patterns and tenant demand. Vacancy rates in office properties remained elevated, contributing to downward pressure on rental rates in those segments.

  The local banking sector reported a modest decline in loan demand as businesses remained cautious in their expansion strategies amid economic uncertainty and higher interest rates. Deposit growth remained steady, but net interest margins experienced compression. Credit quality indicators suggested cautious optimism, and credit utilization, particularly on consumer credit products, remained elevated relative to historical norms.

- **Supply and Demand Pressures**
  Despite the moderation in year-over-year sales growth, the Memphis housing market continued to experience structural supply challenges. Limited availability of affordable housing stock, especially in entry-level and mid-range segments, and slow new construction activity contributed to ongoing inventory shortages. These conditions, combined with higher financing costs, constrained market fluidity for buyers and developers alike.

- **Memphis Real Estate Market Performance (2024-2025)**
  The Memphis housing market continued to show signs of moderation through 2024 and into the first half of 2025, as both total home sales and inventory levels reflected the effects of elevated interest rates and affordability constraints. Total home sales in Memphis declined by approximately 7.0 percent year-over-year from 2023 to 2024, an improvement compared to the larger declines experienced in prior years. As of mid-2025, total sales were down an additional 6.0 percent compared to the same period in 2024, indicating continued but slowing contraction in market activity.

  Home prices showed mixed performance during this period. The median sales price increased by approximately 1.5 percent in 2024, following modest gains in late 2023, and remained relatively stable through the first half of 2025. The average sales price continued to trend upward, rising by approximately 2.4 percent year-over-year in 2024, with an additional 2.1 percent increase reported during the first half of 2025, despite overall softness in transaction volume.

Home Sales in Memphis, Comparative January - June 2024 vs. 2025

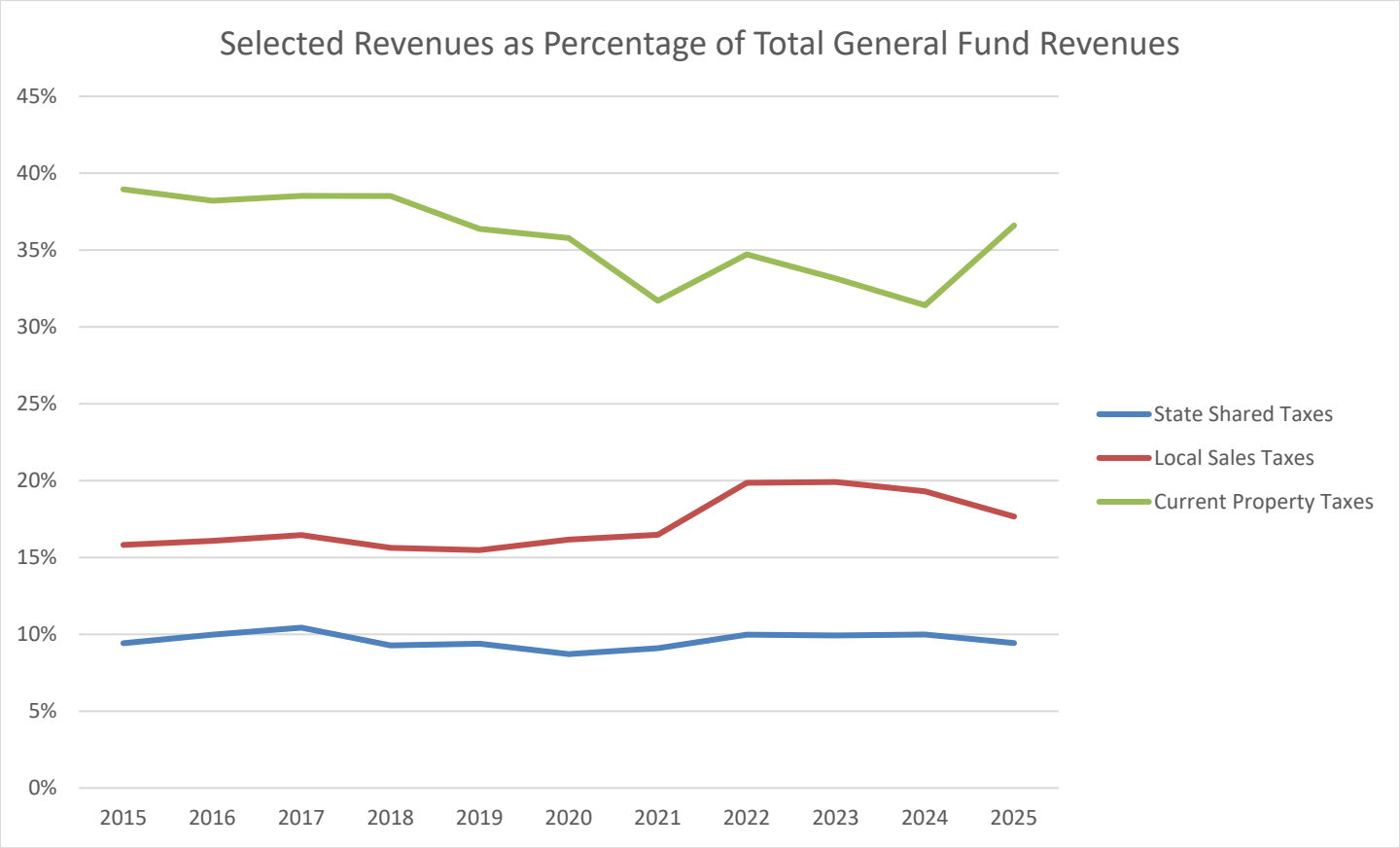
	FY2024	FY2025	Percentage Change
Home Sales	7,992	7,516	-6.0%
Median Sales Price	$20,900	$22,000	5.3%
Average Sales Price	$263,867	$269,484	2.1%
Active Listings	4,100	4,518	9.0%

Source: Memphis Area Association of Realtors – Memphis Area Homes Sales Report January 2024 – June 2025

- Active listings in Memphis increased by approximately 9.0 percent as of mid-2025, signaling a gradual improvement in housing supply compared to the prior year. However, despite this increase, the market remained constrained by limited availability in certain price ranges, particularly in affordable and mid-range segments, while demand in higher-priced segments remained relatively stable.

General Fund Information

General Fund Revenues



The chart illustrates the relative contribution of current property taxes, local sales taxes, and state-shared taxes as a percentage of total General Fund revenues over the period FY2015 through FY2025. Together, these three revenue sources represent the City's most significant recurring General Fund revenue streams and provide insight into the City's underlying revenue structure and exposure to economic conditions.

Current Property Taxes

Current property taxes have historically represented the largest single component of General Fund revenues, accounting for approximately 31% to 39% of total revenues over the period presented. From FY2015 through FY2018, property taxes consistently comprised close to 38–39% of total General Fund revenues, reflecting relative stability in assessed values and collection patterns.

Beginning in FY2019 and more noticeably in FY2021, the share of General Fund revenues attributable to property taxes declined. This period coincided with broader economic disruptions and the temporary influence of other revenue sources. The decline in FY2021 reflects both economic conditions and the proportional impact of elevated non-property revenues rather than a structural erosion of the property tax base.

By FY2025, the property tax share rebounded to approximately 36–37%, indicating a return toward historical norms. This recovery reflects stabilization in assessed values and collections, while also highlighting the continued importance of property taxes as a foundational, relatively predictable revenue source for funding ongoing City services.

Local Sales Taxes

Local sales taxes exhibited greater volatility over the period, reflecting their sensitivity to economic conditions and consumer behavior. From FY2015 through FY2019, local sales taxes accounted for roughly 15% to 16% of General Fund revenues, indicating steady but moderate growth.

A notable increase occurred in FY2022 and FY2023, when local sales taxes rose to approximately 20% of total General Fund revenues. This increase corresponds with post-pandemic economic activity, elevated consumer spending, and the temporary effects of inflation on taxable sales. During this period, local sales taxes represented a larger share of General Fund revenues than in prior years, temporarily reducing the proportional reliance on property taxes.

By FY2024 and FY2025, the local sales tax share moderated to approximately 18%, reflecting a normalization of consumer spending patterns and easing inflationary pressures. This trend is consistent with a return toward longer-term historical relationships among the City's major revenue sources.

State-Shared Taxes

State-shared taxes have remained a relatively stable but smaller component of General Fund revenues, generally ranging between 9% and 10% throughout the period. Minor fluctuations reflect changes in state revenue distributions and broader economic conditions, but the overall trend demonstrates limited volatility compared with sales taxes.

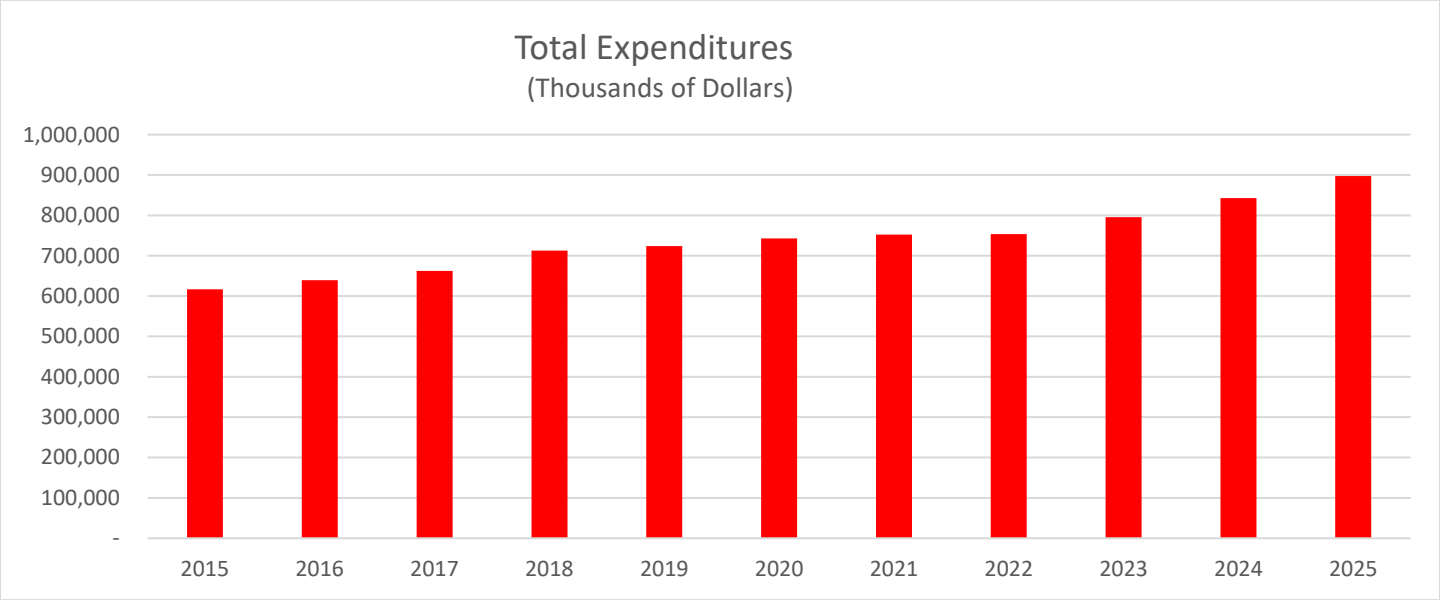
The consistency of state-shared taxes provides a modest stabilizing influence within the City's revenue mix, though their relative size limits their capacity to offset fluctuations in larger revenue categories.

Overall Revenue Structure and FY25 Perspective

Viewed collectively, the chart demonstrates that while the City's General Fund revenue structure has experienced short-term shifts driven by economic cycles, it has remained structurally balanced and diversified over the long term. Periods of elevated sales tax activity temporarily altered the proportional composition of revenues, but property taxes continue to serve as the primary anchor of General Fund financing.

As of FY2025, the distribution among these revenue sources reflects a return toward historical patterns, with property taxes comprising the largest share, sales taxes moderating from recent highs, and state-shared taxes remaining stable. This composition underscores the City's reliance on recurring revenues to support ongoing operations and highlights the importance of conservative financial planning to manage economic variability.

General Fund Expenditures



The chart presents total General Fund expenditures for the City of Memphis from FY2015 through FY2025, expressed in thousands of dollars. Over the period shown, total expenditures demonstrate a clear upward trend, reflecting both growth in service demands and the impact of external economic factors on the cost of municipal operations.

Long-Term Expenditure Growth

From FY2015 through FY2019, General Fund expenditures increased at a moderate and relatively steady pace, rising from approximately $610 million to $720 million. This growth corresponds with incremental expansions in service delivery, routine cost increases, and contractual obligations, while remaining generally consistent with revenue capacity during that period.

Impact of Pandemic and Inflationary Pressures

Beginning in FY2020, expenditure growth continued amid changing operating conditions. The period from FY2020 through FY2022 reflects the combined effects of:

- Pandemic-related operational adjustments,
- Temporary cost pressures associated with public safety and essential services, and
- Broader inflationary trends affecting fuel, materials, and contracted services.

While expenditure growth during these years was measurable, increases were managed within the City's overall fiscal framework and did not represent abrupt or unsustainable changes.

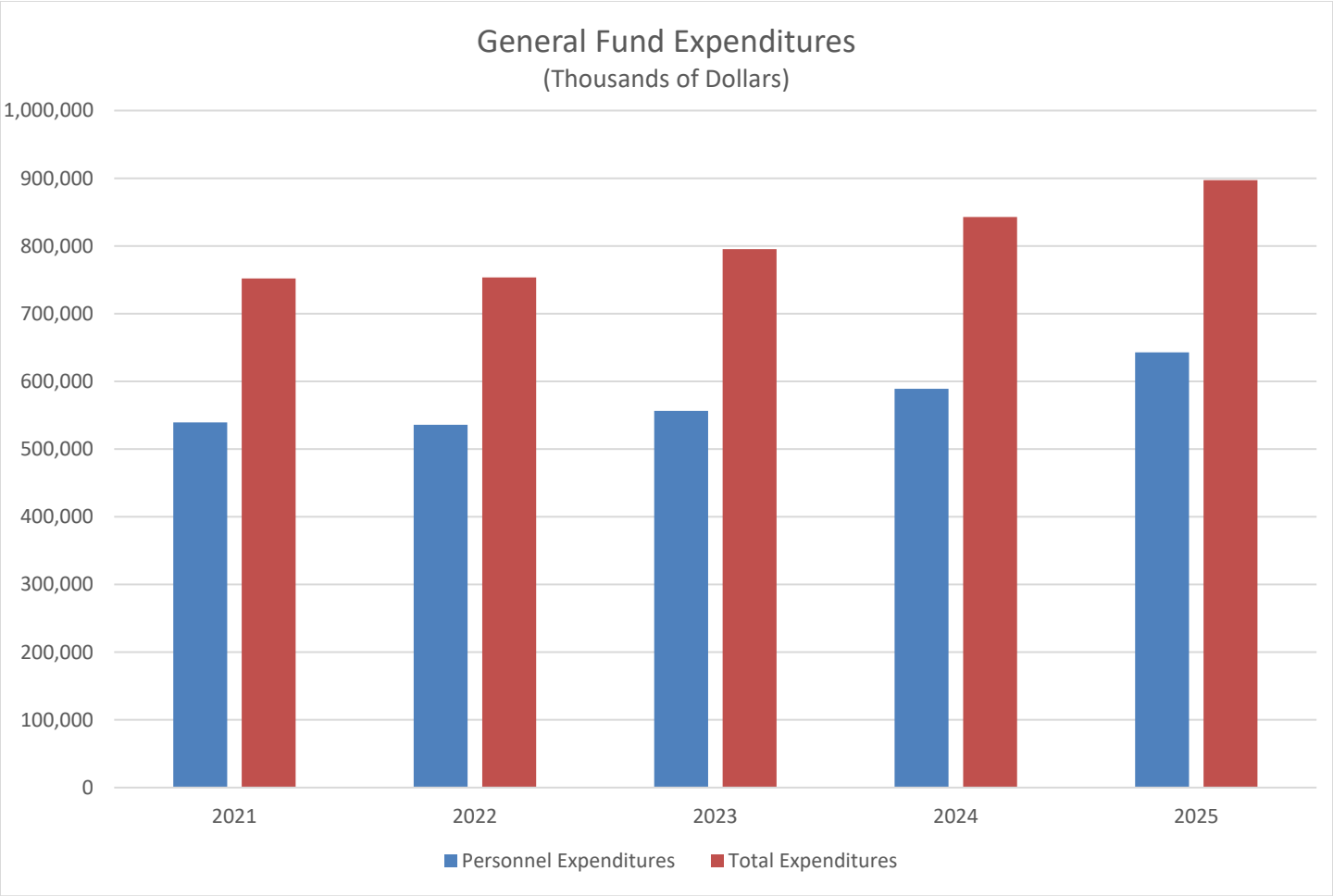
Recent Trends and FY25 Performance

Expenditures increased more noticeably from FY2023 through FY2025, rising from approximately $800 million in FY2023 to an estimated $900 million in FY2025. This growth reflects continued inflationary pressures, particularly in labor-intensive service areas, as well as higher costs associated with personnel compensation, benefits, and retirement contributions. Public safety services, which comprise a significant portion of the General Fund, remain a primary driver of expenditure growth.

The increase in total expenditures over the most recent fiscal years also reflects the City's efforts to maintain service levels amid competitive labor market conditions and rising operating costs. Importantly, while total expenditures have increased over time, the pattern reflects gradual and cumulative growth rather than abrupt shifts, indicating a measured approach to managing expenditure obligations.

Overall Perspective

Viewed across the full five-year period, the expenditure trend underscores the City's ongoing need to balance rising service costs with recurring revenue capacity. As of FY2025, expenditure levels reflect current operating realities, including labor market conditions and inflation, while remaining aligned with the City's broader financial planning and budgetary controls.



The chart presents total General Fund expenditures and personnel expenditures for the City of Memphis from FY2021 through FY2025, expressed in thousands of dollars. Together, these figures illustrate the City's expenditure growth patterns and the increasing significance of personnel-related costs within the General Fund.

Overall Expenditure Trends

From FY2021 through FY2025, total General Fund expenditures increased steadily, rising from approximately $750 million in FY2021 to $900 million in FY2025. This trend reflects a combination of inflationary pressures, service delivery requirements, and rising labor-related costs affecting municipal governments nationwide. The pattern of increase over the period is gradual and cumulative, indicating measured expenditure growth rather than abrupt changes in spending levels.

Personnel Expenditures as a Primary Cost Driver

Personnel expenditures represent the largest component of General Fund spending and have grown consistently over the period shown. Personnel costs increased from approximately $540 million in FY2021 to $650 million in FY2025, accounting for a substantial share of the total increase in General Fund expenditures.

The growth in personnel expenditures reflects several structural factors, including:

- Compensation and benefit obligations associated with public safety and essential services,
- Pension and other post-employment benefit funding requirements, and
- Competitive labor market conditions that have influenced wages and retention strategies.

Relationship Between Personnel and Total Expenditures

Over the five-year period, personnel expenditures have accounted for approximately 70% to 72% of total General Fund expenditures, underscoring the labor-intensive nature of City operations. While non-personnel costs have also increased, personnel expenditures remain the dominant driver of overall spending growth.

The proportional relationship between personnel costs and total expenditures has remained relatively stable, indicating that increases in spending are largely attributable to core operational functions rather than expansion into new service areas.

FY25 Perspective

As of FY2025, General Fund expenditures reflect current operating realities, including sustained inflation, labor market conditions, and contractual obligations. The growth observed in FY2025 aligns with trends established in prior years and reflects ongoing efforts to maintain service levels and meet workforce-related obligations within the constraints of recurring revenue capacity.

Recent Developments

In 2021, the City of Memphis issued $200 million in bonds to fund a transformative initiative. The development of the *Accelerate Memphis* project began in FY 2022. This issuance marked Tennessee's first social bonds, aimed at supporting community projects designed to "accelerate" the City's growth. The initiative focuses on improving quality of life, promoting equity and inclusion, enhancing connectivity, and addressing deferred maintenance and other capital needs that exceed the capacity of any single year's budget.

Following a debt restructure in 2015, the City was expected to experience a significant decline in debt service by 2027. *Accelerate Memphis* was strategically developed to capitalize on this decrease, enabling the timely execution of $200 million in one-time, transformative capital improvements across all districts of the City.

Subsequent issuances of debt, debt modifications, and special purpose debt transactions have mitigated the expected decline; however, the Accelerate Memphis project is still ongoing and targeting continued improvements to City of Memphis infrastructure.

The Accelerate Memphis projects were largely expected to be completed in Calendar Year 2023; however, due to a variety of challenges related to supply chain issues and other constraints, the goal is currently for all projects to be completed by the end of Fiscal Year 2026.

Additionally, the City received funding through the American Rescue Plan Act (ARPA), which allowed for coordination between *Accelerate Memphis* and the annual Capital Improvement Program (CIP). By leveraging ARPA funding, the City has been able to maximize the impact of its resources across Memphis.

The *Accelerate Memphis* program is focused on three primary objectives:

1. **$90 million for the Memphis 3.0 Comprehensive Plan**
   Memphis 3.0 outlines the roadmap for investment in the City's communities, fostering growth within Memphis' core. The program identifies 19 key projects, 8 have been completed, and 11 are in progress as of FY25. By the end of FY 25, $66.8 million had been expended on these initiatives.
2. **$75 million for Park Improvements**
   Memphis boasts a diverse array of public assets, including 150 parks, 30 community and senior centers, 17 pools, 7 golf courses, 81 playgrounds, 48 basketball courts, 80 tennis courts, and 4 dog parks. This allocation aims to update, maintain, and improve these facilities. Of the 28 projects identified, 18 have been completed, and 10 are in progress. By the close of FY25, over $69.74 million had been spent on park improvements.

3. **$52 million for Citywide Asset Revitalization**
   This portion of the funding was initially allocated for the revitalization of the 100 N. Main building; however, $10 million of the original allocation was redeployed due to changes in the ownership structure. Another $9.8 million has been redirected to various City projects, including holiday lighting, the Chelsea Greenline, and street beautification in different Council districts. These efforts address the lifecycle needs of common community assets that require major repairs or renovations to maintain their vibrancy. As of FY25, there were 17 projects identified, 4 have been completed and 13 in progress. At the end of FY25 $44M was spent.

Beyond the City's major strategic initiatives, a number of significant economic developments across the Memphis region continue to complement broader recovery efforts and advance longer-term economic stability and resilience.

1. Continued Growth in Logistics and Transportation Sector

- **Development:** The Memphis region continues to serve as a major logistics and distribution hub. FedEx Corporation, as well as other transportation and logistics firms operating in the area, have maintained capital investment in facilities and technology to support global supply chain operations.
- **Estimated Economic Impact:**
  - **Employment:** While precise 2025 updated job counts tied specifically to FedEx expansion are not yet publicly disclosed, logistics employment in the Memphis MSA was reported at approximately 79,000 jobs in 2024, consistent with the region's role as a freight and distribution center.
    Source: Bureau of Labor Statistics, Current Employment Statistics (2024) — Memphis Area Logistics Employment Estimates.
  - **Regional Output Contribution:** The Memphis Logistics Sector continues to be estimated as contributing **$29+ billion annually** in economic output, reflecting the combined activities of freight, warehousing, and supporting services.
    Source: Memphis Regional Logistics Council / ESI Logistics Reports.

2. Tourism Growth and Major Events

- **Development:** Tourism remains an economic mainstay for Memphis. Events such as the Beale Street Music Festival, Memphis in May International Festival, and the World Championship Barbecue Cooking Contest sustained high visitation levels through 2024 and into 2025.
- **Estimated Economic Impact:**
  - **Visitor Spending:** Tennessee Department of Tourist Development reported that Shelby County visitor spending reached approximately $4.1 billion in 2024, reflecting ongoing strength in tourism activity.
  - **Source:** Tennessee Dept. of Tourist Development Annual Report (2024)

- **Employment:** Tourism-related sectors, including lodging, food services, and entertainment, support an estimated 85,000+ jobs across the greater Memphis area.
  Source: U.S. Travel Association / Local Tourism Economic Impact Summary.
- **State & Local Taxes:** Tourism contributes materially to local tax receipts through sales tax, hospitality tax, and related levies, with Shelby County's tourism-supported tax revenues exceeding **$180 million in 2024**.
  Source: Tennessee Dept. of Tourist Development.

3. Memphis Real Estate Market Stabilization

- **Development:** The Memphis housing market showed ongoing signs of gradual stabilization through 2024 and into 2025. While broader national markets experienced cooling due to higher mortgage rates, Memphis home price growth and sales activity trended toward more balanced conditions.
- **Estimated Economic Impact:**
  - **Home Price Growth:** According to Federal Housing Finance Agency (FHFA) House Price Index data, the Memphis MSA saw a year-over-year increase in home prices of approximately 2.9% in early 2025, reflecting moderation from prior highs.
    Source: FHFA House Price Index, Q1 2025.
  - **Sales Activity:** Regional Realtor associations reported leveling of inventory and modest increases in active listings in 2024, which contributed to a more stable sales environment.
    Source: Memphis Area Realtors Market Report (2024).
  - **Property Tax Base:** Stable home values contributed to the City's recurring property tax base in FY25, supporting revenue continuity without reliance on atypical receipts.

4. Expansion of Healthcare and Medical Research

- **Development:** The healthcare sector in Memphis, anchored by institutions such as St. Jude Children's Research Hospital, the University of Tennessee Health Science Center (UTHSC), and regional hospital systems, has continued to expand clinical, research, and educational facilities.
- **Estimated Economic Impact:**
  - **Employment:** Healthcare and social assistance remain among the largest employment sectors in the MSA, with estimates exceeding 120,000 jobs as of late 2024.
    Source: Bureau of Labor Statistics – Memphis MSA Healthcare Employment.
  - **Research Funding:** St. Jude and affiliated research institutions collectively reported research grant funding exceeding $400 million in 2024, supporting biomedical innovation and related high-wage employment.
    Source: Institutional research reports (public summaries).

5. Workforce Development and Skills Training

- **Development:** New workforce development initiatives launched by the City of Memphis, regional educational partners, and employers are focused on preparing residents for careers in logistics, healthcare, advanced manufacturing, and technology. Programs emphasize credential attainment, apprenticeship pathways, and employer connections.
- **Estimated Economic Impact:**
  - Participant Placement: Program participation has continued to grow, with projected placements of 2,800+ individuals into employment in high-demand fields in 2025.
  - Earnings Impact: Participants in workforce training programs report higher average entry wages compared with regional averages for entry-level positions, contributing to increased household income and local spending capacity.

6. Investment in Green Infrastructure and Sustainability

- **Development:** Public and private partnerships have advanced projects in sustainable infrastructure, including electric vehicle (EV) charging networks, energy-efficient buildings, and urban green space enhancements.
- **Estimated Economic Impact:**
  - **Investment Volume:** Estimated cumulative investment in green infrastructure and sustainability projects exceeded $120 million through FY25, including both public grants and private capital.
  - **Workforce:** These initiatives supported employment in construction, engineering, and environmental services sectors, with an estimated 1,200+ jobs associated with green infrastructure projects.

7. Banking and Credit Sector Developments

- **Development:** Local financial institutions reported continued loan growth in 2024 and into 2025, especially in mortgages and small business lending, albeit within a context of elevated interest rates and cautious credit standards.
- **Estimated Economic Impact:**
  - **Loan Growth:** Regional banking data indicate aggregate loan growth in the Memphis area in excess of $400 million in 2024.

Business Lending: Small business credit commitments contributed to capital access for local firms, emphasizing entrepreneurship and business expansion.

8. Agriculture and Food Production Challenges

- **Development:** Agriculture and food processing sectors in the Memphis region experienced mixed outcomes. Commodity price fluctuations and input cost pressures constrained certain agricultural sub-sectors, while food processing and distribution operations expanded in response to regional demand.
- **Estimated Economic Impact:**
  - **Food Processing Growth:** Publicly available industry data indicate that food manufacturing and related logistics contributed an estimated **$85 million** in regional economic output in 2024.

9. **Memphis 3.0 Plan Advancements**

- **Development:** The Memphis 3.0 comprehensive plan continues to guide strategic urban revitalization, with targeted investments in affordable housing, mixed-use development, infill infrastructure, and neighborhood connectivity.
- **Estimated Economic Impact:**
  - **Real Estate Investment:** Public-private partnerships aligned with Memphis 3.0 are expected to catalyze **$215 million+ in new real estate investment** over multiple years.
  - **Employment:** Related construction, development, and service sector activity is anticipated to support an estimated **4,800+ jobs** in construction, retail, and related services.

Long-term Financial Planning

The Fiscal Year 2025 Operating Budget was developed with a continued emphasis on maintaining financial stability while addressing current fiscal challenges. The City remains focused on closely monitoring operating expenditures and revenue sources, strategically funding priority initiatives, and emphasizing core objectives that include public safety, neighborhood vitality, economic opportunity, investment in youth, organizational effectiveness, and the responsible stewardship of public assets.

Careful financial planning in prior fiscal years, including considerations related to the COVID-19 pandemic, the availability of federal funding, and adherence to adopted budgets, contributed to positive operating results that increased total General Fund balance by $67 million in FY21, $10 million in FY22, and $6 million in FY23. These results strengthened the City's financial position and provided flexibility during periods of economic uncertainty.

Despite the operational and economic challenges associated with the pandemic, the City successfully navigated this period without implementing layoffs, reducing services, or increasing the property tax rate. In addition, the City planned and implemented targeted compensation adjustments for public safety employees to support recruitment and retention efforts during a highly competitive labor market.

The Fiscal Year 2024 Operating Budget represented a shift from prior years in which opportunities existed to increase General Fund balance. In FY24, approximately $11.7 million of restricted and unrestricted fund balance was budgeted for use to maintain service levels and balance the budget. Additional budgetary pressures resulted from higher-than-anticipated increases in Actuarially Determined Contributions (ADC) for pension obligations and a $20.0 million unplanned contribution to a component unit of the City.

Certain revenue sources, including the Downtown Tourism Development Zone (TDZ) and the Hotel/Motel Tax, were significantly impacted during the pandemic. However, by the end of FY23, tourism activity had largely returned to pre-pandemic levels, supporting stabilization in these revenue streams.

As the City continues to reprioritize and evaluate its operating budget, it is also focused on long-term planning strategies intended to sustain economic growth through targeted and strategic capital investments.

With anticipated reductions in future debt service requirements, the City is in the process of developing its first Long-Range Strategic Plan for the Capital Improvement Program (CIP). This plan is intended to extend beyond the traditional five-year planning horizon and provide a broader, long-term framework for managing the City's capital assets.

Looking forward, the City will continue to evaluate both operating and capital service delivery models to promote efficiency and effectiveness. Savings generated through these efforts will be directed toward priority obligations and the enhancement of core services, while continuing to maximize available revenue sources.

Major Initiatives

For the Fiscal Years 2023 through 2026, budgetary resources were intentionally allocated to support public safety recruitment and retention initiatives, including incentive programs and targeted compensation adjustments. These initiatives are designed to reduce reliance on overtime, improve workforce stability, and ensure the City maintains a strong and well-supported police and fire workforce.

In 2019, voters of the City of Memphis approved a referendum to increase the local sales and use tax by 0.5 percentage points, from 2.25% to 2.75%. Proceeds from the 2019 Sales Tax Referendum are dedicated first to restoring and maintaining health care benefits for public safety employees and eligible retirees to the levels in effect as of July 1, 2014, and to restoring pension benefits for eligible employees hired prior to July 1, 2016, consistent with the provisions of the 1978 City of Memphis Pension Plan. Any remaining proceeds are designated for use in street maintenance and pre-kindergarten education.

Sales tax revenues generated under the referendum exceeded initial projections, providing the opportunity to utilize a portion of these proceeds to support budgetary needs within the General Fund, Capital Improvement Fund, and Pre-K Fund, while continuing to meet the referendum's intended purposes.

In addition to the annual operating budget, the City also adopts a Capital Improvement Program (CIP) that is a multi-year plan for capital expenditures to replace and expand the City's infrastructure, vehicles, and equipment. The program is updated annually to reflect the latest priorities, updated cost estimates and available revenue sources. Various sources of revenue include general obligation bonds, federal grants, state grants, user fees, transfers in from other funds, and private funds. Projects are reviewed based on need, impact on the area, quality of life in our neighborhoods, and the general economic climate of the City.

The City's planned CIP spending of $210.4 million aligns with current priorities that are focused on projects that enhance the City's economic development strategy, leverage federal or private funding, projects that maintain existing facilities, and projects mandated by law.

- The General Obligation Bond Capital Improvement Program funding for fiscal year 2026 is $97.3 million.
- The Capital Pay Go Capital Improvement Program funding for fiscal year 2026 is $10.6 million.
- The Enterprise Funds Capital Improvement Program funding for fiscal year 2026 is $102.5 million.

Highlights of the CIP budget plan for 2026-2030 are as follows:

- $10 million for Fleet Acquisition Purchases to align the City of Memphis with current vehicle replacement and maintenance standards.
- $7.25 million is dedicated to Housing & Community Development for the Southwest Twin revitalization project.
- In the Public Works Division, $16.0 million in funding is provided to pave streets, including ADA ramp improvements and several road projects.
- The Sewer Fund includes $63.5 million in planned Revenue Bond issuance.
- The Storm Water Fund includes $26.2 million in planned Revenue Bond issuance for Fiscal Year 2026.

Long-Term Initiatives: Tax Abatement and Value-Driven Development

The City of Memphis continues to advance long-term economic growth and community development through the strategic use of tax abatement initiatives, including **Payment-In-Lieu-Of-Taxes (PILOT) agreements** and **Tax Increment Financing (TIF) districts**. These tools are employed to stimulate investment, revitalize neighborhoods, expand the City's tax base, and improve the quality of life for residents while maintaining fiscal discipline and transparency.

Payment-In-Lieu-Of-Taxes (PILOT) Programs

As of FY25, the City maintains a diverse portfolio of **570 active PILOT agreements** administered through multiple City-affiliated entities, including Housing and Community Development, the Health, Educational and Housing Facility Board, the Center City Revenue Finance Corporation, and the Economic Development Growth Engine (EDGE). Collectively, these agreements generate approximately **$11.8 million in annual PILOT payments**, compared to an estimated **full tax liability exceeding $37 million** in the absence of abatements.

PILOT agreements are designed as **time-limited incentives**, not permanent tax reductions. They are structured to support projects that generate measurable public benefits, including job creation, affordable and workforce housing, infrastructure improvements, and neighborhood revitalization. Upon expiration, these properties return to the tax rolls at significantly higher assessed values, strengthening the City's long-term revenue capacity and providing a durable fiscal return on the City's initial investment.

Over time, PILOT-supported developments have contributed to stabilized neighborhoods, increased private capital investment, and enhanced employment opportunities—outcomes that directly support inclusive economic growth and improved quality of life for Memphis residents.

Tax Increment Financing (TIF) Districts

In parallel, the City utilizes **Tax Increment Financing** as a targeted redevelopment tool to fund public infrastructure and community improvements within designated redevelopment areas. TIF districts capture incremental growth in property tax revenues generated by new development and reinvest those funds locally to support streetscapes, utilities, public amenities, and other infrastructure necessary to sustain long-term economic vitality.

TIFs are particularly effective in catalyzing redevelopment in areas where market conditions alone may not support initial investment. By aligning future tax growth with present-day infrastructure needs, TIFs promote walkable communities, mixed-use development, and reinvestment in historically underutilized areas, while preserving existing tax revenues for general City operations.

Long-Term Fiscal and Community Impact

Together, PILOTs and TIFs represent a **coordinated, long-term economic development strategy** that balances near-term incentives with long-term fiscal sustainability. These programs encourage private investment that expands the City's tax base, supports workforce and housing development, and enhances public infrastructure—laying the foundation for sustained economic growth.

Most importantly, tax abatement initiatives are directly tied to quality-of-life improvements for City residents. By supporting job creation, housing stability, neighborhood revitalization, and infrastructure enhancement, these tools help ensure that economic growth is inclusive, resilient, and aligned with the City's broader strategic goals.

Through disciplined oversight, periodic review, and alignment with long-range planning objectives, the City of Memphis continues to leverage tax abatement initiatives as a critical component of its commitment to long-term growth, financial health, and improved outcomes for the communities it serves.

Capital Planning Process

The Finance Division develops financing strategies to support the City's capital improvement needs. A key aspect of this strategy involves an annual, comprehensive review and assessment of the City's Capital Improvement Plan (CIP) to ensure alignment with the City's planning initiatives, financial capacity, and environmental or physical development goals. The City's CIP includes a budget for the upcoming year and outlines capital expenditures for the next four years and beyond. Successful execution of the CIP requires broad participation, cooperation, and coordination across the City's Divisions, joint ventures, and jointly governed organizations. The CIP is interconnected with and impacts the City's operating budget.

A well-managed CIP strategy offers several benefits, including the preservation of capital assets, infrastructure improvements, alignment of capital needs with operating budgets, stabilization of debt costs, and the maintenance or improvement of the City's bond rating

The CIP planning process includes the following steps:

- Identification and status assessment of previously approved projects and their funding sources.
- Evaluation of Division requests for new CIP projects and equipment.
- Prioritization of capital need projects and establishment of completion timelines.
- Development of a funding plan for each proposed project, specifying the revenue source or financing method.
- Submission of the CIP funding plan to the Mayor and City Council for inclusion in the upcoming year's capital budget and the four-year capital expenditure plan.

The City is also in the process of developing a Long-Range Strategic Plan for CIP initiatives. This plan aims to provide future administrations with a benchmark for required expenditures to sustain and promote the City's long-term growth and development.

Capital Expenditure Analysis

The CIP review process ensures that major capital expenditures are both necessary and appropriate. These expenditures are categorized into, but not limited to, the following areas:

- Critical Maintenance
- Major Development and New Construction Initiatives
- Infrastructure
- Vehicle and Equipment Acquisition

Capital Improvement Projects are prioritized and coordinated with other public entities' plans to maximize resource leverage, particularly for major projects being developed in both the public and private sectors.

City of MEMPHIS TENNESSEE

Acknowledgments

The preparation of this report could not have been accomplished without the dedicated efforts of the staff of the City's Finance Division and the City's independent public accountants, Banks, Finley, White & Co., CPAs. The City wishes to express its appreciation, with special thanks to Accounting Managers, LaTonya Gray, Sandra Brodnax-Taylor and Anterika Williams for their invaluable contributions to the completion of this audit and report.

Respectfully submitted,

Walter O. Person	Tanika Jennings	Kametris Wyatt
Chief Financial Officer	Deputy CFO	Comptroller

MEMPHIS
SHELBY
COUNTY
TENNESSEE

CITY OF MEMPHIS, TENNESSEE

CITY OFFICIALS

Paul Young, Mayor

CITY COUNCIL

JB Smiley, Jr., Chairman (District 8-1)

Chase Carlisle	District 9-1	Rhonda Logan	District 1
J. Ford Canale	District 9-2	Philip Spinosa	District 5
Yolanda Cooper-Sutton	District 8-3	Jana Swearengen-Washington	District 4
Michalyn Easter- Thomas	District 7	Pearl Eva Walker	District 3
Edmund Ford, Sr.	District 6	Dr. Jeff Warren	District 9-3
Jerri Green	District 2	Janika White	District 8-2

COURTS

Sukita Johnson	City Court Clerk
Kenya Hooks	City Court Judge - Division 1
Varonica Cooper	City Court Judge - Division 2 (Administrative Judge)
Jayne R. Chandler	City Court Judge - Division 3

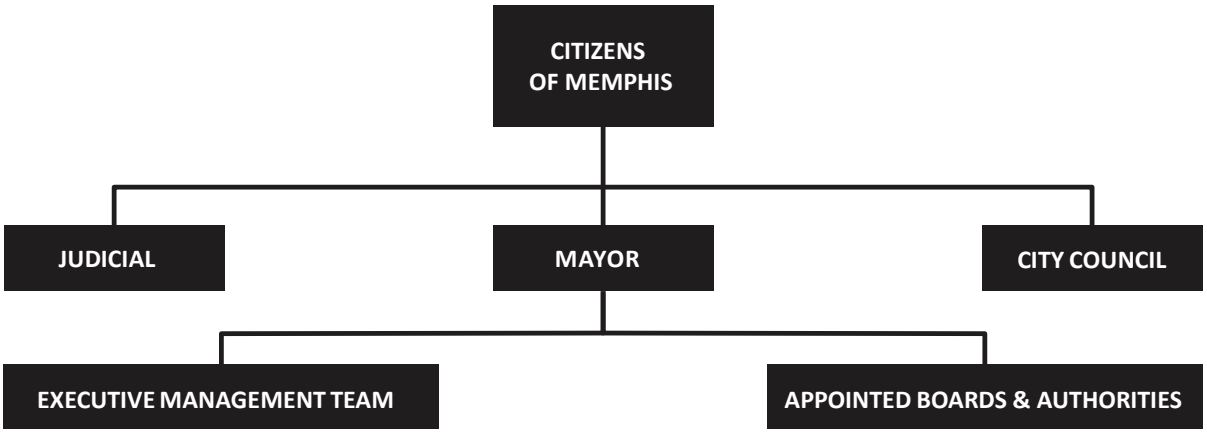
ADMINISTRATIVE

Antonio Adams	Chief Operating Officer
Mairi Albertson	Chief of Staff
Debbie Banks	Director, Internal Audit
Manny Belen	Director, City Engineering
Justice Bolden	Director, Parks & Neighborhoods
Ashley Cash	Director, Housing and Community Development
Cerelyn J. Davis	Chief of Police
Philip Davis	Director, Solid Waste
Fonda Fouche	Chief Human Resources Officer
Tannera Gibson	Chief Legal Officer
Penelope Huston	Chief Communications Officer
Melvin Jamerson	Interim Director, General Services
Eric Keane	Director, Information Technology
Scott Morgan	Director, Public Works
Walter Person	Chief Financial Officer
Gina Sweat	Chief of Fire Services
Kametris Wyatt	Interim Comptroller
John Zeanah	Chief of Development and Infrastructure
Doug McGowen	President, Memphis Light, Gas and Water Division

City of Memphis, Tennessee

ORGANIZATION CHART

Primary Government and Discretely Presented Component Units



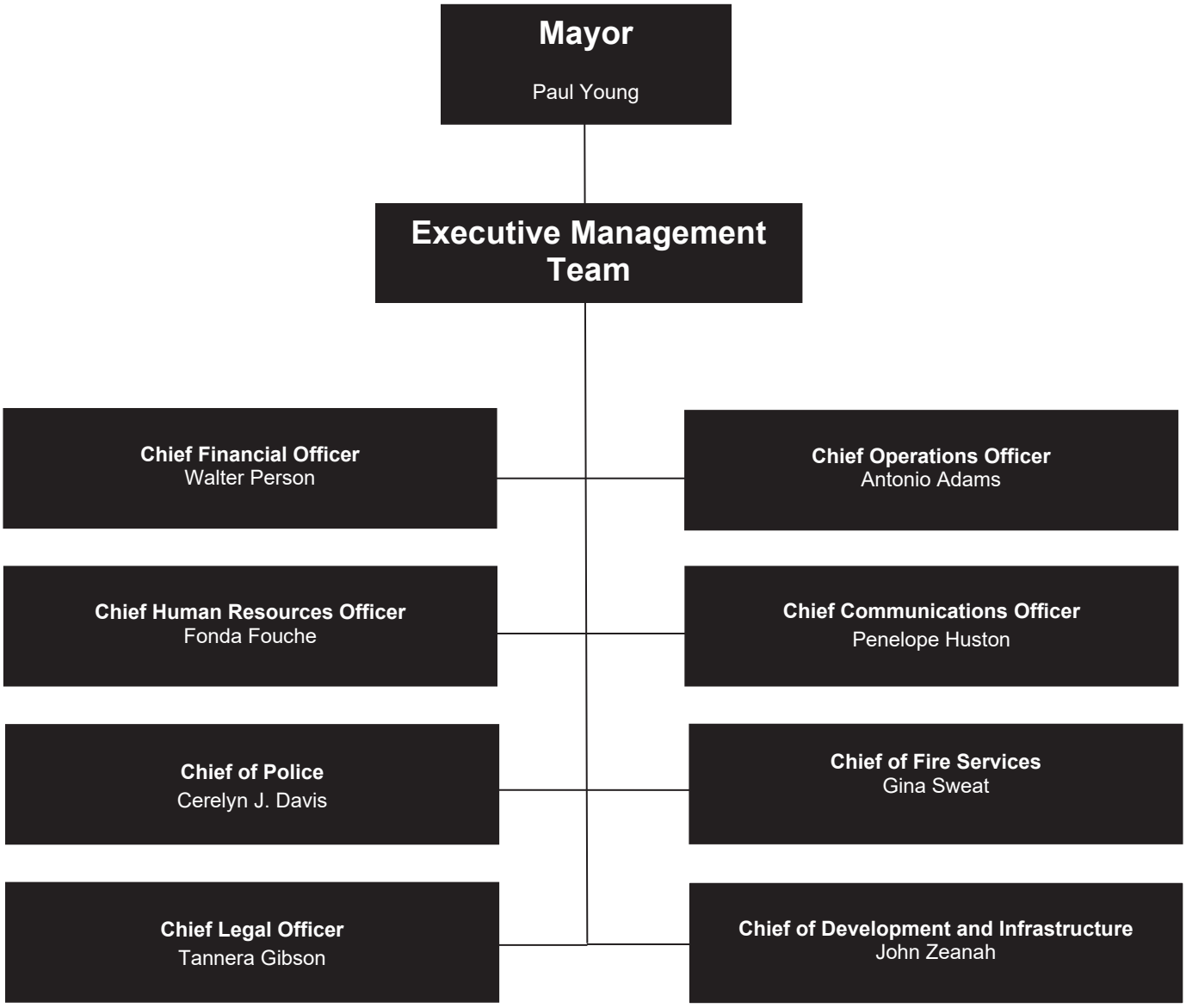
- Memphis Area Transit Authority
- Memphis Health, Educational and Housing Facility Board
- Memphis Light, Gas and Water
- Memphis-Shelby County Airport Authority
- Memphis Light, Gas and Water Retirement and Pension System
- Memphis Metropolitan Land Bank Authority

(1) Appointed boards and authorities for Memphis Area Transit Authority and Memphis-Shelby County Airport Authority are legally separate from the primary government. These component units are discretely reported in a separate column in the combined financial statements to distinguish them from the primary government. Memphis Light, Gas and Water and Memphis Light, Gas and Water Retirement and Pension System are reported as part of the primary government. Certain other boards and commissions not listed above do not meet the definition of component units as presented in GASB Statement 61. These entities are further explained as related organizations, jointly governed organizations, and joint ventures in the Letter of Transmittal and Note 1 of the notes to the financial statements.

City of Memphis, Tennessee

ORGANIZATION CHART

Primary Government and Discretely Presented Component Units (continued)



CITY OF MEMPHIS

T E N N E S S E E

FINANCIAL SECTION

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BANKS, FINLEY,
WHITE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Memphis, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the budgetary comparison information of the City of Memphis, Tennessee (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the budgetary comparison information for the general fund of the City, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Memphis-Shelby County Airport Authority, Renasant Convention Center, Memphis Metropolitan Land Bank Authority, and the Memphis Zoological Society, which represent 88%, 2%, .10%, and 4%, respectively, of the assets, net position, and revenues of the aggregately discretely presented component units as of June 30, 2025. We did not audit the financial statements of the Electric, Gas and Water Divisions of Memphis Light, Gas and Water Division, a major proprietary fund. The Electric, Gas and Water Divisions of Memphis Light, Gas and Water Division represents 53%, 15% and 11%, respectively, of the assets, net position and revenues of the business-type activities of the primary government. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units and the business-type activities of the primary government, is based solely on the report of the other auditors.

1450 POPLAR AVENUE MEMPHIS, TENNESSEE 38104-2901 (901) 274-6702

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 39 - 59 and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Other Supplementary Information and Supplementary Schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and

reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and Other Supplementary Information and Supplementary Schedules as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections as listed in the table contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Banker Fuller, WD + CO

Memphis, Tennessee
December 31, 2025

Management's Discussion and Analysis

As management of the City of Memphis, Tennessee (the City), the City offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the detailed financial statement disclosures and the additional information that is furnished in the letter of transmittal and notes to the financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Overview of the Financial Statements

This discussion and analysis document is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information to provide greater detail of data presented in the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, liabilities, deferred outflows of resources, and deferred inflows of resources. Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or worsening.

The statement of activities presents information showing how the City's net position changed during the year ended June 30, 2025. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flow only in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, community services, and transportation and environment. The business-type

activities of the City include the operations of the regional sewer collection and treatment facilities; the distribution of electricity, gas, and water; and the operation of the storm water system.

The government-wide financial statements include not only the City itself (the primary government), but also the Memphis Area Transit Authority, the Renasant Convention Center, the Memphis-Shelby County Airport Authority, the Memphis Metropolitan Land Bank Authority, the Memphis Zoological Society, and the Health, Educational and Housing Facility Board of the City of Memphis, Tennessee, each of which is a legally separate entity for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The component unit column in the government-wide financial statements includes the financial data of the City's component units. Component Units are reported after the fund financial statements in separate columns in a combining statement in the basic statements to emphasize that they are legally separate from the City. The audits of the component units are performed and reported independently of the annual audit of the City. The City's Independent Auditors rely on the information provided under the audit opinion concluded by each individual component unit's Independent Auditors; therefore, the financial information for the component units is presented throughout this report without change or modification.

The government-wide financial statements are presented as Exhibits A-1 and A-2; component unit financial statements are presented as Exhibits A-14 and A-15.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

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

In Fiscal Year 2025, the City maintained 24 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for its five major funds. Data from the other 19 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements (Exhibits B-1 and B-2).

The City adopts an annual appropriated budget for its general, special revenue, and debt service funds. Budgetary comparison statements are provided to demonstrate compliance with this budget. There are exceptions for grant-funded categories (Miscellaneous Grants and the Community Development Fund), in which expenditures are limited to the amount of grants received and the allowable expenditures in accordance with the grant agreement; and Funds in which no monies were budgeted for the fiscal year.

The basic governmental fund financial statements, including reconciliation to the government-wide Statement of Net Position and Statement of Activities, are presented as Exhibits A-3 through A-6.

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer collection and treatment facilities; the distribution of electricity, gas, and water; and the operation of the storm water system. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance for health benefits (Health Insurance Fund), self-insurance for unemployment benefits (Unemployment Compensation Fund), and operations and maintenance of City vehicles (Fleet Management Fund). Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer collection and treatment facilities and the distribution of electricity, gas, and water – both of which are major funds of the City – and operations of the storm water system, a non-major fund. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements.

The basic proprietary fund financial statements are presented as Exhibits A-9 through A-11.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The actuarially determined net pension obligation and net other post-employment benefits (OPEB) liability are reported in the government-wide statement of net position as governmental activities.

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

Notes to the Financial Statements

The Notes, which follow Exhibits A-1 through A-15, provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees is included in the notes to the financial statements.

Combining and Individual Fund Statements and Schedules

Combining schedules provide details about non-major governmental funds and internal service funds referenced earlier. Individual fund statements provide greater detail. Combining and individual fund statements and schedules are presented as Exhibits B through F.

Financial Summary

- The primary government's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2025 by $3,258,598 (net position). Total government-wide net position increased by $39,893, or 1.2%, in Fiscal Year 2025.
- At June 30, 2025, the City's governmental activities reported ending net position of $239,035 compared to $284,111 from the prior year. The governmental activities change in net position for Fiscal Year 2025 was a decrease of $45,076 from the prior year's beginning balance.
- The City's business-type activities reported a June 30, 2025, ending net position of $3,019,563 – an increase of $84,969, or 2.9%, from the prior year's beginning balance as restated.
- At June 30, 2025, the fund balance for the general fund was $195,936 – a $1,687, or 0.87%, increase from prior year's balance. The unassigned portion, comprising 50.5% of the total general fund balance at fiscal year-end, was $98,986 – a $1,607, or 1.7%, increase from the prior year.
- The City's total general obligation, other debt, and revenue bond debt increased by $54,196, or 3.0%, during the current fiscal year for governmental activities and increased $242,687, or 22.5%, for the business-type activities.
- The City's total liabilities of $5,285,614 – which include, among other items, pension and other post-employment benefits liabilities – increased $321,266, or 6.5%, from the prior year's total liabilities of $4,964,348.
- Deferred outflows decreased from $633,036 to $538,447 for a change of $94,589, or 15.0%. The year-over-year change is primarily attributable to changes in actuarial assumptions for pension.
- Deferred inflows decreased from $925,577 to $875,667 for a decrease of $49,910, or 5.4%. As with Deferred outflows, year-over-year changes are primarily attributable to changes in actuarial assumptions. For the fiscal year ended June 30, 2025, deferred inflows, and outflows of projected and actual investment earnings for both the pension and other post-employment benefits, were aggregated and reported as either a net deferred inflow or net deferred outflow as applicable.

More detailed analysis is provided in the discussion related to the specific categories.

Detailed Analyses

As noted above, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $3,258,598 at June 30, 2025.

Condensed Statement of Net Position

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 1,475,438	1,634,079	1,408,130	1,258,682	2,883,568	2,892,761
Capital assets	2,476,541	2,253,440	3,521,323	3,329,393	5,997,864	5,582,833
Total assets	3,951,979	3,887,519	4,929,453	4,588,075	8,881,432	8,475,594
Deferred outflows of resources	180,691	289,206	357,756	343,830	538,447	633,036
Long-term liabilities outstanding	2,680,052	2,634,156	1,728,986	1,570,399	4,409,038	4,204,555
Other liabilities	453,819	403,653	422,757	356,140	876,576	759,793
Total liabilities	3,133,871	3,037,809	2,151,743	1,926,539	5,285,614	4,964,348
Deferred inflows of resources	759,764	854,805	115,903	70,772	875,667	925,577
Net position:						
Net investment in capital assets	476,690	240,976	2,173,500	2,236,110	2,650,190	2,477,086
Restricted	288,542	760,362	138,997	69,777	427,539	830,139
Unrestricted	(526,197)	(717,227)	707,066	628,707	180,869	(88,520)
Total net position	$ 239,035	284,111	3,019,563	2,934,594	3,258,598	3,218,705

The portion of the City's net position that reflects its investment in capital assets (i.e., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets, is $2,650,190. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional $427,539 portion of the City's net position represents resources that are either subject to external restrictions on how they may be used or formally constrained for a specific purpose by the City Council. The balance remaining is a positive unrestricted net position of $180,869.

Condensed Statement of Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for services	$ 206,209	174,389	2,044,911	1,967,484	2,251,120	2,141,873
Operating grants and contributions	55,946	88,201	-	-	55,946	88,201
Capital grants and contributions	19,672	356,533	353	503	20,025	357,036
General revenues:						
Local taxes	812,821	736,816	-	-	812,821	736,816
State taxes (local share)	125,357	120,612	-	-	125,357	120,612
Hotel/motel tax	16,348	17,591	-	-	16,348	17,591
Sale of capital assets	37	37	-	-	37	37
Unrestricted investment earnings	47,755	43,902	35,919	39,267	83,674	83,169
State grants	-	-	10,426	2,399	10,426	2,399
Other	38,701	15,169	45,247	44,970	83,948	60,139
Total revenues	1,322,846	1,553,250	2,136,856	2,054,623	3,459,702	3,607,873
Expenses:						
General government	399,913	339,816	-	-	399,913	339,816
Public safety	690,629	555,624	-	-	690,629	555,624
Community services	129,280	108,267	-	-	129,280	108,267
Transportation and environment	147,722	101,861	-	-	147,722	101,861
Education	7,000	7,000	-	-	7,000	7,000
Interest on long-term debt	65,988	68,971	-	-	65,988	68,971
Sewer collection and treatment	-	-	128,459	127,333	128,459	127,333
Memphis Light, Gas and Water	-	-	1,826,827	1,682,339	1,826,827	1,682,339
Storm Water	-	-	25,774	24,267	25,774	24,267
Total expenses	1,440,532	1,181,539	1,981,060	1,833,939	3,421,592	3,015,478
Increase (decrease) in net position before transfers	(117,686)	371,711	155,796	220,684	38,110	592,395
Transfers	72,610	64,775	(69,868)	(61,979)	2,742	2,796
Increase (decrease) in net position	(45,076)	436,486	85,928	158,705	40,852	595,191
Net position - July 1	284,111	(152,375)	2,934,594	2,778,351	3,218,705	2,625,976
Restatement of beginning net position	-	-	(959)	(2,462)	(959)	(2,462)
Net position - July 1, as restated	284,111	(152,375)	2,933,635	2,775,889	3,217,746	2,623,514
Net position - June 30	$ 239,035	284,111	3,019,563	2,934,594	3,258,598	3,218,705

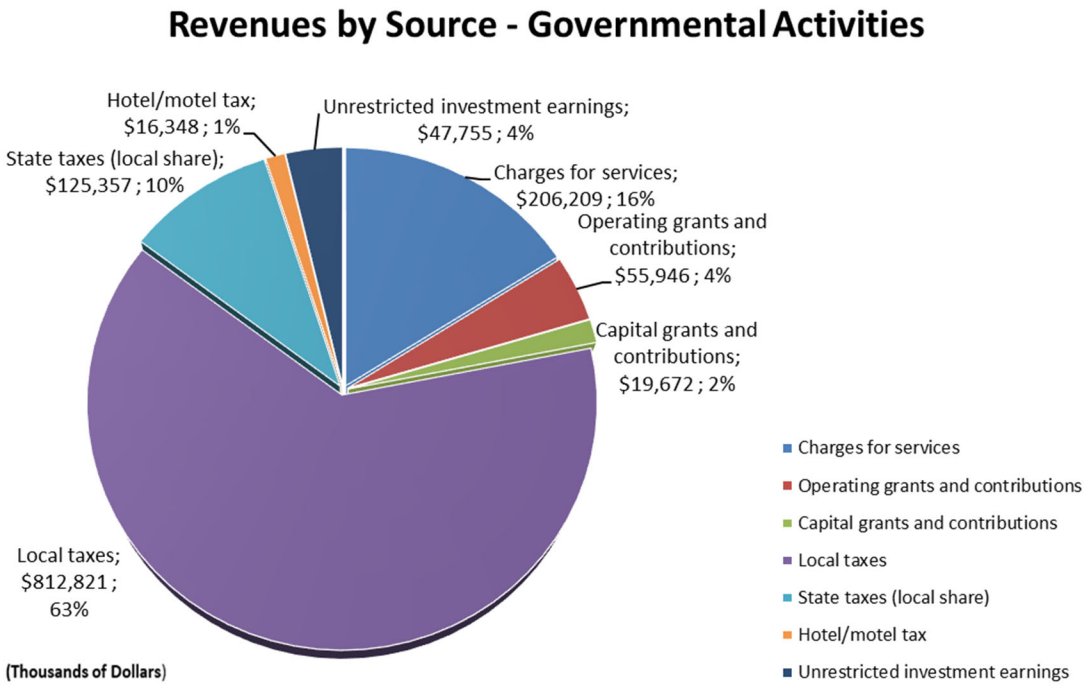
Governmental Activities

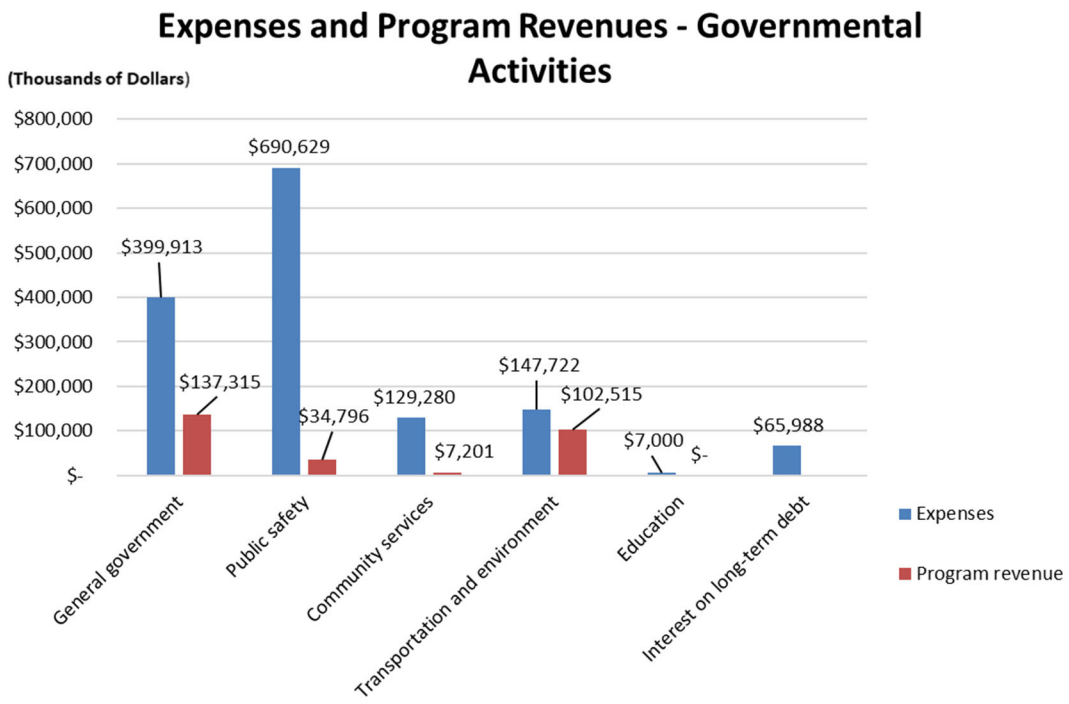
During Fiscal Year 2025 governmental activities decreased the City's net position by $45,076. Key elements of the governmental activities are discussed below:

- During Fiscal Year 2025, total revenues decreased by $230,404, primarily due to the $336,861 decrease in Capital grants and contributions: Fiscal Year 2024 included a $350 million grant from the State of Tennessee for certain major renovation projects. Operating grants and contributions also decreased year over year by $32,255. These decreases were partially offset by the $76,005 upsurge in Local taxes, thanks to the $70,147 year-over-year increase in current property tax revenue as a result of the increase in the property tax rate by 0.49 basis points from $2.70164 to

$3.19540. Additionally, Charges for services increased year-over-year by $31,820, largely due to the $24,367 increase in Solid Waste Fees.

- Total governmental activities expenses increased $258,993, or 21.9%, with notable increases in Public safety, General government, Transportation and environment, and Community services at $135,005; $60,097; $45,861; and $21,013, respectively. For all categories, the increase in expenses was affected by the year-over-year change in the pension obligation as well as increases in Materials & supplies and Personnel costs. Governmental activities program expenses are detailed in Exhibit A-2.





Business-type Activities

NOTE: This report is inclusive of the Division of Memphis Light, Gas and Water (MLGW). MLGW was created by an amendment to the City Charter by Chapter 381 of the Private Acts of the General Assembly of Tennessee, adopted March 9, 1939, as amended (the "Private Act"). MLGW controls the administration of its activities and business affairs. It operates independently, manages its own finances, and is responsible for obligations incurred in such operations. MLGW must have the City Council's approval for its annual budget and before incurring certain obligations. MLGW is managed by a Board of Commissioners. The daily operations of MLGW are managed by the President, who is nominated for a five-year term by the Mayor and approved by the City Council. Under the Private Act, the President generally supervises MLGW's operations and its officers and employees. As such, MLGW is audited and reported independently of the annual audit of the City. MLGW also operates on a calendar year basis, and such disclosure is made throughout this report to distinguish the timing and reporting components of the financial information provided. The City's Independent Auditors rely on the information provided under the audit opinion concluded by MLGW's Independent Auditors, and financial information for MLGW is presented throughout this report without change or modification.

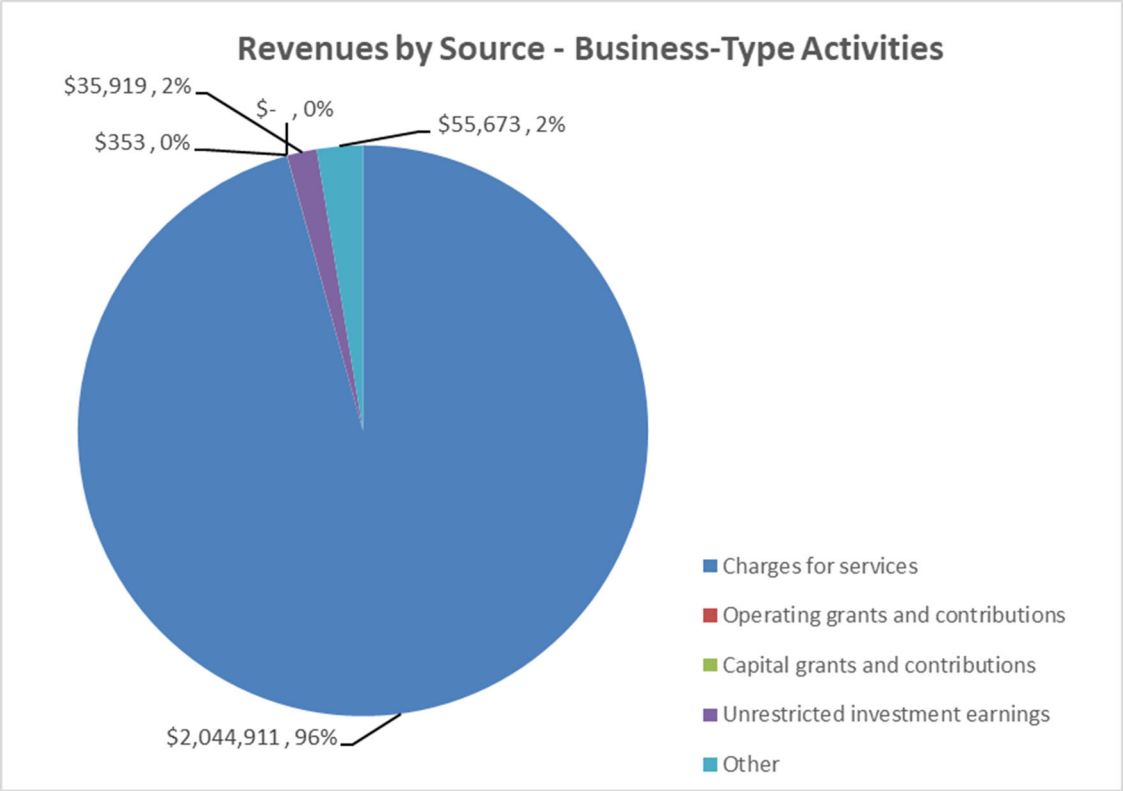
Business-type activities increased the City's net position by $84,969. Key elements of the increase are as follows:

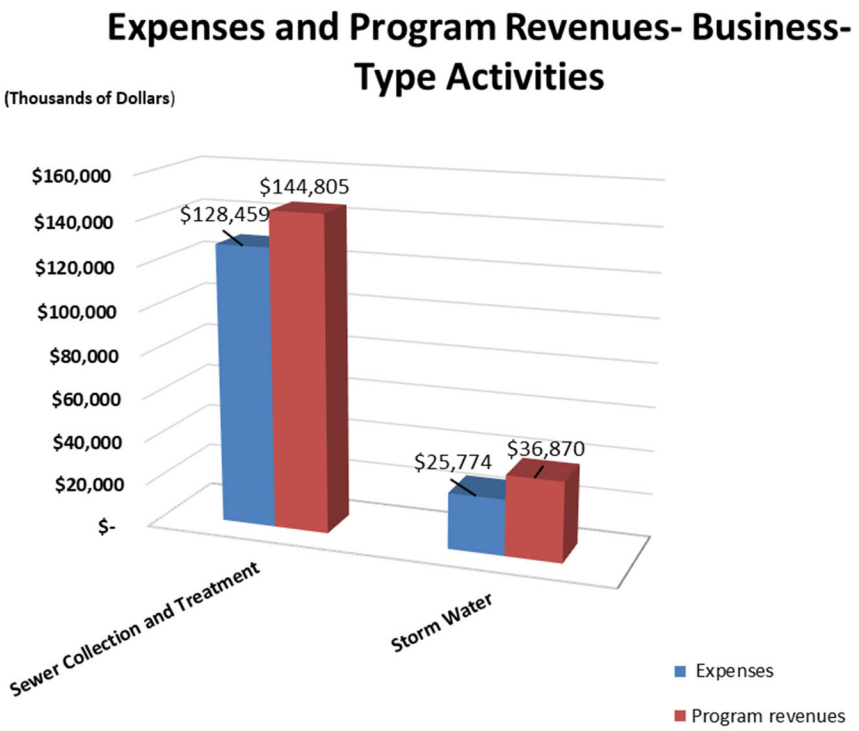
- Total revenues increased by $82,233, or 4.0%, year over year. Charges for services is responsible for most of the year-over-year increase at $77,427, primarily due to an increase for the MLGW Electric Division at $110,447, partially offset by decreases for the MLGW Gas Division and the Sewer Collection and Treatment Fund at $20,419 and $16,353,

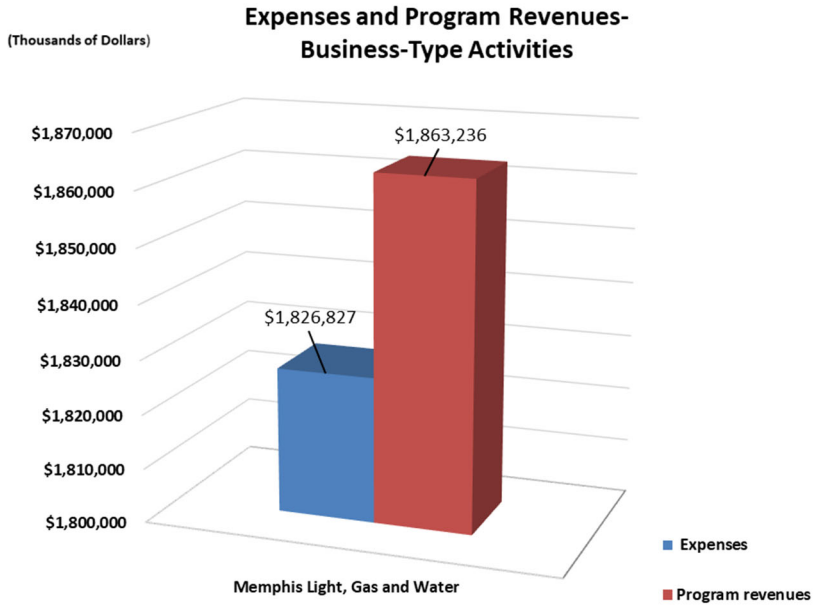
respectively. For the MLGW Electric Division, the increase in operating revenue is due primarily to a 4.50% TVA increase; expiration of the Pandemic credit; and a 5.25% TVA rate increase, partially offset by lower TVA Fuel Cost Adjustment (FCA) rates. The decrease for the MLGW Gas Division is due to the following: Sales, service, and other operating revenues were $223.8 million, a decrease of $17.0 million, or 7.1%, from 2023 due to lower natural gas prices and lower sales volume. Purchased gas cost decreased $4.8 million, or 4.6%, due to a decrease in natural gas purchases and lower gas cost per unit. Transported gas revenues decreased $3.4 million, or 20.8%. The decrease for the Sewer Collection and Treatment Fund is due to lower collections of sewer fees. The increase in Business-type revenues from Charges for services is heightened by an increase of $8,027 in State grants revenue but offset by a $3,348 decrease in Unrestricted investment earnings.

- Expenses increased across all business-type funds, for a total increase of $147,121, or 8.0%. Most of this increase is attributable to Memphis Light, Gas, and Water, which increased by $144,488. ELECTRIC ($115,621 increase) – This increase is primarily due to increases in other operating expenses, purchased power, and depreciation & amortization expense of $72.3 million, $34.4 million, and $9.7 million, respectively. Purchased power is up due to an increase in purchase volume, a 4.5% TVA increase, and expiration of the Pandemic credit, partially offset by lower TVA Fuel Cost Adjustment (FCA) rates. GAS ($11,706 increase) – Other operating expense was $109.1 million as of December 31, 2024, an increase of $16.3 million. However, purchased gas cost was $99.7 million, down 4.6%, or $4.8 million, from December 31, 2023, as a result of lower natural gas purchases and lower gas cost per unit. WATER ($17,161 increase) – The Water Division experienced an increase in other operating expenses of $16.4 million.

Business-type program expenses are detailed in Exhibit A-2.




Expenses and Program Revenues- Business-Type Activities
(Thousands of Dollars)
$160,000
$140,000
$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$-
$128,459
$144,805
$25,774
$36,870
Sewer Collection and Treatment
Storm Water
Expenses
Program revenues


Expenses and Program Revenues- Business-Type Activities
(Thousands of Dollars)
$1,870,000
$1,860,000
$1,850,000
$1,840,000
$1,830,000
$1,820,000
$1,810,000
$1,800,000
$1,826,827
$1,863,236
Memphis Light, Gas and Water
Expenses
Program revenues

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2025, the City's total governmental funds reported combined ending fund balance of $602,737, a decrease of $224,503, or 27.1%, in comparison with the prior year. Approximately $98,986, or 16.4%, of the fund balance constitutes Unassigned fund balance, which is available for spending at the government's discretion. Approximately $107,241, or 17.8%, of the fund balance is considered Restricted to indicate the amount is subject to external enforceable legal restrictions. Additionally, $320,722, or 53.2%, of the fund balance is reported as Committed, indicating amounts where utilization is constrained by limitations that the City Council imposed. The remainder of fund balance – $75,788, or 12.6% – has been Assigned by the administration to indicate that it is not available for new spending, primarily because it has already been obligated to intergovernmental activities and extraordinary items, and to liquidate contracts and purchase orders of the prior period.

The general fund is the chief operating fund of the City. At June 30, 2025, unassigned fund balance of the general fund was $98,986, or 50.5%, of the total fund balance of $195,936. The assets of the general fund exceeded the liabilities and deferred inflows of resources by $195,936, which is basically flat compared to prior year's $194,249 with a modest increase of $1,687. The $66,086 increase in total assets is led by the $28,829 increase in the equity in cash and investment pool and the $25,212 increase in Current property taxes receivable as the fund continues to benefit from the 49-cent increase in the property tax rate that went into effect in Fiscal Year 2025. General fund liabilities and deferred inflows from resources increased by $64,399 over the prior year. Deferred inflows increased $41,222 due to uncollected property taxes.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 11.2% of total general fund expenditures, while total general fund balance represents 22.1% of the fund expenditures.

