City of MEMPHIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Paul A. Young
Mayor

FISCAL YEAR ENDING JUNE 30, 2024

Memphis, TN

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2024

City of Memphis

Tennessee

Paul Young

Mayor

PREPARED BY THE DIVISION OF FINANCE

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Paul A. Young
MEMPHIS MAYOR



February 24, 2025

Dear Fellow Memphians,

I am pleased to share with you the Fiscal Year 2024 Annual Comprehensive Financial Report. As I reflect on my first year as Mayor, I am excited to report that the City of Memphis continues to make significant strides in both economic growth and community development. We have seen growth in employment and tourism, as well as important capital investments in neighborhoods throughout the city, ensuring that all areas of Memphis benefit from our progress.

I would like to extend my heartfelt thanks to the members of the Memphis City Council and our dedicated city employees for their hard work and steadfast stewardship during my first year in office. Thanks to their commitment, we were able to balance the budget while fostering growth, attracting new economic opportunities, and enhancing services—all without reductions to vital services for our citizens. I also want to recognize the Finance Division for their efforts in compiling and presenting this comprehensive report.

During my first year as mayor, we have remained focused on maintaining responsible budgets, ensuring that our capital spending stays within debt capacity limits, and strengthening our city's financial health. We've made strides in maintaining our bond rating, fully funded our annual pension requirements, and laid the foundation for future generations to benefit from the hard work, dedication, and responsible fiscal management we've put in place.

It has been an honor to serve as your Mayor, and I look forward to continuing our work to build a stronger, more vibrant Memphis for all.

In partnership and progress,

Mayor Paul A. Young
City of Memphis

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CITY OF MEMPHIS

T E N N E S S E E

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February 24, 2025

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

The Annual Comprehensive Financial Report (ACFR) of the City of Memphis (City) for the fiscal year ended June 30, 2024, is hereby submitted. In accordance with the Memphis City Charter requirement, the ACFR includes financial statements that have been audited by an independent certified public accounting firm. The financial statements are presented in conformity with the United States generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and have been audited in accordance with the United States generally accepted auditing standards. Additionally, the report is presented for compliance with the provisions of the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Office of Internal Audit supports the internal controls within the City by reviewing and assessing existing accounting and management controls, ascertaining compliance with existing plans, policies, and procedures, and ascertaining the reliability of accounting and other data developed within the City.

The City's financial statements have been audited by Banks, Finley, White and Co., licensed certified public accountants. Banks, Finley, White & Co. has issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction and considered integral to the entire report.

Profile of the Government

The City of Memphis is a home rule city under State law and was incorporated in 1826. The present Charter was adopted in 1968 and provides for a Mayor-Council form of government. The Charter provides for the election of a mayor and thirteen council members. The City currently occupies a land area of approximately 301 square miles and serves an estimated population of 618,639[1]. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

Under the provisions of the City Charter, the City Council makes the laws that govern the City. The Council is responsible for, among other things, approving the budget, setting the tax rate, and establishing other lawful taxes and fees necessary to secure sufficient revenue to fund the budget as approved. All administrative and executive duties concerning day-to-day operations of the City government are the duty and responsibility of the Mayor. Each of the various Divisions of the City government is managed by a Chief or Director who is appointed by the Mayor with the City Council's approval.

The City provides a full range of municipal services including public safety, culture/recreation, community development, solid waste management, public works, planning and zoning, sewers, utilities, transit, and general administrative services. This report includes the financial statements of the funds of the City and boards and authorities that provide City services and for which the City is financially accountable. "Financial Accountability" is the benchmark used to determine which organizations are considered parts of the primary government or represent component units of the primary government.

The City evaluates its financial reporting entity in accordance with GASB requirements to identify the various organizations as: (1) organizations which are part of the City's legal entity; (2) organizations that are legally separate and for which the City appoints a voting majority of the organization's governing body and the City is either able to impose its will or has the potential of receiving financial benefit or realizing a financial burden from the organization; and (3) organizations that are fiscally dependent on the City.

This report is inclusive of the Division of Memphis Light, Gas, and Water (MLGW). MLGW was created by an amendment to the City Charter by Chapter 381 of the Private Acts of the General Assembly of Tennessee, adopted March 9, 1939, as amended (the "Private Act"). MLGW operates three separate utilities, as Divisions, providing electricity and gas in the City and in Shelby County. Water service is provided by MLGW in the City, and together with other municipal systems, in Shelby County. Each division within MLGW operates as a separate entity for accounting and financial purposes in accordance with the Private Act. For economic reasons, activities common to all three Divisions are administered jointly and costs are prorated monthly among the Divisions. MLGW controls the administration of its activities and business affairs. It operates independently, manages its

[1] United States Census Bureau. Quick Facts: Memphis City, Tennessee. Population Estimates 07-01-23.

own finances, and responsible for obligations incurred in such operations, including indebtedness payable from operations of the Division. MLGW also administers an independent pension and other post-employment benefits (OPEB) plan for the benefit of its employees and does not in any way participate in the separately managed pension and OPEB plan of the City. MLGW must have the City Council's approval for its annual budget and before incurring certain obligations, including purchasing real estate and exercising the right of eminent domain. MLGW is managed by a Board of Commissioners. The daily operations of MLGW are managed by the President and Chief Executive Officer, who is nominated for a five-year term by the Mayor and approved by the City Council. Under the Private Act, the President generally supervises MLGW's operations and its officers and employees. As such, MLGW is audited and reported independently of the annual audit of the City. MLGW also operates on a calendar year basis, and such disclosure is made throughout this report to distinguish the timing and reporting components of the financial information provided. The City's Independent Auditors rely on the information provided under the audit opinion concluded by MLGW's Independent Auditors, and financial information for MLGW is presented without change or modification from its audited presentation.

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

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

Further explanations of the discretely presented component units and the reasons for their inclusion are provided in the notes to the financial statements.

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

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

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

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

- Memphis Housing Authority *(related organization)*

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

Budget Process

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

The budgeting process for the coming year takes place before the completion of the annual reporting year. The Fiscal Year 2025 operating budget are available online on the City's website and in printed form from the Comptroller.

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

Economic Condition Assessment

The U.S. economy faced a period of moderation and uncertainty from January 2023 through June 2024, with growth slowing significantly in the first half of the year amid ongoing inflationary pressures and interest rate hikes. While the labor market remained resilient, concerns over a potential recession persisted. Inflation, although decelerating from its peak in 2022, remained elevated, with consumer prices rising at an annual rate of approximately 4-5% in the first half of 2024, well above the Federal Reserve's target of 2%. The Federal

Reserve continued its policy of aggressive interest rate increases through early 2024 to tame inflation, raising borrowing costs to their highest levels in over two decades.

Real GDP growth slowed markedly during the first quarter of 2024, expanding at just 0.8%, following a modest 1.5% growth rate in the final quarter of 2023. Several sectors showed signs of strain, particularly those sensitive to interest rate hikes, such as housing and manufacturing. Residential real estate sales fell, as higher mortgage rates dampened demand, and construction activity slowed. Meanwhile, the housing affordability crisis deepened, with home prices remaining elevated despite fewer transactions.

On the positive side, the labor market remained relatively strong, with the unemployment rate holding steady at around 3.5% as of June 2024. Job gains continued, particularly in sectors like healthcare, technology, and professional services, although there were signs of softening in more cyclical industries such as retail and manufacturing. Job openings, while high, showed signs of a gradual decline as businesses became more cautious about hiring amid economic uncertainty.

Consumer spending, which is a key driver of the economy, showed signs of moderation in the first half of 2024. While spending in services, especially in travel, leisure, and hospitality, remained robust, spending on durable goods, such as automobiles and electronics, decreased as consumers faced higher prices and tighter budgets. Business investment also slowed, particularly in industries dependent on credit and borrowing, such as real estate and industrial production.

The financial sector remained stable through the first half of 2024, although banking conditions showed signs of stress in some areas. Regional banks faced challenges due to increased loan defaults, particularly in commercial real estate, as businesses struggled with higher financing costs and slower economic activity. The stock market experienced heightened volatility, driven by investor concerns about the economy, inflation, and geopolitical uncertainties.

Energy markets also remained unpredictable, with oil and gas prices fluctuating amid global supply constraints, geopolitical tensions, and fluctuating demand. The clean energy transition gained momentum, with increased investments in renewable energy sources, but the pace of change remained uneven across sectors.

Overall, the economic landscape between January 2023 and June 2024 was characterized by a balancing act between strong labor markets and persistent inflationary pressures, with growing concerns about economic slowdowns and the potential for a mild recession in the latter half of 2024. Economic forecasts suggest that growth will remain sluggish, and the Federal Reserve's ongoing efforts to control inflation may continue to weigh on economic activity.

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

The National Economy

- **Inflation and Monetary Policy Uncertainty**
  Since the beginning of the pandemic, the path of inflation has remained historically difficult to predict, with global and domestic uncertainties continuing into 2023 and 2024. Rising inflation, coupled with ongoing fluctuations in monetary policy, has created significant challenges for economic forecasting. Uncertainty surrounding interest rates and inflation has led to unpredictable effects on investment, consumption, and employment, which may be hindering overall economic growth. For the U.S., this inflationary uncertainty continues to complicate the formulation of effective monetary policy.
- **Impact of Rising Interest Rates and Inflation on Commercial Real Estate (CRE)**
  Rising interest rates and persistent inflationary pressures have continued to strain the commercial real estate (CRE) sector, particularly in office spaces. The national office vacancy rate reached 17% by mid-2024, with cities like San Francisco, Austin, and Houston seeing vacancy rates approaching or exceeding 20%. While the broader CRE market remains valued at over $21 trillion, the office market is disproportionately affected by shifts in work patterns, particularly the rise in remote work that began during the pandemic. Major office markets, including those in the Eighth Federal Reserve District (e.g., Memphis, St. Louis), have also seen increasing vacancy rates, declining rent prices, and lower property valuations. The weakened office market is affecting surrounding industries, with retail businesses and housing markets reliant on office workers facing additional challenges.

