

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 ⁽¹⁾	\$498,165 ⁽¹⁾	\$215,659 ⁽¹⁾

⁽¹⁾ In thousands of dollars.

Plan Description. General employees in the 1948 Plan must contribute 5% of compensation. 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. General employees in the 1978 Plan must contribute 8% of compensation. Under the 1978 Plan, general employees may retire after completion of 25 years of service or, if earlier, after meeting either of the following: (a) after age 65 and the completion of 5 years of service, or (b) after age 60 and the completion of 10 years of service. Fire and Police employee contributions range from 5% to 8% of compensation, depending on the plan and date of hire. Police officers and firefighters under the 1948 Plan and the 1978 Plan may retire after completion of 25 years of service or, if earlier, after age 55 and the completion of 10 years of service. Elected and appointed participants hired prior to November 1, 2004, may retire after 12 years of service. The employer contribution is 6% of compensation, as required by the Pension Ordinance (as defined herein). Any difference in the actual employer contribution and the ADC affects the unfunded liability, which is amortized over future years.

Schedule of Employer 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 City is also required to appropriate funds for the trust fund as necessary to pay all costs and expenses of the Plans. The employer contribution is 6% of compensation, as determined by the Pension Ordinance. Employer contributions as a percentage of annual payroll for the year ended June 30, 2025, were 17.4%. For the Fiscal Year ended June 30, 2025, the City Retirement System reported total employer and plan member contributions of approximately \$73,649,000 and \$24,179,000, respectively. Benefits paid to plan members totaled approximately \$231,830,000 during the Fiscal Year ended June 30, 2025. Cost of living increases are determined annually by the City Council as part of the budgeting process.

The schedule of employer contributions for the two years ended June 30, 2024, and June 30, 2025, is as follows:

**Schedule of Contributions
City Retirement System⁽¹⁾**
(In Thousands of Dollars)

Year Ending June 30	Actuarially Determined Contribution ⁽²⁾ (a)	Actual Employer Contributions (b)	Contribution Excess/ (Deficiency) (c) = (b) – (a)	Actual Covered Employee Payroll ⁽³⁾ (d)	Contributions as a Percentage of Covered Payroll (b) / (d)
2024	\$54,716	\$59,410	\$4,694	\$415,755	14.3%
2025	66,506	73,649	7,143	423,412	16.5

⁽¹⁾ This schedule was prepared prospectively to satisfy the requirements of GASB 68.

⁽²⁾ The actuarially determined contribution is based on a discount rate assumption of 7.25%.

⁽³⁾ Actual Covered Employee Payroll is defined under GASB 82 to be payroll on which contributions to a pension plan are based. Because pensionable pay is used to determine contributions under the City Retirement System, pensionable pay is shown, instead of gross payroll. Actual covered employee payroll is for the year immediately preceding the valuation date.

Source: 2025 Audited Financial Statements.

Pension Expense. The pension expenses of the City under GASB 68 for Fiscal Year ended June 30, 2025, were as follows (numbers in thousands):

Net Employer Service Cost	\$ 27,081
Interest Cost	221,112
Expected Return on Assets	(181,938)
Changes of Benefit Terms	17,460
Recognition of Deferred (Inflows)/Outflows	12,859
Total Collective Pension Expense	<u>\$ 96,574</u>

Source: Note V.F to the 2025 Audited Financial Statements.

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Net Pension Liability. Following is five-year trend information relating to net pension liability for the City Retirement System:

City Retirement System
Net Pension Liability
(In Thousands of Dollars)

Year Ending June 30	Total Pension Liability (a)	Net Fiduciary Position (b)	Net Pension Liability (c) = (a) – (b)	Fiduciary Net Position as % of Total Pension Liability (b) / (a)	Actual Covered Employee Payroll ⁽¹⁾ (d)	Net Pension Liability as a Percentage of Covered Payroll (c) / (d)
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) The Actual Covered Employee Payroll is defined under GASB 82 to be payroll on which contributions to a pension plan are based. As pensionable pay is used to determine contributions under the plan, pensionable pay is shown above starting June 30, 2021. Note, actual covered employee payroll is for the year immediately preceding the valuation date.

Source: 2025 Audited Financial Statements.

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The following is a five-year historical summary of principal valuation results for the City Retirement System:

HISTORICAL SUMMARY OF PRINCIPAL VALUATION RESULTS

Fiscal Years 2021-2025
(In Thousands of Dollars)

	2021	2022	2023	2024	2025
Annual Funding:					
Annual Required Contribution	\$ 61,532	\$ 52,201	\$ 52,765	\$ 54,716	\$ 66,506
Percent of Anticipated Payroll	16.2%	14.2%	14.8%	14.3%	16.5%
Government Accounting Standards Board Statement #27:					
End of Year Net Pension Obligation	\$ (1,922)	\$ 545,978	\$ 568,850	\$ 535,451	\$ 498,165
Assets at beginning of plan year:					
Market Value of Assets	\$2,262,361	\$2,807,681	\$2,406,676	\$2,449,530	\$2,576,469
Participation at beginning of plan year:					
Number of participants:					
Active Participants	6,122	5,985	5,880	6,058	6,168
Terminated Participants	1,126	1,245	1,447	1,696	1,909
Retiree and Beneficiary Participants	4,443	4,533	4,605	4,619	4,716
Disabled Participants	718	708	758	758	767
DROP Participants ⁽¹⁾	253	267	223	206	199
TOTAL	12,662	12,738	12,913	13,337	13,759
Covered payroll of Active Participants ⁽²⁾	\$ 379,346	\$ 402,813	\$ 371,676	\$ 415,755	\$ 423,412
Annual benefits in pay status	190,417	191,219	197,028	199,199	206,305
Average attained age for active participants	43.5	43.7	43.9	43.4	43.1

⁽¹⁾ "DROP" refers to Deferred Retirement Option Plan.

⁽²⁾ The actual covered employee 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, 2021.

Source: 2025 Audited Financial Statements.

Pension Plan Reform

Public Employee Defined Benefit Act. The Tennessee "Public Employee Defined Benefit Financial Security Act of 2014" (the "Public Employee Defined Benefit Act") was signed into law on May 22, 2014, and was codified as Title 9, Chapter 3, Part 5, Tennessee Code Annotated. In order to improve financial security of public defined benefit plans, the Public Employee Defined Benefit Act, among other things, requires each political subdivision which has established and maintains, directly or indirectly, a defined benefit pension plan for the benefit of its employees not administered by the Tennessee Consolidated Retirement System to annually make a payment to the pension plan of no less than 100% of the actuarially determined annual required contribution that incorporates both the normal cost of benefits and the amortization of the pension plan's unfunded accrued liability (the "ADC"), provided however, the affected political subdivision may make a payment of more than 100% of the ADC. If the political subdivision fails to fund the ADC, the Public Employee Defined Benefit Act permits the State Commissioner of the Department of Finance and Administration, at the direction of the Comptroller of the Treasury, to withhold such amount or part of such amount from any state-shared taxes that are otherwise apportioned to such political subdivision. The money withheld from state-shared taxes will be paid to the political subdivision's pension plan. Notwithstanding the foregoing, if the political subdivision is unable

to meet the annual funding progress percentage it may submit a plan of correction to the State Treasurer for consideration. If the State Treasurer determines the plan of correction is sufficient to comply with the requirements of the Public Employee Defined Benefit Act, the State Treasurer will submit the plan of correction to the State funding board for approval.

The Public Employee Defined Benefit Act further provides that (a) for all affected employees of the political subdivision hired on or after the later of the effective date of the Public Employee Defined Benefit Act or the date that the funding plan is authorized by the political subdivision's governing body, the political subdivision may freeze, suspend or modify benefits, employee contributions and plan terms and design on a prospective basis; and (b) for any pension plan that is funded below 60%, the affected political subdivision may not establish benefit enhancements unless approved by the State Treasurer.

Pension Ordinance. In order to comply with the Public Employee Defined Benefit Act's requirements to improve the financial security and actuarial soundness of the City's Retirement Plans, the City Council adopted Ordinance No. 5573 (the "Pension Ordinance") on December 16, 2014. Pursuant to the Pension Ordinance, the City's previously existing defined benefit plan was closed, as of July 1, 2016, to employees who then had 7.5 years or less of service. Such employees and all subsequently hired employees are subject to the 2016 Plan, which is a hybrid plan consisting of a market-based cash balance plan (the "Market-Based Plan") and a 401(a) defined contribution plan (the "401(a) Plan"). Currently, general employees in the 1978 Plan must contribute 8% of compensation and Fire and Police employee contributions range from 6.2% to 8% of compensation, depending on the date of hire. The employer contribution is 6% of compensation. Under the Market-Based Plan, employees will contribute 2% of compensation and the employer contribution is 3% to 16% of compensation, depending on years of service, position and status as a General or Fire and Police employee. Under the 401(a) Plan, employees will contribute 6% of compensation and the employer contribution is 1.5% of compensation. The City currently expects that the 2016 Plan will reduce its ADC and will mitigate the exposure of the Plan's participants to increased funding costs caused by reduction in the value of plan assets due to adverse market conditions.

For the Fiscal Year ended June 30, 2025, the City contributed \$43.1 million to fund 100% of its ADC, as required by the Public Employee Defined Benefit Act, plus an additional \$24.8 million, contributing a total of \$67.9 million. The City estimates that its ADC for the Fiscal Year ending June 30, 2026, will be \$45,889,691, a \$2,760,142 increase from the fiscal year ended June 30, 2025.

2019 Sales Tax Referendum. On October 3, 2019, pursuant to § 67-6-706(a) and § 67-6-707 of the Tennessee Code Annotated, the citizens of the City voted to increase the local option sales tax rate in the City by one-half of a percent, from 2.25% to 2.75%, to fund the restoration of pensions and benefits for police and firefighters hired prior to July 1, 2016, to the levels in the 1978 Plan, and to restore the health care benefits in effect as of July 1, 2014, for police and fire employees (the "Voter Approved Ordinance"). The Voter Approved Ordinance became effective January 1, 2020. Though the stated purpose of the Voter Approved Ordinance is to fund the restoration of such benefits, the City is not obligated to use the increased tax proceeds for that purpose.

City of Memphis Other Post-Employment Benefits (OPEB) Plan

In the Fiscal Year ended June 30, 2017, the City adopted the new statement of financial accounting standards issued as the Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* ("GASB 74") 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* ("GASB 75"). GASB 74 established new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. GASB 74 replaces GASB Statements No. 43 and No. 57. The primary objective of GASB 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. GASB 75 replaces the requirements of GASB Statements No. 45 and No. 57 and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expenses / expenditures.

Plan Description. The City's OPEB Plan (the "OPEB 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. As of June 30, 2025, the number of active participants in the OPEB Plan was 6,887. There were 6,178 inactive participants eligible, of which 3,601 were enrolled. Eligibility for OPEB benefits is based on two pension options: normal retirement or disability retirement. Requirements for eligibility under the OPEB Plan 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.

Actuarial Methods and Assumptions. The City retained PricewaterhouseCoopers LLP ("PwC") to perform an actuarial valuation of the OPEB Plan for the purpose of calculating accounting results in accordance with GASB 74 and GASB 75 for the Plan's fiscal year ending December 31, 2024, and the City's Fiscal Year ended 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.

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.

Summary of Plan Provisions. With respect to 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 Plan or Choice Plan. 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 (an "HRA"). The amount depends on the type of retiree (line-of-duty or other) and age, as shown in 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.

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 the Fiscal Year ended June 30, 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 OPEB Plan. As of June 30, 2025, the value of the trust assets within the OPEB Fund was approximately \$28,008,000. The current Fiscal Year includes interest at 4.81% at the beginning of the year on the total OPEB liability and service cost offset by a half-year of interest on benefit payments. For the Fiscal Year ended June 30, 2025, the net investment return was \$576,000, compared to the expected return on assets of \$961,000.

Schedule of Contributions. Actuarial valuations of an on-going 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 City is contractually required to pay benefits as they come due and make Health Reimbursement Arrangement ("HRA") contributions to participants enrolled in OneExchange or an allowable plan.

The Schedule of Contributions under GASB 74 and GASB 75, presented as Exhibit RSI-4 in the Required Supplementary Information section of the 2025 Audited Financial Statements, is presented for those years for which it is available and was prepared prospectively from the OPEB 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 to make HRA contributions to participants enrolled in an allowable plan. The City's actual covered payroll of \$430,023,000 and the Airport Authority's actual covered payroll of \$24,816,000 (totaling \$454,839,000) 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 ended June 30, 2025.

Calculations of total OPEB liability, plan fiduciary net position and net OPEB liability are presented below. For more information regarding these calculations and the schedule of contributions, see Exhibit RSI-1, Exhibit RSI-2 and Exhibit RSI-3 of the 2025 Audited Financial Statements.

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Schedule of Changes in Net OPEB Liability and Related Ratios under GASB 74 and GASB 75

Fiscal Year Ended June 30, 2025

(In Thousands of Dollars)

Total OPEB Liability

Total OPEB Liability - beginning balance	\$ 475,969
Total Service Cost ⁽¹⁾	14,258
Interest Cost ⁽²⁾	19,991
Experience (Gains)/Losses	(946)
Assumption Changes	2,161
Changes of Benefit Terms	7,494
Net Benefit Payments	(18,614)
Total OPEB Liability - ending balance	<u>\$ 500,313</u>

OPEB Plan Fiduciary Net Position

OPEB Fiduciary Net Position - beginning balance	\$ 19,494
Employer Contribution	27,882
Employee Contribution	4,386
Investment Return	576
Benefit Payments ⁽³⁾	(16,384)
Administrative Expenses	(9,233)
Fiduciary Net Position - ending balance	<u>\$ 26,721</u>

Net OPEB Liability

Total OPEB Liability	\$500,313
Less: Net Fiduciary Position	26,721
Net OPEB Liability	<u>\$473,592</u>

Fiduciary Net Position as a Percent of Total OPEB Liability	5.3%
Actual Covered Employee Payroll	\$430,023
Net OPEB Liability as a Percent 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.

Source: 2025 Audited Financial Statements.

Changes in Plan Provisions. Effective January 1, 2024, the City reinstated the Choice Plan. As of the July 1, 2024, valuation date, both the Select Plan and the Choice Plan are self-insured plan options available to active employees and retirees. Effective January 1, 2025, the City increased the Post-65 HRA amount from \$1,000 to \$1,250. No decisions have been made or communicated regarding plan offerings for 2026. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE CITY OF MEMPHIS, TENNESSEE FOR THE FISCAL YEAR ENDED JUNE 30, 2025" attached hereto for additional information regarding the Select Plan and the Choice Plan.

Compensated Absence Liabilities

Governmental Accounting Standards require recognition of the liability for compensated absences which have been earned and are reasonably expected to be paid to existing employees. The City has recognized the non-current portion of this liability for City employees in the amount of approximately \$107,671,000 as of June 30, 2025. See Note II.A to the 2025 Audited Financial Statements in "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE CITY OF MEMPHIS, TENNESSEE FOR THE FISCAL YEAR ENDED JUNE 30, 2025" attached hereto.

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PRINCIPAL AND INTEREST REQUIREMENTS

The following table presents the principal and interest payment requirements with respect to the Outstanding General Improvement Bonds prior to the issuance and delivery of the Series 2026 Bonds and refunding of the Refunded Bonds.