General Fund

The fund balance of the City's general fund increased slightly by $1,687, or 0.9%, during the fiscal year ended June 30, 2025. Key factors of the change in the general fund are as follows:

- Total general fund revenues resulted in an increase of $59,427, or 8.2%, over the prior year. The increase is due primarily to a $69,061 increase in Local taxes, thanks to the $70,147 increase in Current property tax revenue as a result of the aforementioned increase in the property tax rate for Fiscal Year 2025. Other year-over-year increases include Licenses and permits – $4,287; State taxes – $2,510, which was attributable to the City's portion of the state sales tax; and Federal grants and entitlements – $2,077. These increases were offset primarily by an $18,828 decrease in Other revenues; Fiscal Year 2024 included $20,222 FEMA reimbursement for storm damage incurred by the Solid Waste Division in Fiscal Year 2022.
- Total general fund expenditures of $888,147 represents a $53,429 increase over $834,718 for the prior year. This total may be misleading without insight as to the specific category changes. Public safety accounts for the vast majority of the increase at $42,045, while General government, Transportation and environment, and Community services were up $4,674; $4,279; and $2,431, respectively.
- Total other financing sources (uses) increased $16,065 year over year.

Debt Service Fund

The fund balance of the City's Debt Service fund decreased by $6,555, or 10.0%, during the fiscal year ended June 30, 2025. Key factors resulting in this change are as follows:

- Total revenues increased $11,332 from $161,119 in 2024 to $172,451 in 2025.
- Expenditures related to debt service increased $4,205 for the fiscal year ended June 30, 2025.
- Total Other financing sources (uses) decreased year over year by $8,507. There were no refundings for the Debt Service Fund in Fiscal Year 2024; Fiscal Year 2025 included $244,531 in proceeds from debt issuances ($149,982) and refunded bonds ($93,364), and a use of sources in the amount of $242,943 for payments to the refunded bond escrow agent.

Capital Projects

The fund balance of the City's Capital Projects Fund decreased by $25,066 for the fiscal year ended June 30, 2025. The Capital Projects Fund also includes the activities of the Accelerate Memphis Project initiated in Fiscal Year 2022; additional information regarding the Accelerate Memphis Project is provided in the Transmittal Letter.

Major elements of the change in fund balance are:

- Revenues basically remained flat year over year, increasing slightly by $1,806 from $24,229 in Fiscal Year 2024 to $26,035 in Fiscal Year 2025. Federal grants and entitlements and State grants increased by a combined $13,139 but was offset by decreases in Investment income ($5,962) and Other revenues ($5,371).
- Expenditures increased $13,371 due to an increase in capital outlay.
- Other financing sources rebounded in Fiscal Year 2025 as it increased from $106,084 in Fiscal Year 2024 to $175,725 in Fiscal Year 2025. The $69,641 increase in Fiscal Year 2025 was in contrast to the $51,741 decrease in Fiscal Year 2024 as a result of lower Transfers-in from other funds.

Community Development

The Community Development Fund does not have a legally adopted budget. Expenditures in this Special Revenue Fund are limited to the amount of grants received and the allowable expenditures in accordance with the grant agreements.

- Revenues decreased $7,637.
- Expenditures decreased $7,637.
- The fund balance decreased slightly from $3,900 to $3,751.

Arenas Funding

The Arenas Funding Account Fund does not have a legally adopted budget. Expenditures in this Special Revenue Fund are limited by City Council to certain major renovation projects and funded by a grant received from the State of Tennessee in October 2023. The fund balance of the City's Arenas Funding Account decreased by $185,790, or 51.02%, during the fiscal year ended June 30, 2025.

- Revenues decreased by $349,001 from Fiscal Year 2024 to Fiscal Year 2025. Fiscal Year 2024 included the $350 million grant received from the State of Tennessee to fund major renovation projects. Investment income increased by $999 from $14,178 in Fiscal Year 2024 to $15,177 in Fiscal Year 2025.

- Expenditures increased $162,791 year-over-year. There were no expenditures in Fiscal Year 2024. Fiscal Year 2025 expenditures of $162,791 were for capital outlay.
- Other financing sources/(uses) decreased $38,176 year-over-year. This category was zero for Fiscal Year 2024. Fiscal Year 2025 included $38,176 of Transfers-out to other funds.

Details for the other governmental funds, including special revenue funds, are presented in Exhibits B-1 and B-2.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail.

Total net position of Business-Type activities for the year ended June 30, 2025, is $3,019,563.
Unrestricted net position of $707,066 on Exhibit A-1 includes net positions of $614,098 and $44,149 for Memphis Light, Gas and Water and the Sewer Collection and Treatment Fund, respectively. The remaining balance represents the Storm Water Fund net position of $43,677 and the consolidation of internal service funds related to enterprise funds of $5,142.

Details of Proprietary Funds are presented on Exhibit A-9--Statement of Net Position.

Significant Capital Asset and Long-term Financing Activity

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2025, totaled $5,997,863 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, roads, highways, and other infrastructure. The total increase in the City's capital assets for the current fiscal year was $415,030, or 7.4%. Governmental and Business-type activities each contributed an increase of $223,101 and $191,929, respectively.

Condensed Statement of Capital Assets
(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Land and buildings	$ 492,898	510,419	24,137	25,243	517,035	535,662
Improvements other than buildings	971,616	942,032	461,181	473,300	1,432,797	1,415,332
Equipment	85,163	85,881	26,315	23,647	111,478	109,528
Construction in progress	926,864	715,108	765,005	690,630	1,691,869	1,405,738
Memphis Light, Gas and Water	-	-	2,244,685	2,116,573	2,244,685	2,116,573
Total	$ 2,476,541	2,253,440	3,521,323	3,329,393	5,997,864	5,582,833

Major Capital asset events during the current fiscal year included the following:

- Ongoing construction for the adaptive reuse of the former Coke Bottling facility to compensate for the loss of the primary fueling location near the center of Memphis.
- Construction of a new clubhouse at the redesigned Audubon Golf Course.
- Final renovations to City Hall, including landscaping.
- Continued paving operations of the City of Memphis streets.
- Continued repairs and replacement of speed humps, traffic signals, fire stations, and community centers.

Additional information on the City's capital assets can be found in Note IV.D.

Outstanding Debt

At June 30, 2025, the City had total bonded debt outstanding of $3,209,882. Of this amount, $1,716,439 comprises debt backed by the full faith and credit of the government. The remaining balance of $1,493,443 consists of bonds secured solely by specified revenue sources (i.e., revenue bonds) and State loans.

Condensed Statement of Outstanding Debt
General Obligation and Revenue Bonds

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 1,496,907	1,455,179	-	-	1,496,907	1,455,179
Commercial Paper	100,000	150,000	-	-	100,000	150,000
Lease agreements	51,485	15,392	-	-	51,485	15,392
Settlement obligation	6,667	8,000	-	-	6,667	8,000
Economic development bonds	61,380	25,898	-	-	61,380	25,898
Revenue bonds	170,958	178,732	1,145,766	892,220	1,316,724	1,070,952
State loans	-	-	176,719	187,578	176,719	187,578
Total	$ 1,887,397	1,833,201	1,322,485	1,079,798	3,209,882	2,912,999

Governmental activities debt increased by $54,196, or 3.0%, while Business-type activities debt increased by $242,687, or 22.5%. The net increase of $296,883 was primarily due to increases in Revenue bonds (Business-Type Activities) and General Obligation bonds, Lease agreements and Economic Development Bonds (Governmental Activities), offset by decreases in Commercial Paper (Governmental Activities) and State loans (Business-type Activities).

The City has long held a high-grade bond rating on indebtedness from the major credit rating services. As of June 30, 2025, the City held ratings of Aa2 by Moody's Ratings, and AA by S&P Global Ratings, for general obligation bonds. For the Sanitary Sewerage System Revenue Bond, the City held ratings of Aa2 by Moody's Ratings and A+ by S&P Global Ratings as of June 30, 2025; the ratings for the Storm Water System Revenue Bond as of June 30, 2025, were Aa2 by Moody's Ratings and AA by S&P Global Ratings. Some of the factors most commonly cited by these firms in support of the credit rating assigned to the City's general obligation bonds include a stable and expanding economic climate, a broad revenue base, and well-managed finances. In addition, the City has maintained good relations with the rating services and the major investment institutions through comprehensive disclosure of financial data and direct meetings with rating agency officials. The City continues to follow prudent fiscal policies and practices while expanding its financial base.

The City's full faith and credit and unlimited taxing power has been pledged to the payment of general obligation debt principal and interest. There is no legal limit on the indebtedness that may be incurred.

Additional information on the City's long-term debt can be found in the Notes to Financial Statements, section IV.G.

Currently Known Facts, Decisions, or Conditions

The economic outlook for Memphis, Tennessee, in 2026 mirrors the State of Tennessee's trend of slower but positive growth, driven by Memphis's logistical strength as "America's Distribution Center," strong in-migration, and pro-business environment … in spite of facing national headwinds like potential recessionary pressures, rising unemployment (projected to be up to 3.8%), and housing affordability issues, requiring continued investment in workforce development. Economists expect continued job growth moderated by cautious spending – with logistics, healthcare, and tech remaining as key sectors – as the City addresses wage gaps and infrastructure, both of which will be crucial for inclusive prosperity.

Key Themes for Memphis in 2026:

- **Slowed Growth:** Tennessee's real GDP growth is projected to moderate to around 2% in 2026, down from recent highs, indicating a cooling but stable economy. Memphis is expected to mirror this trend.
- **Strong In-Migration:** Tennessee continues to attract residents, especially prime working-age individuals, boosting the labor force and business formation, which benefits Memphis.
- **Resilient Logistics Hub:** Memphis's role as a distribution powerhouse, with its airport, river, and rail access, remains a core economic strength, attracting businesses.
- **Workforce Focus:** Despite job growth, challenges with below-national-average wages and the need for digital skills will require investment in training for structural shifts.
- **Affordability Concerns:** Strong population growth puts pressure on housing, making homeownership harder for many, a trend that needs addressing.

Sector Outlook:

- **Logistics & Distribution:** Will continue to thrive due to Memphis's strategic location.
- **Healthcare & Services:** Expected to see continued strong employment gains, supporting the growing population.
- **Technology:** Growth in tech-enabled businesses, spurred by online trends, should continue.

Housing Market Outlook

The Memphis housing market is expected to become more balanced, with a slight tilt favoring buyers.

- **Home Sales and Prices:** Home sales in the Memphis metro area are forecast to decline by 7.7% in 2026, while home prices are predicted to see a modest increase of 1.8%.
- **Mortgage Rates:** The average 30-year fixed mortgage rate is expected to hover around 6.3%, providing more predictability for buyers.
- **Rental Market:** Rents are forecast to continue rising through 2026, driven by steady demand, low vacancy rates, and the city's affordability compared to other metros. Suburbs like Cordova, Bartlett, and Germantown are expected to see strong demand.

Challenges & Considerations:

- **National Economic Uncertainty:** Broader economic slowdowns could impact corporate spending and hiring.
- **Inflation & Wages:** Keeping wages competitive with the cost of living remains a challenge.
- **Equitable Growth:** Ensuring economic benefits reach all communities within the Memphis metro area is vital.

The Capital Improvement Program (CIP) Budget prioritizes infrastructure projects, including a new library and continued investment in the city's camera network. After years of revenues inflated by funds from the American Rescue Plan (ARPA) Act and the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the City was tasked last year with developing a municipal budget that would continue to provide its residents with the services and programs they deserve while using typical revenue sources. The City remained committed to this mission with its Fiscal Year 2026 Budget, which includes a budget surplus of $4.7 million. The General Fund Budget embodies a holistic approach to public safety while expanding youth programming and investing in community initiatives and maintaining a commitment to blight remediation.

- The adopted operating budget for all funds calls for expenditures of $1,743,297 against revenues of $1,693,926 – which results in a projected negative impact on Fund balance of $49,371.
- The adopted operating budget for the general fund calls for expenditures of $883,135 against revenues of $887,797 – which results in a projected positive impact on fund balance of $4,662.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Office of the Chief Financial Officer, Room 368, City of Memphis, 125 North Main, Memphis, Tennessee 38103. The Annual Comprehensive Financial Report, the Annual Operating Budget and 5-Year Capital Improvement Program, and other general information about the City may be found on the City's website, www.memphistn.gov.

MEMPHIS
SHELBY
COUNTY
TENNESSEE

CITY OF MEMPHIS

T E N N E S S E E

BASIC FINANCIAL STATEMENTS

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	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	$ 92,611	$ 284,321	$ 376,932	$ 48,807
Investments	177,873	222,723	400,596	26,167
Derivative financial instruments	-	160	160	-
Equity in cash and investment pool	481,459	74,144	555,603	-
Restricted funds	2,703	181,287	183,990	-
Receivables (net of allowance for uncollectibles):				
Property taxes	541,770	-	541,770	-
Sales, income, and other taxes	47,370	-	47,370	-
Federal and state grants	13,123	-	13,123	25,011
Interest and dividends on investments	424	252	676	-
Notes and accounts receivable	1	222,283	222,284	13,491
Housing rehabilitation loans	21,462	-	21,462	-
Other	78,265	7,210	85,475	226,568
Due from other agencies and governments	14,965	-	14,965	915
Inventories	3,412	159,767	163,179	11,119
Unbilled revenues	-	87,723	87,723	-
Prepaid expense	-	1,380	1,380	5,919
Other assets	-	94,197	94,197	168
Net Pension asset	-	-	-	10,182
Restricted assets:		-	-	
Cash and cash equivalents	-	-	-	174,354
Receivables and other	-	-	-	35,660
Investments	-	72,683	72,683	185,933
Non-depreciable capital assets	1,008,458	779,121	1,787,579	263,291
Depreciable capital assets (net of accumulated depreciation)	1,468,083	2,728,864	4,196,947	1,003,719
Intangible Right-of-Use Assets	-	13,338	13,338	-
Total Assets	3,951,979	4,929,453	8,881,432	2,031,304
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pensions	150,531	257,960	408,491	5,745
Deferred outflows - OPEB	30,160	99,796	129,956	707
Deferred outflows - other	-	-	-	5
Total assets and deferred outflows of resources	4,132,670	5,287,209	9,419,879	2,037,761

(Continued)

STATEMENT OF NET POSITION
(Thousands of Dollars)
June 30, 2025

CITY OF MEMPHIS, TENNESSEE
EXHIBIT A-1

	Primary Government			
	Governmental Activities	**Business-type Activities**	**Total**	**Component Units**
LIABILITIES				
Accounts payable and accrued liabilities	$ 115,442	$ 291,899	$ 407,341	$ 50,742
Accrued interest payable	13,232	-	13,232	-
Contract retainage	4,356	7,557	11,913	-
Insurance claims payable	9,472	1,288	10,760	-
Due to other agencies and governments	14,412	-	14,412	30,494
Refundable bonds and deposits	1,657	-	1,657	-
Unearned revenue	50,185	-	50,185	2,605
Other liabilities	116,452	99,928	216,380	-
Noncurrent liabilities:				
Due within one year	128,611	22,085	150,696	54,388
Due in more than one year	1,759,510	1,308,308	3,067,818	398,178
Net OPEB liability - due in more than one year	436,067	166,577	602,644	53,179
Net pension liability - due in more than one year	484,475	254,101	738,576	20,271
Total Liabilities	3,133,871	2,151,743	5,285,614	609,857
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	110,026	3,571	113,597	1,900
Deferred inflows - OPEB	88,289	86,340	174,629	33,788
Deferred inflows - other	561,449	25,992	587,441	264,826
Total liabilities and deferred inflows of resources	3,893,635	2,267,646	6,161,281	910,371
NET POSITION				
Net investment in capital assets	476,690	2,173,500	2,650,190	912,433
Restricted for:				
Non-Expendable:				
Debt service	58,390	138,997	197,387	-
Capital acquisitions/projects	261,402	-	261,402	294,041
Expendable:				
Solid waste management	12,053	-	12,053	-
Drug enforcement	9,331	-	9,331	-
Operations	(52,634)	-	(52,634)	15,368
Unrestricted:	(526,197)	707,066	180,869	(94,452)
Total Net Position	$ 239,035	$ 3,019,563	$ 3,258,598	$ 1,127,390

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

STATEMENT OF ACTIVITIES
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
EXHIBIT A-2

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
Functions/Programs								
Primary government:								
Governmental activities:								
General government	$ 399,913	$ 61,697	$ 55,946	$ 19,672	$ (262,598)	$ -	$ (262,598)	$ -
Public safety	690,629	34,796	-	-	(655,833)	-	(655,833)	-
Community services	129,280	7,201	-	-	(122,079)	-	(122,079)	-
Transportation and environment	147,722	102,515	-	-	(45,207)	-	(45,207)	-
Education	7,000	-	-	-	(7,000)	-	(7,000)	-
Interest on long-term debt	65,988	-	-	-	(65,988)	-	(65,988)	-
Total governmental activities	1,440,532	206,209	55,946	19,672	(1,158,705)	-	(1,158,705)	-
Business-type activities:								
Sewer collection and treatment	128,459	144,805	-	353	-	16,699	16,699	-
Memphis Light, Gas and Water	1,826,827	1,863,236	-	-	-	36,409	36,409	-
Storm water	25,774	36,870	-	-	-	11,096	11,096	-
Total business-type activities	1,981,060	2,044,911	-	353	-	64,204	64,204	-
Total primary government	$ 3,421,592	$ 2,251,120	$ 55,946	$ 20,025	$ (1,158,705)	$ 64,204	$ (1,094,501)	$ -
Component units:								
Memphis Area Transit Authority	85,318	2,325	-	14,122		-	-	(68,871)
Memphis-Shelby County Airport Authority	174,971	137,529	-	55,972	-		-	18,530
Renasant Convention Center	10,129	9,581	-	-	-	-	-	(548)
Health, Education and Housing Facility Board (HEHFB)	1,186	-						(1,186)
Memphis Metropolitan Land Bank Authority	571	2	89	413	-	-	-	(67)
Memphis Zoological Society	31,795	26,467	200	1,347	-	-	-	(3,781)
Total component units	$ 303,970	$ 175,904	$ 289	$ 71,854	$ -	$ -	$ -	$ (55,923)

STATEMENT OF ACTIVITIES
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
EXHIBIT A-2
(continued)

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
General revenues:				
Local taxes:				
Property taxes - levied for education				
Property taxes - levied for debt service	$ 8	$ -	$ 8	$ -
Property taxes - levied for capital projects	123,958	-	123,958	-
Property taxes - levied for general government	1,205	-	1,205	-
Interest, penalties and commission - property taxes	343,689	-	343,689	-
Sales tax, general	6,775	-	6,775	-
Sales tax, beer	249,335	-	249,335	-
Alcoholic beverage tax	11,585	-	11,585	-
Gross receipts tax	17,896		17,896	
Franchise/Excise tax	16,793	-	16,793	-
Other local taxes	9,007	-	9,007	-
State taxes-unrestricted:	32,570	-	32,570	-
Sales tax				
Income tax	81,474	-	81,474	-
Beer tax	13	-	13	-
Alcoholic beverage tax	268	-	268	-
Sports Betting	452	-	452	-
Petroleum products tax	1,392	-	1,392	-
State taxes - Debt service	23,861	-	23,861	-
Hotel/motel tax	17,897	-	17,897	-
Grants and contributions not restricted to specific programs	16,348	-	16,348	-
Investment income	-	-	-	36,215
Federal grants and entitlements	47,755	35,919	83,674	30,076
State grants	-	-	-	17,771
Other	-	10,426	10,426	8,008
Transfers *	38,738	45,247	83,985	21,963
Total general revenues and transfers	72,610	(69,868)	2,742	-
Changes in net position	$ 1,113,629	$ 21,724	$ 1,135,353	$ 114,033
Net position - beginning	(45,076)	85,928	40,852	58,110
Prior Period Adjustments	284,111	2,934,594	3,218,705	1,069,280
Net position - beginning, as restated **	-	(959)	(959)	-
Net position - ending	284,111	2,933,635	3,217,746	-
	$ 239,035	$ 3,019,563	$ 3,258,598	$ 1,127,390

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

* Net transfers do not total to zero for the Primary Government due to the timing of fiscal year-end reporting for the City of Memphis (June 30) vs. MLGW (December 31).

** Note: Beginning net position for Business-type has been restated by ($959) due to MLGW.

BALANCE SHEET
GOVERNMENTAL FUNDS
(Thousands of Dollars)
June 30, 2025

CITY OF MEMPHIS, TENNESSEE
EXHIBIT A-3

	General	Debt Service	Capital Projects	Community Development	Arenas Funding	Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 46	$ -	$ 74,184	$ 7,132	$ -	$ 11,249	$ 92,611
Investments	-	-	230	-	177,643	-	177,873
Equity in cash and investment pool	249,199	54,665	45,548	2,019	745	86,179	438,355
Receivables (net of allowance for uncollectibles):							
Property taxes:							
Current property taxes	359,107	130,079	1,271	-	-	4,664	495,121
Delinquent property taxes	39,039	7,257	39	-	-	314	46,649
Special assessments:							
Sales and other taxes	38,942	2,015	-	-	-	6,413	47,370
Federal, state and other grants	648	-	2,753	3,714	-	6,008	13,123
Interest and dividends on investments	-	-	-	424	-	-	424
Housing rehabilitation loans	-	-	-	21,462	-	-	21,462
Other	41,784	7,972	10,774	13,881	-	3,853	78,264
Due from other funds	9,271	295	-	-	-	-	9,566
Due from other agencies and governments	5,120	80	-	-	-	9,765	14,965
Escrows - debt funding	-	-	-	-	-	-	-
Restricted assets:							
Cash restricted for debt service	-	2,703	-	-	-	-	2,703
Total assets	$ 743,156	$ 205,066	$ 134,799	$ 48,632	$ 178,388	$ 128,445	$ 1,438,486
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	$ 89,614	$ 1	$ 12,522	$ 1,071	$ -	$ 11,493	$ 114,701
Contract retainage	18	-	4,338	-	-	-	4,356
Due to other funds	1	-	-	-	-	9,566	9,567
Due to other agencies and governments	462	-	-	-	-	8,807	9,269
Refundable bonds and deposits	1,657	-	-	-	-	-	1,657
Unearned revenue	-	-	34,925	-	-	15,260	50,185
Total liabilities	91,752	1	51,785	1,071	-	45,126	189,735
Deferred inflows:							
Prepaid taxes	-	-	-	-	-	-	-
Uncollected property taxes	416,089	145,095	-	-	-	33	561,217
Uncollected anti-neglect fees	289	-	-	-	-	-	289
Uncollected traffic fines	24,055	-	-	-	-	-	24,055
Uncollected ambulance fees	8,747	-	-	-	-	-	8,747
Uncollected special assessments	-	-	-	-	-	28	28
Uncollected intergovernmental revenue	-	-	-	22,348	-	-	22,348
Uncollected project loans receivable	-	-	-	21,462	-	-	21,462
Other deferred inflows	6,288	1,580	-	-	-	-	7,868
Total deferred inflows	455,468	146,675	-	43,810	-	61	646,014
Total liabilities and deferred inflows	547,220	146,676	51,785	44,881	-	45,187	835,749
Fund balances:							
Restricted	21,162	5,202	-	3,751	-	77,126	107,241
Committed	-	53,188	83,014	-	178,388	6,132	320,722
Assigned	75,788	-	-	-	-	-	75,788
Unassigned	98,986	-	-	-	-	-	98,986
Total fund balances	195,936	58,390	83,014	3,751	178,388	83,258	602,737
Total liabilities, deferred inflows and fund balances	$ 743,156	$ 205,066	$ 134,799	$ 48,632	$ 178,388	$ 128,445	$ 1,438,486

See accompanying notes to financial statements.

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
(Thousands of Dollars)
June 30, 2025

CITY OF MEMPHIS, TENNESSEE
EXHIBIT A-4

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

Total governmental fund balances	$ 602,737
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,476,541
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	79,424
Net pension liabilities, deferred inflows and outflows should be reported as a liability in the government-wide statement of net position. This is the cumulative amount by which the City has underfunded its pension obligations.	(443,970)
Net OPEB liabilities, deferred inflows and outflows should be reported as a liability in the government-wide statement of net position. This is the cumulative amount by which the City has underfunded its OPEB obligations.	(494,196)
Internal service funds are used by management to charge the costs of printing & mail, information systems, health insurance, unemployment compensation, and fleet management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	36,017
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(2,017,518)
Net position of governmental activities	$ 239,035

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
EXHIBIT A-5

	General	Debt Service	Capital Projects	Community Development	Arenas Funding	Nonmajor Funds	Total Governmental Funds
REVENUES							
Local taxes	$ 575,344	$ 138,388	$ 1,205	$ -	$ -	$ 86,913	$ 801,850
State taxes (local share)	84,761	17,897	-	-	-	22,698	125,356
Hotel/motel tax	-	-	-	-	-	16,348	16,348
Licenses and permits	17,060	-	-	-	-	2,254	19,314
Fines and forfeitures	10,247	-	-	-	-	1,873	12,120
Charges for services	47,550	-	-	-	-	102,515	150,065
Investment income	20,475	11,484	3	161	15,177	455	47,755
Federal grants and entitlements	8,768	2,252	15,718	16,876	-	22,408	66,022
State grants	-	-	3,954	252	-	5,390	9,596
Intergovernmental revenues	5,861	-	-	-	-	-	5,861
Other	16,968	2,430	5,155	(458)	-	3,245	27,340
Total revenues	787,034	172,451	26,035	16,831	15,177	264,099	1,281,627
EXPENDITURES							
Current:							
General government	222,102	-	-	-	-	82,792	304,894
Public safety	557,917	-	-	-	-	8,820	566,737
Community services	78,783	-	-	16,980	-	5,169	100,932
Transportation and environment	29,345	-	-	-	-	89,927	119,272
Education	-	-	-	-	-	7,000	7,000
Capital outlay	-	-	225,951	-	162,791	-	388,742
Debt service:					-		
Redemption of serial bonds and notes	-	118,525	-	-	-	-	118,525
Lease payments	-	832	-	-	-	-	832
Interest	-	65,988	-	-	-	-	65,988
Bond issuance cost	-	1,749	1	-	-	-	1,750
Service charges	-	1,067	4	-	-	-	1,071
Prior year expense	-	376	870	-	-	-	1,246
Total expenditures	888,147	188,537	226,826	16,980	162,791	193,708	1,676,989
Revenues over (under) expenditures	(101,113)	(16,086)	(200,791)	(149)	(147,614)	70,391	(395,362)
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	37	-	-	-	-	-	37
Transfers in	111,859	12,451	41,825	-	-	13,125	179,260
Transfers out	(9,096)	(3,323)	(6,500)	-	(38,176)	(92,146)	(149,241)
Payment to refunded bond escrow agent	-	(242,943)	-	-	-	-	(242,943)
Proceeds of refunding bonds	-	93,364	-	-	-	-	93,364
Issuance of debt	-	126,556	140,400	-	-	-	266,956
Premium on debt issuance	-	23,426	-	-	-	-	23,426
Total other financing sources (uses)	102,800	9,531	175,725	-	(38,176)	(79,021)	170,859
Net change in fund balances	1,687	(6,555)	(25,066)	(149)	(185,790)	(8,630)	(224,503)
Fund balances - beginning of year	194,249	64,945	108,080	3,900	364,178	91,888	827,240
Fund balances - end of year	$ 195,936	$ 58,390	$ 83,014	$ 3,751	$ 178,388	$ 83,258	$ 602,737

See accompanying notes to financial statements.

RECONCILIATION OF THE STATEMENT OF REVENUES EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
EXHIBIT A-6

Amounts reported for governmental activities in the statement of net activities are different because:	
Net change in fund balances - total governmental funds	$ (224,503)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	223,101
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	12,495
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(54,196)
Changes in general liabilities reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(4,468)
Changes in pension and other post employment benefits (OPEB) liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	4,457
Internal service funds are used by management to charge the costs of printing & mail, information technology, health insurance, unemployment compensation, and fleet management to individual funds. The net expenditure of certain activities of internal service funds is reported with governmental activities.	(1,962)
Change in Net Position of Governmental Activities	$ (45,076)

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit A-7

	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Original Budget- Over (Under) Final Budget	Actual	Variance with Final Budget- Over (Under) Actual
REVENUES					
Local taxes:					
Property taxes	334,150	334,150	-	336,545	2,395
Interest, penalties and commission - property taxes	6,550	6,550	-	6,776	226
Receipts in lieu of taxes contractual	12,800	12,800	-	12,650	(150)
Sales tax general	156,720	156,720	-	159,215	2,495
Sales tax beer	15,500	15,500	-	11,654	(3,846)
Alcoholic beverage tax	8,000	8,000	-	7,384	(616)
Liquor by the drink tax	10,000	10,000	-	10,225	225
Gross receipts tax	14,500	14,500	-	18,086	3,586
Excise tax	2,500	2,500	-	2,255	(245)
Franchise tax	9,099	9,099	-	6,289	(2,810)
Tourism development zone tax	-	-	-	74	74
Other local taxes	995	995	-	1,028	33
Total local taxes	570,814	570,814	-	572,182	1,368
State taxes (local share):					
Sales tax	76,300 -	76,300	-	82,533	6,233
Income taxes	- -	-	-	15	15
Beer taxes	300 -	300	-	268	(32)
Alcoholic beverage tax	475 -	475	-	452	(23)
Petroleum special tax	1,285 -	1,285	-	1,163	(122)
Sports Betting	800 -	800	-	-	(800)
Local Occupancy Tax	100 -	100	-	150	50
Total state taxes (local share)	79,260	79,260	-	84,582	5,322
Licenses and permits:					
Auto licenses	26,600	26,600	-	15,069	(11,531)
Dog licenses	375	375	-	334	(41)
Liquor by the drink licenses	275	275	-	241	(34)
Other	551	551	-	501	(50)
Total licenses and permits	27,801	27,801	-	16,145	(11,656)
Fines and forfeitures:					
City courts	12,157	12,157	-	10,121	(2,036)
Library	130	130	-	125	(5)
Total fines and forfeitures	12,287	12,287	-	10,246	(2,041)
Charges for services:					
Building and other inspection fees	550	550	-	1,068	518
Park commission revenues	8,107	8,354	248	7,201	(1,153)
Parking meter revenues	575	575	-	348	(227)
Ambulance service fees	31,000	30,999	(1)	34,447	3,448
Rents	1,971	2,026	55	1,241	(786)
Tax sale attorney fees	725	725	-	-	(725)
Wrecker and storage fees	2,191	2,191	-	-	(2,191)
Police special events	500	500	-	350	(150)
Other	4,446	4,797	351	3,010	(1,786)
Total charges for services	50,065	50,717	652	47,665	(3,052)
Investment income:					
Interest on investments	9,510	9,510	-	20,424	10,914
Other	75	75	-	52	(23)
Total investment income	9,585	9,585	-	20,475	10,890
Federal grants	6,450	8,286	1,836	8,768	482
Intergovernmental revenues	5,625	5,865	240	5,860	(5)
Other:					
Auctions	2,025	2,025	-	233	(1,792)
Property insurance recoveries	250	250	-	1	(249)
Local shared revenue	555	657	102	697	40
Miscellaneous	4,962	6,437	1,476	10,246	3,809
Total other	7,792	9,369	1,577	11,177	1,808
Contribution from Fund Balance	1,975	12,875	10,900	-	(12,875)
Total Revenues	$ 771,654	$ 786,859	$ 15,205	$ 777,100	$ (9,759)

EXPENDITURES					
General government:					
Legislative	3,410	3,786	376	3,312	474
Judicial	956	956	-	946	10
Court clerk	7,830	9,122	1,292	6,816	2,306
Executive	23,782	24,836	1,054	23,845	991
Finance and Administration	15,863	14,465	(1,398)	10,672	3,793
City Attorney	21,986	23,058	1,072	21,301	1,757
City Engineer	11,694	15,128	3,434	12,895	2,233
Information Technologies	27,744	28,227	483	25,464	2,763
Human Resources	10,105	10,315	210	9,569	746
General Services	27,451	31,275	3,824	30,465	810
Special Appropriations	57,101	65,546	8,445	69,025	(3,479)
Total general government	207,922	226,714	18,792	214,310	12,404
Public safety:					
Police	300,637	311,809	11,172	309,829	1,980
Fire	239,639	234,895	(4,744)	227,704	7,191
Total public safety	540,276	546,704	6,428	537,533	9,171
Community services:					
Library	24,506	25,442	936	24,418	1,024
Parks and Recreation	47,298	49,409	2,111	47,154	2,255
Community Development	6,166	6,360	194	5,243	1,117
Public Service	-	(6)	(6)	-	(6)
Total community services	77,970	81,205	3,235	76,815	4,390
Transportation and environment:					
Public Works	19,658	29,335	9,677	28,497	838
Total transportation and environment	19,658	29,335	9,677	28,497	838
Contribution to Unassigned Fund Balance	10,850	12,048	1,198	-	12,048
Total Expenditures	856,676	896,006	39,330	857,155	38,851
Revenues over (under) expenditures	(85,022)	(109,147)	(24,125)	(80,055)	29,092
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	37	37
Transfers in	91,618	99,068	7,450	116,069	17,001
Transfers out	(6,596)	(9,096)	(2,500)	(9,096)	-
Total other financing sources (uses)	85,022	89,972	4,950	107,010	17,038
Net Change in Fund balances*	-	(19,175)	(19,175)	26,955	46,130
Fund Balance - beginning	194,249	194,249	-	194,249	-
Fund Balance - ending	$ 194,249	$ 175,074	$ (19,175)	$ 221,204	$ 46,130
Reconciliation from Cash Basis to Modified Accrual				(25,268)	
Fund Balance (Modified Accrual)				$ 195,936	

*The net change in fund balances was included in the budget as an appropriation (i.e. spenddown) of fund balance.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
(Thousands of Dollars)
June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit A-9

	Business Type Activities - Enterprise Funds						Governmental Activities
	Major Funds						
	Sewer Collection and Treatment	MLGW Electric Division	MLGW Gas Division	MLGW Water Division	Non-Major Fund	Total	Internal Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	$ -	$ 113,539	$ 107,212	$ 63,570	$ -	$ 284,321	$ -
Investments	24,500	78,174	73,243	43,908	2,898	222,723	-
Equity in cash and investment pool	12,822	-	-	-	61,322	74,144	43,105
Derivative financial instruments	-	-	160	-	-	160	-
Restricted funds	40,292	118,017	13,179	9,799	-	181,287	-
Receivables:							
Notes and accounts	28,767	120,141	44,071	26,259	3,045	222,283	1
Interest on investments	-	-	252	-	-	252	-
Unbilled revenues	-	63,993	19,356	4,374	-	87,723	-
Prepaid gas cost	-	-	2,068	-	-	2,068	-
Unrecovered purchased power/gas cost	-	4,454	244	-	-	4,698	-
Prepaid expenses	-	-	1,380	-	-	1,380	-
Inventories of materials and supplies	-	131,607	19,365	8,795	-	159,767	3,412
Other current assets	-	8,666	4,072	3,011	-	15,749	-
Total current assets	106,381	638,591	284,602	159,716	67,265	1,256,555	46,518
Non-current assets:							
Restricted assets:							
Investments, less current portion	-	46,179	15,489	11,015	-	72,683	-
Total restricted assets	-	46,179	15,489	11,015	-	72,683	-
Capital assets:							
Land	14,079	-	-	-	37	14,116	-
Buildings	105,196	-	-	-	2,573	107,769	-
Utility plant	-	2,456,702	850,821	680,179	-	3,987,702	-
Improvements other than buildings	764,549	-	-	-	103,755	868,304	-
Machinery and equipment	72,499	-	-	-	23,581	96,080	-
Less accumulated depreciation and amortization	(526,072)	(1,044,005)	(453,269)	(259,081)	(48,564)	(2,330,991)	-
Total capital assets	430,251	1,412,697	397,552	421,098	81,382	2,742,980	-
Construction in progress	666,316	-	-	-	98,689	765,005	-
Net capital assets	1,096,567	1,412,697	397,552	421,098	180,071	3,507,985	-
Other non-current assets:							
Right of use assets	-	21,383	8,860	6,574	-	36,817	-
Less accumulated amortization	-	(13,505)	(5,752)	(4,222)	-	(23,479)	-
Prepayments in lieu of taxes	-	1,583	36	-	-	1,619	-
Unamortized debt expense	-	2,379	628	648	-	3,655	-
Other prepayments	-	21,802	15,780	3,627	-	41,209	-
Lease receivable - long term	-	5,978	18,498	1,478	-	25,954	-
Notes receivable	-	-	-	1,313	-	1,313	-
Total other non-current assets	-	39,620	38,050	9,418	-	87,088	-
Total non-current assets	1,096,567	1,498,496	451,091	441,531	180,071	3,667,756	-
Total assets	1,202,948	2,137,087	735,693	601,247	247,336	4,924,311	46,518
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to pensions	5,522	150,335	57,628	42,594	1,881	257,960	-
Deferred outflows related to OPEB	1,818	58,171	22,297	16,482	1,028	99,796	81
Total assets and deferred outflows of resources	$ 1,210,288	$ 2,345,593	$ 815,618	$ 660,323	$ 250,245	$ 5,282,067	$ 46,599

(Continued)

	Business Type Activities - Enterprise Funds						Governmental Activities
	Major Funds						
	Sewer Collection and Treatment	MLGW Electric Division	MLGW Gas Division	MLGW Water Division	Non-Major Fund	Total	Internal Service Funds
LIABILITIES							
Current liabilities:							
Accounts payable and accrued expenses	$ 20,438	$ 159,317	$ 34,942	$ 10,399	$ 883	$ 225,979	$ 742
Bonds and notes payable	-	13,806	4,366	4,197	-	22,369	-
Accrued liabilities	-	46,768	9,631	9,521	-	65,920	-
Payables due from restricted assets	-	21,456	8,099	3,466	-	33,021	-
Bonds payable - principal from restricted assets	-	1,299	413	398	-	2,110	-
Bonds payable - interest from restricted assets	-	1,650	419	351	-	2,420	-
Insurance claims payable	852	-	-	-	436	1,288	9,472
Contract retainage	7,248	-	-	-	309	7,557	-
Current installment of revenue bonds payable	8,680	-	-	-	2,683	11,363	-
State loans payable - current	10,722	-	-	-	-	10,722	-
Vacation, sick and other leave benefits	3,656	11,657	4,389	3,146	1,930	24,778	287
Total current liabilities	51,596	255,953	62,259	31,478	6,241	407,527	10,501
Long-term liabilities:							
Revenue bonds payable	235,357	490,267	111,970	105,750	31,010	974,354	-
State loans payable	165,996	-	-	-	-	165,996	-
Federal loans payable	107,920	-	-	-	118	108,038	-
Net pension liability	18,149	136,679	52,394	38,726	8,153	254,101	-
Net OPEB liability	23,810	77,431	29,682	21,939	13,715	166,577	802
Customer common deposits	-	21,403	4,396	2,100	-	27,899	-
Other	-	12,465	19,870	14,916	-	47,251	-
Total long-term liabilities	551,232	738,245	218,312	183,431	52,996	1,744,216	802
Total liabilities	602,828	994,198	280,571	214,909	59,237	2,151,743	11,303
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to pensions	1,697	521	200	147	1,006	3,571	-
Deferred inflows related to OPEB	4,627	47,646	18,264	13,500	2,303	86,340	84
Unamortized balance of refunded debt	-	127	-	-	-	127	-
Leases	-	6,298	17,847	1,560	-	25,705	-
Revenue collected in advance	-	-	160	-	-	160	-
Total liabilities and deferred inflows of resources	609,152	1,048,790	317,042	230,116	62,546	2,267,646	11,387
NET POSITION							
Net investment in capital assets	482,077	986,400	265,225	295,941	143,857	2,173,500	-
Restricted for debt service	74,910	34,084	15,340	14,498	165	138,997	-
Unrestricted (deficit)	44,149	276,319	218,011	119,768	43,677	701,924	35,212
Total net position (deficit)	$ 601,136	$ 1,296,803	$ 498,576	$ 430,207	$ 187,699	$ 3,014,421	$ 35,212
Adjustment to reflect the consolidation of internal service funds related to enterprise funds						5,142	
Net position of business-type activities						$ 3,019,563	

See accompanying notes to financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit A-10

	Business Type Activities - Enterprise Funds						Governmental Activities
	Major Funds						
	Sewer Collection and Treatment	MLGW * Electric Division	MLGW * Gas Division	MLGW * Water Division	Non-Major Fund	Total	Internal Service Funds
Charges for services	$ 144,805	$ 1,491,978	$ 236,641	$ 134,617	$ 36,870	$ 2,044,911	$ 126,030
Operating revenues	144,805	1,491,978	236,641	134,617	36,870	2,044,911	126,030
Operating expenses other than depreciation and amortization:							
Personnel services	29,120	-	-	-	13,654	42,774	7,962
Materials, supplies, services, and other	72,665	-	-	-	6,988	79,653	28,060
Capital outlay	505	-	-	-	-	505	200
Purchased power and gas for resale	-	1,084,669	99,692	-	-	1,184,361	-
Production	-	-	-	22,559	-	22,559	-
Operation	-	188,411	96,759	63,602	-	348,772	-
Maintenance	-	95,654	10,830	17,509	-	123,993	-
In lieu of taxes	-	6,957	748	-	-	7,705	-
Death benefits	31	-	-	-	32	63	155
PCORI tax	-	-	-	-	-	-	73
Inventories	-	-	-	-	-	-	18,781
Claims incurred	-	-	-	-	-	-	79,963
Total operating expenses other than depreciation and amortization	102,321	1,375,691	208,029	103,670	20,674	1,810,385	135,194
Operating income (loss) before depreciation and amortization	42,484	116,287	28,612	30,947	16,196	234,526	(9,164)
Depreciation and amortization	12,937	78,044	27,283	16,022	2,219	136,505	-
Operating income (loss)	29,547	38,243	1,329	14,925	13,977	98,021	(9,164)
Non-operating revenues:							
Transmission credits	-	40,037	-	-	-	40,037	-
Investment income	1,290	16,008	10,427	7,748	446	35,919	-
State grants	10,426	-	-	-	-	10,426	-
Other	4,170	-	-	-	1,040	5,210	-
Total non-operating revenues	15,886	56,045	10,427	7,748	1,486	91,592	-
Non-operating expenses:							
Bond sale expense	1,011	-	-	-	-	1,011	-
Loss on disposal of assets	1,072	-	-	-	-	1,072	-
Interest on bonded indebtedness	9,661	11,052	3,691	3,345	1,599	29,348	-
Interest on state loan	1,432	-	-	-	-	1,432	-
Other	25	-	-	-	1,282	1,307	-
Total non-operating expenses	13,201	11,052	3,691	3,345	2,881	34,170	-
Income (loss) before capital contributions and transfers	32,232	83,236	8,065	19,328	12,582	155,443	(9,164)
Transfers in	2,324	-	-	-	-	2,324	2,156
Transfers out	(14,972)	(41,924)	(15,632)	(4,700)	(106)	(77,334)	-
Capital contributions	353	-	-	-	-	353	-
Change in net position (deficit)	19,937	41,312	(7,567)	14,628	12,476	80,786	(7,008)
Total net position (deficit) - beginning of year	581,199	1,252,939	505,139	414,899	175,223		42,220
Prior Period Adjustment	-	2,552	1,004	680	-		
Total net position - end of year	$ 601,136	$ 1,296,803	$ 498,576	$ 430,207	$ 187,699		$ 35,212
Adjustment to reflect the consolidation of internal service funds related to enterprise funds						5,142	
Change in net position of business-type activities						$ 85,928	

See accompanying notes to financial statements.

* Restated total net position (deficit) - beginning of year, and additiona disclosures, as well as other reclassifications in the statement of cashflows.

MEMPHIS
SHELBY
COUNTY
TENNESSEE

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit A-11

	Sewer Collection and Treatment	MLGW Electric Division	MLGW Gas Division	MLGW Water Division	Non-Major Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers and users	$ 145,853	$ 1,492,933	$ 230,901	$ 142,001	$ 36,677	$ 2,048,365	$ 362
Receipts from other division funds	-	-	-	-	-	-	32,779
Receipt of miscellaneous income	4,171	-	-	-	1,041	5,212	-
Employee contributions	-	-	-	-	-	-	13,569
Employer contributions	-	-	-	-	-	-	69,699
Pharmacy Rx rebates	-	-	-	-	-	-	9,598
Payments to suppliers	(75,315)	(1,171,857)	(139,000)	(54,565)	(7,497)	(1,448,234)	(29,040)
Payments to/on behalf of employees	(29,435)	(162,475)	(71,649)	(51,862)	(13,983)	(329,404)	(7,985)
Payments from / (to) other divisions or funds	-	(4,648)	(354)	(2,243)	-	(7,245)	-
Payments per Affordable Care Act (Re-insurance fees, PCORI tax)	-	-	-	-	-	-	(73)
Payments for taxes	-	(7,117)	(748)	-	-	(7,865)	-
Payments for inventory	-	-	-	-	-	-	(18,511)
Payments for death benefits	(31)	-	-	-	(32)	(63)	(155)
Payments for claims incurred	-	-	-	-	-	-	(80,304)
Net cash provided by operating activities	45,243	146,836	19,150	33,331	16,206	260,766	(10,061)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:							
Transfers to City	-	(41,924)	(15,632)	(4,700)	-	(62,256)	-
Principal paid on lease liabilities	-	672	265	196	-	1,133	-
Principal paid on subscription liabilities	-	3,449	1,396	1,014	-	5,859	-
Interest paid on lease liabilities	-	(17)	(6)	(4)	-	(27)	-
Interest paid on subscription liabilities	-	(113)	(56)	(43)	-	(212)	-
Transfers from other funds	2,324	-	-	-	-	2,324	2,156
Transfers to other funds	(14,972)	-	-	-	(106)	(15,078)	-
Net cash provided by (used in) non-capital financing activities	(12,648)	(37,933)	(14,033)	(3,537)	(106)	(68,257)	2,156
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Bond issue costs	4,033	-	-	-	-	4,033	-
Acquisition and construction of capital assets	(74,720)	(189,797)	(35,834)	(45,849)	(9,378)	(355,578)	-
Purchase of leases and subscriptions	-	(8,534)	(3,640)	(2,723)	-	(14,897)	-
Contributions in aid of construction	-	26,074	4,223	5,184	-	35,481	-
Proceeds from issuance of debt	-	214,819	-	-	-	214,819	-
Proceeds from federal grants	10,426	-	-	-	-	10,426	-
Principal payments on long-term debt	52,505	(31,175)	(4,555)	(4,425)	(900)	11,450	-
Interest payments on debt	(11,093)	(13,254)	(5,159)	(4,294)	(1,610)	(35,410)	-
Capital contributions received	353	-	-	-	118	471	-
Proceeds from Federal loan	32,531	-	-	-	-	32,531	-
Proceeds from State Revolving Fund (SRF) loans	484	-	-	-	-	484	-
Payments for State Revolving Fund (SRF) loans	(1,507)	-	-	-	-	(1,507)	-
Net cash used in capital and related financing activities	13,012	(1,867)	(44,965)	(52,107)	(11,770)	(97,697)	-
CASH FLOWS FROM INVESTING ACTIVITIES:							
Sales and maturities of investments	80,000	32,877	47,066	32,382	2,790	195,115	-
Purchase of investments	(82,432)	(46,123)	(40,713)	(25,137)	(2,921)	(197,326)	-
Payments received on notes receivable	-	-	-	(69)	-	(69)	-
Income (Loss) earned on investments	193	10,147	10,631	6,194	(805)	26,360	-
Net cash provided by (used in) investing activities	(2,239)	(3,099)	16,984	13,370	(936)	24,080	-
Net increase (decrease) in cash and cash equivalents	43,368	103,937	(22,864)	(8,943)	3,394	118,892	(7,905)
Cash and cash equivalents, beginning of year	9,746	161,667	152,274	88,017	57,928	469,632	51,010
Cash and cash equivalents, end of year	$ 53,114	$ 265,604	$ 129,410	$ 79,074	$ 61,322	$ 588,524	$ 43,105

(Continued)

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit A-11
(Continued)

	Sewer Collection and Treatment	MLGW Electric Division	MLGW Gas Division	MLGW Water Division	Non-Major Fund	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	$ 29,547	$ 38,243	$ 1,329	$ 14,925	$ 13,977	$ 98,021	$ (9,164)
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation and amortization	12,937	75,248	28,870	14,731	2,219	134,005	-
Transmission credits	-	40,037	-	-	-	40,037	-
Other income (loss)	4,170	5,859	(604)	1,554	1,040	12,019	-
(Increase) decrease in assets and deferred outflows:							
Accounts receivable	1,049	1,781	2,244	7,325	(98)	12,301	1
Deferred outflows - Pension	2,476	22,124	8,481	6,268	1,332	40,681	-
Deferred outflows - OPEB	1,224	15,941	6,111	4,516	658	28,450	12
Unbilled revenues	-	(7,986)	(4,577)	(69)	-	(12,632)	-
Prepayments - in lieu of taxes	-	15	-	-	-	15	-
Unrecovered purchased power and gas	-	2,462	(244)	-	-	2,218	-
Inventories	-	(27,926)	(2,345)	(1,001)	-	(31,272)	270
Prepaid expense	2,205	-	-	-	-	2,205	-
Other assets	-	315	499	-	-	814	-
Increase (decrease) in liabilities and deferred inflows:							
Accounts payable	(3,370)	26,358	(572)	(1,509)	(223)	20,684	(1,146)
Other accrued expenses	(273)	-	-	-	-	(273)	-
Customer deposits	-	(223)	(2,070)	332	-	(1,961)	-
Insurance reserves	-	(1,235)	(514)	(206)	-	(1,955)	-
Medical benefit accrual	-	(5,468)	(2,494)	(1,631)	-	(9,593)	-
Deferred inflows - Leases	-	(674)	(724)	(245)	-	(1,643)	-
Deferred inflows - Pension	(1,437)	(40,444)	(15,504)	(11,460)	(773)	(69,618)	-
Deferred inflows - OPEB	(4,590)	23,695	9,083	6,714	(2,469)	32,433	(49)
Net pension liability	(422)	36,547	14,010	10,355	(227)	60,263	-
Net OPEB liability	1,432	(58,580)	(22,456)	(16,598)	770	(95,432)	15
Accrued vacation/sick leave	295	791	243	83	-	1,412	-
Other	-	(44)	384	(753)	-	(413)	-
Total adjustments	15,696	108,593	17,821	18,406	2,229	162,745	(897)
Net cash provided by (used in) operating activities	$ 45,243	$ 146,836	$ 19,150	$ 33,331	$ 16,206	$ 260,766	$ (10,061)
Reconciliation of cash and cash equivalents per statements of cash flows to the balance sheets:							
Restricted funds	$ 40,292	$ 164,196	$ 28,668	$ 20,814	$ -	$ 253,970	$ -
Less investments included in restricted funds	-	(12,131)	(6,470)	(5,310)	-	(23,911)	-
Cash and cash equivalents included in restricted funds	40,292	152,065	22,198	15,504	-	230,059	-
Current assets - cash and cash equivalents	-	113,539	107,212	63,570	-	284,321	-
Current assets - equity in cash and investment pool	12,822	-	-	-	61,322	74,144	43,105
Total cash and cash equivalents	$ 53,114	$ 265,604	$ 129,410	$ 79,074	$ 61,322	$ 588,524	$ 43,105

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
(Thousands of Dollars)
June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit A-12

	Pension and OPEB Trust Funds	Sold Property Tax Receivable Custodial Fund
ASSETS		
Cash and cash equivalents	$ 107,765	$ -
Investments, at fair value:		
U.S. government securities - long-term	200,851	-
Common stock - domestic	1,646,360	-
Common stock - foreign	381,832	-
Corporate bonds - domestic	311,432	-
Corporate bonds - foreign	88,947	-
Mutual funds and money market funds	78,040	-
Equity collective fund - international	54,279	
Equity collective fund - domestic	29,186	
Government bonds - domestic	18,605	-
Global bond - international	50,771	-
Corporate bond mutual funds - domestic	42,948	-
Convertible bond - domestic	12,121	-
Collateralized mortgage obligations	11,164	-
Asset-backed pooled securities	6,565	-
Mortgage-backed pooled securities	43,247	-
Core Fixed Income CIT- Domestic	49,776	-
Core Fixed Income CIT- International	65,426	-
Investments in index funds	114,067	-
Investments in limited partnerships	290,781	-
Investments in real estate	498,968	-
Multi-asset - domestic	20,823	-
Private debt funds - domestic	35,946	-
Private equity - domestic	193,829	-
Private equity - international	32,146	-
Investments in international equity fund	530,681	-
Hedge funds	35,501	-
Distressed debt funds - domestic	59,590	-
Distressed debt funds - international	31,193	-
Life Settlement fund	80,707	-
Investments short sales & written options	(5,005)	-
Total investments	5,010,777	-
Equity in cash and investment pool	26,642	1,877
Interest and dividend receivables	11,646	-
Receivable for securities sold	307,906	-
Property tax receivable - delinquent	-	3,573
Employer and employee contributions receivable	3,984	-
Collateral held in trust for securities on loan	117,739	-
Total assets	5,586,459	5,450
LIABILITIES		
Accounts payable and other liabilities	361,136	5,116
Payable for securities purchased	858	-
Collateral subject to return to borrowers	117,739	-
Total liabilities	479,733	5,116
NET POSITION		
Restricted for OPEB	783,703	-
Restricted for Pensions	4,323,023	-
Total net position	$ 5,106,726	$ 334

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit A-13

	Pension and OPEB Trust Funds	Sold Property Tax Receivable Custodial Fund
ADDITIONS		
Contributions:		
Employer	$ 162,246	$ -
Plan members	45,154	-
Total contributions	207,400	-
Transfer from other fund	9,722	-
Pharmacy rebates	2,229	-
Other revenues	-	614
Total Revenues	219,351	614
Investment income:		
Interest and dividend income	93,092	-
Securities lending income	399	-
Other investment income	(349)	-
Net appreciation in the fair value of investments	378,413	-
Less investment expenses	(21,350)	-
Net investment income	450,205	-
Total additions	669,556	614
DEDUCTIONS		
Benefits	413,700	-
Administrative expenses	34,908	-
Refunds of contributions	13,380	-
Other contributions	-	280
Total deductions	461,988	280
Net (decrease)/increase	207,568	334
Net position - beginning of year	4,899,158	-
Net position - end of year	$ 5,106,726	$ 334

See accompanying notes to financial statements.

	Memphis Area Transit Authority (1)	Memphis - Shelby County Airport Authority	Health, Education and Housing Facility Board (HEHFB)	Renasant Convention Center (2)	Memphis Metropolitan Land Bank Authority (3)	Memphis Zoological Society	Total
ASSETS							
Current unrestricted assets:							
Cash and cash equivalents	$ 3,275	$ 39,149	$ 197	$ 3,821	$ 262	$ 2,103	$ 48,807
Investments	-	6,032	16,653	-	-	3,482	26,167
Receivables:							
Federal and state grants	25,011	-	-	-	-	-	25,011
Accounts receivable	275	10,604	654	1,366	15	577	13,491
Due from other agencies and governments	-	-	-	-	-	915	915
Inventories of materials and supplies	3,854	6,797	-	-	1	467	11,119
Prepaid expenses	574	4,350	10	57	-	928	5,919
Total current unrestricted assets	32,989	66,932	17,514	5,244	278	8,472	131,429
Current restricted assets:							
Cash and cash equivalents	-	173,750	-	204	-	400	174,354
Investments	-	82,519	-	-	330	-	82,849
Capital contributions receivable	-	32,314	-	-	-	-	32,314
Accounts receivable	-	2,453	-	-	-	-	2,453
Accrued interest	-	893	-	-	-	-	893
Total current restricted assets	-	291,929	-	204	330	400	292,863
Total current assets	32,989	358,861	17,514	5,448	608	8,872	424,292
Non-current unrestricted assets:							
Lease receivable	-	226,443	-	-	-	-	226,443
Total non-current restricted assets	-	226,443	-	-	-	125	226,568
Non-current restricted assets:							
Investments	484	102,224	-	-	376	-	103,084
Other assets	12	-	-	-	-	-	12
Net pension asset	10,182	-	-	-	-	-	10,182
Total non-current restricted assets	10,678	102,224	-	-	376	-	113,278
Capital assets:							
Land	2,944	152,420	-	643	-	-	156,007
Buildings	180,534	801,413	-	44,955	-	99	1,027,001
Avigation easements	-	58,913	-	-	-	-	58,913
Improvements other than buildings	-	1,334,494	-	-	-	-	1,334,494
Machinery, buses and equipment	105,573	214,451	80	10,786	-	-	330,890
Subscription-based IT arrangements	-	3,341	-	-	-	-	3,341
Less accumulated depreciation and amortization	(220,843)	(1,479,471)	(70)	(50,466)	-	(70)	(1,750,920)
Total capital assets, net	68,208	1,085,561	10	5,918	-	29	1,159,726
Construction in progress	31,601	75,417	-	266	-	-	107,284
Net capital assets	99,809	1,160,978	10	6,184	-	29	1,267,010
Other assets	-	-	156	-	-	-	156
Total assets	143,476	1,848,506	17,680	11,632	984	9,026	2,031,304
DEFERRED OUTFLOWS OF RESOURCES							
Pension contribution	-	-	-	-	-	-	-
Pension expense	-	-	-	-	-	-	-
Deferred charges on refundings	-	5	-	-	-	-	5
Deferred actuarial losses-pension	3,393	2,352	-	-	-	-	5,745
Deferred actuarial losses-OPEB	178	529	-	-	-	-	707
Total deferred outflows of resources	3,571	2,886	-	-	-	-	6,457
Total assets and deferred outflows of resources	147,047	1,851,392	17,680	11,632	984	9,026	2,037,761

(Continued)

	Memphis Area Transit Authority	Memphis - Shelby County Airport Authority	Health, Education and Housing Facility Board (HEHFB)	Renasant Convention Center	Memphis Metropolitan Land Bank Authority	Memphis Zoological Society	Total
LIABILITIES							
Current:							
Notes and accounts payable	$ 12,264	$ 22,508	$ 123	$ 646	$ 14	$ 447	$ 36,002
Due to other agencies and governments	10,494	-	-	-	-	-	10,494
Due to City of Memphis	20,000	-	-	-	-	-	20,000
Accrued liabilities	227	12,308	-	399	-	1,806	14,740
Unearned revenue	90	-	-	66	-	2,449	2,605
Current installment of revenue bonds payable and future events	-	52,491	-	772	-	1,125	54,388
Total current liabilities	43,075	87,307	123	1,883	14	5,827	138,229
Long-term (net of current maturities):							
Net pension liability	-	20,271	-	-	-	-	20,271
Net OPEB liability	45,478	7,701	-	-	-	-	53,179
Revenue bonds payable	-	391,949	-	-	-	862	392,811
Other long-term obligations	-	4,754	113	-	376	124	5,367
Total long-term liabilities	45,478	424,675	113	-	376	986	471,628
Total liabilities	88,553	511,982	236	1,883	390	6,813	609,857
DEFERRED INFLOWS OF RESOURCES							
Deferred gain on refunding	-	52	-	-	-	-	52
Deferred inflows - pension	-	1,900	-	-	-	-	1,900
Deferred inflows - OPEB	30,201	3,587	-	-	-	-	33,788
Deferred inflow on leases	-	264,774	-	-	-	-	264,774
Total deferred inflows of resources	30,201	270,313	-	-	-	-	300,514
Total liabilities and deferred inflows	118,754	782,295	236	1,883	390	6,813	910,371
NET POSITION							
Net investment in capital assets	99,808	788,968	17,444	6,185	-	28	912,433
Restricted for:							
Capital acquisitions/projects	-	293,941	-	-	100	-	294,041
Self-insurance	485	-	-	-	-	-	485
Other	10,181	-	-	-	-	4,702	14,883
Unrestricted	(82,181)	(13,812)	-	3,564	494	(2,517)	(94,452)
Total net position	28,293	1,069,097	17,444	9,749	594	2,213	1,127,390
Total liabilities, deferred inflows and net position	$ 147,047	$ 1,851,392	$ 17,680	$ 11,632	$ 984	$ 9,026	$ 2,037,761

See accompanying notes to financial statements.

COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS (Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit A-15

		Program Revenues			
	Expenses	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Memphis Area Transit Authority (1)**
Component units:					
Memphis Area Transit Authority	$ 85,318	$ 2,325	$ -	$ 14,122	$ (68,871)
Memphis Metropolitan Land Bank Authority	571	2	89	413	-
Memphis Zoological Society	31,795	26,467	200	1,347	-
Renasant Convention Center	10,129	9,581	-	-	-
Health, Education and Housing Facility Board (HEHFB)	1,186	-	-	-	-
Memphis-Shelby County Airport Authority	174,971	137,529	-	55,972	-
Total component units	$ 303,970	$ 175,904	$ 289	$ 71,854	$ (68,871)

General revenues:	
City of Memphis subsidy	32,170
Investment income (loss)	88
Federal grants and entitlements	17,410
State grants	8,008
Other	(2,603)
Total general revenues and special items	55,073
Change in net position	(13,798)
Net position - beginning	37,874
Prior period adjustment	4,217
Net position - beginning, as restated	42,091
Net position - ending	$ 28,293

See accompanying notes to financial statements.

(1)Memphis Area Transit Authority Data reported as of June 30, 2025
(2)Renasant Convention Center Data reported as of June 30, 2025
(3)Memphis Metropolitan Land Bank Authority Data reported as of June 30, 2024
(4)Memphis-Shelby County Airport Authority Data reported as of June 30, 2025

	Net (Expense) Revenue and Changes in Net Position					
Memphis-Shelby County Airport Authority	Health, Education and Housing Facility Board (HEHFB)	Renasant Convention Center	Memphis Metropolitan Land Bank Authority (1)	Memphis Zoological Society	Total
$ -	$ -	$ -	$ -	$ -	$ (68,871)
-	-	-	(67)	-	(67)
-	-	-	-	(3,781)	(3,781)
-	-	(548)	-	-	(548)
-	(1,186)	-	-	-	(1,186)
18,530	-	-	-	-	18,530
$ 18,530	$ (1,186)	$ (548)	$ (67)	$ (3,781)	$ (55,923)
-	2,694	1,351	-	-	36,215
29,774	-	2	-	212	30,076
-	-	361	-	-	17,771
-	-	-	-	-	8,008
23,076	1,344	-	-	146	21,963
52,850	4,038	1,714	-	358	114,033
71,380	2,852	1,166	(67)	(3,423)	58,110
997,717	14,592	8,583	661	5,636	1,065,063
-	-	-	-	-	4,217
997,717	14,592	8,583	661	5,636	1,069,280
$ 1,069,097	$ 17,444	$ 9,749	$ 594	$ 2,213	$ 1,127,390

CITY OF MEMPHIS

T E N N E S S E E

NOTES TO FINANCIAL STATEMENTS

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of Memphis, Tennessee (the City), incorporated in 1826, operates under an elected Mayor-Council form of government and is organized into the following divisions: City Attorney, City Engineer, Executive, Fire Services, Finance and Administration, General Services, Housing and Community Development, Human Resources, Information Technology, Library, Office of Planning and Development, Park Services, Police Services, Public Works, Solid Waste, and Memphis Light, Gas and Water (MLGW). The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the combining statement of major component units within the basic financial statements (see note below for description) to emphasize that it is legally separate from the City.

This report is inclusive of the Division of Memphis Light, Gas, and Water (MLGW). MLGW was created by an amendment to the City Charter by Chapter 381 of the Private Acts of the General Assembly of Tennessee, adopted March 9, 1939, as amended (the "Private Act"). MLGW controls the administration of its activities and business affairs. It operates independently, manages its own finances, and responsible for obligations incurred in such operations. MLGW must have the City Council's approval for its annual budget and before incurring certain obligations. MLGW is managed by a Board of Commissioners. The daily operations of MLGW are managed by the President, who is nominated for a five-year term by the Mayor and approved by the City Council. Under the Private Act, the President generally supervises MLGW's operations and its officers and employees. As such, MLGW is audited and reported independently of the annual audit of the City. MLGW also operates on a calendar year basis, and such disclosure is made throughout this report to distinguish the timing and reporting components of the financial information provided. The City's Independent Auditors rely on the information provided under the audit opinion concluded by MLGW's Independent Auditors, and financial information for MLGW is presented throughout this report without change or modification.

Fiscal Year-End

The City of Memphis maintains a fiscal year of July 1 – June 30. Memphis Light, Gas and Water (MLGW), a division of the primary government, has a fiscal year-end of December 31. Thus, the amounts and disclosures for the MLGW Enterprise Funds, the MLGW Other Post Employment Benefits Trust Fund and the MLGW Retirement System Fund are as of December 31, 2024. The disclosures for other divisions, component units, and joint ventures are as of their June 30 fiscal year-end.

Discretely Presented Component Units

The Component Units column in the government-wide financial statements includes the financial data of the City's component units. Component units are reported in separate columns in a combined statement in the basic statements after the fund financial statements to emphasize that they are legally separate from the City.

The audits of the component units are performed and reported independently of the annual audit of the City. The City's Independent Auditors rely on the information provided under the audit opinion concluded by each component unit's Independent Auditors; therefore, the financial information for the component units is presented throughout this report without change or modification.

Renasant Convention Center – The Renasant Convention Center (the "Center"), formerly named the Memphis Cook Convention Center, was formed in 1917 under the Tennessee Private Act (TPA) of 1917, Chapter 420, as subsequently amended. In accordance with the TPA, deficit results from operations, maintenance, repairs and insurance that are not funded from the operations of the Center were paid equally by the City and Shelby County (the County) through June 30, 2011. Prior to August 25, 2011, the Center was jointly owned by the City and the County. On August 25, 2011, the City became the sole owner of the Center and the deficit is now solely funded by the City. Memphis Management Group, LLC, a wholly owned subsidiary of Memphis Convention and Visitors Bureau, manages the facility.

While the Center self-reports as an Enterprise Fund, for City reporting purposes the Center is considered a discretely presented component unit. In fiscal year 2016, the City opted to disclose the Center as a blended component unit under the guidelines of Governmental Accounting Standards Board Statement No. 61 (GASB 61); however, upon further analysis, the City has determined that the Center meets the requirements of a discretely presented component unit under GASB 14. The Center's fiscal year-end is June 30. Complete financial statements for the Center may be obtained at Renasant Convention Center, 255 North Main Street, Memphis, TN 38103 – Phone: 901-576-1200.

This entity was deemed a component unit of the City of Memphis under the guidelines of GASB 14.

Memphis Area Transit Authority (MATA) – MATA was created by City ordinance on May 13, 1975, replacing the Memphis Transit Authority, created by the 1943 Tennessee Private Acts ch. 26, and amended by the 1961 Private Acts ch. 319. The MATA Board consists of seven members nominated by the City Mayor and approved by the City Council for terms of three years. All MATA staff and employees are employed by Mid-South Transportation Management, Inc (MTM) providing MATA the authority to supervise the operations of the City's transit system. The system is managed by a private management firm hired by MATA. MATA is funded by a combination of user fees, federal and state grants, and a subsidy from the City. MATA's annual budget, rates and fares are approved by the City Council. MATA must also obtain the approval of the City Council before incurring certain obligations. MATA's fiscal year-end is June 30. Complete financial statements for this component unit may be obtained at the entity's administrative office: MATA, 1370 Levee Road, Memphis, TN 38108 – Phone: 901-722-7159.

This entity was deemed a component unit of the City of Memphis under the guidelines of GASB 14.

Memphis Shelby County Airport Authority (MSCAA) – MSCAA was established by City resolution on September 30, 1969. MSCAA is reported separately to emphasize that it is legally separate from the primary government and is governed by a separate board. The Mayor of the City, with the Mayor of Shelby County nominating two, appoints all members of the seven-member Board of Commissioners (the "Board") to govern MSCAA. The Memphis City Council confirms these appointments for a seven-year term. A member of the Board may be removed from office by a two-thirds vote of the Memphis City Council, but only after notice of cause for the removal has been served and the member has been granted an opportunity for a public hearing on the matter. The Board appoints the President, who serves as the chief executive officer. The President appoints, and the Board confirms, the remaining officers. These officers manage and operate the Authority's airports. MSCAA has the power to issue bonds to accomplish any of the purposes authorized by the Metropolitan Airport Authority Act of Tennessee. MSCAA's fiscal year is June 30. Complete financial statements for this component unit may be obtained at the entity's administrative office: MSCAA, 2491 Winchester Road, Suite 113, Memphis, TN 38116 – Phone: 901-922-8000.

This entity was deemed a component unit of the City of Memphis under the guidelines of GASB 14.

Memphis Zoological Society (MZS) – MZS was created as a nonprofit in April 1951 by Charter to manage and support the Memphis Zoo and Aquarium in its efforts to preserve wildlife through education, conservation, and research. All land, buildings, exhibits, and other physical assets used by MZS are the property of the City of Memphis. MZS operates on a 52-53 week fiscal year ending on the last Sunday in the month of June. The year ended June 30, 2025, contained 52 weeks. Complete financial statements for MZS may be obtained at the entity's administrative office: MZS, 2000 Prentiss Place, Memphis, TN 38112 – Phone: 901-333-6500.

This entity was deemed a component unit of the City of Memphis under the guidelines of GASB 14.

Memphis Metropolitan Land Bank Authority (MMLBA) – MMLBA is a quasi-governmental nonprofit agency established in 2015 by the Memphis City Council as a local land bank, within the meaning of the Tennessee Local Land Bank Program, Tennessee Code Annotated § 13-30-101. MMLBA is a nonprofit 501(c)(3) organization. The general nature of the business to be transacted by the corporation and the general purpose for which it is organized is to conduct business as a land bank as prescribed by the Tennessee Local Land Bank Program. The organization is declared to be performing a public function on behalf of the City of Memphis and to be a public instrumentality of the City by providing a tool to support economic revitalization through returning blighted properties, vacant properties, abandoned properties, and tax-delinquent properties to productive use.

The MMLBA is managed by a Board of Directors which may consist of nine (9) voting members, who shall be qualified residents and voters of the City of Memphis, all of whom shall be appointed by the Mayor of the City of Memphis and approved by the Memphis City Council. The Board shall also include one (1) non-voting member who shall be the Mayor of the City of Memphis, or a City official acting as the Mayor's designee, and one (1) non-voting member who shall be a member of the City Council. The organization is established with a fiscal year ending June 30. Complete financial statements for the MMLBA may be obtained at the entity's administrative office: MMLBA, 499 South Hollywood Street, Memphis, TN 38111 – Phone: 901-301-0170.

This entity was deemed a component unit of the City of Memphis under the guidelines of GASB 14.

Health, Educational and Housing Facility Board of the City of Memphis, Tennessee (HEHFB) – HEHFB is a quasi-governmental not-for-profit agency created pursuant to Tennessee Code Annotated § 48-101-301 *et seq*., as amended (the "Act"). The purpose of the HEHFB is to foster and perpetuate the development of quality and sustainable affordable multi-family housing, and enrich the quality of life and daily environment, for low- to moderate-income families and individuals residing in the City.

The HEHFB is governed by a Board of Directors, all of whom are duly qualified electors of and taxpayers in the City. The Board of Directors is currently comprised of seven directors (7) directors, all of whom were appointed by the Mayor of the City and confirmed by the City Council. HEHFB's fiscal year-end is December 31. Complete financial statements for the HEHFB may be obtained at the entity's administrative office: HEHFB, 65 Union Avenue, Suite 1120, Memphis, TN 38103 – Phone: 901-527-6400.

This entity was deemed a component unit of the City of Memphis under the guidelines of GASB 14.

Related Organization

The City Mayor has the right to appoint members of the Memphis Housing Authority (MHA) Board, but the City is not able to impose its will as such members can only be removed with cause. Furthermore, the potential for MHA to provide financial benefit to or impose a financial burden on the City does not exist.

Joint Ventures

Joint ventures represent organizations owned, operated, or governed by two or more participants where no single participant has the ability to unilaterally control the joint venture. The City is a participant in several joint ventures in which it retains an ongoing financial interest or an ongoing financial responsibility. The City participates in the following joint ventures (see Note V. D.):

- Memphis and Shelby County Port Commission-subsidiary of Economic Development Growth Engine Industrial Development Board (EDGE)
- New Memphis Arena Public Building Authority of Memphis and Shelby County, Tennessee
- Sports Authority of Memphis and Shelby County Incorporated

Jointly Governed Organizations

The City, in conjunction with Shelby County, Tennessee (the County), created the following organizations that are not considered joint ventures as the City and the County do not retain an ongoing financial interest or responsibility.

Downtown Memphis Commission (the Commission) – The Commission is an organization responsible for promotion and redevelopment of the Memphis Center City area. Board members (ten) are appointed by the City and the County Mayors, with approval by the City Council and the County Commission, for three-year terms. The City collects special assessment taxes for the promotion and maintenance of the Memphis downtown area that

are remitted annually to the Commission for such activities. Prior to July 1, 2011 the Commission's official name was the Center City Commission.

Memphis and Shelby County Parking Authority (the Parking Authority) – The Parking Authority is a nonprofit corporation established jointly by the City and the County in fiscal year 1998 under the laws of the State of Tennessee. The Parking Authority provides uniform parking policies, coordinated management including the relation of parking to public and private transportation patterns, and strategic planning for existing and future parking facilities. The City and County Mayors appoint the Board members (seven) for terms that range from two to six years.

Memphis and Shelby County Community Redevelopment Agency (CRA) – Memphis and Shelby County Community Redevelopment Agency (CRA) is a joint operation of the City and County and is managed by a seven-member board. Three members are appointed by the City Mayor with approval by the City Council and three members are appointed by the County Mayor with the approval of the County Commission. One member is jointly approved by the City and County. The CRA's purpose is to ameliorate the slum and blight conditions within the City of Memphis and unincorporated areas of Shelby County.

Memphis Center City Revenue Finance Corporation (CCRFC) – CCRFC is a nonprofit corporation established jointly by the City and the County under the laws of the State of Tennessee. The Finance Corporation provides various forms of financial assistance for development projects. The City and the County Mayors appoint the Board members (nine), with approval by the City Council and the County Commission, for six-year terms.

Economic Development Growth Engine Industrial Development Board (EDGE) – In January 2011, Shelby County Commissioners and the Memphis City Council approved a resolution establishing the authorization and formation of the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, TN (EDGE). The resolution approved and directed the Industrial Development Board (IDB), the Depot Redevelopment Corporation of Memphis and Shelby County and the Memphis and Shelby County Port Commission to take all actions appropriate to effectuate coordination and consolidate operations where possible within EDGE. EDGE operates as a nonprofit corporation for the purpose of acting as the leading and coordinating entity of Memphis and Shelby County, Tennessee, for all economic, developmental, and growth initiatives among other development organizations. The eleven-member EDGE board is comprised of five members nominated by each the City and Shelby County Mayors, one jointly appointed member that serves as board chair and one non-voting member from both the Memphis City Council and the Shelby County Commission.