Construction Market Trends

As material cost pressures began to ease in 2022, contractors in 2023 returned their focus to concerns about labor availability and demand for construction. The residential construction market faced significant challenges due to higher borrowing rates, making it more difficult for consumers to afford homes or secure financing. In contrast, the demand for nonresidential construction remained strong, particularly in industrial sectors and healthcare facility development, which saw robust growth during the first half of 2023. However, as of mid-2024, demand for construction in these sectors showed signs of softening amid broader economic uncertainties.

- **Resilient U.S. Economy Despite Slowdown**
  The U.S. economy continued to show resilience through the first half of 2024, though growth slowed compared to the rapid recovery observed in 2021-2022. In the second quarter of 2024, real GDP growth slowed to 1.2%, down from 2.1% in the first quarter. This slower pace of expansion is largely attributed to tighter financial conditions due to higher interest rates. Labor markets remained tight, with payroll job growth continuing at a steady pace, and unemployment remained historically low at around 3.5%. While labor demand softened slightly, job openings remained elevated, particularly in sectors like healthcare, professional services, and technology.
- **Wage Growth and Labor Market Dynamics**
  Wage growth showed signs of moderation in 2024, but it remained relatively strong compared to historical trends. In the second quarter of 2024, average hourly earnings increased by 4.2% on an annualized basis, down from the 4.7% growth seen in mid-2023 but still above pre-pandemic levels. Although wage growth had slowed compared to the pandemic-era highs, it continues to outpace inflation, supporting household purchasing power despite rising prices. The labor force participation rate remained stable at around 62.3%, still below pre-pandemic levels, while the employment-population ratio showed steady gains, reaching 60.2% by June 2024.
- **Productivity Growth and Economic Efficiency**
  Productivity growth in the nonfarm business sector remained strong through the first half of 2024. In the second quarter of 2024, labor productivity saw a solid 4.7% increase, driven by a 5.4% rise in output, while hours worked grew at a slower pace of 0.7%. This represents a continuation of robust productivity gains following a strong 2023. Overall, nonfarm business sector productivity improved by 3.1% compared to the same quarter in 2023, reflecting an ongoing increase in output per hour worked. However, labor supply challenges, as well as uncertainties in global economic conditions, continue to limit the broader economic growth potential.
- **Labor Market Trends and Long-Term Recovery**
  The U.S. labor market continued to recover in 2023 and 2024, although some sectors showed signs of weakness. Unemployment levels remained low, and job vacancies remained relatively high, signaling ongoing demand for workers. However, hiring slowed slightly as businesses, uncertain about the

economic outlook, became more cautious. By mid-2024, the labor force participation rate had not returned to pre-pandemic levels, suggesting that a significant portion of the working-age population remains outside the labor force, possibly due to shifting work preferences or challenges in childcare and other systemic issues.

The Tennessee Economy

1. **Employment Trends (2023-2024)**
   From March 2023 to March 2024, Tennessee's labor market continued to show strong growth, with employment increases across all six major counties (Davidson, Williamson, Rutherford, Hamilton, Knox, and Shelby). Williamson County remained a standout, with a year-over-year increase in employment of 5.2%, continuing its trend of rapid growth. Shelby County, the state's largest county, saw a more modest increase of 1.0%, slightly higher than in previous years but still reflective of challenges in certain sectors. As of June 2024, overall employment growth across the state had begun to moderate due to a combination of tightening monetary conditions and slower growth in certain sectors, but it remained above pre-pandemic levels.
2. **Wage Growth (2023-2024)**
   Average weekly wages continued to rise across Tennessee's major counties between the first quarter of 2023 and the first quarter of 2024, though the rate of increase began to slow somewhat compared to 2022. Shelby County saw a significant 5.5% year-over-year increase in average weekly wages, reflecting strong demand for workers in sectors like healthcare, technology, and logistics. While wage growth was robust across the state, the pace of increase was slower compared to the previous year, as higher interest rates and inflationary pressures began to dampen economic activity in the second half of 2023.
3. **Post-Pandemic Recovery and Employment Levels**
   Tennessee's economy continued its recovery into 2023 and 2024, surpassing pre-pandemic levels in both employment and overall economic activity. As of mid-2024, the state's nonfarm job count was 3.45 million, a 2.5% increase compared to 2019. The unemployment rate remained historically low, holding steady at 3.4% in early 2024, well below the national average of 3.6%. The state's labor force participation rate, however, remained slightly below pre-pandemic levels, indicating that some segments of the population, particularly older workers and individuals with caregiving responsibilities, continued to face barriers to full workforce engagement.
4. **Unemployment Rate Trends (2023-2024)**
   Tennessee's seasonally adjusted unemployment rate stood at 3.1% in June 2024, a slight improvement from 3.2% in June 2023. This was down significantly from the 4.4% rate in June 2021, reflecting the state's continued recovery from the pandemic. The national unemployment rate had similarly fallen to 3.6% in June 2024, from 3.7% in June 2023. Tennessee's labor market remained tight, with businesses reporting difficulty filling positions despite the relatively low unemployment rate.

5. **Labor Shortages and Job Openings**
   Labor shortages continued to be a significant concern for businesses across Tennessee. As of June 2024, the Tennessee Department of Labor and Workforce Development reported that there were 4.5 job openings for every unemployed individual in the state, a slight increase from the 4.3 ratio in June 2023. This marked a continuing trend of heightened demand for workers, particularly in sectors like construction, healthcare, and technology. While the total number of job openings was still elevated, businesses increasingly faced challenges in finding workers with the right skills to meet demand, particularly in high-skill industries.

6. **Tourism and Economic Impact**
   Tennessee's tourism sector remained a key driver of economic growth in 2023 and into 2024. In 2023, the state attracted approximately 150 million visitors, with direct tourism spending reaching $32.2 billion, a 10% increase over 2022 levels. This increase was driven by a surge in domestic travel and continued growth in sectors like music, entertainment, and outdoor tourism. Tourism spending directly supported 195,000 jobs in Tennessee and generated $3.2 billion in state and local tax revenues. By mid-2024, tourism was expected to remain a strong contributor to the state's economy, though rising inflation and travel costs began to temper growth in certain visitor segments.

The Local Economy

The Memphis Metropolitan Statistical Area (MSA) comprises eight counties: Shelby, Tipton, and Fayette in Tennessee; DeSoto, Marshall, Tate, and Tunica in Mississippi; and Crittenden in Arkansas. Memphis City accounts for approximately 48% of the Memphis MSA's population, while Shelby County accounts for approximately 70%. Memphis is strategically located within 600 miles of many of the United States' major cities and commercial markets, positioning it as a key distribution hub with easy access to interstates, the Mississippi River, railways, and an international airport.

- **Labor Market and Employment Trends (2023-2024)**
  Despite improvements in employee retention, Memphis employers continued to face challenges in attracting qualified workers in 2023 and 2024. Labor shortages, particularly in skilled trades and healthcare, persisted as businesses struggled to fill vacancies. Wage pressures, while still present, eased slightly in 2024 compared to 2022, as the labor market showed signs of cooling. However, employers remained under pressure to offer competitive compensation packages to attract talent, particularly in high-demand sectors like logistics, healthcare, and technology.

Consumer spending in Memphis was relatively stable through the first half of 2024, but there was a noticeable shift away from discretionary spending. Demand for large-ticket items, especially those requiring financing, showed signs of decline, with consumers becoming more cautious about major purchases. Residential real estate activity saw a modest uptick in June 2023, although by mid-2024, activity had slowed due to higher interest rates and affordability concerns. Commercial real estate, especially in non-premium office and retail spaces, continued to face challenges, with increased vacancies and declining rental prices in some sectors.

The banking industry in Memphis reported a moderate decline in loan demand, with small business loans especially sluggish due to rising interest rates and economic uncertainty. Deposits in local banks continued to grow steadily, but net interest margins were compressed. While customer concerns about deposit security remained low following the collapse of Silicon Valley Bank and Signature Bank in 2023, delinquency rates began to edge upward, nearing pre-pandemic levels. Despite these concerns, there remained optimism about near-term credit quality, with most businesses maintaining cautious but stable financial positions. Notably, credit card usage surged, with credit utilization reaching its highest levels since 2019.

- **Tourism and Local Consumption**
  Tourism in Memphis and Shelby County continued to be a strong contributor to the local economy in 2023 and 2024. Visitor spending in Shelby County increased by 12% in 2023 compared to the previous year, slightly down from the 16% increase from 2021 to 2022, but still a positive sign for the recovery of the tourism sector. In 2023, Shelby County ranked second among Tennessee's 95 counties in terms of visitor spending. The top three industries benefitting from tourism spending were Food & Beverage (34%), Transportation (22%), and Lodging (16%). This reflects Memphis' ongoing role as a key tourism destination, particularly for events and music-related tourism, with rising visitation to attractions such as Beale Street, Graceland, and the National Civil Rights Museum.