Long-Term Debt Service Schedule^{(1)(2)*}
(In Thousands of Dollars)

	Existing Debt Service ⁽³⁾⁽⁴⁾⁽⁵⁾			Less: Refunded Bonds			Plus: Series 2026 Bonds			Total Debt Service		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	\$	\$								\$	\$	\$
2027												
2028												
2029												
2030												
2031												
2032												
2033												
2034												
2035												
2036												
2037												
2038												
2039												
2040												
2041												
2042												
2043												
2044												
2045												
2046												
2047												
2048												
Total	\$	\$	\$		\$	\$			\$	\$	\$	\$

(1) Excludes debt service on the General Obligation Commercial Paper. Includes debt service on the Refunded Bonds.

(2) Totals may not add due to rounding.

(3) As of [August 2], 2026.

(4) Does not include subsidy payments for the City's General Improvement Bonds, Series 2010B (Direct Payment Build America Bonds), General Improvement Bonds, Series 2010C (Direct Payment Build America Bonds) or General Improvement Bonds, Series 2010F (Recovery Zone Economic Development Bonds).

(5) Includes current interest and compound interest on the NMAPBA Bonds described herein.

Source: City of Memphis, Tennessee.

* Preliminary, subject to change. The maturities or portions of maturities of the Refunded Bonds that will be refunded with proceeds of the Series 2026 Bonds and the par amount and debt service schedule for the Series 2026 Bonds will be determined at sale of the Series 2026 Bonds.

TAX MATTERS

[THIS SECTION TO BE REVIEWED BY CO-BOND COUNSEL]

General Tax Matters

In the opinion of Bass, Berry & Sims PLC, Memphis, Tennessee, and Carpenter Law, PLLC, Memphis, Tennessee, Co-Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2026 Bonds (including any original issue discount properly allocable to the owner of a Series 2026 Bond) is excludable from gross income for federal income tax purposes. Interest on the Series 2026 Bonds is not a separate tax preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions described above assume the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2026 Bonds. Failure to comply with such requirements could cause interest on the Series 2026 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 Bonds. The City has covenanted to comply with such requirements. Co-Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2026 Bonds.

The accrual or receipt of interest on the Series 2026 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2026 Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Co-Bond Counsel have expressed no opinion regarding any such consequences. Purchasers of the Series 2026 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2026 Bonds.

Original Issue Discount

The Series 2026 Bonds, if any, that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity).

Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as federally tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such Discount Bonds for a price that is higher or lower than the “adjusted issue price” of the Discount Bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium

The Series 2026 Bonds, if any, that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Series 2026 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Series 2026 Bonds that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2026 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling federally tax-exempt obligations.

State of Tennessee Taxes

Co-Bond Counsel also are of the opinion that, under existing law, the Series 2026 Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on the Series 2026 Bonds during the period the Series 2026 Bonds are held or beneficially owned by any organization or entity other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2026 Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee. Ownership of the Series 2026 Bonds or interest thereon may be subject to state or local taxation in jurisdictions other than the State of Tennessee under applicable state or local laws, as to which Co-Bond Counsel express no opinion. Each prospective investor and purchaser of the Series 2026 Bonds should consult its, his or her own tax advisor regarding the status of the interest on the Series 2026 Bonds in a particular state or local jurisdiction other than Tennessee.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading “TAX MATTERS” or adversely affect the market value of the Series 2026 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2026 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2026 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2026 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Co-Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2026 Bonds, and Co-Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2026 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2026 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2026 BONDS.

LITIGATION

PILOT Payments Litigation

The County filed two lawsuits against the City in 2015 and 2016, claiming that approximately \$55 million of electric and gas payments in lieu of taxes made by MLGW and collected by the City should have been paid to the County instead. Many of the County's claims were rejected by the Court in a prior suit between the City and the County. The City also disputes the County's interpretation and application of applicable law and has interposed several defenses, including sovereign immunity. As a result, the City believes that the amounts due to the County under these lawsuits, if any, will be significantly less than initially claimed by the County. In any event, the City does not expect that any such amounts will materially affect the financial condition of the City.

BellSouth Litigation

AT&T (formerly known as BellSouth Telecommunications, Inc.) sued the City in 2000 to recover alleged excessive telecommunications franchise fees. Based on a consent order entered by the parties in the case approximately \$35,000,000 (including interest since 2000), is payable by the City to BellSouth (the "BellSouth Payment"), net of any City right-of-way costs properly allocable to BellSouth (the "ROW Compensation"). To the extent the ROW Compensation due from BellSouth is greater than the BellSouth Payment, BellSouth will have to pay the difference. To the extent the ROW Compensation is less than the BellSouth Payment, the City will have to refund the difference to BellSouth. The City has performed a cost allocation study to determine the amount of the ROW Compensation. The City believes that the ROW Compensation from BellSouth will be significant and that any amounts ultimately due to BellSouth will not materially affect the financial condition of the City.

Other Litigation

The City is a defendant in various other lawsuits arising in the ordinary course of operations. Various cases and claims, including suits alleging violations of individual civil rights, are pending against the City involving claims for money damages. Based on the City's past experience, although the outcome of these lawsuits is not presently determinable, it is the opinion of the administration of the City and the Chief Legal Officer/City Attorney that the ultimate disposition of these matters will not materially affect the financial condition of the City. Under the Tennessee Governmental Tort Liability Act, §§ 29-20-101 through 29-20-408 of the Tennessee Code Annotated (the "Governmental Tort Act"), all governmental entities in Tennessee are immune from suit for any injury which may result from the activities of such governmental entities when engaged in the exercise and discharge of any function, except within the limits provided in the Governmental Tort Act. Pursuant to the Governmental Tort Act, there are limits for liability for governmental entities for bodily injury or death of any one person in any one accident,

occurrence or act, unless and to the extent insurance is provided. The City is self-insured within these limits and all such claims are budgeted and paid from annual operating revenues of the City.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

[Banks, Finley, White & Co., Certified Public Accountants, Memphis, Tennessee], as verification agent (the "Verification Agent"), will deliver to the City, on or before the settlement date of the Series 2026 Bonds, its attestation report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the City and its representatives. Included in its report will be a verification of the mathematical accuracy of: (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the securities in the Refunding Trust Fund to pay, when due, the maturing principal of, interest on, redemption price and related call premium requirements, if any, of the Refunded Bonds; and (b) the mathematical computations supporting the conclusion of Co-Bond Counsel that the Bonds are not "arbitrage bonds" under the Code and the regulations promulgated thereunder.

The examination performed by the Verification Agent will be based solely upon data, information and documents provided to the Verification Agent by the City and its representatives. The Verification Agent's report of its examination will state that the Verification Agent has no obligation to update such report because of events occurring, or data or information coming to the attention of the Verification Agent subsequent to the date of the report.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the Rule, simultaneously with the issuance of the Series 2026 Bonds, the City will enter into the Disclosure Agreement for the benefit of the Holders of the Series 2026 Bonds, substantially in the form attached hereto as "APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT." The City, as an "obligated person" under the Rule, will undertake in the Disclosure Agreement to provide: (a) certain financial information and operating data relating to the Series 2026 Bonds in each year (the "Annual Report"); and (b) notice of the occurrence of certain enumerated events (each a "Listed Event Notice"). The Annual Report and each Listed Event Notice, if applicable, will be filed by DAC, on behalf of the City, on EMMA, a service of the MSRB. The specific nature and timing of filing the Annual Report and each Listed Event Notice, and other details of the City's undertakings, are more fully described in "APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto.

The following disclosure is being provided by the City for the sole purpose of assisting the Underwriters in complying with the Rule.

The City previously entered into continuing disclosure undertakings with its underwriters, as an "obligated person" under the Rule (the "Undertakings"). In the period beginning five years prior to the date of this Official Statement to the dated date of this Official Statement (the "Compliance Period"), the City believes that it has complied, in all material respects, with its Undertakings, except that: (i) the City entered into certain sewer and stormwater drawdown loans

on or about October 13, 2021, March 19, 2024, and March 26, 2024, respectively, and notice of the incurrence of such loans was filed on November 30, 2021, May 16, 2024, and May 30, 2024, respectively (and prior to any draws by the City on all or some of such loans); (ii) the City entered into the Series 2024B CCRFC Loan Agreement on November 1, 2024, and notice of such loan agreement was filed on October 21, 2025; and (iii) due to their unavailability, the City did not timely file audited financial information for Fiscal Years 2021 through 2025, due on December 31 pursuant to certain prior Undertakings, though unaudited financial information for such Fiscal Years was timely filed in each instance. Audited financial information for Fiscal Years 2021, 2022, 2023, 2024 and 2025, was filed on January 5, 2022, March 10, 2023, January 2, 2024, March 4, 2025, and January 16, 2026, respectively.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, validity, sale and delivery of the Series 2026 Bonds are subject to the approving opinions of Bass, Berry & Sims PLC, Memphis, Tennessee, and Carpenter Law, PLLC, Memphis, Tennessee, as Co-Bond Counsel, whose approving opinions, in substantially the form attached hereto as "APPENDIX D - FORM OF OPINIONS OF CO-BOND COUNSEL," will be delivered concurrently with the issuance of the Series 2026 Bonds. No representation is made to the Holders of the Series 2026 Bonds that Co-Bond Counsel has verified the accuracy, completeness or fairness of the statements in this Official Statement, and Co-Bond Counsel assumes no responsibility to the Holders of the Series 2026 Bonds except for the matters that will be set forth in their approving opinions.

Certain legal matters will be passed upon for the City by Tannera Gibson, Esquire, as the Chief Legal Officer / City Attorney. In addition, certain legal matters will be passed upon for the City by Bass Berry & Sims PLC, Nashville, Tennessee, and Bruce Law, PLLC, Memphis, Tennessee, as Co-Disclosure Counsel to the City. Certain legal matters will be passed upon for the Underwriters by Butler Snow LLP, Memphis, Tennessee, as Underwriters' Counsel.

The legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein, as of the date of such opinions. By rendering legal opinions, the attorneys providing such opinions do not become insurers or guarantors of the result indicated by that expression of professional judgment with respect to the transaction on which the opinions are rendered or of the future performance of parties to the transaction. Furthermore, the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL STATEMENTS

The basic financial statements of the City as of June 30, 2025, and for the fiscal year then ended, have been audited by Banks, Finley, White & Co., Certified Public Accountants, Memphis, Tennessee, independent auditors (the "Auditor"). The Auditor's report, together with the basic financial statements, management discussion and analysis and the required supplemental information for the Fiscal Year ended June 30, 2025, are set forth in the 2025 Audited Financial Statements attached hereto as "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF

THE CITY OF MEMPHIS, TENNESSEE FOR THE FISCAL YEAR ENDED JUNE 30, 2025". The Auditor has not been engaged to perform, and has not performed, any procedures relating to this Official Statement.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC, Memphis, Tennessee, serves as municipal advisor (the "Municipal Advisor") to the City for the Series 2026 Bonds. The Municipal Advisor assisted in matters related to the planning, structuring, sale and issuance of the Series 2026 Bonds and provided other advice. The Municipal Advisor did not engage in any underwriting activities with regard to the issuance and sale of the Series 2026 Bonds. In its capacity as Municipal Advisor, it has relied on the opinion of Co-Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal or state income tax status of the Series 2026 Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. The information set forth herein has been obtained from the City and other sources believed to be reliable but has not been independently verified by the Municipal Advisor.

The Municipal Advisor's fee for services rendered with respect to the sale of the Series 2026 Bonds is contingent upon the issuance and delivery of the Series 2026 Bonds.

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

CERTAIN RELATIONSHIPS

Carpenter Law, PLLC, Co-Bond Counsel, from time to time, **[represents certain of the Underwriters in connection with various matters unrelated to the issuance of the Series 2026 Bonds and]** provides other legal services to the City.

Bass, Berry & Sims PLC, Co-Bond Counsel and Co-Disclosure Counsel, from time to time, represents the Paying Agent and Registrar and certain of the Underwriters in connection with various matters unrelated to the issuance of the Series 2026 Bonds and provides other legal services to the City.

Butler Snow LLP, Underwriters' Counsel, from time to time, represents the Paying Agent and Registrar in connection with various matters unrelated to the issuance of the Series 2026 Bonds and provides legal services to the City in matters unrelated to the issuance of the Series 2026 Bonds.

The fees of Co-Bond Counsel, Co-Disclosure Counsel and Underwriters' Counsel for services rendered with respect to the sale of the Series 2026 Bonds are contingent upon the issuance and delivery of the Series 2026 Bonds.

RATINGS

Moody's Ratings ("Moody's") and S&P Global Ratings ("S&P," and together with Moody's, the "Rating Agencies") have assigned ratings of "[____]" ([_____] outlook) and "[____]" ([_____] outlook), respectively, to the Series 2026 Bonds.

The ratings, including any related outlook with respect to potential changes in such ratings, reflect only the respective views of the Rating Agencies, and an explanation of the significance of such ratings may be obtained from the Rating Agencies furnishing the ratings. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that such ratings will remain unchanged for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings or other actions by the Rating Agencies, or any of them, may have an adverse effect on the liquidity or market price of the affected Series 2026 Bonds. The City has not undertaken any responsibility to oppose any such revision, suspension or withdrawal.

UNDERWRITING

Raymond James & Associates, Inc. (the "Representative"), on behalf of itself and the other underwriters listed on the front cover page of this Official Statement (collectively, the "Underwriters"), has agreed jointly and severally, pursuant to a Bond Purchase Agreement between the Representative and the City (the "Bond Purchase Agreement"), to purchase the Series 2026 Bonds at an aggregate purchase price of \$_____, representing the principal amount of the Series 2026 Bonds of \$_____, plus/minus a bond premium/discount of \$_____, and minus an underwriters' discount of \$_____. The Bond Purchase Agreement provides that the Underwriters' obligations are subject to certain conditions precedent but that the Underwriters will be obligated to purchase all of the Series 2026 Bonds if any Series 2026 Bonds are purchased.

The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2026 Bonds to the public. The Series 2026 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2026 Bonds into investment trusts) at prices lower than the public offering prices. Public offering prices may be changed from time to time by the Underwriters.

[The Underwriters and their respective affiliates may be full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor or other rights against the City in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors, and employees may purchase, sell, or hold a broad array of investments and actively trade securities, derivatives, loans, commodities,

currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers and such investment and trading activities may involve or relate to assets, securities or instruments of the City (directly, as collateral securing other obligations or otherwise) or persons and entities with relationships with the City. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long or short positions in such assets, securities and instruments.]

FORWARD-LOOKING STATEMENTS

Any statements made in this Official Statement, including on the front cover page, on the inside cover page and in the appendices attached hereto, involving estimates or matters of opinion, whether or not so expressly stated as such, are set forth as estimates or matters of opinion and not as representations of fact. No representation is made that any of the estimates or matters of opinion will be realized.

The statements contained in this Official Statement, including on the front cover page, on the inside cover page and in the appendices attached hereto, that are not purely historical, are forward-looking statements. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof and the City does not assume any obligation to update any such forward-looking statement. It is important to note that actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including without limitation: risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates; possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions; and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners, competitors and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate. Therefore, there can be no assurance that the forward-looking statements included in this Official Statement, including on the front cover page, on the inside cover page and in the appendices attached hereto, will prove to be accurate.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to in this Official Statement do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2026 Bonds, the security for and the sources for repayment for the Series

2026 Bonds and the rights and obligations of the Holders. Copies of such documents may be obtained in the manner specified under the heading "INTRODUCTION - Other Information" herein.