Industrial Development Board (IDB) – The IDB operates as a nonprofit corporation for the purpose of promoting industrial development in the City and the County. The nine Board members are appointed by the City and the County Mayors, with approval by the City Council and the County Commission, for six-year terms. A resolution approving and directing the IDB to consolidate within the Economic Development Growth Engine Industrial Development Board (EDGE) was passed in January 2011 by the Memphis City Council and Shelby County Commission.

Depot Redevelopment Corporation of Memphis and Shelby County (the Corporation) – The Depot Redevelopment Corporation is a nonprofit corporation established jointly by the City and County under the laws of the State of Tennessee. The primary purpose of the Corporation is to secure from the United States the land, building, and equipment of the Memphis Defense Depot (closed as a military base in 1997); enter into agreements to acquire, construct, improve, lease, operate, and dispose of property; and to promote the redevelopment of the Memphis Depot for the citizens of the City and County. Board members (nine) are appointed by the City and County Mayors, with approval by the City Council and County Commission, for six-year terms. A resolution approving and directing the Depot Redevelopment Corporation to consolidate within EDGE was passed in January 2011 by the Memphis City Council and Shelby County Commission.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary and custodial funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. In accordance with the Governmental Accounting, Auditing and Financial Reporting Standards, the City's Exhibit A-7 (Statement of Revenues, Expenditures, and Changes in Fund Balance) is presented as cash basis for Fiscal Year 2025.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and thus have been recognized as revenues of the current fiscal period. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except for investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received.

The City reports the following major governmental funds:

General Fund – The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund accounts for the resources accumulated, and paymd ents made, for principal and interest on long-term general obligation debt of governmental funds.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those reported by proprietary funds and trust funds.

Community Development – This fund is used to account for the Community Development Block Grant and other related grants. Funds are restricted to uses approved under Federal guidelines.

Arenas Funding Account – The Arenas Fund accounts for the $350 million grant received from the State of Tennessee in Fiscal Year 2024 to fund major renovation projects at Simmons Bank Liberty Stadium, FedEx Forum and AutoZone Park, as well as a proposed soccer stadium on the site of the former Mid-South Coliseum.

The City reports the following major proprietary funds:

Sewer Collection and Treatment Enterprise Fund – The Sewer Collection and Treatment Fund accounts for the operations of the regional sewer collection and treatment facilities operated by the City.

Memphis Light, Gas and Water Division (MLGW) Enterprise Funds – The MLGW Funds account for the provision of electricity, gas and water to customers in Shelby County, Tennessee, which includes the City.

Additionally, the City reports the following fund types:

Internal Service Funds – The City's Internal Service Funds account for the financing of goods or services provided by one department to other departments or agencies of the City on a cost reimbursement basis. The City reports the following Internal Service Funds:

Fleet Management Internal Service Fund
Health Insurance Internal Service Fund
Unemployment Compensation Internal Service Fund

Fiduciary Funds – The City's Fiduciary Funds account for the activities of the pension and other postemployment benefit plans, which accumulate resources for payments to qualified participants and investments held for external organizations. Fiduciary funds include the City's Custodial Fund, which accounts for the assets and the related liability held by the City for purchasers of the City's delinquent property tax receivables. The City reports the following fiduciary funds:

City Other Post-Employment Benefits Trust Fund

City Retirement System Fund

Library Retirement System Fund

Memphis Light, Gas and Water Other Post-Employment Benefits Trust Fund

Memphis Light, Gas and Water Retirement System Fund

Sold Property Tax Receivable Custodial Fund

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Sewer Collection and Treatment Fund, the MLGW Fund, and the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Prior Period Adoption

GASB Statement 99, *Omnibus* 2022, was issued in April 2022. The requirements of this Statement are effective as follows: The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City has tracked – and will continue to track – this statement in an effort to understand how our particular situation relates to the topics noted in the statement. We will endeavor to be in full compliance, where applicable.

In June 2022 **GASB Statement No. 100, *Accounting Changes and Error Corrections***—an amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate number of adjustments to, and restatements of, beginning net position; fund balance; or fund net position, as applicable, be displayed by reporting unit in the financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City continues to track this statement to determine how it impacts our current procedures, accounting transactions, reporting and the Annual Comprehensive Financial Report.

GASB Statement 101, *Compensated Absences*, was issued June 2022, with the objective to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. The effective date is for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City continues to analyze the impact Statement 101 has on our procedures, accounting transactions, reporting, and Annual Comprehensive Financial Report compilation and is compliant as required.

New Accounting Standards Adopted

GASB Statement 102, *Certain Risk Disclosures*, was issued December 2023, with the objective to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial

statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

The effective date for Statement 102 is for fiscal years beginning after June 15, 2024, and all reporting periods thereafter, with earlier application encouraged. The City has analyzed this Statement and has included discussions regarding risk factors, and any vulnerability to risk, in the MD&A and Notes to the Financial Statements as warranted.

GASB Statement 103, *Financial Reporting Model Improvements*, was issued April 2024, with the objective to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, with earlier application encouraged. The City has analyzed this Statement to understand its impact on our reporting and Annual Comprehensive Financial Report compilation. Certain aspects of GASB 103 have been incorporated in this report, with fuller implementation of all requirements in the Fiscal Year 2026 Annual Comprehensive Financial Report.

Prior Period Restatements

In 2024, MLGW implemented GASB Statement No. 101, Compensated Absences. GASB 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Statement also requires that leave that is more likely than not to be settled through conversion to defined benefits plan be excluded from the liability for compensated absences because such leave already is taken into account in a pension liability. Accordingly, the accompanying financial statements, as of and for year ended December 31, 2023, have been restated for the change, which did have a material impact on the net position. As a result of the implementation of this provision, MLGW increased Electric, Gas, and Water Divisions net position for 2023 by $2,552, $1,004, $679, respectively.

As a result of adopting GASB 101, as of December 31, 2023, MLGW's Electric Division increased current liability for accrued vacation by $93 and decreased non-current liability reserve for unused sick leave by $2,645. The Electric Division also reduced operation expenses by $2,552.

As a result of adopting GASB 101, as of December 31, 2023, MLGW's Gas Division increased current liability for accrued vacation by $35 and decreased non-current liability reserve for unused sick leave by $1,039. The Gas Division also reduced operation expenses by $1,004.

As a result of adopting GASB 101, as of December 31, 2023, MLGW's Water Division increased current liability for accrued vacation by $23 and decreased non-current liability reserve for unused sick leave by $702. The Water Division also reduced operation expenses by $679.

Additional disclosures also resulted from the adoption of GASB 101.

Future Accounting Pronouncements

GASB Statement 104, *Disclosure of Certain Capital Assets*, was issued September 2024, with the objective to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The effective date for Statement 104 is for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, with earlier application encouraged. The City has analyzed this Statement and has begun to implement changes as warranted.

GASB Statement 105, *Subsequent Events*, was issued December 2025, with the objective to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users.

This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events

timeframe throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed.

This Statement clarifies the subsequent events that constitute recognized and non-recognized events and establishes specific note disclosure requirements for non-recognized events.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter, with earlier application encouraged. We anticipate being compliant as required.

D. Assets, liabilities, and fund net position

Cash and Cash Equivalents and Investments

The City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Investments are stated at their related fair value *(see Note IV.A*). Investments of the government as well as its component units are generally stated at fair value. Fair value is based on quoted market prices, if available, or estimated using quoted market prices for similar securities. The City uses amortized cost on all investments that mature within a year or less of the date of purchase.

Property Taxes Receivable

Property taxes are recorded as receivables when levied, net of estimated uncollectible accounts. The receivables collected during the current fiscal year and those collected by August 31, 2024, related to tax levies for fiscal year 2024 and prior, are recorded as revenue. Amounts received related to the property tax levy of the next fiscal year and the net receivables estimated to be collectible after August 31, 2025, are recorded as deferred inflows at June 30, 2025.

Interfund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at June 30 are referred to as “due to/from other funds.” Interfund loan agreements in the form of bond anticipation notes or grant anticipation notes are executed in accordance with the provisions of Title 9, Chapter 21 of the Tennessee Code Annotated for interfund balances that are not related to timing differences.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Direct expenses (charges based on actual use) are not eliminated, whereas indirect expense allocations made in the funds are reversed in the Statement of Activities.

Transactions that constitute reimbursements of a fund for expenditures or expenses initially made from it that are properly applicable to another fund, such as insurance claims, are recorded as expenditures or expenses (as appropriate) in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

All interfund transactions except those that represent interfund services provided and used are accounted for as transfers in or transfers out. Non-recurring or non-routine transfers of equity between funds are considered equity transfers.

Under the Charter of the City of Memphis, the City is entitled to dividends from MLGW based upon equity. These dividends are recorded as a transfer.

Inventories and Prepaid Expenditures

Inventories in the Proprietary Funds are stated at cost determined principally by the first-in/first-out (FIFO) method. General Fund inventories are recorded as expenditures when purchased, and there were no significant inventories on hand at June 30, 2024. All other inventories are recorded as expenditures when consumed rather than when purchased (Consumption Method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than $5,000 (amount not in thousands) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at acquisition value at the date received. The capital assets reported include infrastructure that was acquired in fiscal years ending after June 30, 1980.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The total interest expense incurred by the Sewer Collection and Treatment Fund during the current fiscal year was $10,618. Of this amount, none was included as part of the cost of capital assets constructed with bond proceeds.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Buildings	25-50	years
Improvements	10-60	years
Infrastructure	50	years
Machinery and Equipment	3-15	years

Fund Balance – Purpose and Function

Fund Balance is the total accumulation of operating surpluses and deficits since the beginning of a local government's existence. Fund Balance = (Assets + Deferred Outflows) – (Liabilities + Deferred Inflows).

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in Fiscal Year 2011. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is "bound to observe constraints" imposed upon the use of the resources reported in governmental funds.

Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned – intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned – the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Encumbrances – contractual obligations that have occurred but have not been paid under the current year's budget allowance.

Compensated Absences

City employees are granted vacation, sick and other leave benefits in varying amounts in accordance with administrative policy and union agreements. Vacation days earned are required to be utilized annually but may be carried forward upon written request. In the event of termination, an employee is reimbursed for accumulated vacation days. Employees are required to take their vacation days in their last year of employment prior to retirement. Employees are generally reimbursed for accumulated unused sick leave, not to exceed 75 days, only upon retirement, and only for those employees with service of 25 years or more with the City. Certain exceptions to this policy occur in accordance with the terms of various union contracts.

The liability for vacation, sick and other leave benefits related to and intended to be paid from Governmental Funds is accrued for and reported only if such benefits (e.g., unused reimbursable leave still outstanding following an employee's resignation or retirement) have matured. The liability for vacation, sick and other leave benefits related to and intended to be paid from Proprietary Funds is included in the fund financial statements.

Additionally, the long-term portion of the liability for these benefits to be paid by Governmental and Proprietary Funds is reported in the government-wide financial statements.

Deferred Compensation Plan

The City and MLGW offer their employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plans permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

The City and MLGW's amended plans meet the requirements of Internal Revenue Code Section 457. The amended plans provide that assets or income of the plans shall be used for the exclusive purpose of providing benefits for participants and their beneficiaries or defraying reasonable expenses of the administration of the plans. Since the assets of the amended plans are held in custodial and annuity accounts for the exclusive benefit of plan participants, the related assets of the plans are not reflected on the Statement of Net Position.

Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, general obligation bonds, revenue bonds and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Use of Estimates

Estimates used in the preparation of financial statements require management to make assumptions that affect the recorded amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Fund Balance / Fund Net Position

Fund balance is generally the difference between Assets plus deferred outflows and Liabilities plus deferred inflows. This term is used on governmental fund statements (see Note IV.I.). Government-wide and proprietary fund statements report fund balance as “net position.”

Government-wide and proprietary funds’ net positions are classified into three components. “Net investments in capital assets” consists of capital assets net of accumulated depreciation plus capital-related deferred outflows of resources and reduced by capital-related borrowings and deferred inflows of resources. The “Restricted” category of net position consists of assets that must be used for a particular purpose as specified by creditors, grantors, or contributors external to the City. The “Unrestricted” net position consists of the remaining net position that does not meet the definition of the other two categories.

In Fiscal Year 2011 the City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The statement provides that fund balance be reported and classified in the following manner based on the relative strength of the constraints that control how specific amounts can be spent:

Non-spendable Fund balance includes amounts that cannot be spent because they are either: (a) not in spendable form (e.g., inventories, pre-paid); or (b) legally or contractually required to remain intact (e.g., endowments).

Restricted Fund balance includes amounts constrained for a specific purpose by external parties, constitutional provision, or enabling legislation (e.g., State and Federal Grant Funds). Effectively, restrictions may only be changed or lifted with the consent of the resource provider.

Committed Fund balance includes amounts formally constrained for a specific purpose by a government using its highest level of decision-making authority. The commitment of these funds can only be changed by the government taking the same formal action that imposed the constraint originally. As such, the City Council, the highest level of decision-making authority for the City of Memphis, can adopt an ordinance prior to the end of the fiscal year to commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until an adoption of another ordinance to remove or revise the limitation is passed.

Assigned Fund balance includes amounts a government intends to use for a particular purpose. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The City's Financial Director (Chief Financial Officer) was delegated the authority by a City Council resolution to assign fund balance. Refer to Note IV.I. Fund Balance By Purpose for details of Governmental Fund balances.

Unassigned Fund balance represents general fund amounts not classified elsewhere.

City Council, the City's highest level of decision-making authority, passed a resolution establishing fund balance policies as required by GASB 54. The policies stipulate that: (1) when it is appropriate for fund balance to be assigned, the authority to do so has been delegated to the Chief Financial Officer; (2) in circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance; and (3) the City shall strive to maintain a yearly fund balance in the general operating fund in which the unassigned fund balance is ten (10) percent of the total operating expenditures.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position

The governmental funds balance sheet includes a reconciliation between fund balance as reflected on the total governmental funds balance sheet and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of the $2,017,518 difference are as follows:

General obligation bonds payable	$ 1,426,492
Premium on general obligation bonds	70,415
Commercial Paper	100,000
Lease agreements	51,485
Settlement Obligation	6,667
Economic Development Bonds	59,120
Premium on Economic Development Bonds	2,260
TDZ Revenue Bonds	80,665
Premium on TDZ Revenue Bonds	2,216
Revenue Bonds	88,090
Discount on Revenue Bonds	(13)
Legal claims and judgments	4,615
Accrued interest	13,232
Vacation, sick and other leave benefits	107,671
On-the-Job Injury	4,603
Net adjustment to reduce fund balance-total governmental funds to arrive at net position-governmental activities	$ 2,017,518

B. Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances as reflected on the total governmental funds balance sheet and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense."

The details of the $223,101 difference are as follows:

Capital outlay	$	291,946
Depreciation Expense		(68,845)
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at change in net position of governmental activities	$	223,101

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bond, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of the ($54,196) difference are as follows:

General obligation bonds payable	$	(32,697)
Premium on general obligation bonds		(9,031)
Commercial Paper		50,000
Lease agreements		(36,093)
Settlement Obligation		1,333
Economic Development Bonds		(35,865)
Premium on Economic Development Bonds		383
TDZ Revenue Bonds		11,285
Premium on TDZ Revenue Bonds		1,927
Revenue Bonds		(5,451)
Discount on Revenue Bonds		13
Net adjustment to decrease net changes in fund balance-total governmental funds to arrive at change in net position of governmental activities	$	(54,196)

Another element of the reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of the $(11) difference are as follows:

Liability changes:		
Claims and judgments liability	$	(2,373)
Accrued interest expense		(1,316)
Personnel cost (On-the-Job Injury; Vacation/Sick/Other)		(779)
		(4,468)
Net pension liability adjustment		(27,118)
Net OPEB liability adjustment		31,575
		4,457
Net adjustment to increase net changes in fund balance-total governmental funds to arrive at change in net position of governmental activities	$	(11)

Net Investment in Capital Assets

	Governmental Activities	Business-Type Activities
Total capital assets (both tangible and intangible)	$ 3,709,032	$ 5,875,793
Less: Accumulated depreciation/amortization	(1,232,491)	(2,354,470)
Net carrying value of capital assets	2,476,541	3,521,323
Less:		
Outstanding principal of capital-related borrowings related to the government's own capital assets (limited to proceeds expended for capital purposes and excluding unspent proceeds) ("outstanding capital debt")	1,812,506	938,660
Outstanding principal of debt and other borrowing used to refund capital-related borrowings	-	284,757
Outstanding principal balance of any other (non-debt) capital related liabilities as of fiscal year end, including capital accounts payable and retainage payable	112,454	9,633
Unamortized original issue premiums on outstanding capital debt	74,891	99,068
Capital-related deferred inflows of resources (such as a gain on refunding of outstanding capital debt)	-	15,705
	1,999,851	1,347,823
Equals: Net investment in capital assets	$ 476,690	$ 2,173,500

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

The City Council annually approves the budget ordinance for the General Fund, Enterprise Funds, Internal Service Funds, Debt Service Fund, and Special Revenue Funds (except the Community Development Fund and the Central Business Improvement District Fund) of the City.

During the fiscal year, budgetary control is maintained at a program level. The City Mayor has the authority to approve transfers between line items within the total amounts of each program category (Personnel Services, Materials and Supplies, Capital Outlay, Grants and Subsidies, Inventory and Expense Reimbursements). The City Mayor also has the authority to approve transfers between program categories within the total amounts of each program. During the fiscal year, any transfer of appropriations between programs can be made only upon the authorization by ordinance or resolution of the City Council.

The Community Development Fund does not have a legally adopted budget. Expenditures in this Special Revenue Fund are limited to the amount of grants received and the allowable expenditures in accordance with the grant agreement.

Encumbrance accounting is utilized in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are typically designated by the Finance Director (CFO) with the approval of the Mayor as an assignment of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. The basis of accounting applied to budgetary data presented is not consistent with generally accepted accounting principles for governmental funds, as actual expenditures are increased by current year encumbrances to be consistent with the basis of budgeting used.

B. Excess of expenditures over appropriations

In demonstrating compliance with the City's legally prescribed budgetary requirements, expenditures at June 30, 2025, did not exceed appropriations at the program level. The comparison of actual expenditures to the budget for the General Fund reflects no unfavorable variances from the budget at the program level.

C. Deficit net position

No funds had a deficit net position at the end of fiscal year 2025.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Statutes authorize the City to invest in bonds, notes or treasury bills of the United States or its agencies, certificates of deposit, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, the local government investment pool, prime banker's acceptances, and prime commercial paper. Statutes require that (1) deposits have as collateral securities whose market value is equal to 105% of the value of the deposits, less so much of such amount as is insured by federal deposit insurance and (2) securities underlying repurchase agreements must have a market value at least 102% of the amount of funds invested in the repurchase agreements. Tennessee Code Annotated Sections 9-4-502 and 9-4-504 state that collateralization coverage for cash deposits may be computed based on the average daily balances of the preceding month.

Cash and Investment Pool

The City uses a central cash and investment pool ("C&I Pool") for all funds other than the Pension Trust Funds, MLGW Funds, and certain investments of the Capital Projects Fund and Sewer Collection and Treatment Fund. The equity of the other funds within the reporting entity that participates in the C&I Pool is recorded as an asset on the books in those funds. The City's component units do not participate in the C&I Pool. The individual fund pool balances in the C&I Pool are based upon actual cash receipts and disbursements with investment income, including any unrealized gains from changes in the fair value of investments, allocated monthly to each fund on a pro-rata basis.

The fair value of the C&I Pool is the same as the value of the Pool shares. The City's investment policy with respect to the Pool is to maximize investment earnings while maintaining an acceptable level of risk. Since investments in the Pool must provide for the future cash needs of the City, flexibility and liquidity of investments are generally maintained at all times. The City does not provide guarantees to the Pool participants to support the values of their equity positions.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to fair value losses arising from increasing interest rates by limiting the duration of the portfolio, excluding bond proceeds, to less than one (1) year. Furthermore, no investment can have a maturity of greater than two (2) years from the date of purchase unless such maturity is approved by the State Director of Local Finance.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. It is the City's policy to limit its investments to prime commercial paper, which shall be rated at least A1 or equivalent by at least two (2) nationally recognized rating services. Proceeds of bonds, notes and other obligations issued by the City, reserves held in connection therewith and the investment income there from, may be invested in obligations that: (a) are rated in either of the two highest rated categories by a nationally recognized rating agency; (b) are direct general obligations of a state of the United States, or a political subdivision or instrumentally thereof, having general taxing powers; and (c) have a final maturity on the date of investment not to exceed twenty-four (24) months or which may be tendered by the holder to the issuer thereof, or an agent of the issuer, at not less than twenty-four (24) month intervals unless approved by the State Director of Local Finance.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the government's investment in a single issuer. The City's investment policy requires portfolio diversification by security type and institution.

The maximum percentage of the portfolio permitted in each eligible security is as follows:

U.S. Treasury	100%	maximum
Federal Agency (Fixed Rate)	100%	maximum
Federal Agency (Variable Rate)	10%	maximum
Repurchase Agreement	50%	maximum
Commercial Paper	15%	maximum
Banker's Acceptances	15%	maximum
Insured/Collateralized Certificates of Deposit	20%	maximum
Municipal Obligations	20%	maximum
Tennessee LGIP	25%	maximum

The City's investment policy is further diversified and limits the exposure to any one issuer. No more than 5% of the City's portfolio can be invested in the securities of any single issuer with the following exceptions:

Each Federal Agency	35%	maximum
Each Repurchase Agreement Counterparty	20%	maximum

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure the government's deposits may not be returned. At June 30, 2025 all deposits were insured or collateralized as required by policy. The City's investment policy provides that all securities purchased by the City or held as collateral on either deposits or investments shall be held in third-party safekeeping at a financial institution.

Deposits held by the C&I Pool at June 30, 2025, totaled $41,028 and cash draws against future deposits of $10,562.

The investments held by the pool consist of the following at June 30, 2025:

Description	Maturity Dates	Interest Rates	Fair Value	Duration
U.S. Government Obligations	July 2025 - November 2029	0.0% to 4.875%	467,435	.0 - .4.42
Cash Equivalents	July 2025 - October 2025	0%	88,735	.05 - .27
Total Investments			556,170	

The C&I Pool does not issue separate financial statements. Condensed financial information as of June 30, 2025, is as follows (dollar amounts and share amounts are the same):

Condensed Statement of Net Position

Cash deposits	$	41,028
Cash draws against future deposits		(10,562)
Investments		556,170
Net position	$	586,636
Net position held in trust for pool participants:		
Internal participants		586,636
Total net position held in trust for pool participants	$	586,636

Condensed Statement of Changes in Net Position

Additions:		
Investment income	$	29,287
Purchase of units		2,160,482
Total additions	$	2,189,769
Deduction:		
Redemption of units		2,102,933
Net increase	$	86,836
Net position held in trust for pool participants:		
Beginning of year		499,800
End of year	$	586,636

Investments Outside of the Pool

Several funds in the primary government own investments outside of the C&I Pool. The Capital Projects Fund's investments were purchased from the unexpended portion of general obligation bond issues, which require the City to maintain separate investments for arbitrage purposes. The Sewer Collection and Treatment Fund's investments were purchased to set aside funds to satisfy certain revenue bond covenants. Investments in these funds are generally of the same type as in the C&I Pool with the addition of collateralized certificates of deposit. These funds also are required to deposit funds relating to certain construction projects in the State of Tennessee Treasurer's Local Government Investment Pool ("LGIP").

Deposits with the LGIP, which may be withdrawn with a maximum of one day's notice, are classified as cash equivalents and are valued at cost. The LGIP is not registered with the SEC as an investment company; however, the LGIP has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net position to compute share prices if certain conditions are met. State statutes require the State Treasurer to administer the LGIP under the same terms and conditions, including collateral requirements, as required for other funds invested by the Treasurer. The reported value of the pool is the same as the fair value of the pool shares. Although the LGIP itself is unrated, its types of investments and maturities provide a level of credit risk similar to that detailed in the aforementioned credit risk section.

All of MLGW's investments are outside of the C&I Pool. MLGW's investments are invested under a cash management program which provides for the investment of excess cash balances in short-term investments and the investment of debt service funds in instruments maturing as the related debt matures. These investments are similar to those described above with the addition of commercial paper and mutual funds.

The MLGW Statement of Investment Policy has been adopted and approved by the MLGW Board of Commissioners. This policy sets forth the investment and operational policies for the management of the public funds of MLGW. The Board of Commissioners has the power to invest and reinvest MLGW funds in accordance with the prudent investor rule. The Board members exercise authority and control over MLGW's investment portfolio by setting policies that MLGW's investment staff executes either internally or using external prudent experts.

Investments in the City Retirement Fund, the Library Retirement Fund, and the MLGW Retirement and Pension System include stocks, corporate and government bonds, mortgage-backed securities, mutual funds, limited partnerships, real estate investments, and commercial paper in addition to the money market securities mentioned above.

Deposits and cash on hand-held by the primary government outside of the C&I Pool on June 30, 2025, totaled $609,693

The investments held by the primary government outside the C&I Pool at June 30, 2025:

Description	Fair Value
Short-term investments	$ 1,054
Money market	4,928
U.S. Government securities	(44,218)
Federal Agency securities	224,290
Federal Agency callable	14,535
Total	$ 200,589
Investments not subject to categorization:	
Investments	177,643
State of Tennessee LGIP	46,276
Total	$ 424,508

A reconciliation of cash and investments as shown on the governmental and proprietary funds for the governmental entity-wide is as follows:

C&I Pool deposits	$ 41,028
C&I Pool draws against future deposits	(10,562)
C&I Pool investments	556,170
Derivative financial instruments- MLGW	160
Other deposits and cash on hand	609,693
Other investments	424,508
Total	$ 1,620,997
Equity in C&I Pool – Custodial funds	(26,642)
Equity in C&I Pool – Fiduciary funds	(1,875)
Total	$ 1,592,480

Cash and cash equivalents	$ 376,932
Investments	400,756
Equity in cash and investment pool - Business Type Activities	74,144
Equity in cash and investment pool - Governmental Activities	481,459
Restricted special fund-customer deposits	181,287
Restricted investments	75,386
Other investment activity	2,516
Total	$ 1,592,480

Deposits and investments relating to discretely presented component units are as shown below. Investment policy and risk discussion may be found in each of the component units audited financial statements.

Memphis Area Transportation Authority (MATA) as of June 30, 2025[1]

Cash and Cash Equivalents	$	5,753
Restricted Investments		
Federal Home Loan Mortgage Obligation	$	474
Total Investments	$	474

(1) The most recent unaudited financial statements available are as of June 30, 2025.

Renasant Convention Center (RCC) as of June 30, 2025

Cash and Cash Equivalents	$	3,821
Restricted Cash		
Other miscellaneous	$	203,679
Total Restricted Cash	$	203,679

Memphis Shelby County Airport Authority (MSCAA) as of June 30, 2025

Deposits		
Cash deposits	$	39,149
Cash on hand		4
Total Deposits and cash on hand	$	39,153
Restricted Cash		
Bonds, construction and other miscellaneous	$	173,750
Total Restricted Cash	$	173,750
Investments		
U.S. Government agencies	$	190,775
Total Investments	$	190,775

Memphis Zoological Society (MZS) as of June 30, 2024[1]

Cash and Cash Equivalents	$	57,980
Investments		
Community Foundation of Greater Memphis funds	$	7,088
Total Investments	$	7,088

(1) The most recent audited financial statements available are as of June 30, 2024.

Memphis Metropolitan Land Bank Authority as of June 30, 2024[1]

Cash and Cash Equivalents	$	262
Restricted Investments		
Property held for resale	$	330
Property held under Land Deposit Agreements		376
Total Investments	$	706

(1) The most recent audited financial statements available are as of June 30, 2024.

The Health, Educational and Housing Facility Board (HEHFB) as of June 30, 2024

Cash and Cash Equivalents	$	197,055
Investments		
Investments, at fair value	$	16,653
Total Investments	$	16,653

City of Memphis Retirement System – Deposits and Investments

The City of Memphis Retirement System (the City Plan) is administered by the Board of Administration of the City of Memphis Retirement System (the Pension Board). The Pension Board has established and given authority to the Pension Investment Committee (the "Investment Committee") to exercise authority and control of investments solely in the interest of participants of the City Plan and their beneficiaries. Additionally, the Pension Board executes its policies with the aid of external investment advisors.

Investment allocation is subject to the restrictions set forth in applicable City of Memphis Ordinances that limit the percentage of investments that may be allocated to equity investments and real estate investments. To achieve its risk/return objectives and to be in compliance with applicable ordinances, the Investment Committee endeavors to invest funds in the following ranges:

	Minimum	Maximum
Cash Equivalents	0%	5%
Real Estate	5%	15%
Private Equity	3%	7%
Private Credit	3%	7%
Hedge Fund of Funds	2%	6%
Domestic Equities	18%	38%
International Equities	15%	30%
Fixed Income	18%	34%

In exceptional circumstances, deviations from these may occur on a limited basis.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or deposit. Duration is the measure of the price sensitivity of a fixed-income portfolio to changes in interest rates. The longer the duration of a portfolio, the greater its price sensitivity to changes in interest rates. The City and MLGW Plan limit its exposure to interest rate risk by diversifying its investments by security type and institution.

The fair values of fixed income investments, grouped by maturity at June 30, 2025, are as follows:

Current to one year	$	148,019
One to two years		169,346
Two to three years		25,069
Three to four years		34,223
Four to five years		51,189
Five or more years		348,353
		776,199
Funds with indeterminable maturities		75
	$	776,274

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To control credit risk, credit quality guidelines have been established. Investment parameters are established by the Board and the Investment Committee.

The City and MLGW Plan's exposure to credit risk at June 30, 2025, is presented below by investment category as rated by S&P Global Rating service.

Type of Investment	Fair Value	Ratings	Percentage of Fixed Income
Government bonds	$ 198,104	AAA	25.52%
	2,747	NR	0.35%
Non-government-backed CMOs	11,164	AAA	1.44%
Asset-backed securities	2,050	AAA	0.26%
	4,515	NR	0.58%
Corporate bonds and index funds	94,882	AAA	12.22%
	74	AA+	0.01%
	2,760	AA	0.36%
	783	AA-	0.10%
	1,507	A+	0.19%
	14,839	A	1.91%
	1,572	A-	0.20%
	816	BBB+	0.11%
	19,538	BBB	2.52%
	12,127	BBB-	1.56%
	18,070	BB+	2.33%
	19,636	BB	2.53%
	26,756	BB-	3.45%
	20,533	B+	2.65%
	12,719	B	1.64%
	9,561	B-	1.23%
	4,654	CCC+	0.60%
	2,215	CCC	0.29%
	350	CC	0.05%
	308	D	0.04%
	250,747	NR	32.30%
Government mortgage-backed securities	23,001	AAA	2.96%
	20,246	NR	2.60%
Total Fixed Income	$ 776,274		100.00%

Foreign currency risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the investment.

The City and MLGW Plan's exposure to foreign currency risk – in U.S. Dollars – as of June 30, 2025, is as follows:

Currency	Equities	Corporate Bonds	Total
Arab Emirate Dirham (Dubai)	-	584	584
Australian dollar	4,464	2,080	6,544
Bermudian dollar	-	455	455
Brazilian real	1,122	1,414	2,536
British pound sterling	36,193	42,750	78,943
Canadian dollar	16,334	7,069	23,403
Cayman Islands dollar	-	1,441	1,441
Danish krone	4,269	293	4,562
Euro	259,975	10,086	270,061
Hong Kong dollar	5,223	-	5,223
Indian rupee	425	-	425
Indonesian rupiah	218	-	218
Israeli shekel	1,807	-	1,807
Japanese yen	34,066	768	34,834
Mexican peso	-	20,901	20,901
Norwegian krone	1,641	-	1,641
Peruvian Sol	-	1,107	1,107
Singapore dollar	3,461	-	3,461
South Korean won	1,183	-	1,183
Swedish krona	3,463	-	3,463
Swiss franc	7,106	-	7,106
New Taiwan dollar	881	-	881
Total securities subject to foreign credit risk	381,831	88,948	470,779
International portfolio in U.S dollars	530,681	-	530,681
	912,512	88,948	1,001,460

Securities Lending Program

The City of Memphis Retirement System (the City Plan) is authorized by the Charter and Statement of Investment Objectives to lend securities to brokerage firms on a temporary basis through their custodian bank, Bank of New York Mellon (Custodian). During the fiscal year, the Custodian lent City Plan securities and received cash, U.S. Treasury, U.S. Treasury Inflation Protected Securities (TIPS), and U.S. Agency Mortgages as collateral. The Custodian did not have the ability to pledge or sell non-cash collateral delivered absent a borrower default. Borrowers were required to deliver collateral for each loan in amounts equal to or not less than 102% of the market value of loaned domestic securities and 104% of the market value of loaned foreign securities. The City and MLGW retain the interest income on the securities being transferred and earned at $399 during the year ended June 30, 2025 (the City) and December 31, 2024 (MLGW).

The City Plan imposed no restrictions on the amount of securities lent by the Custodian during the year on its behalf. There were no violations of legal or contractual provisions and there were no borrowing or lending agency default losses during the year. The contract with the Custodian requires indemnification only in cases of custodian negligence.

All securities loans can be terminated on demand by either the lender or the borrower. The average term of the City Plan's loans for the year ended June 30, 2025, was approximately 60 days. Cash collateral is invested in a short-term investment pool. The relationship between the maturities of the investment pool and the Custodian's loans is affected by the maturities of the securities loans made by other entities that use the Custodian's pool, which the Custodian's system cannot determine. Cash collateral may also be invested in "term loans", in which case the investments match the loan term. As the loans are terminable at will, the duration of the investments generally did not match the duration of the investments made with cash collateral.

On June 30, 2025, the collateral held and the market value of the securities on loan were $81,106 and $68,953, respectively, for the City Plan. On June 30, 2024, the collateral held and the market value of the securities on loan were $36,633 and $39,967, respectively, for the MLGW Plan. The combined collateral held in trust amounts is $117,739. The cash collateral is recorded as both an asset and a liability on the Plan financial statements (Exhibit E-1). Securities received as collateral at June 30, 2025, are not recorded in the Statement of Net Position, as the Plan cannot sell or pledge the collateral received absent a borrower default.

Derivatives

The City of Memphis is empowered by Tennessee Code Annotated Section 6-56-106 and City Charter Section 50 to invest idle funds to the maximum extent practical. The Investment Committee has adopted written policies governing the use of bankers' acceptances and commercial paper with such policies being no less restrictive than those established by the State Funding Board to govern state investments in such instruments. Such guidelines are established in the *City of Memphis Statement of Investment Policy* which applies to all financial assets of the City, except for such funds that make up the retirement system portfolio that are allocated to outside trustees and money managers.

Investment guidelines for investments within the retirement system portfolio are established within the *City of Memphis Retirement System Statement of Investment Objectives*.

Instruments utilized during fiscal year 2025 included specifically assigned derivative instruments used to manage risk or to make investments. At year end, the City Plan held investments with a market value of $19,191 in money market futures, government futures, currency forwards, interest rate swaps, and credit default swaps. The objective of the account holdings is to provide a means of managing interest rate and volatility exposure, replicate government bond positions, and gain exposure to foreign currencies.

Instruments utilized during fiscal year 2025 included specifically assigned derivative instruments used to manage risk or to make investments. At year end, the City Plan held investments with a market value of $19,191 in money market futures, government futures, currency forwards, interest rate swaps, and credit default swaps. The objective of the account holdings is to provide a means of managing interest rate and volatility exposure, replicate government bond positions, and gain exposure to foreign currencies.

Bucket	FV AMT	FV%
Uninvested Cash	39.00	0.01
Interest Receivable	532.00	0.52
Net Unsettled Trades	-30,697.00	-37.67
Bond/Stock Futures	-40,078.00	-7.67
Money Market Futures	-11,126.00	-5.92
Swap Offset	-16,126.00	-17.11
Fair Value	119,838.00	100.00
Fair Value x 0.146	17,496.00	PIMCO
	1,695.00	BrandyWine
	19,191.00	

	Original Face Value	Change in Fair Value		
	FY25	*FY25*	*FY24*	*Increase / (Decrease)*
Cash & Cash Equivs.	5,203.00	5,202.00	6,394.00	(1,192.00)
Fixed Income	186,630.00	199,502.00	182,185.00	17,317.00
Forwards	14,850,152.00	1,694.00	229.00	1,465.00
	15,041,985.00	**206,398.00**	**188,808.00**	**17,590.00**

City OPEB Trust-Deposits and Investments

City OPEB Trust Investments at June 30, 2025, were as follows:

Description	Fair Value
Mutual Funds	$5,289

Financial Instruments Reported at Fair Value

In February 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This statement is effective for periods beginning after June 15, 2015, and was implemented during fiscal year 2016.

Disclosures concerning financial instruments that are reported at fair value are presented below. Fair value has been determined based on the City's assessment of available market information and appropriate valuation methodologies. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

The following table summarizes fair value disclosures and measurements at June 30, 2025:

		Fair Value Measurements at Reporting Date Using		
	Total Fair Value	Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Money Market Instruments	$ 98,186	$ 37,624	$ 32,398	$ 28,164
Convertible Securities	739	-	739	-
Equities	732,120	664,372	63,984	3,764
Equity Mutual Funds	40,154	-	40,154	-
Fixed Income Securities	1,142,502	121,557	998,076	22,869
Fixed Income Mutual Funds	18,417	-	18,417	-
Futures Contracts	701	701	-	-
Real Estate Funds	172,999	-	-	172,999
Partnerships	290,781	-	-	290,781
REIT	6,665	-	6,665	-
Preferred Securities	1,787	1,487	300	-
	$ 2,505,051	$ 825,741	$ 1,160,733	$ 518,577
LGIP	-			
NAV Expedient:	$ 836,321			
Total Leveling, NAV, LGIP	$ 3,341,372			
Less Cash Equivalents	(60,388)			
Net Leveling	$ 3,280,984			

The following methods were used to estimate the fair value of each valuation level:

Level 1 – Values were determined by taking closing market prices for identical instruments owned and multiplying by the number of units or shares owned.

Level 2 – Values were determined by taking closing market prices for somewhat similar instruments and multiplying them by the number of units owned. Many of the investments are in repos, or mortgage-backed securities, where identical instruments are not that actively traded.

Level 3 – Values were determined by estimates and assumptions that market participants would use. These investments are typically thinly traded, some are private placements, and some are outside the United States.

Asset Class:

Money Market Instruments – Financial instruments issued by financial institutions or governments, such as certificates of deposit and treasury bills, that are extremely low-risk. These short-term instruments tend to have lower returns than higher-risk investments but are much safer due to being backed by the resources and reputation of an institution, state, or sovereign. Fund managers may also hold cash equivalents in their portfolios, subject to their specific mandates.

Convertible Securities – Securities investments of convertible preferred stock and convertible debt that may be exchanged for common stock in the entity issuing the exchangeable security at a certain ratio and/or a certain price.

Equities – Stock holdings in U.S. and global equity funds. Includes issues of U.S.-domiciled corporations with market capitalization generally above $100 million, and issues of foreign-domiciled corporations that are routinely traded on recognized stock exchanges.

Fixed Income Securities – U.S. Treasury investments, global holdings, non-U.S. government bonds, real estate, real estate investment trusts, and other fixed income instruments with terms to maturity exceeding one year. Exposure to non-U.S. dollar-denominated fixed income securities and below investment grade issues may be maintained as authorized by specific manager mandates.

Futures Contracts – Investments of international government bond futures, U.S. Treasury bonds, and U.S. Treasury notes representing standardized, transferable, exchange-traded contracts that require delivery of a commodity, bond, currency, or stock index, at a specified price, on a specified future date.

Other Global Funds – U.S.-regulated global asset allocation funds and global balanced funds. The global sovereign portfolio is expected to be globally diversified and may invest in debt obligations issued or guaranteed by U.S. and foreign governments, U.S. and foreign agencies and instrumentalities, supranational entities, zero-coupon bonds, floating-rate notes, physical currencies, and spot and forward currency contracts.

Real Estate Funds and Partnerships – Consist of interests in open-end or closed-end funds, portfolios of real estate investment trusts or similar companies, whether publicly traded or privately held, that are professionally managed and oriented to institutional investors. Although the individual funds may not be so diversified, the Fund's holding of real estate assets will, in the aggregate, be broadly diversified by property type, geographic location, and size. In addition, such individual funds or company shall have assets of not less than $5 million at the time the investment is made and shall hold real property and securities that are lawful holdings for United States investors.

Preferred Securities – Holdings in preferred stock generally issued by bank holding companies.

Each asset class is normally maintained within the prescribed ranges as established by the *City of Memphis Retirement System Statement of Investment Objectives*. If market fluctuations or cash flows cause the holdings of a class to move outside the allocation range as of the end of any calendar quarter, corrective action is promptly considered to remove the imbalance within a reasonable time, considering market conditions, transactional costs, and other relevant factors.

Management accepts the disclosures of its custodial banks, Bank of New York Mellon and First Tennessee Bank, as presented for Real Estate Funds, Partnerships, and investments in certain entities that calculate the net asset value (NAV) per share. Investments in the State of Tennessee Treasurer's Local Government Investment Pool (LGIP) are disclosed as presented. Investment Leveling disclosures for Memphis Light Gas and Water (MLGW) and the component units may be obtained within the respective entity's complete financial statements.

There are no significant restrictions on the ability to sell investments in certain equities that calculate the net asset value (NAV) per share or its equivalent, and the City may redeem investments in those equities with a range of 90 to 120 days.

The above-referenced investments have been deemed appropriate within the guidelines of the *City of Memphis Statement of Investment Policy,* which applies to all financial assets of the City except for such funds that make up the retirement system portfolio. Separately, each of the above-referenced investments has been deemed appropriate within the guidelines established by the *City of Memphis Retirement System Statement of Investment Objectives*.

The fair value presented herein is based on pertinent information available to management as of June 30, 2025. Although management is not aware of any facts that would significantly affect the fair value amounts presented, events occurring in the future or alternative valuation techniques could generate significantly different results from the fair value amounts presented herein.

B. Receivables

Receivables as of year-end for the City's individual major funds and nonmajor governmental funds, in the aggregate, including the applicable allowances for the uncollectible accounts, are as follows:

	General	Debt Service	Capital Projects	Sewer Collection and Treatment	Memphis Light, Gas and Water	Community Development	Nonmajor and Other Funds	Total
Receivables:								
Property taxes	$ 377,942	$ 136,901	$ 1,338	$ -	$ -	$ -	$ 4,664	$ 520,845
Delinquent property taxes	41,112	8,070	46				316	49,544
Sales and other taxes	38,942	2,015	-	-	-	-	6,413	47,370
Federal and state grants	648	-	2,753	-	-	4,114	6,008	13,523
Interest and dividends on investments	-	-	-	-	-	424	-	424
Notes and accounts receivable	-	-	-	28,979	223,918	-	-	252,897
Housing and rehabilitation loans	-	-	-	-	-	21,462	-	21,462
Due from other funds	41,784	7,972	10,774	(212)	-	13,481	3,853	77,652
Due from other agencies and governments	9,271	295	-	-	-	-	-	9,566
Other	5,120	80	-	-	-	-	9,765	14,965
Gross receivables	514,819	155,333	14,911	28,767	223,918	39,481	31,019	1,008,248
Less allowance for uncollectibles	(20,908)	(7,635)	(74)	-	(33,195)	-	(2)	(61,814)
Net total receivables	$ 493,911	$ 147,698	$ 14,837	$ 28,767	$ 190,723	$ 39,481	$ 31,017	$ 946,434

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At June 30, 2025, deferred revenue principally represents: (1) amounts received for various capital projects upon which revenues will not be recognized until such projects have started; (2) amounts relating to property taxes as described above; (3) operating subsidies received in advance; (4) uncollected principal on Housing Rehabilitation Loans; and (5) long-term receivables due from agencies.

C. Property taxes

The City levies property taxes for the calendar year annually based upon assessed valuations. The various types of property are assessed at a percentage of market value on January 1 of each year as follows:

Farm and residential real property	25%
Commercial and industrial real property	40%
Commercial and industrial personal property	30%
Public utilities real and personal property	55%

The assessed value upon which the fiscal year 2025 levy was based was approximately $15.1 billion. Taxes attach as an enforceable lien on property on June 1, the day taxes are levied and are due by September 1. Current tax collections for the year ended June 30, 2025, were 95.40% of the tax levy.

At June 30, 2025, the allowance for uncollectible property taxes by fund was as follows:

General Fund	$ 20,908
Debt Service Fund	7,635
Capital Project Fund	74
Pre-K Fund	1
Community Catalyst	1
	$ 28,619

The property tax levy is without legal limit. The rate, as permitted by Tennessee State Law and City Charter, is set annually by the City Council and collected by the City Treasurer. The City allocated the property tax per $100 of assessed value for the year ended June 30, 2025, as follows:

General Fund	2.339628
Debt Service Fund	0.847485
Capital Project Fund	0.008287
Pre-K Fund	0.000000
Community Catalyst	0.000000
	3.195400

The Sewer Collection and Treatment Fund and MLGW are assessed a payment-in-lieu-of-tax (PILOT) with all proceeds from these sources allocated to the General Fund. The amounts remitted by MLGW to the City and Shelby County were calculated based on City Council resolutions and City Charter provisions governing the PILOT sharing arrangement with Shelby County.

Tax Abatements

The City through the Economic Development Growth Engine (EDGE), and Downtown Memphis Commission, both jointly governed organizations with Shelby County, and the Health Education & Housing Facility Board, a public corporation, offers Payment in Lieu of Tax (PILOT) incentive programs. In addition to the PILOT program, EDGE and Community Redevelopment Agency offer a tax incremental financing program (TIF). Both PILOTs and TIFs are tax abatement programs that offer incentives to encourage economic development in the City.

City of Memphis Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board	**Downtown Memphis Commission (PILOT Program administered by Center City Revenue Finance Corporation)**
Purpose of Program	Financial incentive designed to encourage commercial real estate development in and around the Downtown Memphis area.
Tax being abated	Real and/or personal property taxes
Authority under which abatement agreements are entered into	Tennessee Code Annotated 7-53-102

Criteria to be eligible to receive abatement.	In order to be eligible for the Program, applicants must meet the following requirements:
	- The project should be located within the Central Business Improvement District (CBID), and/or within the Parkways (Appendix II).
	- The value of the proposed building renovations, site improvements or new construction must be equal to or greater than 60 percent of the total project cost.
	- The project must pass a “but for” test that determines that the project would not be financially feasible without a PILOT.
	- Applicant must own the property or have an option or other right to purchase the property.
	- Residential projects with 51 units or more are subject to the DMC’s affordable housing requirement. This requirement stipulates that at least 20 percent of the residential rental units shall be occupied by, or held available solely for, individuals and families of low or moderate income, defined as no more than 80 percent of the median gross income for Shelby County, Tennessee.
	- No project on Mud Island south of A. W. Willis Avenue shall be considered for a PILOT without consideration of the Riverfront Development Corporation’s recommendation.
	- Only multi-family projects or mixed-use developments that include a multi-family component are eligible for a PILOT outside of the CBID.
	- Apartment and mixed-use projects shall not utilize electric resistance heat systems.
	  o Projects should incorporate natural gas, heat pumps, or another high-efficiency system as deemed adequate by DMC staff and Memphis Light, Gas & Water (MLGW) staff. This requirement applies to both new construction and building renovation projects.
	  o The only exception to this requirement will be for instances where using natural gas, heat pumps, or another high-efficiency system is deemed technically infeasible by MLGW staff due to unavoidable characteristics of the project, use, building, or site.

How recipients' taxes are reduced	Taxes are reduced by 75% of the increase in the assessment from the date of the PILOT closing
How amount of abatement is determined	Payments shall be based on the predevelopment assessment, plus 25 percent of the increase in the assessment from the date of the PILOT closing.
Provisions for recapturing abated taxes	N/A
Types of commitments made by the City other than to reduce taxes	N/A
Fiscal Year 2025 Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreements	7,785

Tax abatement (cont.)

City of Memphis Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board	Programs Administered by Economic Development Growth Engine (Industrial Development Board)		
	Community Builder PILOT	**Destination Retail PILOT**	**Expansion PILOT**
Purpose of Program	The intent of the program is to spur investment and job creation in distressed areas of the City of Memphis and unincorporated Shelby County, which areas are defined as Eligible Census Tracts eligible for the federal New Markets Tax Credit Program.	The intent of the program is to increase employment within the State of Tennessee.	The intent of the program is to increase employment within the State of Tennessee.
Tax being abated	Real and/or personal property taxes	Real and/or personal property taxes	Real and/or personal property taxes
Authority under which abatement agreements are entered into	Tennessee Code Annotated section 7-53-101, et seq	Tennessee Code Annotated section 7-53-101, et seq	Tennessee Code Annotated section 7-53-101, et seq
Criteria to be eligible to receive abatement.	1) Only eligible uses proposed by the applicant for locations in, contiguous to or adjacent to New Markets Tax Credit Program Eligible Census Tracts. 2) No designated site will be awarded a PILOT unless said award is recommended in writing by the Mayor of the City of Memphis and the Mayor of Shelby County. The Mayor of Shelby County shall act alone, if the designated site is located in the unincorporated area of Shelby County. 3) Applicants must demonstrate compliance with the payment of all municipal, county and state taxes due for all properties owned by it and located in Shelby County at the time of closing the Lease Agreement and during the entire PILOT Term. 4) All projects must comply with the Local Business Participation Program.	1) A project must create at least one hundred (100) Net New Jobs. 2) A Capital Investment of at least $50M is required. 3) The project must be applicant's only comparable retail location within 200 miles of Shelby County. Comparable retail locations will be determined by the Board, in its sole discretion, based on the size, investment, number of jobs, intended market and/or other criteria. 4) The project must comply with Local Business Participation Program requirements.	1) The project must result in the retention of at least one hundred (100) retained jobs. 2) A capital investment of at least $10M is required. 3) The applicant must have been operating and directly employing workers in Shelby County for ten (10) consecutive years prior to applying. 4) The applicant must comply with the Local Business Participation Program requirements. 5) In order to be considered, the project must be one of the specified types of projects.
How recipients' taxes are reduced	Through a reduction of the property's assessed value.	Through a reduction of the property's assessed value.	Through a reduction of the property's assessed value.
How amount of abatement is determined	Payments are based on one hundred percent (100%) of the property taxes which would otherwise be collected and attributable to the unimproved property and twenty-five percent (25%) of the property taxes which would otherwise be collected and attributable to the real property improvements at the time EDGE takes title of the property. For tangible personal property utilized for the project, such payments are to be based on twenty-five percent (25%) of the property taxes that would otherwise be collected and attributable to the tangible property being utilized for the project.	The payments are based on one-hundred percent (100%) of the property taxes which would otherwise be collected and attributable to the land and a fraction of the property taxes which would otherwise be collected and attributable to the real property improvements resulting from the project at the time EDGE takes title of the property. At the present time, the minimum allowable fraction is subject to change from time to time by action of the Memphis City Council, Shelby County Commission, and/ or EDGE Board, but no such change shall be applied retroactively to any previously approved PILOT. The minimum allowable PILOT payment for real property improvements is twenty-five percent (25%) for the City of Memphis, if located in whole or in part within the City of Memphis, and twenty-five (25%) for Shelby County.	The payments are based on one-hundred percent (100%) of the property taxes which would otherwise be collected and attributable to the land and a fraction of the property taxes which would otherwise be collected and attributable to the real property improvements resulting from the Project at the time EDGE takes title of the property. The minimum allowable fraction is subject to change from tit to time by action of the Memphis City Council, Shelby County Commission and/ or EDGE Board, but no such change shall be applied retroactively to any previously approved PILOT. The minimum allowable PILOT payment for real property improvements is twenty-five percent (25%) for the City of Memphis, if located in whole or in part within the City of Memphis, and twenty-five percent (25%) for Shelby County.
Provisions for recapturing abated taxes	N/A	N/A	N/A
Types of commitments made by the City other than to reduce taxes	N/A	N/A	N/A

Tax abatement (cont.)

City of Memphis Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board	Programs Administered by Economic Development Growth Engine (Industrial Development Board)		
	Fast Track PILOT	**Jobs PILOT**	**Residential PILOT**
Purpose of Program	The intent of this program is to attract new business to Memphis and Shelby County and spur industrial, industrial warehouse and office investment in conjunction with employer job creation in the City of Memphis and unincorporated Shelby County.	The intent of the program is to increase employment within the State of Tennessee.	The intent of this program is to spur investment in market-rate multi-family residential rental projects in the City of Memphis and unincorporated Shelby County.
Tax being abated	Real and/or personal property taxes	Real and/or personal property taxes	Real and/or personal property taxes
Authority under which abatement agreements are entered into	Tennessee Code Annotated section 7-53-101, et seq	Tennessee Code Annotated section 7-53-101, et seq	Tennessee Code Annotated section 7-53-101, et seq
Criteria to be eligible to receive abatement.	1) The project must create at least twenty-five (25) net new jobs. 2) A Capital Investment of $1M is required. 3) The applicant must meet the minimum LBP Standard in the Local Business Participation Program. 4) The project must be located in the City of Memphis or Shelby County. 5) In order to be considered, the project must be one of the specified types of projects.	1) The project must create at least fifteen (15) net new jobs. 2) A Capital Investment of $1M is required. 3) The applicant must meet the minimum LBP Standard in the Local Business Participation Program. 4) In order to be considered, the project must be one of the specified types of projects.	1) The minimum requirements are that the project must entail 25 residential units - new construction or substantial renovation. The applicant must own or control the site and demonstrate proof of construction and post-construction financing. Additionally, sixty percent (60%) of the total project costs must be spent on hard construction and/ or building renovation and site work. 2) Applicants must demonstrate that the project is not financially feasible without the PILOT benefit. EDGE will analyze the project pro forma, third-party market analysis of comparable projects, and other data to determine the need for the PILOT. 3) Applicant must provide project pro forma on a monthly basis through stabilization and then annually through the term of the PILOT, the projects source and use of funds and third party market analysis of comparable projects showing anticipated rental and occupancy rates. Additionally, sponsor principals annual financial statements for the past three (3) years plus an interim financial statement no more than 90-days old at the time of the PILOT approval must be provided for review. 4) For projects with 25-50 units, 10% (rounded-up) must be set-aside for individuals or families that qualify as low/moderate income as defined by the US Department of Housing & Urban Development for the Memphis area. For projects with 51-75 units, 15% must be set aside; for projects with 76 or more units, 20% must be set aside. Applicants that provide an extraordinary number of low/moderate income units will be awarded one (1) extra year on their PILOT. 5) The applicant must comply with the Local Business Participation Program requirements.
How recipients' taxes are reduced	Through a reduction of the property's assessed value.	Through a reduction of the property's assessed value.	Through a reduction of the property's assessed value.

Tax abatement (cont.)

City of Memphis Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board	Programs Administered by Economic Development Growth Engine (Industrial Development Board)		
	Fast Track PILOT	**Jobs PILOT**	**Residential PILOT**
How amount of abatement is determined	PILOT payments are to based on one-hundred percent (100%) of the property taxes which would otherwise be collected and attributable to the land and twenty-five percent (25%) of the property taxes which would otherwise be collected and attributable to the real property improvements resulting from the Project at the time EDGE takes title of the property. For tangible personal property, PILOT payments are to be based on twenty-five percent (25%) property taxes that would otherwise be collected and attributable to the tangible personal property that is new to Shelby County at the time EDGE takes title of the property. The tangible personal property must be new or Shelby County at the time it is included into the PILOT.	The payments are based on one-hundred percent (100%) of the property taxes which would otherwise be collected and attributable to the land and a fraction of the property taxes which would otherwise be collected and attributable to the real property improvements resulting from the project at the time EDGE takes title of the property. The minimum allowable PILOT payment for real property improvements is twenty-five percent (25%) for the City of Memphis, if located in whole or in part within the City of Memphis , and twenty-five (25%) for Shelby County. For tangible personal property, PILOT payments are to be based on a fraction of the property taxes that would otherwise be collected and attributable to the tangible personal property that is new to Shelby County at the time EDGE takes title of the property. The tangible personal property must be new to Shelby County at the time it is included into the PILOT. The minimum allowed PILOT payment is twenty-five percent (25%) for the City of Memphis, if located in whole or in part within the City of Memphis, and twenty-five percent (25%) for Shelby County.	Generally and subject to exceptions set forth herein, for real property, such PILOT payments are to be based on one-hundred percent (100%) of the property taxes which would otherwise be collected and attributable to the land and a fraction of the property taxes which would otherwise be collected and attributable to the real property improvements resulting from the Project at the time EDGE takes title to the property. In unique cases, the EDGE Board reserves the right to waive this provision and provide a Community Reinvestment Credit. At the present time, the minimum allowable fraction is subject to change from time to time by action of the Memphis City Council, Shelby County Commission, and/or EDGE Board, but no such change shall be applied retroactively to any previously approved PILOT. The minimum allowed PILOT payment for real property improvements is twenty-five (25%) for the City of Memphis, if located in whole or in part within the City of Memphis, and twenty-five (25%) for Shelby County.
Provisions for recapturing abated taxes	N/A	N/A	N/A
Types of commitments made by the City other than to reduce taxes			
Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreements.		11,783	

Tax abatement (cont.)

City of Memphis Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board	**LCH (Health, Education & Housing Facility Board)**
Purpose of Program	The purpose of the program is to issue bonds for the purpose of financing the acquisition and development of qualified multi-family residential facilities for low and moderate-income families.
Tax being abated	Real and/or personal property taxes
Authority under which abatement agreements are entered into	Tennessee Code Annotated Section 48-101-301 *et seq*
Criteria to be eligible to receive abatement.	1) The value of the building renovations, site improvements or new construction must be equal to or greater fifty-percent (50%) of the property acquisition cost. 2) The applicant must have site control which shall be the equivalent of fee simple title, 99 year lease, or an option to purchase with no contingencies except financing. 3) Applicant must have evidence of financing commitment for total project costs. 4) 20% of the applicant's units must e occupied by individuals whose income is 50% less of the median gross income or 40% more of the units must be occupied by individuals whose income is 60% less of the median gross income. 5) Applicant must provide written projection of how tax abatement savings will directly benefit tenants through one or more of the following - additional property improvements, rent reduction or stabilization, and tenant services to include any special social services.
How recipients' taxes are reduced	The taxes being abated are fifty percent (50%) of the real property taxes of the qualified multi-family housing property at the time that the PILOT Agreement and PILOT Lease Agreement are entered into.
How amount of abatement is determined	The current assessed value of the qualified multi-family housing property is frozen at fifty percent for the full-term of the PILOT and is used to determine the amount of the annual PILOT payments due to the City of Memphis and Shelby County.
Provisions for recapturing abated taxes	N/A
Types of commitments made by the City other than to reduce taxes	N/A
Fiscal Year 2025 Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreements	6,017

Tax abatement (cont.)

Tax Incremental Funding District (TIF) Abatements

Purpose of Program	Tennessee Code Annotated 9-23-101 et seq. establishes the codes that allow the diversion of a portion of future tax revenues of an approved area for economic development.	
Tax being abated	Real property taxes	
Authority under which abatement agreements are entered into	Tennessee Code Annotated 9-23-101	
Agency	**District**	**Abatement**
Community Redevelopment Agency	Binghampton	693,196.52
	Highland Row	530,637.66
	Klondike	48,225.14
	Soulsville	163,842.78
	Uptown 1	4,458,123.42
	Uptown 2	149,455.76
	Uptown 3	74,242.04
Economic Development Growth Engine	Highland Strip	1,933,628.51
	Graceland	572,897.30
	Poplar Corridor	359,020.17
Total TIF Abatements		8,983,269.30

D. Capital assets

Capital asset activity for the year ended June 30, 2025 , was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	$ 81,594	$ -	$ -	$ -	$ 81,594
Construction in progress	715,108	281,156	-	(69,400)	926,864
Total capital assets not being depreciated	796,702	281,156	-	(69,400)	1,008,458
Capital assets being depreciated:					
Buildings	838,795	-	-	1,218	840,013
Improvements other than buildings	1,422,462	-	-	53,584	1,476,046
Machinery and equipment	316,730	15,643	(4,853)	14,598	342,118
ROU Assets:					
Facilities	23,645	-	-	-	23,645
Equipment/Lease Arrangements	18,367	-	-	-	18,367
SBITAs	385	-	-	-	385
Total capital assets being depreciated	2,620,384	15,643	(4,853)	69,400	2,700,574
Less accumulated depreciation for:					
Buildings	(409,970)	(18,739)	-	-	(428,709)
Improvements other than buildings	(480,430)	(24,000)	-	-	(504,430)
Machinery and equipment	(246,241)	(28,606)	4,405	-	(270,442)
ROU Assets:					
Facilities	(13,030)	(1,765)	-	-	(14,795)
Equipment/Lease Arrangements	(13,590)	(140)	-	-	(13,730)
SBITAs	(385)	-	-	-	(385)
Total accumulated depreciation	(1,163,646)	(73,250)	4,405	-	(1,232,491)
Total capital assets being depreciated, net	1,456,738	(57,607)	(448)	69,400	1,468,083
Governmental activities capital assets, net	$ 2,253,440	$ 223,549	$ (448)	$ -	$ 2,476,541

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets not being depreciated:					
Land	$ 14,116	$ -	$ -	$ -	$ 14,116
Construction in progress	690,630	74,375	-	-	765,005
Memphis Light, Gas and Water land	64,042	(3)	-	-	64,039
Memphis Light, Gas and Water intangibles-Plant	-	27,270	-	-	27,270
Memphis Light, Gas and Water construction in progress	278,855	213,396	(194,321)	-	297,930
Memphis Light, Gas and Water plant held for future use	212	-	-	-	212
Total capital assets not being depreciated	1,047,855	315,038	(194,321)	-	1,168,572
Capital assets being depreciated:					
Buildings	107,769	-	-	-	107,769
Improvements other than buildings	868,606	-	(302)	-	868,304
Machinery and equipment	87,847	10,943	(2,710)	-	96,080
Memphis Light, Gas and Water structures and improvements	206,627	3,925	(22)	-	210,530
Memphis Light, Gas and Water equipment	3,181,409	163,062	(31,152)	-	3,313,319
Memphis Light, Gas and Water intangibles-Software	74,300	102	-	-	74,402
Total capital assets being depreciated	4,526,558	178,032	(34,186)	-	4,670,404
Less accumulated depreciation for:					
Buildings	(96,642)	(1,106)	-	-	(97,748)
Improvements other than buildings	(395,306)	(11,907)	90	-	(407,123)
Machinery and equipment	(64,200)	(7,415)	1,850	-	(69,765)
Memphis Light, Gas and Water depreciation [1,2]	(1,697,291)	(107,578)	48,514	-	(1,756,355)
Total accumulated depreciation	(2,253,439)	(128,006)	50,454	-	(2,330,991)
Memphis Light, Gas and Water, Intangible Right of Use Assets:					
SBITA	21,700	13,404	-	-	35,104
Office equipment	1,073	1,837	(1,197)	-	1,713
Less accumulated amortization-SBITA	(13,390)	564	(10,486)	-	(23,312)
Less accumulated amortization-Office equipment	(964)	1,013	(216)	-	(167)
Total intangible right of use assets, net	8,419	16,818	(11,899)	-	13,338
Total capital assets being depreciated, net	2,281,538	66,844	4,369	-	2,352,751
Business-type activities capital assets, net	$ 3,329,393	$ 381,882	$ (189,952)	$ -	$ 3,521,323

[1] The Federal Energy Regulatory Commission's Uniform System of Accounts states that upon the retirement of a utility's assets, the cost of removal and the proceeds from salvage are to be charged against the accumulated depreciation accounts when they are incurred. As a result, gains or losses generally are not recorded in the retirement of the utility's assets and the increase in accumulated depreciation may not balance to the depreciation expense for the period.

[2] Memphis Light, Gas and Water's accumulated depreciation is reported as presented in its 2024 Annual Report (see Note I.A. regarding the reporting of MLGW's financials). MLGW acknowledges the issuance of GASB Statement No. 104, *Disclosure of Certain Capital Assets*, but has not completed the process of evaluating the impact of this statement on its financial statements. GASB 104 is effective for fiscal years after June 15, 2025; MLGW has not elected early implementation.

Construction Commitments

The government had active construction projects as of June 30, 2025. At year-end, the government's commitments with contractors were as follows:

Function/Activity		Commitment
Executive	$	1,257
Fire Services		2,114
Police Services		3,015
Park Services		2,847
Public Works		29,060
General Services		1,583
Housing and Community Development		5,211
Engineering		6,652
Information Technology		207
Library		73
Storm Water		16,860
Sewer		8,475
	$	77,354

Depreciation Expense

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:		
Finance	$	2,493
Human Services		5
Fire Services		6,514
Police Services		3,354
Park Services		7,512
Public Works		12,566
Human Resources		17
Public Services		924
General Services		16,532
Housing and Community Development		5,700
Information Technology		6,119
Executive		1,845
Engineering		3,395
Library		3,940
Solid Waste		2,334
Total depreciation expense - Governmental activities	$	73,250
Business-type activities:		
Sewer	$	17,168
Storm Water		3,112
Memphis Light, Gas and Water		121,349
Total depreciation expense - Business-type activities	$	141,629

The reported depreciation expense/amortization for Business-type activities was as follows:

		Sewer	Storm Water
Depreciation Expense	$	17,168	3,112
Amortization of Bond Premium		(4,231)	(893)
Total depreciation and amortization	$	12,937	2,219

Discretely Presented Component Units

Activity for the Memphis Area Transit Authority for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	$ 2,731	$ 213	$ -	$ -	$ 2,944
Construction in progress	25,690	5,911	-	-	31,601
Total capital assets not being depreciated	28,421	6,124	-	-	34,545
Capital assets being depreciated:					
Buildings and improvements	181,321	206	(992)	-	180,535
Buses and other revenue vehicles	71,148	9,451	(7,337)	-	73,262
Machinery and equipment	31,576	982	(247)	-	32,311
Total capital assets being depreciated	284,045	10,639	(8,576)	-	286,108
Less accumulated depreciation for:					
Buildings and improvements	(134,369)	(6,217)	389	-	(140,197)
Buses and other revenue vehicles	(55,337)	(4,674)	5,125	-	(54,886)
Machinery and equipment	(25,470)	(328)	38	-	(25,760)
Total accumulated depreciation	(215,176)	(11,219)	5,552	-	(220,843)
Total capital assets being depreciated, net	68,869	(580)	(3,024)	-	65,265
Capital assets, net	$ 97,290	$ 5,544	$ (3,024)	$ -	$ 99,810

The reported depreciation expense for MLGW as of December 31, 2024, was as follows:

	MLGW Electric Division	MLGW Gas Division	MLGW Water Division	Total
Statement of Revenues, Expense and Changes in Net Position (*Dollars in Thousands):*				
Depreciation expense	64,561	18,744	12,014	95,319
Transportation costs	1,978	1,924	434	4,336
Salvage returns	2,171	249	46	2,466
Amortization	3,221	5,133	478	8,832
Retirements	(2,171)	(249)	(46)	(2,466)
Statement of Cash Flows, Depreciation Expense	69,760	25,801	12,926	108,487
Per MLGW Annual Report F-6 Statement of Cash Flows (*Dollars in Thousands):*				
Depreciation of utility plant	69,760	25,801	12,926	108,487

Activity for the Memphis-Shelby County Airport Authority for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 147,033	$ 5,387	$ -	$ 152,420
Avigation easements	58,913	-	-	58,913
Construction in progress	55,120	93,685	(73,388)	75,417
Total capital assets not being depreciated	261,066	99,072	(73,388)	286,750
Capital assets being depreciated:				
Runways, taxiways, aprons and airfield lighting	1,056,182	59,658	-	1,115,840
Buildings	801,053	360	-	801,413
Facilities constructed for tenants	139,542	-	-	139,542
Roads, bridges and fences	77,931	1,181	-	79,112
Equipment and utility systems	208,202	6,451	(202)	214,451
Subscription-based IT arrangements	3,583	-	(242)	3,341
Total capital assets being depreciated	2,286,493	67,650	(444)	2,353,699
Less accumulated depreciation for:				
Runways, taxiways, aprons and airfield lighting	(663,749)	(28,067)	-	(691,816)
Buildings	(453,084)	(19,024)	-	(472,108)
Facilities constructed for tenants	(77,652)	(4,265)	-	(81,917)
Roads, bridges and fences	(74,173)	(847)	-	(75,020)
Equipment and utility systems	(142,026)	(15,340)	202	(157,164)
Subscription-based IT arrangements	(1,253)	(435)	242	(1,446)
Total accumulated depreciation	(1,411,937)	(67,978)	444	(1,479,471)
Total capital assets being depreciated, net	874,556	(328)	-	874,228
Capital assets, net	$ 1,135,622	$ 98,744	$ (73,388)	$ 1,160,978

Activity for the Renasant Convention Center for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	$ 643	$ -	$ -	$ -	$ 643
Construction in progress	320	257	(310)	-	267
Total capital assets not being depreciated	963	257	(310)	-	910
Capital assets being depreciated:					
Buildings and improvements	44,440	267	248	-	44,955
Furniture and Equipment	9,675	1,049	62	-	10,786
Total capital assets being depreciated	54,115	1,316	310	-	55,741
Less accumulated depreciation for:					
Buildings and improvements	(42,400)	(210)	-	-	(42,610)
Furniture and Equipment	(7,548)	(307)	-	-	(7,855)
Total accumulated depreciation	(49,948)	(517)	-	-	(50,465)
Total capital assets being depreciated, net	4,167	799	310	-	5,276
Capital assets, net	$ 5,130	$ 1,056	$ -	$ -	$ 6,186

E. Interfund receivables, payables and transfers

The composition of interfund transfers for the year ended June 30, 2025, is as follows:

	Transfers In						
				Nonmajor Special Revenue			
	General Fund	Debt Service	Capital Projects	HUB Community Impact Fund	New Memphis Arena	Pre-K Fund	Affordable Housing
Transfer Out of Funds Below:							
General Fund	$ -	$ -	$ 2,500	$ 550	$ 1,975	$ -	$ 3,600
Capital Projects Fund	6,500	-	-	-	-	-	-
Arenas Funding Account	-	-	38,176	-	-	-	-
Nonmajor Special Revenue:							
State Street Aid	-	1,768	-	-	-	-	-
Miscellaneous Grants	-	192	-	-	-	-	-
American Rescue Plan Act	200	-	150	-	-	-	-
Solid Waste	750	3,858	-	-	-	-	-
Hotel/Motel Tax	-	6,633	-	-	-	-	-
Metro Alarm	1,625	-	-	-	-	-	-
2019 Sales Tax Referendum	26,900	-	-	-	-	7,000	-
Affordable Housing	950	-	-	-	-	-	-
Debt Service	-	-	999	-	-	-	-
Total Governmental Fund Types	36,925	12,451	41,825	550	1,975	7,000	3,600
PROPRIETARY FUND TYPES							
Enterprise:							
Sewer Collection and Treatment	14,972	-	-	-	-	-	-
Memphis Light, Gas and Water	59,856	-	-	-	-	-	-
Storm Water	106	-	-	-	-	-	-
Total Proprietary Fund Types	74,934	-	-	-	-	-	-
Total Transfers-In	$ 111,859	$ 12,451	$ 41,825	$ 550	$ 1,975	$ 7,000	$ 3,600

NOTE: Any differences in the transfers between City of Memphis and Memphis Light, Gas & Water is due to changes in PILOT agreements and/or the timing of fiscal year-end reporting.

Transfers In						
Enterprise	Internal Service	Fiduciary Funds				
Sewer Treatment	Healthcare Fund	City Retirement System	Library Retirement System	OPEB Trust Fund	Total Transfers-Out	
						Transfer Out of Funds Below:
$ -	$ -	$ -	471	$ -	$ 9,096	**General Fund**
			-			
-	-	-	-	-	6,500	**Capital Projects Fund**
-	-	-	-	-	38,176	**Arenas Funding Account**
						Nonmajor Special Revenue:
-	-	-	-	-	1,768	State Street Aid
-	-	-	-	-	192	Miscellaneous Grants
-	-	-	-	-	350	American Rescue Plan Act
-	-	-	-	-	4,608	Solid Waste
-	-	-	-	-	6,633	Hotel/Motel Tax
-	-	-	-	-	1,625	Metro Alarm
-	2,156	1,846	-	7,405	45,307	2019 Sales Tax Referendum
-	-	-	-	-	950	Affordable Housing
2,324	-	-	-	-	3,323	Debt Service
2,324	2,156	1,846	471	7,405	118,528	**Total Governmental Fund Types**
						PROPRIETARY FUND TYPES
						Enterprise:
-	-	-	-	-	14,972	Sewer Collection and Treatment
-	-	-	-	-	59,856	Memphis Light, Gas and Water
-	-	-	-	-	106	Storm Water
-	-	-	-	-	74,934	**Total Proprietary Fund Types**
$ 2,324	$ 2,156	$ 1,846	$ 471	$ 7,405	$ 193,462	**Total Transfers-In**

Transfers:
Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The City of Memphis Interfund transfers are attributable to the budgeted allocation of resources from one fund to another, primarily for debt service requirements, operating subsidies and the funding of capital items. Comments regarding selected transfers are as follows:

Governmental Funds:
FY25 Transfers-in to General Fund from: (1) the Solid Waste Fund represents the annual payment of an interfund loan; (2) the Metro Alarm Fund represents fines redistributed to police, fire, and legal for false alarms; (3) the Capital Projects Fund represents transfers for paving projects to be funded by operating funds; and (4) the 2019 Sales Tax Referendum Fund represents transfers for offsets to the Police and Fire for benefits restoration, and Engineering and Public Works for street maintenance in accordance with the referendum.

FY25 Transfers-in to the Debt Service Fund from State Street Aid represents the portion of current debt related to street maintenance; transfers-in from Solid Waste represents the lease payments for equipment. The purpose of transfers-in from the Hotel/Motel Fund is to fund payments towards the indebtedness of the Renasant Convention Center.

FY25 Transfers-in to the Capital Projects Fund includes $38,176 from the Arenas Funding Account Fund for spend related to the Simmons Bank Liberty Stadium and $2,500 of one-time project spend from the General Fund fund balance.