- **Unemployment Rate Trends (2023-2024)**
  As of June 2024, the unemployment rate in the Memphis MSA remained higher than both the state and national averages. The seasonally adjusted unemployment rate for the Memphis MSA stood at 4.3% in June 2024, slightly lower than the 4.4% rate reported in August 2023, but still above the national average of 3.6%. The unemployment rate in Tennessee continued to improve, reaching 3.0% by June 2024, and remained lower than the U.S. average. Despite a relatively strong recovery in employment, Memphis continued to experience a slower labor market recovery compared to the rest of the state and the nation.

Unemployment Rate (Seasonally Adjusted) 2023 – 2024

Region	August-2023	June-2024	Percent Change (Aug 2023 - June 2024)
Memphis MSA	4.40%	4.30%	-2.30%
Tennessee (State)	3.10%	3.00%	-3.20%
U.S.	3.80%	3.60%	-5.30%

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

- **House Price Growth (2023-2024)**
  The rise in home prices, which peaked in the second quarter of 2022, continued to moderate throughout 2023 and into the first half of 2024. Year-over-year house price growth slowed significantly as affordability concerns and rising mortgage rates took a toll on buyer demand. By mid-2024, Memphis' year-over-year house-price increase was 3.8% in the second quarter of 2024, down from 4.9% in the second quarter of 2023. This growth was lower than the pre-pandemic levels, reflecting a broader trend of price stabilization as the housing market cooled in response to higher borrowing costs.
- **Impact of Federal Reserve Interest Rate Hikes (2023-2024)**
  The Federal Reserve's decision to raise interest rates starting in March 2022 had a noticeable effect on the housing market in Memphis and nationwide. By the first half of 2024, house price growth had largely stalled, and inventory levels saw modest increases. The construction of both single-family homes and multifamily buildings slowed further as higher interest rates dampened demand for new homes and increased financing costs for developers. However, even with cooling price growth, there remained significant supply-side pressures in the housing market, including labor shortages, rising material costs, and limited available land in desirable areas. As a result, prices in certain segments of the market remained elevated despite the broader market slowdown.

- **Supply and Demand Pressures**
  Despite the cooling effect of higher mortgage rates, the Memphis housing market continued to face structural challenges, particularly around supply. The pressure on home prices persisted due to limited housing stock, particularly in the more affordable price ranges. The slowdown in new construction, both for single-family homes and multifamily developments, compounded this issue, as it contributed to an ongoing shortage of inventory in key price segments. As of mid-2024, the construction of single-family homes remained well below pre-pandemic levels, driven by high land costs, labor shortages, and rising construction financing rates.

- **Memphis Real Estate Market Performance (2023-2024)**
  The Memphis housing market continued to show signs of decline through 2023, as both total home sales and inventory levels experienced significant changes. Total home sales in Memphis fell by 20.5% year-over-year from 2022 to 2023, a slight improvement over the 26.3% drop seen the previous year. As of mid-2024, total sales were down another 7% compared to the same period in 2023. The median sales price decreased by 2.1% in 2023 but showed a modest recovery of 1.3% in the first half of 2024. The average sales price continued to trend upward, rising by 3.2% year-over-year in 2023, and by another 2.7% in the first half of 2024, despite the overall slowdown in the market.

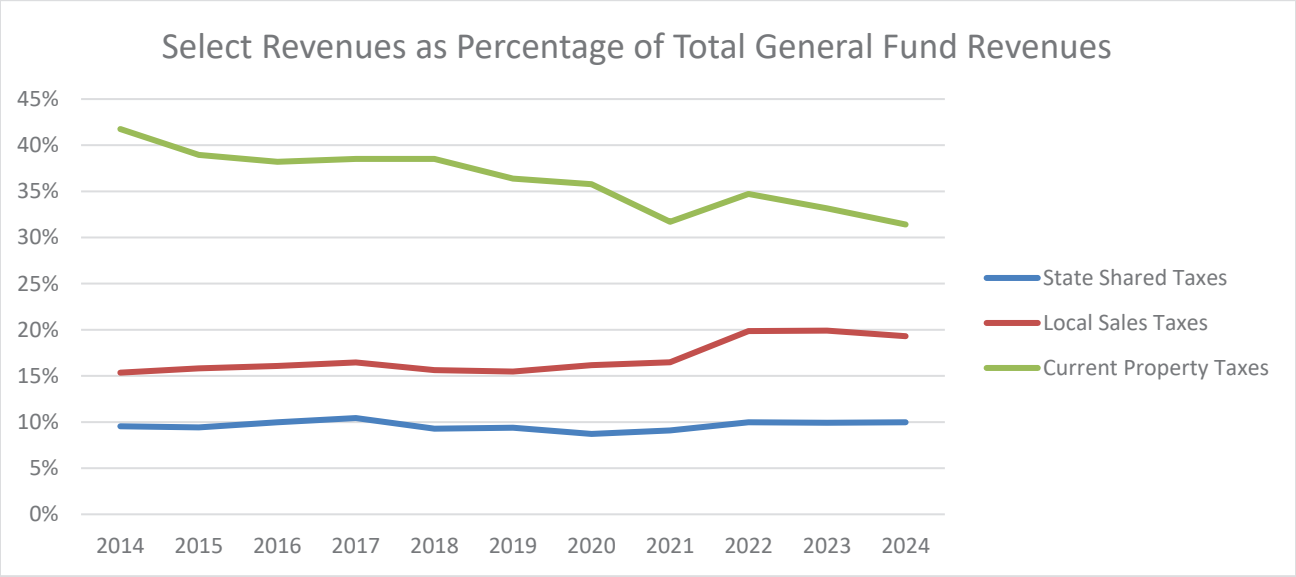
Home Sales in Memphis, Comparative January - June 2023 vs. 2024

	FY 2023	FY 2024 (up to June)	Percent Change
Home Sales	7,850	7,315	-6.8%
Median Sales Price	$ 222,000	$ 225,000	1.3%
Average Sales Price	$ 275,400	$ 283,500	2.7%
Active Listings	3,850	4,100	6.5%

- *Source: Memphis Area Association of Realtors – Memphis Area Homes Sales Report January 2023 – June 2024*
- As of mid-2024, active listings in Memphis had increased by 6.5%, signaling a slight uptick in inventory compared to the previous year. However, despite this increase, the overall market remains constrained by limited availability of homes in certain price ranges, particularly in the mid-to-luxury segments, where demand remains relatively stable.

General Fund Information

General Fund Revenues



The chart above illustrates the three primary sources of general fund revenues; however, it should be viewed in the context of the unique revenue impacts from COVID-19 relief funding in Fiscal Years 2020 and 2021. For comparison, FY21 included $75 million in CARES Act-related revenues. Although current property tax revenues decreased by $2 million (less than 1%) year-over-year, the decrease was more pronounced when viewed as a percentage of total revenues, reflecting a 4% reduction. Additionally, FY22 revenues included approximately $12 million transferred from the Sales Tax Referendum Fund to cover healthcare premiums for public safety personnel.

While other revenue sources are gradually returning to pre-pandemic levels, FY23 revenues are notably characterized by continued growth in sales tax. Local Option Sales Tax revenue reached $159.5 million, reflecting an $8.4 million increase from FY22. State Sales Tax revenue totaled $75 million, representing a $3 million year-over-year increase. Furthermore, the Local Option Sales Tax from the 2019 Sales Tax Referendum contributed an additional $14.4 million to the General Fund in FY23, helping to offset street maintenance expenditures.

As we move into FY24, revenue sources have shown a noticeable decline in growth rates compared to FY23. Property Taxes decreased by $14.1 million, from $354.8 million to $340.7 million, due to the impact of the State Tax Appraisal Equalization Ratio adjustment. Total Shared Sales Tax saw a modest increase, rising from $79.5 million to $82.3 million. The Local Option Sales Tax remained relatively flat at $159.0 million, with a slight decrease of nearly $0.5 million.

Notable trends for the last five years include the following:

- In 2020, property tax revenues remained steady at 36%, General Fund revenues increased by $14 million, primarily due to Federal Grants in response to the pandemic.
- In 2021, current property tax revenues decreased slightly. General Fund revenues increased by $91 million, primarily due to Federal Grants in continued response to the pandemic coupled with an increase in sales tax. Local Sales Tax increased $16 million from FY20 to FY21.
- While Total Property Taxes remained basically flat year over year for Fiscal Year 2022, Current Property Taxes experienced a $5 million increase. Fiscal Year 2022 saw another significant increase in sales tax income. Local Option Sales Tax FY22 revenue increased $16.5 million or 12% over FY21. State Shared Taxes also experienced an increase over the prior year of $4.4 million or 6.6%. The continued growth is attributed to the increased activity because of the federal stimulus circulated through the economy.
- In Fiscal Year 2023 several revenue line items returned to pre-pandemic levels, while Local Option Sales Tax maintained stimulated levels. FY23 Local Option Sales Tax and the State Shared Sales Tax again contributed to the largest contributions year over year.
- In Fiscal Year 2024 revenue line items have normalized in the face of several factors. Ad Valorem taxes and some PILOTs declined due to State Appraisal Ratio impacts. The decline resulted in a reduction of $14.1 million. Both State shared taxes and Local option sales tax were essentially fractionally better to essentially flat, with a small $2.75 million increase and a $0.5 million decrease respectively.

General Fund Expenditures



The previous chart shows the General Fund Expenditure trends from fiscal year 2014 through 2024.