The information in this Official Statement, including the appendices attached hereto, has been compiled from official and other sources deemed by the City to be reliable and, while not guaranteed as to completeness or accuracy, is believed by the City to be correct as of the date of this Official Statement.

Use of the words "shall" or "will" in this Official Statement or in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2026 Bonds.

[CERTIFICATION PAGE FOLLOWS]

**AUTHORIZATION OF AND CERTIFICATION
CONCERNING OFFICIAL STATEMENT**

The execution and delivery of this Official Statement, and its distribution and use by the Underwriters in connection with the original public offer, sale and distribution of the Series 2026 Bonds by the Underwriters, have been duly authorized and approved by the City.

CITY OF MEMPHIS, TENNESSEE

By: _____
Paul A. Young, Mayor

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY OF MEMPHIS, TENNESSEE

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY OF MEMPHIS, TENNESSEE

In addition to the information provided in the Official Statement, including each of the appendices attached thereto, with respect to the General Improvement Refunding Bonds, Series 2026 (the "Series 2026 Bonds") of the City of Memphis, Tennessee (the "City"), the City has provided the following general information regarding the City. A complete review of this Appendix A, together with the body of the Official Statement and all other appendices attached thereto, is essential to the making of an informed investment decision by any purchaser of the Series 2026 Bonds. In the making of an informed investment decision relating to the Series 2026 Bonds, a potential purchaser should not conclude that the presentation of information in this Appendix A, versus a presentation of the same in the body of the Official Statement, denotes that the information provided in this Appendix A is of less relevance or importance than the information set forth in the body of the Official Statement.

The City has not authorized anyone to give any information or to make any representations not contained herein or supplemental hereto and, if given or made, such other information or representations must not be relied upon as having been authorized.

All of the following information, estimates and expressions of opinion are subject to change without notice. Though collected from sources the City believes to be reliable, the City has made no independent verification of the information provided by non-City sources, and the City takes no responsibility for the completeness or accuracy thereof. Historical numbers presented herein cannot be relied upon as reflective of current conditions or predictive of future results, which may be materially different. The delivery by the City of the information contained herein shall not, under any circumstances, create any implication that there has been no material change in the affairs of the City since the date of the Official Statement.

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THE CITY OF MEMPHIS, TENNESSEE

Administration and Officials

For information related to the City and its administration, see "THE CITY" in the Official Statement. Following are brief personal résumés of relevant administration officials of the City.

Paul A. Young, Mayor of the City of Memphis. Paul A. Young was sworn in as mayor of the City on January 1, 2024, with a commitment to creating a stronger, safer and more thriving community for all Memphians. Mayor Young earned a Bachelor of Science degree in electrical engineering from the University of Tennessee and both a Master of Science degree in urban and regional planning and Master of Business Administration degree from the University of Memphis.

Prior to becoming mayor, Mayor Young served as President of the Downtown Memphis Commission and Director of Housing and Community Development for the City.

Art G. Davis II, Chief Financial Officer. Art G. Davis II serves as Chief Financial Officer for the City, where he oversees the City's financial operations, including budgeting, treasury, accounting, procurement, and long-term fiscal planning. Prior to his appointment as Chief Financial Officer in June 2026, Chief Davis served as Deputy Chief Financial Officer of Treasury, playing a key role in strengthening the City's financial operations and helping stabilize the Treasury Division during a period of significant organizational transition. His leadership helped improve financial controls, modernize internal processes, and reinforce the City's commitment to responsible stewardship of taxpayer resources.

Before joining the City, Chief Davis served as Chief Operating Officer and Chief Financial Officer for Memphis River Parks Partnership, where he managed more than \$85 million in capital construction projects while overseeing finance, operations, grants administration, human resources, information technology, legal, and risk management. His previous leadership experience also includes executive roles with the Children's Museum of Memphis, Liberty Bowl Memorial Stadium, and the Memphis Redbirds Baseball Foundation.

A graduate of the University of Mississippi with a bachelor's degree in accountancy, Chief Davis brings decades of experience in municipal finance, operational leadership, capital project management, and organizational strategy to the City.

Chris Winton, Chief Operating Officer. Chris Winton serves as Chief Operating Officer for the City, leading the City's day-to-day operations and working across departments to improve organizational performance, strengthen collaboration, and enhance the delivery of services to Memphis residents. Chief Winton brings more than 25 years of executive leadership experience with some of the world's largest organizations, including FedEx, Tesla, and Comcast. Throughout his career, he has led large-scale operational transformation, technology modernization, workforce strategy, and organizational change.

Before joining the City, Chief Winton served as Senior Vice President and Chief People Officer for Comcast, where he led strategy and operations for a division of approximately 13,000

employees. Previously, he served as Chief People Officer at Tesla and as Chief People Officer for FedEx Corporate, helping lead global workforce strategy and enterprise initiatives supporting more than 510,000 employees across more than 220 countries and territories. His experience also includes leading one of the largest HR technology transformations in corporate history, developing enterprise workforce planning strategies, and directing major cross-functional initiatives spanning operations, technology, finance, communications, and human resources.

Chief Winton earned a Master of Business Administration from Dowling College and a bachelor's degree in management information systems from the University of Memphis. He serves on the boards of Methodist Healthcare and the University of Memphis Foundation.

Penelope Huston, Chief Communications Officer. Penelope Huston was appointed Chief Communications Officer for the City in January 2024. As the Chief Communications Officer, she is responsible for crafting the City's external and internal messaging and brand strategies and managing a team of 14. She is a longtime strategic communications and marketing professional who has overseen print and digital campaigns for hundreds of corporate and retail clients and helped to guide messaging and client engagement for some of the City's most iconic brands: The Memphis Flyer, Memphis Magazine, ALSAC/St. Jude, Beale Street, The Downtown Memphis Commission and Mighty Lights.

Chief Huston has a Bachelor of Science in Psychology from Berry College. She previously served as President of the Memphis Chapter of the American Advertising Federation and on the National Board of the Association of Alternative Newsweeklies. She currently serves on the boards of the Memphis Rock 'n' Soul Museum, Indie Memphis, Memphis River Parks Partnership, New Memphis, and the Memphis Brand Initiative.

Tannera George Gibson, Chief Legal Officer / City Attorney. Tannera George Gibson was appointed Chief Legal Officer / City Attorney for the City in January 2024, after representing the City as outside counsel since 2016. As the Chief Legal Officer, she provides legal advice and counsel to the Mayor, division directors, and city officials on a broad range of legal matters, identifies areas of risk and provides strategy and legal problem-solving. Chief Gibson manages over 50 Legal Division employees, including attorneys and employees of the claims, permits, risk management, and metro alarm departments.

Chief Gibson graduated from the University of Memphis Cecil C. Humphreys School of Law in 2008 and is currently a non-equity member of the law firm Burch, Porter & Johnson, PLLC, having become an equity member of the firm in 2017—the first Black woman to do so. She was elected to the Board of Directors of the Memphis Bar Association in 2017 and became the Memphis Bar Association's first Black woman President in 2022. Chief Gibson is a Memphis Bar Foundation Fellow, an American Bar Foundation Fellow, a member of the Tennessee Bar Association's Litigation Section Executive Council, and a member of the Standing Local Rules Committee for the United States District Court for the Western District of Tennessee.

Fonda Fouché, Chief Human Resources Officer. Fonda Fouché serves as the Chief Human Resources Officer for the City, where she oversees Talent Management, Total Rewards, HR Compliance, Workplace Safety and Human Resources Analytics and Performance. Prior to this appointment, she served as the Talent Management Officer for the City and was responsible

for recruitment, organizational development, career pathways and AmeriCorps Vista. Chief Fouché has served in City government for over 25 years in several capacities with a particular focus on recruitment and retention.

Chief Fouché earned a Bachelor of Science degree in Education, with a Minor in Business Administration, from the University of Tennessee and a Master of Science degree in Administration from Central Michigan University.

André D. Walker, Deputy Chief Financial Officer. André D. Walker joined the City in July 2010 as Deputy Director of Finance and was later appointed to Deputy Chief Financial Officer in December 2019. He is responsible for oversight of the City's Debt and Investment Service Center. Deputy Chief Walker has twelve years prior experience with a leading financial advisory firm where he advised and assisted state and local governmental entities with the issuance and management of debt. Deputy Chief Walker is a fellow of the Woodrow Wilson Institute of Public Policy at the University of Michigan, is recognized by the State of Tennessee as a Certified Municipal Finance Officer, and has a Bachelor of Science in Business Administration with an Economics major and a Finance concentration from the University of Tennessee.

Tanika Jennings, Deputy Chief Financial Officer. Tanika Jennings has served as a Deputy Chief Financial Officer for the City since 2024, where she oversees key financial functions, including budgeting, forecasting, and compliance, while driving process improvements and organizational financial health. Before joining the City, Deputy Chief Jennings held leadership roles in education finance, as Senior Manager of Accounting and Reporting for a major school district, where she managed complex financial reporting and implemented accounting practices to enhance transparency and efficiency. She earned her bachelor's degree in accounting from the University of Memphis and a Master of Business Administration from the University of Phoenix. She is also recognized by the State of Tennessee as a Certified Municipal Finance Officer.

Kametris Wyatt, Interim City Comptroller. Kametris Wyatt, MBA, CPA, CMFO serves as the Interim City Comptroller. She has been employed by the City since 2010. Her entire tenure with the City has been in the Finance Division where she has served in a variety of roles involving Accounting; Revenue Analysis and Special Reporting; and Budgeting for both Operations and Capital Improvement.

She earned her Bachelor of Business Administration and Master of Business Administration (both in Accounting) from the University of Memphis. She is a Certified Public Accountant under the Tennessee State Board of Accountancy. She is also recognized by the State of Tennessee as a Certified Municipal Finance Officer.

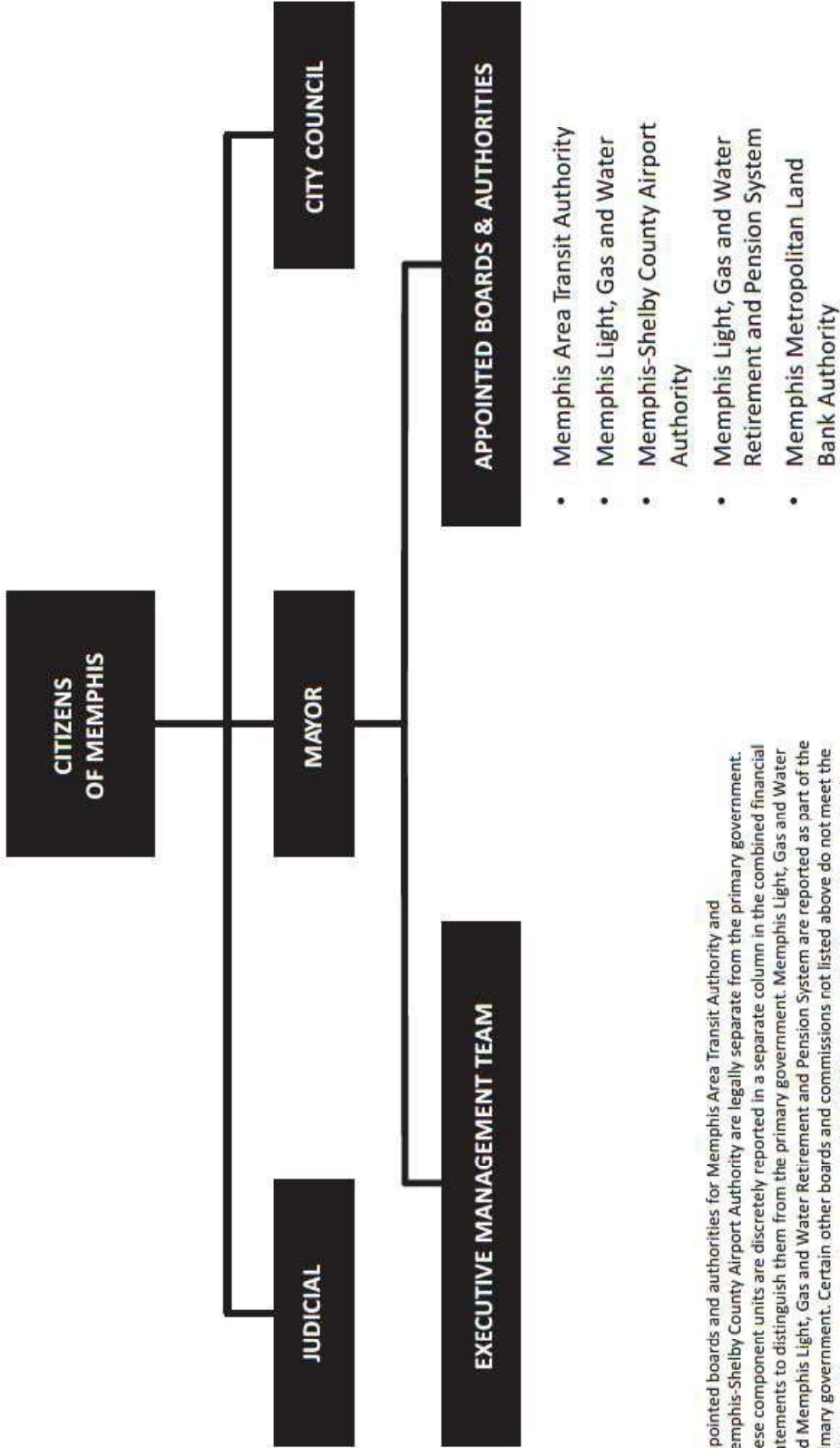
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Organization Chart

An organization chart showing the structure of City government is set forth below.