The $550 Transfer-in to the HUB Community Impact Fund from General Fund represents allocations toward homeless initiatives.

Transfers-in to the Pre-K Fund represents amounts allocated by ordinance to support the Pre-K Initiative, as allowed under the parameters of the 2019 Sales Tax Referendum.

The Transfer-in to the Healthcare Fund from the 2019 Sales Tax Referendum Fund supports the cost of benefits restoration allowed under the parameters of the 2019 Sales Tax Referendum.

The Transfer-in to the City Retirement Fund represents the cost of benefits restoration for Police and Fire allowed under the parameters of the 2019 Sales Tax Referendum.

The Transfer-in to the Library Retirement Fund from the General Fund represents the deficit in the closed pension plan that requires funding to support disbursements to retirees. Employee and Employer contributions are insufficient to cover the cost of pension disbursements to retirees.

The Transfer-in to the OPEB Fund from the 2019 Sales Tax Referendum Fund represents the cost of the restoration of benefits to retired police and fire employees under the parameters of the 2019 Sales Tax Referendum.

Proprietary Funds:
Transfers-in to the General Fund from the Sewer Fund and the Storm Water Fund represent assessments for PILOTs related to infrastructure, and the transfer-in from MLGW represents PILOT payments related to the utility infrastructure.

Transfers-in to the New Memphis Arena Fund represents MLGW PILOT payments specific to the debt service of the bonds issued for the FedExForum arena.

The composition of interfund balances as of June 30, 2025, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
GOVERNMENTAL FUND TYPES		
General		
	State Street Aid	$ 4,021
	Solid Waste Management	5,250
		9,271
Debt Service		
	State Street Aid	295
		295
Total		$ 9,566

Interfund Balances:
These balances resulted from timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur; and (2) payments between funds occur. Also, there are some interfund balances resulting from working capital loans made between the funds. Most of these balances are scheduled to be collected in the subsequent year. Because Storm Water is a proprietary fund, a long-term commercial paper liability is presented in conformity with generally accepted accounting principles (GAAP).

F. Leases
NOTE: Amounts in this section only are stated in whole dollars.
Leases

The City of Memphis has entered into lease agreements as a lessee for financing the acquisition of buildings equipment for the Solid Waste, Fire Services, City Court Clerk, Parks, Information Technology, City Engineering and Community Development Divisions. The lease agreements qualified as capital leases for accounting purposes and, therefore, were recorded at the present value of future minimum lease payments as of the inception dates.

City of Memphis, TN has 16 outstanding lessee contracts in the amount of $9,921,777. City of Memphis, TN has 9 outstanding lessor contracts in the amount of $44,400,272.

Lessee Contracts

For the year ended 6/30/2025, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 07/01/2021, City of Memphis, TN entered a 180-month lease as Lessee for the use of G & S Development-29794. An initial lease liability was recorded in the amount of $1,367,214. As of 06/30/2025, the value of the lease liability is $1,029,196, and the value of the short-term lease liability is $87,326. City of Memphis, TN is required to make monthly fixed payments of $8,400. The lease has an interest rate of 1.3620%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2025 of $1,367,214 with accumulated amortization of $363,044 is included with Land on the Lease Class activities table found below. City of Memphis, TN has 1 extension option(s), each for 60 months. City of Memphis, TN had a termination period of 2 months as of the lease commencement.

On 07/01/2021, City of Memphis, TN entered a 190-month lease as Lessee for the use of Self Tucker Properties LLC-36150. An initial lease liability was recorded in the amount of $2,000,891. As of 06/30/2025, the value of the lease liability is $1,686,051, and the value of the short-term lease liability is $86,354. City of Memphis, TN is required to make monthly fixed payments of $14,302. The lease has an interest rate of 1.4620%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2025 of $2,000,891 with accumulated amortization of $505,488 is included with Buildings on the Lease Class activities table found below. City of Memphis, TN has 2 extension option(s), each for 60 months.

On 07/01/2021, City of Memphis, TN entered a 198-month lease as Lessee for the use of Memphis & Shelby County Port Commission- 35008. An initial lease liability was recorded in the amount of $1,216,817. As of 06/30/2025, the value of the lease liability is $931,368, and the value of the short-term lease liability is $71,709. City of Memphis, TN is required to make annual fixed payments of $85,000.

The lease has an interest rate of 1.4270%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2025 of $1,216,817 with accumulated amortization of $294,986 is included with Land on the Lease Class activities table found below. City of Memphis, TN has 2 extension option(s), each for 60 months.

On 07/01/2021, City of Memphis, TN entered an 87-month lease as Lessee for the use of Nera Investments, LLC-35441S. An initial lease liability was recorded in the amount of $3,623,893. As of 06/30/2025, the value of the lease liability is $1,821,499, and the value of the short-term lease liability is $519,884. City of Memphis, TN is required to make monthly fixed payments of $39,725. The lease has an interest rate of 0.8333%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2025 of $3,623,893 with accumulated amortization of $1,999,389 is included with Buildings on the Lease Class activities table found below. City of Memphis, TN has 2 extension option(s), each for 60 months.

On 03/24/2023, City of Memphis, TN entered a 36-month lease as Lessee for the use of CP Union LLC- 33708. An initial lease liability was recorded in the amount of $522,354. As of 06/30/2025, the value of the lease liability is $0, and the value of the short-term lease liability is $0. City of Memphis, TN is required to make annual fixed payments of $178,979. The lease has an interest rate of 2.6560%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2025 of $522,354 with accumulated amortization of $394,786 is included with Buildings on the Lease Class activities table found below.

On 08/15/2022, City of Memphis, TN entered a 37-month lease as Lessee for the use of CP Union LLC- 39736. An initial lease liability was recorded in the amount of $86,743. As of 06/30/2025, the value of the lease liability is $7,055, and the value of the short-term lease liability is $7,055. City of Memphis, TN is required to make monthly fixed payments of $2,360. The lease has an interest rate of 2.1840%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2025 of $86,743 with accumulated amortization of $79,810 is included with Buildings on the Lease Class activities table found below.

On 03/01/2023, City of Memphis, TN entered a 120-month lease as Lessee for the use of CP Union LLC- 40452. An initial lease liability was recorded in the amount of $1,082,888. As of 06/30/2025, the value of the lease liability is $855,051, and the value of the short-term lease liability is $101,224. City of Memphis, TN is required to make monthly fixed payments of $10,359. The lease has an interest rate of 2.8530%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2025 of $1,082,888 with accumulated amortization of $252,674 is included with Buildings on the Lease Class activities table found below. City of Memphis, TN has 1 extension option(s), each for 60 months.

On 01/01/2024, City of Memphis, TN entered a 120-month lease as Lessee for the use of CP Union LLC- 40913. An initial lease liability was recorded in the amount of $446,599. As of 06/30/2025, the value of the lease liability is $389,921, and the value of the short-term lease liability is $38,322. City of Memphis, TN is required to make monthly fixed payments of $3,939. The lease has an interest rate of 2.4020%. The buildings estimated useful life was 0 months as of the contract commencement.

The value of the right to use asset as of 06/30/2025 of $446,599 with accumulated amortization of $66,990 is included with Buildings on the Lease Class activities table found below. City of Memphis, TN has 1 extension option(s), each for 60 months.

On 09/20/2022, City of Memphis, TN entered a 60-month lease as Lessee for the use of Emergency Services Consulting International, Inc.- 39772. An initial lease liability was recorded in the amount of $1,849,187. As of 06/30/2025, the value of the lease liability is $748,016, and the value of the short-term lease liability is $369,635. City of Memphis, TN is required to make annual fixed payments of $387,333. The lease has an interest rate of 2.3660%. The Other estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2025 of $1,849,187 with accumulated amortization of $1,028,354 is included with Other on the Lease Class activities table found below. City of Memphis, TN has 2 extension option(s), each for 12 months.

On 06/07/2024, City of Memphis, TN entered a 48-month lease as Lessee for the use of Hick Convention Services and Event Rentals- 41130. An initial lease liability was recorded in the amount of $170,701. As of 06/30/2025, the value of the lease liability is $128,970, and the value of the short-term lease liability is $43,075. City of Memphis, TN is required to make monthly variable fixed in substance principal and interest payments of $3,837. The lease has an interest rate of 2.7120%. The Other estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2025 of $170,701 with accumulated amortization of $45,520 is included with Other on the Lease Class activities table found below. City of Memphis, TN has 2 extension option(s), each for 12 months.

On 07/01/2021, City of Memphis, TN entered a 72-month lease as Lessee for the use of Ladd's- 37293. An initial lease liability was recorded in the amount of $418,118. As of 06/30/2025, the value of the lease liability is $141,322, and the value of the short-term lease liability is $70,413. City of Memphis, TN is required to make annual fixed payments of $71,407. The lease has an interest rate of 0.7030%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2025 of $418,118 with accumulated amortization of $278,746 is included with Equipment on the Lease Class activities table found below.

On 01/04/2025, City of Memphis, TN entered a 180-month lease as Lessee for the use of Peabody Place Centre GP- 42091. An initial lease liability was recorded in the amount of $744,680. As of 06/30/2025, the value of the lease liability is $728,654, and the value of the short-term lease liability is $38,900. City of Memphis, TN is required to make monthly fixed payments of $5,333. The lease has an interest rate of 3.5300%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2025 of $744,680 with accumulated amortization of $24,409 is included with Buildings on the Lease Class activities table found below. City of Memphis, TN has 2 extension option(s), each for 60 months.

On 02/11/2025, City of Memphis, TN entered a 36-month lease as Lessee for the use of Salary.com, LLC- 41528. An initial lease liability was recorded in the amount of $94,931. As of 06/30/2025, the value of the lease liability is $70,181, and the value of the short-term lease liability is $22,734. City of Memphis, TN is required to make annual fixed payments of $24,750. The lease has an interest rate of 2.8720%. The Other estimated useful life was 0 months as of the contract commencement.

The value of the right to use asset as of 06/30/2025 of $94,931 with accumulated amortization of $12,193 is included with Other on the Lease Class activities table found below. City of Memphis, TN has 1 extension option(s), each for 12 months.

On 03/01/2025, City of Memphis, TN entered a 186-month lease as Lessee for the use of SE Industrial Investments, LLC- 42049. An initial lease liability was recorded in the amount of $379,610. As of 06/30/2025, the value of the lease liability is $364,222, and the value of the short-term lease liability is $18,745. City of Memphis, TN is required to make annual fixed payments of $31,835. The lease has an interest rate of 3.5940%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2025 of $379,610 with accumulated amortization of $8,120 is included with Buildings on the Lease Class activities table found below. City of Memphis, TN has 2 extension option(s), each for 60 months.

On 12/01/2024, City of Memphis, TN entered a 24-month lease as Lessee for the use of Turf Tank- 41543. An initial lease liability was recorded in the amount of $34,985. As of 06/30/2025, the value of the lease liability is $17,285, and the value of the short-term lease liability is $17,285. City of Memphis, TN is required to make annual fixed payments of $17,700. The lease has an interest rate of 2.4030%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2025 of $34,985 with accumulated amortization of $10,204 is included with Equipment on the Lease Class activities table found below. City of Memphis, TN has 1 extension option(s), each for 12 months.

On 05/25/2023, City of Memphis, TN entered a 36-month lease as Lessee for the use of Waste Management of Memphis- 40375. An initial lease liability was recorded in the amount of $175,474. As of 06/30/2025, the value of the lease liability is $0, and the value of the short-term lease liability is $0. City of Memphis, TN is required to make annual fixed payments of $60,000. The lease has an interest rate of 2.3630%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2025 of $175,474 with accumulated amortization of $122,832 is included with Equipment on the Lease Class activities table found below. City of Memphis, TN has 2 extension option(s), each for 12 months.

Lessor Contracts

For the year ended 6/30/2025, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 07/01/2021, City of Memphis, TN entered a 119-month lease as Lessor for the use of Bristol Apartments General Partnership- N16533. An initial lease receivable was recorded in the amount of $18,790. As of 06/30/2025, the value of the lease receivable is $11,524 and the value of the short-term lease receivable is $1,865. The lessee is required to make annual fixed payments of $2,000. The lease has an interest rate of 1.1700%. The Easements estimated useful life was 0 months as of the contract commencement.

The value of the deferred inflow of resources as of 06/30/2025 was $11,211, and City of Memphis, TN recognized lease revenue of $1,895 during the fiscal year.

On 07/01/2021, City of Memphis, TN entered a 480-month lease as Lessor for the use of Bass Pro Memphis Development Company LLC- 27043. An initial lease receivable was recorded in the amount of $29,263,249. As of 06/30/2025, the value of the lease receivable is $26,739,126 and the value of the short-term lease receivable is $544,098. The lessee is required to make annual fixed payments of $1,000,000. The lease has an interest rate of 1.7050%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2025 was $26,336,924, and City of Memphis, TN recognized lease revenue of $731,581 during the fiscal year. The lessee has 7 extension option(s), each for 60 months.

On 11/01/2024, City of Memphis, TN entered a 120-month lease as Lessor for the use of Federal Express Corporation- 41499. An initial lease receivable was recorded in the amount of $159,017. As of 06/30/2025, the value of the lease receivable is $149,453 and the value of the short-term lease receivable is $14,124. The lessee is required to make monthly fixed payments of $1,500. The lease has an interest rate of 2.7100%. The Land Improvements estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2025 was $148,430, and City of Memphis TN recognized lease revenue of $10,586 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 07/01/2021, City of Memphis, TN entered a 288-month lease as Lessor for the use of International Paper Company- 32377. An initial lease receivable was recorded in the amount of $39,459. As of 06/30/2025, the value of the lease receivable is $33,878 and the value of the short-term lease receivable is $1,445. The lessee is required to make annual fixed payments of $2,000. The lease has an interest rate of 1.6370%. The Land Improvements estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2025 was $32,882, and City of Memphis, TN recognized lease revenue of $1,644 during the fiscal year. The lessee has 1 extension option(s), each for 180 months.

On 07/21/2021, City of Memphis, TN entered a 222-month lease as Lessor for the use of Pontotoc Place Owners Association, Inc.- 20764. An initial lease receivable was recorded in the amount of $55,485. As of 06/30/2025, the value of the lease receivable is $44,021 and the value of the short-term lease receivable is $2,856. The lessee is required to make annual fixed payments of $3,500. The lease has an interest rate of 1.4620%. The Land Improvements estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2025 was $43,620, and City of Memphis, TN recognized lease revenue of $3,008 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

On 07/01/2021, City of Memphis, TN entered a 266-month lease as Lessor for the use of Sprint Communications Co. LP- 32278. An initial lease receivable was recorded in the amount of $727,298. As of 06/30/2025, the value of the lease receivable is $618,450 and the value of the short-term lease receivable is $26,960. The lessee is required to make annual fixed payments of $35,000. The lease has an interest rate of 1.5830%. The infrastructure estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2025 was $596,515, and City of Memphis, TN recognized lease revenue of $32,696 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On 01/01/2023, City of Memphis, TN entered a 300-month lease as Lessor for the use of The University of Memphis- 40521. An initial lease receivable was recorded in the amount of $4,921,757. As of 06/30/2025, the value of the lease receivable is $0, and the value of the short-term lease receivable is $129,322. The lessee is required to make annual fixed payments of $300,000. The lease has an interest rate of 3.8990%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2025 was $4,429,581, and City of Memphis, TN recognized lease revenue of $196,870 during the fiscal year.

On 07/01/2021, City of Memphis, TN entered a 390-month lease as Lessor for the use of TV6-W, LLC- 31025. An initial lease receivable was recorded in the amount of $594,866. As of 06/30/2025, the value of the lease receivable is $568,713 and the value of the short-term lease receivable is $10,183. The lessee is required to make monthly fixed payments of $1,500. The lease has an interest rate of 1.7050%. The infrastructure estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2025 was $521,739, and City of Memphis, TN recognized lease revenue of $18,282 during the fiscal year. The lessee has 6 extension option(s), each for 60 months.

On 05/06/2025, City of Memphis, TN entered a 60-month lease as Lessor for the use of Windstream- 42086. An initial lease receivable was recorded in the amount of $86,831. As of 06/30/2025, the value of the lease receivable is $68,458 and the value of the short-term lease receivable is $16,388. The lessee is required to make annual fixed payments of $18,373. The lease has an interest rate of 2.8990%. The infrastructure estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2025 was $84,172, and City of Memphis, TN recognized lease revenue of $2,659 during the fiscal year.

Subscriptions Leases

For the year ended 6/30/2024, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

As of 06/30/2025, the City of Memphis, TN has zero subscription leases.

The assets acquired through lease agreements are as follows:

BUSINESS-TYPE ACTIVITIES:	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025
Lease Assets				
Land				
Memphis & Shelby County Port Commission- #35008	1,216,817	-	-	1,216,817
Total Land Lease Assets	1,216,817	-	-	1,216,817
Total Lease Assets	**1,216,817**	**-**	**-**	**1,216,817**

GOVERNMENTAL ACTIVITIES:	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025
Lease Assets				
Buildings				
CP Union LLC- #33708	522,354	-	-	522,354
CP Union LLC- #39736	86,744	-	-	86,744
CP Union LLC- #40452	1,082,888	-	-	1,082,888
CP Union LLC- #40913	446,599	-	-	446,599
Nera Investments, LLC- #35441S	3,623,893	-	-	3,623,893
Peabody Place Centre GP- #42091	-	744,680	-	744,680
SE Industrial Investments, LLC- #42049	-	379,610	-	379,610
Self Tucker Properties LLC-#36150	2,000,891	-	-	2,000,891
Total Building Lease Assets	7,763,369	1,124,290	-	8,887,659
Equipment				
Ladd's- #37293	418,118	-	-	418,118
Turf Tank- #41543	-	34,985	-	34,985
Waste Management of Memphis- #40375	175,474	-	-	175,474
Total Equipment Lease Assets	593,592	34,985	-	628,577
Land				
G & S Development- #29794	1,367,214	-	-	1,367,214
Total Land Lease Assets	1,367,214	-	-	1,367,214
Other				
Emergency Services Consulting International, Inc.- #39772	1,849,187	-	-	1,849,187
Hick Convention Services and Event Rentals- #41130	170,701	-	-	170,701
Salary.com, LLC- #41528	-	94,931	-	94,931
Total Other Lease Assets	2,019,888	94,931	-	2,114,819
Total Lease Assets	**11,744,063**	**1,254,206**	**-**	**12,998,269**

BUSINESS-TYPE ACTIVITIES:	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025	Short-Term Balance as of June 30, 2025
Lease Liability					
Land					
Memphis & Shelby County Port Commission- #35008	1,002,068	-	70,700	931,368	71,709
Total Land Lease Liability	1,002,068	-	70,700	931,368	71,709
Total Lease Liability	**1,002,068**	**-**	**70,700**	**931,368**	**71,709**

GOVERNMENTAL ACTIVITIES:	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025	Short-Term Balance as of June 30, 2025
Lease Liability					
Buildings					
CP Union LLC- #33708	174,348	-	174,348	-	-
CP Union LLC- #39736	34,895	-	27,840	7,055	7,055
CP Union LLC- #40452	953,431	-	98,380	855,051	101,224
CP Union LLC- #40913	427,334	-	37,413	389,921	38,322
Nera Investments, LLC- #35441S	2,307,032	-	485,533	1,821,499	519,884
Peabody Place Centre GP- #42091	-	744,680	16,026	728,654	38,900
SE Industrial Investments, LLC- #42049	-	379,610	15,387	364,223	18,745
Self Tucker Properties LLC-#36150	1,765,872	-	79,821	1,686,051	86,354
Total Building Lease Liability	5,662,912	1,124,290	934,748	5,852,454	810,484
Equipment					
Ladd's- #37293	211,244	-	69,922	141,322	70,413
Turf Tank- #41543	-	34,985	17,700	17,285	17,285
Waste Management of Memphis- #40375	58,615	-	58,615	-	-
Total Equipment Lease Liability	269,859	34,985	146,237	158,607	87,698
Land					
G & S Development- #29794	1,115,341	-	86,145	1,029,196	87,326
Total Land Lease Liability	1,115,341	-	86,145	1,029,196	87,326
Other					
Emergency Services Consulting International, Inc.- #39772	1,109,108	-	361,092	748,016	369,635
Hick Convention Services and Event Rentals- #41130	170,701	-	41,732	128,970	43,075
Salary.com, LLC- #41528	-	94,931	24,750	70,181	22,734
Total Other Lease Liability	1,279,809	94,931	427,574	947,167	435,444
Total Lease Liability	**8,327,921**	**1,254,206**	**1,594,704**	**7,987,424**	**1,420,952**

BUSINESS-TYPE ACTIVITIES:	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025
Lease Accumulated Amortization				
Land				
Memphis & Shelby County Port Commission- #35008	221,240	73,747	-	294,986
Total Land Lease Accumulated Amortization	221,240	73,747	-	294,986
Total Lease Accumulated Amortization	**221,240**	**73,747**	**-**	**294,986**

GOVERNMENTAL ACTIVITIES:	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025
Lease Accumulated Amortization				
Buildings				
CP Union LLC- #33708	220,829	173,957	-	394,786
CP Union LLC- #39736	52,077	27,733	-	79,810
CP Union LLC- #40452	144,385	108,289	-	252,674
CP Union LLC- #40913	22,330	44,660	-	66,990
Nera Investments, LLC- #35441S	1,499,542	499,847	-	1,999,389
Peabody Place Centre GP- #42091	-	24,409	-	24,409
SE Industrial Investments, LLC- #42049	-	8,120	-	8,120
Self Tucker Properties LLC-#36150	379,116	126,372	-	505,488
Total Building Lease Accumulated Amortization	2,318,279	1,013,387	-	3,331,666
Equipment				
Ladd's- #37293	209,059	69,686	-	278,746
Turf Tank- #41543	-	10,204	-	10,204
Waste Management of Memphis- #40375	64,340	58,491	-	122,832
Total Equipment Lease Accumulated Amortization	273,399	138,381	-	411,782
Land				
G & S Development- #29794	272,283	90,761	-	363,044
Total Land Lease Accumulated Amortization	272,283	90,761	-	363,044
Other				
Emergency Services Consulting International, Inc.- #39772	658,516	369,837	-	1,028,354
Hick Convention Services and Event Rentals- #41130	2,845	42,675	-	45,520
Salary.com, LLC- #41528	-	12,193	-	12,193
Total Other Lease Accumulated Amortization	661,361	424,705	-	1,086,067
Total Lease Accumulated Amortization	**3,525,322**	**1,667,234**	**-**	**5,192,559**

GOVERNMENTAL ACTIVITIES:	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025
Deferred Inflow of Resources				
Buildings				
Bass Pro Memphis Development Company LLC- #27043	27,068,505	-	731,581	26,336,924
The University of Memphis- #40521	4,626,452	-	196,870	4,429,581
Total Building Deferred Inflow of Resources	31,694,957	-	928,451	30,766,505
Easements				
Bristol Apartments General Partnership- # N16533	13,105	-	1,895	11,211
Total Easement Deferred Inflow of Resources	13,105	-	1,895	11,211
Infrastructure				
Sprint Communications Co. LP- #32278	629,211	-	32,696	596,515
TV6-W, LLC- #31025	540,021	-	18,282	521,739
Windstream- #42086	-	86,831	2,659	84,172
Total Infrastructure Deferred Inflow of Resources	1,169,232	86,831	53,637	1,202,426
Land Improvements				
Federal Express Corporation- #41499	-	159,017	10,586	148,430
International Paper Company- #32377	34,526	-	1,644	32,882
Pontotoc Place Owners Association, Inc.- #20764	46,628	-	3,008	43,620
Total Land Improvement Deferred Inflow of Resources	81,154	159,017	15,238	224,932
Total Deferred Inflow of Resources	**32,958,448**	**245,848**	**999,221**	**32,205,074**

GOVERNMENTAL ACTIVITIES:	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025	Short-Term Balance as of June 30, 2025
Lease Receivable					
Buildings					
Bass Pro Memphis Development Company LLC- #27043	27,274,103	-	534,977	26,739,126	544,098
The University of Memphis- #40521	-	-	-	-	129,322
Total Building Lease Receivable	27,274,103	-	534,977	26,739,126	673,420
Easements					
Bristol Apartments General Partnership- # N16533	13,367	-	1,844	11,524	1,865
Total Easement Lease Receivable	13,367	-	1,844	11,524	1,865
Infrastructure					
Sprint Communications Co. LP- #32278	644,990	-	26,540	618,450	26,960
TV6-W, LLC- #31025	578,724	-	10,011	568,713	10,183
Windstream- #42086	-	86,831	18,373	68,458	16,388
Total Infrastructure Lease Receivable	1,223,714	86,831	54,924	1,255,621	53,531
Land Improvements					
Federal Express Corporation- #41499	-	159,017	9,564	149,453	14,124
International Paper Company- #32377	35,300	-	1,422	33,878	1,445
Pontotoc Place Owners Association, Inc.- #20764	46,837	-	2,815	44,021	2,856
Total Land Improvement Lease Receivable	82,137	159,017	13,801	227,352	18,425
Total Lease Receivable	**28,593,321**	**245,848**	**605,546**	**28,233,623**	**747,241**

G. Long-term debt

Note: For reporting purposes, certain amounts in this note are reported in whole dollars.

Leases

City of Memphis, TN has two outstanding Lease issues in the amount of $7,222,324.

In 2024, a Tax-Exempt $2,090,620 Series Fire Services Lease 2024 was issued with maturities ranging from $192,286 to $226,676. The Series Fire Services Lease 2024 was bank placed with Chase Bank and is repaid from the EMS Fund.

In 2024, a Tax-Exempt $5,859,349 Series Solid Waste Lease 2024 was issued with maturities ranging from $535,359 to $639,239. The Series Solid Waste Lease 2024 was bank placed with Chase Bank and is repaid from the Debt Service Fund.

General Obligation Bonds

The City's full faith and credit and unlimited taxing power have been pledged that the payment of general obligation debt principal and interest. There is no legal limit on the indebtedness that may be incurred.

As of June 30, 2025, the City's bond ratings were as follows: Aa2 by Moody's Ratings Service, Inc. and AA by S&P Global Ratings.

City of Memphis, TN has seventeen outstanding General Obligation issues in the amount of $1,526,492,126.

In 2010, Taxable $39,950,000 Series 2010B General Improvement Bonds were issued with maturities ranging from $3,460,000 to $5,185,000. The Series 2010B General Improvement Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2010, Taxable $62,550,000 Series 2010C General Improvement Bonds were issued with maturities ranging from $3,585,000 to $5,595,000. The Series 2010C General Improvement Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2010, Taxable $11,160,000 Series 2010F General Improvement Bonds were issued with maturities ranging from $5,485,000 to $5,675,000. The Series 2010F General Improvement Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2014, Tax-Exempt $208,230,000 Series 2014B General Improvement Refunding Bonds were issued with maturities ranging from $2,575,000 to $12,525,000. The Series 2014B General Improvement Refunding Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2015, Tax-Exempt $76,820,000 Series 2015A General Improvement Refunding Bonds were issued with maturities ranging from $23,915,000 to $52,905,000. The Series 2015A General Improvement Refunding Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2016, Tax-Exempt $69,885,000 Series 2016 General Improvement Bonds was issued with maturities ranging from $1,710,000 to $4,085,000. The Series 2016 General Improvement Bonds were publicly sold and is repaid from the Debt Service Fund.

In 2018, Tax-Exempt $309,255,000 Series 2018 General Improvement Bonds were issued with maturities ranging from $4,400,000 to $15,025,000. The Series 2018 General Improvement Bond were publicly sold and are repaid from the Debt Service Fund.

In 2020, Tax-Exempt $214,675,000 Series 2020 General Improvement Refunding Bonds were issued with maturities ranging from $3,390,000 to $33,235,000. The Series 2020 General Improvement Refunding Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2020, Tax-Exempt $24,470,000 Series 2020A General Improvement Bonds were issued with maturities ranging from $1,935,000 to $3,035,000. The Series 2020A General Improvement Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2021, Tax-Exempt $165,680,000 Series 2021 General Improvement Refunding Bonds were issued with maturities ranging from $500,000 to $9,795,000. The Series 2021 General Improvement Refunding Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2021, Tax-Exempt $163,772,126 Series 2021A Local Government Public Improvement Bonds were issued with maturities ranging from $6,442,800 to $9,815,712. The Series 2021A Local Government Public Improvement Bonds were placed bank with and are repaid from the Debt Service Fund.

In 2022, Tax-Exempt $167,555,000 Series 2022 General Improvement Refunding Bonds were issued with maturities ranging from $1,225,000 to $14,400,000. The Series 2022 General Improvement Refunding Bonds were placed bank with and are repaid from the Debt Service Fund.

In 2022, Tax-Exempt $138,010,000 Series 2022A General Improvement Bonds were issued with maturities ranging from $3,280,000 to $9,850,000. The Series 2022A General Improvement Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2023, a Tax-Exempt $6,800,000 Series 2023 TMBF Loan General Obligation TMBF Solid Waste Loan was issued with maturities ranging from $642,000 to $879,000. The Series 2023 TMBF Loan General Obligation TMBF Solid Waste Loan was placed and is repaid from the Debt Service Fund.

In 2024, Tax-Exempt $135,345,000 Series 2024A General Improvement Bonds were issued with maturities ranging from $3,560,000 to $7,125,000. The Series 2024A General Improvement Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2024, Tax-Exempt $85,290,000 Series 2024B General Improvement Refunding Bonds were issued with maturities ranging from $355,000 to $16,015,000. The Series 2024B General Improvement Refunding Bonds were publicly sold and are repaid by the Debt Service Fund.

In 2024, the City of Memphis was authorized to issue $150,000,000 of General Obligation Commercial Paper, Series A (Tax Exempt) (the "Notes"). The Notes were issued with increments of $25,000,000. The Notes were publicly sold and repaid from the Debt Service Fund. As of June 30, 2025, the Notes have an outstanding balance of $100,000,000.

Commercial Paper Program

In October 2018, the City entered into a revolving credit agreement to provide liquidity support for its Commercial Paper Program. The Commercial Paper is issued under the City of Memphis' Commercial Paper Program in an amount not to exceed $150,000,000. The purpose of the Commercial Paper is to provide interim financing of various capital projects. The Commercial Paper notes have varying maturities of not more than 270 days from their respective dates of issuance. The City entered into a line of credit agreement to provide liquidity support for this Commercial Paper Program. Unless earlier terminated or substituted, the agreement will terminate on September 29, 2028. The debt is classified as long-term debt and is reflected in the City's Statement of Net Position and the City's Long-Term Debt Fund based on the City's ability to refinance the debt under the line of credit agreement. As of June 30, 2025, the outstanding balance is $100,000,000.

Sewer & Storm Water Revenue Bonds

As of June 30, 2025, the City's bond ratings were as follows: Sewer – A+ by S&P Global Ratings and Aa2 by Moody's Ratings; Storm Water – AA by S&P Global Ratings and Aa2 by Moody's Ratings.

Sewer Revenue Bonds

City of Memphis, TN has three outstanding Sewer Revenue issues in the amount of $221,870,000.

In 2018, Tax-Exempt $69,480,000 Series 2018 Sanitary Sewerage System Revenue and Revenue Refunding Bonds were issued with maturities ranging from $915,000 to $4,225,000. The Series 2018 Sanitary Sewerage System Revenue and Revenue Refunding Bonds were publicly sold and are repaid from the Sewer Collection and Treatment Fund.

In 2020, Tax-Exempt $123,535,000 Series 2020B Sanitary Sewerage System Revenue and Revenue Refunding Bond were issued with maturities ranging from $3,475,000 to $7,435,000. The Series 2020B Sanitary Sewerage System Revenue and Revenue Refunding Bond was publicly sold and are repaid from the Sewer Collection and Treatment Fund.

In 2025, Tax-Exempt $65,705,000 Series 2025 Sanitary Sewerage System Revenue Bonds were issued with maturities ranging from $690,000 to $4,430,000. The Series 2025 Sanitary Sewerage System Revenue Bonds were publicly sold and are repaid from the Sewer Collection and Treatment Fund.

Storm Water Revenue Bonds

City of Memphis, TN has two outstanding Storm Water Revenue issues in the amount of $31,857,790.

In 2019, Tax-Exempt $35,830,000 Series 2019 Storm Water System Revenue Bonds were issued with maturities ranging from $740,000 to $2,450,000. The Series of 2019 Storm Water System Revenue Bonds were publicly sold and are repaid from the Storm Water System Fund.

State Loans

City of Memphis, TN has nine outstanding SRF Loans (Appropriation) in the amount of $214,618,255.

In 2013, a Tax-Exempt $3,988,541 Series SRF 06-195 State Revolving Fund Loan- SRF 06-195 was issued with maturities ranging from $12,840 to $21,221. The Series SRF 06-195 State Revolving Fund Loan- SRF 06-195 was bank placed with State Loan and is repaid from the Sewer Collection and Treatment Fund.

In 2018, a Tax-Exempt $11,601,993 Series SRF 13-309 State Revolving Fund Loan - SRF 13-309 was issued with maturities ranging from $36,605 to $52,690. The Series SRF 13-309 State Revolving Fund Loan - SRF 13-309 was bank placed with State Loan and is repaid from the Sewer Collection and Treatment Fund.

In 2020, a Tax-Exempt $100,000,000 Series SRF 13-311 State Revolving Fund Loan - SRF 13-311 was issued with maturities ranging from $340,666 to $451,038. The Series SRF 13-311 State Revolving Fund Loan - SRF 13-311 was bank placed with State Loan and is repaid from the Sewer Collection and Treatment Fund.

In 2015, a Tax-Exempt $25,000,000 Series SRF 15-355 State Revolving Fund Loan- SRF 15-355 was issued with maturities ranging from $96,642 to $112,114. The Series SRF 15-355 State Revolving Fund Loan- SRF 15-355 was bank placed with State Loan and is repaid from the Sewer Collection and Treatment Fund.

In 2020, a Tax-Exempt $11,000,000 Series SRF 18-409 State Revolving Fund Loan - SRF 18-409 was issued with maturities ranging from $36,926 to $49,959. The Series SRF 18-409 State Revolving Fund Loan - SRF 18-409 was bank placed with State Loan and is repaid from the Sewer Collection and Treatment Fund.

In 2020, a Tax-Exempt $6,500,000 Series SRF 19-421 State Revolving Fund Loan - SRF 19-421 was issued with maturities ranging from $21,648 to $30,431. The Series SRF 19-421 State Revolving Fund Loan - SRF 19-421 was bank placed with State Loan and is repaid from the Sewer Collection and Treatment Fund.

In 2018, a Tax-Exempt $47,784,532 Series SRF 19-434 State Revolving Fund Loan - SRF 19-434 was issued with maturities ranging from $190,973 to $209,258. The Series SRF 19-434 State Revolving Fund Loan - SRF 19-434 was bank placed with State Loan and is repaid from the Sewer Collection and Treatment Fund.

In 2022, a Tax-Exempt $22,772,950 Series SRF 21-451 State Revolving Fund Loan - SRF 21-451 was issued with maturities ranging from $57,109 to $2,859,430. The Series SRF 21-451 State Revolving Fund Loan - SRF 21-451 was placed with and is repaid from the Sewer Collection and Treatment Fund.

In 2024, a Taxable $39,636,000 Series SRF CGB22 2024-471 State Revolving Fund Loan - SRF CGB22 2024-471 was issued with maturities ranging from $144,699 to $188,611. The Series SRF CGB22 2024-471 State Revolving Fund Loan - SRF CGB22 2024-471 is a revolving loan placed with the state and is repaid from the Sewer Collection and Treatment Fund.

Federal Loans (WIFIA)

City of Memphis, TN has two Water Infrastructure Finance and Innovation Act (WIFIA) loan agreements.

In 2020, the City entered into a WIFIA loan agreement with EPA in a maximum principal amount of $156,000,000 to finance Sanitary Sewerage System improvements. The loan is evidenced by a single taxable bond purchased by the EPA. The bond is a drawdown bond with principal payments, if fully drawn, ranging from $6,388,415 to $7,858,144.

In 2024, the City entered into a WIFIA loan agreement with EPA in a maximum principal amount of $10, 275,781 to finance Storm Water System improvements. The loan is evidenced by a single taxable bond purchased by the EPA. The bond is a drawdown bond with principal payments, if fully drawn, ranging from $382,993 to $808,092.

Economic Development Bonds

City of Memphis, TN has four outstanding issues of Economic Development Bonds.

In 2021, Tax-Exempt $19,140,000 Series 2021A Economic Development Bonds were issued with maturities ranging from $720,000 to $1,460,000. The Series 2021A Economic Development Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2021, Taxable $5,115,000 Series 2021B Economic Development Bonds were issued with maturities ranging from $1,000,000 to $1,050,000. The Series 2021B Economic Development Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2024, a Tax-Exempt $25,665,000 Series 2024A Revenue Finance Corporation Eco Development Bond was issued with maturities ranging from $1,480,000 to $3,775,000. The Series 2024A Revenue Finance Corporation Eco Development Bond was bank placed with Regions Bank and is repaid from the Debt Service Fund.

In 2024, Tax-Exempt $15,205,000 Series 2024B Memphis Center City Revenue Finance Corporation Economic Development Revenue Bonds were issued with maturities ranging from $1,245,000 to $2,910,000. The Series 2024B Memphis Center City Revenue Finance Corporation Economic Development Revenue Bonds were bank placed with Regions Bank and are repaid from the Debt Service Fund.

Revenue Bonds

City of Memphis, TN has three outstanding issues of Revenue Bonds.

In 2014, Tax-Exempt $17,925,000 Series 2014A Sports Facility Revenue Bonds were issued with maturities ranging from $680,000 to $2,005,000. The Series 2014A Sports Facility Revenue Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2014, Taxable $5,720,000 Series 2014B Sports Facility Revenue Bonds were issued with maturities ranging from $285,000 to $635,000. The Series 2014B Sports Facility Revenue Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2022 Tax-Exempt $28,935,000 Series 2022 Revenue Refunding Bond was issued with principal payments ranging from $1,735,000 to $2,470,000. The obligation of the City and Shelby County to support the payment of debt service on the bond is apportioned on an equal basis (i.e., 50% by the City and 50% by Shelby County). The bond was privately placed and is being repaid from the Debt Service Fund.

Settlement Obligation

City of Memphis, TN has one outstanding Settlement Obligation in the amount of $6,666,670.

In 2015, a $20,000,000 Settlement Obligation was issued with maturities of $1,333,334. The Series 2015 Settlement Obligation is repaid from the General Fund.

TDZ Revenue Bonds

City of Memphis, TN has loan agreements that obligate it to pay debt service on two outstanding bond issues that are secured by TDZ Revenue. EDGE, as defined herein, served as the conduit issuer for both bond issues.

In 2017, Tax-Exempt $87,725,000 Series 2017B TDZ Revenue Refunding Bonds were issued with maturities ranging from $7,060,000 to $15,180,000. The 2017B TDZ Revenue Refunding Bonds were publicly sold and are repaid from the Debt Service Fund.

In July 2021, the $69,635,000 Revenue Bonds (Liberty Park Project), Series 2021 (Federally Taxable), were issued with maturities ranging from $500,000 to $2,270,000. The bonds were publicly sold and are repaid from the Debt Service Fund.

Changes in long-term liabilities

Various bond indentures contain significant limitations and/or restrictions for annual debt service requirements, maintenance of and flow of monies through various restricted accounts and minimum amounts to be maintained in various sinking funds. The City follows these limitations and restrictions.

The following is a summary of general obligation, other debt, and revenue bonds by fund at June 30, 2025:

	General Obligation Bonds	Economic Development Bonds	Bond Anticipation Notes- Commercial Paper	TDZ Revenue Bonds	Revenue Bonds	Settlement Obligation	Bond Lease Obligations	Sewer/Stormwater Revenue Bonds	Sewer State/Federal Loans	Total
Governmental Funds	$ 1,496,907	61,380	100,000	82,881	88,077	6,667	7,222	-	-	1,843,134
Enterprise Funds	-	-	-	-	-	-	-	1,145,766	176,719	1,322,485
Total long-term debt	$ 1,496,907	61,380	100,000	82,881	88,077	6,667	7,222	1,145,766	176,719	3,165,619
	1,496,907	61,380	100,000	82,881	88,077	6,667	7,222	1,145,766	176,719	3,165,619
Less Premiums or Plus Discounts	(70,415)	(2,260)	-	(2,216)	13	-	-	(99,068)	-	(173,946)
	1,426,492	**59,120**	**100,000**	**80,665**	**88,090**	**6,667**	**7,222**	**1,046,698**	**176,719**	**2,991,673**

Long-term liability activity for the year ended June 30, 2025, was as follows:

		Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Governmental activities:						
Bonds :						
General Obligation Bonds Payable	$	1,393,795	220,635	(187,938)	1,426,492	106,585
Premium/(Discount) on General Obligation Bonds		61,384	23,426	(14,395)	70,415	-
Economic Development Bonds	$	23,255	40,870	(5,005)	59,120	1,020
Premium/(Discount) on Economic Development Bonds		2,643	-	(383)	2,260	-
Commercial Paper		150,000	-	(50,000)	100,000	-
TDZ Revenue Bonds		91,950	-	(11,285)	80,665	11,820
Premium/(Discount) on TDZ Revenue Bonds		4,143	-	(1,927)	2,216	-
Revenue Bonds		82,639	5,451	-	88,090	4,513
Premium/(Discount) on Revenue Bonds		-	-	(13)	(13)	376
Bond Leases		978	7,950	(1,706)	7,222	-
Premium/(Discount) on Bond Leases		-	-	-	-	-
	$	1,810,787	298,332	(272,652)	1,836,467	124,314
Other Obligations:						
GASB Lease agreements		14,414	-	(2,342)	12,072	2,240
SBITA Leases		-	-	-	-	-
Settlement Obligation		8,000	-	(1,333)	6,667	1,333
Deferred Inflows - GASB Leases		-	32,191	-	32,191	-
	$	22,414	32,191	(3,675)	50,930	3,573
Subtotal Bonds and Other Obligations & Guarantee Obligations	$	1,833,201	330,523	(276,327)	1,887,397	127,887
Other Liabilities:						
Legal Claims and Judgments	$	2,242	2,373	-	4,615	-
Accrued Interest		11,916	1,316	-	13,232	-
Vacation, sick and other leave benefits		106,298	1,373	-	107,671	724
On the Job Injury		5,197	-	(594)	4,603	-
	$	125,653	5,062	(594)	130,121	724
Total Governmental activities	$	1,958,854	335,585	(276,921)	2,017,518	128,611
Business-type activities:						
Revenue bonds	$	277,394	84,254	-	361,648	9,625
Long term commercial paper		(0)	-	-	(0)	-
Net premium/discount on revenue bonds		24,200	5,044	(5,124)	24,120	-
MLGW revenue bonds		527,325	157,725	-	685,050	25,650
Premium on MLGW revenue bonds		63,301	11,647	-	74,948	-
Sewer State/Federal Loan		187,578	-	(10,859)	176,719	10,722
Subtotal Business-type activities	$	1,079,798	258,670	(15,983)	1,322,485	45,997
Vacation, sick and other leave benefits		38,430	1,775	(4,995)	35,210	690
Total Business-type activities	$	1,118,228	260,445	(20,978)	1,357,695	46,687

The compound interest bonds are subject to optional redemption by the City prior to their maturities at stated redemption prices which are calculated based upon the compounded accreted value at the date of redemption. A summary of General Obligation, Other Debt and Revenue Bonds at June 30, 2025, follows:

Description	Interest Rates(%)	Original Issue	Balance Outstanding at Year End
General Obligation Debt:			
General City Government Serial Bonds	2.91-6.14	$ 1,887,941	$ 1,661,590
Bond Anticipation Notes-Commercial Paper	variable	150,000	100,000
Net Premium/(Discount) on General Obligation Debt		204,434	74,877
Total General Obligation Debt		2,242,375	1,836,467
Other Obligations:			
GASB Lease agreements	3.75-4.32	46,607	12,072
SBITA Leases		0	0
Settlement Obligation		20,000	6,667
Deferred Inflows - GASB Leases		0	32,191
Total Other Obligations:		66,607	50,930
Total Governmental Funds Debt		$ 2,308,982	$ 1,887,397
Business-Type Debt:			
Revenue bonds	2.91-6.14	$ 267,536	$ 361,648
Long term commercial paper	3.00-6.30	10,000	(0)
Net premium/discount on revenue bonds	2.00-5.00	134,555	24,120
MLGW revenue bonds	2.00-5.00	521,000	685,050
Premium on MLGW revenue bonds		138,000	74,948
Sewer State/Federal Loan	.75-2.59	153,009	176,719
Total Business-Type Debt		$ 1,224,100	$ 1,322,485
Total		$ 3,533,082	$ 3,209,882

(1) All MLG&W bonds reflect amounts outstanding at December 31, 2024.

Debt service requirements to maturity for government long-term indebtedness on June 30, 2025, are as follows:

Total Long-term Indebtedness

	General Obligation										
	General Obligations		Economic Development		TDZ Revenue		Revenue		Settlement Obligation (3)	Bond Leases	
Fiscal Year	Principal (4) (5)	Interest(1)	Principal	Interest	Principal (4)	Interest	Principal (4)	Interest	Principal	Principal	Interest
2025	-	-	-	-	-	-	-	-	-	-	-
2026	106,585	54,555	6,480	2,197	11,820	3,738	4,512	2,546	1,333	1,498	268
2027	62,079	53,101	6,705	1,975	12,425	3,132	4,852	2,405	1,333	1,557	208
2028	64,372	50,275	6,940	1,742	13,065	2,494	5,065	2,251	1,333	1,619	147
2029	66,773	47,322	6,835	1,499	13,735	1,824	5,280	2,099	1,334	1,682	83
2030	69,302	44,246	7,125	1,202	14,440	1,120	3,250	1,937	1,334	866	17
2031	66,395	41,175	4,390	975	15,180	380	3,035	1,853	-	-	-
2032	65,635	38,364	4,610	757	-	-	3,108	1,780	-	-	-
2033	66,410	36,210	875	641	-	-	3,185	1,701	-	-	-
2034	67,787	34,125	910	606	-	-	3,273	1,619	-	-	-
2035	69,460	31,943	950	570	-	-	3,355	1,534	-	-	-
2036	65,291	29,912	985	532	-	-	3,445	1,443	-	-	-
2037	62,259	27,983	1,025	493	-	-	2,270	1,348	-	-	-
2038	63,722	26,162	1,065	452	-	-	2,335	1,283	-	-	-
2039	65,342	24,191	1,110	409	-	-	2,400	1,215	-	-	-
2040	67,020	22,144	1,155	365	-	-	2,475	1,144	-	-	-
2041	67,782	19,993	1,200	318	-	-	2,545	1,071	-	-	-
2042	65,642	17,531	1,250	270	-	-	2,620	996	-	-	-
2043	66,953	15,103	1,295	220	-	-	2,700	917	-	-	-
2044	65,637	12,608	1,350	169	-	-	2,780	834	-	-	-
2045	48,428	10,142	1,405	115	-	-	2,870	748	-	-	-
2046	36,468	8,503	1,460	59	-	-	2,955	660	-	-	-
2047	23,060	1,844	-	-	-	-	3,045	569	-	-	-
2048	24,090	816	-	-	-	-	3,140	474	-	-	-
2049	-	-	-	-	-	-	3,240	374	-	-	-
2050	-	-	-	-	-	-	3,345	272	-	-	-
2051	-	-	-	-	-	-	3,450	165	-	-	-
2052	-	-	-	-	-	-	3,560	56	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-
2055	-	-	-	-	-	-	-	-	-	-	-
2056	-	-	-	-	-	-	-	-	-	-	-
2057	-	-	-	-	-	-	-	-	-	-	-
2058	-	-	-	-	-	-	-	-	-	-	-
2059	-	-	-	-	-	-	-	-	-	-	-
TOTAL	$ **1,426,492**	**648,248**	**59,120**	**15,566**	**80,665**	**12,688**	**88,090**	**33,294**	**6,667**	**7,222**	**723**

(1) Interest on variable general obligation bonds is estimated.
(2) At 12-31-23
(3) No interest associated with the Settlement Obligation
(4) Excludes premiums and/or discounts
(5) Per City of Memphis resolution, $10 million of Series 2016 was allocated to the Storm Water Fund

Total Long-term Indebtedness
(continued)

	Revenue										
	Sewer and Storm Water		Sewer State Loans		Sewer Federal Loans		MLG&W(2)		Total Requirements		
Fiscal Year	Principal (4)	Interest(1)	Principal	Interest	Principal	Interest	Principal (4)	Interest	Principal	Interest	Total
2025	-	-	-	-	-	-	24,480	28,606	24,480	28,606	53,086
2026	9,625	12,142	-	-	-	1,487	25,650	27,435	167,504	104,368	271,872
2027	10,115	11,650	10,722	1,346	-	1,500	26,855	26,228	136,644	101,545	238,189
2028	10,630	11,132	10,801	1,259	-	1,500	28,160	24,928	141,985	95,729	237,714
2029	9,735	10,624	10,881	1,171	-	1,500	29,515	23,572	145,770	89,694	235,464
2030	10,230	10,126	10,961	1,082	-	1,500	31,130	22,150	148,638	83,380	232,017
2031	9,265	9,640	11,042	992	-	1,500	32,480	20,794	141,787	77,309	219,096
2032	8,745	9,200	11,123	902	-	1,500	33,760	19,520	126,980	72,022	199,003
2033	9,175	8,773	11,205	811	-	1,500	35,100	18,183	125,950	67,819	193,769
2034	9,620	8,324	11,288	719	-	1,500	36,470	16,807	129,347	63,701	193,048
2035	10,090	7,854	11,135	629	-	1,500	31,565	15,376	126,555	59,407	185,961
2036	10,550	7,389	11,192	543	-	1,500	32,730	14,209	124,193	55,529	179,722
2037	11,070	6,874	11,270	455	-	1,500	25,780	13,016	113,674	51,669	165,343
2038	11,610	6,334	11,349	367	-	1,500	15,170	12,084	105,251	48,183	153,434
2039	12,180	5,767	11,217	279	-	1,500	15,725	11,525	107,974	44,886	152,860
2040	12,775	5,173	10,871	194	-	1,500	16,310	10,945	110,606	41,464	152,069
2041	13,396	4,549	9,140	111	6,069	1,500	16,910	10,344	117,042	37,885	154,927
2042	14,054	3,894	4,641	62	6,154	1,416	17,530	9,716	111,891	33,885	145,776
2043	14,740	3,207	3,279	38	6,239	1,330	18,190	9,065	113,396	29,881	143,277
2044	15,460	2,486	3,296	19	6,326	1,244	18,955	8,300	113,804	25,659	139,463
2045	12,995	1,794	1,306	2	6,414	1,156	19,750	7,502	93,168	21,459	114,627
2046	11,085	1,197	-	-	6,503	1,066	20,585	6,670	79,056	18,155	97,211
2047	3,831	829	-	-	6,593	976	21,485	5,770	58,014	9,988	68,002
2048	4,021	638	-	-	6,685	884	22,420	4,833	60,356	7,645	68,000
2049	4,226	437	-	-	6,778	791	23,345	3,914	37,589	5,516	43,105
2050	4,436	225	-	-	6,872	697	24,295	2,958	38,948	4,152	43,100
2051	6	3	-	-	6,968	602	9,495	1,964	19,919	2,734	22,653
2052	6	3	-	-	7,065	505	9,900	1,561	20,531	2,124	22,656
2053	7	2	-	-	7,163	407	10,395	1,066	17,565	1,475	19,040
2054	8	2	-	-	7,262	307	10,915	546	18,185	855	19,040
2055	8	2	-	-	7,363	206	-	-	7,371	208	7,579
2056	8	1	-	-	7,466	104	-	-	7,474	105	7,579
2057	8	1	-	-	-	-	-	-	8	1	10
2058	9	1	-	-	-	-	-	-	9	1	10
2059	9	-	-	-	-	-	-	-	9	-	9
TOTAL	**253,728**	**150,273**	**176,719**	**10,981**	**107,920**	**35,678**	**685,050**	**379,587**	**2,891,673**	**1,287,039**	**4,178,711**

H. Restricted assets

The balances of the restricted net position accounts in the enterprise funds are as follows:

Insurance reserves - casualties and general	$ 44,808
Medical benefits	19,114
Sewer bond escrow	74,910
Storm Water bond escrow	165
Total	$ 138,997

I. Fund balance by purpose

Following is more detailed information on the governmental fund balances.

Fund Balances:	General	Debt Service	Capital Projects	Community Development	Arenas Funding	Nonmajor	Total Governmental Funds
Restricted							
Photo Enforcement	$ 12,572	$ -	$ -	$ -	$ -	$ -	$ 12,572
Bass Pro	1,476	-	-	-	-	-	1,476
Sex Offender Registry	221	-	-	-	-	-	221
Miscellaneous Activities	923	-	-	-	-	-	923
E-Traffic Citation Fee	-	-	-	-	-	354	354
Debt Service - Related Party Loan	-	2,703	-	-	-	-	2,703
Debt Service - Capital Lease	-	1,800	-	-	-	-	1,800
Debt Service - Pledged TDZ Revenue	-	699	-	-	-	-	699
Solid Waste Management	-	-	-	-	-	12,053	12,053
Drug Enforcement	-	-	-	-	-	9,331	9,331
Community Development	-	-	-	3,751	-	-	3,751
Beale Street	-	-	-	-	-	2,149	2,149
Fire EMS	-	-	-	-	-	3,724	3,724
Pre-K	-	-	-	-	-	10,633	10,633
Community Catalyst	-	-	-	-	-	348	348
Affordable Housing	-	-	-	-	-	3,553	3,553
HUB Community Impact	-	-	-	-	-	-	
2019 Sales Tax Referendum	-	-	-	-	-	29,498	29,498
Local Occupancy Tax	579	-	-	-	-	-	579
Sports Betting	4,457	-	-	-	-	-	4,457
Transit and Mobility	-	-	-	-	-	5,482	5,482
Opioid Settlements	934	-	-	-	-	-	934
					-	-	
					-	-	
Committed					-	-	
Planned Use of Fund Balance	-	-	-	-	-	-	
Debt Service Requirements	-	53,188	-	-	-	-	53,188
Community Redevelopment	-	-	-	-	-	3,108	3,108
Beale Street	-	-	-	-	-	111	111
New Memphis Arena	-	-	-	-	-	2,914	2,914
Capital Projects	-	-	83,014	-	-	-	83,014
Arenas Funding	-	-	-	-	178,388	-	178,388
					-	-	
Assigned					-	-	
Encumbrances for General Fund	11,788	-	-	-	-	-	11,788
Intergovernmental - Shelby County	20,000	-	-	-	-	-	20,000
MATA Operating Loan	20,000	-	-	-	-	-	20,000
Grants Contingency/Payback	9,500	-	-	-	-	-	9,500
Downtown Command Center	2,500	-	-	-	-	-	2,500
Sheraton	2,500	-	-	-	-	-	2,500
1555 Three Place	4,500	-	-	-	-	-	4,500
Sports Authority - CapX	5,000	-	-	-	-	-	5,000
					-	-	
Unassigned	98,986	-	-	-	-	-	98,986
Total Fund Balances	$ 195,936	$ 58,390	$ 83,014	$ 3,751	$ 178,388	$ 83,258	$ 602,737

J. Deferred inflows and deferred outflows

The following is a reconciliation of the deferred outflows of resources and deferred inflows of resources presented in the government-wide statement of net position.

Deferred Outflows of Resources

Governmental Activities	
Deferred outflows - pensions	$ 150,531
Deferred outflows - OPEB	30,160
Total Governmental Activities Deferred Outflows	$ 180,691
Business-Type Activities	
Deferred outflows - pensions	$ 257,960
Deferred outflows - OPEB	99,796
Total Business-Type Activities Deferred Outflows	$ 357,756
Total Deferred Outflows of Resources	$ 538,447

Deferred Inflows of Resources

Governmental Activities	
Deferred inflows - pensions	$ 110,026
Deferred inflows - OPEB	88,289
Uncollected property taxes	514,785
Uncollected special assessments	(5,014)
Uncollected intergovernmental revenues	22,348
Uncollected project loans receivable	21,462
Other	7,868
Total Governmental Activities Deferred Inflows	$ 759,764
Business-Type Activities	
Deferred inflows - pensions	$ 3,571
Deferred inflows - OPEB	86,340
Revenue collected in advance	25,992
Total Business-Type Activities Deferred Inflows	$ 115,903
Total Deferred Inflows of Resources	$ 875,667

V. OTHER INFORMATION

A. Risk management

The City is self-insured for health and medical benefits as well as on-the-job injury (OJI) claims. The Health Insurance Internal Service Fund charges premiums to other funds (primarily to the General Fund) that are used to pay claims and to fund the accrual for "incurred but not reported" (IBNR) claims and administrative costs of its health and medical benefits program. Additionally, OJI claims payable of $4,603 were recorded in the Governmental Funds.

There were no significant incremental claim adjustment expenditures/expenses other than the expected cost of administering the claims paid by third-party administrators. These liabilities, including IBNR claims, are based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends and any other factors that would modify past experience.

The changes in the insurance claims payable for the years ended June 30, 2024, and 2025 are as follows:

		On the Job Injury				
		Health	OPEB	Sewer Collection and Treatment Fund	Storm Water Fund	Governmental Funds
Balance - June 30, 2022	$	7,608	769	425	59	3,650
Current year provision		(68,941)	(17,413)	(91)	(118)	(4,316)
Payments		71,144	17,634	436	461	5,863
Balance - June 30, 2023	$	9,811	990	770	402	5,197
Current year provision		(80,103)	(18,494)	(81)	(33)	(13,468)
Payments		79,764	18,614	163	67	12,874
Balance - June 30, 2024	$	9,472	1,110	852	436	4,603

B. Subsequent events

The City evaluated subsequent events for recognition and disclosure through December 31, 2025, which is the date the Fiscal Year 2025 financial statements were available to be issued.

Subsequent to June 30, 2025, but prior to the issuance of the Fiscal Year 2025 audit report, an employee in the Treasury Office was accused of fraud involving cash property tax receipts.

An independent investigation is currently being conducted, and the results were not yet available as of the date the financial statements were available to be issued. Accordingly, the City is unable at this time to determine whether any adjustments to the June 30, 2025, financial statements are necessary or to reasonably estimate the amount of any potential loss or other financial statement impact, if any. The City will evaluate the results of the independent investigation when available and will record any required adjustments and provide any additional disclosures in the appropriate reporting period, including in the next Annual Comprehensive Financial Report, as applicable.

Effective July 1, 2025, the City has a new division: Community Enhancement. (The City Council passed an ordinance to create the division on June 24, 2025.) The newly created Division of Community Enhancement will focus on implementing strategies to transform Memphis as well as targeting impact issues related to blight and improving quality of life, public health and safety through efforts surrounding enforcement, remediation, and maintenance. This Division will more effectively coordinate and marshal existing resources to transform blighted areas into thriving neighborhoods through education, engagement, enforcement and eradication of unsightly and neglected properties. Personnel of the new Community Enhancement Division were previously employees of the Public Works Division, Solid Waste Division, or the Public Services Corps (Executive Division).

The City finalized its purchase of the Sheraton Memphis Downtown Hotel ("Sheraton") on November 5, 2025, for $22 million. The purchase of, and bond issuance for, the 600-room hotel was approved in late 2024 by City Council, which saw Sheraton as a crucial investment for the Downtown area to maximize the impact of the $200 million modernization of the Renasant Convention Center (one of the City's component units). Sheraton, the largest hotel in Memphis, was in poor condition due to aging and rising upkeep costs. The hotel's deterioration in recent years had cost the City millions of dollars in lost revenue from conventions; therefore, the City's purchase of the facility ensured its commitment to revitalizing Sheraton as the headquarters hotel for the adjacent Convention Center. The City used $30 million in bonds to finance the purchase, with repayment planned from non-property taxes. A private, third-party developer – not the City of Memphis – will manage and finance the renovation, which is estimated to cost $250 million and be completed by 2029.

C. Contingent liabilities and commitments

The City's police department was involved in an incident that occurred in January 2023, resulting in the death of a citizen, which gained national attention. A case has been filed regarding the incident. The probability of outcome and potential damages are not known at this time.

The City is a defendant in a number of other various lawsuits filed in the ordinary course of its operations. The City believes that $4,130 is a reasonable measure of the ultimate settlement of these matters.

Amounts received or receivable from grantors, principally the Federal and State governments, are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the City as revenue, would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time although City officials expect such amounts, if any, to be immaterial.

Pursuant to an interlocal agreement by and among The Memphis and Shelby County Sports Authority, Inc. (the "Sports Authority"), Shelby County (the "County") and the City, in the event the revenues pledged to the support of certain senior lien bonds issued by the Sports Authority (the "Senior Lien Bonds") prove to be insufficient to pay debt service on the Senior Lien Bonds in any bond year (ending on October 31), the City and the County, pursuant to the provisions of Section 7-67-116 of the Tennessee Code Annotated, have covenanted to timely appropriate from legally available non-ad valorem revenues, not later than October 31 of the fiscal year ending June 30 following the date of such deficit, sufficient moneys to replenish draws from the debt service reserve fund used to make scheduled debt service on the Senior Lien Bonds in the prior year.

The City has commitments at June 30, 2025, for outstanding purchase orders and outstanding contracts reported as assigned fund balance for encumbrances in the General Fund of $11,787.

The City had additional commitments totaling $91,936 for certain infrastructure and sewer construction projects.

Pursuant to an interlocal agreement by and between the Economic Development Growth Industrial Development Board of the City of Memphis and County of Shelby, Tennessee ("EDGE"), the City, and the County of Shelby, Tennessee (the "County"), the City and the County have covenanted to timely appropriate from legally available non-ad valorem revenues sufficient moneys to pay scheduled debt service on the Revenue Refunding Bond, Series 2022 (Electrolux Project), the "2022 Bond"). The obligation of the City and the County to support the payment of debt service on the 2022 Bond shall be apportioned on the following basis: 50% from the City, and 50% from the County, and shall not be a joint obligation. The obligation to support the payment of debt service on the 2022 Bond is not a general obligation of the City or the County. As of June 30, 2025, the 2022 Bond was outstanding in the aggregate principal amount of $23,560, of which the City's obligation is $11,780.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the City has determined that an obligating event has occurred and should be disclosed to account for pollution remediation obligations that have previously not been reported. The City, the United States Environmental Protection Agency (EPA), Tennessee Department of Environment and Conservation (TDEC), and the Tennessee Clean Water Network (TCWN) have entered into a Consent Decree effective as of September 21, 2012, that requires the City to develop and implement plans for the continued maintenance and improvement of its Wastewater Collection and Transmission System and Wastewater Treatment Plants to address Sanitary Sewer Overflows and effluent limitation for foam. The Consent Decree program is estimated to last for a minimum 9 to 12 years.

The Consent Decree is a result of a Complaint filed against the City by the United States Department of Justice and State of Tennessee on February 5, 2010, alleging that the City had violated and continued to violate Sections 201 and 402 of the Clean Water Act, 33 U.S.C. §§ 69-3-101 et seq., and the regulations promulgated pursuant thereto.

Due to the nature of the remediation, the range of all components of the liability cannot be reasonably estimated. In accordance with the statement, the City has reviewed a series of recognition benchmarks in determining when component of pollution remediation liabilities are reasonably estimable. It is anticipated that the recognition would increase over time as more components become reasonably estimable or when new information indicates increases or decreases in estimated outlays. Expenses incurred as a result of the Consent Decree have been transacted utilizing access to the State Revolving Fund Loan Agreement (Loan Agreement) with the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority. Said Loan Agreements currently have a cap of approximately $217,000; expensed components of the remediation outlays to date are approximately $57,000. The City will re-evaluate expenses annually for GASB 49 disclosure requirements.

D. Joint ventures

Memphis and Shelby County Port Commission - subsidiary of Economic Development Growth Engine (EDGE) and Industrial Development Board (IDB)

The Memphis and Shelby County Port Commission (the Port Commission), is a joint operation between the City and the County. The Port commission is governed by five commissioners selected from members of the Board of Directors of EDGE. In addition, the Directors of Public Works for the City and for the County serve as ex officio members of the board with the right to vote. Capital expenditures over $5 must be approved by both the City and the County. Net operating revenues of the Port Commission are distributed to EDGE based on the January 2011 joint resolution between the City of Memphis and Shelby County.

The Port Commission entered into an agreement between Shelby County, the City of Memphis, and Electrolux to fund the construction of the Electrolux facility with the use of debt issued by the Port Commission. The County and the City each guarantee the debt, which is payable solely from the County's and City's covenants to timely appropriate from legally available non-ad valorem revenues, although the debt is in the name of the Port Commission and is being held on the financial statements of the Port Commission. The Port Commission is under no obligation to pay the debt principal or interest. Receivables from the City and County have been booked for the principal and will be booked for the interest as it becomes due. Coupon rates on the 24-year, 7-month bonds range from 2.0% to 5.25% over the lives of the bonds.

Financial statements for the Port Commission may be obtained from the Memphis and Shelby County Port Commission, 1115 Riverside Blvd., Memphis, TN 38106-2504.

New Memphis Arena Public Building Authority of Memphis and Shelby County, Tennessee

In August 2001, the City and the County entered into a joint operation creating a nonprofit corporation, The New Memphis Arena Public Building Authority of Memphis and Shelby County, Tennessee (The New Arena PBA). The New Arena PBA is a non-profit corporation established under the statutes of the State of Tennessee and is governed by a Board of Directors whose members are jointly appointed by the Mayors of Memphis and Shelby County and approved by the Memphis City Council and the Shelby County Commission. The New Arena PBA was responsible for the construction of a multi-purpose sports and entertainment facility (FedEx Forum). The total construction cost of $250,000 was funded from $186,000 from Senior Lien Revenue Bonds, $20,000 from Subordinate Lien Revenue Bonds, $12,000 each by the City and the County from non-ad valorem revenues, and $20,000 from the State of Tennessee for a parking structure.

The New Arena PBA did not have any financial activity for the current fiscal year and only has ownership rights to the FedEx Forum as assets. The Tennessee Comptroller of the Treasury has granted an exemption from an annual audit. As such, no audited financial statements are presented.

Sports Authority of Memphis and Shelby County Incorporated

The Sports Authority of Memphis and Shelby County Incorporated (the Sports Authority) is a nonprofit corporation established jointly by the City and County under the provisions of the Sports Authority Act of 1993 (State of Tennessee). The purpose of the Sports Authority is to review and/or act upon issues dealing with sports entities, teams, stadiums, arenas, and other matters related to the improvement of sports-related activities.

Board members (eleven) are appointed by the City and the County Mayors, with approval by the City Council and County Commission, for six year terms. The Sports Authority has issued bonds in connection with the financing of a multi-purpose sports and entertainment facility (FedEx Forum). Pursuant to the Interlocal Agreement, the City and the County have agreed to replenish the Debt Service Reserve Fund in the event that a draw is required to make a debt service payment on the Senior Bonds. The bonds are to be repaid by the following revenue sources: seat rental fees – pledge until bonds are paid in full; sales tax rebates related to certain taxes generated by the Memphis Grizzlies – effective 2001–2031; car rental fees – pledged by the County until bonds are paid in full; hotel/motel taxes – pledged by City and County; MLGW in-lieu-of-tax payments received from the City's Water Division of MLGW - pledged annually until the end of 2028.

Financial statements for the Sports Authority may be obtained from the Sports Authority of Memphis and Shelby County, 2491 Winchester Road Ste. 113, Memphis, TN 38116-3856.

E. Other postemployment benefits

City of Memphis Other Postemployment Benefits Trust Fund

The City's other postemployment benefits (OPEB) is a defined benefit plan in accordance with GASB Statement No. 74, *Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefits Other Than Pensions*, established new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement replaces Statements No. 43 and No. 57.

The primary objective of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. This Statement replaces the requirements of Statements No. 45 and No. 57. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures.

As a result of the initial adoption of GASB Statement No. 45, the City established an OPEB trust fund for the exclusive benefit of the City's eligible retired employees and their dependents to fund the postemployment benefits provided through the health and welfare benefit plan. Amounts contributed to the OPEB Trust by the City are held in trust, are irrevocable, and are for the sole and exclusive purpose of funding for health and welfare benefits of the eligible participants, and the cost of operating and administering the Trust.

By agreement adopted on October 19, 2007, as amended, and restated on February 12, 2008 (the Trust Agreement), the duty and responsibility for investing the Trust assets is vested in the Trustee. The Trust Agreement provides that the Trustee is a committee composed of the following members: the Director of Finance (Chief Financial Officer) who serves as Chairman, the City Comptroller, the City Treasurer, the Deputy Director of Finance, the Investment Manager, and the Senior Investment Analyst.

The funding of postemployment benefits is long term in nature; therefore, the investment of Trust assets shall have a long-term focus. It is a recognized principle of investment management that there are risks inherent in investing in the securities markets. These risks are acceptable so long as the Trust Fund is invested primarily for capital appreciation over the long term. The return objective of the Trust Fund should be primarily long term in nature and focused on meeting or exceeding the actuarial discount rate used to value the obligation.

The Tennessee Other Post Employment Benefit Investment Trust Act of 2006 permits an OPEB Trust investment committee to adopt an investment policy authorizing assets in the OPEB Trust to be invested and managed in accordance with the investment policy the City utilizes to manage pension assets.

Separate financial statements for the City of Memphis Trust OPEB Plan are not issued.

As of and for its year ended June 30, 2025, the City OPEB Fund reported the following net position:

	City OPEB Fund
ASSETS	
Investments, at fair value:	
Mutual funds and money market funds	$ 5,289
Total investments	5,289
Equity in cash and investment pool	22,705
Interest and dividend receivables	14
Total assets	28,008
LIABILITIES	
Accounts payable and other	1,287
Total liabilities	1,287
NET POSITION	
Held in trust for pension benefits, pool participants and OPEB	$ 26,721

As of and for its year ended June 30, 2025, the City OPEB Fund reported the following changes in net position:

	City OPEB Fund
ADDITIONS	
Contributions:	
Employer	$ 20,856
Plan members	4,386
Total contributions	25,242
Transfer from other fund	7,405
Pharmacy rebate	2,229
Investment income:	
Interest and dividend income	120
Net appreciation in the fair value of investments	456
Total investment income	576
Total additions	35,452
DEDUCTIONS	
Benefits	18,614
Administrative expenses	9,611
Total deductions	28,225
Net increase / decrease	7,227
Net position - beginning of year	19,494
Net position - end of year	$ 26,721

City of Memphis Other Postemployment Benefits (OPEB) Plan

Plan Description – The City's OPEB Defined Benefit Plan is a single-employer plan for GASB accounting purposes. This Plan provides medical and life insurance benefits to eligible retired City of Memphis General, Police, Fire, and Airport Authority employees and their dependents based on firmly established past practices.

At June 30, 2025, the number of active participants in the OPEB Defined Benefit Plan was 6,887. There were 6,178 inactive participants eligible, of which 3,601 were enrolled. Eligibility for OPEB benefits are based on two pension options: Normal retirement or disability retirement. The applicable pension plan provisions are as follows:

General Employees – 1948 Plan Participants
- Normal – Age 60 and 10 years of service, or 25 years of service
- Disability – Non-Line of Duty, 5 years of service

General Employees – 1978 Plan Participants
- Normal – Age 60 and 10 years of service, or age 65 and 5 years of service, or 25 years of service
- Disability – Non-Line-of-Duty, 5 years of service

General Employees 2012 and 2016 Plan Participants
- Normal – Age 65 and 5 years of service, or 25 years of service
- Disability – Non-Line-of-Duty, 5 years of service

Police and Fire (Uniform) 1948 Plan Participants
- Normal – Age 55 and 10 years of service, or 25 years of service
- Disability – Line-of-Duty, no service requirement

Police and Fire (Uniform) 1978, 2012, and 2016 Plan Participants
- Normal – Age 55 and 10 years of service, or 25 years of service
- Disability – Line-of-Duty, no service requirement

Spouses of eligible retirees may receive postretirement medical benefits. Surviving widowed spouses are eligible if receiving a pension payment from the City of Memphis and coverage was in force prior to the retiree's death. Working spouses with available coverage elsewhere do not receive postretirement medical benefits.

Summary of Plan Provisions

Medical Benefits
During fiscal year 2025, the Pre-65 Line-of-Duty Disabled/Commissioned Police and Fire/Paramedics/ Dispatchers and Grandfathered Post-65 Retirees without Medicare received postretirement medical and drug coverage through the City's self-insured Select or Choice Plans. The Choice Plan was reinstated effective January 1, 2024. The City pays for costs in excess of required retiree premiums.

All other participants who were Pre-65 and Post-65 Retirees are provided with a set amount of money each year that goes into a Health Retirement Account (HRA). The amount depends on the type of retiree (LOD/Other) and age according to the table below:

		Annual HRA Amount	
		Retiree	Spouse
Line of Duty	Pre-65	10,000	10,000
	Post-65	2,000	1,000
Other	Pre-65	5,000	5,000
	Post-65	1,250	500

The HRA for Non-LOD Post-65 retirees increased from $1,000 to $1,250 effective January 1, 2025.

Life Benefits
The City provides a life insurance benefit of $5,000 to all participants. The payment of the $5,000 by the City depends on if the participant had supplemental insurance as an active participant prior to retirement. If the participant elected supplemental life insurance as an active employee, the supplemental insurance drops to $3,000, and is fully insured by the City. In addition, the City pays an additional $2,000 which is self-insured. If the participant did not elect supplemental life insurance as an active employee, the City pays $5,000 upon death, which is self-insured.

Summary of Accounting Policies – The financial statements of the OPEB Plan are prepared using the accrual basis of accounting. In fiscal year 2017, the City adopted the new statement of financial accounting standards issued by the Governmental Accounting Standards Board (GASB) Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and also adopted the early implementation of Governmental Accounting Standards Board (GASB) Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Financial statement reporting information for the City's fiscal year ended June 30, 2025, is in accordance with GASB 74 and GASB 75. Required disclosures under GASB 74 and GASB 75 implementation are presented herein and in the Required Supplementary Information section of this report. Investments of the City of Memphis OPEB Plan are reported at fair value. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expenses or expenditures, information about the fiduciary net position, and the additions to and deductions from the Plan's fiduciary net position, have been determined in accordance with GASB 74 and GASB 75 implementation and are disclosed herein.

Funding Policy – The contribution requirements of the plan members and the City are established by and may be amended by the City. The City pays for medical costs in excess of required retiree premiums and may elect through adoption of the City's annual budget ordinance to contribute an amount in excess of the total annual benefit payments to a qualified trust for the purpose of funding future OPEB benefits. The City's receipt of Medicare Part D prescription drug subsidies is included in operating income.