With 70% of the City's expense budget dedicated to personnel expenditures for the provision of city services; employment, healthcare, and retirement costs are a constant source of concern. For retirement costs, Tennessee state law required the City to progressively increase the funding percentages of the Actuarially Determined Contribution (ADC) for employer retirement contributions for the fiscal years 2015 – 2019, with a 100% ADC funding achieved for fiscal year 2020. Contributions for meeting the ADC continues to be a significant and material component of personnel cost.

Notable trends for the last five years are as follows:

- In Fiscal Year 2020, total expenditures increased by 2.7%. This change was due to an increase in personnel services for Fire and Police Divisions, totaling $15.3 million.

- FY20 personnel expenditures also included Hazard Pay for First Responders under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Overall, personnel expenditures increased by 5.7%.

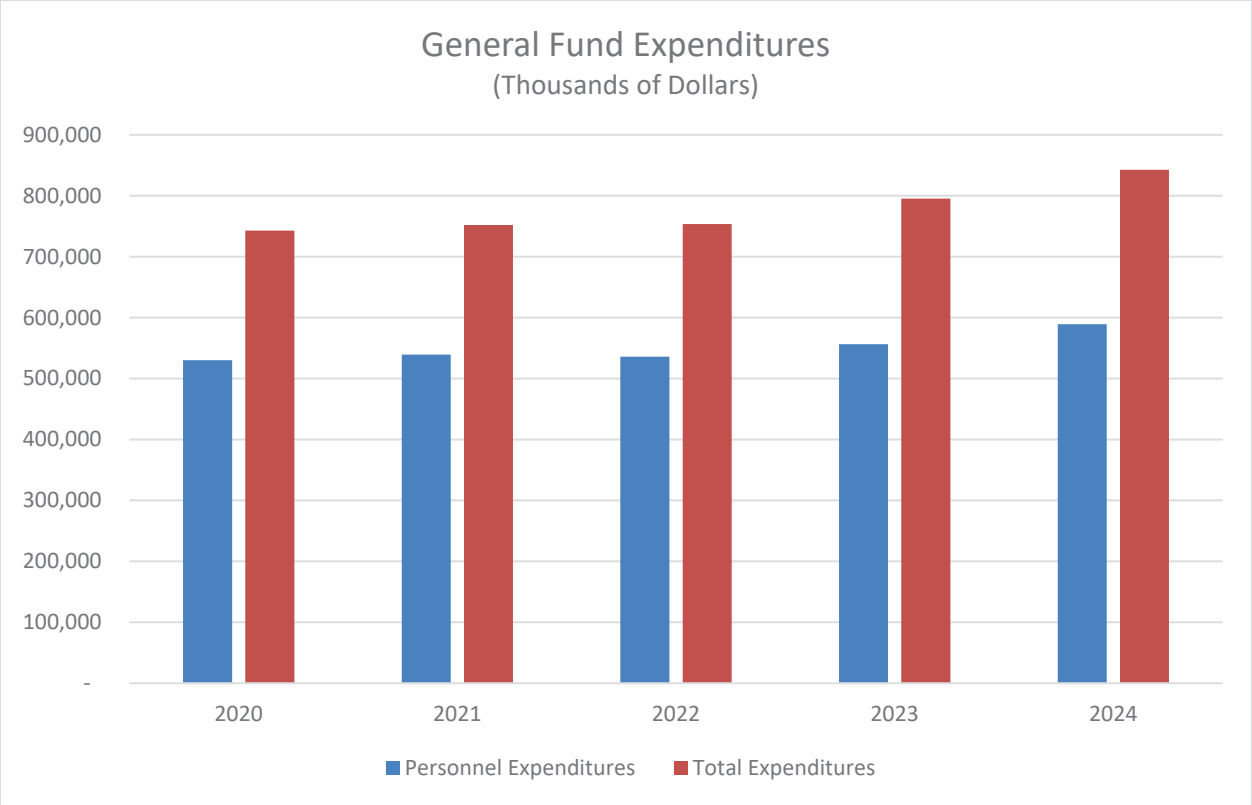
- In Fiscal Year 2021, total expenditures increased by 1.3%. This change was primarily due to an increase in personnel services (salaries) for the Fire Division totaling $8.1 million. Overall, personnel expenditures increase by 1.8%. FY21 personnel expenditures also included additional Hazard Pay for First Responders under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). FY21 material and supplies expenditures were slightly offset in part by funding provided by the CARES Act.

- Significant changes. The Materials and Supplies category experienced a $28.5 million dollar increase. Those increases were attributed to the rising cost of fuel and the impact of supply chain challenges and raw material cost increases because of the pandemic. The Grants and Subsidies category experienced a $23.4 million dollar decrease year over year as the City adjusted from the FY21 distribution of CARES relief funds.

- As FY22 faced an increase in crime, recruiting and retaining quality police officers and firefighters is critical to the City's ability to provide effective public safety. Due to the current environment and nationwide competition, the City has committed to progressively increasing the salaries of first responders.

- FY23 continued to experience impacts related to supply chain challenges following the pandemic. Correlated to these events, is the large, double digit price increases associated with Producer Price Index categories like Freight Trucking and Express delivery services.

- FY24 experienced continued inflationary pressure, along with associated increases in Personnel Costs as the City of Memphis continued efforts to keep pace with an increasingly aggressive job market. Key drivers included Pension ADC adjustments, fuel and shop charges, and a $20 million increased allocation to a component unit of the City of Memphis.



The Chart above depicts the comparison of personnel cost to total expenditures for the last five years.

Recent Developments

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

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

The Accelerate Memphis projects were largely expected to be completed in Calendar Year 2023; however, due to a variety of challenges related to supply chain issues and other constraints, the goal is currently for all projects to be completed by the end of Calendar Year 2025.

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

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

1. **$75 million for the Memphis 3.0 Comprehensive Plan**
   Memphis 3.0 outlines the roadmap for investment in the City's communities, fostering growth within Memphis' core. The program identifies 15 key projects, with none completed as of FY 24, but all 15 are currently in progress. By the end of FY 24, $ 30.23 million had been expended on these initiatives.
2. **$75 million for Park Improvements**
   Memphis boasts a diverse array of public assets, including 150 parks, 30 community and senior centers, 17 pools, 7 golf courses, 81 playgrounds, 48 basketball courts, 80 tennis courts, and 4 dog parks. This allocation aims to update, maintain, and improve these facilities. Of the 28 projects identified, 13 have been completed, and 15 are in progress. By the close of FY 24, over $ 64.86 million had been spent on park improvements.
3. **$50 million for Citywide Asset Revitalization**
   This portion of the funding was initially allocated for the revitalization of the 100 N. Main building; however, $10 million of the original allocation was redeployed due to changes in the ownership structure. Another $9.8 million has been redirected to various City projects, including holiday lighting, the Chelsea Greenline, and street beautification in different Council districts. These efforts address the lifecycle needs of common community assets that require major repairs or renovations to maintain

their vibrancy. As of FY 2023–2024, six projects were in progress, with approximately $28.80 million spent.

Beyond these major initiatives, other significant projects across the City are designed to complement and leverage ARPA funding, stimulating private investment and further advancing Memphis' growth.

1. Continued Growth in Logistics and Transportation Sector

- **Development:** FedEx and other logistics firms in the Memphis area continued their investment in infrastructure and technology, further solidifying the city's role as a global logistics hub.
- **Estimated Economic Impact:**
    - **Direct impact:** FedEx's global headquarters expansion is estimated to generate over **500 new jobs** with an average salary of **$75,000** per year. This is expected to create an additional **$37.5 million** annually in payroll alone.
    - **Indirect impact:** The expansion is likely to have a broader multiplier effect, adding around **$150 million** annually to the local economy through increased demand for local services, housing, and transportation.

2. Tourism Growth and Major Events

- **Development:** The Memphis tourism sector saw significant growth, with key events such as the **Beale Street Music Festival**, **Memphis in May**, and the **World Championship Barbecue Cooking Contest** drawing large crowds. Shelby County's tourism spending grew by **12%** year-over-year in the first half of 2024.
- **Estimated Economic Impact:**
    - **Visitor Spending:** Direct spending from tourism is estimated to total **$3.5 billion** in 2024, a **5-8%** increase over 2023.
    - **Job Creation:** The hospitality and retail sectors gained approximately **3,000-4,000 jobs** during peak tourism months.
    - **State & Local Tax Revenue:** Tourism-related taxes contributed an estimated **$150 million** to state and local governments in the first half of 2024.

3. Memphis Real Estate Market Stabilization

- **Development:** The Memphis real estate market showed signs of stabilization after a period of cooling. Median home prices saw modest growth in the first half of 2024, increasing by **1.3%**, while the number of active listings rose by **6.5%** as inventory levels began to recover from tight post-pandemic conditions.
- **Estimated Economic Impact:**
    - **Home Sales:** Total home sales in Memphis during the first half of 2024 were valued at approximately **$1.8 billion**, marking a **5% increase** from the same period in 2023, despite fewer transactions overall.
    - **Construction Activity:** New residential construction projects are projected to inject **$200 million** into the local economy through building materials, labor, and developer investments.