ORGANIZATION CHART

Primary Government and Discretely Presented Component Units

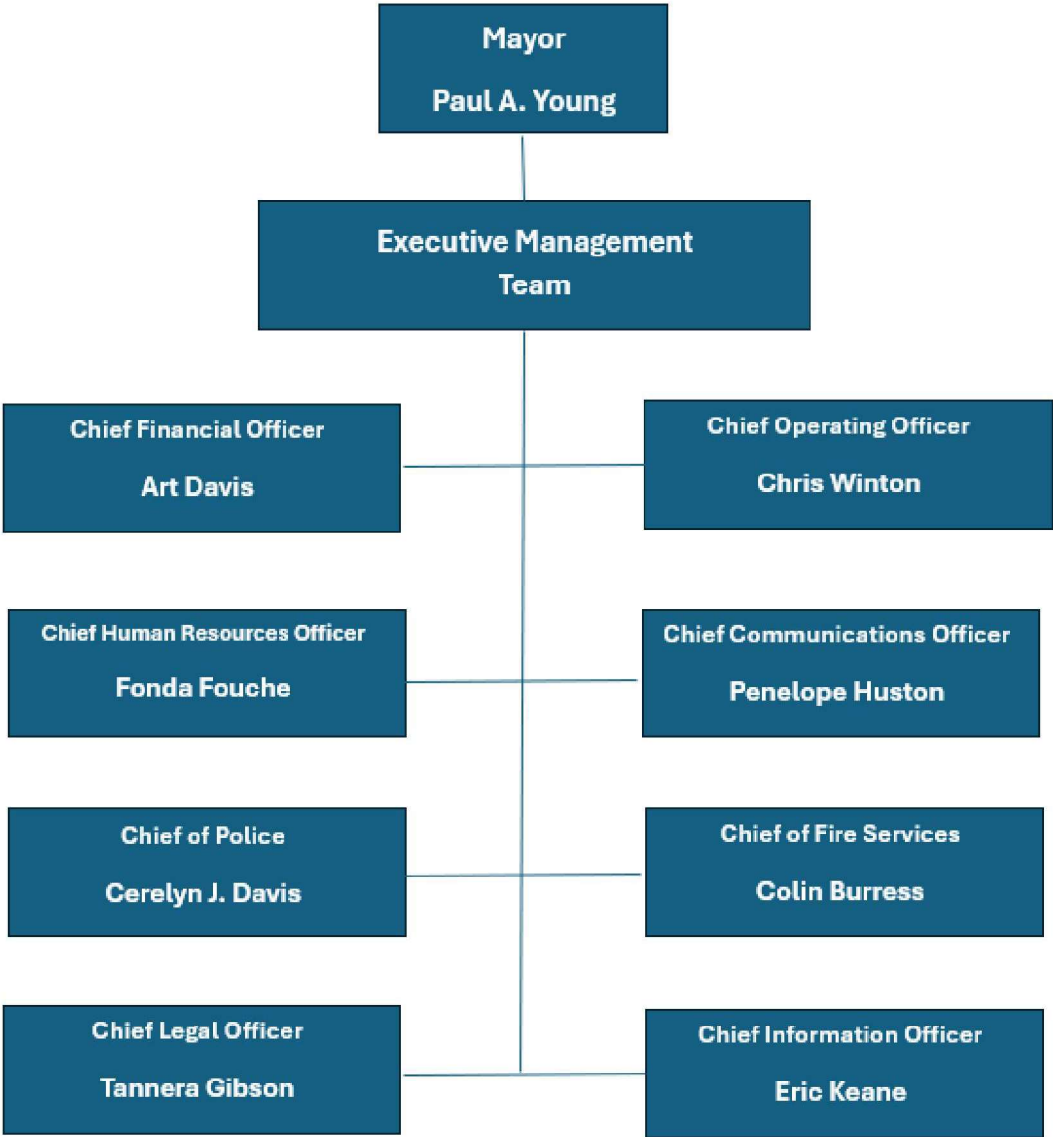


(1) Appointed boards and authorities for Memphis Area Transit Authority and Memphis-Shelby County Airport Authority are legally separate from the primary government. These component units are discretely reported in a separate column in the combined financial statements to distinguish them from the primary 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)



Division of Finance

The mission of the City's Division of Finance is to provide fiscal leadership, integrity, and superior finance services through prudent and efficient management of the City's financial affairs. This includes offering quality, meaningful analyses, and financial perspectives necessary for enterprise decisions and strategic planning. The Division of Finance is responsible for all fiscal affairs, information systems, financial management and related systems of the City. The Chief Financial Officer is charged with oversight of the City's financial policy and reports directly to the Mayor. The Chief Financial Officer is primarily responsible for the accounting, financial reporting, debt and investment policy, risk management, financial support systems and tax collection functions for the City. The activities of the Division are currently organized into six service centers: Accounting, Purchasing, Budget, Treasury, Debt and Investment Management.

Labor Relations

The City currently has approximately 6,723 full-time employees, approximately 4,320 of whom are represented by employee labor organizations, or labor associations. The City recognizes seven labor associations, and there are twenty-one (21) memoranda of understanding (MOUs). The MOUs with these organizations will expire on June 30, 2028, except for the MOU with IAFF Local 1784 which will expire on June 30, 2027. The American Federation of State, County and Municipal Employees, Local 1733, represents approximately 860 employees; the Memphis Police Association represents approximately 1,390 police officers; and the International Association of Fire Fighters, Local 1784, represents approximately 1,475 employees. The International Union of Operating Engineers represents 249 employees; the International Association of Machinists and Aerospace Workers represents 91 employees; the International Brotherhood of Electrical Workers and Crafts Union represents 130 employees; and Communication Workers of America represents 125 employees.

All labor-related activities are managed by the Human Resources Compliance Service Center of the Division of Human Resources. In addition to ensuring compliance with the memoranda of understanding between the City and each labor association, this Service Center partners with the Talent Management Service Center to provide extensive management and non-management training, and coordinates all labor negotiations. In accordance with applicable law, labor negotiations are conducted in open meetings.

The City Charter prohibits strikes by City employees and provides for the automatic dismissal of any striking employee, allowing for their reinstatement only as "new probationary employees." In addition, the current City Labor Impasse Ordinance contains an impasse procedure which addresses economic issues between the City and its employees. This procedure provides for a three-person fact-finding committee made up of City Council members. The City Council members of any impasse committee include one individual Council member selected by the City administration, one Council member selected by the employee association, and a third Council member chosen by the other two Council members on the committee. The committee evaluates the economic positions at impasse and recommends the total economic package of either the labor association or the City. The full City Council may accept the committee's recommendation or deny it and accept the position of the other party.

FINANCIAL INFORMATION

Property Tax

Property taxes, which are levied on real estate and personal property, provide the City with a major source of revenue for a variety of functions. The City's property tax levy is without legal limit.

The City Council reserves and allocates a portion of the property tax rate between general government and the payment of debt service on obligations which are not paid from various enterprise funds and capital expenditures.

The Shelby County Assessor of Property assesses all real estate and personal property, including some utilities not under the jurisdiction of the Tennessee Regulatory Authority (the "TRA"). The TRA assesses some intangible personal property related to banks.

As part of the standard procedure for reevaluating assessed values every four years, based on current market values, the Shelby County Assessor of Property completed a full reappraisal of all properties in Shelby County (the "County") for the 2025 tax year (collections in Fiscal Year 2026) reappraisal. The 2025 reappraisal reflects an increase in the overall assessed value of taxable property in the County. The appraised values approximate market value. This ratio of assessment, authorized by the Property Assessment and Classification Act of 1993, provides for assessing farm and residential real property at 25% of the current market value, commercial and industrial real property at 40% of the current market value, personal property at 30% of the current market value and real and personal property of public utilities at 55% of the current market value with corresponding reductions in tax rates. The next reappraisal is scheduled for 2029.

New appraisal changes in real estate occur only when improvements are made to existing structures or demolition of existing structures occur or when improvements are made on vacant property. Reappraisal does not occur based on property sales. Personal property assessments are made annually based upon returns submitted by the taxpayers and are, therefore, maintained at current market value.

Public utilities are assessed by the TRA and are automatically reviewed by the State Board of Equalization. These assessments include real estate and personal property on the basis of location and usage. Currently, under a ruling by the State Board of Equalization, the appraised value of public utilities is being reduced by multiplying it by a factor computed by dividing the appraised valuation for tax purposes of all real property within the City by the current market value. The assessed value is based on this reduced appraised value.

Other Sources of Revenue

Other sources of revenues for the City include the following, some of which are applied to pay debt service on certain indebtedness described in this Official Statement under the heading "ADDITIONAL OBLIGATIONS".

General Sales Tax. The general (local) sales tax is currently levied at a rate of 2.75% on the first \$1,600 of a sale of any single item.

Beer Sales Tax. The sales tax for beer is 17% on the wholesale price of beer containing not more than 5% alcohol. It is collected by the wholesaler and remitted monthly, less collection fees to the City Treasurer.

Alcoholic Beverage Inspection Fee. The alcoholic beverage inspection fee is a 5% fee charged to retailers on the sale of alcoholic beverages. The fee is based on the wholesale price, collected by the wholesaler, and is remitted monthly, less collection fees to the City Treasurer.

Telephone Franchise Taxes. The telephone franchise tax, which is paid by AT&T (formerly known and at times referred to herein as “BellSouth Telecommunications”), is a 5% tax on local service and intrastate long-distance calls. Currently, a dispute exists between the City and BellSouth Telecommunications and the matter is in litigation. For more information on this matter, see the disclosure in the section entitled “LITIGATION – BellSouth Litigation” herein. Pending resolution of the litigation, the City has ceased collection of the 5% tax.

Hotel/Motel Occupancy Tax. This tax is 4.0% of gross occupancy revenues, not including revenues from occupants who reside 30 or more continuous days. There is a 2% credit if payment is made on or before the 20th of each month and 10% per year interest and a 1% per month penalty if delinquent.

State Tax Revenues (Local Share). The City receives funds from the State of Tennessee (the "State"), some of which are briefly described below:

(a) State Income Tax – The state income tax on income from dividends on stocks or interest on certain bonds was phased out effective January 1, 2021. Any state income tax revenue received by the City for periods thereafter is a result of overdue payments for previously owed amounts.

(b) State Sales Tax – A 7% sales tax is imposed on the gross proceeds from retail sale or use of tangible personal property and some services. Over 60% of total state shared revenues that the City receives is derived from this source.

(c) State Gasoline Taxes – The City receives a pro rata share of the State gasoline tax of \$0.26 per gallon and the State Motor Vehicle Tax (Diesel) of \$0.27 per gallon that is earmarked for Tennessee municipalities. Allocation among Tennessee cities is determined on a per capita basis. These funds are used for street maintenance and for debt service on bond proceeds used for street capital improvement projects.

(d) Other State Taxes – The City also receives State revenues derived from the beer tax, alcoholic beverage tax, mixed drink tax, Tennessee Valley Authority in-lieu-of-tax payments and bank excise tax.

Principal Property Taxpayers of the City

The following table presents the City's principal property taxpayers for Fiscal Year 2025.

Principal Property Taxpayers of the City
Fiscal Year 2025

	Taxable Assessed Value	Percentage of Total Taxable Assessed Value ⁽¹⁾
FedEx Corporation	\$ 801,460,598	5.30 %
Memphis Center City Revenue Finance Corporation	298,291,849	1.97
Pool & Industrial TN LLC	66,950,760	0.44
Amazon.Com Services	58,226,380	0.38
Olymbec	53,646,180	0.35
BNSF Railway Company	51,403,263	0.34
AT&T Mobility LLC	51,098,162	0.34
Smith & Nephew Inc.	50,338,190	0.33
The Premcor Refining Group	44,884,170	0.30
TMF	42,705,040	0.28
Total Assessed Valuation of Top 10 Taxpayers	\$ 1,519,004,592	10.03 %
Balance of Assessed Valuation	13,611,145,307	89.97
Total Assessed Valuation	\$ 15,130,149,899	100.00 %

⁽¹⁾ Numbers may not add due to rounding.

Source: City of Memphis, Tennessee Annual Report Fiscal Year Ended June 30, 2025.

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Property Tax Rates, Levies and Collections

The following table presents the City's property tax rates for Fiscal Years 2022 through 2026.

PROPERTY TAX RATES ⁽¹⁾⁽²⁾					
Fiscal Years Ending June 30					
Tax Year	2021 ⁽³⁾	2022	2023	2024 ⁽⁴⁾	2025 ⁽³⁾
Fiscal Year	2022	2023	2024	2025	2026
General Fund	\$ 1.8473	\$ 1.8459	\$ 1.8459	\$ 2.3396	\$ 1.8896
Debt Service Fund	0.8475	0.8475	0.8475	0.8475	0.6845
Capital Improvement Program	0.0083	0.0083	0.0083	0.0083	0.0067
Pre-K	0.0100	0.0000	0.0000	0.0000	0.0000
Community Catalyst Fund	0.0000	0.0000	0.0000	0.0000	0.0000
Affordable Housing Fund	0.0000	0.0000	0.0000	0.0000	0.0000
Total City Tax Rate	\$ 2.7130	\$ 2.7016	\$ 2.7016	\$ 3.1954	\$ 2.5808

⁽¹⁾ Taxes are assessed as of January 1 and are due on June 1 for the City and October 1 for the County. No tax rate limits exist and taxes must be assessed sufficiently to pay debt service. Tax rates are per \$100 of assessed value. The City's tax levy includes payments in lieu of taxes.

⁽²⁾ Numbers may not add due to rounding.

⁽³⁾ As described above, property is reappraised every four (4) years. Pursuant to applicable law, the result of the reappraisal must be revenue neutral in the aggregate. As a result, upon the 2021 and 2025 reappraisals of property in the City, the total property tax rate was adjusted downward by the City Council so that, when levied against the new aggregate assessed value of property within the City, it will generate revenues identical to the prior property tax rate when levied against the prior aggregate assessed property value.

⁽⁴⁾ The property tax rate for Tax Year 2024/Fiscal Year 2025 reflects a tax rate increase of \$0.49376 approved by City Council.

Source: City of Memphis, Tennessee.

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The following table presents the City's property tax levies and collections for Fiscal Years 2016 through 2025.

PROPERTY TAX LEVIES AND COLLECTIONS⁽¹⁾

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 ⁽²⁾	382,019,032	363,065,674	95.04	9,372,759	372,438,433	97.47	38,934,491	10.19
2016	2017 ⁽³⁾	384,098,042	367,801,984	95.76	5,759,219	373,561,203	97.26	41,089,159	10.70
2017	2018 ⁽⁴⁾	408,539,179	391,863,376	95.92	7,091,826	398,955,202	97.65	40,252,452	9.85
2018	2019 ⁽⁵⁾	403,069,834	385,927,277	95.75	6,753,713	392,680,990	97.42	38,342,430	9.51
2019	2020 ⁽⁶⁾	400,602,833	383,674,201	95.77	3,148,875	386,823,076	96.56	38,212,875	9.54
2020	2021 ⁽⁷⁾	404,669,953	388,692,151	96.05	8,364,301	397,056,452	98.12	31,319,387	7.74
2021	2022 ⁽⁸⁾	417,422,909	402,681,709	96.47	4,585,098	407,266,807	97.57	25,275,688	6.06
2022	2023 ⁽⁹⁾	419,222,494	401,689,702	95.82	10,625,949	412,315,651	98.35	38,992,018	9.30
2023	2024 ⁽¹⁰⁾	402,897,241	387,831,193	96.26	12,645,206	400,476,399	99.40	21,558,177	5.35
2024	2025 ⁽¹¹⁾	480,902,829	458,782,396	95.40	13,281,254	472,063,651	98.16	20,953,938	4.36

*Prior year's reported activity was revised to ensure consistent reporting across reported fiscal years.

- (1) 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 through August 30). 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.
- (2) 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 in the amount of \$8,622,852 for Fiscal Year 2016, which is reflected in current 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."
- (3) 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 a reduction of the property tax receivable balance in the amount of \$10,884,669. Additionally, the City redeemed remaining outstanding 2012 receivables in the amount of \$1,270,078. The sale is reflected in the total tax collections.
- (4) 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 a reduction of the property tax receivable balance in the amount of \$11,000,143. Additionally, the City redeemed remaining outstanding 2013 receivables in the amount of \$2,945,038. The sale is reflected in total tax collections.
- (5) 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. Additionally, the City redeemed remaining outstanding 2014 receivables in the amount of \$2,541,071. The sale is reflected in total tax collections.
- (6) 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 \$8,759,171. In April 2020, 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 \$3,382,709. Additionally, the City redeemed remaining outstanding 2015 receivables in the amount of \$1,196,751. The sale is reflected in total tax collections.
- (7) In June 2021, the City sold the majority of the 2020 tax year (which funds Fiscal Year 2021) real property taxes outstanding to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balance of \$9,938,684 for fiscal year 2021, which is reflected in tax collections.
- (8) In June 2022, the City sold a portion of 2021 tax year (which funds Fiscal Year 2022) real property taxes outstanding to an outside party. The sale generated property tax revenue and a reduction in the property tax receivable balance of \$5,874,693.
- (9) No portions of property taxes were sold in Fiscal Year 2023.
- (10) No portions of property taxes were sold in Fiscal Year 2024.
- (11) No portions of property taxes were sold in Fiscal Year 2025.