In fiscal year 2009, the City adopted and established an OPEB Trust for the exclusive purpose of pre-funding and providing for payment of OPEB benefits under the plan. At June 30, 2025, the value of the Trust assets within the OPEB Fund was $28,008. The current fiscal year includes interest at 4.81% on the beginning-of-year total OPEB liability and service cost offset by a half-year of interest on benefit payments. For the 2025 fiscal year, the net investment return for the year was a positive $576 compared to the expected return on assets of $961.

Schedule of Contributions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the contractual contribution of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The Schedule of Contributions under GASB 74 and GASB 75, presented in the Required Supplementary Information section following the Notes to the Financial Statements Exhibit RSI-4, is presented for those years for which it is available and was prepared prospectively from the Plan's fiscal year ending June 30, 2025, for GASB 75 purposes. The City is contractually required to pay benefits as they come due and make HRA contributions to participants enrolled in an allowable plan. The City's actual covered payroll of $430,023, and the Airport's actual covered payroll of $24,816 (totaling $454,839) represent the total covered payroll for the prior calendar year, increased by the salary scale. For calendar year 2025, the average salary was $66,799. The net OPEB liability as a percentage of covered payroll was 105.8% for the year ending June 30, 2025.

Calculations for Total OPEB Liability, Plan Fiduciary Net Position, and Net OPEB Liability are presented below and in the Required Supplementary Information section of this report as Exhibit RSI-1, Exhibit RSI-2, and Exhibit RSI-3 respectively.

City of Memphis OPEB Plan

Total OPEB Liability - beginning balance	$	475,969	
Total Service Cost		14,258	(1)
Interest Cost		19,991	(2)
Experience (Gains)/Losses		(946)	
Assumption Changes		2,161	
Changes of Benefit Terms		7,494	
Net Benefit Payments		(18,614)	
Total OPEB Liability - ending balance		500,313	
OPEB Fiduciary Net Position - beginning balance	$	19,494	
Employer Contribution		27,882	
Employee Contribution		4,386	
Investment Return		576	
Benefit Payments		(16,384)	(3)
Administrative Expenses		(9,233)	
Fiduciary Net Position - ending balance		26,721	
Total OPEB Liability	$	500,313	
Net Fiduciary Position		26,721	
Net OPEB Liability		473,592	
Fiduciary Net Position as a % of Total OPEB Liability		5.3%	
Actual Covered Employee Payroll	$	430,023	
Net OPEB Liability as a % of Covered Payroll		110.1%	

(1) Determined as of the beginning of the year.
(2) Includes interest of 4.21% on the beginning-of-year service cost and the change in liability due to updated census as of July 1, 2024.
(3) Actual benefit payments reduced by Pharmacy Rebate of 2,229.

Actuarial Methods and Assumptions

The City of Memphis retained PricewaterhouseCoopers LLP (PwC) to perform an actuarial valuation of the OPEB Plan for the purpose of calculating accounting results in accordance with Governmental Accounting Standards Board Statement No. 74 (GASB 74) and Governmental Accounting Standards Board Statement No. 75 (GASB 75) for the Plan's fiscal year ending December 31, 2024, and the City's fiscal year ending June 30, 2025, respectively. GASB 74 and GASB 75 require that each significant assumption reflect the best estimate of the City's future experience solely with respect to that assumption.

Benefit obligations were determined using a July 1, 2024, Valuation Date and based on census data as of that date. The resulting valuation was then rolled forward to the June 30, 2025, measurement date using standard actuarial techniques with adjustments for service cost, interest, benefit payments, and significant changes subsequent to the Valuation Date and before the Measurement Date.

For the July 1, 2025, actuarial valuation, the Entry Age Normal Actuarial Cost Method was used. This method determines a normal cost rate as a fixed percentage of compensation for each active participant. The current year's normal cost is the participant's compensation multiplied by the normal cost rate. Annual contributions in this amount, from the date the participant entered the plan (or would have entered, if the plan had always been in effect and the participant had entered at the earliest possible date) until retirement, would be sufficient to provide for the actuarial present value of the participant's plan benefits. The total normal cost is the sum of the normal costs for all active participants.

Other actuarial assumptions are as follows:

Mortality

- General – Fully Generational PubG-2010 Public Sector Mortality table for general employees adjusted by a one year set forward with MP-2021 projection scale from 2010 and 2016.
- Police and Fire – Fully Generational PubS-2010 Public Sector Mortality table for safety employees adjusted by a one year set forward with MP-2021 projection scale from 2010 and 2016.
- Disabled - Fully Generational PubNS-2010 Public Sector Disabled Mortality table for non-safety employees adjusted by a three-year set back with MP-2021 projection scale from 2010 and 2016.
- Survivors General: Fully Generational PubS-2010 Public Sector Contingent Survivor table for general employees adjusted by a one year set forward with MP-2021 projection scale from 2010.
- Survivors Police and Fire: Fully Generational PubS-2010 Public Sector Contingent Survivor table for general employees adjusted by a one year set forward with MP-2021 projection scale from 2010.

Disability

Disability rates are set based on the Plan's historical experience and future expectations, with periodic monitoring of observed gains and losses caused by disability patterns different from those assumed. The assumption for 2025 used the 1968 Social Security Experience Table with ages ranging from 20 – 55+ and combined male/female percentages ranging from 0.10% - 1.33%.

Termination
Termination rates are set based on the Plan's historical experience and future expectations, with periodic monitoring of observed gains and losses caused by termination patterns different than those assumed. The assumption for 2025 used Select and Ultimate rates based on age and years of service for (1978 and 2016 Plans) Police and Fire males, Police and Fire females, General Males, and General Females.

Retirement Rates

Retirement rates are set based on the Plan's historical experience and future expectations, with periodic monitoring of observed gains and losses caused by retirement patterns different from those assumed.

The assumption for 2025 for both General employees and Police and Fire employees, the rates vary by age, gender, and pension plan (1978/2012 or 2016 Plan).

Participation Rates
Participation rates are set based on the Plan's historical experience under the current plan design and future expectations, with periodic monitoring of observed gains and losses caused by participation patterns different than those assumed. The assumptions used for 2025 are as follows:

- 10% and 40% of active employees are assumed to elect Pre-65 and Post-65 Retiree Exchange coverage upon retirement, respectively.
- 0% and 0% of current Pre-65 and Post-65 Retirees that have opted out of Retiree Exchange coverage are assumed to elect coverage in future years, respectively.
- 60% of future participating male General Employee and Police and Fire retirees, and 15% of future participating female General Employee and Police and Fire Employee retirees are assumed to have spouses who elect to be covered.

Future Salary Increases
Rates vary by age and service and do not include inflation (assumed to be 2.25%).

Per Capita Costs
The per capita claims costs for the self-insured Select and Choice plans were developed by PwC based on historical 2022-2024 claims experience for City of Memphis retired participants adjusted for enrollment and plan design provisions. The 2025 calendar year annual per capita costs used to develop per capita costs (before rebates) for the fiscal year beginning July 1, 2025, are:

- All Ages – Select Plan $15,708, Choice Plan $18,648

Self-Insured Premiums
2026 calendar year monthly Retiree Premiums that were used to develop per capita cost for the fiscal year beginning July 1, 2025, are provided below:

- Single – Select Plan $216, Choice Plan $309
- Family – Select Plan $427, Choice Plan $614

Tobacco Surcharge
The tobacco surcharge rates are set based on the Plan's historical experience and future expectations with periodic monitoring of observed gains and losses caused by tobacco usage patterns different than assumed. Assumption for 2025 is $120 per month per family; based on current inactive experience, 10% of future inactive participants are assumed to pay the tobacco surcharge.

Life Insurance Per Capita Costs

Assumption for 2025 is based on current face amount of $5,000.

Administrative Expenses
Administrative expenses are assumed to be included in per capita costs.

Medicare Eligibility
- 100% of future retirees and current pre-65 retirees hired in 1986 or later eligible for Medicare at age 65.
- 90% of current Pre-65 retirees hired prior to 1986 are assumed to be Medicare eligible at age 65.

Persistence Assumption
Persistence rates are set based on the Plan's historical experience and future expectations with periodic monitoring of observed gains and losses caused by persistence patterns different than assumed. For 2025, the assumption is that all inactive participants are assumed to continue to receive retiree medical coverage for their lifetime.

Spouse Age Difference
Material rates are set based on the Plan's historical experience and future expectations with periodic monitoring of observed gains and losses caused by marital patterns different than assumed. The assumption for 2025 is that husbands are assumed to be three years older than wives for future retirees who are married and assume to cover a spouse.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.81% as of June 30, 2025, which is equal to the single rate of return developed pursuant to GASB 75. GASB 75 requires that projected benefit payments expected to be satisfied by the plan's fiduciary net position (i.e. assets) be discounted using the long-term rate of return on OPEB plan investments and that projected benefit payments not expected to be satisfied by the plan's fiduciary net position be discounted using a yield or index rate of a 20-year tax-exempt general obligation municipal bond rated AA/Aa or higher. Based on the City's current funding policy, effective June 30, 2025, the OPEB Plan's fiduciary net position is not projected to be available to make all projected future benefit payments of current plan members. The discount rate assumption for determining the total OPEB liability was based on the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2025.

The discount rate sensitivity on the net OPEB liability is presented below:

	1% Decrease (3.81%)	Current Rate (4.81%)	1% Increase (5.81%)
Net OPEB Liability	$522,487	$473,592	$430,855

Annual Health Care Trend Rate

Annual health care trend assumptions represent a blend of medical and drug trends and are set based on the plan's historical experience and future industry expectations, with periodic monitoring of observed gains and losses caused by trend patterns different than those assumed. The actuarial assumption for the annual healthcare trend rate beginning in year 2025 will be 7.00% with declining rates for years 2026-2035+ ranging from 7.00% to 4.50%. HRA amounts are not assumed to increase in the future.

The health care trend sensitivity on the net OPEB liability is presented below:

	1% Decrease	Current Rate Rates	1% Increase
Net OPEB Liability	$432,637	$473,592	$520,932

Changes in Actuarial Methods and Assumptions

The last actuarial valuation of the City of Memphis Retiree Health and Life Insurance Benefits was performed as of July 1, 2024. The following is a summary of the changes that have occurred since the last valuation.

- The mortality assumption was updated from the PubG-2010 and PubS-2010 mortality tables to the PubG-2016 and PubS-2016 tables, respectively.
- The per capita claims costs and premiums for the self-funded preferred and premier plans were updated based on recent claims experience and to reflect expected prescription drug rebates.
- The trend assumptions were updated based on plan experience and healthcare industry trend projections.
- The discount rate assumption changed from 4.21% as of June 30, 2024, to 4.81% as of June 30, 2025, based on the change in the S&P Municipal Bond Rate Index at the measurement date.
- An assumption for expected return on assets was added that is equivalent to the S&P Municipal Bond Rate Index (4.21% as of July 1, 2024), given that the assets are invested and earning a return.

There were no other changes in assumptions or methods since the prior year.

Changes in Plan Provisions from Prior Year

The following changes are reflected in the valuation effective January 1, 2025:

- Effective January 1, 2025, the City of Memphis increased the Post-65 HRA amount from $1,000 to $1,250. No decisions have been made or communicated regarding plan offerings for 2026.

Change in Plan Experience

Below is a table summarizing the changes in the census information over the prior year:

City of Memphis OPEB Plan	Census Data	
	June 30, 2023	June 30, 2024
Active		
Number of Participants	6,847	6,887
Average Age of Participants	44.97	44.96
Average Years of Service	12.5	12.3
Actual Covered Payroll (000's)	$ 369,163	$ 399,234
Inactive *		
Number Eligible (Retiree/Disabled)	6,009	6,178
Number Enrolled (Retiree/Disabled)	2,372	2,466
Number Enrolled (Dependent Spouse)	1,066	1,135
Number Enrolled (Total)	3,438	3,601

*Retirees, Disabled, and Dependent Spouses

Deferred Outflows of Resources and Deferred Inflows of Resources

The implementation of GASB 74 and GASB 75 required the calculation and disclosure of deferred outflows of resources and deferred inflows of resources related to certain changes in the components of the net OPEB liability (or asset) not yet recognized in OPEB expense. GASB 75 also requires that most changes in the net OPEB liability be included in OPEB expense in the period of change. In circumstances in which the net OPEB liability is determined based on the results of an actuarial valuation, the effects of certain other changes in the net OEPB liability are required to be included in OPEB expense over the current period and future periods. Under all means of determining the net OPEB liability, the effect on the net OPEB liability of differences between the projected earnings on OPEB plan investments and actual experience with regard to those earnings is required to be included in OPEB expense in a systematic and rational manner over a closed period of five years, beginning in the current period.

Determination of resources of deferred outflows and resources of deferred inflows for the fiscal year ended June 30, 2025, is provided below.

City of Memphis OPEB Plan

Determination of Resources of Deferred Outflows and Deferred Inflows					Balances at June 30, 2025	
	Established in Fiscal Year Ending June 30	Loss	(Gain)	Cumulative Amounts Recognized in Expense through June 30, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
a. Experience (Gains) and Losses	2021		(2,215)	(2,215)	$ -	$ -
	2022	12,287		12,287	$ -	$ -
	2023		(1,394)	(1,083)	$ -	$ (311)
	2024	1,361		724	$ 637	$ -
	2025	4,474		1,212	$ 3,262	$ -
					$ 3,899	$ (311)
b. Changes in Assumptions	2021		$ (74,550)	(74,550)	$ -	$ -
	2022		$ (101,817)	(101,817)	$ -	$ -
	2023	$ 107,697		84,775	$ 23,458	$ -
	2024		$ (212,957)	(118,552)	$ -	$ (94,405)
	2025	$ 7,138		1,934	$ 5,204	$ -
					$ 28,662	$ (94,405)
c. Investment (Gains) and losses	2021		(905)	(905)	$ -	$ -
	2022	693		556	$ 137	$ -
	2023		(392)	(235)	$ -	$ (157)
	2024		(578)	(232)	$ -	$ (346)
	2025	385		77	$ 308	$ -
					$ 445	$ (503)
d. Collective deferred outflows/(inflows) of resources: a + b + c					**$ 33,006**	**$ (95,219)**

Allocated Deferred Outflows and Deferred Inflows	Allocated Balances at June 30, 2025	
	Deferred Outflows	Deferred Inflows
Governmental Activities	$ 30,079	$ (88,205)
Business Type - Sewer	1,818	(4,627)
Business Type - Storm Water	1,028	(2,303)
Internal Service Fund - Health Care	81	(84)
Total	$ 33,006	$ (95,219)

* Note: Internal Service Fund - Health Care is included in Governmental Activities in the Governmental-wide financials.

The schedule of deferred outflows of resources and deferred inflows of resources to be recognized in future OPEB expense under GASB 74 and GASB 75 is provided below.

City of Memphis OPEB Plan

Year Ending June 30	Total	Governmental Activities	Business Type Sewer Fund	Business Type Storm Water	Internal Service Fund Health Care
2026	$ (25,411)	$ (23,967)	$ (589)	$ (853)	$ (2)
2027	$ (39,015)	(37,345)	(1,180)	(487)	(3)
2028	$ 2,138	3,116	(1,044)	64	2
2029	$ 75	70	4	1	-
2030	-	-	-	-	-
Thereafter	-	-	-	-	-
	$ (62,213)	$ (58,126)	$ (2,809)	$ (1,275)	$ (3)

The schedule of OPEB expenses under GASB 74 and GASB 75 for the fiscal year ended June 30, 2025, is provided below.

City of Memphis OPEB Expense Fiscal Year 2025		Total	Governmental Activities	Business Type Sewer	Business Type Storm Water	Internal Service Health Care	Component Unit MSCAA
Service Cost		$ 14,490	$ 12,997	$ 811	$ 435	$ 14	$ 232
Interest Cost							
Interest on Total OPEB Liability at beginning of ye	$ 20,161	-	-	-	-	-	-
Interest on Service Cost	610	-	-	-	-	-	-
Half-year Interest on Benefit Payments	(455)	-	-	-	-	-	-
Total		20,316	18,224	1,138	609	20	325
Expected Return on Assets		(961)	(946)	-	-	-	(15)
Change of Benefit Terms		7,616	6,831	426	228	8	122
Recognition of deferred (inflows) and outflows of resources related to							
Liability Experience (Gains)/Losses	$ 3,908	-	-	-	-	-	63
Assumption Changes (Gains)/Losses	(53,028)	-	-	-	-	-	(848)
Investment (Gains)/Losses	(159)	-	-	-	-	-	(3)
Changes in proportion of net OPEB liability and deferred (inflows) / outflows							(920)
Changes in actual contributions and proportionate share of contributions							(110)
Total		(49,279)	(43,174)	(2,760)	(1,478)	(49)	(1,818)
Total OPEB Expense (Income)		$ (7,818)	(6,067)	(384)	(206)	(7)	(1,154)

Memphis Light, Gas and Water Division Other Postemployment Benefits Trust Fund

The information presented below is taken directly from the MLGW audited financial statements dated December 31, 2024.

The Memphis Light, Gas and Water Division OPEB Trust ("OPEB Trust") was established for the exclusive benefit of MLGW's retired employees and their dependents (who meet the eligibility requirements) to fund the postemployment benefits provided through the health and welfare benefit plan. Amounts contributed to the OPEB Trust by MLGW are held in trust and are irrevocable and are for the sole and exclusive purpose of funding health and welfare benefits of the eligible participants, and the cost of operating and administering the OPEB Trust. The OPEB Trust is administered by the MLGW OPEB Trust Investment Committee.

Plan Description - Memphis Light, Gas and Water Division, by resolution of its Board of Commissioners, has established, adopted, and maintains medical benefits (health and welfare) plan (the "Plan") for its retired employees and their eligible dependents. The Plan is a single employer defined benefit healthcare plan administered by MLGW. MLGW issues a separate audited financial report for the OPEB Trust that includes financial statements and required supplementary information. That report may be obtained at www.mlgw.com.

The Plan provides postemployment coverage for health care, life insurance, accident/death, and dismemberment (AD&D), medical, and prescription drugs to eligible retirees and their dependents. Benefits are payable to retirees and their spouses for their lifetime. Qualified dependents will continue to receive benefits as long as they are qualified under the Plan. Dental, dependent life insurance, cancer, accident, and long-term care benefits are available, but are 100% paid by the retiree.

Employees retired under the MLGW Retirement and Pension Plan or disabled with five years of service at any age or disabled in the line of duty at any age with no years of service restriction, are eligible for OPEB benefits. Health care benefits are also offered to qualifying survivors of active employees who are eligible to retire at time of death.

Members of the Plan consisted of the following at December 31, 2024 and 2023 (valuation date):

	2024	2023
Retired members currently receiving benefits	3,731	3,718
Deferred disabled members entitled to but not yet receiving benefits	42	-
Active members	2,566	2,424
Total	6,339	6,142

MLGW Funding Policy - The contribution requirements of plan members and MLGW are established and may be amended by the MLGW Board of Commissioners. Contribution rates for retired plan members and beneficiaries currently receiving benefits are periodically reset and are currently at 25% of costs for medical and drug benefits. For life insurance and AD&D, retirees contribute 40% of the cost.

The Board of Commissioners has set the employer contribution rate based on the Actuarially Determined Contribution ("ADC"). The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years. The ADC is based on the prior year's valuation, then adjusted forward at an assumed payroll growth rate. MLGW contributed $40,806 and $40,136 for the years ended December 31, 2024, and 2023, respectively to the OPEB Trust.

Schedule of Employer Contributions – The schedule of employer contributions is as follows:

Year Ended December 31	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions*	Contribution Deficiency / (Excess)	Covered-Employee Payroll	Contributions as a Percentage of covered Employee Payroll
2015	$ 38,187	$ 38,438	$ (251)	$ 160,641	23.93%
2016	$ 45,289	$ 42,496	$ 2,793	$ 161,926	26.24%
2017	$ 46,978	$ 45,184	$ 1,794	$ 167,221	27.02%
2018	$ 48,270	$ 48,972	$ (702)	$ 169,605	28.87%
2019	$ 31,701	$ 33,949	$ (2,248)	$ 170,946	19.86%
2020	$ 32,111	$ 34,895	$ (2,784)	$ 173,425	20.12%
2021	$ 32,403	$ 37,561	$ (5,158)	$ 175,790	21.37%
2022	$ 31,406	$ 38,381	$ (6,975)	$ 184,710	20.78%
2023	$ 34,131	$ 40,136	$ (6,005)	$ 191,237	20.99%
2024	$ 33,933	$ 40,806	$ (6,873)	$ 207,483	19.67%

*Starting with 2016, contributions are shown on an accrual basis.

Note: As MLGW is a separately audited and reported division of the primary government the supplementary information presented above is captured in Exhibit RSI-21.

Actuarial Methods and Assumptions – The actuarial assumptions used in the December 31, 2023, valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. The plan's measurement date is December 31, 2023.

Inflation Rate	2.50%
Salary Increases	Inflation plus merit increases based on age and service.
Discount Rate	7.00%
Healthcare costs trend rates	
Medical	7.00% grading to 4.50% over 10 years
Prescription drug	8.00% grading to 4.50% over 14 years
Administrative costs	3.00%
Mortality Rates	PRI-2012 Healthy Annuitant Mortality Table, Headcount-Weighted, for males and females, as appropriate, with adjustments for mortality improvement using Scale SSA-2019.

Pre-retirement mortality rates are based on the PRI-2012 Employee Mortality Table with sex-distinct rates. Healthy annuitant mortality rates are based on the PRI-2012 Healthy Annuitant Mortality Table with sex- distinct rates, plus a 20% load. Disabled annuitant mortality rates are based on the PRI-2012 Disabled Retiree Mortality Table with sex-distinct rates, plus a 20% load. Beneficiaries' mortality rates are based on PRI-2012 Contingent Survivor Mortality Table with sex-distinct rates, plus 20% load. All mortality tables above are Headcount-Weighted and projected generationally with Scale SSA-2019.

Investment Rates of Return - The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35%	6.10%
International Equity	12%	6.20%
Fixed Income	22%	1.90%
Alternatives	15%	7.40%
Real Estate	15%	3.50%
Short Term Investments	1%	1.10%
Total	100%	

Discount Rate – The discount rate used to measure the total OPEB liability (TOL) was 7.00% as of December 31, 2023, and December 31, 2022, respectively. The projection of cash flows used to determine the discount rate assumed that MLGW contributions would be made at rates equal to actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members are not included. Based on these assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL as of both December 31, 2023, and December 31, 2022.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Cost Trend - The following presents the net OPEB liability (NOL) of MLGW as of December 31, 2024, calculated using the discount rate of 7.00%, as well as what the Division's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate. Also, shown is the NOL as if it were calculated using healthcare cost trend rates that were 1-percentage point lower or 1-percentage point higher than the current healthcare trend rates:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability (asset)	$237,760	$120,795	$24,409

	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates	1% Increase in Health Care Cost Trend Rates
Net OPEB liability (asset)	$27,940	$120,795	$234,687

OPEB Plan's Fiduciary Net Position - Detailed information about the MLGW OPEB Trust's fiduciary net position is available in the separately issued plan financial statements. For purposes of measuring the NOL, all information about the OPEB plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position have been determined on the same basis as they are reported by the MLGW OPEB Trust.

The MLGW OPEB Trust's financial statements are prepared using the accrual basis of accounting in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. Investments are stated at fair value. Benefits payments are recognized when due and payable in accordance with the terms on the plan.

Net OPEB Liability – The net OPEB liability reported under GASB 75 is the difference between the actuarial present value of projected OPEB benefit payments attributable to employees' past service and the Plan's fiduciary net position. Previous to this new guidance, a liability was recognized only to the extent that contributions made to the OPEB Trust were exceeded by the actuarially calculated contributions.

MLGW CHANGES IN NET OPEB LIABILITY	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	**$ 18,547**	$ 18,094	$ 16,093	$ 15,401	$ 15,804	$ 15,381	$ 19,520
Interest	**60,267**	57,870	54,019	51,713	53,030	50,559	64,666
Change of benefit terms	**-**	-	-	-	-	-	(61,896)
Differences between expected and actual experience	**8,924**	(5,593)	12,400	(4,090)	15,351	(3,134)	3,674
Changes of assumptions	**(83,193)**	-	30,869	-	(46,584)	-	(200,370)
Benefit payments, including refunds of member contributions	**(39,000)**	(34,248)	(33,268)	(30,588)	(31,916)	(28,676)	(29,457)
Net change in Total OPEB Liability	**$ (34,455)**	$ 36,123	$ 80,113	$ 32,436	$ 5,685	$ 34,130	$ (203,863)
Total OPEB Liability - beginning	**861,575**	825,452	745,339	712,903	707,218	673,088	876,951
(a) Total OPEB Liability - ending	**$ 827,120**	$ 861,575	$ 825,452	$ 745,339	$ 712,903	$ 707,218	$ 673,088
Plan Fiduciary Net Position							
Contributions - employer	**40,136**	38,381	37,561	34,895	33,949	48,972	45,184
Net investment income	**62,043**	(73,591)	106,511	84,891	76,564	(14,273)	57,671
Benefit payments, including refunds of member contributions	**(39,001)**	(34,248)	(33,268)	(30,589)	(31,916)	(28,677)	(29,457)
Net change in Plan Fiduciary Net Position	**$ 63,178**	$ (69,458)	$ 110,804	$ 89,197	$ 78,597	$ 6,022	$ 73,398
Plan Fiduciary Net Position - beginning	**634,890**	704,348	593,544	504,345	425,748	419,726	346,328
(b) Plan Fiduciary Net Position - ending	**$ 698,068**	$ 634,890	$ 704,348	$ 593,544	$ 504,345	$ 425,748	$ 419,726
(c) Net OPEB Liability - ending (a) - (b)	**$ 129,052**	$ 226,685	$ 121,104	$ 151,795	$ 208,558	$ 281,470	$ 253,362
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	**84.40%**	73.69%	85.33%	79.63%	70.75%	60.20%	62.36%
Covered Employee Payroll[1]	**$ 191,237**	$ 184,710	$ 175,790	$ 173,425	$ 170,946	$ 169,605	$ 167,221
Plan Net OPEB Liability as a percentage of covered employee payroll	67.48%	122.72%	68.89%	87.53%	122.00%	165.96%	151.51%

(1) Covered payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of the retirement benefits are included.

As MLGW is a separately audited and reported division of the primary government, the supplementary information presented above is captured in Exhibit RSI-18 & RSI-19.

Notes to schedule:

Benefit Changes : There have been no material changes in plan provisions.

Changes of assumptions :

Effective with the December 31, 2024 measurement, the following assumption changes were made:

- Healthcare claims cost, contributions, and trend rates were updated to reflect the most recent experience and future expectations.
- The demographic assumptions were updated for the December 31, 2024, OPEB liability based on the five-year experience study ending December 31, 2023.

Effective with the December 31, 2023 measurement, the following assumption changes were made:

- Healthcare claims cost and trend rates were updated to reflect the most recent experience.
- The actuarial factors used to estimate individual retiree and spouse costs by age and by gender were updated. The new factors are based on a review of historical claims experience by age, gender, and status (active vs retired) from Segal's claims data warehouse.

Historical data: This schedule will be expanded to reflect ten years of data, as the information becomes available.

OPEB Expense for the year ended December 31, 2024, and 2023.

	2024	2023
Service cost	**$ 18,547**	$ 18,094
Interest on total OPEB liability	**60,267**	57,870
Expensed portion of current-period difference between expected and actual experience in the total OPEB liability	**1,784**	(932)
Expensed portion of current-period changes of assumptions or other inputs	**(16,638)**	-
Projected earnings on plan investments	**(44,482)**	(49,449)
Expensed portion of current-period difference between actual and projected earnings on plan investments	**(3,512)**	24,608
Recognition of beginning of year deferred outflows of resources as OPEB expense	**34,377**	19,685
Recognition of beginning of year deferred inflows of resources as OPEB expense	**(41,110)**	(73,573)
Total OPEB expense	**$ 9,233**	$ (3,697)

Projected Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – The following table presents the projected deferred outflows of resources and deferred inflows of resources related to OPEB for the year-ended December 31, 2024.

Deferred outflows/inflows of resources related to OPEB

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 40,806	$ -
Changes of assumptions or other inputs	15,434	(74,318)
Net difference between projected and actual earnings on OPEB plan investments	24,812	-
Difference between expected and actual experience in the Total OPEB Liability	15,898	(5,092)
Total	$ 96,950	$ (79,410)

Note: The $40,806 contribution made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2025. Memphis Light, Gas and Water (MLGW), a division of the primary government, has a fiscal year-end of December 31. Thus, the amounts and disclosures for the MLGW Othere Post Employment Benefits Trust Fund are as of December 31, 2024.

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

Year Ended	
2025	$ (15,665)
2026	(825)
2027	12,521
2028	(19,298)
2029	-
Thereafter	-

Total aggregate amount of OPEB expense is as follows

City of Memphis	$ (7,818)
MLGW	9,233
Total OPEB expense	$ 1,415

Other Postemployment Benefits Reconciliation

	Net OPEB Liability	Deferred Outflows	Deferred Inflows
City of Memphis Plan	(473,592)	33,006	(95,219)
MLGW Plan	(129,052)	96,950	(79,410)
Total Government-Wide	(602,644)	129,956	(174,629)
Less: Sewer (Business-type)	23,810	(1,818)	4,627
Less: Storm Water (Business-type)	13,715	(1,028)	2,303
Less: MLGW (Business-type)	129,052	(96,950)	79,410
Total Business-type	166,577	(99,796)	86,340
Governmental Activities	(436,067)	30,160	(88,289)

F. Pension and retirement plans

City of Memphis Retirement System

General - The City's Retirement System is established under Chapter 25, Code of Ordinances, City of Memphis, Tennessee, and is administered by a Board of Administration under the direction of the mayor. The purpose of the fund established for the investment of the City of Memphis Retirement is to provide retirement income to pension plan participants. Fund assets shall be invested for the exclusive benefit of the plan participants and solely in their interest.

The Pension Investment Committee (the Committee) was initially organized by authority of the Board of Administration of the City of Memphis Retirement System pursuant to the Pension Ordinances adopted on December 5, 1989. On July 21, 2006, the City Code of Ordinances, Chapter 25, Article III, Section 25-31 was amended to establish the Investment Committee by ordinance. Section 25-31 establishes the membership, authority, and functions of the Pension Investment Committee. The Committee consists of seven members: Finance Director (Chief Financial Officer), Deputy Chief of Finance, City Treasurer, City Comptroller, Investment Manager, Senior Investment Analyst, and a Citizen member. Guidance is established in the *City of Memphis Retirement System Statement of Investment Objectives.*

Separate financial statements are available and can be obtained from The City of Memphis, Finance Division, 125 North Main Street, Memphis, TN 38103.

As of June 30, 2025, the City Retirement System Fiduciary Trust Fund reported the following net position:

	City Retirement System
ASSETS	
Cash and cash equivalents	$ 59,651
Investments, at fair value:	
U.S. government securities - long-term	198,104
Common stock - domestic	746,861
Common stock - foreign	189,732
Corporate bonds - domestic	274,613
Corporate bonds - foreign	88,129
Mutual funds and money market funds	18,289
Collateralized mortgage obligations	11,164
Asset-backed pooled securities	2,050
Mortgage-backed pooled securities	23,001
Investments in index funds	114,067
Investments in limited partnerships	290,781
Investments in real estate	172,999
Investments in international equity fund	530,681
Investments in short sales & written options	(6,347)
Total investments	2,654,124
Equity in cash and investment pool	3,937
Interest and dividend receivables	9,309
Receivable for securities sold	305,095
Employer and employee contributions receivable	2,879
Collateral held in trust for securities on loan	81,106
Total assets	3,116,101
LIABILITIES	
Accounts payable and other	358,155
Payable for securities purchased	89
Collateral subject to return to borrowers	81,106
Total liabilities	439,350
NET POSITION	
Held in trust for pension benefits, pool participants and OPEB	$ 2,676,751

As of and for its year ended June 30, 2025, the City Retirement System Fiduciary Trust Fund reported the following changes in net position:

	City Retirement System
ADDITIONS	
Contributions:	
Employer	$ 71,810
Plan members	24,211
Total contributions	96,021
Transfer from other fund	1,846
Investment income:	
Interest and dividend income	62,616
Securities lending income	274
Other investment income	(380)
Net appreciation / (depreciation) in the fair	210,849
Less investment expenses	(15,574)
Total investment income	257,785
Total additions	355,652
DEDUCTIONS	
Benefits	208,604
Administrative expenses	23,628
Refunds of contributions	10,764
Total deductions	242,996
Net increase / decrease	112,656
Net position - beginning of year	2,564,095
Net position - end of year	$ 2,676,751

The statements presented above accurately report the pension activity within the City Retirement System Fiduciary Trust Fund and are presented in Exhibit E-1 and E-2 of this report. The statements include the pension activity related to the eligible participants of the Governmental Funds, Enterprise Funds, and the Memphis Shelby County Airport Authority (MSCAA) component unit.

Pension related financial transaction information for those entities is presented in accordance with GASB 67 and GASB 68 within the appropriate reporting segment of this report; Exhibit A-9 and Exhibit A-10 for the Enterprise Funds, and Exhibit A-14 and Exhibit A-15 for the MSCAA component unit.

The FY25 year-end GASB results are based on a July 1, 2024, *valuation date*, which is rolled forward to the June 30, 2025, *measurement date*. This roll-forward approach is permissible under GASB 67/68 and GASB 74/75. And a change in the valuation date from the prior year or a deviation from prior practice is also permissible if the valuation date falls within the time frame allowable under GASB.

Plan Description - The City Retirement System pension trust fund accounts for the activity of the City's Retirement System and is a single employer, public employee retirement system. Substantially all permanent full-time salaried employees of the City (including component unit MSCAA, excluding component unit MATA and Enterprise Fund MLGW) are required to participate in one of the following plans:

1948 Plan – for salaried employees hired prior to July 1, 1978
1978 Plan – for salaried employees hired on or after July 1, 1978, but prior to July 1, 2016.
2016 Plan – All regular salaried employees on their date of hire and hired on or after July 1, 2016. In addition, any non-grandfathered employee in the 1978 Plan will participate in the 2016 Plan as of July 1, 2016. For this purpose, a non-grandfathered employee is any employee with less than 7 ½ years of service as of July 1, 2016.

Under City Ordinances, trust assets are reported in one trust fund and not segregated between the benefit plans. Permanent, full-time employees in job classifications covered by contract with the Social Security. Administration are not participants of the Retirement System as they are covered under the Federal Insurance Contribution Act (Social Security).

Effective July 1, 2012, an ordinance was adopted to change benefit levels for participants hired after July 1, 2012. Changes in benefit levels include a reduction in the accrual rate, introduction of early commencement factors for early retirement, and the averaging period in determining average compensation. In addition, the employee contribution rate for Police and Fire was increased to 8.0%.

The plan was amended effective July 1, 2016, to encompass a new hybrid plan design. Participants with seven and one-half (7½) years of service or more will be grandfathered into their current plan, and all other employees will participate in the new hybrid plan design. As of June 30, 2022, active employees included 2,815 grandfathered participants. Non-grandfathered participants will move from a traditional defined benefit formula to a hybrid defined benefit formula that includes both a market-based cash balance component and a defined contribution component.

At June 30, 2024, the retirement System membership consisted of:

Retired members, beneficiaries and DROP enrollees receiving benefits	4,915 *
Disabled members receiving benefits	767
Terminated (vested and nonvested) plan members entitled to but not yet receiving benefits	1,909
Active employees:	
Fully vested	3,852
Non-vested	2,316
Total	13,759

*Includes 199 employees currently participating in the Deferred Retirement Option Plan (DROP).

The Plans provide retirement benefits as well as death and disability benefits. Retirement benefits for Police and Fire employees vest after ten years, and General employees vest after 5 years of service.

Summary of Plan Provisions

Normal Retirement
Under the 1948 Plan, General Employees may retire after completion of 25 years of service or, if earlier, after age 60 and the completion of 10 years of service.

Fire and Police Employees may retire after completion of 25 years of service, or at age 55 and completion of 10 years of service.

Under the 1978 Plan, General Employees hired before July 1, 2012, may retire after the completion of 25 years of service, age 60 and the completion of 10 years of service, or age 65 and the completion of 5 years of service. Employees hired on or after June 30, 2012, may retire after the completion of 25 years of service or at age 65 and the completion of 5 years of service.

Fire and Police Employees hired before July 1, 2012, may retire after the completion of 25 years of service, or age 55 and completion of 10 years of service. Fire and Police Employees hired on or after June 30, 2012, may retire after the completion of 25 years of service, or age 55 and completion of 10 years of service.

Under the 2016 Plan, General Employees may retire after the completion of 25 years of service or at age 65 and the completion of 5 years of service.

Fire and Police Employees may retire after the completion of 25 years of service, or age 55 and completion of 10 years of service.

Elected and appointed participants hired before November 1, 2004, may retire the first day of month coincident with or next following completion of 12 years of service. Otherwise, normal retirement eligibility follows their respective plan.

Disability Retirement

For both General Employees and Fire and Police Employees there is a five-year service eligibility requirement for non-line-of-duty, and no service eligibility requirement for line-of-duty disability.

For 1948 Plan participants, disabled employees while actively employed for reasons other than line-of-duty are entitled to receive the greater of 25% of average monthly compensation as of the date of disability, or the accrued benefit as of the date of disability.

For 1978 Plan participants an employee who becomes disabled while actively employed for reasons other than line-of-duty is entitled to receive the accrued benefit as of the date of disability.

For 2016 Plan participants, an employee who becomes disabled while actively employed for reasons other than line-of-duty is entitled to receive the accrued benefit as of the date of disability.

A Plan participant who becomes disabled while performing City duties is entitled to receive the greater of 60% of average monthly compensation as of the date of disability, or the accrued benefit as of the date of disability.

Average monthly compensation for General Employees for the 1948 Plan and 1978 employees hired before July 1, 2012, is calculated as the highest average monthly compensation received for any five consecutive years of service, or the most recent year's earnings if greater. For 1978 Plan employees hired after June 30, 2012, it calculated as the highest average monthly compensation received for any three consecutive years of service.

Average monthly compensation for Fire and Police Employees under the 1948 Plan is calculated as the highest average monthly compensation received for any five consecutive years of service, or the most recent year's earnings, if greater. For Fire and Police employees under the 1978 Plan and the 2012 Plan, average monthly compensation is calculated as the highest average monthly compensation received for any three consecutive years of service preceding the participant's date of termination. Police officers hired prior to January 31, 1979, who retire with 30 years of service, have their accrued benefit determined based on Captain's compensation if greater than their actual compensation, regardless of their rank.

Pre-Retirement Death Benefit

For both General Employees and Fire and Police Employees there is a five-year service eligibility requirement for non-line-of-duty, and no service eligibility requirement for line-of-duty pre-retirement death benefit.

The non-line-of-duty pre-retirement death benefit for the 1948 Plan is paid to the surviving spouse (or children) of a participant who dies while actively employed. The beneficiary will receive 100% of the participant's accrued benefit as of the date of the participant's death.

For the 1978 Plan, the surviving spouse (or children) of a participant who dies while actively employed will receive 75% of the participant's accrued benefit as of the date of the participant's death.

For the 2016 Plan, the surviving spouse (or children) of a participant who dies while actively employed will receive 75% of the normal form of annuity as of the date of the participant's death.

Under a normal form of annuity, the following conditions are applicable: If single, an annuity for the life of the participant. A married participant will receive this annuity during his/her lifetime with a 75% continuation to his/her spouse upon the participant's death. For the 1948 plan participants, 100% of the annuity is payable to the spouse upon the death of the participant.

Employee Contributions

General Employees in the 1948 Plan must contribute 5% of compensation. General Employees in the 1978 Plan must contribute 8% of compensation. General Employees in the 2016 Plan must contribute 2% of compensation to the cash balance account and 6% of compensation to the IRC section 401(a) defined contribution account.

The Fire and Police Employee contributions in the 1948 Plan range from 5% to 5.5%, depending on years of service. The contributions under the 1978 Plan range from 6.25% to 8% depending on date of hire. The contribution rate for current non-vested employees as of July 1, 2012, will increase annually in 0.5% increments beginning July 1, 2012, until the contribution rate reaches 8%. Fire and Police employees in the 2016 Plan must contribute 2% to the cash balance account and 6% to the defined contribution account.

Summary of Accounting Policies – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the City of Memphis Retirement System and the additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, the benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Financial statement reporting information for the City of Memphis fiscal year ended June 30, 2025, is in accordance with Government Accounting Standards Board Statement No. 68 (GASB 68), as amended by GASB Statement No. 82.

Method Used to Value Investments - All investments of the City of Memphis Retirement System are reported at fair value. Short-term investments are reported at cost, which approximates fair value. All other investments are valued based upon quoted market prices except for real estate investments, which are appraised by independent appraisals. Ordinance Section 25-31 grants the Board the authority to make investments, including but not limited to stocks, bonds, mutual funds, notes, and units of any commingled, collective, common pooled or mutual trust fund. The City of Memphis Retirement System had no individual investments in excess of 5% of plan net position.

Rate of Return - For the year ended June 30, 2025, the annual money-weighted rate of return on the City's pension plan investments, net of pension plan investment expense, was 10.71% compared to the assumed discount rate of 7.25%.

Contributions - The Plans' funding policy provided for actuarially determined periodic contributions at rates of 5% per annum for General city employees and up to 7% for Police and Fire employees. The City is required to contribute the remaining amounts necessary to fund the Plans using the actuarial basis specified by statute. The Actuarially Determined Contribution (ADC) for fiscal year 2025 was $66,506, of which the City contributed 100%.

The employer contribution is 6% of compensation, as determined by the Pension Ordinance. Employer contributions as a percentage of actual covered payroll for the year ended June 30, 2025, were 17.4%. For its year ended June 30, 2025, the City of Memphis Retirement System reported total employer and plan member contributions of $73,649 and $24,179, respectively.

Actual covered payroll is defined under GASB 82 to be payroll on which contributions to a pension plan are based.

The contribution information for the City Retirement System is presented in the Required Supplementary Information section of this report as Exhibit RSI-8.

The Total Pension Liability (TPL), Plan Fiduciary Net Position (FNP), and Net Pension Liability (NPL) for the year ended June 30, 2025, are as follows:

Total Pension Liability

Total Pension Liability - Beginning of year		$ 3,111,920
Service Cost [1]		45,092
Interest Cost [2]		221,112
Experience (gains)/losses		(76,198)
Assumption Changes		(6,131)
Changes of Benefit Terms		17,460
Benefit Payments		(231,830)
Transfer In / (Out)		40
Total Pension Liability - End of year		$ 3,081,465

Plan Fiduciary Net Position

Plan Fiduciary Net Position - Beginning of year		$ 2,576,469
Employer Contributions		73,649
Employee Contributions		24,179
Investment return		
Expected Investment Return [3]	$ 181,938	
Investment Gain/(Loss)	(34,977)	
Net Investment Return		$ 146,961
Benefit Payments		(231,830)
Transfer In / (Out)		40
Administrative Expenses		(6,168)
Plan Fiduciary Net Position - End of year		$ 2,583,300

Net Pension Liability

Net Pension Liability	498,165
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.8%

1 Determined as of the beginning of the year.

2 Interest at 7.25% on the prior year ending Total Pension Liability and current year beginning service cost offset by a half year of interest on benefit payments.

3 Calculated assuming a 7.25% investment return, net of investment expenses, and assuming actual benefit payments, transfer in/out, and contributions occur at mid year.

The Net Pension Liability (NPL) represents the funded status of the City Plan as of the measurement date. The City's NPL for the fiscal year ended June 30, 2025, is $498,165. The Memphis Shelby County Airport Authority's (MSCAA) NPL is $20,271, bringing the total NPL to $518,436 in comparison to the prior year, when there was a Net Pension Asset of $513,444 (The City) and $22,007 (MSCAA). The results reflect the impact of unfavorable asset experience in gains (net investment return). The investment rate of return is 10.71% compared to the assumed 7.25% investment yield.

The Schedule of Changes in the Net Pension Liability and Related Ratios which depicts Total Pension Liability (TPL), Plan Fiduciary Net Position (FNP), and Net Pension Liability (NPL) for the City Retirement System are presented in the Required Supplementary Information section of this report as Exhibit RSI-5, RSI-6, and RSI-7 respectively.

Actuarial Methods and Assumptions – The City annually obtains an actuarial valuation of the Retirement System for calculating the necessary information for accounting and reporting requirements in accordance with Governmental Accounting Standards. The actuarial asset valuation method is the Entry Age Normal Actuarial Cost Method. This method determines a normal cost rate as a fixed percentage of compensation for each active participant. The current year's normal cost is the participant's compensation multiplied by the normal cost rate. Annual contributions in this amount, from the date the participant entered the plan (or would have entered, if the plan had always been in effect and the participant had entered at the earliest possible date) until retirement, would be sufficient to provide for the actuarial present value of the participant's plan benefits. The total normal cost is the sum of the normal costs for all active participants.

Significant actuarial assumptions include: (a) a rate of return on the investment of present and future assets of 7.25% per year for GASB 67 and GASB 68 purposes; (b) projected future salary increases on a scale that varies by age and service with a weighted average of 4.25% per year; (c) no COLA increases; (d) measurement date as of June 30, 2025, and valuation date as of July 1, 2024.

Mortality rates used for the Net Pension Liability calculation are as follows:

- Healthy General - Fully Generational PubG-2016 Public Sector Mortality table for general employees with MP-2021 projection scale from 2016 and adjusted by one year set forward.
- Healthy Police and Fire - Fully Generational PubS-2016 Public Sector Mortality table for safety employees with MP-2021 projection scale from 2016 and adjusted by one year set forward.
- Disabled General - Fully Generational PubNS-2016 Public Sector Disabled Mortality table for non-safety employees with MP-2021 projection scale from 2016 and adjusted by a three-year set back.
- Disabled Police and Fire - Fully Generational PubS-2016 Public Sector Disabled Mortality table for safety employees with MP-2021 projection scale from 2016 and adjusted by a three-year set back.
- Survivors General - Fully Generational PubG-2016 Public Sector Contingent Survivor table for general employees with MP-2021 projection scale from 2016 and adjusted by one year set forward.
- Survivors Police and Fire - Fully Generational PubS-2016 Public Sector Contingent Survivor table for safety employees with MP-2021 projection scale from 2016 and adjusted by one year set forward.

Other actuarial assumptions are as follows:

- Marriage - 80% of male General Employees, 50% of female General Employees, 80% of male Police and Fire Employees, and 40% of female Police and Fire are assumed to be married. Wives are assumed to be three years younger than their husbands.
- Death/Disability – Deaths and disabilities for active General Employees are assumed to be not line-of-duty. Deaths and disabilities for active Fire and Police Employees are assumed to be line-of-duty.
- Form of Payment – It is assumed that benefits will be paid in the normal annuity form applicable to the particular benefit.
- Account Balance Conversion - Account balances under the 2016 Plan (effective July 1, 2016) are converted at 5.0% interest and the applicable mortality table under IRC 417(e) in effect on the current valuation date.
- Changes in Assumptions – The mortality assumption was updated to reflect the Pub-2016 Public Retirement Plans Mortality Tables, which was released by the Retirement Plans Experience Committee in May 2025.
- For the 2016 Plan, the account balance conversion mortality table used to convert account balances to annuities was updated to the 2025 applicable mortality table for 2025 and 2026 applicable mortality table for years thereafter under IRC section 417(e).

Discount Rate – The discount rate used to measure the total pension liability was 7.25% as of June 30, 2025, and is equal to the long-term expected return on plan investments. The projection of cash flows used to determine the discount rate assumed that City contributions would be made at the actuarially calculated amount computed in accordance with the current funding policy adopted by the City, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level dollar installments over 30 years utilizing a closed-period approach. Pursuant to The Public Employee Defined Benefit Financial Security Act of 2014, the City phased into funding 100% of the actuarially calculated amount over a 5-year period that began with the fiscal year beginning July 1, 2015. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity – The following presents the net pension liability of the City calculated using the discount rate of 7.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	$833,887	$498,165	$215,659

Deferred Outflows of Resources and Deferred Inflows of Resources - The balance of deferred inflows and outflows of resources after recognition in the current year pension expense is $(112,729) and $157,934, respectively.

Determination of Resources of Deferred Outflows and Resources of Deferred Inflows					Balances at June 30, 2025	
	Established in Fiscal Year ending June 30	Loss	(Gain)	Cumulative Amounts Recognized in Expense through June 30, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
		(a)	(b)	(c)	(d) = (a - c)	e = (b - c)
a. Experience (Gains) and Losses	2021	$ 1,214	$ -	$ 1,214	$ -	$ -
	2022	-	(1,912)	(1,864)	-	(48)
	2023	23,676	-	18,027	5,649	-
	2024	18,996	-	9,792	9,204	-
	2025	49,190	-	12,613	36,577	-
					$ 51,430	$ (48)
b. Changes in Assumptions	2021	$ -	$ (8,859)	$ (8,859)	$ -	$ -
	2022	85,019		82,944	2,075	-
	2023	-	-	-	-	-
	2024	13,598	-	7,010	6,588	-
	2025	-	(6,131)	(1,572)	-	(4,559)
					$ 8,663	$ (4,559)
c. Investment (Gains) and losses	2021	$ -	$ (480,270)	$ (480,270)	$ -	$ -
	2022	476,563	-	378,722	97,841	-
	2023	-	(11,890)	(6,453)	-	(5,437)
	2024	-	(77,623)	(31,050)	-	(46,573)
	2025	(70,140)	-	(14,028)	-	(56,112)
					$ 97,841	$ (108,122)
d. Collective Deferred Outflows/(Inflows) of Resources: (a) + (b) + (C)					$ 157,934	$ (112,729)

Deferred outflows of resources are presented as positive amounts. Deferred inflows of resources are presented as negative amounts.
No assumption changes were made during fiscal year 2025.

Allocated Deferred Outflows and Deferred Inflows	Allocated Balances at June 30, 2025	
	Deferred Outflows	Deferred Inflows
Governmental Activities	150,531	(110,026)
Business Type - Sewer	5,522	(1,697)
Business Type - Storm Water	1,881	(1,006)
Total	157,934	(112,729)

Future Amortization of Net Deferred Outflows and Deferred Inflows – The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions recognized in pension expense are as follows:

Year Ending June 30	Total	Governmental Activities	Business Type Sewer Fund	Business Type Storm Water
2026	$ 87,775	$ 78,648	$ 7,427	$ 1,699
2027	(10,522)	(9,428)	(890)	(204)
2028	(18,568)	(16,637)	(1,571)	(359)
2029	(13,480)	(12,078)	(1,141)	(261)
2030	-	-	-	-
Thereafter	-	-	-	-
	$ 45,205	$ 40,505	$ 3,825	$ 875

Pension Expense – The pension expense under GASB 68 for the fiscal year ending June 30, 2025, is as follows:

Fiscal Year 2025	Total	Governmental Activities	Business Type Sewer Fund	Business Type Storm Water	Component Unit MSCAA
Net employer service cost	$ 27,081	$ 24,919	$ 718	$ 385	$ 1,059
Interest cost	221,112	203,458	5,864	3,145	8,645
Expected return on assets	(181,938)	(167,410)	(4,826)	(2,587)	(7,114)
Changes of benefit terms	17,460	16,067	463	248	682
Recognition of deferred (inflows)/ outflows	12,859	12,429	358	192	(121)
Total collective pension expense	$ 96,574	$ 89,463	$ 2,577	$ 1,383	$ 3,151

Deferred Retirement Option Program (DROP) – According to the terms of the Deferred Retirement Option Program (DROP) specified in City of Memphis Ordinance 4548, an eligible participant is an employee who has attained his or her normal retirement date and has at least twenty-five years of service.

An eligible employee can make an irrevocable election to participate in the DROP for a maximum one-year, two-year, or three-year period, thereby agreeing to retire no later than the end of his or her one-year, two-year, or three-year period of participation. During the one-year, two-year, or three-year period elected, the employee's contributions and the City's contributions to the appropriate Plan shall cease as of the effective date. The employee's benefit under the Plan is frozen (fixed) as of the date his or her election is effective. A DROP account shall be established for the employee that will be credited with an amount equal to the monthly pension benefit the electing participant would receive had he or she retired and begun receiving payments on the effective date. Interest will be credited each calendar quarter on the average monthly balance in the DROP account based on twenty-five percent (25%) of the 90-day Treasury Bill yield published in the last Wall Street Journal of such quarter.

After participation in the DROP ceases, the City will begin to pay the employee his or her monthly benefit and pay the employee in a lump sum the balance in his or her DROP account as of the end of the last quarter. The lump sum payment of the DROP account may be rolled over at the participant's direction. The DROP Program account balance as of June 30, 2024, is $12,690.

All plan information presented under the section of City of Memphis Retirement System is reported inclusive of all participants in the plan, including those who for purposes of financial reporting are presented in the Enterprise Funds in Exhibits A-9 and A-10 and in the Memphis Shelby County Airport Authority (MSCAA) component unit in Exhibits A-14 and A-15, respectively.

Retirement System of Memphis and Shelby County Public Library and Information Center

General - The Retirement System of the Memphis and Shelby County Public Library and Information Center (the Library) is established under Chapter 18, Code of Ordinances, City of Memphis, Tennessee, and is administered by a Board of Administration under the direction of the Library Board of Trustees and City Council.

As of June 30, 2025, the Retirement System for the Library reported the following net position:

	Library Retirement System
ASSETS	
Investments, at fair value:	
Mutual funds and money market funds	$ 54,462
Total investments	54,462
Interest and dividend	132
Total assets	54,594
NET POSITION	
Held in trust for pension benefits	$ 54,594

As of and for its year ended June 30, 2025, the Retirement System for the Library reported the following changes in net position:

	Library Retirement System
ADDITIONS	
Contributions:	
Employer	$ 86
Plan members	86
Total contributions	172
Transfer from other fund	471
Investment income:	
Interest and dividend income	1,536
Net depreciation in the fair value of investments	4,588
Total investment income	6,124
Total additions	6,767
DEDUCTIONS	
Benefits	5,237
Administrative expenses	92
Total deductions	5,329
Net increase	1,438
Net position - beginning of year	53,156
Net position - end of year	$ 54,594

Plan Description - The Retirement System for the Library pension trust fund accounts for the activity of the Retirement System of Memphis and Shelby County Public Library and Information Center, a single-employer, public employee retirement system. Substantially all regular full-time and permanent part-time employees of the Library are required to participate in either of two contributory defined benefit pension plans (the Library Plans). All assets of the Retirement System for the Library are available for the payment of pension benefits to either Plan I or Plan II. The Plans are as follows:

Plan I - Originally effective October 21, 1926; most recently amended effective July 1, 2005, to limit membership.
All full-time and permanent part-time employees hired prior to April 1, 1979, were eligible from the effective date of entering such service. Employees hired after July 1, 2005, are not eligible to participate.

Plan II - Originally effective April 1, 1979; most recently amended effective July 1, 2005, to limit membership. All employees hired after April 1, 1979, are eligible at date of employment and must apply for membership as a condition of employment. "Employee" means any person employed on regular full-time or permanent part-time basis prior to July 1, 1992. On or after January 1, 1992, permanent part-time employees are excluded unless they are already participants. Employees hired after July 1, 2005, are not eligible to participate.

Hourly-rate employees are not eligible for coverage under the above Library Plans since they are covered under the Federal Insurance Contribution Act (Social Security).

The Retirement System of Memphis and Shelby County Public Library and Information Center Plan has no new participants. Employees hired after July 1, 2005, if otherwise meeting eligibility requirements, became eligible to participate and are included in the City of Memphis Retirement System.

At January 1, 2025, the Retirement System for the Library membership consisted of:

Retired members, beneficiaries and disabled members receiving benefits	180
Terminated vested plan members entitled to but not yet receiving benefits	14
Active employees:	
Fully vested	54
Total	248

The Library Plans provide retirement benefits as well as death and disability benefits. Retirement benefits, under Plan I, vest after 15 years of service, with partial vesting occurring after 5 years of service. Under Plan II, retirement benefits vest after 10 years of service.

Summary of Plan I Provisions

Normal Retirement
Under Plan I, employees may retire under any of the following sets of criteria as applicable:

- Completion of 30 years of credited service;
- Completion of 25 years of credited service and attainment of age 55; or,
- Completion of 10 years of credited service and attainment of age 60.

Effective July 1, 1992, the normal retirement benefit, 1/12 of which is payable monthly for life, is determined as 2.5% of average compensation multiplied by years of credited service not in excess of 25 plus 1% of average compensation for the next 10 years, with a maximum benefit of 72.5% of average compensation. The minimum pension is $100 per month. "Average Compensation" means the greater of the average monthly compensation for the three consecutive years of service during which compensation was the highest or average monthly compensation of the 12 months preceding the date of retirement if employed prior to July 1, 1975.

For those who retire on or after January 1, 1993, at the death of the retiree, 75% of the benefit continues to the surviving spouse until death or remarriage and to surviving children upon the death of the spouse. For those who retire before January 1, 1993, 100% of the retiree benefit continues to the spouse.

Disability Retirement
If disability occurs not in line-of-duty prior to the completion of five years of credited service, a refund of the participant's contributions with interest is payable to the participant. If disability occurs not in line-of-duty after completion of five years of credited service, the benefit on or after July 1, 1992, will be determined as 2.5% of average compensation times years of service up to 25. The benefit shall not exceed 62.5% of average compensation. If disability occurs in line-of-duty regardless of the number of years of credited service, the benefit will be 2.5% of average compensation per year of service with a minimum of 60% and a maximum of 72.5% of average compensation.

Pre-Retirement Death Benefit
If death occurs not in line-of-duty prior to the completion of five years of credited service, a refund of the participant's contributions with interest is payable at the time of his or her death. If death occurs not in line-of-duty after the completion of five years of credited service, a surviving spouse or minor child will receive a benefit equal to 75% of the participant's accrued benefit. A minimum benefit of $100 applies to an employee with at least 15 years of service at death provided he or she is not categorized as a permanent part-time employee. If death occurs in line-of-duty regardless of the number of years of credited service, a benefit on or after July 1, 1992, equal to 2.5% per year of service up to 25 of the participant's average compensation will be paid to the spouse until death or remarriage, or to minor children under 18 if no spouse is living, or to the father and/or mother who was supported by the deceased member at the time of his or her death. The benefit will not be less than 50% or greater than 62.5% of average compensation.

Optional Retirement Benefit
Optional forms of benefit are permitted by the plan if actuarially equivalent to the normal form of payment. For married participants, the normal form of payment is an unreduced 75% Joint and Survivor Annuity. For unmarried participants, the normal form of payment is the Single Life Annuity.

Other available options include the 50% or 100% Joint and Survivor Annuities, as well as a Life Annuity with 60, 120, or 180 payments guaranteed.

Conversion of Unused Sick Leave into Creditable Service

Effective January 2, 2001, employees may elect to convert sick leave into creditable service time to become initially qualified for retirement benefits or provide enhancement of a full and normal retirement. If an employee requests to use unused sick leave to become eligible for a full and normal retirement, credit time will be given for all unused leave. Upon full and normal retirement eligibility, full-time employees with 35 years or less of creditable service will have the following options:

- Employees may be paid up to 520 hours of accumulated sick leave.
- Employees may elect to add accumulated sick leave days to their creditable service for pension calculations.
- Percentage will not exceed 72.5% of average annual compensation.

For purposes of converting accumulated sick leave hours to service time, 173.33 hours of accumulated sick leave will equal one month of creditable service.

Contributions
Effective January 1, 1993, employees contribute 5.0% of compensation to Plan I of the retirement plan. Effective January 1, 2000, this percentage decreased to 3.0% of compensation. The Library contributes no less than the amount employees contribute.

Cost of Living Adjustment (COLA)
Cost-of-living adjustments to retirees are granted on an ad-hoc basis, as determined annually by the Board.

Changes Since Prior Valuation
There have been no changes to Plan I since the prior valuation.

Summary of Plan II Provisions

Normal Retirement
Under Plan II, employees may retire under any of the following sets of criteria as applicable:
- Completion of 30 years of credited service and attainment of age 60;
- Completion of 25 years of credited service and attainment of age 62; or,
- Completion of 5 years of credited service and attainment of age 65.

Effective July 1, 1992, the normal retirement benefit, 1/12 of which is payable monthly for life, is determined as 2.5% of average compensation multiplied by years of credited service not in excess of 25 plus 1% of average compensation multiplied by years of service greater than 25 but less than 35, with a maximum benefit of 72.5% of average compensation. The minimum pension is $100 per month.

"Average Compensation" means the average monthly compensation for the three consecutive years of service during which compensation was the highest.

At the death of the retiree, 75% of the benefit continues to the surviving spouse until death or remarriage or the surviving children upon the death of the spouse.

Early Retirement
Under Plan II, employees may retire with reduced benefits after completion of 25 years of credited service and attainment of age 55.

Disability Retirement
If disability occurs not in line-of-duty prior to the completion of five years of credited service, a refund of the participant's contributions with interest is payable to the participant. If disability occurs not in line-of-duty after completion of five years of credited service, the benefit will be determined as in normal retirement provided that the benefit will not be greater than 62.5% of average compensation. If disability occurs in line-of-duty regardless of the number of years of credited service, the benefit will be 2.5% of average compensation per year of service with a minimum of 60% and a maximum of 72.5% of average compensation.

Pre-Retirement Death Benefit
If death occurs not in line-of-duty prior to the completion of five years of credited service, a refund of the participant's contributions with interest is payable at the time of his or her death. If death occurs not in line-of-duty after the completion of five years of credited service, the participant's eligible spouse as defined in the plan will receive 75% of the participant's accrued benefit until remarriage. If the participant's spouse does not survive him or her or if the spouse dies or remarries, the benefit will be paid to the child or divided among the children of the participant until they reach age 18. If the child is handicapped, payments continue for the lifetime of the child. If death occurs in line-of-duty regardless of the number of years of credited service, a benefit equals to 2.5% per year of service up to 25 of the participant's average compensation will be paid to the spouse until death or remarriage or to minor children under 18 if no spouse is living. The benefit will not be less than 50% or greater than 62.5% of average compensation.

Optional Retirement Benefit
For retirement from active status, optional forms of benefit are permitted by the plan if actuarially equivalent to the normal form of payment. For married participants, the normal form of payment is an unreduced 75% Joint and Survivor Annuity. For unmarried participants, the normal form of payment is the Single Life Annuity. Other available options include the 50% or 100% Joint and Survivor Annuities, as well as a Life Annuity with 60, 120, or 180 payments guaranteed.

Conversion of Unused Sick Leave into Creditable Service
Effective January 2, 2001, employees may elect to convert sick leave into creditable service time to become initially qualified for retirement benefits or provide enhancement of a full and normal retirement. If an employee requests to use unused sick leave to become eligible for a full and normal retirement, credit time will be given for all unused leave.

Upon full and normal retirement eligibility, full-time employees with 35 years or less of creditable service will have the following options:

- Employees may be paid up to 520 hours of accumulated sick leave
- Employees may elect to add accumulated sick leave days to their creditable service for pension calculations
- Percentage will not exceed 72.5% of average annual compensation.

For purposes of converting accumulated sick leave hours to service time, 173.33 hours of accumulated sick leave will equal one month of creditable service.

Contributions
Effective January 1, 1993, employees contribute 5.0% of compensation to Plan I of the retirement plan. Effective January 1, 2000, this percentage decreased to 3.0% of compensation. The Library contributes no less than the amount employees contribute.

Cost of Living Adjustment (COLA)
Cost of living adjustment to retirees is granted on an ad-hoc basis as determined annually by the Board.

Changes Since Prior Valuation
There have been no changes to Plan II since the prior valuation.

Summary of Accounting Policies - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and the additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, the benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Financial statement reporting information for the City of Memphis fiscal year ended June 30, 2025, is in accordance with Government Accounting Standards Board Statement No. 68 (GASB 68), as amended by Governmental Accounting Standards Board Statement No.82 (GASB 82). As permitted under paragraph 20 of GASB 68, a measurement date of January 1, 2025, was utilized for the Retirement System of the Public Library and Information Center. The valuation was performed using census data and assets as of December 31, 2024, and reflects the plan provision effective December 31, 2024.

Method Used to Value Investments - All investments of the Retirement System of the Library are reported at fair market value. Short-term investments are reported at cost, which approximates fair market value. All other investments are valued based upon quoted market prices. The Retirement System of the Library has no investments in any one organization that represent more than 5% of plan net position.

Rate of Return – For the year ending December 31, 2024, the annual money-weighted rate of return on Library pension plan investments, net of pension plan investment expense, was 10.4% compared to the assumed discount rate of 7.25%.

Contributions – For both Plan I and Plan II, effective January 1, 1993, employees contribute 5.0% of compensation to the retirement plan. Effective January 1, 2000, this percentage decreased to 3.0% of compensation. The Library contributes no less than what employees contribute. For the year ended June 30, 2025, the Library contributions of $560 represented 18.9% of actual covered payroll of $2,961 under GASB 67 and contributions of $557 represented 19.4% of actual covered payroll of $2,877 under GASB 68. The actual covered payroll is defined under GASB 82 to be payroll on which contributions to a pension plan are based.

The contribution information for the Library Retirement System is presented in the Required Supplementary Information section of this report as Exhibit RSI-12 and RSI-13.

Total Pension Liability – The Retirement System of the Library Total Pension Liability (TPL) for the year ended June 30, 2025, is $66,504. The components of the TPL are as follows:

TPL - beginning balance	$	68,840
Service cost		175
Interest cost		4,835
Experience (gains)/losses		(1,862)
Assumption changes		(839)
Benefit payments		(4,645)
TPL – ending balance	$	66,504

Plan Fiduciary Net Position – The Retirement System of the Library Plan Fiduciary Net Position (FNP) for the year ended June 30, 2025, is $53,892. The components of the FNP are as follows:

FNP - beginning balance		52,743
Employer contributions		560
Employee contributions		88
Investment return		
Expected return	3,679	
Investment gain/(loss)	1,541	
Net investment return		5,220
Benefit payments		(4,645)
Administrative expenses		(74)
FNP – ending balance		53,892

Net Pension Liability – The Net Pension Liability (NPL) for the Retirement System of the Library for the year ended June 30, 2025, is $12,612. The components of the Net Pension Liability (NPL) are as follows:

Total Pension Liability	$ 66,504
Plan Fiduciary Net Position	(53,892)
Net Pension liability	$ 12,612
FNP as a percentage of the TPL	81.0%
Actual Covered Employee Payroll	2,961
Net Pension Liability as a percentage of the covered payroll	426.0%

The Net Pension Liability represents the funded status of the Library Plan as of the measurement date. The NPL for fiscal year ended June 30, 2025, decreased $3,486 from prior year.

The Schedule of Changes in the Net Pension Liability and Related Ratios which depicts Total Pension Liability (TPL), Plan Fiduciary Net Position (FNP), and Net Pension Liability (NPL) for the Library Retirement System is presented in the Required Supplementary Information section of this report as Exhibit RSI-9, RSI-10, and RSI-11 respectively.

Actuarial Methods and Assumptions - The actuarial asset valuation method is the Entry Age Normal Actuarial Cost Method. This method determines a normal cost rate as a fixed percentage of compensation for each active participant. The current year's normal cost is the participant's compensation multiplied by the normal cost rate. The total normal cost is the sum of the normal costs for all active participants. Significant actuarial assumptions include: (a) a rate of return on the investment of present and future assets of 7.25% per year for GASB 67 and GASB 68 purposes; (b) projected salary increases of 3.5% per year, including 2.25% for projected inflation, and (c) Cost of Living Adjustment (COLA) increases of 2.5% per year.

The healthy mortality assumption utilized the Fully Generational PubG-2016 Public Sector Mortality table for general employees with the MP-2021 projection scale from 2016 and adjusted by a one-year set forward. The disabled mortality assumption utilized the Fully Generational PubNS-2016 Public Sector Disabled Mortality table for non-safety employees with MP-2021 projection scale from 2016 and adjusted by a three-year set back.

Other actuarial assumptions are as follows:

- Sick Leave – for every year of creditable service, an additional 0.05 years of creditable service time is assumed to be added for sick leave accrual.
- Marriage (Actives only) – 65% of male active employees and 50% of female active employees are assumed to be married. Wives are assumed to be three years younger than their husbands.
- Death/Disability – Deaths and disabilities for active employees are assumed to be other than line-of-duty.
- Form of Payment – It is assumed that benefits will be paid in the normal annuity form upon retirement. Current terminated vested participants are assumed to elect payment in the form of a single life annuity at age 65.
- Data Assumptions – Retiree and disabled members who do not have a retirement option listed are assumed to be receiving a 75% joint and survivor annuity.

Discount Rate – The discount rate used to measure the total pension liability was 7.25% as of December 31, 2024, which is equal to the single rate of return developed pursuant to paragraphs 40 – 45 under GASB 67 and paragraphs 26-31 of GASB 68. GASB 67/68 requires that projected benefit payments expected to be satisfied by the plan's fiduciary net position (i.e. assets) be discounted using the long-term rate of return on pension plan investments and that projected benefit payments not expected to be satisfied by the plan's fiduciary net position be discounted using a yield or index rate of a 20-year tax-exempt general obligation municipal bond rated AA/Aa or higher. For this purpose, the City and the Library have selected a long-term rate of return on pension plan assets of 7.25% and S&P Municipal Bond 20-Year High Grade Rate Index as of January 1, 2025, of 4.25%.

The projection of cash flows used to determine the discount rate assumed that Library contributions would be made at the actuarially calculated amount computed in accordance with the current funding policy adopted by the City, which complies with State of Tennessee Public Law No. 990. This law requires 100% payment of the Actuarially Determined Contribution (ADC), which consists of normal cost and amortization of the unfunded actuarially accrued liability in level dollar installments over 30 years utilizing a closed period approach. In accordance with Public Law No. 990, the City will phase-in to the 100% payment of the ADC funding requirement over a 5-year period commencing July 1, 2015. As of January 1, 2021, the city is fully phased-in to paying 100% of the ADC.

Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. As such, the discount rate assumption for determining the total pension liability is the long-term rate of return on pension plan investments.

Discount Rate Sensitivity – The following presents the net pension liability of the Library calculated using the discount rate of 7.25%, as well as what the Library's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (Asset)	$19,416	$12,612	$6,816

Deferred Outflows of Resources and Deferred Inflows of Resources - The balance of deferred inflows and outflows of resources after recognition in current year pension expense is ($5,497) and $7,343 respectively. The net of the deferred inflows and outflows for the fiscal year is $1,846. The determination of resources of deferred inflows and resources of deferred outflows for the fiscal year ending June 30, 2025, is as follows:

					Balances at June 30, 2025	
	Established in Fiscal Year ending June 30	Loss	(Gain)	Cumulative Amounts Recognized in Expense through June 30, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
		(a)	(b)	(c)	(d) = (a - c)	e = (b - c)
a. Experience (Gains) and Losses	2023	$ -	$ (527)	$ (527)	$ -	$ -
	2024	-	(200)	(200)	$ -	$ -
	2025	-	(1,862)	(1,217)	$ -	$ (645)
					$ -	$ (645)
b. Changes in Assumptions	2023	$ -	$ -	$ -	$ -	$ -
	2024	-	-	-	$ -	$ -
	2025	-	(839)	(548)	$ -	$ (291)
					$ -	$ (291)
c. Investment (Gains) and losses	2021	$ 1,513	$ -	$ 1,513	$ -	$ -
	2022	-	(2,961)	(2,369)	$ -	$ (592)
	2023	18,251	-	10,950	$ 7,301	$ -
	2024	-	(4,561)	(1,825)	$ -	$ (2,736)
	2025	-	(1,541)	(308)	-	$ (1,233)
					$ 7,301	$ (4,561)
d. Contributions subsequent to the measurement date	2025	N/A	N/A	N/A	$ 42	$ -
e. Collective Deferred Outflows/(Inflows) of Resources: a + b + c					$ 7,343	$ (5,497)

Deferred outflows of resources are presented as positive amounts. Deferred inflows of resources are presented as negative amounts.

Future Amortization of Net Deferred Outflows and Deferred Inflows – The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions recognized in pension expense is as follows:

Year Ending June 30	
2026	$ 902
2027	2,430
2028	(1,220)
2029	(308)
2030	-
Thereafter	-

This report includes financial statement reporting information for the Plan Year ending December 31, 2024, in accordance with our understanding of Governmental Accounting Standards Board Statement No. 67, as amended by Government Accounting Standards Board Statement No. 82.

Pension Expense – The pension expense under GASB 68 for the fiscal year ending June 30, 2025, is $1,594. It was developed using a measurement date of January 1, 2025, as permitted under paragraph 20 of GASB 68, not adjusted to the fiscal year-end for passage of time.

Employer Service Cost	$ 175
Actual employee contributions	(89)
Administrative expenses	74
Interest Cost	4,835
Expected Return on Assets	(3,679)
Recognition of deferred (inflows)/outflows	278
Total collective pension expense	$ 1,594

MLGW Retirement System

The information presented below is taken directly from the MLGW audited financial statements dated December 31, 2024.

General – The Memphis Light, Gas and Water Division (the Division), a division of the City of Memphis, under resolution by the Board of Commissioners, established the Memphis Light, Gas and Water Division Retirement and Pension System (the MLGW Pension Plan). The MLGW Retirement System is administered by the MLGW Pension Board under the direction of the Board of Commissioners. Separate financial statements for the MLGW Retirement System and the MLGW Retiree Medical and Life Insurance Benefits are issued as of and for its year-ended December 31 and can be obtained at www.mlgw.com.

Plan Description – The Memphis Light, Gas and Water Division Pension Board is the administrator of a single employer retirement system established by the Division to provide retirement benefits for its employees. Prior to 1988, the retirement system included two contributory defined benefit plans (the “1948 Plan” and the “1978 Plan”). The 1948 Plan and the 1978 Plan were amended and superseded as of July 1, 1988.

All employees who were members of the 1948 Plan and the 1978 Plan automatically became members of the amended, restated, and consolidated Memphis Light, Gas and Water Division Retirement and Pension System (the MLGW Pension Plan), a division of the City of Memphis, Tennessee. The MLGW Pension Plan was amended and restated effective January 1, 2015. Participants in the 1948 Plan (which includes those employees hired before July 1, 1978) are entitled to the greater of their retirement benefit determined under the 1948 Plan or their retirement benefit under the MLGW Pension Plan.