- **Property Tax Revenue:** Increased property values, particularly in desirable neighborhoods, contributed an estimated **$20-30 million** in additional property tax revenue to the City of Memphis

4. Expansion of Healthcare and Medical Research

- **Development:** St. Jude Children's Research Hospital and the University of Tennessee Health Science Center continued their expansion in Memphis, with new research facilities and partnerships designed to advance medical innovation and improve patient care.
- **Estimated Economic Impact:**
  - **Job Creation:** The healthcare sector added approximately **1,500-2,000 new jobs** in 2024, many in high-wage areas like research, clinical trials, and healthcare administration. This is expected to generate an additional **$100-150 million** in wages annually.
  - **Research Grants and Funding:** Medical research funding for projects in Memphis increased by an estimated **$75 million** in 2024, with much of it directed toward cancer research, pediatric care, and bioengineering.

5. Public and Private Investments in Workforce Development

- **Development:** A series of new workforce development programs launched by the City of Memphis and regional employers focused on training residents for high-demand jobs in logistics, healthcare, and technology.
- **Estimated Economic Impact:**
  - **Job Placement:** Programs are projected to place **2,500-3,000 individuals** in new positions by the end of 2024, with an average starting salary of **$45,000** per year. This could generate a **$120 million** impact on the local economy in terms of increased wages and spending.
  - **Business Expansion:** Local employers, particularly in tech and logistics, are expected to benefit from a more skilled labor force, which could increase productivity and profitability by **$75 million** annually.

6. Increase in Investment in Green Infrastructure and Sustainability

- **Development:** Memphis received several private and public investments in green infrastructure, including electric vehicle (EV) charging stations, renewable energy initiatives, and urban green spaces.
- **Estimated Economic Impact:**
  - **Green Infrastructure Investment:** Estimated total investment in green infrastructure and sustainability initiatives in 2024 is **$100 million**.
  - **Job Creation:** Green infrastructure projects are expected to create about **1,000 new jobs** in areas such as construction, urban planning, and renewable energy systems installation, with an estimated **$50 million** in new wages and spending.
  - **Energy Savings & Environmental Impact:** The expansion of EV infrastructure is expected to reduce emissions and energy costs for businesses and households, with a potential **$10-15 million** in savings for local residents and businesses over the next 5 years.

7. Banking and Credit Sector Developments

- **Development:** Local banks and financial institutions reported moderate increases in loan demand in early 2024, particularly in mortgages, home equity lines of credit, and business financing. However, higher interest rates continued to compress profit margins and increase caution around lending.
- **Estimated Economic Impact:**
    - **Loan Growth:** Total loan growth in Memphis is estimated to increase by **$500 million** in 2024, driven by strong demand for business loans and residential mortgages, despite tightening credit conditions.
    - **Small Business Financing:** Small businesses in Memphis were expected to secure around **$200 million** in loans by mid-2024, providing a critical boost to local startups and entrepreneurial activity.
    - **Credit Card Debt & Household Spending:** Increased credit card use in Memphis saw **$200 million** in new consumer credit activity, driving both retail sales and consumer debt levels.

8. Agriculture and Food Production Challenges

- **Development:** Agriculture in the Memphis region faced continued pressures from rising input costs, climate volatility, and fluctuating commodity prices. However, some segments of the food production industry, particularly in food processing, showed growth.
- **Estimated Economic Impact:**
    - **Agricultural Losses:** The local agriculture industry faced a **$50 million** decrease in revenues due to low commodity prices and adverse weather conditions.
    - **Food Processing Growth:** The food processing sector in Memphis grew by **$75 million** in 2024, particularly in packaged foods and distribution networks.

9. Memphis 3.0 Plan Advancements

- **Development:** The implementation of the Memphis 3.0 Plan for urban revitalization and neighborhood development continued, with new projects focusing on affordable housing, mixed-use developments, and infrastructure improvements in underserved areas.
- **Estimated Economic Impact:**
    - **Real Estate Development:** The Memphis 3.0 Plan is expected to catalyze **$200 million** in new real estate investments through public-private partnerships, benefiting local contractors, developers, and residents.

Job Creation: **Projects under the Memphis 3.0 Plan are anticipated to create** 5,000 jobs **in construction, retail, and services, contributing over** $150 million **in wages and economic activity in the coming years.**

Long-term Financial Planning

The Fiscal Year 2023 Operating Budget was developed with a continued focus on maintaining financial stability while addressing current financial challenges. The City remains committed to closely monitoring operating expenditures and revenue sources, strategically funding projects, and emphasizing essential priorities: creating safe and vibrant neighborhoods, fostering prosperity and opportunity for citizens, investing in the youth of the City, advancing a culture of excellence in government, and ensuring sound fiscal stewardship of City assets.

This careful planning, alongside considerations related to the pandemic, federal funding, and budget adherence, led to a final accounting that increased the total General Fund balance by $67 million in FY21, $10 million in FY22, and $6 million in FY23.

Despite the challenges posed by the pandemic, the City successfully navigated this period without losing livelihoods, implementing temporary layoffs, or raising the property tax rate. Furthermore, the City strategically planned and executed targeted raises for first responders.

The Fiscal Year 2024 Operating Budget represented a departure from the prior year opportunity to grow the General Fund balance. $11.7 million of restricted and unrestricted fund balance was budgeted for use to balance the budget. Additional impacts to the budget resulted from higher than expected increases in Actuarily Determined Contributions (ADC) and a $20 million unplanned donation to a Component Unit for the City of Memphis.

Certain revenue sources, such as the Downtown Tourism Development Zone (Downtown TDZ) and the Hotel/Motel Tax, were significantly impacted by the pandemic. However, by the end of FY23, tourism had rebounded to pre-COVID levels.

As the City works to reprioritize and economize its Operating Budget, it is also planning for the future by developing strategies to sustain and grow the economy through strategic, visionary capital investments.

With anticipated decreases in debt service requirements, the City is in the process of creating its first Long-Range Strategic Plan for the Capital Improvement Program (CIP). This plan will extend beyond the traditional five-year planning and reporting period, providing a broader, long-term outlook for the City's capital assets.

Looking ahead, the goal is to continuously evaluate both the operating and CIP service delivery models to ensure efficient and effective services. All savings will be directed toward priority obligations and the enhancement of core services, while maximizing revenue sources.

Major Initiatives

For the Fiscal Year 2023 through 2025 budgets, resources were intentionally allocated to support public safety recruitment and provide incentives for retention, including bonuses. These resources are designed to reduce reliance on overtime and support strategic salary increases for police and fire personnel, ensuring that the City maintains a strong, well-supported workforce.

In 2019, the voters of the City of Memphis Tennessee approved an ordinance to increase the sales and use tax in the City of Memphis by 0.5%, from 2.25% to 2.75%. The 2019 Sales Tax Referendum provided directed proceeds that are first to be used to restore and maintain the health care benefits for Public Safety employees (employees and pre-65 retirees of the Memphis Police Services and Fire Services Divisions) to the levels in effect as of July 1, 2014, and to restore and maintain the pension benefits of said employees hired prior to July 1, 2016, to the levels specified in the 1978 City of Memphis Pension Plan. Any remaining proceeds were designated for use for street maintenance and/or pre-kindergarten education.

Due to the increase in sales tax revenues, the 2019 Sales Tax Referendum Fund proceeds surpassed budget expectations and provided the opportunity for utilization of revenues to provide budget relief in the General Fund, Capital Improvement Fund, and the Pre-K Fund.

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

The City's planned CIP spending of $219.7 million aligns with current priorities that are focused on projects that enhance the City's economic development strategy, leverage federal or private funding, projects that maintain existing facilities, and projects mandated by law.

- The General Obligation Bond Capital Improvement Program funding for fiscal year 2025 is $94.4 million.
- The Capital Pay Go Capital Improvement Program funding for fiscal year 2025 is $77.8 million.
- The Enterprise Funds Capital Improvement Program funding for fiscal year 2025 is $47.5 million.

Highlights of the CIP budget plan for 2025-2029 are as follows:

- $11.0 million for Fleet Acquisition Purchases to bring the City of Memphis more in-line with vehicle replacement and maintenance standards.
- $7.5 million is dedicated to Memphis Parks for the construction of the New Lester Community Center.
- In the Public Works Division, $17.0 million in funding is provided to pave streets, including ADA ramp improvements and several road projects.
- The Sewer Fund includes $20.0 million in planned Revenue Bond issuance.
- The Storm Water Fund includes $14.3 million in planned Revenue Bond issuance for Fiscal Year 2025.

Capital Planning Process

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

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

The CIP planning process includes the following steps:

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

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

Capital Expenditure Analysis

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

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

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

Capital Planning Process

The Finance Division provides financing strategies to assist in developing a plan to fund the capital improvement needs of the City. One element of this strategy includes an annual comprehensive review and assessment of the City's CIP to ensure the coordination and alignment of the City's planning initiatives, financial capacity, and environmental/physical development. The City's CIP has a budget which includes a spending plan for the upcoming year and a plan for capital expenditures that extend up to four (4) years and beyond. The success of the capital improvement program depends on the broad participation, cooperation, and coordination of the City's Divisions, joint ventures, and jointly governed organizations. The CIP is linked to, impacts, and is impacted by the City's operating budget.

The benefits of a successfully managed CIP strategy include preservation of capital assets, improvement of infrastructure, coordination of capital needs and operating budgets, stabilization of debt costs and maintenance and/or improvement of the City's bond rating.

The CIP planning development includes the following processes:

- Identification and determination status of previously approved projects and funding sources for each project.
- Evaluation of the merits of the Division requests for CIP projects and equipment.