Note: Adjusted Tax Levy and Current Year Collections as presented in prior years' Annual Reports of the City were modified in the table above to exclude all amounts other than levies and collections for realty, personal property and State-assessed properties. Additionally, the reporting years for Adjusted Tax Levy have been adjusted.

Source: City of Memphis Tax System.

Assessed and Estimated Values of Taxable Property

The following table presents the City's assessed and estimated actual values of taxable property for Fiscal Years 2016 through 2025.

ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
Fiscal Year Ended June 30

Tax Year			Real Property				Personal Property				Utilities and Carriers (55%) Real and Personal ⁽¹⁾				Total Assessed to Total Market Value	Total Direct Tax Rate
			Farm and Residential (25%)		Commercial and Industrial (40%) ⁽²⁾		Commercial and Industrial (30%) ⁽³⁾		Privately Owned		Total					
			Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	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	\$1,087,988,613	\$1,978,161,115	\$11,345,980,976	\$35,955,986,615	31.56%	3.4000		
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	1,074,179,569	1,953,053,762	11,374,599,672	36,080,187,262	31.53	3.4000		
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	1,075,298,505	1,955,088,191	12,597,018,860	39,799,719,391	31.65	3.2715		
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	1,138,764,751	2,070,481,365	12,687,864,236	40,029,727,765	31.70	3.1960		
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	1,136,132,373	2,065,695,224	12,694,208,735	40,073,124,424	31.68	3.1960		
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	1,079,260,158	1,962,291,196	12,613,711,120	39,895,317,096	31.62	3.1960		
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	1,416,299,864	2,575,090,662	15,481,873,776	49,085,641,562	31.54	2.7130		
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	1,413,114,369	2,569,298,853	15,312,292,806	48,692,225,853	31.45	2.7016		
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	1,181,317,093	2,147,849,260	14,923,163,875	47,702,622,560	31.28	2.7016		
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	1,235,122,087	2,245,676,522	15,130,149,899	48,236,081,822	31.37	3.1954		

⁽¹⁾ Does not include City-owned utilities (Electric and Gas Divisions) which are assessed a separate in-lieu-of-tax. 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: (a) the equalized tax rate applied to the net plant value and book value of materials and supplies, and (b) 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 multiple real estate assessed at 0-40% as well as greenbelt commercial real estate assessed at 25%, greenbelt industrial real estate assessed at 25%, and greenbelt multiple real estate assessed 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.

⁽³⁾ Includes intangible personal property which is assessed at 40%.

Source: City of Memphis, Tennessee Annual Report Fiscal Year Ended June 30, 2025.

Debt Limit

Tennessee Code Annotated provides that bonds may be issued by a municipality without regard to any limit on indebtedness.

Ratios of General Bonded Debt

The following table presents the City's ratios of general bonded debt (which includes the City's general obligation bonds, bond anticipation notes and commercial paper) to appraised and assessed values and bonded debt per capita for Fiscal Years 2021 through 2025.

**RATIOS OF GENERAL OBLIGATION BONDED DEBT⁽¹⁾
TO APPRAISED AND ASSESSED VALUES AND BONDED DEBT PER CAPITA
Fiscal Years Ended June 30**

	2021	2022	2023	2024	2025
Estimated population ⁽²⁾	633,104	628,127	621,056	618,639	610,919
Appraised property valuation ⁽³⁾⁽⁴⁾	\$39,895,317	\$49,085,642	\$48,692,226	\$47,702,623	\$48,236,082
Assessed valuation ⁽³⁾⁽⁴⁾	12,613,711	15,481,874	15,312,293	14,923,164	15,130,150
General obligation debt ⁽³⁾⁽⁵⁾	\$1,237,565	\$1,427,952	\$1,483,252	\$1,393,795	\$ 1,426,492
Bond premiums ⁽³⁾	56,869	74,601	85,977	61,384	70,415
Total Debt ⁽³⁾	\$1,294,434	\$1,502,553	\$1,569,229	\$1,455,179	\$1,496,907
Bonded debt per capita	\$ 2,045	\$ 2,392	\$ 2,527	\$ 2,352	\$ 2,450
Bonded debt to appraised valuation – total debt	3.24%	3.06%	3.22%	3.05%	3.10%
Bonded debt to assessed valuation – total debt	10.26%	9.71%	10.25%	9.75%	9.89%

⁽¹⁾ For additional information relating to general bonded debt, see the notes in the Audited Financial Statements.
⁽²⁾ Source: U.S. Census Bureau; the most current data available is for calendar year 2024. City population data for Fiscal Year 2025 is from the 2025 Audited Financial Statements.
⁽³⁾ In thousands of dollars.
⁽⁴⁾ Sources: Shelby County Assessor and State of Tennessee Office of State Assessed Properties.
⁽⁵⁾ Debt includes City general obligation bonds, bond anticipation notes and commercial paper. Does not include leases, guarantee obligations or State loans.

Source: City of Memphis, Tennessee Annual Report Fiscal Year Ended June 30, 2025.

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ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Data

The following table presents estimated population data for the City, the County, the State and the United States for calendar years 2021 through 2025.

	Population Data ⁽¹⁾ Calendar Years 2021-2025 (amounts in 000s)				
	2021	2022	2023	2024	2025
Memphis	628	621	619	611	610
Shelby County	923	916	910	911	910
Tennessee	6,964	7,049	7,126	7,228	7,315
United States	332,049	333,271	334,915	340,111	341,785

⁽¹⁾ From time to time, the U.S. Census Bureau revises its previously reported population estimates. Methodology differences may exist between data sources, and estimates from different sources are not comparable.
Source: U.S. Census Bureau. City population data for 2024 is from the 2025 Audited Financial Statements.

Per Capita Personal Income

[The following table presents per capita income for the City, the County, the State and the United States for calendar years 2020 through 2024.]

	Per Capita Personal Income Calendar Years 2020-2024 ⁽¹⁾				
	2020	2021	2022	2023	2024
Memphis ⁽²⁾	\$51,155	\$56,579	\$56,440	\$60,083	
Shelby County	53,855	58,844	58,736	61,979	65,448
Tennessee	51,046	56,970	58,292	62,229	66,288
United States	59,510	64,430	65,470	69,810	73,227

⁽¹⁾ From time to time, the U.S. Bureau of Economic Analysis may revise its previously reported income data. Per capita personal income is total personal income divided by total mid-year population.
⁽²⁾ Includes the Memphis Metropolitan Statistical Area.

Source: U.S. Bureau of Economic Analysis.

Employment

The following table presents annual employment and unemployment trends in the City, the County, the State and the United States for calendar years 2016 to 2025. The onset of the COVID-19 pandemic in 2020 significantly affected the unemployment rates for the City, the County, the State and the United States. According to the U.S. Bureau of Labor Statistics, for April 2026, the preliminary unemployment rate (not seasonally adjusted) for the Memphis area was 4.1%.

Labor Force Trends⁽¹⁾
Calendar Years 2016-2025

Calendar Year	Shelby County ⁽²⁾		Unemployment Percentages			
	Employed	Unemployed	City of Memphis	Shelby County	Tennessee	USA
2025 ⁽³⁾	413.7	19.8	5.0	4.6	3.5	4.3
2024	406.2	19.1	4.9	4.5	3.4	4.0
2023	413.1	18.8	4.9	4.3	3.3	3.6
2022	418.0	19.8	5.1	4.5	3.4	3.6
2021	417.0	30.5	8.2	6.8	4.3	5.3
2020	404.5	43.3	11.3	9.7	7.5	8.1
2019	450.0	18.1	4.2	4.0	3.4	3.7
2018	424.0	18.4	4.6	4.2	3.5	3.9
2017	417.7	19.1	4.8	4.4	3.8	4.4
2016	411.9	23.8	5.3	5.5	4.8	4.9

(1) From time to time, the U.S. Bureau of Labor Statistics may revise its previously reported employment data.
(2) In thousands.
(3) Annual estimates for 2025 are 11-month averages that exclude October 2025. Data for October were not collected due to the federal government shutdown. Therefore, estimates are not fully comparable to annual averages for other years.

Source: U.S. Bureau of Labor Statistics.

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Employers

The following table presents the principal employers in the City as of Fiscal Year 2025.

Name of Employer	Employees	Percentage of Total City Employment
FedEx Corporation	32,333	5.32%
United States Government	16,500	2.72%
Tennessee State Government	16,500	2.72%
Memphis-Shelby County Schools (MSCS)	15,000	2.47%
Methodist LeBonheur Health Care	11,815	1.94%
Baptist Memorial Healthcare Corp.	9,956	1.64%
Naval Support Activity Mid-South	7,500	1.23%
City of Memphis Government	6,837	1.13%
St. Jude Children's Research Hospital	6,167	1.02%
Nike, Inc.	6,000	0.99%
Total	128,608	21.17%

Source: City of Memphis, Tennessee Annual Report Fiscal Year Ended June 30, 2025.

Note: See "Recent Developments" herein for information regarding layoffs of certain employees at FedEx Corporation and Nike, Inc.

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The following table presents the largest manufacturing companies, based on number of employees, in the Memphis area.

Memphis Area Manufacturing Companies

	Company	Local Employees ⁽¹⁾	Products
1	Smith & Nephew Inc.	2,150	Wide range of products related to joint replacement & resurfacing & healing fractures & deformities
2	Carrier Global Corp.	1,179	Split system condensing units & heat pumps
3	ABB Installation Products	881	Broad range of components used to connect & protect in electrification, including connectors and terminals, cable management & protection, switchgear, reclosers & accessories
4	Unilever	740	Breyers ice cream, Klondike bars, popsicles, Good Humor bars
5	Stryker	550	Orthopedic implants, including foot & ankle implants, orthopedic biologic products, orthopedic instrumentation
6	Nucor Steel Memphis Inc.	524	Steel
7	Riviana Foods Inc.	505	Rice products
8	The Hershey Co.	475	Candy, mints & gum
9	Edelbrock Group/Competition Cams	450	Automotive performance aftermarket, including cams & valve train components, fuel injection systems, torque converters, automatic transmissions
10	K.T.G. (USA) Inc.	449	Bathroom tissue, facial tissue, paper towels
11	Charms, a Division of Tootsie Roll Industries	440	Hard candy
12	Olympus Surgical Technologies America	435	Ear, nose & throat (ENT), intracapsular adenotonsillectomy, middle ear surgery, FESS (sinus surgery) & inferior turbinate reduction products
13	Barr Brands International Inc.	414	Specialty cleaning & home improvement brands, including DampRid, Microban, Mold Armor, Goof Off, Spray & Forget, Klean-Strip, Citristrip & Jasco
14	MicroPort Orthopedics Inc.	400	Knee & hip implants
15	WK Kellogg Co.	355	Cereal
16	Charles River	290	Contract development, manufacturing for autologous, allogeneic cell, gene therapeutic products
17	IFF	289	Soy protein powder for human consumption
18	Valero Energy Corp.	284	Gasoline, diesel fuel, jet fuel, petrochemicals
19	Mueller Industries Inc.	233	Copper fittings for water, refrigerant, oxygen, gas & oil distribution & flexible air ducts for HVAC & climate comfort applications
20	Buckman International (Bulab Holdings Inc.)	210	Specialty industrial chemicals for pulp & paper, leather, industrial water treatment & process chemistry markets

⁽¹⁾ Estimated full-time employees. Hino Motors Manufacturing USA Inc. (not ranked above; ranked No. 2 in 2024) has announced plans to close its Memphis-area manufacturing plant by the end of 2027.

Source: *Memphis Business Journal*: Book of Lists 2025. Includes self-reported information that was not independently verified.

Note: See "Recent Developments" herein for information regarding layoffs of certain employees at WK Kellogg Co.

Construction

The following table presents annual data on the number of building permits granted and the value of related construction between Fiscal Years 2021-2025 for both the County and the City.

Building Permits
Fiscal Years 2021-2025

Fiscal Year	Shelby County ⁽¹⁾		Memphis		City as a % of Shelby County
	Total Number Issued	Valuation ⁽²⁾	Total Number Issued	Valuation ⁽²⁾	
2021	5,757	1,312,969	3,997	988,645	75.3
2022	6,114	1,988,649	4,523	1,559,000	78.4
2023	5,795	1,920,903	4,333	1,412,881	73.6
2024	5,553	2,310,354	4,017	1,750,484	75.8
2025	5,818	2,294,756	4,350	1,897,429	82.7

⁽¹⁾ Includes all incorporated and unincorporated areas of the County except the Cities of Bartlett and Collierville.

⁽²⁾ In thousands of dollars.

Source: Shelby County Building Department.

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The Economy

In recent years, the economy of the City has experienced success in attracting new businesses along with the continued growth of existing businesses. This success is due in large part to the City's location near the geographic center of the nation, combined with its transportation facilities. Also, the City benefits from serving as the trade center for the surrounding area.

Trade Area

Trade and retail facilities in the City serve a trade area of 76 counties, with a radius of roughly 200 miles east and west and a longer radius paralleling the Mississippi River approximately 300 miles north and south. This trade territory includes 13 counties in Arkansas, one county in Kentucky, 41 counties in Mississippi, two counties in Missouri and 19 counties in Tennessee.

Agribusiness

The Mid-South area, encompassing the Mississippi River Delta, is one of the richest agricultural areas in the nation. Farming is a major occupation of the region and has developed into major agribusiness activities. The 200-day growing season and favorable climate encourage the production of a variety of products. There is a major emphasis on soybeans, cotton and cattle, with additional interest in rice, corn, peaches, apples and a variety of vegetables.

The Memphis Metropolitan Statistical Area (or "MSA") is a leading spot cotton market and the nation's second largest processor of soybeans, third largest meat processor and third largest total food processor. Also, agricultural processors, packers, shippers, distributors and merchants are becoming increasingly visible contributors to the growth of the City and its economy.

An international agricultural market center, Agricenter International, was established in 1985 and is located in the eastern part of the City, approximately 30 minutes from downtown Memphis. The 140,000-square-foot exhibition center provides a forum for manufacturers, researchers and agribusiness organizations and producers from across the country. Its facilities include a 1,000-acre demonstration farm, both indoor and outdoor exhibition space, a fishing lake and an auditorium with seating capacity of 500. The Agricenter is operated by a nonprofit entity pursuant to a management contract with the Shelby County Agricenter Commission.

Also, Indigo Ag, a high-tech agricultural company, has offices located in Indigo Plaza in the downtown area of the City. Founded in Massachusetts in 2014, Indigo Ag primarily focuses on coating crop seeds with beneficial microbes that are intended to protect crops from disease and drought. Additionally, the company offers grain marketing and transportation platforms and a carbon credits marketplace.