As of June 30, 2025, the MLGW Retirement System reported the following net position:

ASSETS		
Cash and cash equivalents	$	21,147
Investments, at fair value:		
U.S. government securities - long-term		2,061
Common stock - domestic		630,889
Common stock - foreign		148,614
Corporate bonds - domestic		35,030
Corporate bonds - foreign		818
Government bonds - domestic		15,252
Global bond - international		29,247
Asset-backed pooled securities		3,388
Mortgage-backed pooled securities		16,808
Core Fixed Income CIT- Domestic		49,776
Core Fixed Income CIT- International		52,364
Investments in real estate		243,385
Multi-asset - domestic		13,552
Private debt funds - domestic		23,978
Private equity - domestic		125,496
Private equity - international		22,092
Hedge funds		23,429
Distressed debt funds - domestic		42,827
Distressed debt funds - international		21,437
Life Settlement fund		66,494
Investments in short sales & written options		1,342
Total investments		1,568,279
Interest and dividend receivables		1,730
Receivable for securities sold		1,127
Employer and employee contributions receivable		1,105
Collateral held in trust for securities on loan		36,052
Total assets		1,629,440
LIABILITIES		
Accounts payable and other		1,694
Payable for securities purchased		18
Collateral subject to return to borrowers		36,052
Total liabilities		37,764
NET POSITION		
Restricted for pension benefits, pool participants and OPEB	$	1,591,676

As of and for its year ended June 30, 2025, the MLGW Retirement System reported the following changes in net position:

	Memphis Light, Gas and Water Retirement System
ADDITIONS	
Contributions:	
Employer	$ 28,688
Plan members	16,471
Total contributions	45,159
Investment income:	
Interest and dividend income	17,070
Securities lending income	114
Other investment income	22
Net appreciation in the fair value of investments	114,149
Less investment expenses	(3,516)
Net investment income	127,839
Total additions	172,998
DEDUCTIONS	
Benefits	142,035
Administrative expenses	1,015
Refunds of contributions	2,616
Total deductions	145,666
Net increase / decrease	27,332
Net position - beginning of year	1,564,344
Net position - end of year	$ 1,591,676

Employees Covered – The MLGW Pension Plan covers permanent full-time employees and appointed commissioners who opt to participate. Plan membership consisted of the following participants as of December 31, 2023, and 2022:

	2023	2022
Retirees and beneficiaries receiving benefits	2,751	2,717
Participants inactive during year ended December 31 with vested rights	33	31
Active members fully invested	971	1,021
Active members not vested	1,453	1,395
Total	5,208	5,164

The MLGW Pension Plan provides death and disability benefits as well as retirement benefits. MLGW Pension Plan members hired prior to January 1, 2014, who attain the age of fifty-five (55) and retire on or after ten (10) years of creditable service or attain the age of seventy (70) and retire on or after five (5) years of creditable service or attain twenty-five (25) years of creditable service regardless of age are entitled to an annual retirement allowance. The allowance is computed by multiplying the applicable percentage for the age of retirement times the number of years of creditable service, which equals the benefit percentage times the final average compensation.

MLGW Pension Plan members hired on or after January 1, 2014, who attain the age of sixty (60) and retire on or after ten (10) years of creditable service or attain the age of seventy (70) and retire on or after five (5) years of creditable service or attain the age of fifty-five (55) with twenty-five (25) years of creditable service are entitled to an annual retirement allowance. The allowance is computed by multiplying the applicable percentage for the age of retirement times the number of years of creditable service, which equals the benefit percentage times the final average compensation.

Effective January 1, 2001, the following table is the applicable benefit percentage for each year of creditable service at the applicable retirement age under the MLGW Pension Plan:

Retirement Age	Benefit Percentage For Each Year of Creditable Service
59 1/2 and less	2.25%
60	2.30%
61	2.40%
62 and older	2.50%

Final average compensation is the member's basic earnings (which includes member contributions pursuant to Section 414(h) and Section 457 of the Internal Revenue Code (the "Code") for the three (3) consecutive years of creditable service if less than thirty (30) years, two (2) consecutive years if more than thirty (30) years and one (1) year if 35 or more years of creditable service during which the compensation was the highest) plus work out of classification pay, shift differential pay, and automobile allowance for such employees designated by Resolution of the Board of Commissioners. The annual retirement allowance shall not exceed 85.0% of the member's final average compensation. Effective January 1, 2022, the minimum monthly retirement benefit for all members is the greater of $60 per year of service or $600 per month.

Cost of Living Adjustments - As of July 1 of each plan year, each retired participant who (1) has attained age fifty-six (56) on such date and (2) has been terminated from the employment of the Division for at least twelve (12) months, shall be entitled to an increase in the amount of his/her monthly benefit under The MLGW Pension Plan equal to the cost-of-living adjustment. A surviving spouse or handicapped child receiving death benefits shall be entitled to a cost-of-living adjustment if the surviving spouse has attained age fifty-six (56) and the deceased participant has separated from service at least twelve (12) months prior to July 1.

The cost-of-living adjustment shall be equal to the product of the monthly benefit payable to the participant, the surviving spouse, or handicapped child under the MLGW Pension Plan for the immediately preceding plan year multiplied by the applicable percentage increase in the Consumer Price Index (CPI) for the immediately preceding calendar year.

The applicable percentage increase shall be determined based on the age of the participant, surviving spouse, or handicapped child as of the first day of July of the plan year in which the adjustment is made as follows:

Age	Percentage of CPI Increase
56 - 58	30%
59 - 61	60%
62 and older, and all Disabled Participants	75%

The cost-of-living adjustment for any retired participant, surviving spouse, or handicapped child in any plan year shall not exceed five percent (5%) of the retired participant's or surviving spouses, or handicapped child's benefit under the MLGW Pension Plan for the immediately preceding plan year. Under no circumstances shall the cost-of-living adjustment result in a decrease in the benefit of a retired participant or surviving spouse, or handicapped child.

Contributions – The contribution requirements of pension plan members and MLGW are established and may be amended and approved by the MLGW Pension Board, the MLGW Board of Commissioners and the Memphis City Council. Pension plan members are required to contribute 8% of their annual covered salary. Under Article III, Section 3.2 of the pension plan, MLGW shall contribute to the pension fund such amounts as from time to time are estimated by the actuary. MLGW also funds the 8% pension plan member's contributions on behalf of the president and vice presidents. For 2024, MLGW contributed 13.83% of the annual covered payroll. Employer contributions recognized by the MLGW Pension Plan during 2024 totaled $28,688.

Schedule of Employer Contributions – The schedule of employer contributions is as follows:

Year Ended December 31	Actuarially Determined Contribution (ADC)	Actual Contribution in Relation to ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 21,390	$ 21,390	$ -	$ 160,641	13.32%
2016	$ 21,390	$ 21,390	$ -	$ 161,926	13.21%
2017	$ 22,390	$ 22,390	$ -	$ 167,221	13.39%
2018	$ 22,174	$ 22,174	$ -	$ 169,605	13.07%
2019	$ 21,813	$ 21,813	$ -	$ 170,946	12.76%
2020	$ 24,504	$ 24,504	$ -	$ 172,425	14.13%
2021	$ 24,199	$ 24,199	$ -	$ 175,790	13.77%
2022	$ 20,941	$ 20,941	$ -	$ 184,710	11.34%
2023	$ 20,474	$ 20,474	$ -	$ 191,237	10.71%
2024	$ 28,688	$ 28,688	$ -	$ 207,483	13.83%

As MLGW is a separately audited and reported division of the primary government, the supplementary information presented above is not captured in Exhibit RSI-17.

Net Pension Liability (Asset) – The net pension liability (asset) is the difference between the actuarial present value of projected pension benefit payments attributable to employees' past service and the Plan's fiduciary net position. MLGW's net pension liability (asset) was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2024.

Actuarial Methods and Assumptions – The actuarial assumptions used in the valuation as of January 1, 2024, are based on the results of an experience study for the period January 1, 2014, to December 31, 2018.

Inflation	2.50%
Salary increases	Inflation plus merit increases that vary by age and service, ranging from 0.00% to 8.50%
Investment rate of return	7.00%, including inflation, net of investment expenses
Cost of living adjustments	0.75% for ages 56-58 1.50% for ages 59-61 1.875% for ages 62 and older, and all disabled participants

Pre-retirement mortality rates are based on the PRI-2012 Employee Mortality Table. Healthy annuitant mortality rates are based on 120% of PRI-2012 Health Annuitant Mortality Table. Disabled annuitant mortality rates are based on 120% of PRI-2012 Disabled Retiree Mortality Table. All mortality tables above are projected generationally with Scale SSA-2019.

Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35%	6.49%
International Equity	9%	7.02%
Fixed Income	24%	1.99%
Alternates	15%	7.49%
Real Estate	15%	3.29%
Short Term Investments	2%	0.89%
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability is 7.00% as of December 31, 2024, and 2023. The projection of cash flows used to determine the discount rate assumes employee contributions will be made at the current 8.00% of pay contribution rate and that MLGW contributions will equal to the actuarially determined contribution. For this purpose, only employee and employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, the MLGW Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2023, and 2022.

Discount Rate Sensitivity – The following table presents the net pension liability (asset) of MLGW as of December 31, 2023, calculated using the discount rate of 7.00%, as well as what MLGW's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability (asset)	$421,785	$227,799	$64,708

Pension Plan's Fiduciary Net Position – Detailed information about the MLGW Pension Plan's fiduciary net position is available in the separately issued Plan financial statement. For purposes of measuring the net pension liability, all information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position have been determined on the same basis as they are reported by the MLGW Pension Plan.

The MLGW Pension Plan's financial statements are prepared using the accrual basis of accounting in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. Investments are stated at fair value. Benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with the terms of the plan.

Summary of Accounting Policies - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Memphis Light, Gas and Water Retirement and Pension System (the "MLGW Pension Plan") and additions to and deductions from the MLGW Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the MLGW Pension Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Pension Liability (Asset)– The net pension liability reported under GASB 68 is the difference between the actuarial present value of projected pension benefit payments attributable to employees' past service and the Plan's fiduciary net position.

	(a) Total Pension Liability	(b) Increase (Decrease) Plan Fiduciary Net Position	(a) - (b) Net Pension Asset
Balance at December 31, 2022	$ 1,718,979	$ 1,552,092	$ 166,887
Service Costs	36,221	-	36,221
Interest	118,226	-	118,226
Changes of Benefit Terms	-	-	-
Differences between expected and actual experience	51,235	-	51,235
Changes of assumptions	-	-	-
Employer contributions	-	20,474	(20,474)
Employee contributions	-	15,216	(15,216)
Net investment income	-	110,038	(110,038)
Benefit payments including refunds of employee contributions	(132,517)	(132,517)	-
Administrative expenses	-	(958)	958
Net change in plan fiduciary net position	$ 73,165	$ 12,253	$ 60,912
Balance at December 31, 2023	$ 1,792,144	$ 1,564,345	$ 227,799

Required Schedule of Changes in Net Pension Liability

	2023	2022	2021	2020
Total Pension Liability				
Service Cost	$ 36,221	$ 34,220	$ 32,463	$ 32,142
Interest Cost	118,226	113,017	111,732	109,265
Changes of Benefit Terms	-	-	4,760	-
Difference between expected and actual experience	51,235	54,247	6,177	9,102
Changes in assumptions	-	-	40,219	-
Benefit Payments, including refunds of employee contributions	(132,517)	(125,633)	(121,781)	(111,826)
Net change in total pension liability	73,165	75,851	73,570	38,683
Total pension liability - beginning	1,718,979	1,643,128	1,569,558	1,530,875
Total pension liability - ending	**$ 1,792,144**	**$ 1,718,979**	**$ 1,643,128**	**$ 1,569,558**
Plan Fiduciary Net Position				
Employer Contributions	$ 20,474	$ 20,941	$ 24,199	$ 24,504
Employee Contributions	15,216	14,657	14,216	13,828
Net investment income	110,038	(200,888)	252,598	192,438
Benefit Payments including refunds of employee contributions	(132,517)	(125,632)	(121,781)	(111,826)
Administrative Expenses	(958)	(886)	(868)	(779)
Other	-	-	-	-
Net change in plan fiduciary net position	$ 12,253	$ (291,808)	$ 168,364	$ 118,165
Other Adjustments	-	-	-	-
Plan fiduciary net position - beginning	1,552,092	1,843,900	1,675,537	1,557,372
Plan fiduciary net position - ending	**$ 1,564,345**	**$ 1,552,092**	**$ 1,843,901**	**$ 1,675,537**
System's net pension liability - ending	**$ 227,799**	**$ 166,887**	**$ (200,773)**	**$ (105,979)**
Plan fiduciary net position as a percentage of the total pension liability	87.29%	90.29%	112.22%	106.75%
Covered employee payroll	$ 191,237	$ 184,709	$ 175,790	$ 173,425
System's net pension liability as a percentage of covered employee payroll	119.12%	90.35%	-114.21%	-61.11%

As MLGW is a separately audited and reported division of the primary government, the supplementary information presented above is not captured in Exhibits RSIs' 14-16.

This schedule will be expanded in future years to include up to ten years of historical data as the required information becomes available.

Notes to schedule:

Benefit Changes : There were no changes to the plan of benefits reflected in the last two years.

Change of assumptions : The assumptions were updated for the Decembr 31, 2024, pension liability based on the five-year experience study ending December 31, 2023.

2019	2018	2017	2016	2015	
					Total Pension Liability
$ 31,636	$ 31,185	$ 31,977	$ 32,591	$ 30,139	Service Cost
110,927	108,432	103,731	102,248	99,940	Interest Cost
-	-	-	-	-	Changes of Benefit Terms
(5,040)	3,726	4,908	(11,298)	2,275	Difference between expected and actual experience
(174)	-	-	-	-	Changes in assumptions
(107,731)	(113,316)	(104,919)	(102,628)	(100,528)	Benefit Payments, including refunds of employee contributions
29,618	30,027	35,697	20,913	31,825	Net change in total pension liability
1,501,257	1,471,230	1,435,533	1,414,620	1,382,794	Total pension liability - beginning
$ 1,530,875	**$ 1,501,257**	**$ 1,471,230**	**$ 1,435,533**	**$ 1,414,619**	**Total pension liability - ending**
					Plan Fiduciary Net Position
$ 21,813	$ 22,174	$ 22,390	$ 21,390	$ 21,390	Employer Contributions
13,462	13,217	12,959	12,513	12,310	Employee Contributions
237,314	(39,996)	216,498	108,008	15,231	Net investment income
(107,731)	(113,315)	(104,919)	(102,628)	(100,528)	Benefit Payments including refunds of employee contributions
(931)	(871)	(860)	(730)	(759)	Administrative Expenses
-	-	-	-	-	Other
$ 163,927	$ (118,791)	$ 146,068	$ 38,553	$ (52,356)	Net change in plan fiduciary net position
-	-	-	-	788	Other Adjustments
1,393,445	1,512,237	1,366,169	1,327,616	1,379,184	Plan fiduciary net position - beginning
$ 1,557,372	**$ 1,393,446**	**$ 1,512,237**	**$ 1,366,169**	**$ 1,327,616**	**Plan fiduciary net position - ending**
$ (26,497)	**$ 107,811**	**$ (41,007)**	**$ 69,364**	**$ 87,003**	**System's net pension liability - ending**
101.73%	92.82%	102.79%	95.17%	93.85%	Plan fiduciary net position as a percentage of the total pension liability
$ 170,946	$ 169,605	$ 167,221	$ 161,926	$ 160,641	Covered employee payroll
-15.50%	63.57%	-24.52%	42.84%	54.16%	System's net pension liability as a percentage of covered employee payroll

Pension Expense – Pension expense for the year ended December 31, 2024, is as follows:

Service cost	$ 36,221
Interest on total pension liability	118,226
Employee contributions	(15,216)
Administrative expenses	958
Expected return on assets	(105,224)
Expensed portion of current year period differences between expected and actual experience in total pension liability	10,247
Expensed portion of current year period differences between projected and actual investment earnings	(963)
Current year recognition of deferred inflows and outflows established in prior years	14,817
Total expense	$ 59,066

Deferred outflows of resources and deferred inflows of resources – GASB 68 requires recognition of deferred outflows and inflows of resources associated with the difference between projected and actual earnings on Plan investments, to be amortized to pension expense over a closed five-year period. Also, to be recognized as deferred outflows and inflows of resources are differences between expected and actual experience with regard to economic or demographic factors in the measurement of total pension liability, to be amortized to pension expense over a closed period equal to the average of the expected remaining service lives of all employees receiving pension benefits. Employer contributions to the pension trust made between the net pension liability measurement date and the employer's fiscal year-end are recognized as deferred outflows of resources related to pensions. GASB 68 also requires the deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods to be aggregated and reported as a net deferred outflow of resources related to pensions or a net deferred inflow of resources related to pensions.

Deferred outflows/inflows of resources related to pension

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 28,688	$ -
Net difference between projected and actual earnings on pension plan investments	122,102	-
Net difference between projected and actual experience in total Pension Liability	79,659	(840)
Assumption changes	20,110	(29)
Total	$ 250,559	$ (869)

Note: The $28,688 contribution made subsequent to the measurement date will be recognized as a reduction of the net pension liability in 2025.

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

Year Ending December 31	
2025	$ 50,591
2026	67,904
2027	93,222
2028	9,284
Thereafter	-

Total aggregate amount of Pension expense is as follows

City of Memphis	$ 96,574
Library	1,594
MLGW	59,066
Total Pension expense	$ 157,234

Pension and Retirement Plans Reconciliation

	Net Pension Liability	Deferred Outflows	Deferred Inflows
City Plan	(498,165)	150,591	(107,232)
Library Plan	(12,612)	7,343	(5,497)
Total City of Memphis	(510,777)	157,934	(112,729)
MLGW Plan	(227,799)	250,557	(868)
Total Government-Wide	(738,576)	408,491	(113,597)
Less: Sewer (Business-type)	18,149	(5,522)	1,697
Less: Storm Water (Business-type)	8,153	(1,881)	1,006
Less: MLGW (Business-type)	227,799	(250,557)	868
Total Business-type	254,101	(257,960)	3,571
Governmental Activities	(484,475)	150,531	(110,026)

G. Component units

As referenced in Note I.A. Reporting Entity, the City of Memphis currently has five discretely presented component units.

Renasant Convention Center (RCC) – Renasant Convention Center, formerly known as Memphis Cook Convention Center, was formed in 1917 under the Tennessee Private Act (TPA) of 1917, Chapter 420, as subsequently amended. On August 25, 2011, the City became the sole owner of the Center and the deficit is now solely funded by the City. Memphis Management Group, LLC, a wholly owned subsidiary of Memphis Convention and Visitors Bureau, manages the facility.

In fiscal year 2016, the City opted to disclose the Convention Center as a blended component unit under the guidelines of Governmental Accounting Standards Board Statement No. 61 (GASB 61); however upon further analysis, the City has determined that the Renasant Convention Center meets the requirements of a discretely presented component unit under GASB 14. Complete financial statements for the Center may be obtained at The City of Memphis, 125 North Main Street - Third Floor, Room 368, Memphis, TN 38102 Phone: 901-636-6657.

Memphis Area Transit Authority (MATA) – MATA was created by City ordinance on May 13, 1975, replacing the Memphis Transit Authority. MATA has the authority to supervise the operations of the City's transit system. MATA is funded by a combination of user fees, federal and state grants, and a subsidy from the City.

Memphis Shelby County Airport Authority (MSCAA) – MSCAA was established by City resolution on September 30, 1969. MSCAA's Board selects management staff, sets user charges, establishes budgets and controls all aspects of general aviation, airport management and development.

Memphis Zoological Society (MZS) – MZS was created as a nonprofit in April 1951 by Charter to manage and support the Memphis Zoo and Aquarium in its efforts to preserve wildlife through education, conservation and research. All land, buildings, exhibits and other physical assets used by MZS are the property of the City of Memphis.

Memphis Metropolitan Land Bank Authority (MMLBA) – MMLBA was authorized by City of Memphis Resolution and created in November 2015 as a nonprofit 501(c)(3) organization. The general nature of the business to be transacted by the corporation and the general purpose for which it is organized is to conduct business as a land bank as prescribed by the Tennessee Local Land Bank Program. The organization is declared to be performing a public function on behalf of the City of Memphis and to be a public instrumentality of the City by providing a tool to support economic revitalization through returning blighted properties, vacant properties, abandoned properties, and tax-delinquent properties to productive use. The organization is established with a fiscal year ending June 30.

Health, Education and Housing Facility Board (HEHFB) – (HEHFB) was created as a nonprofit on June 11, 1984, by Charter to manage and support the financing of community projects like housing and healthcare facilities. The purpose is to provide quality, safe, and affordable housing and facilities through tax-exempt revenue bonds and other financing tools for low/moderate-income individuals and families.

Each component unit is reported in a combined statement within the basic financial statements segment of this report as Exhibit A-14 and Exhibit A-15 to emphasize that the entities are legally separate from the City. The complete financial statements for each of the individual component units may be obtained at the entity's administrative offices. Essential disclosures related to the discretely presented component units are included in the complete financial statements of each of the individual component units.

Condensed financial statement information for these discretely presented component units is shown below:

	MATA (1)	MSCAA	RCC	HEHFB	MMLBA	TOTAL	ZOO	COMPONENT UNITS TOTAL
Current Assets	$ 32,989	$ 358,861	$ 5,448	$ 17,514	$ 608	$ 415,420	$ 8,872	$ 424,292
Property, plant and equipment (net of accumulated depreciation)	99,809	1,160,978	6,184	10	-	1,266,981	29	1,267,010
Other assets	496	328,667	-	156	376	329,695	125	329,820
Net pension asset	10,182	-	-	-	-	10,182	-	10,182
Total assets	143,476	1,848,506	11,632	17,680	984	2,022,278	9,026	2,031,304
Deferred outflows - pension contribution	-	-	-	-	-	-	-	-
Deferred outflows - pension expense	-	-	-	-	-	-	-	-
Deferred outflows - charges on refunding	-	5	-	-	-	5	-	5
Deferred actuarial losses - pension	3,393	2,352	-	-	-	5,745	-	5,745
Deferred actuarial losses - OPEB	178	529	-	-	-	707	-	707
Total assets and deferred outflows	$ 147,047	$ 1,851,392	$ 11,632	$ 17,680	$ 984	$ 2,028,735	$ 9,026	$ 2,037,761
Current liabilities	$ 43,075	$ 87,307	$ 1,883	$ 123	$ 14	$ 132,402	$ 5,827	$ 138,229
Long-term liabilities	45,478	424,675	-	113	376	470,642	986	471,628
Total liabilities	88,553	511,982	1,883	236	390	603,044	6,813	609,857
Deferred inflows - revenue received in advance of expense	30,201	270,313	-	-	-	300,514	-	300,514
Net position	28,293	1,069,097	9,749	17,444	594	1,125,177	2,213	1,127,390
Total liabilities, deferred inflows, and net position	$ 147,047	$ 1,851,392	$ 11,632	$ 17,680	$ 984	$ 2,028,735	$ 9,026	$ 2,037,761
Operating revenues	$ 2,325	$ 137,529	$ 9,581	$ -	$ 91	$ 149,526	$ 26,667	$ 176,193
Operating expenses	74,099	94,761	9,707	1,186	571	180,324	31,795	212,119
Operating income (loss) before depreciation and amortization	(71,774)	42,768	(126)	(1,186)	(480)	(30,798)	(5,128)	(35,926)
Depreciation and amortization	(11,219)	(67,236)	(422)	-	-	(78,877)	-	(78,877)
Grants and contributions not restricted	-	-	-	-	-	-	-	-
City of Memphis subsidy	32,170	-	1,351	2,694	-	36,215	-	36,215
Federal and State grant revenues	25,418	-	361	-	-	25,779	-	25,779
Interest and investment income (loss)	88	29,774	2	-	-	29,864	212	30,076
Interest expense	-	(12,974)	-	-	-	(12,974)	-	(12,974)
Other revenue (expense)	11,519	79,048	-	1,344	413	92,324	1,493	93,817
Change in net position	(13,798)	71,380	1,166	2,852	(67)	61,533	(3,423)	58,110
Net position - beginning of year, as restated	42,091	997,717	8,583	14,592	661	1,063,644	5,636	1,069,280
Prior period adjustment	-	-	-	-	-	-	-	-
Net position - end of year	$ 28,293	$ 1,069,097	$ 9,749	$ 17,444	$ 594	$ 1,125,177	$ 2,213	$ 1,127,390

(1)Memphis Area Transit Authority Data reported of June 30, 2024.
(2) Renasant Convention Center Unaudited Data reported of June 30, 2025
(3) Memphis Metropolitan Land Bank Authority Data reported of June 30, 2024

H. COVID-19 Financial Impacts

With the passing of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the City of Memphis received $113,607,217 in funding from the US Department of Treasury to assist in navigating the impact of the COVID-19 outbreak. The federal allocation was received in April 2020, and approximately $23.5 million was spent in Fiscal Year 2020. Approximately $85 million was executed during Fiscal Year 2021, and the remaining $5.1 million allocation was expended in Fiscal Year 2022.

In conjunction with the CARES Act, the Housing and Community Development Division of the City received $8 million in Emergency Solutions Grant funding through the U.S. Department of Housing and Urban Development.

On March 1, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President. Section 9901 of ARPA amended Title VI of the Social Security Act to add section 602, which established the Coronavirus State Fiscal Recovery Fund, and section 603, which established the Coronavirus Local Fiscal Recovery Fund (together, the Fiscal Recovery Funds). None of the ARPA funds were expended or recognized as revenue in Fiscal Year 2021. The City received $161,061,490 in funding and such funding must be expended in accordance with Treasury guidance.

Use of Funds – the metropolitan city shall only use the funds provided under a payment made under this section to cover cost incurred by the metropolitan city by December 31, 2024

(a) to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

(b) to respond to works performing essential work during the COVID-19 public health emergency by providing premium pay to eligible works of the metropolitan city that are performing such essential work, or by providing grants to eligible employers that have eligible works who perform essential work;

(c) for the provision of government services to the extent of the reduction in revenue of such metropolitan city due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city; or

(d) to make necessary investment in water, sewer, or broadband infrastructure;

(e) to provide emergency relief from natural disasters or the negative economic impacts of natural disasters;

(f) for projects eligible under the 26 surface transportation programs specified in the 2023 CAA (Surface Transportation projects); or

(g) for projects eligible under Title I of the Housing and Community Development Act of 1974 (Title I projects).

The first tranche was received just prior to the Fiscal Year 2021 year-end close, and the second tranche was received in May 2022 just prior to the close of Fiscal Year 2022. As of Fiscal Year 2022, all funding had been allocated to projects and initiatives in accordance with the guidelines. Approximately $59 million was appropriated for operational support, $33 million for public safety initiatives, $15 million toward broadband infrastructure, and $54 million for community initiatives in response to the pandemic. As of the close of Fiscal Year 2025 more than $159.7 million had already been expended. As of December 2025, nearly $161 million had been expended with $155 thousand remaining in commitments and/or contracts.

Also, in conjunction with the Fiscal Recovery Funds, the Housing and Community Development Division of the City also received $90 million in funding multiple allocations through the U.S. Department of Treasury to provide Emergency Rental Assistance. Those initiatives have been appropriated and are ongoing.

MEMPHIS
SHELBY
COUNTY
TENNESSEE

CITY OF MEMPHIS

T E N N E S S E E

REQUIRED SUPPLEMENTARY INFORMATION

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SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS UNDER GASB 74 AND GASB 75
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-1

Total OPEB Liability

Fiscal Year Ending June 30 (1)	Beginning Total OPEB Liability	Total Service Cost	Interest (2)	Experience (Gains) / Losses	Assumption Changes (3)	Changes of Benefit Terms (4)	Net Benefit Payments (5)	Ending Total OPEB Liability
2017	$ 691,738	$ 14,943	$ 18,877	$ 18,838	$ 25,586	$ (331,901)	$ (20,190)	$ 417,891
2018	$ 417,891	$ 8,035	$ 13,113	$ (11,621)	$ (76,034)	$ -	$ (13,928)	$ 337,456
2019	$ 337,456	$ 5,042	$ 10,015	$ (13,201)	$ (21,941)	$ -	$ (12,817)	$ 304,554
2020	$ 304,554	$ 4,176	$ 8,437	$ (2,264)	$ 21,629	$ 346,334	$ (12,678)	$ 670,188
2021	$ 670,188	$ 20,348	$ 18,184	$ (2,215)	$ (74,550)	$ -	$ (13,799)	$ 618,156
2022	$ 618,156	$ 17,340	$ 13,871	$ 12,287	$ (101,817)	$ (12,405)	$ (18,287)	$ 529,145
2023	$ 529,145	$ 15,545	$ 22,136	$ (1,394)	$ 107,697	$ (12,955)	$ (19,594)	$ 640,580
2024	$ 640,580	$ 20,325	$ 27,167	$ 1,361	$ (209,363)	$ 16,136	$ (20,615)	$ 475,591
2025	$ 475,969	$ 14,258	$ 19,991	$ (946)	$ 2,161	$ 7,494	$ (18,614)	$ 500,313

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net OPEB Liability and Related Ratios for 10 years. The information presented above is for those years for which it is available. It was prepared prospectively from the Plan's fiscal year ending June 30, 2017, for GASB 75 purposes.
(2) For the current fiscal year, includes interest at 4.21% on the beginning-of-year Total OPEB Liability (including the change due to updated census as of July 1, 2024 of $3,294,000) and service cost offset by a half-year of interest on benefit payments.
(3) Assumption changes for the most recent fiscal year reflect changes to participation, per capita costs, trend, discount rate and plan change assumptions.
(4) For 2025, the plan change reflects increasing the Post-65 HRA from $1,000 to $1,250 effective January 1, 2025.
(5) Paid claims including administrative expenses less retiree contributions.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS UNDER GASB 74 AND GASB 75 **CITY OF MEMPHIS, TENNESSEE**
OTHER POSTEMPLOYMENT BENEFITS (OPEB) **Exhibit RSI-2**
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

Plan Fiduciary Net Position [2]

Fiscal Year Ending June 30 (1)	Beginning Fiduciary Net Position	Employer Contribution (3)	Employee Contribution	Investment Return	Benefit Payments (4)	Administrative Expenses	Ending Fiduciary Net Position
2017	$ 6,450	$ 16,654	$ 5,531	$ 289	$ (21,476)	$ (4,245)	$ 3,203
2018	$ 3,203	$ 14,420	$ 1,829	$ 257	$ (6,468)	$ (9,289)	$ 3,952
2019	$ 3,952	$ 12,659	$ 1,945	$ 221	$ (8,112)	$ (6,650)	$ 4,015
2020	$ 4,015	$ 12,263	$ 1,807	$ 190	$ (7,222)	$ (7,263)	$ 3,790
2021	$ 3,790	$ 13,084	$ 2,573	$ 905	$ (8,763)	$ (7,609)	$ 3,980
2022	$ 3,980	$ 21,528	$ 3,668	$ (693)	$ (14,331)	$ (7,624)	$ 6,528
2023	$ 6,528	$ 23,667	$ 3,967	$ 392	$ (14,885)	$ (8,676)	$ 10,993
2024	$ 10,993	$ 28,538	$ 3,923	$ 578	$ (15,890)	$ (8,648)	$ 19,494
2025	$ 19,494	$ 27,882	$ 4,386	$ 576	$ (16,384)	$ (9,233)	$ 26,721

Note: The money average rate of return used to measure the total OPEB liability was 4.81% as of June 30, 2025, which is equal to the single r
return developed pursuant to GASB 75.

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net OPEB Liability and Related Ratios for 10 years. The information presented above is for those years for which it is available. It was prepared prospectively from the Plan's fiscal year ending June 30, 2017, for GASB 75 purposes.
(2) Asset information, including all cash flows, was provided by the City of Memphis.
(3) Includes employer contributions to the trust and transfers from other funds.
(4) Includes benefits paid less Medicare Part D subsidies and pharmacy Rx rebates received.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS UNDER GASB 74 AND GASB 75 **CITY OF MEMPHIS, TENNESSEE**
OTHER POSTEMPLOYMENT BENEFITS (OPEB) **Exhibit RSI-3**
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

Net OPEB Liability

Fiscal Year Ending June 30 (1)	Total OPEB Liability	Net Fiduciary Position	Net OPEB Liability	Net Fiduciary Position as % of Total OPEB Liability	Actual Covered Payroll (2)	Net OPEB Liability as a Percentage of Covered Payroll
2017	$ 417,891	$ 3,203	$ 414,688	0.8%	$ 379,324	109.3%
2018	$ 337,456	$ 3,952	$ 333,504	1.2%	$ 368,922	90.4%
2019	$ 304,554	$ 4,015	$ 300,539	1.3%	$ 400,195	75.1%
2020	$ 670,188	$ 3,790	$ 666,398	0.6%	$ 410,167	162.5%
2021	$ 618,156	$ 3,980	$ 614,176	0.6%	$ 378,824	162.1%
2022	$ 529,145	$ 6,528	$ 522,617	1.2%	$ 368,709	141.7%
2023	$ 640,580	$ 10,993	$ 629,587	1.7%	$ 369,163	170.5%
2024	$ 475,591	$ 19,494	$ 456,097	4.1%	$ 399,234	114.2%
2025	$ 500,313	$ 26,721	$ 473,592	5.3%	$ 473,592	100.0%

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net OPEB Liability and Related Ratios for 10 years. The information presented above is for those years for which it is available. It was prepared prospectively from the Plan's fiscal year ending June 30, 2017 for GASB 75 purposes.

(2) The actual covered payroll represents the total covered payroll for the year for those participants identified as City in the census data.

SCHEDULE OF CONTRIBUTIONS UNDER GASB 74 AND GASB 75
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-4

Schedule of Contributions

Fiscal Year Ending June 30 (1)	Contractual Contribution (2)	Actual Employer Contributions	Actual Covered Payroll (3)	Contributions as a Percentage of Covered Payroll
2017	$ 16,654	$ 16,654	$ 379,324	4.4%
2018	$ 14,420	$ 14,420	$ 368,922	3.9%
2019	$ 12,659	$ 12,659	$ 400,195	3.2%
2020	$ 12,263	$ 12,263	$ 410,167	3.0%
2021	$ 13,084	$ 13,084	$ 378,824	3.5%
2022	$ 21,528	$ 21,528	$ 368,709	5.8%
2023	$ 23,667	$ 23,667	$ 369,163	6.4%
2024	$ 28,538	$ 28,538	$ 399,234	7.1%
2025	$ 27,882	$ 27,882	$ 430,023	6.5%

(1) The information presented above is for those years for which it is available. It was prepared prospectively from the Plan's fiscal year ending June 30, 2017 for GASB 75 purposes.

(2) The City is contractually required to pay benefits as they come due and make HRA contributions to participants enrolled in the retiree exchange or an allowable plan. Any difference between actual benefits paid and employer contributions is due to a timing difference plus retiree contributions.

(3) The actual covered payroll represents the total covered payroll for the year for those participants identified as City in the census data.

Schedule of Money Weighted Return[1]

Year Ending 30-Jun	Money-Weighted Return
2016	7.4%
2017	15.0%
2018	-4.7%
2019	21.0%
2020	14.9%
2021	13.8%
2022	-16.5%
2023	16.8%
2024	12.6%
2025	12.1%

[1] Provided by the City of Memphis

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS UNDER GASB 67 AND 68
CITY RETIREMENT SYSTEM
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-5

Total Pension Liability

Year Ending June 30 (1)	Beginning Total Pension Liability	Service Cost (2)	Interest (3)	Experience (Gains)/ Losses	Assumption Changes	Changes of Benefit Terms	Benefit Payments	Transfer In/(Out) (4)	Ending Total Pension Liability
2016	$ 2,582,865	$ 44,343	$ 190,419	$ (12,367)	$ (9,882)	$ -	$ (176,566)	$ -	$ 2,618,812
2017	$ 2,618,812	$ 42,678	$ 193,004	$ 44,176	$ (41,610)	$ -	$ (176,205)	$ -	$ 2,680,855
2018	$ 2,680,855	$ 44,158	$ 197,627	$ (64,966)	$ (13,322)	$ -	$ (179,985)	$ -	$ 2,664,367
2019	$ 2,664,367	$ 41,840	$ 196,197	$ (20,127)	$ 71,345	$ -	$ (180,484)	$ -	$ 2,773,138
2020	$ 2,773,138	$ 41,858	$ 203,958	$ 6,622	$ (91,982)	$ -	$ (191,109)	$ -	$ 2,742,485
2021	$ 2,742,485	$ 35,847	$ 201,121	$ 1,214	$ (8,859)	$ 9,610	$ (193,431)	$ 17,772	$ 2,805,759
2022	$ 2,805,759	$ 39,311	$ 205,824	$ (1,912)	$ 85,019	$ 20,163	$ (201,510)	$ -	$ 2,952,654
2023	$ 2,952,654	$ 38,430	$ 209,393	$ 23,676	$ -	$ -	$ (205,799)	$ 26	$ 3,018,380
2024	$ 3,018,380	$ 42,287	$ 214,156	$ 18,996	$ 13,598	$ (368)	$ (213,594)	$ 18,465	$ 3,111,920
2025	$ 3,111,920	$ 45,092	$ 221,112	$ (76,198)	$ (6,131)	$ 17,460	$ (231,830)	$ 40	$ 3,081,465

Note: The Transfer In for 2023 and thereafter includes the transfer from 401(a) accounts for participants retiring from the 2016 Plan. It is an estimate of the increase in the accrued liability when the 401(a) accounts are transferred to the pension trust and converted to an annuity payable under the defined benefit plan.
The Transfer In for 2021 and 2024 reflect the transfer monies from 401(a) accounts for participants who elected to restore benefits from the 2016 Plan to the 1978 Plan.
The Benefit Payments in 2025 include $17,460,000 for a one-time bonus of $3,000 that was provided to eligible retirees (distributed on August 30, 2024).
The $17,460,000 amount is included as a change of benefit terms given the plan was amended to provide the one-time bonus of $3,000.

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net Pension Liability and Related Ratios for 10 years.
(2) The service cost includes the employee contributory portion of the benefit earned during the measurement period and excludes expenses.
(3) For the current fiscal year, includes interest at 7.25% on the prior year ending Total Pension Liability and current year beginning service cost offset by a half year of interest on benefit payments. The benefit payments used in the interest calculation excludes the $17,460,000 pension bonus that was paid during fiscal year 2025.
(4) The 401(a) Transfers of $40,000 are for participants who retired and elected benefits during the year.

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS UNDER GASB 67 AND 68
CITY RETIREMENT SYSTEM
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-6

Plan Fiduciary Net Position

Year Ending June 30 (1)	Beginning Fiduciary Net Position (2)	Employer Contribution	Employee Contribution	Investment Return	Benefit Payments	Administrative Expenses	Investment Expenses	Transfer In/(Out)	Ending Fiduciary Net Position
2016	$ 2,200,549	$ 51,875	$ 23,912	$ 6,890	$ (176,566)	$ (2,228)	$ (12,846)	$ -	$ 2,091,586
2017	$ 2,091,586	$ 55,441	$ 20,016	$ 286,536	$ (176,205)	$ (3,119)	$ (12,670)	$ -	$ 2,261,585
2018	$ 2,261,585	$ 55,059	$ 18,578	$ 205,516	$ (179,985)	$ (3,700)	$ (13,272)	$ -	$ 2,343,781
2019	$ 2,343,781	$ 58,896	$ 18,027	$ 115,989	$ (180,484)	$ (5,282)	$ (13,528)	$ -	$ 2,337,399
2020	$ 2,337,399	$ 54,194	$ 17,884	$ 64,036	$ (191,109)	$ (6,060)	$ (13,983)	$ -	$ 2,262,361
2021	$ 2,262,361	$ 61,534	$ 17,780	$ 663,368	$ (193,431)	$ (4,669)	$ (17,034)	$ 17,772	$ 2,807,681
2022	$ 2,807,681	$ 57,227	$ 20,014	$ (251,646)	$ (201,510)	$ (6,089)	$ (19,001)	$ -	$ 2,406,676
2023	$ 2,406,676	$ 56,701	$ 19,716	$ 196,207	$ (205,799)	$ (8,339)	$ (15,658)	$ 26	$ 2,449,530
2024	$ 2,449,530	$ 59,410	$ 19,677	$ 272,951	$ (213,594)	$ (8,026)	$ (21,944)	$ 18,465	$ 2,576,469
2025	$ 2,576,469	$ 73,649	$ 24,179	$ 162,535	$ (231,830)	$ (6,168)	$ (15,574)	$ 40	$ 2,583,300

Note: The money average rate of return used to measure the total Pension liability was 7.25% as of June 30, 2023, and is equal to the long-term expected return on plan investments as developed pursuant to GASB 67 and 68.
The Transfer In for 2023 and thereafter reflect the transfer of the 401(a) account balances for participants who retired from the 2016 Plan.
The Transfer In for 2021 and 2024 reflect the transfer monies from 401(a) accounts for participants who elected to restore benefits from the 2016 Plan to the 1978 Plan.
The Benefit Payments in 2025 include $17,460,000 for a one-time bonus of $3,000 that was provided to eligible retirees (distributed on August 30, 2024).

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net Pension Liability and Related Ratios for 10 years.
(2) Asset information, including all cash flows, is provided by the City of Memphis

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS UNDER GASB 67 AND 68
CITY RETIREMENT SYSTEM
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-7

Net Pension Liability

Year Ending June 30 (1)	Total Pension Liability	Net Fiduciary Position	Net Pension Liability	Net Fiduciary Position as % of Total Pension Liability	Actual Covered Payroll (2) (3)	Net Pension Liability as a Percentage of Covered Payroll
2016	$ 2,618,812	$ 2,091,586	$ 527,226	79.9%	$ 300,123	175.7%
2017	$ 2,680,855	$ 2,261,585	$ 419,270	84.4%	$ 336,505	124.6%
2018	$ 2,664,367	$ 2,343,781	$ 320,586	88.0%	$ 333,171	96.2%
2019	$ 2,773,138	$ 2,337,399	$ 435,739	84.3%	$ 338,373	128.8%
2020	$ 2,742,485	$ 2,262,361	$ 480,124	82.5%	$ 372,817	128.8%
2021	$ 2,805,759	$ 2,807,681	$ (1,922)	100.1%	$ 379,346	-0.5%
2022	$ 2,952,654	$ 2,406,676	$ 545,978	81.5%	$ 402,813	135.5%
2023	$ 3,018,380	$ 2,449,530	$ 568,850	81.2%	$ 371,676	153.0%
2024	$ 3,111,920	$ 2,576,469	$ 535,451	82.8%	$ 415,755	128.8%
2025	$ 3,081,465	$ 2,583,300	$ 498,165	83.8%	$ 423,412	117.7%

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net Pension Liability and Related Ratios for 10 years.

(2) The *actual covered payroll* is defined under GASB 82 to be payroll on which contributions to a pension plan are based. As pensionable pay is used for determining contributions under the plan, pensionable pay is shown above. starting June 30, 2016.

(3) The actual covered payroll represents the total covered payroll for the year for those participants identified as City in the census data.

Schedule of Contributions

Year Ending June 30	Actuarially Determined Contribution (1)	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll (2)	Contributions as a Percentage of Covered Payroll
2016	$ 73,913	$ 51,875	$ (22,038)	$ 300,123	17.3%
2017	$ 58,185	$ 55,441	$ (2,744)	$ 336,505	16.5%
2018	$ 62,433	$ 55,059	$ (7,374)	$ 333,171	16.5%
2019	$ 62,499	$ 58,896	$ (3,603)	$ 338,373	17.4%
2020	$ 53,719	$ 54,194	$ 475	$ 372,817	14.5%
2021	$ 61,532	$ 61,534	$ 2	$ 379,346	16.2%
2022	$ 52,201	$ 57,227	$ 5,026	$ 402,813	14.2%
2023	$ 52,765	$ 56,701	$ 3,936	$ 371,676	15.3%
2024	$ 54,716	$ 59,410	$ 4,694	$ 415,755	14.3%
2025	$ 66,506	$ 73,649	$ 7,143	$ 447,466	16.5%

Note: Beginning in 2022 the employer contribution includes monies transferred from the Sales Tax Referendum Revenue Fund used to offset cost of benefit restoration.

(1) The actuarially determined contribution is for the fiscal year end and is developed in a separate funding report for the corresponding fiscal year.

(2) The *actual covered payroll* is defined under GASB 82 to be payroll on which contributions to a pension plan are based. As pensionable pay is used for determining contributions under the plan, pensionable pay is shown above.

Schedule of Money Weighted Return[1]

Year Ending 30-Jun	Money-Weighted Return
2016	6.3%
2017	17.9%
2018	-5.8%
2019	18.4%
2020	14.6%
2021	13.1%
2022	13.2%
2023	11.3%
2024	9.6%
2025	10.3%

[1] Provided by the City of Memphis

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS UNDER GASB 67 AND 68
LIBRARY RETIREMENT SYSTEM
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-9

Total Pension Liability

Year Ending June 30 (1)	Beginning Total Pension Liability	Service Cost (2)	Interest Cost	Experience (Gains)/ Losses	Assumption Changes (3)	Benefit Payments	Ending Total Pension Liability
2016	$ 67,820	$ 440	$ 4,976	$ (164)	$ (475)	$ (3,816)	$ 68,781
2017	$ 68,781	$ 334	$ 5,039	$ (671)	$ (3,549)	$ (3,844)	$ 66,090
2018	$ 66,090	$ 338	$ 4,834	$ (503)	$ (481)	$ (3,955)	$ 66,323
2019	$ 66,323	$ 296	$ 4,855	$ (523)	$ 1,683	$ (3,775)	$ 68,859
2020	$ 68,859	$ 278	$ 5,022	$ 538	$ (251)	$ (4,356)	$ 70,090
2021	$ 70,090	$ 269	$ 5,117	$ (3,446)	$ (460)	$ (4,261)	$ 67,309
2022	$ 67,309	$ 239	$ 4,898	$ (1,766)	$ 1,895	$ (4,480)	$ 68,095
2023	$ 68,095	$ 245	$ 4,796	$ (527)	$ -	$ (4,368)	$ 68,241
2024	$ 68,241	$ 223	$ 4,810	$ (200)	$ -	$ (4,233)	$ 68,841
2025	$ 68,841	$ 174	$ 4,834	$ (1,862)	$ (838)	$ (4,645)	$ 66,504

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net Pension Liability and Related Ratios for 10 years. The information presented above is for those years for which it is available.

(2) The service cost includes the employee contributory portion of the benefit earned during the measurement period and excludes administrative expenses.

(3) Assumption changes include the following:

a. For 2025, the update in the mortality assumption resulted in an actuarial gain of ($838)
b. For 2022, the change in the discount rate assumption from 7.50% to 7.25% resulted in an actuarial loss of $1,700 and an update in the mortality assumption resulted in an actuarial loss of $195.
c. For 2021, the update in the mortality assumption resulted in an actuarial gain of ($460).
d. For 2020, the update in the mortality assumption resulted in an actuarial gain of ($251).
e. For 2019, the update in the mortality assumption resulted in an actuarial loss of $1,683.
f. For 2018, the update in the mortality assumption resulted in an actuarial gain of ($481).
g. For 2017, the updates in the mortality assumption and retirement assumption resulted in actuarial gains of ($1,710) and ($1,839), respectively.
h. For 2016, the update in the mortality assumption resulted in an actuarial gain of ($475).

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS UNDER GASB 67 AND 68
LIBRARY RETIREMENT SYSTEM
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-10

Plan Fiduciary Net Position

Year Ending June 30 (1)	Beginning Fiduciary Net Position	Employer Contribution	Employee Contribution	Investment Return	Benefit Payments	Administrative Expenses	Investment Expenses	Ending Fiduciary Net Position
2016	$ 60,331	$ 150	$ 150	$ (2,939)	$ (3,817)	$ (108)	$ (29)	$ 53,738
2017	$ 53,738	$ 132	$ 132	$ 5,404	$ (3,844)	$ (64)	$ (28)	$ 55,470
2018	$ 55,470	$ 818	$ 118	$ 7,954	$ (3,954)	$ (66)	$ (29)	$ 60,311
2019	$ 60,311	$ 2,012	$ 123	$ (4,716)	$ (3,775)	$ (47)	$ (35)	$ 53,873
2020	$ 53,873	$ 1,213	$ 123	$ 9,694	$ (4,356)	$ (114)	-	$ 60,433
2021	$ 60,433	$ 1,651	$ 114	$ 2,926	$ (4,261)	$ (70)	-	$ 60,793
2022	$ 60,793	$ 1,658	$ 114	$ 7,419	$ (4,480)	$ (116)	-	$ 65,388
2023	$ 65,388	$ 1,044	$ 105	$ (13,628)	$ (4,368)	$ (90)	-	$ 48,451
2024	$ 48,451	$ 576	$ 105	$ 7,945	$ (4,233)	$ (101)	-	$ 52,743
2025	$ 52,743	$ 560	$ 88	$ 5,220	$ (4,645)	$ (74)	-	$ 53,892

Note: The money average rate of return used to measure the total Pension liability was 7.25% as of December 31, 2024, and is equal to the long-term expected return on investments as developed pursuant to GASB 67 and 68.
The City of Memphis fiscal year end is June 30, 2025. As permitted under paragraph 20 of GASB 68, the valuation uses a measurement date and valuation date of January 1, 2025 for the Library Plan. These results are not rolled-forward to the fiscal year-end reporting date.

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net Pension Liability and Related Ratios for 10 years. The information presented above is for those years for which it is available.

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS UNDER GASB 67 AND 68
LIBRARY RETIREMENT SYSTEM
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-11

Net Pension Liability

Year Ending June 30 (1)	Total Pension Liability	Net Fiduciary Position	Net Pension Liability	Net Fiduciary Position as % of Total Pension Liability	Actual Covered Payroll (2)	Net Pension Liability as a Percentage of Covered Payroll
2015	$ 67,820	$ 60,331	$ 7,489	89.0%	$ 5,349	140.0%
2016	$ 68,781	$ 53,738	$ 15,043	78.1%	$ 5,014	300.0%
2017	$ 66,090	$ 55,470	$ 10,620	83.9%	$ 4,400	241.4%
2018	$ 66,323	$ 60,311	$ 6,012	90.9%	$ 3,943	152.5%
2019	$ 68,859	$ 53,873	$ 14,986	78.2%	$ 4,089	366.5%
2020	$ 70,089	$ 60,432	$ 9,657	86.2%	$ 4,097	235.7%
2021	$ 67,309	$ 60,793	$ 6,516	90.3%	$ 3,817	170.7%
2022	$ 68,095	$ 65,388	$ 2,707	96.0%	$ 3,786	71.5%
2023	$ 68,241	$ 48,451	$ 19,789	71.0%	$ 3,511	563.6%
2024	$ 68,840	$ 52,743	$ 16,097	76.6%	$ 3,500	459.9%
2025	$ 66,504	$ 53,892	$ 12,612	81.0%	$ 2,961	426.0%

The actual covered payroll is based on the calendar year.

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net Pension Liability and Related Ratios for 10 years. The information presented above is for those years for which it is available.

(2) The *actual covered payroll* is defined under GASB 82 to be payroll on which contributions to a pension plan are based. As pensionable pay is used for determining contributions under the plan, pensionable pay is shown above starting January 1, 2016. Prior to January 1, 2016 the gross payroll is shown, consistent with the requirements prior to the release of GASB 82. Note, these amounts are for the period from January 1 through December 31 immediately preceding the fiscal year end shown in column (1).

SCHEDULE OF CONTRIBUTIONS
LIBRARY RETIREMENT SYSTEM
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-12

Schedule of Contributions under GASB 67

Year Ending December 31 (1)	Actuarially Determined Contribution (2)	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll (3)	Contributions as a Percentage of Covered Payroll
2015	$ 518	$ 150	$ (367)	$ 5,014	3.0%
2016	$ 738	$ 132	$ (606)	$ 4,400	3.0%
2017	$ 1,230	$ 818	$ (412)	$ 3,942	20.8%
2018	$ 1,343	$ 2,012	$ 669	$ 4,089	49.2%
2019	$ 971	$ 1,213	$ 242	$ 4,097	29.6%
2020	$ 1,147	$ 1,651	$ 504	$ 3,817	43.3%
2021	$ 1,305	$ 1,658	$ 354	$ 3,786	43.8%
2022	$ 1,006	$ 1,044	$ 38	$ 3,511	29.7%
2023	$ 705	$ 576	$ (129)	$ 3,500	16.5%
2024	$ 1,194	$ 560	$ (634)	$ 2,961	18.9%

(1) This schedule is presented to satisfy the requirement to show information regarding the Schedule of Contributions for 10 years. The information presented above is for those years for which it is available. Per GASB 67, Paragraph 32, the information presented is based on the plan's most recent fiscal year-end (December 31).

(2) The actuarially determined contribution is calculated as of the City's fiscal year end (June 30). The schedule above is presented based on the Plan's fiscal year end (December 31). The actuarially determined contribution shown above is the aggregate of the actuarially determined contribution for the portions of the City's fiscal years that overlap the Plan's fiscal year. For example, the actuarially determined contribution for the Plan fiscal year ending December 31, 2024, is based on 6-month portions applicable to the City fiscal years ending on June 30, 2024, and June 30, 2025.

(3) The *actual covered payroll* is defined under GASB 82 to be payroll on which contributions to a pension plan are based. As pensionable pay is used for determining contributions under the plan, pensionable pay is shown above starting January 1, 2016. Prior to January 1, 2016 the gross payroll is shown, consistent with the requirements prior to the release of GASB 82.

SCHEDULE OF CONTRIBUTIONS
LIBRARY RETIREMENT SYSTEM
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-13

Schedule of Contributions under GASB 68

Year Ending June 30 (1)	Actuarially Determined Contribution (2)	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll (3)	Contributions as a Percentage of Covered Payroll
2016	$ 517	$ 141	$ (376)	$ 4,707	3.0%
2017	$ 958	$ 821	$ (137)	$ 4,048	20.3%
2018	$ 1,502	$ 918	$ (584)	$ 3,917	23.4%
2019	$ 1,185	$ 1,213	$ 28	$ 4,097	29.6%
2020	$ 757	$ 1,207	$ 450	$ 3,901	30.9%
2021	$ 1,536	$ 1,646	$ 110	$ 3,658	45.0%
2022	$ 1,073	$ 1,658	$ 585	$ 3,822	43.4%
2023	$ 939	$ 1,044	$ 105	$ 3,494	29.9%
2024	$ 470	$ 542	$ 72	$ 2,353	23.0%
2025	$ 1,918	$ 557	$ (1,361)	$ 2,877	19.4%

(1) This schedule is presented to satisfy the requirement to show information regarding the Schedule of Contributions for 10 years. The information presented above is for those years for which it is available. Per GASB 68, Paragraph 46, the information presented is based on the employers's most recent fiscal year-end (June 30).

(2) The actuarially determined contribution is for the City's fiscal year end of June 30. Starting in 2022, the results are based on a discount rate assumption of 7.25% (previous years used a discount rate of 7.50%). The actuarially determined contribution applicable to the employer fiscal year (July 1 to June 30) is determined based on the preceding plan fiscal year (January 1 to December 31).

(3) The *actual covered payroll* is defined under GASB 82 to be payroll on which contributions to a pension plan are based. As pensionable pay is used for determining contributions under the plan, pensionable pay is shown above starting January 1, 2016. Prior to January 1, 2016 the gross payroll is shown, consistent with the requirements prior to the release of GASB 82. Note, these amounts are for the period from July 1 through June 30 ending on the employer fiscal year-end shown in column (1).

Schedule of Money Weighted Return[1]

Year Ending 30-Jun	Money-Weighted Return
2015	-5.1%
2016	10.5%
2017	14.6%
2018	-8.1%
2019	18.4%
2020	6.5%
2021	12.5%
2022	-21.1%
2023	16.9%
2024	10.4%

[1] Provided by the City of Memphis

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) UNDER GASB 67 AND 68
MLGW RETIREMENT SYSTEM
(Thousands of Dollars)
For the fiscal year ended December 31, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-14

Total Pension Liability

Year Ending December 31	Beginning Total Pension Liability	Service Cost	Interest	Experience (Gains)/ Losses	Assumption Changes (1)	Changes of Benefit Terms (2)	Benefit Payments	Ending Total Pension Liability
2015	$ 1,382,794	$ 30,139	$ 99,940	$ 2,275	$ -	$ -	$ (100,528)	$ 1,414,620
2016	$ 1,414,620	$ 32,591	$ 102,248	$ (11,298)	$ -	$ -	$ (102,628)	$ 1,435,533
2017	$ 1,435,533	$ 31,977	$ 103,731	$ 4,908	$ -	$ -	$ (104,919)	$ 1,471,230
2018	$ 1,471,230	$ 31,185	$ 108,432	$ 3,726	$ -	$ -	$ (113,316)	$ 1,501,257
2019	$ 1,501,257	$ 31,636	$ 110,927	$ (5,040)	$ (174)	$ -	$ (107,731)	$ 1,530,875
2020	$ 1,530,875	$ 32,142	$ 109,265	$ 9,102	$ -	$ -	$ (111,826)	$ 1,569,558
2021	$ 1,569,558	$ 32,463	$ 111,732	$ 6,177	$ 40,219	$ 4,760	$ (121,781)	$ 1,643,128
2022	$ 1,643,128	$ 34,219	$ 113,017	$ 54,247	$ -	$ -	$ (125,633)	$ 1,718,978
2023	$ 1,718,978	$ 36,222	$ 118,226	$ 51,235	$ -	$ -	$ (132,517)	$ 1,792,144
2024	$ 1,792,144	$ 36,856	$ 122,967	$ 42,084	$ (16,103)	$ -	$ (144,650)	$ 1,833,298

(1) The assumptions were updated for December 31, 2024, pension liability based on the five-year experience study ending December 31, 2023.
(2) There were no changes to the plan benefits reflected in the last two years.

Plan Fiduciary Net Position

Year Ending December 31	Beginning Fiduciary Net Position	Employer Contribution	Employee Contribution	Investment Return	Benefit Payments	Administrative Expenses	Other Adjustments	Ending Fiduciary Net Position
2015	$ 1,379,184	$ 21,390	$ 12,310	$ 15,231	$ (100,528)	$ (759)	$ 788	$ 1,327,616
2016	$ 1,327,616	$ 21,390	$ 12,513	$ 108,008	$ (102,628)	$ (730)	$ -	$ 1,366,169
2017	$ 1,366,169	$ 22,390	$ 12,959	$ 216,498	$ (104,919)	$ (860)	$ -	$ 1,512,237
2018	$ 1,512,237	$ 22,174	$ 13,217	$ (39,996)	$ (113,316)	$ (871)	$ -	$ 1,393,445
2019	$ 1,393,445	$ 21,813	$ 13,462	$ 237,314	$ (107,731)	$ (931)	$ -	$ 1,557,372
2020	$ 1,557,372	$ 24,504	$ 13,828	$ 192,438	$ (111,826)	$ (779)	$ -	$ 1,675,537
2021	$ 1,675,537	$ 24,199	$ 14,216	$ 252,598	$ (121,781)	$ (868)	$ -	$ 1,843,901
2022	$ 1,843,900	$ 20,941	$ 14,657	$ (200,888)	$ (125,632)	$ (886)	$ -	$ 1,552,092
2023	$ 1,552,092	$ 20,473	$ 15,216	$ 110,039	$ (132,517)	$ (958)	$ -	$ 1,564,345
2024	$ 1,564,345	$ 28,688	$ 16,471	$ 127,839	$ (144,650)	$ (1,015)	$ -	$ 1,591,678

Note: The long-term expected rate of return of 7.00% on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation.

Net Pension Liability

Year Ending December 31	Total Pension Liability	Net Fiduciary Position	Net Pension Liability	Net Fiduciary Position as % of Total Pension Liability	Covered Payroll (1)	Net Pension Liability as a Percentage of Covered Payroll
2015	$ 1,414,620	$ 1,327,616	$ 87,004	93.85%	$ 160,641	54.16%
2016	$ 1,435,533	$ 1,366,169	$ 69,364	95.17%	$ 161,926	42.84%
2017	$ 1,471,230	$ 1,512,237	$ (41,007)	102.79%	$ 167,221	-24.52%
2018	$ 1,501,257	$ 1,393,445	$ 107,812	92.82%	$ 169,605	63.57%
2019	$ 1,530,875	$ 1,557,372	$ (26,497)	101.73%	$ 170,946	-15.50%
2020	$ 1,569,558	$ 1,675,537	$ (105,979)	106.75%	$ 173,425	-61.11%
2021	$ 1,643,128	$ 1,843,901	$ (200,773)	112.22%	$ 175,790	-114.21%
2022	$ 1,718,978	$ 1,552,092	$ 166,887	90.29%	$ 184,710	90.35%
2023	$ 1,792,144	$ 1,564,345	$ 227,799	87.29%	$ 191,237	119.12%
2024	$ 1,833,298	$ 1,591,678	$ 241,620	86.82%	$ 207,483	116.45%

(1) The *actual covered payroll* is based on calendar year.

Schedule of Contributions

Year Ending December 31	Actuarially Determined Contribution (ADC) (1)	Actual Contribution in Relation to ADC	Covered Payroll (2)	Contributions as a Percentage of Covered Payroll
2015	$ 21,390	$ 21,390	$ 160,641	13.32%
2016	$ 21,390	$ 21,390	$ 161,926	13.21%
2017	$ 22,390	$ 22,390	$ 167,221	13.39%
2018	$ 22,174	$ 22,174	$ 169,605	13.07%
2019	$ 21,813	$ 21,813	$ 170,946	12.76%
2020	$ 24,504	$ 24,504	$ 173,425	14.13%
2021	$ 24,199	$ 24,199	$ 175,790	13.77%
2022	$ 20,941	$ 20,941	$ 184,710	11.34%
2023	$ 20,474	$ 20,474	$ 191,237	10.71%
2024	$ 28,688	$ 28,688	$ 207,483	13.83%

(1) The actuarially determined contribution (ADC) is calculated using the January 1 valuation date as of the beginning of the fiscal year prior to the year in which contributions are reported. Therefore, the ADC for the year ended December 31, 2023 is based on the January 1, 2022 actuarial valuation.

(2) The *actual covered payroll* is based on calendar year.

Schedule of Investment Returns
Last 10 Fiscal Years

	2024	2023	2022	2021	2020
Annual money-weighted rate of return, net of investment expense*	8.83%	7.75%	-11.22%	15.40%	12.75%

*The annual money-weighted rate of return on the Pension plan investments is calculated as the internal rate of return on investments, net of investment expense. A money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts, actually invested. The Pension plan investment expense should be measured on the accrual basis of accounting.

Schedule of Investment Returns
Last 10 Fiscal Years

2019	2018	2017	2016	2015	
17.70%	-2.61%	16.51%	8.66%	1.34%	Annual money-weighted rate of return, net of investment expense*

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS UNDER GASB 74 AND GASB 75 **CITY OF MEMPHIS, TENNESSEE**
MLGW OTHER POSTEMPLOYMENT BENEFITS (OPEB) **Exhibit RSI-18**
(Thousands of Dollars)
For the fiscal year ended December 31, 2024

Total OPEB Liability

Fiscal Year Ending December 31 (1)	Beginning Total OPEB Liability	Total Service Cost	Interest	Experience (Gains) / Losses	Assumption Changes (2)	Changes of Benefit Terms (3)	Net Benefit Payments	Ending Total OPEB Liability
2017	$ 876,951	$ 19,520	$ 64,667	$ 3,674	$ (200,370)	$ (61,896)	$ (29,457)	$ 673,089
2018	$ 673,089	$ 15,381	$ 50,560	$ (3,134)	$ -	$ -	$ (28,677)	$ 707,219
2019	$ 707,219	$ 15,804	$ 53,030	$ 15,351	$ (46,583)	$ -	$ (31,916)	$ 712,905
2020	$ 712,905	$ 15,400	$ 51,712	$ (4,090)	$ -	$ -	$ (30,588)	$ 745,339
2021	$ 745,339	$ 16,093	$ 54,019	$ 12,400	$ 30,869	$ -	$ (33,268)	$ 825,452
2022	$ 825,452	$ 18,094	$ 57,870	$ (5,593)	$ -	$ -	$ (34,248)	$ 861,575
2023	$ 861,575	$ 18,547	$ 60,267	$ 8,924	$ (83,192)	$ -	$ (39,001)	$ 827,120
2024	$ 827,120	$ 17,631	$ 57,764	$ 137	$ 14,898	$ -	$ (39,772)	$ 877,778

This schedule will be expanded to include up to ten years of historical data as the data becomes available.
Effective with the December 31, 2024, measurement, the following assumptions were changed:
*Healthcare claims cost, contributions, and trend rates were updated to reflect the most recent experience and future expectations.
*The demographic assumptions were updated for the December 31, 2024, OPEB liability based on the five-year experience study ending December 31, 2023.
There have been no material changes in benefit provisions.

Plan Fiduciary Net Position

Fiscal Year Ending December 31 (1)	Beginning Fiduciary Net Position	Employer Contribution	Investment Return	Benefit Payments	Ending Fiduciary Net Position
2017	$ 346,328	$ 45,184	$ 57,671	$ (29,457)	$ 419,726
2018	$ 419,726	$ 48,972	$ (14,273)	$ (28,677)	$ 425,748
2019	$ 425,748	$ 33,949	$ 76,566	$ (31,916)	$ 504,347
2020	$ 504,347	$ 34,895	$ 84,891	$ (30,589)	$ 593,544
2021	$ 593,544	$ 37,561	$ 106,511	$ (33,268)	$ 704,348
2022	$ 704,348	$ 38,381	$ (73,591)	$ (34,248)	$ 634,890
2023	$ 634,890	$ 40,136	$ 62,043	$ (39,001)	$ 698,068
2024	$ 698,069	$ 40,806	$ 57,880	$ (39,772)	$ 756,983

Note: The long-term expected rate of return of 7.00% on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses.

(1) This schedule will be expanded to include up to ten years of historical data as the data becomes available.

Net OPEB Liability

Fiscal Year Ending December 31 (1)	Total OPEB Liability	Net Fiduciary Position	Net OPEB Liability	Net Fiduciary Position as % of Total OPEB Liability	Covered Payroll (2)	Net OPEB Liability as a Percentage of Covered Payroll
2017	$ 673,089	$ 419,726	$ 253,363	62.36%	$ 167,221	151.51%
2018	$ 707,219	$ 425,748	$ 281,471	60.20%	$ 169,605	165.96%
2019	$ 712,905	$ 504,347	$ 208,558	70.75%	$ 170,946	122.00%
2020	$ 745,339	$ 593,544	$ 151,795	79.63%	$ 173,425	87.53%
2021	$ 825,452	$ 704,348	$ 121,104	85.33%	$ 175,790	68.89%
2022	$ 861,575	$ 634,890	$ 226,685	73.69%	$ 184,710	122.72%
2023	$ 827,120	$ 698,068	$ 129,052	84.40%	$ 191,237	67.48%
2024	$ 877,778	$ 756,983	$ 120,795	86.24%	$ 207,483	58.22%

(1) This schedule will be expanded to include up to ten years of historical data as the data becomes available.
(2) The *covered payroll* represents earnable and pensionable compensation. Only earnable and pensionable compensation that would possibly go into the determination of the retirement benefits are included.

Schedule of Contributions

Fiscal Year Ending December 31	Actuarially Determined Contributions (1)	Contributions in Relation to the Actuarially Determined Contributions	Contribution Excess /	Covered Payroll (2)	Contributions as a Percentage of Covered Payroll
2015	$ 38,187	$ 38,438	$ (251)	$ 160,641	23.93%
2016	$ 45,289	$ 42,496	$ 2,793	$ 161,926	26.24%
2017	$ 46,978	$ 45,184	$ 1,794	$ 167,221	27.02%
2018	$ 48,270	$ 48,972	$ (702)	$ 169,605	28.87%
2019	$ 31,701	$ 33,949	$ (2,248)	$ 170,946	19.86%
2020	$ 32,111	$ 34,895	$ (2,784)	$ 173,425	20.12%
2021	$ 32,403	$ 37,561	$ (5,158)	$ 175,790	21.37%
2022	$ 31,406	$ 38,381	$ (6,975)	$ 184,710	20.78%
2023	$ 34,131	$ 40,135	$ (6,005)	$ 191,237	20.99%
2024	$ 33,933	$ 40,806	$ (6,873)	$ 207,483	19.67%

(1) The actuarially determined contribution (ADC) rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

(2) The *covered payroll* represents earnable and pensionable compensation. Only earnable and pensionable compensation that would poss into the determination of the retirement benefits are included.

Schedule of Investment Returns
Last 10 Fiscal Years

	2024	2023	2022	2021	2020
Annual money-weighted rate of return, net of investment expense*	8.74%	9.83%	-10.40%	17.75%	16.97%

**The annual money-weighted rate of return on the OPEB Trust's investments is calculated as the internal rate of return on investments, net of investment expense. A money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts, actually invested. The OPEB Trust's investment expense should be measured on the accrual basis of accounting.

Schedule of Investment Returns
Last 10 Fiscal Years

2019	2018	2017	2016	2015	
17.84%	-3.45%	17.16%	9.26%	-2.36%	Annual money-weighted rate of return, net of investment expense*

CITY OF MEMPHIS

T E N N E S S E E

COMBINING NONMAJOR FUNDS

SPECIAL REVENUE FUNDS

Affordable Housing - The Affordable Housing Fund accounts for property taxes collected by the City to support affordable housing activities.

American Rescue Plan Act (ARPA) - The American Rescue Plan Act funds accounts for assistance from the Federal Government to provide relief for the negative impact of COVID-19.

Beale Street District - The Beale Street District fund accounts for the development of the Beale Street Area.

Central Business Improvement District – The Central Business Improvement District Fund accounts for the special assessments distributed to the Center City Commission.

Community Catalyst - The Community Catalyst Fund accounts for property taxes collected by the Citydesignated to promote growth in key anchors, spur economic development, and create more positive momentum in neighborhoods throughout the City.

Drug Enforcement – The Drug Enforcement Fund accounts for confiscated funds that are restricted to the provision of drug enforcement activities.

Education – The Education Fund accounts for property taxes collected by the City and distributed to the Shelby County Board of Education.

Electronic Traffic Citation Fees - The Electronic Traffic Citation Fees Fund accounts for a fee attached to electronic citations to enhance the electronic citation systems and programs for City Court Clerk and MPD.

Fire EMS- The Fire Emergency Medical Services Fund accounts for revenue and expenditures to enhance services with the purchase of medical equipment and transportation.

Hotel / Motel Tax – The Hotel / Motel Tax Fund accounts for the proceeds of the hotel/motel occupancy tax. Funds are used to repay outstanding bond indebtedness relating to the Renasant Convention Center. Excesses are provided to the Memphis Convention and Visitors Bureau.

HUB Community Impact - The HUB Community Impact Fund accounts for financial resources to advance the quality of life and effectively end street-level homelessness by expanding the Hospitality Hub.

Metro Alarm – The Metro Alarm Fund accounts for the financial resources enforcing an ordinance to encourage proper alarm use and to reduce false alarm calls.

Miscellaneous Grants – The Miscellaneous Grants Fund accounts for several unrelated federal and state grants.

New Memphis Arena – The New Memphis Arena Fund accounts for the revenues and expenditures related to financing the construction of a sports and basketball arena, FedEx Forum.

Pre-K- The Pre-K Education Fund accounts for property taxes collected by the City designated to fund Pre-K needs-based enrollment.

2019 Sales Tax Referendum - The 2019 Sales Tax Referendum accounts for proceeds of the sales tax to restore and maintain the health care benefits for Public Safety employees and retirees.

Solid Waste Management – The Solid Waste Management Fund accounts for the revenues and expenditures related to the collection and disposal of solid waste.

State Street Aid – The State Street Aid Fund accounts for proceeds of the local share of the tax on motor fuel that is restricted to use only on street and road construction and maintenance.

Transit and Mobility – The Transit and Mobility Fund account for proceeds preserved for funding transportation and mobility operations and related capital purchases, pursuant to the Transit Vision adopted by the City of Memphis.