- Establishment of a priority list of capital need projects and a timeline for completion.
- Creation of a CIP funding plan that designates a revenue source/method of financing for each proposed project.
- Submission of a CIP funding plan to the Mayor and City Council to include in next year's capital budget and capital expenditure plan for the next four (4) years.

As part of the evaluation of capital improvement projects, the City employs both quantitative and qualitative analysis.

The City is also in the process of creating a Long-Range Strategic Plan for CIP initiatives. The objective is to provide future administrations a benchmark for expenditures required and/or needed to maintain and promote the City's continued progress and growth for prolonged consideration.

Capital Expenditure Analysis

The reviews of CIP are undertaken to ensure that all major capital expenditures are not only necessary and appropriate but also fall into categories that include, but are not limited to:

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

Capital Improvement Projects are also prioritized and coordinated with the plans of other public entities to maximize the leveraging of resources with other major projects being developed in both the public and private sectors.

Acknowledgments

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

Respectfully submitted,



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

CITY OF MEMPHIS, TENNESSEE

CITY OFFICIALS

Paul Young, Mayor

CITY COUNCIL

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

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

COURTS

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

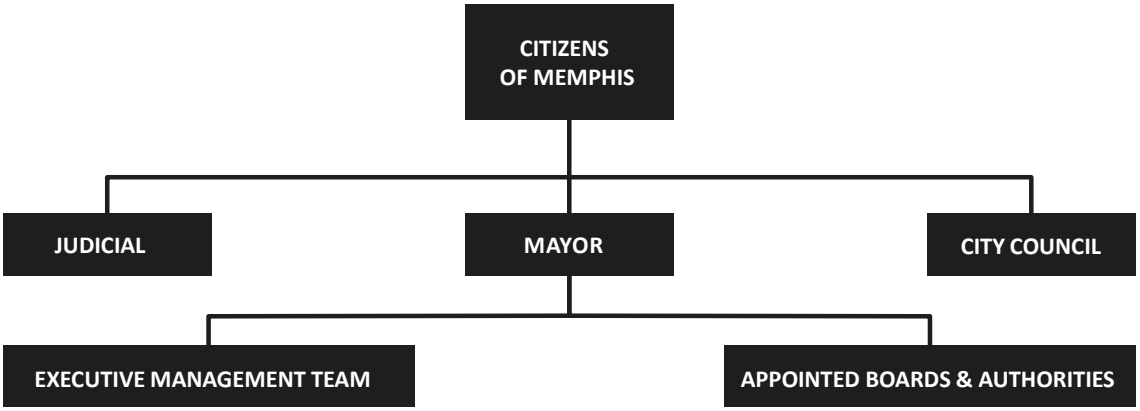
ADMINISTRATIVE

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

City of Memphis, Tennessee

ORGANIZATION CHART

Primary Government and Discretely Presented Component Units



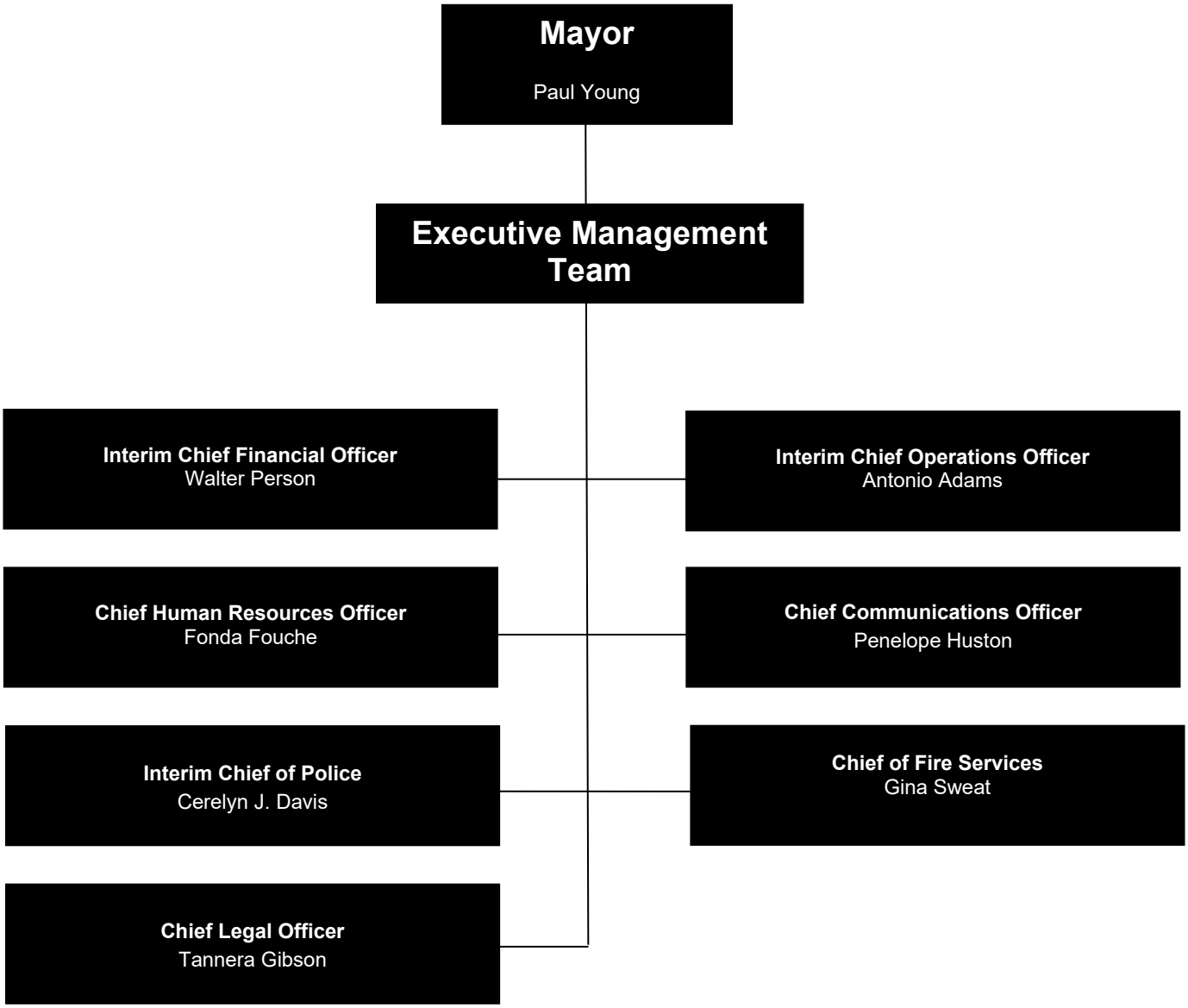
- Memphis Area Transit Authority
- Memphis Light, Gas and Water
- Memphis-Shelby County Airport Authority
- Memphis Light, Gas and Water Retirement and Pension System
- Memphis Metropolitan Land Bank Authority

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

City of Memphis, Tennessee

ORGANIZATION CHART

Primary Government and Discretely Presented Component Units (continued)



CITY OF MEMPHIS

T E N N E S S E E

FINANCIAL SECTION

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BANKS, FINLEY, WHITE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the budgetary comparison information of the City of Memphis, Tennessee (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the budgetary comparison information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Memphis-Shelby County Airport Authority, Renasant Convention Center, Memphis Metropolitan Land Bank Authority, and the Memphis Zoological Society, which represent 91%, 2%, 12%, and 4.7%, respectively, of the assets, net position, and revenues of the aggregately discretely presented component units as of June 30, 2024. We did not audit the financial statements of the Electric, Gas and Water Divisions of Memphis Light, Gas and Water Division, a major proprietary fund. The Electric, Gas and Water Divisions of Memphis Light, Gas and Water Division represents 32%, 12% and 9%, respectively, of the assets, net position and revenues of the business-type activities of the primary government. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units and the business-type activities of the primary government, is based solely on the report of the other auditors.



Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 35-52 and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Memphis, Tennessee
February 24, 2025

Management's Discussion and Analysis

As management of the City of Memphis, Tennessee (the City), the City offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the detailed financial statement disclosures and the additional information that is furnished in the letter of transmittal and notes to the financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The primary government's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024 by $3,218,705 (net position). Total government-wide net position increased by $592,730, or 22.6%, in fiscal year 2024.
- At June 30, 2024, the City's governmental activities reported ending net position of $284,111 compared to a negative $152,375 from the prior year. The governmental activities change in net position for fiscal year 2024 was an increase of $436,487 from prior year's beginning balance.
- The City's business-type activities reported a June 30, 2024, ending net position of $2,934,594 – an increase of $156,243, or 5.6%, from prior year beginning balance as restated.
- At June 30, 2024, the fund balance for the general fund was $194,249 – a $20,376, or 9.5%, decrease from prior year's balance. The unassigned portion, comprising 50.1% of the total general fund balance at fiscal year-end, was $97,379 – a $17,097, or 14.9%, decrease from the prior year.
- The City's total general obligation, other debt, and revenue bond debt decreased by $54,046, or 2.9%, during the current fiscal year for governmental activities and decreased $54,290, or 4.8%, for the business-type activities.
- The City's total liabilities of $4,964,348 – which include, among other items, pension, and other post-employment benefits liabilities – decreased $191,145, or 3.7%, from prior year total liabilities of $5,155,493.
- Deferred outflows increased from $626,113 to $633,036 for a change of $6,923, or 1.1%. The year-over-year change is primarily attributable to changes in actuarial assumptions for pension.
- Deferred inflows decreased from $1,111,926 to $925,577 for a decrease of $186,349, or 16.8%. As with Deferred outflows, year-over-year changes are primarily attributable to changes in actuarial assumptions. For the fiscal year ended June 30, 2024, deferred inflows, and outflows of projected and actual investment earnings for both the pension and other post-employment benefits, were aggregated and reported as either a net deferred inflow or net deferred outflow as applicable.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

The statement of activities presents information showing how the City's net position changed during the year ended June 30, 2024. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flow only in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements include not only the City itself (the primary government), but also the Memphis Area Transit Authority, the Renasant Convention Center, the Memphis Shelby County Airport Authority, Memphis Metropolitan Land Bank Authority, and the Memphis Zoological Society, each of which is a legally separate entity for which the City is financially accountable. Financial information for these component units is reported separately from the

financial information presented for the primary government itself. The component unit column in the government-wide financial statements includes the financial data of the City's component units. Component Units are reported after the fund financial statements in separate columns in a combining statement in the basic statements to emphasize that they are legally separate from the City. The audits of the component units are performed and reported independently of the annual audit of the City. The City's Independent Auditors rely on the information provided under the audit opinion concluded by each individual component unit's Independent Auditors; therefore, the financial information for the component units is presented throughout this report without change or modification.