In recent years, the Mississippi River Delta area has experienced significant flooding, including the flooding of hundreds of thousands of acres of farmland. Flooding in the area has become more frequent with recent patterns of increasing rainfall. It is unknown how long it will take for any flooded areas to recover or how increasing rainfall patterns may affect Delta communities, the area's farming business and the area's larger economy in the future.

Tourism

The City's tourism industry has shown considerable growth over the past few decades. Some of the principal reasons for the growth include the investment of public funds into tourism development projects, the area's music culture and industry and the development of casino gaming in nearby Northern Mississippi.

The City's two largest tourist attractions draw on the area's rich music heritage. The Beale Street Historic District is located in downtown Memphis and on an annual basis has historically attracted approximately 4 million patrons, both tourists and residents. Entertainment in the District focuses on the Blues, a genre of music, which developed, in part, on Beale Street in the early and middle parts of the 20th century. The other large music-related attraction in the City is Graceland, the home of the late Elvis Presley, which serves as a museum honoring the early rock-and-roll pioneer. Graceland has historically attracted an annual average of more than 650,000 people, many of whom make Graceland the primary reason for their visit to the City. A 450-room hotel, The Guest House at Graceland, opened in 2016 followed by additional tourism-related developments, including an Elvis auto museum.

Much of the area's tourism activity is focused on downtown Memphis. Mud Island, a park and museum devoted to the history, environment and culture of the Mississippi River, is located in Memphis's harbor. The City's Convention Center (as defined herein and further described below) is downtown and hosts business and other gatherings and includes the Cannon Center for the Performing Arts, home to the Memphis Symphony. The National Civil Rights Museum is located at The Lorraine Motel and other nearby buildings, offering a comprehensive overview of the American Civil Rights Movement in exhibit form.

The Memphis Grizzlies team of the National Basketball Association (or "NBA") is also located in the City. The FedExForum arena, situated just south of Beale Street, is the Grizzlies' home stadium and also hosts large artistic performances, concerts and shows. The City is also the home of the Memphis Redbirds, a minor league baseball team. The Redbirds play their home games at the AutoZone Park stadium, located in the heart of downtown. In 2015, Bass Pro Shops opened a retail store and tourist attraction in the Pyramid building located in downtown Memphis on the banks of the Mississippi River. In addition to its retail store, the 220,000-square-foot facility includes a hotel, a bowling alley, restaurants, an aquarium, an indoor shooting range, a duck aviary and an alligator pit.

Many other features enhance the City's ability to attract visitors. These include Shelby Farms, the City's 4,500-acre park system which is one of the largest urban park systems in the United States, as well as the Memphis Zoo and Aquarium, a number of fine art galleries, the Overton Square entertainment district, the 62,000-seat Simmons Bank Liberty Stadium and the Memphis International Raceway.

There are approximately 23,000 hotel rooms in the City, including the historic Peabody Hotel, the Memphis Marriott Downtown Hotel, the Westin Hotel and other facilities in downtown Memphis. Additional hotels are in various stages of planning and development for the downtown and midtown areas in the City. In November 2025, the City purchased the Sheraton Hotel, the largest hotel in the City with over 600 rooms, for \$22 million with plans for a major renovation of the hotel. The renovation project will be overseen by a development firm and is intended to

significantly modernize the Sheraton, which is connected to the City’s Renasant Convention Center.

AutoZone Park and Simmons Bank Liberty Stadium

As provided above, the Memphis Redbirds (the AAA farm club of the St. Louis Cardinals) play at AutoZone Park, a baseball stadium in downtown Memphis containing approximately 10,000 seats and two upper decks with 48 luxury Club suites. AutoZone Park provides grass berm seating down both the left field line and the right field line and has a family-oriented games and amusement area. The City is evaluating a range of reinvestment options for AutoZone Park—including critical repairs, modernization, and enhanced fan amenities.

The Simmons Bank Liberty Stadium is home to the football team for the University of Memphis and is the site of college football’s annual Liberty Bowl and Southern Heritage Classic.

Memphis Grizzlies' Basketball Arena

Also, as mentioned above, the FedExForum, an approximately 18,200-seat multipurpose sports, entertainment and public assembly facility with suites, lounge boxes and other premium seating, is located in downtown Memphis. The FedExForum serves as the home of the Memphis Grizzlies, the City’s NBA franchise, and as a venue for many other sports, concerts and other events and activities.

Renasant Convention Center

The Renasant Convention Center (the “Convention Center”) offers 300,000-square-feet of space designed especially for conventions, tradeshow and performing arts. The Convention Center is located in the downtown convention district on the Trolley Line, convenient to hotels, attractions, shopping and entertainment, and is only 12 miles from the Memphis International Airport. [The Convention Center has had over 500,000 visitors annually.] The Convention Center includes a 118,000-square-foot exhibition hall, a 35,000-square-foot secondary exhibit hall, a 28,000-square-foot ballroom, 46 meeting rooms and the Cannon Center for the Performing Arts, which seats 2,100 people and is the permanent home of the Memphis Symphony Orchestra. The Convention Center underwent a \$205 million-plus renovation and expansion that was completed in 2021 for the purpose of modernizing the facility and increasing meeting space, including the addition of a new exterior concourse and pre-function space.

Recent Developments

In 2024, the Economic Development Growth Engine for Memphis and Shelby County (or EDGE) approved a 15-year payment-in-lieu-of-taxes (PILOT) for a 3,400-mile fiber optic network in the City. If completed, the network is expected to provide 85% of City residents with access to high-speed fiber connectivity. mStreet Fiber, formerly Blue Suede Networks, an entity of Meridian Infrastructure North America, is slated to oversee installation and operations for the fiber network.

In 2024, Elon Musk’s artificial intelligence startup, xAI, located its supercomputer in the City. In late 2024, the Greater Memphis Chamber of Commerce announced a planned expansion of the supercomputer in the City. The supercomputer project represents a significant, multibillion dollar investment in the City and surrounding area. The ultimate impact of the project to the City

is subject to various factors, including extension and improvement to the utilities infrastructure surrounding the project to meet the project's energy requirements.

AAON, an HVAC manufacturer, recently announced a planned expansion of its HVAC production operations to the City. The expansion is anticipated to result in an investment of over \$200 million and the creation of approximately 800 jobs. In 2025, the South Korean company Hyosung HICO announced a planned expansion of its U.S. manufacturing headquarters in the City. The company's facilities are the first domestic facilities capable of building power transformers of a certain scale. The expansion is anticipated to increase the size of the facility by 50% and result in an investment of over \$150 million and the creation of over 200 jobs. Hyosung HICO continues its plans and investment in the City and, in 2026, announced an additional \$32.5 million building project in the City.

Construction is currently under way for BlueOval City—an approximately six square-mile industrial complex in nearby Haywood County that will include a Ford Motor truck assembly plant and an SK vehicle battery manufacturing plant. Approximately 50 miles from the City, BlueOval City is anticipated to bring significant investment and a significant number of jobs to the West Tennessee area. Mass production of the first trucks produced at BlueOval City has been delayed, as manufacturing plans have shifted away from the production of electric vehicles and instead to gas-powered trucks. Production of trucks at BlueOval City is currently planned for 2029.

Hino Motors Manufacturing USA Inc. has announced plans to close its Memphis-area automotive parts manufacturing plant by the end of 2027. Located in Marion, Arkansas, the closing will affect approximately 1,300 workers. Effective April 2026, Nike, Inc. laid off approximately 580 workers at its Memphis facility. In June 2026, W.K. Kellogg Co. provided notice of plans to lay off approximately 120 employees at its Memphis facility by October 2026. FedEx Supply Chain also permanently laid off approximately 600 workers in the County in late 2025, due to a FedEx client transitioning part of its business to a different partner, though many of the affected employees were eligible for other roles with FedEx.

TRANSPORTATION

Because much of the economy of the Memphis MSA depends on transportation and distribution, local leaders formed an organization known as "Uniport" to unify the four modes of transportation: air, rail, highway and water.

Air

Memphis International Airport, soon to be renamed the Frederick W. Smith International Airport to honor the late FedEx founder (the "Airport"), occupies about 4,600 acres of land in the City and includes a terminal complex containing approximately one million square feet and four other buildings containing approximately 100,000 square feet. The Airport is served by six major passenger carriers: Allegiant Air, American Airlines, Delta Airlines, Frontier Airlines, Southwest Airlines and United Airlines. Several regional and commuter airlines also serve the Airport.

The Airport is operated by the Memphis Shelby County Airport Authority (the "Airport Authority") created in 1969 by official action of the City and County. The Airport Authority is governed by a seven-member Board of Commissioners, five of whom are appointed by the Mayor

of the City and two of whom are appointed by the Mayor of the County. All of the Commissioners are confirmed by the City Council for seven-year terms.

More than 35,000 individuals work at the Airport, including airline, Airport Authority, Federal Aviation Authority, concessionaires and tenant employees. In 2017, the Airport started an approximately \$214 million renovation project intended to both modernize the Airport Terminal and accommodate additional Airport traffic. The renovated Airport Terminal opened in February 2022. In 2024, the Airport began the second phase of its modernization plan, formally referred to as the Terminal Modernization and Seismic Program. This project is intended to bring the terminal building up to current seismic codes and update the facility for future growth and development at the Airport. Construction is planned to begin on the Airport's Check Baggage Inspection System (CBIS) and new Administration Building in 2026. In 2025, the Airport had approximately 4.8 million total passengers and approximately 180,000 total aircraft operations and handled approximately 6.5 billion pounds of cargo. Additionally, in 2025, 11 new flights launched at the Airport.

FedEx Corporation ("FedEx") is headquartered in the City and employs approximately 30,000 people in the Memphis area. The main sorting facility is located just off of the Airport runways. FedEx has completed several major expansion and improvement projects at its airport hub operations in recent years. The company also has two major facilities in the County outside of its airport operations. There is a 500,000-square-foot technology complex in Collierville, in the southeastern part of the County, and a headquarters office complex in the City to accommodate and consolidate growth. The Airport is the third-busiest cargo airport in the world (behind China's Hong Kong International Airport and Shanghai Pudong International Airport, respectively) and is the busiest cargo airport in the United States.

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The following table presents Airport activity for calendar years 2021 through 2025.

**Memphis International Airport Aviation Activities
Calendar Years 2021-2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Enplaned Passengers By Airline Type					
Major/National	1,743,679	1,906,832	1,923,233	1,648,601	1,238,057
Regional/Commuter	626,660	517,216	458,818	514,676	540,702
Non-Scheduled	1,072	1,076	1,465	2,256	8,088
Total	<u>2,371,411</u>	<u>2,425,124</u>	<u>2,383,516</u>	<u>2,165,533</u>	<u>1,786,847</u>
Aircraft Total Movements ⁽¹⁾	152,116	176,138	185,720	181,700	187,036
Aircraft Landed Weight (in thousand pound units)	19,265,386	24,082,908	25,847,631	25,865,638	27,092,170
Pounds of Cargo Handled 2025:					
	<u>Domestic</u>	<u>International</u>	<u>Air Mail</u>	<u>Total</u>	
Cargo - Enplaned	2,642,245	705,706	8,868	3,356,819	
Cargo - Deplaned	<u>2,324,795</u>	<u>852,861</u>	<u>13,277</u>	<u>3,190,933</u>	
Total Cargo Handled 2025	<u>4,966,940</u>	<u>1,558,567</u>	<u>22,145</u>	<u>6,547,752</u>	
Total Cargo Handled 2024	<u>6,627,285</u>	<u>1,645,614</u>	<u>5,191</u>	<u>8,278,090</u>	
Increase (Decrease) (2025 vs. 2024)	(1,660,345)	(87,047)	16,954	(1,730,338)	
Percent Increase (Decrease)	(25.05%)	(5.29%)	326.60%	(20.90%)	

Source: Memphis-Shelby County Airport Authority

⁽¹⁾ Excludes Military and General Aviation activity.

Water

The Mississippi River ranks third in length, fourth in drainage area and fifth in volume in the world. Among the world's ten largest rivers, reaching from the Gulf of Mexico deep into the heartlands of the United States, the Mississippi River system encompasses about 8,900 miles of navigable inland waterways. This system has also helped make Memphis a close neighbor of the agricultural Midwest and the industrial East and West Coasts. The waterways allow for barge service to New Orleans and other Gulf Ports along the Gulf Intercoastal Waterway. This intracoastal waterways system of approximately 1,173 miles connects Florida and Texas and has offered unprecedented growth opportunities to industry in the City. In addition, regular service is available to Europe and Asia via the waterway system.

In terms of freight handled, the Port of Memphis (the "Port") is the fourth largest shallow draft river port in the U.S. and second largest inland shallow draft river port on the Mississippi River. The Port handles millions of tons of barge-driven cargo each year. The navigation channel is maintained by the U.S. Army Corps of Engineers. Favorable climatic conditions typically permit year-round availability of water transportation. The Port's operations have an estimated economic impact of over \$6 billion annually and have created approximately 14,000 direct and indirect jobs in the City and surrounding area.

The following table presents total tonnage shipped through the Port of Memphis for calendar years 2019 through 2023.

**Total Tonnage
Port of Memphis
Calendar Years 2019-2023
(in thousands)**

Calendar Year	Total Tonnage (short tons)
2019	8,915
2020	8,680
2021	9,072
2022	8,207
2023	7,195

Source: Waterborne Commerce Statistics of the United States.

Two still-water harbors in the Memphis area provide shelter from the river current – the Port and Wolf River Harbor. Wolf River Harbor, the City’s original harbor, is adjacent to McKellar Lake, a man-made lake just south of the City’s Central Business District. Public facilities include three public terminals; LASH service; roll-on, roll-off service; bulk loading facilities to barges; bulk sacking facilities; chemical fertilizer storage tanks; heavy lifts up to 100 tons (CBI Nuclear heavy lift to 1200T); two boat/barge repair facilities; and six grain elevators.

Most major common carrier barge lines provide service to the Port, including American Commercial Barge Lines, Federal Barge Lines, Ohio Barge Lines, Sioux City and New Orleans Barge Lines, DRAVO-Mechling Corporation, Riverway Barge Corporation and Valley Barge Lines.

Rail

Memphis is the third largest rail center in the United States behind Chicago, Illinois and St. Louis, Missouri. Five Class One railroads operate out of the Memphis area with competitive freight service to all principal cities in the U.S. Forty-five states and Canada and Mexico can be reached from Memphis by train. Serving the Memphis area are BNSF, Canadian National, CSX, Norfolk Southern and Union Pacific. The rail lines offer a variety of modern specialized equipment and services.

Highway

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

Public Transit

The Memphis Area Transit Authority ("MATA") provides public mass transportation within the City and parts of the County on fixed-route buses, paratransit vehicles and rubber-tired and vintage rail trolleys. MATA provides fixed-route bus and paratransit services throughout its service area, which consists of 280 square miles. [In Fiscal Year 2024, MATA ridership (all modes) consisted of over 3 million passenger trips.] The fixed-route bus system operates about 6 million revenue miles annually on approximately 33 routes. Service is available 365 days per year.

Interstate Bus Lines

Trailways / Greyhound Bus Lines is the major interstate bus line serving the City and County, offering bus service from its Memphis area terminals to the continental United States and Canada. Trailways / Greyhound Bus is supported by three smaller lines: Bridge Transit Corp., Great Southern Coaches, and Gulf Transport Co.