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	Affordable Housing	American Rescue Plan Act (ARPA)	Beale Street District	Central Business Improvement District	Community Catalyst	Drug Enforcement	Education	Electronic Traffic Citation Fees	Fire EMS	Hotel/ Motel Tax
ASSETS										
Cash and cash equivalents	$ -	$ 4,205	$ -	$ -	$ -	$ 155	$ -	$ -	$ 2,141	$ -
Equity in cash and investment pool	5,631	(83)	2,149	683	347	10,012	-	485	2,034	2,729
Receivables (net of allowance for uncollectibles):										
Property taxes:										
Current property taxes	-	-	-	4,664	-	-	-	-	-	-
Delinquent property taxes	7	-	-	281	7	-	-	-	-	-
Special assessments:										
Sales, income, and other taxes	-	-	-	-	-	-	-	-	-	-
Federal grants and entitlements	-	-	-	-	-	-	-	-	-	-
State grants and entitlements	-	-	-	-	-	-	-	-	-	-
Other	-	(6)	-	-	-	5	-	-	-	-
Due from other agencies and governments	1	-	-	-	1	-	-	-	-	1,084
Total assets	$ 5,639	$ 4,116	$ 2,149	$ 5,628	$ 355	$ 10,172	$ -	$ 485	$ 4,175	$ 3,813
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	$ 2,078	$ (10)	$ -	$ 676	$ -	$ 285	$ -	$ 131	$ 451	$ 899
Due to other funds	-	-	-	-	-	-	-	-	-	-
Due to other agencies and governments	-	4,126	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	4,952	-	556	-	-	-	-
Total liabilities	2,078	4,116	-	5,628	-	841	-	131	451	899
Deferred Inflows:										
Uncollected property taxes	7	-	-	-	7	-	-	-	-	-
Uncollected special assessments	-	-	-	-	-	-	-	-	-	-
Total deferred inflows	7	-	-	-	7	-	-	-	-	-
Fund balances:										
Restricted	3,554	-	2,149	-	348	9,331	-	354	3,724	-
Committed	-	-	-	-	-	-	-	-	-	2,914
Total fund balances	3,554	-	2,149	-	348	9,331	-	354	3,724	2,914
Total liabilities, deferred inflows, and fund balances	$ 5,639	$ 4,116	$ 2,149	$ 5,628	$ 355	$ 10,172	$ -	$ 485	$ 4,175	$ 3,813

HUB Community Impact Fund	Metro Alarm	Miscellaneous Grants	New Memphis Arena	Pre-K	2019 Sales Tax Referendum	Solid Waste Management	State Street Aid	Transit and Mobility Fund	Total	
										ASSETS
$ -	$ -	$ -	$ -	$ -	$ -	$ 4,748	$ -	$ -	$ 11,249	Cash and cash equivalents
550	3,132	9,917	110	10,621	23,085	9,140	-	5,637	86,179	Equity in cash and investment pool
										Receivables (net of allowance for uncollectibles):
										Property taxes:
-	-	-	-	-	-	-	-	-	4,664	Current property taxes
-	-	-	-	19	-	-	-	-	314	Delinquent property taxes
										Special assessments:
-	-	-	-	-	6,413	-	-	-	6,413	Sales, income, and other taxes
-	-	1,639	-	-	-	-	-	-	1,639	Federal grants and entitlements
-	-	53	-	-	-	-	4,316	-	4,369	State grants and entitlements
-	-	3,823	-	-	-	31	-	-	3,853	Other
-	-	-	-	12	-	8,667	-	-	9,765	Due from other agencies and governments
$ 550	$ 3,132	$ 15,432	$ 110	$ 10,652	$ 29,498	$ 22,586	$ 4,316	$ 5,637	$ 128,445	**Total assets**
										LIABILITIES AND FUND BALANCES
										Liabilities:
$ 550	$ 24	$ 999	$ -	$ -	$ -	$ 5,255	$ -	$ 155	$ 11,493	Accounts payable
-	-	-	-	-	-	5,250	4,316	-	9,566	Due to other funds
-	-	4,681	-	-	-	-	-	-	8,807	Due to other agencies and governments
-	-	9,752	-	-	-	-	-	-	15,260	Unearned revenue
550	24	15,432	-	-	-	10,505	4,316	155	45,126	**Total liabilities**
										Deferred Inflows:
-	-	-	-	19	-	-	-	-	33	Uncollected property taxes
-	-	-	-	-	-	28	-	-	28	Uncollected special assessments
-	-	-	-	19	-	28	-	-	61	**Total deferred inflows**
										Fund balances:
-	-	-	-	10,633	29,498	12,053	-	5,482	77,126	Restricted
-	3,108	-	110	-	-	-	-	-	6,132	Committed
-	3,108	-	110	10,633	29,498	12,053	-	5,482	83,258	**Total fund balances**
$ 550	$ 3,132	$ 15,432	$ 110	$ 10,652	$ 29,498	$ 22,586	$ 4,316	$ 5,637	$ 128,445	**Total liabilities, deferred inflows, and fund balances**

(Continued)

NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit B-2

	Affordable Housing	American Rescue Plan Act (ARPA)	Beale Street District	Central Business Improvement District	Community Catalyst	Drug Enforcement	Education	Electronic Traffic Citation Fees	Fire EMS	Hotel/ Motel Tax
REVENUES										
Local taxes:										
Special assessments - current	$ -	$ -	$ -	$ 4,727	$ -	$ -	$ -	$ -	$ -	$ -
Special assessments - prior	-	-	-	3	-	-	-	-	-	-
Sales tax general	-	-	-	-	-	-	-	-	-	-
Other local taxes	-	-	-	-	-	-	-	-	-	-
Total local taxes	-	-	-	4,730	-	-	-	-	-	-
State taxes (local share):										
Gas and motor fuel tax	-	-	-	-	-	-	-	-	-	-
Gas 3 cent	-	-	-	-	-	-	-	-	-	-
Gas 1989	-	-	-	-	-	-	-	-	-	-
Gas 2017	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Hotel/motel tax	-	-	-	-	-	-	-	-	-	16,348
Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	1,864	-	9	-	-
Charges for services	-	-	256	-	-	-	-	-	-	-
Investment income	-	281	-	-	-	-	-	-	50	-
Federal grants and entitlements	-	7,491	-	-	-	25	-	-	5,606	-
State grants	-	-	-	-	-	-	-	-	-	-
Other	250	143	-	-	675	13	-	-	25	-
Total revenues	250	7,915	256	4,730	675	1,902	-	9	5,681	16,348
EXPENDITURES										
General government	-	7,620	-	4,730	-	-	-	-	5,287	10,734
Public safety	-	-	-	-	-	1,636	-	131	1,319	-
Community service	4,375	-	-	-	244	-	-	-	-	-
Transportation & environment	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Total expenditures	4,375	7,620	-	4,730	244	1,636	-	131	6,606	10,734
Revenues over (under) expenditures	(4,125)	295	256	-	431	266	-	(122)	(925)	5,614
OTHER FINANCING SOURCES (USES)										
Transfers in	3,600	-	-	-	-	-	-	-	-	-
Transfers out	(950)	(351)	-	-	-	-	-	-	-	(6,633)
Total other financing sources and uses	2,650	(351)	-	-	-	-	-	-	-	(6,633)
Net change in fund balances	(1,475)	(56)	256	-	431	266	-	(122)	(925)	(1,019)
Fund balances - beginning of year	5,029	56	1,893	-	(83)	9,065	-	476	4,649	3,933
Fund balances - end of year	$ 3,554	$ -	$ 2,149	$ -	$ 348	$ 9,331	$ -	$ 354	$ 3,724	$ 2,914

NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

HUB Community Impact	Metro Alarm	Miscellaneous Grants	New Memphis Arena	Pre-K	2019 Sales Tax Referendum	Solid Waste Management	State Street Aid	Transit and Mobility Fund	Total	
										REVENUES
										Local taxes:
$ -	$ -	$ -	$ -	$ 8	$ -	$ -	$ -	$ 3,714	$ 8,449	Special assessments - current
-	-	-	-	-	-	-	-	-	$ 3	Special assessments - prior
-	-	-	-	-	75,936	-	-	-	$ 75,936	Sales tax general
-	-	-	2,500	-	-	25	-	-	$ 2,525	Other local taxes
-	-	-	2,500	8	75,936	25	-	3,714	86,913	**Total local taxes**
										State taxes (local share):
-	-	-	-	-	-	-	11,488	-	11,488	Gas and motor fuel tax
-	-	-	-	-	-	-	3,326	-	3,326	Gas 3 cent
-	-	-	-	-	-	-	1,801	-	1,801	Gas 1989
-	-	-	-	-	-	-	5,786	-	5,786	Gas 2017
-	-	-	-	-	-	-	297	-	297	Transport Mod Revenues (2023)
-	-	-	-	-	-	-	-	-	16,348	Hotel/motel tax
-	2,253	-	-	-	-	1	-	-	2,254	Licenses and Permits
-	-	-	-	-	-	-	-	-	1,873	Fines and forfeitures
-	-	-	-	-	-	102,259	-	-	102,515	Charges for services
-	-	18	-	-	-	106	-	-	455	Investment income
-	-	9,286	-	-	-	-	-	-	22,408	Federal grants and entitlements
-	-	5,390	-	-	-	-	-	-	5,390	State grants
-	-	2,020	-	-	-	119	-	-	3,245	Other
-	2,253	16,714	2,500	8	75,936	102,510	22,698	3,714	264,099	**Total revenues**
										EXPENDITURES
-	590	10,810	4,475	-	13,770	-	20,930	3,846	82,792	General government
-	-	5,712	-	-	22	-	-	-	8,820	Public safety
550	-	-	-	-	-	-	-	-	5,169	Community service
-	-	-	-	-	-	89,927	-	-	89,927	Transportation & environment
-	-	-	-	7,000	-	-	-	-	7,000	Education
550	590	16,522	4,475	7,000	13,792	89,927	20,930	3,846	193,708	**Total expenditures**
(550)	1,663	192	(1,975)	(6,992)	62,144	12,583	1,768	(132)	70,391	**Revenues over (under) expenditures**
										OTHER FINANCING SOURCES (USES)
550	-	-	1,975	7,000	-	-	-	-	13,125	Transfers in
-	(1,625)	(192)	-	-	(76,020)	(4,607)	(1,768)	-	(92,146)	Transfers out
550	(1,625)	(192)	1,975	7,000	(76,020)	(4,607)	(1,768)	-	(79,021)	**Total other financing sources and uses**
-	38	-	-	8	(13,876)	7,976	-	(132)	(8,630)	**Net change in fund balances**
-	3,070	-	110	10,625	43,374	4,077	-	5,614	91,888	Fund balances - beginning of year
$ -	$ 3,108	$ -	$ 110	$ 10,633	$ 29,498	$ 12,053	$ -	$ 5,482	$ 83,258	**Fund balances - end of year**

(Continued)

	Budget Amounts			
	Original	Final	Actual	Variance with Final Budget- Positive (Negative)
AFFORDABLE HOUSING				
Revenues:				
Other	$ -	$ 5,950	$ 250	$ (5,700)
Total revenues	-	5,950	250	(5,700)
Expenditures:				
Community service	3,600	8,804	4,375	4,429
Total expenditures	3,600	8,804	4,375	4,429
Other financing sources (uses):				
Transfers in	3,600	3,600	3,600	-
Transfer out	-	(950)	(950)	-
Total other financing sources (uses)	3,600	(1,900)	2,650	-
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ (204)	$ (1,475)	$ (1,271)
AMERICAN RESCUE PLAN ACT (ARPA)				
Revenues:				
Investment income	$ -	$ -	$ 281	$ 281
Federal grants and entitlements	-	1,963	7,491	5,528
Other	-	-	143	143
Total revenues	-	1,963	7,915	5,952
Expenditures:				
General government	-	9,225	7,620	1,605
Total expenditures	-	9,225	7,620	1,605
Other financing sources (uses):				
Transfers out	-	(200)	(351)	(151)
Total other financing sources (uses)	-	(200)	(351)	(151)
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ (7,462)	$ (56)	$ 7,406

(Continued)

	Budget Amounts			
	Original	Final	Actual	Variance with Final Budget- Positive (Negative)
BEALE STREET DISTRICT				
Revenues:				
Charges for services	$ 492	$ 492	$ 256	$ (236)
Total revenues	492	492	256	(236)
Expenditures:				
Community Service	492	492	-	492
Total expenditures	492	492	-	492
Revenues over (under) expenditures	$ -	$ -	$ 256	$ 256
CENTRAL BUSINESS IMPROVEMENT DISTRICT				
Revenues:				
Other local taxes	$ -	$ -	$ 4,730	$ 4,730
Total revenues	-	-	4,730	4,730
Expenditures:				
General government	-	-	4,730	(4,730)
Total expenditures	-	-	4,730	(4,730)
Revenues over (under) expenditures	$ -	$ -	$ -	$ -
COMMUNITY CATALYST				
Revenues:				
Other	$ 401	$ 401	$ 675	$ 274
Total revenues	401	401	675	274
Expenditures:				
General government	34	53	-	53
Community Service	367	662	244	418
Total expenditures	401	715	244	471
Revenues over (under) expenditures	$ -	$ (314)	$ 431	$ 745
DRUG ENFORCEMENT				
Revenues:				
Fines and forfeitures	$ 2,843	$ 2,843	$ 1,864	$ (979)
Federal grants and entitlements	50	50	25	(25)
Other	318	318	13	(305)
Total revenues	3,211	3,211	1,902	(1,309)
Expenditures:				
Public safety	3,211	4,008	1,636	2,372
Total expenditures	3,211	4,008	1,636	2,372
Revenues over (under) expenditures	$ -	$ (797)	$ 266	$ 1,063

(Continued)

	Budget Amounts			
	Original	Final	Actual	Variance with Final Budget- Positive (Negative)
ELECTRONIC TRAFFIC CITATION FEES				
Revenues:				
Fines and forfeitures	$ -	$ -	$ 9	$ 9
Total revenues	-	-	9	9
Expenditures:				
Public Safety	-	53	131	(78)
Total expenditures	-	53	131	(78)
Revenues over (under) expenditures and other financing sources (uses)	$ -	(53)	$ (122)	$ (69)
FIRE EMS				
Revenues:				
Federal grants and entitlements	$ 3,437	$ 3,437	$ 5,606	$ 2,169
Investment income	-	-	50	50
Other	463	463	25	(438)
Total revenues	3,900	3,900	5,681	1,781
Expenditures:				
General government	2,400	3,577	5,287	(1,710)
Public Safety	1,500	1,566	1,319	247
Total expenditures	3,900	5,143	6,606	(1,463)
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ (1,243)	$ (925)	$ 318
HOTEL/MOTEL TAX				
Revenues:				
Hotel/motel tax	$ 15,750	$ 15,750	$ 16,348	$ 598
Total revenues	15,750	15,750	16,348	598
Expenditures:				
General government	9,117	9,117	10,734	(1,617)
Total expenditures	9,117	9,117	10,734	(1,617)
Other financing sources (uses):				
Transfers out	(6,633)	(6,633)	(6,633)	-
Total other financing sources (uses)	(6,633)	(6,633)	(6,633)	-
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ -	$ (1,019)	$ (1,019)

(Continued)

	Budget Amounts			
	Original	Final	Actual	Variance with Final Budget- Positive (Negative)
HUB COMMUNITY IMPACT				
Revenues:				
Other	$ 1	$ 1	$ -	$ (1)
Total revenues	1	1	-	(1)
Expenditures:				
Community Service	551	551	550	1
Total expenditures	551	551	550	1
Other financing sources (uses):				
Transfers in	550	550	550	-
Total other financing sources (uses)	550	550	550	-
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ -	$ -	$ -
METRO ALARM				
Revenues:				
Licenses and permits	$ 2,040	$ 2,040	$ 2,253	$ 213
Other	403	403	-	(403)
Total revenues	2,443	2,443	2,253	(190)
Expenditures:				
General government	818	818	590	(228)
Total expenditures	818	818	590	(228)
Other financing uses:				
Transfers out	(1,625)	(1,625)	(1,625)	-
Total other financing uses	(1,625)	(1,625)	(1,625)	-
Revenues over (under) expenditures and other financing uses	$ -	$ -	$ 38	$ 38
MISCELLANEOUS GRANTS				
Revenues:				
Federal grants and entitlements	$ -	$ -	$ 9,286	$ 9,286
State grants	-	-	5,390	5,390
Investment income	-	-	18	18
Other	-	-	2,020	2,020
Total revenues	-	-	16,714	16,714
Expenditures:				
General government	802	14,185	10,810	3,375
Public Safety	-	1,868	5,712	(3,844)
Total expenditures	802	16,053	16,522	(469)
Other financing sources (uses):				
Transfers out	(191)	(191)	(192)	(1)
Total other financing sources (uses)	(191)	(191)	(192)	(1)
Revenues over (under) expenditures and other financing sources (uses)	$ (993)	$ (16,244)	$ -	$ 16,244

(Continued)

	Budget Amounts			
	Original	Final	Actual	Variance with Final Budget- Positive (Negative)
NEW MEMPHIS ARENA				
Revenues:				
Other local taxes	$ 2,500	$ 2,500	$ 2,500	$ -
Total revenues	2,500	2,500	2,500	-
Expenditures:				
General government	4,475	4,475	4,475	-
Total expenditures	4,475	4,475	4,475	-
Other financing sources (uses):				
Transfers in	1,975	1,975	1,975	-
Total other financing sources (uses)	1,975	1,975	1,975	-
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ -	$ -	$ -
PRE-K				
Revenues:				
Other local taxes	$ -	$ -	$ 8	$ 8
Total revenues	-	-	8	8
Expenditures:				
Education	7,000	7,000	7,000	-
Total expenditures	7,000	7,000	7,000	-
Other financing sources (uses):				
Transfers in	7,000	7,000	7,000	-
Total other financing sources (uses)	7,000	7,000	7,000	-
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ -	$ 8	$ 8

(Continued)

	Budget Amounts			
	Original	Final	Actual	Variance with Final Budget- Positive (Negative)
2019 SALES TAX REFERENDUM				
Revenues:				
Sales tax general	$ 75,000	$ 75,000	$ 75,936	$ 936
Other	14,465	14,465	-	(14,465)
Total revenues	89,465	89,465	75,936	(13,529)
Expenditures:				
General government	12,000	14,709	13,770	939
Public Safety	-	-	22	(22)
Total expenditures	12,000	14,709	13,792	917
Other financing sources (uses):				
Transfers out	(77,465)	(77,465)	(76,020)	1,445
Total other financing sources (uses)	(77,465)	(77,465)	(76,020)	1,445
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ (2,709)	$ (13,876)	$ (11,167)
SOLID WASTE MANAGEMENT				
Revenues:				
Other local taxes	$ 100	$ 100	$ 25	$ (75)
Licenses and permits	-	-	1	1
Charges for services	109,433	109,433	102,259	(7,174)
Investment income	53	53	106	53
Other	25	25	119	94
Total revenues	109,611	109,611	102,510	(7,101)
Expenditures:				
Transportation and environment	107,098	107,185	89,927	17,258
Total expenditures	107,098	107,185	89,927	17,258
Other financing sources (uses):				
Transfers out	(2,513)	(3,165)	(4,607)	(1,442)
Total other financing sources (uses)	(2,513)	(3,165)	(4,607)	(1,442)
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ (739)	$ 7,976	$ 8,715

(Continued)

	Budget Amounts			
	Original	Final	Actual	Variance with Final Budget- Positive (Negative)
STATE STREET AID				
Revenues:				
State gasoline tax (local share):				
Gas and motor fuel tax	$ 11,860	$ 11,860	$ 11,488	$ (372)
Gas 3 cent	3,500	3,500	3,326	(174)
Gas 1989	1,850	1,850	1,801	(49)
Gas 2017	5,900	5,900	5,786	(114)
Transport Mod Revenue	-	-	297	297
Total revenues	23,110	23,110	22,698	(412)
Expenditures:				
General government	21,342	21,342	20,930	412
Total expenditures	21,342	21,342	20,930	412
Other financing uses:				
Transfers out	(1,768)	(1,768)	(1,768)	-
Total other financing uses	(1,768)	(1,768)	(1,768)	-
Revenues over (under) expenditures and other financing uses	$ -	$ -	$ -	$ -
TRANSIT AND MOBILITY FUND				
Revenues:				
Other local taxes	$ 4,250	$ 4,250	$ 3,714	$ (536)
Total revenues	4,250	4,250	3,714	(536)
Expenditures:				
General government	4,250	4,250	3,846	404
Total expenditures	4,250	4,250	3,846	404
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ -	$ (132)	$ (132)

(Continued)

TOTAL NONMAJOR SPECIAL REVENUE FUNDS

Revenues:				
Local taxes:				
Sales tax general	$ 75,000	$ 75,000	$ 75,936	$ 936
Other local taxes	6,850	6,850	10,977	4,127
State taxes (local share):				
Gas and motor fuel tax	11,860	11,860	11,488	(372)
Gas 3 cent	3,500	3,500	3,326	(174)
Gas 1989	1,850	1,850	1,801	(49)
Gas 2017	5,900	5,900	5,786	(114)
Transportation	-	-	297	297
Hotel/motel tax	15,750	15,750	16,348	598
Licenses and permits	2,040	2,040	2,254	214
Fines and forfeitures	2,843	2,843	1,873	(970)
Charges for services	109,925	109,925	102,515	(7,410)
Investment income	53	53	455	402
Federal grants and entitlements	3,487	5,450	22,408	16,958
State grants	-	-	5,390	5,390
Other	16,076	22,026	3,245	(18,781)
Total revenues	255,134	263,047	264,099	1,052
Expenditures:				
General government	55,238	81,751	82,792	(1,041)
Public safety	4,711	7,495	8,820	(1,325)
Community service	5,010	10,509	5,169	5,340
Transportation and environment	107,098	107,185	89,927	17,258
Education	7,000	7,000	7,000	-
Total expenditures	179,057	213,940	193,708	20,232
Other financing sources (uses)				
Transfers in	13,125	13,125	13,125	-
Transfers out	(90,195)	(91,997)	(92,146)	(149)
Total other financing sources (uses)	(77,070)	(78,872)	(79,021)	(149)
Revenues over (under) expenditures and other financing sources (uses)	$ (993)	$ (29,765)	$ (8,630)	$ 21,135

CITY OF MEMPHIS

T E N N E S S E E

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis.

Fleet Management Fund – Fleet Management Fund accounts for the consolidated operations and maintenance of City vehicles.

Health Insurance Fund – Health Insurance Fund accounts for the City's self insurance for health benefits for City employees, their dependents, and retirees.

Unemployment Compensation Fund – Unemployment Compensation Fund accounts for the City's self insurance for unemployment benefits that may be due for employment benefits for City employees.

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INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
(Thousands of Dollars)
June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit D-1

	Fleet Management	Health Insurance	Unemployment Compensation	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ -	$ -	$ -	$ -
Equity in cash and investment pool	1,284	39,595	2,226	43,105
Receivables	-	1	-	1
Inventories	3,412	-	-	3,412
Total current assets	4,696	39,596	2,226	46,518
Total assets	4,696	39,596	2,226	46,518
DEFFERED OUTFLOWS OF RESOURCES				
Deferred Outflows - OPEB	-	81	-	81
Total deferred outflows of resources	-	81	-	81
Total assets and deferred outflows of resources	4,696	39,677	2,226	46,599
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	636	96	10	742
Insurance claims payable	-	9,472	-	9,472
Vacation, sick and other leave benefits	-	287	-	287
Total current liabilities	636	9,855	10	10,501
Long term liabilities:				
Net OPEB liability	-	802	-	802
Total long term liabilities	-	802	-	802
Total liabilities	636	10,657	10	11,303
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - OPEB	-	84	-	84
Total deferred inflows of resources	-	84	-	84
NET POSITION				
Unrestricted (deficit)	4,060	28,936	2,216	35,212
Total net position	$ 4,060	$ 28,936	$ 2,216	$ 35,212

INTERNAL SERVICE FUNDS **CITY OF MEMPHIS, TENNESSEE**

COMBINING STATEMENT OF REVENUES, EXPENSES **Exhibit D-2**

AND CHANGES IN FUND NET POSITION

(Thousands of Dollars)

For the fiscal year ended June 30, 2025

	Fleet Management	Health Insurance	Unemployment Compensation	Total
Operating revenues:				
Charges for services	$ 33,142	$ -	$ -	$ 33,142
Pharmacy Rx rebates	-	9,598	-	9,598
Employee contributions	-	13,568	-	13,568
Employer contributions	-	69,206	516	69,722
Total operating revenues	33,142	92,372	516	126,030
Operating expenses other than depreciation:				
Personnel services	-	7,962	-	7,962
Materials and supplies	17,659	10,401	-	28,060
Capital outlay	200	-	-	200
Death benefits	-	155	-	155
PCORI tax	-	73	-	73
Inventories	18,781	-	-	18,781
Claims incurred	-	79,764	199	79,963
Total operating expenses other than depreciation	36,640	98,355	199	135,194
Operating income (loss) before depreciation	(3,498)	(5,983)	317	(9,164)
Operating income (loss)	(3,498)	(5,983)	317	(9,164)
Income (loss) before transfers	(3,498)	(5,983)	317	(9,164)
Transfers in/(out), net	-	2,156	-	2,156
Change in net position	(3,498)	(3,827)	317	(7,008)
Total net position (deficit) - beginning of year, PY	7,558	32,763	1,899	42,220
Total net position (deficit) - end of year	$ 4,060	$ 28,936	$ 2,216	$ 35,212

INTERNAL SERVICE FUNDS **CITY OF MEMPHIS, TENNESSEE**

COMBINING STATEMENT OF CASH FLOWS **Exhibit D-3**

(Thousands of Dollars)

For the fiscal year ended June 30, 2025

	Fleet Management	Health Insurance	Unemployment Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	$ 362	$ -	$ -	$ 362
Receipts from other division funds	32,779	-	-	32,779
Employee contributions	-	13,569	-	13,569
Employer contributions	-	69,205	516	69,721
Pharmacy rx rebates	-	9,598	-	9,598
Payments to suppliers	(18,387)	(10,644)	(9)	(29,040)
Payments to employees	-	(8,007)	-	(8,007)
PCORI Taxes	-	(73)	-	(73)
Payments for inventory	(18,511)	-	-	(18,511)
Payments for death benefits	-	(155)	-	(155)
Payments for claims incurred	-	(80,104)	(200)	(80,304)
Net cash (used in) provided by operating activities	(3,757)	(6,611)	307	(10,061)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	2,156	-	2,156
Net cash provided by non-capital financing activities	-	2,156	-	2,156
Net increase (decrease) in cash and cash equivalents	(3,757)	(4,455)	307	(7,905)
Cash and cash equivalents, beginning of year	5,041	44,050	1,919	51,010
Cash and cash equivalents, end of year	$ 1,284	$ 39,595	$ 2,226	$ 43,105
Reconciliation of operating income (loss) to net cash (used in) provided by operating activities:				
Operating income (loss)	$ (3,498)	$ (5,983)	$ 317	$ (9,164)
(Increase) decrease in assets:				
Accounts receivable	-	1	-	1
Deferred outflows - OPEB	-	12	-	12
Inventories	270	-	-	270
Increase (decrease) in liabilities:				
Accounts payable and accrued expenses	(529)	(607)	(10)	(1,146)
Deferred inflows - OPEB	-	(49)	-	(49)
Net OPEB liability	-	15	-	15
Total adjustments	(259)	(628)	(10)	(897)
Net cash (used in) provided by operating activities	$ (3,757)	$ (6,611)	$ 307	$ (10,061)

MEMPHIS
SHELBY
COUNTY
TENNESSEE

CITY OF MEMPHIS

T E N N E S S E E

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. This includes pension trust and investment trust funds. Included in the Fiduciary Funds are:

Pension (and other employee benefit) Trust Funds:

City Retirement Systems Fund – Included are the retirement systems for the City of Memphis, the Library, and Memphis Light, Gas and Water.

City OPEB Fund – Included in this fund is activity for retiree benefits for post-retirement major medical and life insurance benefits, including assets held in trust for future medical claims.

Memphis Light, Gas and Water OPEB Trust Fund – Included in this fund are reserves for retiree benefits for post-retirement major medical and life insurance benefits.

Agency Funds:

Sold Property Tax Receivables Fund – Accounts for the assets and liabilities held by the City for the purchaser of delinquent property tax receivables.

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STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY TRUST FUNDS (Thousands of Dollars)
June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit E-1

	Pension Trust					
	City Retirement System	Library Retirement System	Memphis Light, Gas and Water Retirement System	City OPEB Fund	Memphis Light, Gas and Water OPEB Trust	Total Pension and OPEB Trust Funds
ASSETS						
Cash and cash equivalents	$ 59,651	$ -	$ 21,147	$ -	$ 26,967	$ 107,765
Investments, at fair value:						
U.S. government securities - long-term	198,104	-	2,061	-	686	200,851
Common stock - domestic	746,861	-	630,889	-	268,610	1,646,360
Common stock - foreign	189,732	-	148,614	-	43,486	381,832
Corporate bonds - domestic	274,613	-	35,030	-	1,789	311,432
Corporate bonds - foreign	88,129	-	818	-	-	88,947
Mutual funds and money market funds	18,289	54,462	-	5,289	-	78,040
Equity collective fund - domestic					54,279	54,279
Equity collective fund - international					29,186	29,186
Government bonds - domestic	-	-	15,252	-	3,353	18,605
Global bond - international	-	-	29,247	-	21,524	50,771
Corporate bond mutual funds - domestic	-	-	-	-	42,948	42,948
Convertible bond mutual fund - domestic	-	-	-	-	12,121	12,121
Collateralized mortgage obligations	11,164	-	-	-	-	11,164
Asset-backed pooled securities	2,050	-	3,388	-	1,127	6,565
Mortgage-backed pooled securities	23,001	-	16,808	-	3,438	43,247
Investments in index funds	114,067	-	-	-	-	114,067
Investments in limited partnerships	290,781	-	-	-	-	290,781
Core Fixed Income CIT- Domestic	-		49,776	-	-	49,776
Core Fixed Income CIT- International	-		52,364	-	13,062	65,426
Investments in real estate	172,999	-	243,385	-	82,584	498,968
Multi-asset - domestic	-	-	13,552	-	7,271	20,823
Private debt funds - domestic	-	-	23,978	-	11,968	35,946
Private equity - domestic	-	-	125,496	-	68,333	193,829
Private equity - international	-	-	22,092	-	10,054	32,146
Investments in international equity fund	530,681	-	-	-	-	530,681
Hedge funds	-	-	23,429	-	12,072	35,501
Distressed debt funds - domestic	-	-	42,827	-	16,763	59,590
Distressed debt funds - international	-	-	21,437	-	9,756	31,193
Life Settlement fund	-	-	66,494	-	14,213	80,707
Investments in short sales & written options	(6,347)	-	1,342	-	-	(5,005)
Total investments	2,654,124	54,462	1,568,279	5,289	728,623	5,010,777
Equity in cash and investment pool	3,937	-	-	22,705	-	26,642
Interest and dividend receivables	9,309	132	1,730	14	461	11,646
Receivable for securities sold	305,095	-	1,127	-	1,684	307,906
Employer and employee contributions receivable	2,879	-	1,105	-	-	3,984
Collateral held in trust for securities on loan	81,106	-	36,052	-	581	117,739
Total assets	3,116,101	54,594	1,629,440	28,008	758,316	5,586,459
LIABILITIES						
Accounts payable and other	358,155	-	1,694	1,287	-	361,136
Payable for securities purchased	89	-	18	-	751	858
Collateral subject to return to borrowers	81,106	-	36,052	-	581	117,739
Total liabilities	439,350	-	37,764	1,287	1,332	479,733
NET POSITION						
Restricted for pension benefits, pool participants and OPEB	$ 2,676,751	$ 54,594	$ 1,591,676	$ 26,721	$ 756,984	$ 5,106,726

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY TRUST FUNDS (Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit E-2

	Pension Trust					
	City Retirement System	Library Retirement System	Memphis Light, Gas and Water Retirement System	City OPEB Fund	Memphis Light, Gas and Water OPEB Trust	Total Pension and OPEB Trust Funds
ADDITIONS						
Contributions:						
Employer	$ 71,810	$ 86	$ 28,688	$ 20,856	$ 40,806	$ 162,246
Plan members	24,211	86	16,471	4,386	-	45,154
Total contributions[1]	96,021	172	45,159	25,242	40,806	207,400
Transfer from other fund	1,846	471	-	7,405	-	9,722
Pharmacy rebate	-	-	-	2,229	-	2,229
Investment income:						
Interest and dividend income	62,616	1,536	17,070	120	11,750	93,092
Securities lending income	274	-	114	-	11	399
Other investment income	(380)	-	22	-	9	(349)
Net appreciation in the fair value of investments	210,849	4,588	114,149	456	48,371	378,413
Less investment expenses	(15,574)	-	(3,516)	-	(2,260)	(21,350)
Net investment income	257,785	6,124	127,839	576	57,881	450,205
Total additions	355,652	6,767	172,998	35,452	98,687	669,556
DEDUCTIONS						
Benefits	208,604	5,237	142,035	18,614	39,210	413,700
Administrative expenses	23,628	92	1,015	9,611	562	34,908
Refunds of contributions	10,764	-	2,616	-	-	13,380
Total deductions	242,996	5,329	145,666	28,225	39,772	461,988
Net increase / decrease	112,656	1,438	27,332	7,227	58,915	207,568
Net position - beginning of year	2,564,095	53,156	1,564,344	19,494	698,069	4,899,158
Net position - end of year	$ 2,676,751	$ 54,594	$ 1,591,676	$ 26,721	$ 756,984	$ 5,106,726

See accompanying notes to financial statements.

CITY OF MEMPHIS

T E N N E S S E E

SUPPLEMENTARY SCHEDULES

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ALL FUNDS
COMBINED SCHEDULE OF DELINQUENT
PROPERTY TAXES RECEIVABLE
(Thousands of Dollars)
June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit F-1

Tax Year	General	Debt Service	Capital Projects	CBID	Pre-K	Community Catalyst	Affordable Housing	Total
2015	763	334	1	-	-	-	-	1,098
2016	725	314	1	-	-	-	-	1,040
2017	806	354	1	-	-	-	-	1,161
2018	896	399	1	-	-	-	-	1,296
2019	1,051	463	4	-	3	-	-	1,521
2020	1,215	536	5	-	3	-	-	1,759
2021	1,506	668	6	-	6	-	-	2,186
2022	2,563	1,151	10	-	8	8	8	3,748
2023	4,908	2,225	21	-	-	-	-	7,154
2024	26,679	1,626	(5)	280	-	-	-	28,580
Total delinquent property taxes receiv	41,112	8,070	45	280	20	8	8	49,543
Allowance for uncollectibles	2,073	813	6	-	-	1	1	2,894
Net delinquent property taxes rece $	39,039	7,257	39	280	20	7	7	46,649
Total tax, net of allowance								$ 46,649

(1) During fiscal year 2025, $5,641 of delinquent taxes and late fees incurred were submitted to Chancery Court for further collections.

Schedule of Sewer/Stormwater/MLGW Revenue Debt by Issue
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit F-2

Description	Interest Rates	Date of Issue	Date of Final Maturity	Original Issue	Redemptions	Principal Amount Outstanding June 30, 2025	Interest to Maturity as of June 30, 2025
REVENUE BONDS PAYABLE (Business-Type Activities)							
Series 2018 Sanitary Sewerage System Revenue And Revenue Refunding Bonds	4.000%- 5.000%	Nov. 01, 2018	Oct. 01, 2043	69,480	17,420	52,060	19,379
Series 2020A Sanitary Sewerage System Revenue Bonds	1.390%	Sep. 16, 2020	Apr. 01, 2056	107,920	-	107,920	35,678
Series 2020B Sanitary Sewerage System Revenue And Revenue Refunding Bonds	5.000%	Oct. 15, 2020	Oct. 01, 2045	123,535	19,430	104,105	61,731
Series 2025 Sanitary Sewerage System Revenue Bonds	5.000%	Apr. 02, 2025	Jun. 01, 2050	65,705	-	65,705	50,553
Series 2019 Stormwater System Revenue Bonds	5.000%	Nov. 11, 2019	Oct. 01, 2044	35,830	4,090	31,740	18,470
Series 2024A Storm Water System Revenue Bonds	4.490%	Mar. 19, 2024	May. 01, 2059	118	-	118	141
Total Revenue Bonds Payable (Business-Type Activities)				402,588	40,940	361,648	185,952
SEWER STATE LOANS (Business-Type Activities)							
TN Sewer State Loan SRF 19-451	0.610%	Jun. 20, 2022	Oct. 20, 2043	22,773	8,947	13,826	895
TN Sewer State Loan SRF 18-409	0.810%	Nov. 19, 2020	Nov. 20, 2040	11,000	2,294	8,706	613
TN Sewer State Loan SRF 19-421	1.200%	Oct. 20, 2020	Oct. 20, 2040	6,500	1,373	5,127	521
TN Sewer State Loan SRF 13-311	0.750%	Mar. 20, 2020	Feb. 20, 2040	100,000	24,786	75,214	4,688
TN Sewer State Loan SRF 19-434	0.470%	Jun. 20, 2018	Nov. 20, 2043	47,782	3,443	44,339	2,310
TN Sewer State Loan SRF 13-309	0.750%	Mar. 20, 2018	Feb. 20, 2038	11,602	3,955	7,647	411
TN Sewer State Loan SRF 15-355	0.750%	Dec. 20, 2015	Mar. 20, 2041	25,000	5,003	19,997	1,339
TN Sewer State Loan SRF 06-195	2.590%	Jul. 19, 2013	Jul. 20, 2033	3,988	2,125	1,863	204
Total Sewer State Loans (Business-Type Activities)				228,645	51,926	176,719	10,981
REVENUE BONDS PAYABLE (Memphis Light Gas & Water) (1)							
Electric System Revenue Bonds, Series 2014	4.000%- 5.000%	Jun. 03, 2014	Dec. 01, 2024	70,000	70,000	-	-
Electric System Revenue Bonds, Series 2016	4.000%- 5.000%	Sep. 01, 2016	Dec. 01, 2036	40,000	11,765	28,235	8,380
Electric System Revenue Bonds, Series 2017	3.500%- 5.000%	Sep. 01, 2017	Dec. 01, 2037	90,000	22,715	67,285	19,286
Electric System Revenue Bonds, Series 2020A	3.000%- 5.000%	Sep. 22, 2020	Dec. 01, 2050	148,000	10,645	137,355	81,528
Electric System Revenue Refunding Bonds, Series 2020B	0.880%- 1.970%	Sep. 22, 2020	Sep. 01 , 2034	29,000	1,800	27,200	3,764
Electric System Revenue Bonds, Series 2024	4.250%- 5.000%	Sep. 22, 2024	Sep. 01 , 2053	180,000	-	180,000	163,830
Electric System Revenue Refunding Bonds, Series 2024	5.000%- 5.000%	Sep. 22, 2024	Sep. 01 , 2029	17,880	-	17,880	2,769
Gas System Revenue Bonds, Series 2016	4.000%- 5.000%	Sep. 01, 2016	Dec. 01, 2036	40,000	11,765	28,235	8,380
Gas System Revenue Bonds, Series 2017	4.000%- 5.000%	Sep. 28, 2017	Dec. 01, 2037	40,000	9,955	30,045	9,958
Gas System Revenue Bonds, Series 2020	3.000%- 5.000%	Sep. 22, 2020	Dec. 01, 2050	63,000	4,530	58,470	34,705
Water System Revenue Bonds, Series 2014	3.000%- 4.000%	Jun. 03, 2014	Dec. 01, 2034	15,000	6,215	8,785	1,966
Water System Revenue Bonds, Series 2016	2.000%- 4.000%	Sep. 01, 2016	Dec. 01, 2036	30,000	9,865	20,135	4,419
Water System Revenue Bonds, Series 2017	3.000%- 5.000%	Sep. 28, 2017	Dec. 01, 2037	25,000	6,640	18,360	5,136
Water System Revenue Bonds, Series 2020	3.000%- 5.000%	Sep. 22, 2020	Dec. 01, 2050	68,000	4,935	63,065	35,466
Total Revenue Bonds Payable (Memphis Light Gas & Water)				855,880	170,830	685,050	379,587
Total Revenue Debt Payable			$	**1,487,113**	**263,696**	**1,223,417**	**576,520**

(1) All Memphis Light Gas Water bonds reflect amounts outstanding at December 31, 2024.

SCHEDULE OF GENERAL OBLIGATION DEBT BY ISSUE
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit F-3

Description	Interest Rates	Date of Issue	Date of Final Maturity	Original Issue	Redemption	Principal Amount Outstanding June 30, 2025	Interest to Maturity as of June 30, 2025
GENERAL OBLIGATION							
General Improvement Bonds, Series 2024B	5.000%	Jun. 30, 2025	Apr. 01, 2045	85,290	2,745	82,545	61,788
General Improvement Bonds, Series 2024A	5.000%	Jun. 30, 2025	Apr. 01, 2044	135,345	-	135,345	66,952
General Obligation Bonds TMBF Solid Waste, Series 2023	4.000%	Jul. 13, 2023	Jun. 01, 2032	6,800	1,310	5,490	913
General Improvement Bonds Series 2022- A	5.000%	Jul. 07, 2022	Oct. 01, 2045	138,010	-	138,010	94,213
General Obligation Bonds Direct Placement Refunding (2022REF)	2.920%- 3.340%	Jul. 13, 2022	Apr. 01, 2040	167,555	-	167,555	47,215
General Improvement Bonds, Series 2021 (GORE)	4.000%- 5.000%	Aug. 05, 2021	May. 01, 2046	165,680	11,890	153,790	70,346
General Improvement Bonds, Series 2021A	2.460%- 4.000%	Jul. 01, 2021	Apr. 01, 2046	163,772	-	163,772	72,226
General Improvement Bonds, Series 2020A	5.000%	Nov. 18, 2020	Dec. 01, 2030	24,470	8,350	16,120	2,536
General Improvement Refunding Bonds, Series 2020	4.000%- 5.000%	Apr. 29, 2020	Dec. 01, 2031	214,675	96,130	118,545	56,486
General Improvement Bonds, Series 2018	3.450%- 5.000%	May. 01, 2018	Jul. 01, 2048	309,255	43,095	266,160	136,597
General Improvement Refunding Bonds, Series 2016	2.500%- 5.000%	Jun. 30, 2016	May 01, 2041	64,955	15,960	48,995	16,105
General Improvement Refunding Bonds, Series 2015A	5.000%	May 19, 2015	Apr. 01, 2026	76,820	23,915	52,905	2,645
General Improvement Refunding Bonds, Series 2014B	5.000%	Mar. 25, 2014	Apr. 01, 2044	46,435	43,745	2,690	84
General Improvement Bonds, Series 2010C (BABs)	4.156%- 5.942%	Jun. 29, 2010	Jul. 01, 2032	62,550	23,185	39,365	9,603
General Improvement Bonds, Series 2010F (RZEDB)	6.042%	Jun. 29, 2010	Jul. 01, 2034	11,160	-	11,160	6,074
General Improvement Bonds, Series 2010B (BABs)	5.415%- 6.145%	May 04, 2010	May 01, 2030	39,950	15,905	24,045	4,465
Total General Obligation Bonds Payable				1,712,722	286,230	1,426,492	648,248
COMMERCIAL PAPER							
Commercial Paper	variable	Oct. 01, 2018	Oct. 04, 2024	150,000	50,000	100,000	-
Total Commercial Paper				150,000	50,000	100,000	-
SETTLEMENT OBLIGATION							
Settlement Obligation	-	Jan. 30, 2015	Feb. 15, 2031	20,000	13,333	6,667	-
Total Settlement Obligation				20,000	13,333	6,667	-
Total General Obligation Debt Payable				$ **1,882,722**	**349,563**	**1,533,159**	**648,248**

SCHEDULE OF GENERAL OBLIGATION DEBT
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit F-4

Use	Balance Outstanding At Year End
GENERAL OBLIGATION BONDS	
General Improvement	1,426,492
Bond Premiums	70,415
Total General Obligation Bonds	1,496,907
TOTAL GENERAL OBLIGATION DEBT	1,496,907

SCHEDULE OF LEASES PAYABLE BY ISSUE
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit F-5

Description	Interest Rates	Date of Issue	Date of Final Maturity	Original Issue	Redemptions	Principal Amount Outstanding June 30, 2025	Interest to Maturity as of June 30, 2025
LEASES							
LESSEE							
CP Union LLC- #33708	2.6560%	Jul. 01, 2021	Feb. 01, 2025	522	522	-	-
CP Union LLC- #39736	2.1840%	Jul. 01, 2021	Feb. 01, 2026	87	80	7	-
CP Union LLC- #40452	2.1730%	Jul. 01, 2021	Aug. 23, 2033	1,083	236	847	96
CP Union LLC- #40913	2.4020%	Jul. 01, 2021	Oct. 18, 2034	2,773	2,386	387	41
Emergency Services Consulting International, Inc.- #39772	2.3660%	Jul. 01, 2021	Jun. 30, 2027	1,849	1,101	748	27
G & S Development- #29794	1.3620%	Jul. 01, 2021	Jun. 30, 2036	1,367	338	1,029	80
Hicks Convention Services and Event Rentals- #41130	2.7120%	Jul. 01, 2021	Jun. 30, 2028	171	42	129	5
Ladd's- #37293	0.7030%	Jul. 01, 2021	Jun. 30, 2027	418	277	141	2
Memphis & Shelby County Port Commission- #35008	1.4270%	Jul. 01, 2021	Jun. 30, 2037	1,217	286	931	89
Nera Investments, LLC- #35441S	0.8333%	Jul. 01, 2021	Jun. 30, 2029	3,591	1,810	1,781	25
Peabody Place Centre GP- #42091	3.5300%	Jul. 01, 2021	Jun. 30, 2040	745	19	726	198
Salary.com, LLC- #41528	2.8720%	Jul. 01, 2021	Jun. 30, 2028	95	25	70	4
SE Industrial Investments, LLC- #42049	3.5940%	Jul. 01, 2021	Jun. 30, 2040	380	16	364	113
Self Tucker Properties LLC-#36150	1.4620%	Jul. 01, 2021	Jun. 30, 2037	1,987	308	1,679	165
Turf Tank- #41543	2.4030%	Jul. 01, 2021	Mar. 08,2026	35	18	17	-
Waste Management of Memphis- #40375	2.3630%	Jul. 01, 2021	Jun. 30, 2025	175	116	59	1
LESSOR							
Bass Pro Memphis Development Company LLC- #27043	1.7050%	Jul. 01, 2021	Jun. 30, 2026	29,263	2,524	26,739	9,261
Bristol Apartments General Partnership- #N16533	1.1700%	Jul. 01, 2021	Jun. 30, 2031	19	7	12	-
Federal Express Corporation- #41499	2.7100%	Jul. 01, 2021	Jun. 30, 2035	159	9	150	20
International Paper Company- #32377	1.6370%	Jul. 01, 2021	Jun. 30, 2046	39	4	35	7
Pontotoc Place Owners Association, Inc.- #20764	1.4620%	Jul. 01, 2021	Jun. 30, 2039	55	11	44	5
Sprint Communications Co. LP- #32278	1.5830%	Jul. 01, 2021	Jun. 30, 2043	727	109	618	100
The University of Memphis- #40521	3.8990%	Jul. 01, 2021	Jun. 30, 2025	4,922	545	4,377	2,223
TV6-W, LLC- #31025	1.7050%	Jul. 01, 2021	Jun. 30, 2054	595	25	570	166
Windstream- #42086	2.8990%	Jul. 01, 2021	Jun. 30, 2029	87	19	68	5
Total Leases				**52,361**	**10,833**	**41,528**	**12,633**

SCHEDULE OF ECONOMIC DEVELOPMENT DEBT BY ISSUE
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit F-6

Description	Interest Rates	Date of Issue	Date of Final Maturity	Original Issue	Redemptions	Principal Amount Outstanding June 30, 2025	Interest to Maturity as of June 30, 2025
ECONOMIC DEVELOPMENT							
For General Purposes:							
CCRFC Series 2024B Economic Development Bond	3.650%	Apr. 01, 2025	Oct. 01, 2029	$ 15,205	1,740	13,465	1,362
CCRFC Series 2024A Economic Development Bond	3.900%	Apr. 01, 2025	Oct. 01, 2031	25,665	2,255	23,410	3,532
Accelerate Memphis CIBs (AMCIBS)- (EDGE) 2021 A	4.000%- 5.000%	Jun. 15, 2022	Apr. 01, 2046	19,140	-	19,140	10,572
Accelerate Memphis CIBs (AMCIBS)- (EDGE) 2021 B	0.880% -1.72%	Jun. 15, 2022	Nov. 01, 2028	5,115	2,010	3,105	100
				$ **65,125**	**6,005**	**59,120**	**15,566**

LONG TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS
REVENUE DEBT PAYABLE
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit F-7

Year Ending June 30	Revenue Bonds Sewer Collection and Treatment Fund Principal	Revenue Bonds Sewer Collection and Treatment Fund Interest	Revenue Bonds Storm Water Fund Principal	Revenue Bonds Storm Water Fund Interest	Revenue Bonds Memphis Light Gas Water (1) Principal	Revenue Bonds Memphis Light Gas Water (1) Interest
2025					24,480	28,606
2026	8,680	10,573	945	1,569	25,650	27,435
2027	9,120	10,130	995	1,520	26,855	26,228
2028	9,585	9,663	1,045	1,469	28,160	24,928
2029	8,635	9,208	1,100	1,416	29,515	23,572
2030	9,075	8,767	1,155	1,359	31,130	22,150
2031	8,050	8,340	1,215	1,300	32,480	20,794
2032	7,465	7,963	1,280	1,238	33,760	19,520
2033	7,830	7,601	1,345	1,172	35,100	18,183
2034	8,205	7,222	1,415	1,103	36,470	16,807
2035	8,605	6,824	1,485	1,030	31,565	15,376
2036	8,990	6,435	1,560	954	32,730	14,209
2037	9,430	6,000	1,640	874	25,780	13,016
2038	9,885	5,544	1,725	790	15,170	12,084
2039	10,365	5,066	1,815	702	15,725	11,525
2040	10,865	4,564	1,910	609	16,310	10,945
2041	11,390	4,037	2,005	511	16,910	10,344
2042	11,940	3,486	2,114	408	17,530	9,716
2043	12,520	2,908	2,220	299	18,190	9,065
2044	13,125	2,301	2,335	186	18,955	8,300
2045	10,540	1,728	2,455	66	19,750	7,502
2046	11,080	1,193	5	4	20,585	6,670
2047	3,825	824	5	4	21,485	5,770
2048	4,015	634	6	4	22,420	4,833
2049	4,220	430	6	4	23,345	3,914
2050	4,430	222	6	3	24,295	2,958
2051	-	-	7	3	9,495	1,964
2052	-	-	7	3	9,900	1,561
2053	-	-	7	3	10,395	1,066
2054	-	-	8	2	10,915	546
2055	-	-	8	2	-	-
2056	-	-	8	2	-	-
2057	-	-	8	2	-	-
2058	-	-	9	-	-	-
2059	-	-	9	-	-	-
	$ 221,870	$ 131,663	$ 31,858	$ 18,611	$ 685,050	$ 379,587

(1) All Memphis Light, Gas & Water bonds reflect amounts outstanding at December 31, 2024.

LONG TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS
REVENUE DEBT PAYABLE
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit F-7
(Continued)

Year Ending June 30	Sewer State Loans Sewer Collection and Treatment Fund Principal	Sewer State Loans Sewer Collection and Treatment Fund Interest	Sewer Federal Loans (WIFIA) Sewer Collection and Treatment Fund Principal	Sewer Federal Loans (WIFIA) Sewer Collection and Treatment Fund Interest	Total
2025					53,086
2026	10,722	1,346	-	1,487	88,407
2027	10,801	1,259	-	1,500	88,408
2028	10,881	1,171	-	1,500	88,402
2029	10,961	1,082	-	1,500	86,989
2030	11,042	992	-	1,500	87,170
2031	11,123	902	-	1,500	85,704
2032	11,205	811	-	1,500	84,742
2033	11,288	719	-	1,500	84,738
2034	11,135	629	-	1,500	84,486
2035	11,192	542	-	1,500	78,119
2036	11,270	455	-	1,500	78,103
2037	11,349	367	-	1,500	69,956
2038	11,217	279	-	1,500	58,194
2039	10,871	194	-	1,500	57,763
2040	9,140	112	-	1,500	55,955
2041	4,641	62	6,069	1,501	57,470
2042	3,279	38	6,154	1,416	56,081
2043	3,296	19	6,239	1,330	56,086
2044	1,306	2	6,326	1,243	54,079
2045	-	-	6,414	1,156	49,611
2046	-	-	6,503	1,066	47,106
2047	-	-	6,593	976	39,482
2048	-	-	6,685	884	39,481
2049	-	-	6,778	791	39,488
2050	-	-	6,872	697	39,483
2051	-	-	6,968	602	19,039
2052	-	-	7,065	505	19,041
2053	-	-	7,163	407	19,041
2054	-	-	7,262	307	19,040
2055	-	-	7,363	206	7,579
2056	-	-	7,466	104	7,580
2057	-	-	-	-	10
2058	-	-	-	-	9
2059	-	-	-	-	9
	$ **176,719**	$ **10,981**	$ **107,920**	$ **35,678**	$ **1,799,937**

LONG TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS
GOVERNMENTAL DEBT
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit F-8

Year Ending June 30	General Obligation Bonds		Settlement Obligation		Total
	Principal	Interest	Principal	Interest	
2026	106,585	54,555	1,333	-	162,474
2027	62,079	53,101	1,333	-	116,514
2028	64,372	50,276	1,333	-	115,981
2029	66,773	47,322	1,334	-	115,428
2030	69,302	44,246	1,334	-	114,881
2031	66,395	41,175	-	-	107,571
2032	65,635	38,364	-	-	103,998
2033	66,410	36,210	-	-	102,619
2034	67,787	34,124	-	-	101,911
2035	69,460	31,943	-	-	101,403
2036	65,291	29,912	-	-	95,204
2037	62,259	27,983	-	-	90,242
2038	63,722	26,162	-	-	89,885
2039	65,342	24,191	-	-	89,533
2040	67,020	22,144	-	-	89,163
2041	67,782	19,993	-	-	87,775
2042	65,642	17,531	-	-	83,173
2043	66,953	15,103	-	-	82,057
2044	65,637	12,608	-	-	78,245
2045	48,428	10,142	-	-	58,570
2046	36,468	8,503	-	-	44,970
2047	23,060	1,844	-	-	24,904
2048	24,090	816	-	-	24,906
	$ 1,426,492	**$ 648,248**	**$ 6,667**	**$ 0**	**$ 2,081,407**

SCHEDULE OF INTERFUND BALANCES
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit F-9

	Primary Government		
	Governmental Fund Types		
	General Fund	Debt Service	Total Payables - Reporting Entity
GOVERNMENTAL FUND TYPES			
Special Revenue:			
State Street Aid	$ 4,021	$ 295	$ 4,316
Solid Waste Management	5,250	-	5,250
	9,271	295	9,566
Total receivables - primary government	9,271	295	9,566
Total receivables - reporting entity	$ 9,271	$ 295	$ 9,566

Interfund transfers are attributable to the budgeted allocation of resources from one fund to another, primarily for debt service requirements, operating subsidies and/or the funding of capital items.

SCHEDULE OF INTERFUND TRANSFERS
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit F-10

	Primary Government						
	Governmental Fund Types						
				Nonmajor Special Revenue			
	General Fund	Debt Service	Capital Projects	HUB Community Impact Fund	New Memphis Arena	Pre-K Fund	Affordable Housing
GOVERNMENTAL FUND TYPES							
General Fund	$ -	$ -	$ 2,500	$ 550	$ 1,975	$ -	$ 3,600
Capital Projects Fund	6,500	-	-	-	-	-	-
Arenas Funding Account	-	-	38,176	-	-	-	-
Special Revenue:							
State Street Aid	-	1,768	-	-	-	-	-
Miscellaneous Grants	-	192	-	-	-	-	-
American Rescue Plan Act	200	-	150	-	-	-	-
Solid Waste	750	3,858	-	-	-	-	-
Hotel/Motel Tax	-	6,633	-	-	-	-	-
Metro Alarm	1,625	-	-	-	-	-	-
2019 Sales Tax Referendum	26,900	-	-	-	-	7,000	-
Affordable Housing	950	-	-	-	-	-	-
Debt Service	-	-	999	-	-	-	-
Total Governmental Fund Types	36,925	12,451	41,825	550	1,975	7,000	3,600
PROPRIETARY FUND TYPES							
Enterprise:							
Sewer Collection and Treatment	14,972	-	-	-	-	-	-
Memphis Light, Gas and Water	59,856	-	-	-	-	-	-
Storm Water	106	-	-	-	-	-	-
Total Proprietary Fund Types	74,934	-	-	-	-	-	-
Total Transfers-In	$ 111,859	$ 12,451	$ 41,825	$ 550	$ 1,975	$ 7,000	$ 3,600

NOTE: Any differences in the transfers between City of Memphis and Memphis Light, Gas & Water are due to changes in PILOT agreements and/or the timing of fiscal year-end reporting.

	Primary Government					
	Proprietary Fund Types		Fiduciary Funds			
	Enterprise	Internal Service				
	Sewer Treatment	Healthcare Fund	City Retirement System	Library Retirement System	OPEB Trust Fund	Total Transfers-Out
GOVERNMENTAL FUND TYPES						
General Fund	$ -	$ -	$ -	$ 471	$ -	$ 9,096
				-		
Capital Projects Fund	-	-	-	-	-	6,500
Arenas Funding Account	-	-	-	-	-	38,176
Special Revenue:						
State Street Aid	-	-	-	-	-	1,768
Miscellaneous Grants	-	-	-	-	-	192
American Rescue Plan Act	-	-	-	-	-	351
Solid Waste	-	-	-	-	-	4,608
Hotel/Motel Tax	-	-	-	-	-	6,633
Metro Alarm	-	-	-	-	-	1,625
2019 Sales Tax Referendum	-	2,156	1,846	-	7,405	45,307
Affordable Housing	-	-	-	-	-	950
Debt Service	2,324	-	-	-	-	3,323
Total Governmental Fund Types	2,324	2,156	1,846	471	7,405	118,528
PROPRIETARY FUND TYPES						
Enterprise:						
Sewer Collection and Treatment	-	-	-	-	-	14,972
Memphis Light, Gas and Water	-	-	-	-	-	59,856
Storm Water	-	-	-	-	-	106
Total Proprietary Fund Types	-	-	-	-	-	74,934
Total Transfers-In	$ 2,324	$ 2,156	$ 1,846	$ 471	$ 7,405	$ 193,462

COMBINED SCHEDULE OF DEPOSITS AND INVESTMENTS
HELD OUTSIDE OF THE CASH AND INVESTMENT POOL - CARRYING AMOUNT
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit F-11

	Governmental Fund Types						Proprietary Funds	
	General	Debt Service	Special Revenue	Community Development	Capital Projects	Arenas Funding	Sewer	Storm Water
Deposits:								
Cash and cash equivalents [1]	$ 46	$ 2,703	$ 11,249	$ 7,132	$ 74,184	$ -	$ 40,292	$ -
Total deposits	46	2,703	11,249	7,132	74,184	-	40,292	-
Investments:								
U.S. government securities - long-term	-	-	-	-	-	-	-	-
Common stock - domestic	-	-	-	-	-	-	-	-
Common stock - foreign	-	-	-	-	-	-	-	-
Corporate bonds - domestic	-	-	-	-	-	-	-	-
Corporate bonds - foreign	-	-	-	-	-	-	-	-
Mutual funds and money market funds	-	-	-	-	-	-	4,814	114
Equity collective fund - domestic	-	-	-	-	-	-	-	-
Equity collective fund - international	-	-	-	-	-	-	-	-
Government bonds - domestic	-	-	-	-	-	-	-	-
Global bond - international	-	-	-	-	-	-	-	-
Corporate bond mutual funds - domestic	-	-	-	-	-	-	-	-
Convertible bond mutual fund - domestic	-	-	-	-	-	-	-	-
Collateralized mortgage obligations	-	-	-	-	-	-	-	-
Asset-backed pooled securities	-	-	-	-	-	-	-	-
Mortgage-backed pooled securities	-	-	-	-	-	-	-	-
Core Fixed Income CIT- Domestic	-	-	-	-	-	-	-	-
Core Fixed Income CIT- International	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	177,643	-	-
Investments in index funds	-	-	-	-	-	-	-	-
Investments in limited partnerships	-	-	-	-	-	-	-	-
Investments in real estate	-	-	-	-	-	-	-	-
Multi-asset - domestic	-	-	-	-	-	-	-	-
Private debt funds - domestic	-	-	-	-	-	-	-	-
Private equity - domestic	-	-	-	-	-	-	-	-
Private equity - international	-	-	-	-	-	-	-	-
Investments in international equity fund	-	-	-	-	-	-	-	-
Hedge funds	-	-	-	-	-	-	-	-
Distressed debt funds - domestic	-	-	-	-	-	-	-	-
Distressed debt funds - international	-	-	-	-	-	-	-	-
State of TN Local Gov't Investment Pool	-	-	-	-	176	-	-	-
Commercial paper	-	-	-	-	54	-	-	-
U.S. Treasuries	-	-	-	-	-	-	18,686	2,784
Federal agency (Fixed Rate)	-	-	-	-	-	-	-	-
Federal agency (Callable)	-	-	-	-	-	-	-	-
Certificates of Deposit	-	-	-	-	-	-	1,000	-
Life Settlement fund	-	-	-	-	-	-	-	-
Investment short sales & written options	-	-	-	-	-	-	-	-
Total investments	-	-	-	-	230	177,643	24,500	2,898
Total deposits and investments	$ 46	$ 2,703	$ 11,249	$ 7,132	$ 74,414	$ 177,643	$ 64,792	$ 2,898

[1] Cash and cash equivalents includes restricted cash.

	Internal Service Funds		Fiduciary Fund Types						
			Trust and Agency						
MLGW	Internal Service Funds	Total	City Retirement System	Library Retirement System	MLGW Retirement System	City OPEB Trust	Memphis Light, Gas and Water OPEB Trust	Total	
									Deposits:
$ 474,087	$ -	$ 609,693	$ 59,651	$ -	$ 21,147	$ -	$ 26,967	$ 107,765	Cash and cash equivalents [1]
474,087	-	609,693	59,651	-	21,147	-	26,967	107,765	**Total deposits**
									Investments:
-	-	-	198,104	-	2,061	-	686	200,851	U.S. government securities - long-term
-	-	-	746,861	-	630,889	-	268,610	1,646,360	Common stock - domestic
-	-	-	189,732	-	148,614	-	43,486	381,832	Common stock - foreign
-	-	-	274,613	-	35,030	-	1,789	311,432	Corporate bonds - domestic
-	-	-	88,129	-	818	-	-	88,947	Corporate bonds - foreign
-	-	4,928	18,289	54,462	-	5,289	-	78,040	Mutual funds and money market funds
-	-	-	-	-	-	-	54,279	54,279	Equity collective fund - domestic
-	-	-	-	-	-	-	29,186	29,186	Equity collective fund - international
-	-	-	-	-	15,252	-	3,353	18,605	Government bonds - domestic
-	-	-	-	-	29,247	-	21,524	50,771	Global bond - international
-	-	-	-	-	-	-	42,948	42,948	Corporate bond mutual funds - domestic
-	-	-	-	-	-	-	12,121	12,121	Convertible bond mutual fund - domestic
-	-	-	11,164	-	-	-	-	11,164	Collateralized mortgage obligations
-	-	-	2,050	-	3,388	-	1,127	6,565	Asset-backed pooled securities
-	-	-	23,001	-	16,808	-	3,438	43,247	Mortgage-backed pooled securities
-	-	-	-	-	49,776		-	49,776	Core Fixed Income CIT- Domestic
-	-	-	-	-	52,364		13,062	65,426	Core Fixed Income CIT- International
-	-	177,643	-	-	-	-	-	-	Investments
-	-	-	114,067	-	-	-	-	114,067	Investments in index funds
-	-	-	290,781	-	-	-	-	290,781	Investments in limited partnerships
-	-	-	172,999	-	243,385	-	82,584	498,968	Investments in real estate
-	-	-	-	-	13,552	-	7,271	20,823	Multi-asset - domestic
-	-	-	-	-	23,978	-	11,968	35,946	Private debt funds - domestic
-	-	-	-	-	125,496	-	68,333	193,829	Private equity - domestic
-	-	-	-	-	22,092	-	10,054	32,146	Private equity - international
-	-	-	530,681	-	-	-	-	530,681	Investments in international equity fund
-	-	-	-	-	23,429	-	12,072	35,501	Hedge funds
-	-	-	-	-	42,827	-	16,763	59,590	Distressed debt funds - domestic
-	-	-	-	-	21,437	-	9,756	31,193	Distressed debt funds - international
46,100	-	46,276	-	-	-	-	-	-	State of TN Local Gov't Investment Pool
-	-	54	-	-	-	-	-	-	Commercial paper
(65,688)	-	(44,218)	-	-	-	-	-	-	U.S. Treasuries
224,290	-	224,290	-	-	-	-	-	-	Federal agency (Fixed Rate)
14,535	-	14,535	-	-	-	-	-	-	Federal agency (Callable)
-	-	1,000	-	-	-	-	-	-	Certificates of Deposit
-	-	-	-	-	66,494	-	14,213	80,707	Life Settlement fund
-	-	-	(6,347)	-	1,342	-	-	(5,005)	Investment short sales & written options
219,237	-	424,508	2,654,124	54,462	1,568,279	5,289	728,623	5,010,777	**Total investments**
$ 693,324	$ -	$ 1,034,201	$ 2,713,775	$ 54,462	$ 1,589,426	$ 5,289	$ 755,590	$ 5,118,542	**Total deposits and investments**

SCHEDULE OF ADDITIONS AND RETIREMENTS TO UTILITY PLANT
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit F-12

MEMPHIS LIGHT, GAS AND WATER DIVISION [1]

	Balance January 1, 2024	Additions	Retirements	Balance December 31, 2024
Electric Division	$ 2,334,308	$ 296,475	$ (174,081)	$ 2,456,702
Accumulated depreciation	(1,014,158)	(70,510)	40,663	(1,044,005)
Gas Division	825,230	41,209	(15,618)	850,821
Accumulated depreciation	(433,367)	(24,573)	4,671	(453,269)
Water Division	645,908	70,067	(35,796)	680,179
Accumulated depreciation	(249,766)	(12,495)	3,180	(259,081)
Total	$ 2,108,155	$ 300,173	$ (176,981)	$ 2,231,347

SEWER COLLECTION AND TREATMENT FUND [2]

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Land and buildings	$ 119,275	$ -	$ -	$ 119,275
Accumulated depreciation	(95,761)	(1,042)	-	(96,803)
Improvements other than buildings	764,851	-	(302)	764,549
Accumulated depreciation	(369,995)	(9,839)	90	(379,744)
Machinery and equipment	65,512	9,664	(2,677)	72,499
Accumulated depreciation	(44,907)	(6,435)	1,817	(49,525)
Construction work in progress	600,039	66,277	-	666,316
	$ 1,039,014	$ 58,625	$ (1,072)	$ 1,096,567

[1] MLGW is presented for the year ended December 31.
[2] Sewer Collection and Treatment Fund is presented for the year ended June 30.

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE-BUDGET AND ACTUAL
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
EXHIBIT F-13

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Local taxes	$ 142,902	$ 142,902	$ 138,388	$ (4,514)
State taxes (local share)	17,300	17,300	17,897	597
Investment income	4,420	4,420	11,484	7,064
Federal grants	1,639	1,639	2,252	613
Other	1,968	1,968	2,430	462
Total revenues	168,229	168,229	172,451	4,222
EXPENDITURES				
Redemption of serial bonds and notes	114,487	118,822	119,357	(535)
Interest	71,130	67,027	65,988	1,039
Other	2,123	3,095	3,192	(97)
Total expenditures	187,740	188,944	188,537	407
Revenues over expenditures	(19,511)	(20,715)	(16,086)	4,629
OTHER FINANCING SOURCES (USES)				
Transfers in	10,356	10,356	12,451	2,095
Transfers out	-	-	(3,323)	(3,323)
Proceeds from refunding debt	-	93,364	93,364	-
Proceeds from bond Issuance	150,800	151,167	126,556	(24,611)
Retirement of general obligation bonds	(150,000)	(242,776)	(242,943)	(167)
Premium on Debt Issuance	-	-	23,426	23,426
Contribution to Fund Balance	(52)	(104,359)	-	104,359
Contributed From Fund Balance	8,407	112,836	-	(112,836)
Total other financing sources and uses	19,511	20,588	9,531	(11,057)
Net change in fund balances	$ 0	$ (127)	$ (6,555)	$ (6,428)
Fund balance - beginning of year			64,945	
Fund balance - end of year			$ 58,390	

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL ON BASIS OF BUDGETING
(Thousands of Dollars)
For the fiscal year ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit F-14

	Budgeted Amounts			Variance with Final Budget- Positive
	Original	Final	Actual	(Negative)
REVENUES				
Local taxes	$ 570,814	$ 570,814	$ 572,182	$ 1,368
State taxes (local share)	79,260	79,260	84,582	5,322
Licenses and permits	27,801	27,801	16,145	(11,656)
Fines and forfeitures	12,287	12,287	10,246	(2,041)
Charges for services	50,065	50,717	47,665	(3,052)
Investment income	9,585	9,585	20,475	10,890
Federal grants	6,450	8,286	8,768	482
Intergovernmental revenues	5,625	5,865	5,860	(5)
Other	7,792	9,369	11,177	1,808
Total revenues	769,679	773,984	777,100	3,116
EXPENDITURES				
General government	207,922	226,714	214,310	12,404
Public safety	540,276	546,704	537,533	9,171
Community services	77,970	81,205	76,815	4,390
Transportation and environment	19,658	29,335	28,497	838
Total expenditures	845,826	883,958	857,155	26,803
Revenues over expenditures	(76,147)	(109,974)	(80,055)	29,919
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	37	37
Transfers in	91,618	99,068	116,069	17,001
Transfers out	(6,596)	(9,096)	(9,096)	-
Contribution from Fund Balance	1,975	12,875	-	(12,875)
Contribution to Unassigned Fund Balance	(10,850)	(12,048)	-	12,048
Total other financing sources and uses	76,147	90,799	107,010	16,211
Net change in fund balances (budgetary basis)	$ 0	$ (19,175)	$ 26,955	$ 46,130
Fund balance - beginning			194,249	
Fund balance - ending			$ 221,204	
Reconciliation from Cash Basis to Modified Accrual			25,268	
Fund Balance (Modified Accrual)			$ 195,936	

See accompanying notes to financial statements.

Description	Interest Rates	Date of Issue	Date of Final Maturity
REVENUE BONDS			
For General Purposes:			
Port. Comm. Refunding Bonds 2022	2.960%	Oct. 01, 2022	Apr. 01, 2036
LIBERTY PARK PROJECT (LIBPKTDZ)- (EDGE) 2021	0.453% - 3.127%	Dec. 01, 2021	Dec. 01, 2051
CCRFC Bonds Series 2014A- AutoZone	2.000% - 5.000%	Aug. 01, 2013	Feb. 01, 2029
CCRFC Bonds Series 2014B- AutoZone	1.900% - 4.970%	Aug. 01, 2014	Feb. 01, 2030
TDZ REVENUE BONDS			
For General Purposes:			
EDGE TDZ Series 2017B	5.000%	Aug. 01, 2017	Nov. 01, 2031

Description	Original Issue	Redemptions	Principal Amount Outstanding June 30, 2025	Interest to Maturity as of June 30, 2025
REVENUE BONDS				
For General Purposes:				
Port. Comm. Refunding Bonds 2022	14,468	2,688	11,780	3,359
LIBERTY PARK PROJECT (LIBPKTDZ)- (EDGE) 2021	69,635	2,175	67,460	30,025
CCRFC Bonds Series 2014A- AutoZone	8,650	1,460	7,190	797
CCRFC Bonds Series 2014B- AutoZone	3,090	1,430	1,660	246
	95,843	**7,753**	**88,090**	**34,427**
TDZ REVENUE BONDS				
For General Purposes:				
EDGE TDZ Series 2017B	87,725	7,060	80,665	3,359
	87,725	**7,060**	**80,665**	**3,359**

MEMPHIS
SHELBY
COUNTY
TENNESSEE

CITY OF MEMPHIS

T E N N E S S E E

The statistical section provides additional historical perspective, context, and detail to assist in assessing the City's economic condition. The statistical section is presented in the following five categories:

Financial Trends Information assists in understanding and assessing how the City's financial position has changed over time.

Revenue Capacity Information assists in understanding and assessing the factors affecting the City's ability to generate its own-source revenues.

Debt Capacity Information assists in understanding and assessing the City's debt burden and its ability to issue additional debt.

Demographic and Economic Information assists in understanding the City's socioeconomic status and provides information that facilitates comparisons of financial statement information over time and among governments.

Operating Information provides contextual information about the City's operations and resources in order to assist readers in using the financial statement information in understanding and assessing the City's economic condition.