UTILITIES

The Memphis Light, Gas and Water Division ("MLGW") is a City-owned utility company, which distributes electric power and natural gas throughout the City and the County, as well as water within the City and certain adjacent areas. MLGW was created by an amendment to the Charter of the City by Chapter 381 of the Private Acts of the General Assembly, adopted March 9, 1939. MLGW is managed by its board, which consists of five members nominated by the Mayor and approved by the City Council. Board members serve three-year terms. MLGW has control over the administration of its activities in connection with MLGW's business affairs. It operates as three separate divisions (Electric, Gas, and Water), for accounting and financial purposes.

EDUCATION

Memphis-Shelby County Schools. Memphis-Shelby County Schools ("MSCS") provides public education for school-age children in the City and most unincorporated areas of Shelby

County. MSCS is governed by the nine-member Memphis-Shelby County Board of Education and is the largest school system in Tennessee and among the largest 25 in the nation. MSCS serves over 100,000 students at approximately 200 schools.

The following table presents the historical enrollment for MSCS for the listed years.

Historical Enrollment
Memphis-Shelby County School System

Year	Student Enrollment
2025	105,856
2024	105,202
2023	104,944
2022	102,221
2021	106,988

Source: State of Tennessee Department of Education.

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

HEALTHCARE AND BIOSCIENCE

The Memphis area is home to several hospitals, including St. Jude Children's Research Hospital, Baptist Memorial Hospital, Methodist Le Bonheur Healthcare, and Regional One Health. The Memphis area is also a leading medical and bioscience center. Shelby County is the second largest orthopedic device manufacturing center in the United States and is home to the divisional or corporate headquarters of the following orthopedic and medical device leaders: Medtronic, MicroPort Orthopedics, Smith & Nephew and Wright Medical.

In addition, the University of Tennessee Health Science Center ("UTHSC") is a staple of the Memphis community and has trained and employed some of the nation's top health-care professionals. UTHSC is estimated to have had a \$3 billion impact to the Memphis-area economy.

LIBRARIES

The City enjoys a Memphis Public Library system with 18 branches throughout the area and houses a circulation of approximately 1.8 million volumes. Colleges, universities, businesses, industries and organizations maintain numerous other libraries in and around the City. The Benjamin L. Hooks Library serves as the information hub of the Mid-South and the flagship for the Memphis Public Library system. Situated in the middle of the City, this 330,000 square-foot facility is accessible to all residents.

In May 2021, the Institute of Museum and Library Services announced Memphis Public Libraries as one of three recipients of the 2021 National Medal for Museum and Library Service,

the nation's highest honor given to museums and libraries that make significant and exceptional contributions to their communities. Memphis Public Libraries is the first-ever two-time recipient (2007 and 2021).

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE CITY OF MEMPHIS, TENNESSEE FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Audited Financial Statements of the City of Memphis, Tennessee, and supplementary information as of and for the Fiscal Year ended June 30, 2025, together with the independent auditors' report from Banks, Finley, White & Co., Certified Public Accountants, Memphis, Tennessee, are available on EMMA at:

<https://emma.msrb.org/P11918634-P11463540-P11914561.pdf>

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

APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX D

FORM OF OPINIONS OF CO-BOND COUNSEL

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EXHIBIT C

FORM OF REFUNDING TRUST AGREEMENT

CITY OF MEMPHIS, TENNESSEE

\$ _____ GENERAL IMPROVEMENT REFUNDING BONDS, SERIES 2026

REFUNDING TRUST AGREEMENT

THIS REFUNDING TRUST AGREEMENT (the “Agreement”), dated as of _____, 2026, by and between the City of Memphis, Tennessee (the “City”), and Regions Bank, Nashville, Tennessee, as refunding trustee (the “Refunding Trustee”).

W I T N E S S E T H:

WHEREAS, the City has previously authorized and issued its [General Improvement Bonds, Series 2010B (Direct Payment Build America Bonds) (the “Series 2010B Bonds”), on May 4, 2010, its General Improvement Bonds, Series 2010C (Direct Payment Build America Bonds) (the “Series 2010C Bonds”), on June 29, 2010, its General Improvement Bonds, Series 2010F (Recovery Zone Economic Development Bonds) (the “Series 2010F Bonds,” and together with the Series 2010B Bonds and the Series 2010C Bonds, the “Refunded Direct-Pay Bonds”), dated June 29, 2010, its General Improvement Bonds, Series 2016 (the “Series 2016 Bonds”), on June 30, 2016, and its General Improvement Bonds, Series 2018, on May 1, 2018 (the “Series 2018 Bonds”, and together with the Series 2016 Bonds, the “Refunded Tax-Exempt Bonds;” the Direct-Pay Bonds and the Tax-Exempt Bonds are collectively referred to herein as the “Refunded Bonds”), maturing on the dates, in the amounts and at the rates set forth on Exhibit A hereto (the “Refunded Bonds”); and

WHEREAS, the City has determined that it is in its best interest to refund and refinance the Refunded Bonds by depositing in escrow with the Refunding Trustee funds that, with the investment income therefrom, will be sufficient to pay the principal of, premium, if any, and interest on the Refunded Bonds to their [____], 2026 redemption date, including with respect to the Refunded Direct-Pay Bonds, the Extraordinary Make-Whole Redemption Prices (as such term is defined in the applicable Refunded Direct-Pay Bonds) of the Refunded Direct-Pay Bonds; and

WHEREAS, in order to obtain the funds needed for said deposit, the City has authorized and issued \$ _____ in aggregate principal amount of General Improvement Refunding Bonds, Series 2026, dated the date hereof (the “Refunding Bonds”); and

WHEREAS, in order to create the escrow hereinabove described, provide for the deposit of Refunding Bond proceeds and the application thereof, and to provide for the payment of the Refunded Bonds as set forth herein, the parties hereto do hereby enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the City and the Refunding Trustee agree as follows:

Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the resolution authorizing the Refunding Bonds (the “Refunding Bond Resolution”).

SECTION 1. Refunding Trust Funds. There is hereby created and established a special and irrevocable escrow fund (the “Refunding Trust Fund”) to be held in the custody of the Refunding Trustee under this Agreement separate and apart from all other funds of the City or of the Refunding Trustee. All monies and Obligations deposited to the Refunding Trust Fund, together with investment income therefrom, shall be held and applied solely as provided in this Agreement and shall constitute a fund to be held by the Refunding Trustee as a part of the escrow and trust created, established, and governed by this

Agreement. The holders of the Refunded Bonds shall have an express lien on all moneys, Obligations and other funds deposited in the Refunding Trust Fund until used and applied in accordance with this Agreement.

SECTION 2. Deposit of Moneys. There is hereby deposited with the Refunding Trustee to the Refunding Trust Fund by or for the benefit of the City \$_____ (\$_____ derived from the proceeds of the sale of the Refunding Bonds and \$_____ derived from other legally available funds of The City). The City hereby represents and warrants that such moneys are at least equal to an amount sufficient to purchase the Obligations set forth in Exhibit C hereto and the Obligations so purchased at their respective maturities, together with the cash deposit, will be sufficient to pay the principal of, premium, if any, and interest on the Refunded Bonds to their earliest optional redemption date, including with respect to the Refunded Direct-Pay Bonds, the Extraordinary Make-Whole Redemption Prices of the Refunded Direct-Pay Bonds.

SECTION 3. Use and Investment of Moneys. The Refunding Trustee acknowledges receipt of the moneys described in Section 2 and agrees:

(a) to immediately invest \$_____ of such funds in the Obligations listed on Exhibit C hereto and to deposit such Obligations in the Refunding Trust Fund; and

(b) to hold \$_____ of such funds as cash in a non-interest-bearing account and will wire said amount to the registration and paying agents for the Refunded Bonds to pay the principal of, premium, if any, and interest on the Refunded Bonds, including with respect to the Refunded Direct-Pay Bonds, the Extraordinary Make-Whole Redemption Prices of the Refunded Direct-Pay Bonds, as set forth on Exhibit B hereto.

Except as provided in Sections 6 and 8 hereof, the investment income from the Obligations in the Refunding Trust Fund shall be credited to the Refunding Trust Fund and shall not be reinvested. The Refunding Trustee shall have no power or duty to invest any monies held hereunder or to make substitutions of Obligations held hereunder or to sell, transfer, or otherwise dispose of the Obligations acquired hereunder except as provided herein.

SECTION 4. Payment of Refunded Bonds.

(a) Payment. As the principal of the Obligations set forth in Exhibit C hereof and the investment income and earnings thereon are paid, the Refunding Trustee shall, no later than the appropriate interest, principal and redemption payment dates for the Refunded Bonds, transfer from the appropriate Refunding Trust Fund to the paying agents for the Refunded Bonds amounts sufficient to pay the principal of and premium, if any, and interest on the Refunded Bonds, including with respect to the Refunded Direct-Pay Bonds, the Extraordinary Make-Whole Redemption Prices of the Refunded Direct-Pay Bonds, at the times, in the amounts and in the manner set forth on Exhibit B attached hereto and the resolutions authorizing the Refunded Bonds.

(b) Excess Funds. When the Refunding Trustee has made all required payments of principal, premium, if any, and interest on the Refunded Bonds, including with respect to the Refunded Direct-Pay Bonds, the Extraordinary Make-Whole Redemption Prices of the Refunded Direct-Pay Bonds, as hereinabove provided, the Refunding Trustee shall transfer any monies or Obligations then held hereunder to the City and this Agreement shall terminate.

(c) Termination of Obligations. Upon deposit of the moneys set forth in Section 2 hereof with the Refunding Trustee pursuant to the provisions of Section 2 hereof and the simultaneous

purchase of the Obligations as provided in Section 3 hereof, the owners of the Refunded Bonds shall cease to be entitled to any lien, benefit or security under the resolution authorizing the Refunded Bonds, and all covenants, agreements and obligations of the City to the owners of the Refunded Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

SECTION 5. Performance of Duties. The Refunding Trustee agrees to perform the duties set forth herein.

SECTION 6. Reinvestment.

(a) Except as provided in this Section 6 or in Section 8 hereof, the Refunding Trustee shall have no power or duty to reinvest any funds held under this Agreement or to sell, transfer or otherwise dispose of the moneys or Obligations held hereunder.

(b) Unless otherwise directed by the City, any surplus amounts received from principal or interest payments on such Obligations remaining in the Refunding Trust Fund from time to time and not needed at such time to pay principal, premium, if any, and interest due or to become due on the Refunded Bonds, including with respect to the Refunded Direct-Pay Bonds, the Extraordinary Make-Whole Redemption Prices of the Refunded Direct-Pay Bonds, shall be held uninvested in the Refunding Trust Fund until the next principal or interest payment date, at which time such amount shall be applied before any other Refunding Trust Fund monies to the payment of the next ensuing payment on the Refunded Bonds.

SECTION 7. Responsibilities of the Refunding Trustee. In the event of the Refunding Trustee's failure to account for any of the Obligations, Substituted Obligations (as defined in Section 8 hereof) or monies received by it, said Obligations or Substituted Obligations or monies shall be and remain the property of the City in trust for the holders of the Refunded Bonds, as herein provided, and if for any reason such Obligations, Substituted Obligations or monies are not applied as herein provided, the Refunding Trustee shall be liable to the City.

The Refunding Trustee shall not be liable for the accuracy of the calculations as to the sufficiency of the Obligations, Substituted Obligations and other monies available for such purpose to pay the Refunded Bonds. So long as the Refunding Trustee applies the Obligations, Substituted Obligations and monies as provided therein, and complies fully with the terms of this Agreement, the Refunding Trustee shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds caused by such calculations.

The Refunding Trustee shall not be liable to the City for any act done or step taken or omitted to be taken by it, or for any mistake of fact or law, or anything which it may do or refrain from doing, except for its own gross negligence or willful default in the performance of any obligation imposed upon it hereunder.

The Refunding Trustee shall deliver to the Chief Financial Officer a monthly report summarizing all transactions relating to the Refunding Trust Fund; and, on or before the first day of August of each year, shall deliver to the Chief Financial Officer a report current as of the previous June 30, which shall summarize all transactions relating to the Refunding Trust Fund effected during the immediately preceding fiscal year of the City and which also shall set forth all assets in the Refunding Trust Fund as of June 30 and set forth opening and closing balances thereof for that fiscal year.

SECTION 8. Substitution of Obligations. At the written request of the City made by the Chief Financial Officer, the Refunding Trustee shall have the power to sell, transfer or otherwise dispose

of the Obligations acquired hereunder and to substitute for the Obligations any direct obligations of, or non-callable, non-prepayable obligations fully guaranteed as to full and timely payment of principal and interest by, the United States of America which are not subject to redemption prior to maturity other than at the option of the holder thereof and which do not consist of investments in mutual funds or unit investment trusts (the "Substituted Obligations"). The Refunding Trustee shall either (i) purchase such Substituted Obligations with the proceeds derived from the sale, transfer, disposition or redemption of the Obligations together with any other funds available for such purpose or (ii) acquire such Substituted Obligations in exchange for the transfer of the Obligations identified in written instructions of the Chief Financial Officer. The foregoing transactions may be effected only if: (a) an independent certified public accountant shall certify that after such transaction the principal amount of and interest income on the Substituted Obligations will, together with any other monies available for such purpose, be sufficient to pay, excluding reinvestment earnings, as the same become due at maturity or earlier redemption, all principal of and premium, if any, and interest on the Refunded Bonds, including with respect to the Refunded Direct-Pay Bonds, the Extraordinary Make-Whole Redemption Prices of the Refunded Direct-Pay Bonds, which have not been paid previously; (b) the amounts and dates of the anticipated transfers from the Refunding Trust Fund to the appropriate paying agents for the Refunded Bonds will not be diminished or postponed thereby, which may be evidenced in the report of the independent certified public accountant delivered pursuant to clause (a) hereof; and (c) the Refunding Trustee shall receive an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds to the effect that (A) such disposition and substitution or purchase would not cause any of the Refunded Bonds to be an "arbitrage bond" within the meaning of Section 103(c) of the Code in effect on the date of such disposition and substitution and applicable to the Refunded Bonds and (B) such disposition, substitution or purchase is permitted under the terms of the resolutions authorizing the Refunded Bonds. Any cash from the sale of any Obligations or Substituted Obligations received from the disposition and substitution of obligations pursuant to this Section 8, to the extent such cash will not be required, in accordance with the resolutions authorizing the Refunded Bonds and this Agreement, at any time for the payment when due of the principal of and premium, if any, and interest on the Refunded Bonds, including with respect to the Refunded Direct-Pay Bonds, the Extraordinary Make-Whole Redemption Prices of the Refunded Direct-Pay Bonds, shall be paid to the City, as received by the Refunding Trustee free and clear of any trust, lien, pledge or assignment securing the Refunded Bonds or otherwise existing under this Agreement.

SECTION 9. Redemption of Refunded Bonds. The Refunded Bonds shall be redeemed on _____, 2026. The Refunding Trustee, as registration and paying agent for the Refunded Bonds, is hereby authorized and directed to give notice of a _____, 2026, redemption to the holders of the Refunded Bonds in accordance with the applicable resolution authorizing the issuance of the Refunded Bonds. The redemption notice shall be substantially in the form of the notice attached hereto and made a part hereof as Exhibit D. The Refunding Trustee is hereby authorized and directed to pay (a) the full Extraordinary Make-Whole Redemption Prices of the Refunded Direct-Pay Bonds to holders of the Refunded Direct-Pay Bonds on _____, 2026, and (b) the full redemption prices of the Refunded Tax-Exempt Bonds to holders of the Refunded Tax-Exempt Bonds on _____, 2026.

SECTION 10. Amendments. This Agreement is made for the benefit of the City and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Refunding Trustee, and the City; provided, however, that the City and the Refunding Trustee may, without the consent of, or notice to, such holders, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Agreement; (ii) to grant to, or confer upon, the holders of the Refunded Bonds or the Refunding Trustee any additional rights, remedies,

powers or authority that may lawfully be granted to, or conferred upon, such holders or the Refunding Trustee; (iii) to include under this Agreement additional funds, securities or properties and (iv) to amend, supplement or sever any provision of this Agreement deemed, in the opinion of nationally recognized bond counsel, to be in need of such amendment, supplement or severance in order to protect the tax-exempt status of interest on any of the Refunded Bonds, but only to the extent not detrimental to the holders of the Refunded Bonds. The Refunding Trustee shall be entitled to rely conclusively upon an unqualified opinion of nationally-recognized municipal bond attorneys with respect to compliance with this Section 10, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 10.

SECTION 11. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either (i) the date upon which the Refunded Bonds have been paid in accordance with this Agreement or (ii) the date upon which no unclaimed moneys remain on deposit with the Refunding Trustee pursuant to Section 4(b) of this Agreement.

SECTION 12. Compensation. The City shall compensate the Refunding Trustee for its services hereunder by paying to the Refunding Trustee a one-time fee of \$1,000; provided, however, that under no circumstances shall the Refunding Trustee be entitled to any lien whatsoever on any moneys or obligations in the Refunding Trust Fund for the payment of fees and expenses for services rendered by the Refunding Trustee under this Agreement. The City shall not be obligated to pay any fees or amounts to the Refunding Trustee except as set forth in this Section 12.

SECTION 13. Resignation or Removal of Refunding Trustee.

(a) The Refunding Trustee may resign by giving notice in writing to the City, which notice shall be mailed by the City, or its agent, at the cost and expense of the resigning Refunding Trustee, to the holders of the Refunded Bonds by first-class mail, postage prepaid, at the addresses shown on the Bond registration books of the paying agents and registration agents for the Refunded Bonds as of the date of the notice. The Refunding Trustee may be removed (1) at the direction of the City upon any consolidation or merger of the Refunding Trustee with any other entity or the transfer or assignment of its duties hereunder to any other entity or the sale or transfer of all or substantially all its trust assets to any other entity, or (2) by (i) filing with the City of an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of the Refunded Bonds then remaining unpaid, (ii) mailing such notice at least 60 days prior to the effective date of said removal to the holders of the Refunded Bonds as aforesaid, and (iii) the delivery of a copy of the instruments filed with the City to the Refunding Trustee, or (3) by a court of competent jurisdiction for failure to act in accordance with the provisions of the Agreement upon application by the City or the holders of 5% in aggregate principal amount of the Refunded Bonds then remaining unpaid.

(b) If the position of Refunding Trustee becomes vacant due to resignation or removal of the Refunding Trustee or any other reason, a successor Refunding Trustee may be appointed by the City. Notice of such appointment shall be mailed in accordance with the requirements more specifically set forth in clause (2)(ii) of subsection (a) of this Section. Within one year after a vacancy, the holders of a majority in principal amount of the Refunded Bonds then remaining unpaid may, by an instrument or instruments filed with the City, appoint a successor Refunding Trustee who shall supersede any Refunding Trustee theretofore appointed by the City. If no successor Refunding Trustee is appointed by the City or the holders of such Refunded Bonds then remaining unpaid, within 45 days after any such resignation or removal, the holder of any such Refunded Bond or any retiring Refunding Trustee may apply to a court of competent jurisdiction for the appointment of a successor Refunding Trustee. The

responsibilities of the Refunding Trustee under this Agreement will not be discharged until a new Refunding Trustee is appointed and until the cash and investments held under this Agreement are transferred to the new Refunding Trustee.

SECTION 14. No Implied Duties; Reliance on Counsel. The Refunding Trustee shall have no implied duties under this Agreement. In the event of any question arising hereunder, the Refunding Trustee shall be entitled to rely conclusively on the opinion of nationally recognized municipal bond attorneys which cost shall be borne by the City.

SECTION 15. Acts and Notices by the City. Any action or notice permitted by or required of the City under this Agreement shall be performed or given, as the case may be, by the Chief Financial Officer or his designee unless otherwise specified in this Agreement.

SECTION 16. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Refunding Trustee to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 17. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 18. Governing Law. This Agreement shall be construed under the laws of the State of Tennessee.

SECTION 19. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in Nashville, Tennessee, are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period after such nominal date.

SECTION 20. Assignment. This Agreement shall not be assigned by the Refunding Trustee or any successor thereto without the prior written consent of the City.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and their seals to be hereunto affixed and attested as of the ____ day of ____, 2026.

CITY OF MEMPHIS, TENNESSEE

By: _____
Mayor

(SEAL)

ATTESTED:

Interim Comptroller

REGIONS BANK
Refunding Trustee

By: _____
Vice President

EXHIBIT A

Refunded Bonds

EXHIBIT B

Schedule of Debt Service on the Refunded Bonds

EXHIBIT C

Government Securities

Cash Deposit: \$ _____

Cost of Investments: \$ _____

EXHIBIT D

NOTICE OF REDEMPTION

CITY OF MEMPHIS, TENNESSEE
_____ BONDS, SERIES 20__
(DATED _____)
MATURING ON _____ THROUGH AND INCLUDING _____

NOTICE IS HEREBY GIVEN to the holders of the outstanding City of Memphis, Tennessee, _____ Bonds, Series 20__, maturing on _____, through and including _____ (the "Bonds"), that such Bonds have been called for redemption prior to maturity on _____, 2026, at the redemption price set forth below, plus accrued interest to such date of redemption.

The CUSIP number, principal amount, interest rate, redemption price and maturity to be redeemed is as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>[Redemption Price Extraordinary Make-Whole Redemption Price]</u>	<u>CUSIP*</u>
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On _____, 2026, there shall become due and payable upon presentation and surrender of the Bonds at the office of Regions Bank, Nashville, Tennessee, Refunding Trustee, the above-mentioned [redemption price, together with interest accrued on the Bonds to such redemption date][extraordinary make-whole redemption price], and, **FROM AND AFTER _____, 2026, INTEREST ON THE BONDS SHALL CEASE TO ACCRUE AND BE PAYABLE.**

Payment of the amounts due will be made only on presentation and surrender of the Bonds at the Office of the Refunding Trustee located at:

Regions Bank
Regions Bank Corporate Trust Operations
2050 Parkway Office Circle, 6th Floor
Hoover, Alabama 35244

In compliance with federal law, we are required to withhold taxes at the applicable rate from the amount of your holdings redeemed unless we are provided with your Social Security Number or Taxpayer Identification Number, properly certified or submitted on a W-9 Form. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your bonds for payment.

Dated this ____ day of _____, 2026.

* THE ABOVE CUSIP NUMBER HAS BEEN ASSIGNED TO THE BONDS BY THE CUSIP SERVICE BUREAU OF STANDARD AND POOR'S CORPORATION AND IS INSERTED HEREIN FOR THE CONVENIENCE OF THE HOLDER(S) OF THE BONDS TO BE REDEEMED. NO REPRESENTATION IS MADE AS TO THE CORRECTNESS OR ACCURACY OF THE FOREGOING CUSIP NUMBER OR THE CUSIP NUMBER PRINTED ON THE BONDS.

REGIONS BANK, Nashville, Tennessee

By: _____
Refunding Trustee

50975767.4



Jason E. Mumpower
Comptroller

July 24, 2026

Honorable Mr. Paul Young, Mayor
and Honorable Councilmembers
City of Memphis
125 N. Main Street
Memphis, TN 38103

Dear Mayor Young and Councilmembers:

Thank you for your request. We acknowledge receipt on July 9, 2026, of a request from the the City of Memphis (the "City") for a report on a plan of refunding (the "Plan") for the City's proposed issuance of an estimated \$345,620,000 General Obligation Refunding Bonds, Series 2026.

Pursuant to the provisions of Tennessee Code Annotated Title 9, Chapter 21, enclosed is a report based upon our review of the City's Plan. The Plan, this letter, and the enclosed report should be made available on the City's website and must be presented to each member of the Board for review prior to the adoption of an authorizing resolution for the refunding bonds.

Private Negotiated Sale Approval

Pursuant to Tenn. Code Ann. § 9-21-910, the City's request to sell the Series 2026 Refunding Bonds by negotiated sale is approved. This approval is conditioned upon the requirement that the bonds are sold with the same, or accelerated, principal repayment schedule as presented in the City's Plan.

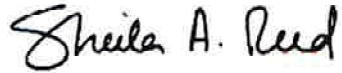
Requirements After Debt is Issued

Our website contains specific compliance requirements your local government will be responsible for once the bonds are issued: <http://tncot.cc/debt>. The listing is not all inclusive and you should work with your financial advisor and bond counsel to ensure compliance with legal and regulatory requirements related to the proposed refunding.

July 24, 2026
City of Memphis Refunding

If you should have questions or need assistance, please refer to our online resources or feel free to contact your financial analyst, Nate Fontenot, at 615.747.5238 or Nate.Fontenot@cot.tn.gov.

Sincerely,

A handwritten signature in black ink that reads "Sheila A. Reed". The signature is written in a cursive, flowing style.

Sheila Reed, Director
Division of Local Government Finance

cc:

Mr. André D. Walker, Deputy Chief Financial Officer, City of Memphis
Mr. Michael Bradshaw, Bass Berry & Sims PLC
Mr. Corbin I. Carpenter, Carpenter Law, PLLC
Ms. Lauren S. Lowe, PFM Financial Advisors LLC

Enclosure: Refunding Report
SR: so



Report on General Obligation Refunding Bonds, Series 2026 The City of Memphis, Tennessee

This report is being issued pursuant to Tenn. Code Ann. § 9-21-903 and is based upon information as presented in a plan of refunding (the "Plan") received by our office on June 9, 2026, from the City of Memphis, Tennessee (the "City"). Our report provides information to assist the governing body in its responsibility to understand the nature of the refunding transaction, including the costs and benefits, prior to approving the issuance of the refunding bonds and is designed to provide consistent and comparable information for all local governments in Tennessee. This report does not constitute approval or disapproval of the Plan or a determination that a refunding is advantageous or necessary. This report and the City's Plan must be presented to the governing body prior to the adoption of a resolution authorizing the refunding bonds.

PROPOSED REFUNDING TRANSACTION

The City plans to issue an estimated \$345,620,000 General Obligation Refunding Bonds, Series 2026, at a net premium of \$31,491,975, by negotiated sale, to current refund the following:

- \$19,590,000 Build America Bonds, Series 2010B;
- \$30,585,000 Build America Bonds, Series 2010C;
- \$11,160,000 Recovery Zone Economic Development Bonds, Series 2010F;
- \$48,995,000 General Obligations Bonds, Series 2016; and
- \$258,535,000 General Obligation Bonds, Series 2018.

Total refunded principal is \$368,865,000.

COSTS

The City plans to refund only those maturities of the refunding candidates that provide net present value savings. The costs associated with the refunding may vary significantly depending on how many bonds are refunded. If all \$368,865,000 in bonds are refunded, total issuance costs will be approximately \$1,508,769, or \$4.37 per \$1,000 of bonds. If only the selected maturities of the Series 2016 and 2018 Bonds are refunded, the issuance costs per \$1,000 bonds will change.

BENEFITS

The City's objective for the refunding is to achieve debt service savings. The City plans to refund certain maturities of the City's Series 2016 and Series 2018 Bonds that generate savings. The selection of maturities will be based on market conditions at the time the bonds are priced. In addition, the City will refund all maturities of its Series 2010B, Series 2010C, and Series 2010F Bonds (collectively, the "Series 2010 Bonds") if the net present value (NPV) savings from refunding the Series 2010 Bonds are positive. The City has amended its debt management policy and will issue the Refunding Bonds only if they comply with that policy.

July 24, 2026
City of Memphis Refunding

BALLOON INDEBTEDNESS

The proposed structure of the Series 2026 Bonds is balloon indebtedness as defined in Tenn. Code Ann. § 9-21-133 because the structure is not level or declining. The City's request for approval to issue the Series 2026 Bonds as balloon indebtedness is approved in a separate letter.

EFFECTIVE DATE FOR THIS REPORT

This report is effective for a period of ninety (90) days from the date of the report. If the refunding transaction has not been priced during this ninety (90) day period, a new plan of refunding, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report on the new plan for the City's governing body to review prior to adopting a new authorizing resolution for the refunding bonds.

Sheila Reed, Director
Division of Local Government Finance
Date: July 24, 2026



Jason E. Mumpower
Comptroller

July 24, 2026

Honorable Mr. Paul Young, Mayor
and Honorable Councilmembers
City of Memphis
125 N. Main Street
Memphis, TN 38103

Dear Mayor Young and Councilmembers:

Thank you for your request. We acknowledge receipt on July 9, 2026, of a request from the City of Memphis ("the City") for approval of a plan of balloon indebtedness (the "Plan"). The City plans to issue up to an estimated \$350,000,000 General Obligation Refunding Bonds, Series 2026 (the "Series 2026 Bonds").

Balloon Indebtedness

The repayment structure for the Series 2026 Bonds is defined as balloon indebtedness under Tenn. Code Ann. § 9-21-133 because the proposed issuance does not maintain a level or declining debt structure.

The City stated in its Plan that issuing this debt as balloon indebtedness is in the public's interest because it "allows the City to improve its fiscal position in fiscal year 2027 and beyond, by reducing debt service obligations while simultaneously refunding certain outstanding maturities for aggregate debt service savings." The current proposed structure is not balloon indebtedness; however, the City is requesting approval due to uncertainty in market conditions, and refunding specific maturities within an otherwise level repayment structure will create a balloon structure.

Approval

The Comptroller of the Treasury or the Comptroller's designee shall evaluate each plan of balloon indebtedness based on the plan's particular circumstances and shall approve the plan only if a determination is made that the repayment structure is in the public's interest. Based on the review of the Plan in accordance with statute, the Plan is approved.

July 24, 2026
City of Memphis

If you should have questions or need assistance, please refer to our online resources or feel free to contact your financial analyst, Nate Fontenot, at 615.747.5238 or Nate.Fontenot@cot.tn.gov.

Sincerely,

A handwritten signature in black ink that reads "Sheila A. Reed". The signature is written in a cursive, flowing style.

Sheila Reed, Director
Division of Local Government Finance

cc:

Mr. Art G. Davis II, Chief Financial Officer, City of Memphis
Mr. André D. Walker, Deputy Chief Financial Officer, City of Memphis
Ms. Lauren Lowe, PFM Financial Advisors, LLC
Mr. Albert Brown III, PFM Financial Advisors, LLC
Mr. Corbin Carpenter, Carpenter Law, PLLC

SR: nf