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NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-1

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Net investments in capital assets	$ 293,259	$ 304,799	$ 340,474	$ 225,370	$ 343,085	$ 244,190	$ 1,388,684	$ 1,801,003	$ 240,976	$ 476,690
Restricted for:										
Debt service	61,255	48,798	76,888	77,929	109,086	17,285	17,285	11,261	10,252	58,390
Capital acquisitions/ projects	4,381	23,661	191,471	148,359	-	-	-	-	-	261,402
Solid waste management	15,871	13,001	10,783	6,056	3,648	15,379	14,318	6,402	4,077	12,053
Drug enforcement	10,077	9,980	9,426	9,411	8,889	8,772	9,026	9,804	9,065	9,331
Other	-	-	70,168	72,760	185,665	254,478	491,831	457,565	736,968	(52,634)
Unrestricted:										
Unrestricted, other	(851,833)	(918,811)	(1,031,458)	(809,885)	(1,058,700)	(758,019)	(2,273,486)	(2,438,411)	(717,227)	(526,197)
Total governmental activities net position	(407,176)	(451,330)	(332,248)	(270,000)	(408,327)	(217,915)	(352,342)	(152,376)	284,111	239,035
Business-type activities:										
Net investment in capital assets	2,017,891	2,020,550	1,958,252	2,043,389	2,135,366	1,226,768	1,761,334	1,921,262	2,236,110	2,173,500
Restricted for debt service	64,173	108,387	103,345	53,193	65,865	552,470	149,160	132,780	69,777	138,997
Restricted for construction	8,456	8,775	9,007	10,845	10,845	11,380	-	-	-	-
Unrestricted	320,158	259,192	341,409	(36,333)	(52,383)	507,558	626,416	724,309	628,707	707,066
Total business-type activities net position	2,410,678	2,396,904	2,412,013	2,071,094	2,159,693	2,298,176	2,536,910	2,778,351	2,934,594	3,019,563
Primary government:										
Net investment in capital assets	2,311,150	2,325,349	2,298,726	2,268,759	2,478,451	1,470,958	3,150,018	3,722,265	2,477,086	2,650,190
Restricted for:										
Debt service	125,428	157,185	180,233	131,122	174,951	569,755	166,445	144,041	80,029	197,387
Construction	8,456	8,775	9,007	10,845	10,845	11,380	-	-	-	-
Capital acquisitions/ projects	4,381	23,661	191,471	148,359	-	-	-	-	-	261,402
Solid waste management	15,871	13,001	10,783	6,056	3,648	15,379	14,318	6,402	4,077	12,053
Drug enforcement	10,077	9,980	9,426	9,411	8,889	8,772	9,026	9,804	9,065	9,331
Other	-	-	70,168	72,760	185,665	254,478	491,831	457,565	736,968	(52,634)
Unrestricted	(531,675)	(659,619)	(690,049)	(846,218)	(1,111,083)	(250,461)	(1,647,070)	(1,714,102)	(88,520)	180,869
Total primary government net position	$ 2,003,502	$ 1,945,574	$ 2,079,765	$ 1,801,094	$ 1,751,366	$ 2,080,261	$ 2,184,568	$ 2,625,975	$ 3,218,705	$ 3,258,598

CHANGES IN NET POSITION
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 72,499	$ 65,436	$ 65,970	$ 90,946	$ 96,413	$ 98,976	$ 9,694	$ 63,403	$ 55,831	$ 61,697
Public Safety	22,329	22,069	21,388	22,976	21,913	24,030	26,187	29,151	33,254	34,796
Community services	-	-	-	-	-	-	6,543	7,212	7,434	7,201
Transportation and environment	56,318	56,819	57,425	57,688	67,339	76,893	76,570	76,838	77,870	102,515
Operating grants and contributions	38,719	41,666	50,416	57,072	60,663	138,249	8,628	167,872	438,201	55,946
Capital grants and contributions	23,610	8,934	1,668	8,537	12,501	12,291	23,943	8,690	6,533	19,672
Total governmental activities program revenues	213,475	194,924	196,867	237,219	258,829	350,439	151,565	353,166	619,123	281,827
Business-type activities:										
Charges for services:										
Sewer collection and treatment	96,845	98,726	110,304	123,449	132,315	149,116	156,289	152,735	161,158	144,805
Memphis Light, Gas and Water	1,602,957	1,555,258	1,559,990	1,667,234	1,652,282	1,517,664	1,734,438	1,972,698	1,769,227	1,863,236
Storm water	24,289	24,418	21,391	28,202	31,903	32,058	36,711	36,403	37,099	36,870
Operating grants and contributions	555	547	537	420	258	127	-	-	-	-
Capital grants and contributions	3,009	1,133	946	-	1,333	789	463	712	503	353
Total business-type activities program revenues	1,727,655	1,680,082	1,693,168	1,819,305	1,818,091	1,699,754	1,927,901	2,162,548	1,967,987	2,045,264
Total primary government program revenues	1,941,130	1,875,006	1,890,035	2,056,524	2,076,920	2,050,193	2,079,466	2,515,714	2,587,110	2,327,091
Expenses										
Governmental Activities:										
General government	212,054	91,718	197,380	428,057	434,376	361,003	469,127	537,578	366,150	399,913
Public safety	437,430	133,750	310,961	342,077	540,696	452,271	614,942	352,372	599,807	690,629
Community services	92,365	46,935	78,865	82,572	93,817	82,061	126,280	121,382	116,345	129,280
Transportation and environment	71,286	28,469	50,649	65,627	84,624	70,668	113,466	67,947	109,927	147,722
Education	154	112	82	59	3,060	4,556	6,010	6,403	7,000	7,000
Refunding bond/ escrow agent	-	-	150,000	-	-	-	-	-	-	-
Miscellaneous	-	-	3,436	-	-	-	-	-	-	-
Interest on long term debt	64,151	64,586	59,933	67,971	63,470	66,252	69,555	66,535	68,971	65,988
Total governmental activities expenses	877,440	365,570	851,306	986,363	1,220,043	1,036,811	1,399,380	1,152,217	1,268,200	1,440,532
Business-type activities:										
Sewer collection and treatment	70,163	62,347	75,739	93,766	110,461	102,730	121,156	125,341	127,233	128,459
Memphis Light, Gas and Water	1,554,006	1,561,282	1,561,085	1,548,223	1,564,178	1,422,151	1,519,540	1,747,391	1,682,339	1,826,827
Storm water	19,289	8,502	16,556	18,777	30,375	19,950	22,934	23,256	24,267	25,774
Total business-type activities expenses	1,643,458	1,632,131	1,653,380	1,660,766	1,705,014	1,544,831	1,663,630	1,895,988	1,833,840	1,981,060
Total primary government expenses	2,520,898	1,997,701	2,504,686	2,647,129	2,925,057	2,581,642	3,063,010	3,048,205	3,102,040	3,421,592
Net (expense)/revenue										
Governmental activities	(663,965)	(170,646)	(654,439)	(749,144)	(961,214)	(686,372)	(1,247,815)	(799,051)	(649,077)	(1,158,705)
Business-type activities	84,197	47,951	39,788	158,539	113,077	154,923	264,271	266,560	134,048	64,204
Total primary government net expense	(579,768)	(122,695)	(614,651)	(590,605)	(848,137)	(531,449)	(983,544)	(532,491)	(515,029)	(1,094,501)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Local taxes	542,475	580,750	607,148	603,048	627,101	690,526	730,241	746,816	736,816	812,821
State taxes (local share)	103,987	82,519	105,895	102,385	107,136	112,301	103,878	115,873	120,612	125,357
Hotel/motel tax	10,726	15,513	17,176	18,964	13,614	11,369	17,057	18,903	17,591	16,348
Unrestricted investment earnings	1,654	1,574	4,960	12,197	8,460	573	(6,331)	33,891	43,902	47,755
Federal grants and entitlements	-	-	-	-	-	-	130,845	-	-	-
State grants	-	-	-	-	-	-	19,555	-	-	-
Other	28,662	41,881	4,274	43,544	38,270	(7,154)	57,314	20,718	115,206	38,738
Transfers	25,097	(131,119)	111,631	37,675	19,348	68,344	60,829	62,816	64,775	72,610
Total governmental activities	712,601	591,118	851,084	817,813	813,929	875,959	1,113,388	999,017	1,098,902	1,113,629
Business-type activities:										
Investment earnings	21,998	18,059	14,949	17,448	12,227	7,373	4,219	10,051	39,267	35,919
Other	10,003	33,910	35,216	35,559	35,936	52,225	42,336	39,929	44,970	45,247
State grants	-	-	-	-	-	0	0	0	0	10,426
Transfers	(66,505)	(70,897)	(74,844)	(70,248)	(69,559)	(68,844)	(72,092)	(75,274)	(61,979)	(69,868)
Total business-type activities	(34,504)	(18,928)	(24,679)	(17,241)	(21,396)	(9,246)	(25,537)	(25,294)	22,258	21,724
Total primary government	678,097	572,190	826,405	800,572	792,533	866,713	1,087,851	973,723	1,121,160	1,135,353
Change in Net Position										
Governmental activities	48,636	329,690	196,645	68,669	(147,285)	189,587	(134,427)	199,966	449,825	(45,076)
Business-type activities	49,693	30,196	15,109	141,298	91,681	145,677	238,734	241,266	156,306	85,928
Total primary government	$ 98,329	$ 359,886	$ 211,754	$ 209,967	$ (55,604)	$ 335,264	$ 104,307	$ 441,232	$ 606,131	$ 40,852

FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-3

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
General fund											
Restricted	$ 7,210	$ 8,281	$ 10,768	$ 12,725	$ 13,912	$ 14,635	$ 17,455	$ 19,188	$ 20,195	$ 21,162	**(1)**
Assigned	43,489	43,759	32,150	31,726	36,866	76,568	81,894	80,961	76,675	75,788	**(2)**
Unassigned	94,674	95,343	98,283	91,541	79,047	106,350	108,574	114,476	97,379	98,986	**(3)**
Total general fund	145,373	147,383	141,201	135,992	129,825	197,553	207,923	214,625	194,249	195,936	
All other governmental funds											
Restricted	62,616	46,688	54,815	52,711	147,551	115,147	137,064	127,614	98,927	86,079	**(4)**
Committed	43,083	63,954	261,003	217,353	108,959	89,564	296,047	257,270	534,064	320,722	**(5)**
Unassigned	794	-	-	-	-	-	4,585	-	-	-	
Total all other governmental fun	106,493	110,642	315,818	270,064	256,510	204,711	437,696	384,884	632,991	406,801	
Total governmental funds	$ 251,866	$ 258,025	$ 457,019	$ 406,056	$ 386,335	$ 402,264	$ 645,619	$ 599,509	$ 827,240	$ 602,737	

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during fiscal year 2012.

(1) The $967 year-over-year increase in primarily attributable to the spike in sports betting.
(2) The $887 decrease is attributable to the decline in Encumbrances for the year in the amount of $7,387. Also, the Sheraton has been newly appropriated funds totaling $2,500 and 1555 Three Place increased by $4
(3) The $1,607 increase is primarily due to the release of funds from Encumbrances.
(4) The $12,848 decrease is primarily attributable to expenditures surrounding the Sales Tax Referendum Fund offset by the Solid Waste Fund.
(5) The $213.342 decrease is primarily attributable to expenditures surrounding the ongoing projects from the Arenas Funding Account.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-4

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Local taxes	$ 576,294	$ 580,750	$ 609,946	$ 603,993	$ 633,194	$ 694,326	$ 730,241	$ 746,814	$ $ 732,708	$ 801,850
State taxes (local share)	103,987	100,397	105,895	102,385	107,136	112,179	103,878	115,873	120,612	125,356
Hotel/motel tax	10,726	15,513	17,176	18,964	13,614	11,369	17,057	18,903	17,591	16,348
Licenses and permits	13,586	14,161	15,300	15,827	14,398	17,080	15,425	15,940	14,981	19,314
Fines and forfeitures	19,863	17,731	17,226	17,835	13,312	12,210	13,277	13,025	12,268	12,120
Charges for services	91,075	90,924	91,618	93,915	101,464	112,541	118,994	124,841	124,362	150,065
Investment income	1,508	1,421	4,574	12,197	8,460	573	(6,625)	33,420	43,902	47,755
Federal grants and entitlements	52,758	45,596	47,474	62,496	70,567	136,717	130,845	128,057	90,394	66,022
State grants	9,571	5,004	4,610	3,113	2,597	13,823	19,555	48,505	354,340	9,596
Intergovernmental revenues	5,996	9,409	8,661	9,966	10,760	10,610	4,575	4,047	5,367	5,861
Operating revenues	4,506	-	-	-	-	-	-	-	-	-
Other	16,661	20,321	38,988	21,080	27,416	23,006	262,584	464,885	53,520	27,340
Total revenues	906,531	901,227	961,468	961,771	1,002,918	1,144,434	1,409,806	1,714,310	1,570,045	1,281,627
Expenditures										
General government	183,995	198,706	219,466	216,804	236,346	259,455	262,529	290,323	332,275	304,894
Public safety	408,809	435,763	445,196	457,908	481,206	481,921	508,638	526,803	557,493	566,737
Community services	77,099	80,562	85,180	83,494	78,915	82,039	104,450	159,665	101,925	100,932
Transportation and environment	68,281	74,196	82,055	91,410	78,248	77,503	93,851	100,190	101,773	119,272
Education	154	112	82	59	3,060	4,556	6,010	6,403	7,000	7,000
Capital outlay	97,966	71,108	91,963	138,196	259,451	147,847	178,346	245,781	213,451	388,742
Operating expenditures	6,259	-	-	-	-	-	-	-	-	-
Debt service:										
Redemption of serial bonds and notes	86,733	90,782	92,535	97,366	99,922	98,236	94,370	104,060	112,836	118,525
Lease payments	7,037	6,406	5,608	6,422	4,228	4,442	3,711	2,809	1,067	832
Interest	65,403	65,051	59,848	69,319	65,078	66,252	69,555	66,535	68,971	65,988
Bond issuance cost	895	1,699	2,234	242	1,450	437	31,366	1,182	104	1,750
Service charges	966	1,115	1,202	754	4,920	2,147	959	1,437	1,200	1,071
Prior Year Expense	-	-	-	-	-	-	-	-	-	1,246
Total expenditures	1,003,597	1,025,500	1,085,369	1,161,974	1,312,824	1,224,835	1,353,785	1,505,188	1,498,095	1,676,989
Excess of revenues over (under) expenditures	(97,066)	(124,273)	(123,901)	(200,203)	(309,906)	(80,401)	56,021	209,122	71,950	(395,362)
Other financing sources (uses)										
Sale of capital assets	-	1,792	60	5,493	19	34	43	54	37	37
Transfers in	99,071	95,190	110,963	115,923	101,290	107,789	132,050	164,213	129,896	179,260
Transfers out	(36,987)	(23,817)	(43,865)	(47,211)	(35,421)	(44,295)	(72,871)	(103,626)	(80,794)	(149,241)
Proceeds from issuance of debt	-	-	-	-	-	-	-	-	-	-
Capital leases	2,003	3,250	4,400	-	-	-	-	-	-	-
Special Items	(6,250)	-	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-	-	-
Issuance of refunding debt	114,885	233,240	384,254	75,035	339,977	130,407	335,196	-	126,800	-
Related party loan	1,562	-	-	-	-	-	-	-	-	-
Proceeds from related party debt	-	-	-	-	-	-	-	-	-	93,364
Retirement of refunded debt obligation	(75,000)	(195,830)	(150,000)	-	(143,436)	(97,605)	(207,085)	(316,970)	(20,000)	(242,943)
Premium on debt issue	5,805	17,401	17,764	-	27,756	-	-	1,097	158	23,426
Bond Sale Proceeds	-	-	-	-	-	-	-	-	-	266,956
Total other financing sources	105,089	131,226	323,576	149,240	290,185	96,330	187,333	(255,232)	156,097	170,859
Net change in fund balances/(deficit)	$ 8,023	$ 6,953	$ 199,675	$ (50,963)	$ (19,721)	$ 15,929	$ 243,354	$ (46,110)	$ 228,047	$ (224,503)
Debt service as a percentage of noncapital expenditures	17.6%	17.0%	15.9%	16.9%	16.1%	15.7%	14.3%	13.8%	14.2%	14.4%

GENERAL FUND EXPENDITURES AND OTHER USES BY FUNCTION
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
Exhibit X-5

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Legislative	$ 1,443	$ 1,547	$ 1,932	$ 2,093	$ 2,345	$ 2,443	$ 2,331	$ 2,901	$ 3,369	$ 3,433
Judicial	643	644	631	858	797	782	754	820	790	981
Court clerk	6,250	6,354	6,099	5,718	5,898	5,500	5,715	5,445	5,730	6,974
Executive	8,413	12,970	18,605	18,220	17,802	26,948	19,958	20,982	22,389	24,419
Finance and administration	7,489	9,278	16,648	16,962	25,838	25,213	12,772	13,551	12,506	10,561
City attorney	10,140	11,892	10,385	12,861	13,280	13,639	10,663	16,429	19,087	21,654
City engineer	6,640	7,776	7,916	8,636	7,792	6,262	4,453	6,964	11,959	13,464
Information technology	15,949	21,378	27,836	19,573	20,879	20,256	21,808	23,466	23,250	25,970
Human resources	7,342	8,090	9,351	8,428	8,070	7,234	7,849	8,299	9,476	9,711
General services	21,701	24,274	20,217	20,395	24,829	21,679	21,828	23,280	28,479	35,392
Special appropriations	53,886	49,837	50,033	54,638	61,371	69,882	67,192	57,526	80,394	69,543
Total general government	139,896	154,040	169,653	168,382	188,901	199,838	175,323	179,663	217,429	222,102
Public Safety										
Police	240,431	256,476	262,684	269,578	279,713	276,726	281,219	290,333	303,506	320,645
Fire	165,273	176,102	178,816	184,589	191,008	199,967	202,426	209,006	212,367	237,272
Total public safety	405,704	432,578	441,500	454,167	470,721	476,693	483,645	499,339	515,873	557,917
Community Services										
Library	-	17,547	18,698	19,800	20,532	19,670	20,884	20,964	22,033	25,225
Parks and recreation	49,710	31,901	35,125	35,796	36,679	34,872	43,136	43,830	49,911	48,024
Public services	373	(2)	1	-	-	-	-	-	-	-
Community development	3,914	4,792	4,457	5,197	5,049	6,466	4,502	4,901	4,407	5,463
Community enhancement	-	5	1	-	-	-	-	-	-	71
Total community services	53,997	54,243	58,282	60,793	62,260	61,008	68,522	69,695	76,351	78,783
Transportation and Environment										
Public works	14,612	14,162	19,433	17,002	13,076	11,940	19,687	18,661	25,066	29,345
Total transportation and environment	14,612	14,162	19,433	17,002	13,076	11,940	19,687	18,661	25,066	29,345
Transfers out	18,775	7,974	23,764	23,287	7,865	4,950	4,061	27,939	9,851	9,096
Special items	6,250	-	-	-	-	-	-	-	-	-
Total	$ 639,234	$ 662,997	$ 712,632	$ 723,631	$ 742,823	$ 754,429	$ 751,238	$ 795,297	$ 844,570	$ 897,243

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY **CITY OF MEMPHIS, TENNESSEE**

Last Ten Fiscal Years **EXHIBIT X-6**

		Real Property				Personal Property	
		Farm and Residential(25%)		Commercial and Industrial(40%) (3)		Commercial and Industrial(30%) (2)	
Tax Year	Fiscal Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2015	2016	4,747,920,725	18,991,682,900	4,346,281,513	11,109,511,700	1,163,790,125	3,876,630,900
2016	2017	4,751,997,850	19,007,991,400	4,352,967,258	11,139,231,800	1,195,454,995	3,979,910,300
2017	2018	5,158,704,825	20,634,819,300	5,130,873,210	13,104,786,500	1,232,142,320	4,105,025,400
2018	2019	5,168,064,525	20,672,258,100	5,120,604,860	13,087,942,600	1,260,430,100	4,199,045,700
2019	2020	5,185,372,125	20,741,488,500	5,162,651,977	13,235,580,400	1,210,052,260	4,030,360,300
2020	2021	5,193,552,150	20,774,208,600	5,098,591,532	13,020,387,700	1,242,307,280	4,138,429,600
2021	2022	6,508,449,725	26,033,798,900	6,092,432,872	15,597,047,400	1,464,691,315	4,879,704,600
2022	2023	6,507,643,325	26,030,573,300	5,892,777,337	15,098,559,200	1,498,757,775	4,993,794,500
2023	2024	6,547,320,325	26,189,281,300	5,991,211,562	15,356,693,700	1,203,314,895	4,008,798,300
2024	2025	6,568,859,775	26,275,439,100	6,018,164,167	15,357,847,500	1,308,003,870	4,357,118,700

(1) Does not include City-owned utilities (Electric and Gas Divisions) which are assessed a separate in-lieu-of-tax. Beginning with fiscal year 1988, the Electric and Gas Divisions are taxed under the provisions of State Statutes, "The Municipal Electric System Tax Equivalent Law of 1987" and "The Municipal Gas System Tax Equivalent Law of 1987" respectively. Under these laws, the annual tax equivalent is the sum of: (1) The equalized tax rate applied to the net plant value and book value of materials and supplies, and (2) Four percent (4%) of the average of revenue less power cost for the preceding three (3) fiscal years. The law also provides that no payment shall be less than the amount paid in Fiscal Year 1987. Net proceeds from this source go only to the City's General Fund and are not allocated by the tax rate ordinance. The City contributes a portion of the proceeds to the County based on a tax rate formula.

(2) Includes intangible personal property which is assessed at 40%.

(3) Includes multiple real estate assessed at 0-40% as well as greenbelt commercial real estate at 25%, greenbelt industrial real estate at 25% and greenbelt multiple real estate at 0-40%. For real estate, where parcel classification is multiple, the assessments will not equal the percentage multiple of the market appraisal or greenbelt.

Sources: Shelby County Assessor (real and personal) and State of Tennessee Office of State Assessed Property (utilities and carriers).

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY **CITY OF MEMPHIS, TENNESSEE**

Last Ten Fiscal Years **EXHIBIT X-6**

Utilities and Carriers (55%)
(Real and Personal) (1)

Privately Owned		Total		Total Assessed to Total Market Value	Total Direct Tax Rate	Tax Year	Fiscal Year
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
1,087,988,613	1,978,161,115	11,345,980,976	35,955,986,615	31.56%	3.4000	2015	2016
1,074,179,569	1,953,053,762	11,374,599,672	36,080,187,262	31.53%	3.4000	2016	2017
1,075,298,505	1,955,088,191	12,597,018,860	39,799,719,391	31.65%	3.2715	2017	2018
1,138,764,751	2,070,481,365	12,687,864,236	40,029,727,765	31.65%	3.1960	2018	2019
1,136,132,373	2,065,695,224	12,694,208,735	40,073,124,424	31.68%	3.1960	2019	2020
1,079,260,158	1,962,291,196	12,613,711,120	39,895,317,096	31.62%	3.1960	2020	2021
1,416,299,864	2,575,090,662	15,481,873,776	49,085,641,562	31.54%	2.7130	2021	2022
1,413,114,369	2,569,298,853	15,312,292,806	48,692,225,853	31.45%	2.7016	2022	2023
1,181,317,093	2,147,849,260	14,923,163,875	47,702,622,560	31.28%	2.7016	2023	2024
1,235,122,087	2,245,676,522	15,130,149,899	48,236,081,822	31.37%	3.1954	2024	2025

PROPERTY TAX RATES AND LEVIES -
ALL DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

CITY OF MEMPHIS, TENNESSEE
Exhibit X-7

Tax Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City Direct Rates										
General Fund	$ 2.3125	$ 2.3125	$ 2.2251	$ 2.1640	$ 2.1640	$ 2.1773	$ 1.8473	$ 1.8459	$ 1.8459	$ 2.3396
Debt Service	1.0842	1.0842	1.0432	1.0189	0.9989	0.9989	0.8475	0.8475	0.8475	0.8475
CIP	0.0033	0.0033	0.0032	0.0031	0.0098	0.0098	0.0083	0.0083	0.0083	0.0083
Education	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Pre-K	0.0000	0.0000	0.0000	0.0100	0.0100	0.0100	0.0100	0.0000	0.0000	0.0000
Community Catalyst Fund	0.0000	0.0000	0.0000	0.0000	0.0067	0.0000	0.0000	0.0000	0.0000	0.0000
Affordable Housing Fund	0.0000	0.0000	0.0000	0.0000	0.0067	0.0000	0.0000	0.0000	0.0000	0.0000
Total City Direct Rate	3.4000	3.4000	3.2715	3.1960	3.1960	3.1960	2.7130	2.7016	2.7016	3.1954
County Direct Rates										
General Fund	1.45	1.45	1.43	1.49	1.49	1.47	1.24	1.25	1.26	1.40
Debt Service	0.78	0.78	0.69	0.62	0.62	0.62	0.57	0.55	0.53	0.45
Education	2.14	2.14	1.99	1.94	1.94	1.96	1.64	1.59	1.60	1.54
Total County Direct Rate	4.37	4.37	4.11	4.05	4.05	4.05	3.45	3.39	3.39	3.39
Total Overlapping Rate	7.7700	7.7700	7.3815	7.2460	7.2460	7.2460	6.1630	6.0916	6.0916	6.5854
Tax Levies										
[1] City	$ 382,019,032	$ 384,098,042	$ 408,539,179	$ 403,069,834	$ 400,602,833	$ 404,669,953	$ 417,422,909	$ 419,222,494	$ 402,897,241	$ 480,902,829
County	780,513,345	787,557,182	823,187,542	821,656,618	821,373,075	832,869,240	864,226,442	860,980,737	847,415,477	860,153,665
Total Tax Levies	$ 1,162,532,377	$ 1,171,655,224	$ 1,231,726,721	$ 1,224,726,452	$ 1,221,975,908	$ 1,237,539,193	$ 1,281,649,351	$ 1,280,203,231	$ 1,250,312,718	$ 1,341,056,494

[1] The City's tax levy includes payments in lieu of taxes.
Taxes are assessed as of January 1 and are due on June 1 for City and October 1 for Shelby County.
No tax rate limits exist. Tax must be assessed sufficiently to pay debt service.
Tax rates are per $100 of assessed value.

* Note: Rate presentation corrected from FY14 Annual Report. Additionally, the City's tax levy was restated to include payments in lieu of taxes to ensure consistency of presentation.

Source of County information: Shelby County Trustee
Source of City information: Tax Rate Ordinance and Revenue Collections Percentage Report

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

CITY OF MEMPHIS, TENNESSEE
Exhibit X-8

	Fiscal Year 2025			Fiscal Year 2016		
Name of Taxpayer		**Taxable Assessed Value**	**Percentage of Total Taxable Assessed Value**	**Name of Taxpayer**		**Taxable Assessed Value**	**Percentage of Total Taxable Assessed Value**
Federal Express	$	801,460,598	5.30	Federal Express	$	721,951,507	6.36
Memphis Center City Revenue		298,291,849	1.97	Bell South Telecommunications		74,831,652	0.66
Pool & Industrial TN LLC		66,950,760	0.44	Wolfchase Galleria, LTD		52,923,480	0.47
Amazon.Com Services		58,226,380	0.38	Smith & Nephew Inc.		45,867,380	0.40
Olymbec		53,646,180	0.35	AMISUB (St. Francis Hospital)		44,015,950	0.39
BNSF Railway Company		51,403,263	0.34	BNSF Railway Company		40,341,282	0.36
AT&T Mobility LLC		51,098,162	0.34	Illinois Central Railroad		39,463,609	0.35
Smith & Nephew Inc.		50,338,190	0.33	Union Pacific Railroad Company		27,617,644	0.24
The Premcor Refining Group		44,884,170	0.30	SOLAE LLC		26,740,230	0.24
TMF		42,705,040	0.28	AT&T Mobility LLC		25,588,090	0.23
Total Assessed Valuation of Top 10 Taxpayers		1,519,004,592	10.03			1,099,340,824	9.70
Balance of Assessed Valuation		13,611,145,307	89.97			10,246,640,152	90.30
	$	15,130,149,899	100.00		$	11,345,980,976	100.00

Source: City of Memphis Tax System

Tax Year	Fiscal Year	Adjusted Tax Levy *	Current Tax Collections *	Percent Collected	Delinquent Tax Collections	Total Tax Collections *	Total Collections as Percent of Current Levy	Prior Years' Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
2015	2016 (A)	382,019,032	363,065,674	95.04	9,372,759	372,438,433	97.49	38,934,491	10.19
2016	2017 (B)	384,098,042	367,801,984	95.76	5,759,219	373,561,203	97.26	41,089,159	10.70
2017	2018 (C)	408,539,179	391,863,376	95.92	7,091,826	398,955,202	97.65	40,252,452	9.85
2018	2019 (D)	403,069,834	385,927,277	95.75	6,753,713	392,680,990	97.42	38,342,430	9.51
2019	2020 (E)	400,602,833	383,674,201	95.77	3,148,875	386,823,076	96.56	38,212,875	9.54
2020	2021 (F)	404,669,953	388,692,151	96.05	8,364,301	397,056,452	98.12	31,319,387	7.74
2021	2022 (G)	417,422,909	402,681,709	96.47	4,585,098	407,266,807	97.57	25,275,688	6.06
2022	2023 (H)	419,222,494	401,689,702	95.82	10,625,949	412,315,651	98.35	38,992,018	9.30
2023	2024 (I)	402,897,241	387,831,193	96.26	12,645,206	400,476,399	99.40	21,558,177	5.35
2024	2025 (J)	480,902,829	458,782,396	95.40	13,281,254	472,063,651	98.16	20,953,938	4.36

** Prior years' reported activity was revised to ensure consistent reporting across reported fiscal years.*

Taxes are normally due on June 1 and become delinquent on September 1 each year and may be paid in two installments (June 1 through June 30 and August 1 through August 31 Interest of 1-1/2% accrues the first of each month taxes remain delinquent. Discounts are not allowed. Delinquent taxes may be collected by foreclosure proceedings through court-ordered tax sales.

(A) In April 2016, the City sold a portion of the 2015 tax year real property taxes outstanding (which funds Fiscal Year 2016) to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balance of $8,622,852 for Fiscal Year 2016, which is reflected in tax collections. Additionally, the City swapped previously sold receivables that had not yet been paid, with different delinquent receivables. The total balance of the swap was $2,431,705, which is reflected in "Prior Years' Outstanding Delinquent Taxes."

(B) In March 2017, the City sold a portion of the 2016 tax year real property taxes outstanding (which funds Fiscal Year 2017) to an outside party. The sale generated property tax revenue and reductions of the property tax receivable balance of $10,884,669. Additionally, the City redeemed remaining outstanding 2012 receivables in the amount of $1,270,078. The sale is reflected in total tax collections.

(C) In May 2018, the City sold a portion of the 2017 tax year real property taxes outstanding (which funds Fiscal Year 2018) to an outside party. The sale generated property tax revenue and reductions of the property tax receivable balance of $11,000,142.91. Additionally, the City redeemed remaining outstanding 2013 receivables in the amount of $2,945,038. The sale is reflected in total tax collections.

(D) In December 2018, the City sold a portion of the 2018 tax year real property taxes outstanding (which funds Fiscal Year 2019) to an outside party. The sale generated property tax revenue and reductions of the property tax receivable balance of $12,231,850.21. Additionally, the City redeemed remaining outstanding 2014 receivables in the amount o $2,541,070.80. The sale is reflected in total tax collections.

(E) In December 2019, the City sold a portion of the 2019 tax year real property taxes outstanding (which funds Fiscal Year 2020) to an outside party. The sale generated property tax revenue and reductions of the property tax receivable balance of $8,759,170.71. In April 2020, the City sold an additional portion of the 2019 tax year real property taxes outstanding (which funds Fiscal Year 2020) to an outside party. The sale generated property tax revenue and reductions of the property tax receivable balance of $3,382,708 Additionally, the City redeemed remaining outstanding 2015 receivables in the amount of $1,196,751.06. The sale is reflected in total tax collections.

(F) In June 2021, the City sold the majority of the 2020 tax year real property taxes outstanding (which funds Fiscal Year 2021) to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balance of $9,938,683.67 for Fiscal Year 2021 that is reflected in tax collections.

(G) In June 2022, the City sold a portion of 2021 tax year real property taxes outstanding (which funds Fiscal Year 2022) to an outside party. The sale generated property tax rever and a reduction in the property tax receivable balance of $5,874,693.22.

(H) No portions of property taxes were sold in Fiscal Year 2023.

(I) No portions of property taxes were sold in Fiscal Year 2024.

(J) No portions of property taxes were sold in Fiscal Year 2025.

Source: City of Memphis Tax System

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-10

	Governmental Activities										
Fiscal Year	General Obligation Bonds (1)	General Obligation Bond Premiums (1)	Economic Development Bonds (1)	Economic Development Bonds Premiums (1)	Bond Anticipation Notes / Commercial Paper (1)	TDZ Revenue Bonds (1)	TDZ Revenue Bonds Premiums (1)	Revenue Bonds (1)	Revenue Bonds Premiums (Discounts) (1)	Settlement Obligation (1)	Bond Leases (1)
2016	1,199,950	73,155	-	-	-	-	-	213,155	2,171	18,666	38,025
2017	1,119,035	60,542	-	-	75,000	-	-	186,307	17,831	17,332	31,618
2018	1,347,440	66,452	-	-	-	-	-	176,765	16,394	15,999	30,410
2019	1,261,655	52,893	-	-	75,000	-	-	165,184	14,797	14,665	23,989
2020	1,300,115	67,620	-	-	50,000	-	-	153,235	13,171	13,331	28,184
2021	1,237,565	56,869	-	-	150,000	-	-	141,762	11,518	12,000	23,742
2022	1,427,952	74,601	24,255	-	75,000	-	-	116,426	26,786	10,667	26,719
2023	1,483,252	85,977	24,255	-	50,000	-	-	187,924	25,822	9,333	20,683
2024	1,393,795	61,384	23,255	2,643	150,000	91,950	4,143	82,639	-	8,000	15,392
2025	1,426,492	88,848	59,120	2,260	100,000	80,665	2,216	88,090	(13,055)	6,667	7,222

(1) Sources: City of Memphis and MLGW financial records.
(2) Source: Bureau of Economic Analysis

	Business-Type Activities								
Fiscal Year	Sewer & Storm Water Revenue Bonds (1)	Sewer & Storm Water Revenue Bond Premiums (1)	Sewer State Loans (1)	Electric Revenue Bonds (1)	Electric Revenue Bond Premiums (1)	Gas Bond Anticipation Notes (1)	Gas Bond Anticipation Premiums (1)	Water Revenue Bonds (1)	Water Revenue Bond Premiums (1)
2016	100,580	10,000	11,344	421,030	20,122	-	-	14,440	869
2017	89,190	929	47,124	341,455	21,016	40,000	7,866	43,870	3,331
2018	77,960	461	83,898	312,685	27,659	78,725	13,828	67,170	5,679
2019	115,005	44,237	107,743	185,520	23,709	76,160	12,611	64,540	5,180
2020	105,245	39,155	130,277	178,480	21,395	73,500	11,426	61,860	4,693
2021	242,281	42,343	153,009	324,320	42,953	133,735	22,237	127,110	16,514
2022	224,230	4,660	141,267	139,705	39,547	207,190	20,453	131,560	15,349
2023	213,380	30,255	196,758	302,740	36,267	125,640	18,730	119,020	14,212
2024	277,394	24,200	187,578	291,250	33,121	121,305	17,072	114,770	13,108
2025	361,648	22,167	176,719	457,955	47,417	116,750	15,485	110,345	12,046

Fiscal Year	Total Primary Government	Percentage of Personal Income [2]	Per Capita [2]
2016	2,123,507	5.06%	3,252
2017	2,102,446	4.96%	3,152
2018	2,321,525	5.37%	3,561
2019	2,242,888	5.02%	3,445
2020	2,251,688	4.86%	3,459
2021	2,737,958	4.24%	4,325
2022	2,706,366	3.92%	4,310
2023	2,944,247	3.90%	4,741
2024	2,913,000	3.87%	4,706
2025	3,169,057	3.97%	5,212

RATIOS OF GENERAL BONDED DEBT TO APPRAISED AND ASSESSED VALUES AND BONDED DEBT PER CAPITA
Last ten fiscal years

CITY OF MEMPHIS, TENNESSEE
Exhibit X-11

	For the Fiscal Years Ended June 30									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Estimated population (3)	653,480	666,723	652,236	650,618	651,073	633,104	628,127	621,056	618,639	610,919
Appraised property valuation (2) (4)	$ 35,955,987	36,080,187	39,799,719	40,029,728	40,073,124	39,895,317	49,085,642	48,692,226	47,702,623	48,236,082
Assessed valuation (2) (4)	11,345,981	11,374,600	12,597,019	12,687,864	12,694,209	12,613,711	15,481,874	15,312,293	14,923,164	15,130,150
General obligation debt (1) (2)	1,199,950	1,119,035	1,347,440	1,261,655	1,300,115	1,237,565	1,427,952	1,483,252	1,393,795	1,426,492
Bond Premiums (2) (5)	73,155	60,542	66,452	52,893	67,620	56,869	74,601	85,977	61,384	70,415
Net Debt (1a) (2)	1,273,105	1,179,577	1,413,892	1,314,548	1,367,735	1,294,434	1,502,553	1,569,229	1,455,179	1,496,907
Bonded debt per capita - net debt	1,948	1,769	2,168	2,020	2,101	2,045	2,392	2,527	2,352	2,450
Bonded debt to appraised valuation -net debt	3.54%	3.27%	3.55%	3.28%	3.41%	3.24%	3.06%	3.22%	3.05%	3.10%
Bonded debt to assessed valuation -net debt	11.22%	10.37%	11.22%	10.36%	10.77%	10.26%	9.71%	10.25%	9.75%	9.89%

(1) Debt includes City general obligation bonds, bond anticipation notes, and commercial paper (2015-2024). Does not include leases, guarantee obligations or State loans.

(2) In thousands of dollars.

(3) Source-U.S. Census Bureau; the most current data available is for calendar year 2023

(4) Sources: Shelby County Assessor and State of Tennessee Office of State Assessed Properties

(5) Bond premiums are related to a change in presentation for 2015.

Refer to the Notes to Financial Statements for details of debt and obligations.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2025
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
Exhibit X-12

	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt (2)
Direct Governmental Indebtedness:			
Government Obligation Bonds (4)	$ 1,426,492	100.00%	$ 1,426,492
Bond Premiums	70,415	100.00%	70,415
Lease Obligations	7,222	100.00%	7,222
Commercial Paper	100,000	100.00%	100,000
Economic Development Bonds	59,120	100.00%	59,120
Economic Development Bonds Premiums	2,260	100.00%	2,260
TDZ Revenue Bonds	80,665	100.00%	80,665
TDZ Revenue Bonds Premiums	2,216	100.00%	2,216
Revenue Bonds	88,090	100.00%	88,090
Revenue Bonds Discounts	(13)	100.00%	(13)
Settlement Obligation	6,667	100.00%	6,667
Total direct government indebtedness (3)	1,843,134		1,843,134
Overlapping Bonded Indebtedness:			
Shelby County debt	998,998	59.47%	594,110
Total overlapping bonded indebtedness	998,998		594,110
Total direct and overlapping debt (4)	$ 2,842,132		$ 2,437,244

(1) Determined by ratio of assessed valuation of property subject to taxation in City of Memphis to valuation of property subject to taxation in Shelby County.
(2) Amount in debt outstanding column multiplied by percentage applicable.
(3) Has not been adjusted for the $58,390 that is available for payment of principal and interest in the Debt Service Fund.

DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-13

	Fiscal Year									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Debt capacity limit	$ 1,361,518	$ 1,364,952	$ 1,511,642	$ 1,522,544	$ 1,523,305	$ 1,513,645	$ 1,857,825	$ 1,837,475	$ 1,790,780	$ 1,815,618
Total net debt applicable to limit	1,273,105	1,179,577	1,413,892	1,314,548	1,367,735	1,294,434	1,408,773	1,483,252	1,591,639	1,654,367
Debt capacity margin balance	$ 88,413	$ 185,375	$ 97,750	$ 207,996	$ 155,570	$ 219,211	$ 449,052	$ 354,223	$ 199,141	$ 161,251
Total net debt applicable to the limit as a percentage of debt limit	93.51%	86.42%	93.53%	86.34%	89.79%	85.52%	75.83%	80.72%	88.88%	91.12%

Debt Margin Calculation for Fiscal Year 2025

Total assessed value (1)	$ 15,130,150
Debt capacity limit **(12% of total assessed value)** (2)	1,815,618
Debt applicable to limit:	
Total bonded debt	$ 1,654,367
Total net debt applicable to limit	1,654,367
Debt capacity margin balance	$ 161,251

(1) Sources: Shelby County Assessor and State of Tennessee Office of State Assessed Property

(2) Source: City of Memphis Debt Management Policy

PLEDGED REVENUE COVERAGE - MLGW AND SEWER COLLECTION AND TREATMENT FUND
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
Exhibit X-14

Year	Total Income (3)	Operating and Maintenance Expenses	Net Revenue Available for Debt Service	Total Debt Service	Debt Service Coverage
		ELECTRIC DIVISION (1)			
2015	1,321,726	1,193,682	128,044	135,481	0.95
2016	1,299,757	1,206,084	93,673	139,879	0.67
2017	1,281,400	1,182,661	98,739	135,414	0.73
2018	1,337,857	1,181,919	155,938	153,431	1.02
2019	1,329,504	1,213,134	116,370	15,226	7.64
2020	1,235,520	1,099,957	135,563	40,021	3.39
2021	1,354,062	1,125,925	228,137	23,384	9.76
2022	1,534,128	1,303,982	230,146	23,391	9.84
2023	1,437,887	1,275,627	162,260	23,386	6.94
2024	1,548,023	1,379,833	168,190	44,429	3.79
		GAS DIVISION (1)			
2015	250,231	212,097	38,134	-	N/A
2016	205,974	186,886	19,088	443	43.09
2017	226,217	200,540	25,677	3,368	7.62
2018	275,087	203,028	72,059	6,125	11.76
2019	261,963	186,445	75,518	6,130	12.32
2020	213,131	149,461	63,670	6,612	9.63
2021	295,531	219,102	76,429	9,714	7.87
2022	344,972	265,820	79,152	9,712	8.15
2023	267,823	198,221	69,602	9,711	7.17
2024	247,068	208,770	38,298	9,714	3.94
		WATER DIVISION (1)			
2015	85,169	74,604	10,565	1,072	9.86
2016	100,586	77,611	22,975	1,256	18.29
2017	100,513	81,352	19,161	3,222	5.95
2018	104,317	65,118	39,199	4,930	7.95
2019	106,733	70,299	36,434	4,927	7.39
2020	111,536	68,367	43,169	5,436	7.94
2021	127,239	62,490	64,749	8,716	7.43
2022	136,657	65,249	71,408	8,717	8.19
2023	138,539	89,460	49,079	8,720	5.63
2024	142,365	105,218	37,147	8,719	4.26
		SEWER COLLECTION AND TREATMENT FUND (2) (3)			
2016	97,854	55,031	42,823	15,922	2.69
2017	99,859	65,332	34,527	15,900	2.17
2018	111,250	58,750	52,500	13,868	3.79
2019	125,497	74,655	50,842	14,839	3.43
2020	133,475	72,142	61,333	14,217	4.31
2021	149,905	75,064	74,841	11,940	6.27
2022	156,752	99,717	57,035	10,990	5.19
2023	153,447	101,951	51,496	11,656	4.42
2024	161,661	102,316	59,345	11,656	5.09
2025	145,158	101,704	43,454	19,254	2.26

(1) MLGW revenue bond coverage is presented for years ended December 31.
(2) Sewer Collection and Treatment Fund revenue bond coverage is presented for the year ended June 30.
(3) For the Sewer Collection and Treatment Fund, total income represents the sum of charges for services and capital contributions.

Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment		Unemployment Rate	
2016	653,480	41,968,752	44,705	34.1	116,059		6.5	
2017	666,723	42,356,302	45,153	34.2	114,644		4.2	
2018	652,236	43,210,184	46,234	33.5	112,808		4.7	
2019	650,618	44,650,627	47,655	36.5	103,015	(1)	5.0	
2020	651,073	46,287,828	49,465	36.5	104,770		13.0	(2)
2021	633,104	64,590,483	47,985	34.7	104,460		6.9	
2022	628,127	68,992,049	51,155	34.2	109,319		4.7	
2023	621,056	75,580,090	56,568	34.2	108,321		4.4	
2024	618,639	75,194,683	56,440	33.9	115,330		4.6	
2025	610,919	79,804,900	60,083	34.3	115,162		4.1	

Sources - U.S. Census Bureau, Bureau of Economic Analysis, Bureau of Labor Statistics, Shelby County Schools and Greater Memphis Chamb

(1) The enrollment decline in Shelby County Schools (SCS) from 2018 to 2019 was due to a combination of factors, including lower birth rates, general population shifts, and an increase in students attending alternative education options like private and charter schools. A decline in enrollment for SCS had been ongoing for several years as a result of its 2014 merger with Memphis City Schools; however, the decline was exacerbated by demographic shifts and the ongoing population decline in Shelby County itself.

(2) Unemployment rates increased nationwide due to global pandemic (COVID-19).

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

CITY OF MEMPHIS, TENNESSEE
Exhibit X-16

	2025			2016	
Name of Employer	**Employees**	**Percentage of Total City Employment**	**Name of Employer**	**Employees**	**Percentage of Total City Employment**
FedEx Corporation	32,333	5.32%	Federal Express Corporation	32,000	5.57%
United States Government	16,500	2.72%	Shelby County Schools	16,000	2.78%
Tennessee State Government	16,500	2.72%	Tennessee State Government	14,400	2.51%
Memphis-Shelby County Schools (MSCS)	15,000	2.47%	United States Government	13,900	2.42%
Methodist LeBonheur Health Care	11,815	1.94%	Methodist LeBonheur Healthcare	10,175	1.77%
Baptist Memorial Healthcare Corp.	9,956	1.64%	Baptist Memorial Health Care Corp.	8,587	1.49%
Naval Support Activity Mid-South	7,500	1.23%	Memphis City Government	6,848	1.19%
City of Memphis Government	6,837	1.13%	Wal-Mart Stores Inc.	6,000	1.04%
St. Jude Children's Research Hospital	6,167	1.02%	Shelby County Government	5,662	0.99%
Nike, Inc.	6,000	0.99%	Shelby Co. Board of Education	5,400	0.94%
Total	128,608	21.17%	Total	118,972	20.70%

Source - City of Memphis Comprehensive Annual Financial Report FY 2016, Memphis Regional Chamber of Commerce

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-17

	Fiscal Year									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Function and Activity										
General government	652	725	983	1,049	1,119	1,131	1,622	1,492	1,484	2,608
Public safety										
Police										
Officers	2,042	2,290	2,283	2,397	2,462	2,674	2,325	2,526	2,179	2,175
Civilians	732	438	453	469	451	452	636	615	581	576
Fire										
Firefighters and officers	1,391	1,576	1,585	1,595	1,595	1,595	1,586	1,550	1,707	1,736
Civilians	398	208	199	178	178	178	196	141	132	128
Highways and streets										
Engineering	116	116	116	116	118	119	45	56	47	56
Maintenance	393	399	399	446	446	447	214	131	136	132
Sanitation	615	515	515	515	515	515	517	454	471	604
Culture and recreation	506	162	208	211	212	218	228	544	556	554
Sewer	341	341	341	354	356	356	354	356	331	359

Source - City of Memphis Human Resources & Budget Team Utilization of FY25 Budgeted Complements Adjusted for Approved Increased Service Levels

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-18

	Fiscal Year									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Function										
Police										
Physical arrests	53,269	65,231	62,707	58,920	49,649	41,175	25,646	25,663	25,912	26,674
Parking violations	48,623	58,181	64,622	72,770	59,908	50,994	2,238	61,337	61,536	67,517
Traffic violations	179,374	111,908	167,936	219,237	175,728	144,139	27,641	90,044	106,104	105,246
Fire										
Number of calls answered	124,320	142,087	144,931	144,282	142,585	150,671	155,119	160,491	163,948	161,254
Inspections	45,240	45,022	15,822	18,919	19,427	17,942	21,026	9,290	11,341	15,694
Highways and streets										
Street resurfacing (miles)	177.80	246.30	102.00	225	63.40	91	156	85	89	53
Potholes repaired	3,882	75,000	58,871	60,085	39,814	56,894	6,967	55,343	70,618	64,656
Sanitation										
Refuse collected (tons/day)	920	1,117	1,868	1,898	887	960	1,431	1,244	1,352	1,214
Recyclables collected (tons/day)	489	337	411	1,385	81	24	30	32	34	33
Culture and recreation										
Athletic field permits issued	1,154	827	702	1,127	594	712	731	726	172	159
Community center admissions	1,318,919	1,676,957	1,328,117	1,116,072	1,101,618	520,971	369,470	493,196	437,118	523,026
Water										
Average daily consumption (thousands of gallons)	100,055	99,957	99,137	99,657	102,215	97,885	99,800	99,047	106,406	91,522
Wastewater										
Average daily sewage treatment (thousands of gallons)	146,000	146,000	149,200	187,901	170,501	149,500	58,254	56,400	55,900	60,600

Source: MLGW and/or Internal Division Operating Reports

CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-19

	Fiscal Year										
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Function and Activity											
Public Safety:											
Police:											
Stations	9	10	10	9	9	9	9	9	9	9	9
Community policing offices	9	9	9	9	9	9	9	9	9	9	9
Patrol units	741	740	677	715	781	775	773	630	650	503	574
Fire:											
Stations	56	56	56	57	57	57	56	57	56	56	56
Trucks (ladder)	21	21	21	21	21	20	20	20	20	21	21
Solid Waste Management:											
Collection trucks	227	214	212	212	263	299	295	228	277	276	285
Solid waste disposed (tons)	343,114	366,483	378,256	485,820	493,423	444,576	248,670	248,670	213,945	211,273	211,273
Streets and Highways:											
Streets (miles)	6,818	6,818	6,818	6,818	6,818	6,714	6,714	6,714	6,714	6,714	6,714
Curb & gutter (miles)	6,306	6,306	6,060	6,355	6,306	6,306	6,306	6,306	6,306	6,306	6,306
Streetlights	83,437	83,800	83,800	83,800	84,499	84,648	85,065	84,385	85,171	78,793	85,542
Traffic signals	772	770	770	782	787	787	787	788	788	785	785
Roadside ditches	512	512	512	512	512	512	512	512	512	512	512
Community Services:											
Parks acreage	3,219	4,002	4,002	3,219	3,219	3,219	3,219	3,219	3,219	5,656	5,656
Parks	166	167	167	167	167	167	164	164	164	162	162
Golf courses	8	8	8	8	8	8	8	7	7	8	7
Community centers	24	24	24	24	24	24	24	24	24	18	18
Tennis courts	7	7	7	7	7	7	7	7	7	7	7
Swimming pools	17	17	17	17	17	17	17	17	17	16	16
Water:											
Water mains (miles)	3,877	3,879	3,879	3,881	3,943	3,947	3,949	3,949	3,958	3,973	4,021
Fire hydrants	30,937	31,018	31,018	31,159	30,311	30,378	30,404	30,403	30,464	31,182	31,313
Daily storage capacity (millions of gallons)	437.5	437.5	437.5	438	438	438	438	433	427	413	439
Sanitary Sewer and Storm:											
Miles of sewer lines	2,400	2,400	2,400	3,133	3,133	3,133	3,171	3,203	3,224	3,228	3,193
Miles of storm drainage	1,997	1,936	307	1,424	1,424	2,002	1,672	1,280	1,672	1,672	1,672

GENERAL FUND EXPENDITURES ON STATE STREET AID
(Thousands of Dollars)
For the Fiscal Year Ended June 30, 2025

CITY OF MEMPHIS, TENNESSEE
Exhibit X- 20

		2025
Revenues		
State taxes (local share)	$	20,930
Total revenues		20,930
Expenditures		
Traffic engineering		3,418
Street signs and markings		2,805
Mass transit		35,670
Traffic signal maintenance		3,100
Street maintenance		12,306
Grounds maintenance		4,777
Total expenditures		62,076
Excess of expenditures over revenues	$	41,146

Note: Municipal state aid revenue can only be spent on expenditures allowed under T.C.A. 54-4-204.

MEMPHIS
SHELBY
COUNTY
TENNESSEE

CITY OF MEMPHIS

T E N N E S S E E

SINGLE AUDIT

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FEDERAL GRANTOR/PASS-THROUGH GRANTOR	PROGRAM/CLUSTER NAME	ALN Number	Federal Award Number	Passed Through to Subrecipients	Expenditures
Federal Government Awards					
DEPARTMENT OF HOMELAND SECURITY					
	2021 US & RR Search and Rescue	97.025	EMW2021CA00041	$ -	$ 63,317
	2022 US&RR	97.025	EMW-2023-CA-05373	-	378,609
	2022 US&RR	97.025	EMW-2023-CA-05373	-	441,711
	National Urban Search	97.025	EMW-2024-CA-05150		347,658
Total Program 97.025				$ -	$ 1,231,295
	BRIC	97.047	EMA-2022-BR-004	$ -	$ 469,161
Total Program 97.047				$	$ 469,161
	Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program	97.083	EMW2020FF01147	$ -	$ 3,983,660
	Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program	97.083	EMW-2022-FF-01161	-	3,471,606
Total Program 97.083				$ -	$ 7,455,266
	AFG 21 Ops & Safety 21	97.044	EMW2021FG01314	$ -	$ 77,015
	2020 USAR National Urban	97.044	EMW-2022-FG-0361	-	47,811
	Assistance to Firefighters	97.044	EMW-2021-FG-03051	-	397,080
	FP&S FY21 OPERATION RECON	97.044	EMW-2023-FG-00239	-	103,810
	Assistance to Firefighters Pro	97.044	EMW-2023-FG-00239		1,460,145
Total Program 97.044				$ -	$ 2,085,861
	PSGP FY22	97.056	EMW-2022-PU-00394	$ -	$ 304,627
	PSGP FY23	97.056	EMW-2023-PU-00180	-	498,032
	Port Security Grant	97.056	EMW-2024-PU-05275	-	43,920
Total Program 97.056				$ -	$ 846,579
TOTAL DEPARTMENT OF HOMELAND SECURITY				**$ -**	**$ 12,088,162**
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	*Entitlement Grants Cluster:*				
	Community Development Block Grant	14.218	B19MC470006	$ 103,844	$ 215,150
	Community Development Block Grant	14.218	B17MC470006	42,429	203,498
	Community Development Block Grant	14.218	B18MC470006, B17MC470006	-	22,323
	Community Development Block Grant	14.218	B20MC470006	5,093	150,511
	CDBG Bass Pro Section 108	14.218	B20MC470006, B01MC470006	-	87,803
	CARES Act CDBG-CV	14.218	B20MW470006	44,843	45,381
	CARES Act 2 (CDBG-CV)	14.218	B20MW470006	17,929	392,577
	CDBG Entitlement	14.218	B21MC470006	288,277	493,680
	CDBG Entitle Prog Inc	14.218	BS1MC470006	151,685	151,685
	CBDG Entitlement	14.218	B22MC470006	91,026	239,444
	CDBG ENTITLEMENT	14.218	B23MC470006	338,870	950,778
	HOME ENTITLEMENT	14.218	M23MC470202	-	945,213
	CDBG EN PY24.FY25	14.218	B24MC470006	1,994	3,039,525
Total Program 14.218				$ 1,085,990	$ 6,937,568
	Emergency Shelter Grant (ESG)	14.231	E20MC470002	$ -	$ 10
	CARES ACT ESG-CV	14.231	E20MW4700006	-	191
	Emergency Shelter Grant	14.231	E21MC470002	-	13,445
	ESG	14.231	E22MC470002	-	98,822
	ESG	14.231	E24MC470002	-	502,502
Total Program 14.231				$ -	$ 614,970
	Home FY20	14.239	M19MC470202	$ -	$ 233,014
	Home Entitlement and Program Income	14.239	M18MC470202	-	124,027
	HOME Entitlement	14.239	M21MC470202	-	1,271,885
	ESG	14.239	E22MC470002	-	4,048
	HOME Entitlement	14.239	M22MC470202	-	303,735
	HOME Program Income	14.239	1197	390,155	430,920
	HOME Program Income	14.239	1197	-	2,280
	HOME-ARP	14.239		629,684	1,033,435
	Home PI PY24/FY25	14.239	M24MC470202	-	102,645
	HOME EN PY24. FY25	14.239	M24MC470202	-	301,028
Total Program 14.239				$ 1,019,839	$ 3,807,017
	HOPWA	14.241	TNH22F001	$ -	$ 52,737
	HOPWA	14.241	TNH21F001	-	878,078
	HOPWA EN PY24.FY25	14.241	TNH24F001	-	2,708,865
Total Program 14.241				$ -	$ 3,639,680
	Weatherization Program	81.042	DE-EE0009932-23	$ -	$ 51,922
	Weatherization Program	93.568	2202THLIEA	-	50,362
	Lead Hazard control and Healthy Homes	14.905	TNLHD040019	-	649,379
	Lead FY26/PY25	14.905	TNLHD0511-23	2,835	708,843
Total Program 81.042, 93.568, 14.905				$ 2,835	$ 1,460,506
	Historic Melrose Redevelopment	14.251		$ 53,779	$ 53,779
Total Program 14.251				$ 53,779	$ 53,779
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				**$ 2,162,443**	**$ 16,513,520**
DEPARTMENT OF JUSTICE					
	Equitable Sharing Forfeitures	16.000	TNMPD0000	$ -	$ 219,679
Total Program 16.000				$ -	$ 219,679
	Coronovirus Emergency Supplemental Funding Program Cluster:				
	ORP	16.034	2020MUBX0001	$ -	$ 645,315
	ICAC CESF FY22	16.034	2020VDBX0393	-	2,151
Total Program 16.034				$ -	$ 647,466
	Hate Crimes FY23	16.604	15PBJ-23-GG-05366-HATE	$ -	$ 948.00
Total Program 16.604				$ -	$ 948.00
	Project Safe Neighborhoods	16.609	2018GPBX0075	$ -	$ 1,477
	Western TN FY21 Project Safe	16.609	51125	-	20,827
Total Program 16.609				$ -	$ 22,304
	FY19 Law Enforcement Based Vic	16.582	2019V3GX0137	$ 1,350	$ 8,374
Total Program 16.582, 16.710				$ 1,350	$ 8,374
Pass -through Funding					
Passed through Shelby County State of Tennessee					
	JAG Program Cluster:				
	2019 Local Edward Bryne	16.738		$ -	$ 7,520
	JAG FY2020	16.738		5,205	5,981
	JAG FY21	16.738	O-BJA-2021-135004	-	23,053
	JAG FY22	16.738	15PBJA-22-GG-02101-JAGX	58,150	241,576
	JAG FY23	16.738	15PBJA23GG03797JAGX	-	411,208

FEDERAL GRANTOR/PASS-THROUGH GRANTOR	PROGRAM/CLUSTER NAME	ALN Number	Federal Award Number	Passed Through to Subrecipients	Expenditures
	FY23 CCRIT Program	16.738	15PBJA-23-GG-02242-NTCP	127,980	127,980
Total Program 16.738				$ 191,335	$ 817,318
	Federal FY19 Sexual Assault	16.833	2019AKBX0032	$ 313,734	$ 320,461
	SAKI 2020 Memphis	16.833	2020-AK-BX-0022	169,332	425,719
Total Program 16.833				$ 483,066	$ 746,180
	Connected Community Facilities	16.753	1196	$ -	$ 961,140
Total Program 16.753				$ -	$ 961,140
	Body Cam Program	16.835		$ -	$ 997,706
Total Program 16.835				$ -	$ 997,706
TOTAL DEPARTMENT OF JUSTICE				**$ 675,751**	**$ 4,421,115**
Direct Funding:					
U.S. DEPARTMENT OF TRANSPORTATION					
Pass-through Funding:					
Tennessee Department of Transportation					
	Biomedical Sidewalk	20.205	PIN 070149,HPP-9409(103), PIN	$ -	$ (114,725)
	Elvis Presley/Shelby/Winchester	20.205	STP-EN-09TN(003)-113028	-	121,515
	Winchester/Perkins	20.205	STP-M-9409(96,36)	-	302,164
	Holmes/Milbranch	20.205	STP-M-9409(97)	-	8,007
	Holmes Road East	20.205	PIN-108701-00,STP-M-9409(99)	-	2,475
	Westmont Street Sidewalk Imp Project	20.205	PIN 123158	-	3,846
	TDOT Macon Road Sidewalk Project	20.205	PIN 123156	-	22,237
	STP Wolf River Greenway Phase 15	20.205	STP-M-9409(204) PIN 123310	-	33,784
	STP Isolated Traffic Signal Improvements-Grp 2	20.205	STP-EN-9409 (111) PIN 119541	-	287
	STP Isolated Traffic Signal	20.205	STP-EN-9409 (111) PIN 119542	-	600,546
	Repair 14 Bridges on/over Sam Cooper B20.205lvd	20.205	STP-EN-9409 (111) PIN 119544	-	2,240,518
	TDOT N. Parkway Sidewalk	20.205	PIN 122148	-	13,529
	Shelby Farms Greenline Bridge	20.205	PIN 119937	-	655
	Transportation Alternative	20.205	PIN 123157	-	636,018
	TDOT Plough/Winchester	20.205	PIN 102619	-	186,836
	Georgia at Riverside Dr. Intersection Imprv	20.205	PIN 125430	-	110,238
	Democrat Road Signal System	20.205	PIN 128216	-	15,111
	Overton Park Trail along Poplar Avenue from Morrie Moss Drive	20.205	PIN 119936	-	11,467
	Dept of Transp-Cobble	20.205	STP-EN-9409(62)	-	4,036,179
	Chelsea Ave Greenline	20.205	PIN 119935	-	172,408
	Miss Blvd Pedestrian Crossing	20.205		-	682,588
	Surface Transportation Block Grant	20.205	PIN 127024.00	-	387,981
	STBG	20.205	PIN: 127040.00	-	246,670
	Chelsea Hollywood Facilities	20.205	Pin# 128214	-	396
	Covington Pike Sig	20.205	Pin# 130765	-	114,312
	Dunbar Elementary	20.205		-	11,988
	STBG	20.205	PIN: 127036.00	-	4,228,331
	Riverside Dr Traf Signal Impr	20.205	PIN 108673.04	-	170,834
Total Program 20.205	Total Highway Planning and Construction Cluster			$ -	$ 14,246,195
	Railroad Safety Improvements	20.301	STPR2883(2) PIN 112932	$ -	$ 611,958
Total Program 20.301				$ -	$ 611,958
	DUI Laws	20.607	Z22THS188	$ -	$ (2,074)
	THSO FY22 Network Coord.	20.607	Z22THS188	-	(3,945)
	THSO FY22 Traffic Ed.	20.607	Z22THS188	-	(674)
Total Program 20.607				$ -	$ (6,693)
	Bike & Ped Safety	20.616	78559	$ -	$ 32,259
Total Program 20.616				$ -	$ 32,259
	Safe Roads for All Action Plan	20.939	693JJ32440065	$ -	$ 274,479
Total Program 20.939				$ -	$ 274,479
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				**$ -**	**$ 15,158,198**
	PT Staff- Bilingual program	45.310		$ -	$ 34,120
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES				**$ -**	**$ 34,120**
EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF NATIONAL DRUG CONTROL POLICY					
	HIDTA FY19	95.001	G19GC0005A	$ -	$ 18,100
EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF NATIONAL DRUG CONTROL POLICY				**$ -**	**$ 18,100**
DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE					
	Memphis Hertage Trail	15.904		$ -	$ 7,353
	National Alliance of Preservation	15.904	P23AF02046	-	8,185
TOTAL DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE				**$ -**	**$ 15,538**
Pass-through Funding					
Tennessee Department of Environment and Conservation					
Direct Funding:					
ENVIRONMENTAL PROTECTION AGENCY, OFFICE OF WATER					
	Capitalization Grant for Clean Water State Revolving Fund	66.458	SRF18-409, SRF19-421, SRF19-4	$ -	$ 6,290,401
	Water Infrastructure Finance and Innovation Act	66.958	18157TN	-	29,154,809
	Water Infrastructure Finance and Innovation	66.958	N21125TN	-	641,209
TOTAL ENVIRONMENTAL PROTECTION AGENCY, OFFICE OF WATER				**$ -**	**$ 36,086,419**
U.S. DEPARTMENT OF THE TREASURY					
	ERA Highest Need	21.023		$ -	$ 34,159
	TDEC-MLGW	21.027		-	1,406,494
	Coronavirus State and Local Fiscal Recovery Funds	21.027		2,100,907	7,971,628
TOTAL U.S. DEPARTMENT OF THE TREASURY				**$ 2,100,907**	**$ 9,412,281**
Pass-through Funding					
Tennessee Department of Health					
Direct Funding:					
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)					
	ELC-Enhancing Detection Expansion	93.323	34349-60421	$ -	$ 226,007
TOTAL EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)				**$ -**	**$ 226,007**
TOTAL FEDERAL GRANTS				**$ 4,939,101**	**$ 93,973,457**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR	PROGRAM/CLUSTER NAME	ALN Number	Federal Award Number	Passed Through to Subrecipients	Expenditures
STATE FINANCIAL ASSISTANCE					
	State ICAC			$ -	$ 189,910
	Surface Transportation Prgm		STP-EN-9409 (111) PIN 113028	-	137,053
	TN VW Settlement Med & Lar			-	293,242
	Leftwich Tennis Center			-	529
	Violent Crime/Illegal Opioids		2018-YX-BX-0004	-	(11,849)
	EFLEA- Kroger Collierville	16.824	31701-64056	-	1,720
	THSO Traffic FY23		23-74579 (PT)	-	(900)
	Project Diabetes Year 2		34347-54223	-	664
	HMEP FY23		34101-45423	-	37,291
	VCIF Grant			1,392,428	1,487,562
	Hot Spot VCIF TCCRP			855,136	2,930,421
	THSO DUI FY24		78559AL	-	74,737
	THSO Traffic FY24		78563PT	-	187,934
	TCAD 2024			-	982
	TCAD Frayser-Raleigh			-	3,389
	TCAD 2024- Orange Mound			-	5,401
	TCAD 2024 McWherter			-	1,702
	TCAD 2024- Lewis			-	5,597
	THSO FY23 Bike & Pedestrian		1198	-	11,282
	Project Diabetes FY25		1157	-	113,182
	Forestry		1165	-	73,180
	State of TN TSLA Metro		1324022	-	32,397
	Community Traffic Safety		1198	-	187,761
	Hazardous Material Emergency		1337216	-	3,947
	LIHEAP Wx23		13685	-	48,101
	Weatherization Assistance Prog		13685	-	163,494
	PSN FY20		1204	-	33,544
	Harbor Docks		1206	-	409,259
	TDEC- U of M		1167	-	1,688,666
	Non-Recurring Memphis Tourism		1206	-	80,000,000
TOTAL STATE GRANTS				**$ 2,247,564**	**$ 88,110,198**
TOTAL GRANTS				**$ 7,186,665**	**$ 182,083,654**

NOTE: This schedule of expenditures of federal and state financial assistance ("SEFA") does not include MLGW.

NOTE 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the City of Memphis and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from those presented in or used in preparing the general-purpose financial statements.

In compliance with Tennessee state law, the accompanying schedule of expenditures of state financial assistance is included in this report. The schedule presents all state-funded financial awards, as defined by the State Comptroller of the Treasury's Office, and is prepared and presented in a manner consistent with the schedule of expenditures of federal awards.

NOTE 2 - Basis of Accounting

The expenditures presented in the associated schedules of expenditures of federal awards and state financial assistance were developed from agency records and federal and state financial reports which have been reconciled to the central accounting records of the government. Governmental funds are reported using a modified accrual basis of accounting. Proprietary funds are reported using the accrual basis of accounting.

Federal and state revenues and expenditures are included in the general fund, special revenue funds, capital projects funds, and enterprise funds in the government's basic financial statements.

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

NOTE 3 - Federal Loans

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling $100,000,000 (SRF 13-311) to improve its sewer system. The amount listed for this loan, $71,702,290, includes proceeds during the year and the outstanding loan balance from prior years.

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling $7,000,000 (SRF 06-195) to improve its sewer system. The amount listed for this loan, $ 1,658,645, includes proceeds during the year and the outstanding loan balance from prior years. This loan has been closed out, and no further draws will be made on it.

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling $22,000,000 (SRF 13-309) to improve its sewer system. The amount listed for this loan, $ 7,073,273, includes proceeds during the year and the outstanding balance from prior years.

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling $25,000,000 (SRF 15-355) to improve its sewer system. The amount listed for this loan, $18,804,910, includes proceeds during the year.

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling $11,000,000 (SRF 18-409) to improve its sewer system. The amount listed for this loan, $8,178,207, includes proceeds during the year.

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling $6,500,000 (SRF 19-421) to improve its sewer system. The amount listed for this loan, $4,824,496, includes proceeds during the year.

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling $48,000,000 (SRF 19-434) to improve its sewer system. The amount listed for this loan, $44,338,930, includes proceeds during the year.

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling $15,000,000 (SRF 21-451) to improve its sewer system. The amount listed for this loan, $13,115,702, includes proceeds during the year.

The City of Memphis was approved by the Environmental Protection Agency, to receive a Water Infrastructure Finance and Innovation Act (WIFIA) loan totaling $156,000,000 (18157TN) to improve its sewer system. The amount listed for this loan, $107,920,117.16, includes proceeds during the year.

Both the current and prior year loans are also reported on the City of Memphis's Statement of Net Position for Proprietary Funds. Also, the current loan payable and the long-term loan payable equal the total loan amounts. (see Exhibit A-9)

NOTE 4 – Contingencies

The federal and state awards received by the City of Memphis are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies because of such an audit, the grantor agencies could make a claim for reimbursement, which would become a liability of the City of Memphis.

NOTE 5 - Explanation of Negative Federal Expenditures

The negative expenditure balance of ($114,725) reported for the US Department of Transportation Highway Planning and Construction Cluster Pass Through Funding to Tennessee Department of Transportation (TDOT) (ALN 20.205) represents an adjustment for an overstatement of costs from the prior fiscal year ended June 30, 2023.

- **Original error:** During the 2023 fiscal year, the City reported $1,669,942 in expenditures for the Biomedical Sidewalk project. This included $114,725 in Architecture and Engineering costs that were refunded by TDOT during fiscal year 2025.
- **Prior period adjustment:** After a review, the City's financial team made a correction to reduce the total expenditures for this program. To avoid restating the prior year's SEFA, the adjustment was recorded as a negative expenditure in the current fiscal year (2025).
- **Net effect:** This adjustment reduces the cumulative federal expenditures reported for the US Department of Transportation Highway Planning and Construction Cluster Pass Through Funding to TDOT program.

The negative expenditure balance of ($2,073.55) reported for the US DOT Alcohol Open Container Requirements (ALN 20.607) represents an adjustment for an overstatement of costs from the prior fiscal year ended June 30, 2023.

- **Original error:** During the 2023 fiscal year, the City reported $32,783 in expenditures for the DUI Laws project. This included $2,074 in Overtime costs that were later determined to be unallowable under the terms of the grant award.
- **Prior period adjustment:** After a review to close the award, the City's financial team made a correction to reduce the total expenditures for this program. To avoid restating the prior year's SEFA, the adjustment was recorded as a negative expenditure in the current fiscal year (2025).
- **Net effect:** This adjustment reduces the cumulative federal expenditures reported for the DUI Laws program.

The negative expenditure balance of ($3,945) reported for the US DOT Alcohol Open Container Requirements (ALN 20.607) represents an adjustment for an overstatement of costs from the prior fiscal years ended June 30, 2022, and June 30, 2023.

- **Original errors:** During the 2022 fiscal year, the City reported $4,010 in expenditures for the THSO FY22 Network Coordinator project. This included $1,721 in Travel Expenses that were later determined to be unallowable under the terms of the grant award. During the 2023 fiscal year, the City reported $2,223 in expenditures for the THSO FY22 Network Coordinator project. This included $864 in Travel Expenses and $1,360 in Overtime costs that were later determined to be unallowable under the terms of the grant award.
- **Prior period adjustment:** After a review to close the award, the City's financial team made a correction to reduce the total expenditures for this program. To avoid restating the prior years' SEFAs, the adjustment was recorded as a negative expenditure in the current fiscal year (2025).
- **Net effect:** This adjustment reduces the cumulative federal expenditures reported for the US DOT Alcohol Open Container Requirements program.

The negative expenditure balance of ($674) reported for the US DOT Alcohol Open Container Requirements (ALN 20.607) represents an adjustment for an overstatement of costs from the prior fiscal years ended June 30, 2022 and June 30, 2023.

- **Original errors:** During the 2022 fiscal year, the City reported $19,518 in expenditures for the THSO FY22 Traffic Education project. This included $35 in Travel Expenses that were later determined to be unallowable under the terms of the grant award. During the 2023 fiscal year, the City reported $47,830 in expenditures for the THSO FY22 Traffic Education project. This included $211 in Travel Expenses and $428 in Overtime costs that were later determined to be unallowable under the terms of the grant award.
- **Prior period adjustment:** After a review to close the award, the City's financial team made a correction to reduce the total expenditures for this program. To avoid restating the prior years' SEFAs, the adjustment was recorded as a negative expenditure in the current fiscal year (2025).
- **Net effect:** This adjustment reduces the cumulative federal expenditures reported for the US DOT Alcohol Open Container Requirements program.

NOTE 6 - Explanation of Negative State Expenditures

The negative expenditure balance of ($11,849) reported for the Violent Crime/Illegal Opioids project (contract 2018-YX-BX-004) represents an adjustment for an overstatement of costs from the prior fiscal year ended June 30, 2023.

- **Original error:** During the 2023 fiscal year, the City reported $11,849 in expenditures for the Violent Crime/Illegal Opioids project. This included $11,849 in Equipment costs that were later determined to be reported on the wrong program.
- **Prior period adjustment:** After a review, the City's financial team made a correction to reduce the total expenditures for this program. To avoid restating the prior year's SEFA, the adjustment was recorded as a negative expenditure in the current fiscal year (2025).
- **Net effect:** This adjustment reduces the cumulative state expenditures reported for the Violent Crime/Illegal Opioids program.

The negative expenditure balance of ($900) reported for the THSO Traffic FY23 project (contract 23-74579 (PT)) represents an adjustment for an overstatement of costs from the prior fiscal year ended June 30, 2024.

- **Original error:** During the 2024 fiscal year, the City reported $182,940 in expenditures for the THSO Traffic FY23 project. This included $900 in Travel Expenses that were later determined to be unallowable under the terms of the grant award.
- **Prior period adjustment:** After a review to close the award, the City's financial team made a correction to reduce the total expenditures for this program. To avoid restating the prior year's SEFAs, the adjustment was recorded as a negative expenditure in the current fiscal year (2025).
- **Net effect:** This adjustment reduces the cumulative state expenditures reported for the THSO Traffic FY23 program.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying/Grant Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through the State of Tennessee Emergency Management Agency:				
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	4645DR-TN	$ -	$ 12,435
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	4691DR-TN	-	537
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			**$ -**	**$ 12,972**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ -**	**$ 12,972**

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the federal award activity of MLGW under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a portion of the operations of the MLGW, it is not intended to and does not present the financial position, changes in net assets, or cash flows of MLGW.

2. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting as described in Note 1 of MLGW's financial statements. Such expenditures are recognized consistent with the cost principles contained in the Uniform Guidance for all awards, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COST RATE

Memphis Light Gas and Water has elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

4. DISASTER GRANTS – PRESIDENTIAL DECLARED DISASTERS (97.036)

After a presidentially declared disaster, FEMA provides Disaster Grants – Public Assistance (Presidentially Declared Disaster) (Assistance Listing 97.036) to reimburse for eligible cost associated with disaster recovery. Reimbursements are provided in the form of cost-shared grants. Approximately, $12,972 were incurred in fiscal year 2023 and 2022.

BANKS, FINLEY,
WHITE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Mayor and Members of the City Council
City of Memphis, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the budgetary comparison information of the City of Memphis, Tennessee (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 31, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Banks Tarbox, LLP

Memphis, Tennessee
December 31, 2025

BANKS, FINLEY,
WHITE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Members of the City Council
City of Memphis, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Memphis, Tennessee's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a

combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Banks Finley WK + CO

Memphis, Tennessee
December 31, 2025

MEMPHIS
SHELBY
COUNTY
TENNESSEE

Schedule of Findings and Questioned Costs
For the Year Ended June 30,2025

SECTION I: SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal Control over financial reporting:

a. Material Weakness Identified	____ Yes	X No
b. Significant deficiency(ies) identified not considered to be material weakness	____ Yes	X None reported
Noncompliance material to financial statement	____ Yes	X No

Federal Awards

Internal control over major federal programs:

a. Material weakness(es) identified?	____ Yes	X No
b. Significant deficiency(ies) identified not considered to be material weakness?	____ Yes	X None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____ Yes X No

Identification of major programs:
Name of Federal Program

ALN Number

66.958	Water Infrastructure Finance and Innovation (WIFIA)
14.239	Home Investment Partnerships Program
14.241	Housing Opportunities for Persons with AIDS (HOPWA)

Dollar threshold used to distinguish between Type A and Type B Programs: $3,000,000

Auditee qualified as low-risk auditee X Yes ____ No

CITY OF MEMPHIS, TENNESSEE
Schedule of Prior Year Audit Findings
Year Ended June 30, 2025

FINANCIAL STATEMENT FINDINGS

Prior Year Finding Number	Finding Title	Status/Current Year Finding Number
2024-001	Significant Number of Journal Entries Made Throughout the Audit	Corrected
2024-002	Claim on Cash	Corrected
2024-003	Investments	Corrected
2024-004	Adjustments Made To Amortization of Bond Premium/Discount	Corrected
2024-005	State Revolving-Loan Funds Not Properly Recorded	Corrected