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

Fund Financial Statements

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

Governmental Funds

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

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

In fiscal year 2024, the City maintained 24 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for its four major funds. Data from the other 19 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements (Exhibits B-1 and B-2).

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

The basic governmental fund financial statements, including reconciliation to the government-wide Statement of Net Position and Statement of Activities, are presented as Exhibits A-3 through A-8.

Proprietary Funds

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

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

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

Fiduciary Funds

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

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

Notes to the Financial Statements

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

Combining and Individual Fund Statements and Schedules

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

Government-wide Financial Analysis

As noted above, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $2,625,975 at June 30, 2024.

Condensed Statement of Net Position

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 1,634,079	1,374,147	1,258,682	1,642,213	2,892,761	3,016,360
Capital assets	2,253,440	2,178,785	3,329,393	3,072,136	5,582,833	5,250,921
Total assets	3,887,519	3,552,932	4,588,075	4,714,349	8,475,594	8,267,281
Deferred outflows of resources	289,206	451,218	343,830	174,895	633,036	626,113
Long-term liabilities outstanding	2,634,156	2,965,892	1,570,399	1,355,120	4,204,555	4,321,012
Other liabilities	403,653	445,773	356,140	388,708	759,793	834,481
Total liabilities	3,037,809	3,411,665	1,926,539	1,743,828	4,964,348	5,155,493
Deferred inflows of resources	854,805	744,861	70,772	367,065	925,577	1,111,926
Net position:						
Net investment in capital assets	240,976	1,801,003	2,236,110	1,921,262	2,477,086	3,722,265
Restricted	760,362	485,032	69,777	132,780	830,139	617,812
Unrestricted	(717,227)	(2,438,411)	628,707	724,309	(88,520)	(1,714,102)
Total net position	$ 284,111	(152,376)	2,934,594	2,778,351	3,218,705	2,625,975

The portion of the City's net position that reflects its investment in capital assets (i.e., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets, is $2,477,086. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional $830,139 portion of the City's net position represents resources that are either subject to external restrictions on how they may be used or formally constrained for a specific purpose by the City Council. The balance remaining is a negative unrestricted net position of $88,520. The majority of the negative unrestricted net position is driven by governmental activities and the City's Pension and Post-retirement benefits liability.

Condensed Statement of Changes in Net Position

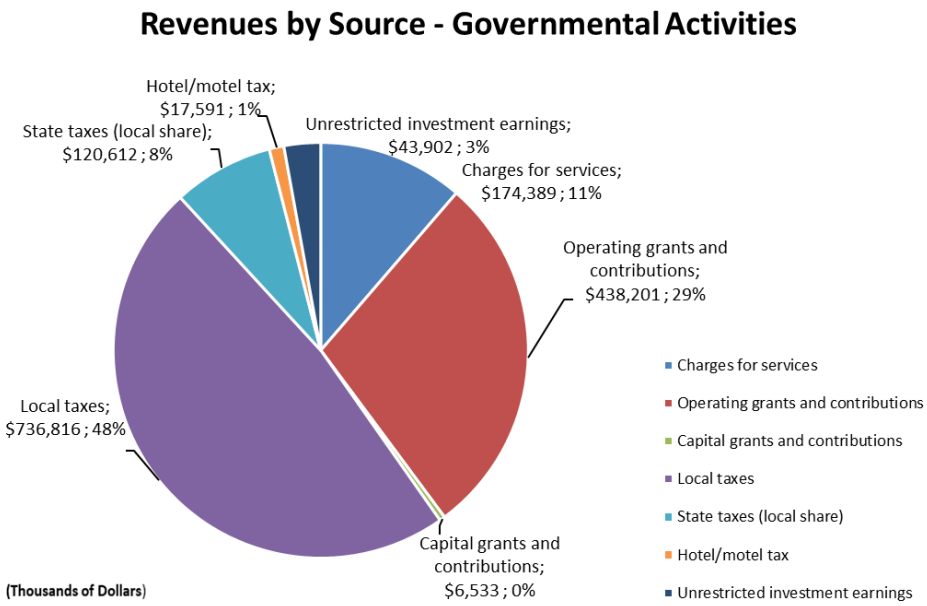
	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	$ 174,389	176,604	1,967,484	2,161,836	2,141,873	2,338,440
Operating grants and contributions	438,201	167,872	-	-	438,201	167,872
Capital grants and contributions	6,533	8,690	503	712	7,036	9,402
General revenues:						
Local taxes	736,816	746,816	-	-	736,816	746,816
State taxes (local share)	120,612	115,873	-	-	120,612	115,873
Hotel/motel tax	17,591	18,903	-	-	17,591	18,903
Sale of capital assets	37	54	-	-	37	54
Unrestricted investment earnings	43,902	33,891	39,267	10,051	83,169	43,942
State grants	-	-	2,399	-	2,399	-
Other	115,169	20,664	44,970	39,929	160,139	60,593
Total revenues	1,653,250	1,289,367	2,054,623	2,212,528	3,707,873	3,501,895
Expenses:						
General government	366,150	537,578	-	-	366,150	537,578
Public safety	599,807	352,372	-	-	599,807	352,372
Community services	116,345	121,382	-	-	116,345	121,382
Transportation and environment	109,927	67,947	-	-	109,927	67,947
Education	7,000	6,403	-	-	7,000	6,403
Interest on long-term debt	68,971	66,535	-	-	68,971	66,535
Contributions to fiduciary funds	13,339	10,058	-	-	13,339	10,058
Sewer collection and treatment	-	-	127,333	125,341	127,333	125,341
Memphis Light, Gas and Water	-	-	1,682,339	1,747,391	1,682,339	1,747,391
Storm Water	-	-	24,267	23,256	24,267	23,256
Total expenses	1,281,539	1,162,275	1,833,939	1,895,988	3,115,478	3,058,263
Increase (decrease) in net position before transfers	371,711	127,092	220,684	316,540	592,395	443,632
Transfers	64,775	72,874	(61,979)	(75,274)	2,796	(2,400)
Increase (decrease) in net position	436,486	199,966	158,705	241,266	595,191	441,232
Net position - July 1	(152,375)	(352,341)	2,778,351	2,536,910	2,625,976	2,184,569
Restatement of beginning net position	-	-	(2,462)	175	(2,462)	175
Net position - July 1, as restated	(152,375)	(352,341)	2,775,889	2,537,085	2,623,514	2,184,744
Net position - June 30	$ 284,111	(152,375)	2,934,594	2,778,351	3,218,705	2,625,976

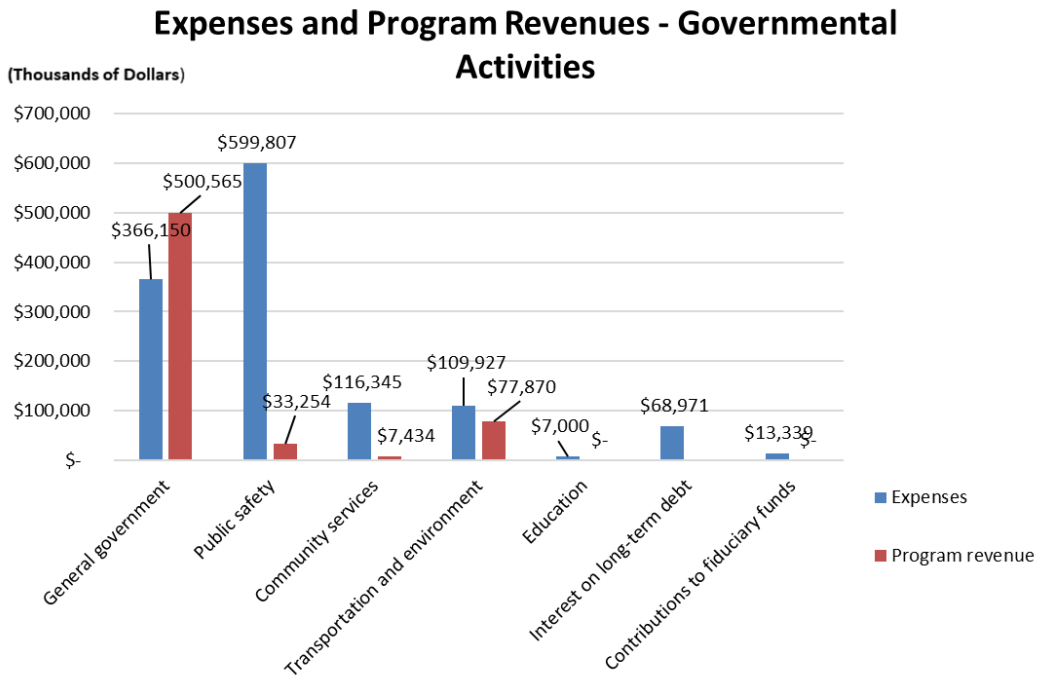
Governmental Activities

During fiscal year 2024 governmental activities increased the City's net position by $436,486. Key elements of the governmental activities are discussed below:

- During fiscal year 2024, total revenues increased by $363,883, primarily due to a $270,329 increase in Operating grants and contributions. There was also an upsurge in Investment income, which increased $10,011 year over year; however, this was partially offset by a $10,000 decrease in Local taxes largely due to a year-over-year decrease in current property tax revenue.
- Total governmental activities expenses increased $119,264, or 10.3%, with the most notable increases in Public safety and Transportation and environment at $247,435 and $41,980, respectively. For both categories, the increase in

expenses was the result of the year-over-year change in the pension obligation. General Government decreased by $171,428 over last year thanks to a continuing heightened spend in the Sales Tax Referendum Fund for projects funded by the additional 0.5% local option sales tax established by the 2019 referendum. Governmental activities program expenses are detailed in Exhibit A-2.





Business-type Activities

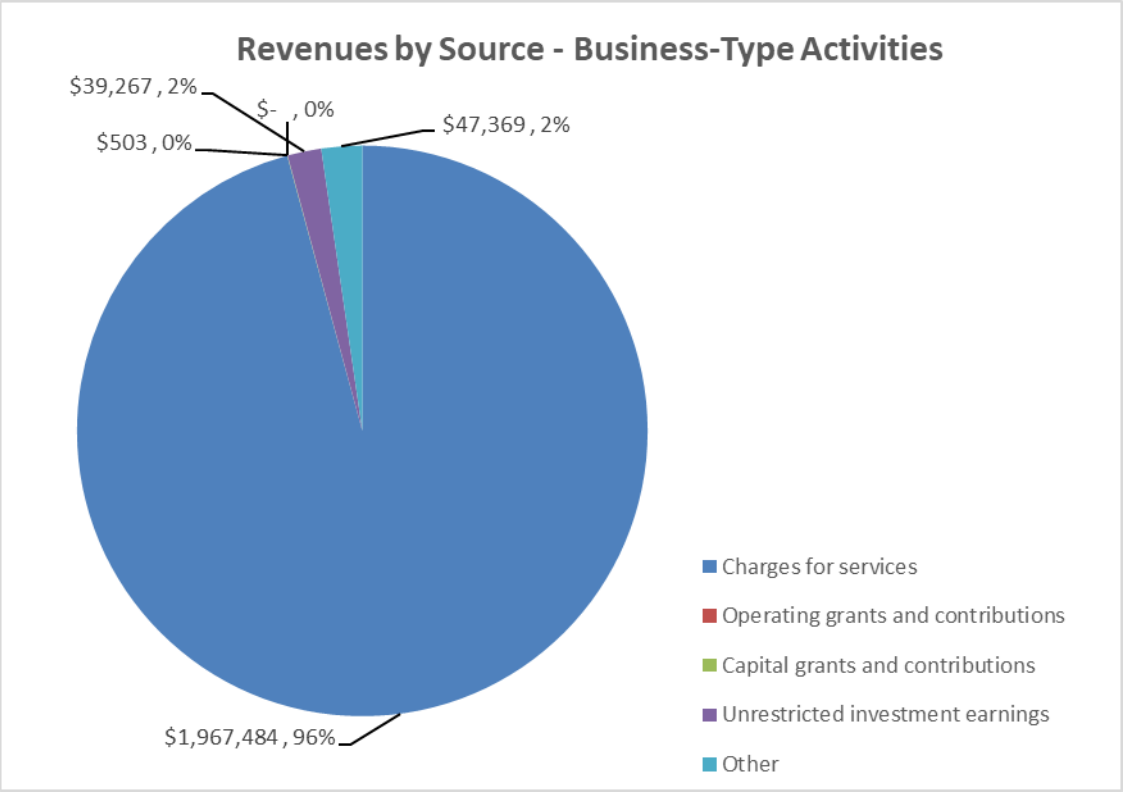
NOTE: This report is inclusive of the Division of Memphis Light, Gas and Water (MLGW). MLGW was created by an amendment to the City Charter by Chapter 381 of the Private Acts of the General Assembly of Tennessee, adopted March 9, 1939, as amended (the "Private Act"). MLGW controls the administration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

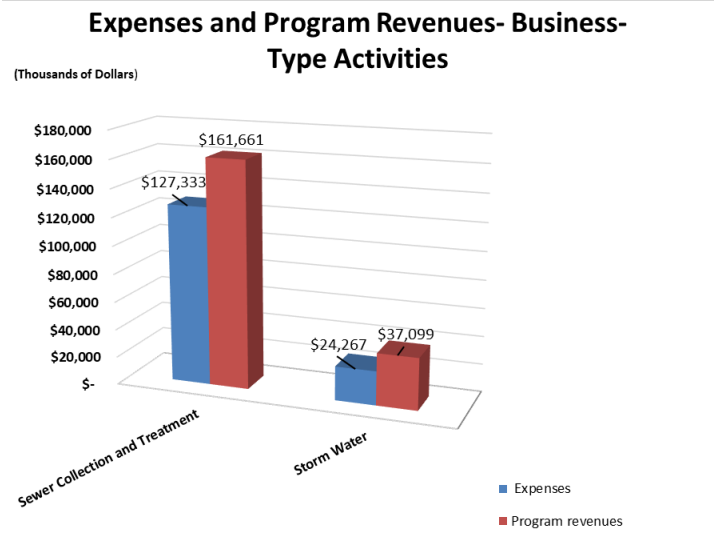
Business-type activities increased the City's net position by $156,243. Key elements of the increase are as follows:

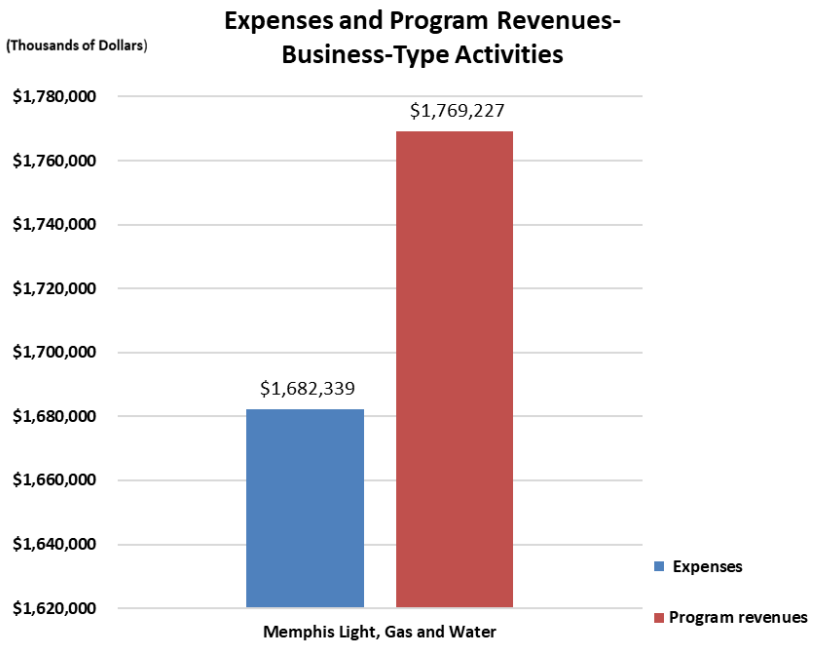
- Total revenues decreased by $157,905, or 7.1%, year over year. Charges for services was responsible for most of the year-over-year decrease at $194,352, primarily due to decreases for the MLGW Electric and Gas Divisions at $110,049 and $89,204, respectively. For the MLGW Electric Division, the decrease in operating revenue is due primarily to a 3.5% decrease in sales volume and 16.9% lower TVA Fuel Cost Adjustment (FCA) rates. The decrease for the MLGW Gas Division was due to the following: Sales, service, and other operating revenues were $240.9 million, a decrease of $92.5 million, or 27.7%, from 2022 due to lower natural gas prices and lower sales volume. Purchased gas cost decreased $93.5 million, or 47.2% due to a decrease in natural gas purchases and lower gas cost per unit. Transported gas revenues decreased $3.3 million, or 25.5%. The decrease in Business-type revenues from Charges for services was offset by increases in Unrestricted investment earnings and Other revenue. Unrestricted investment earnings improved by $29,216 over last year, coming in at $39,267. Other revenue increased $7,440 year over year.
- Expenses decreased across all categories, for a total decrease of $62,049, or 3.3%. Most of this decrease was attributable to Memphis Light, Gas, and Water, which decreased by $65,052. ELECTRIC ($24,586 decrease) - This decrease is primarily due to a decrease in purchased power of $101.6 million, partially offset by an increase in other operating expense of $77.8 million. Purchase power is down due to a decrease in purchase volume and lower TVA Fuel Cost Adjustment (FCA) rates. GAS ($65,955 decrease) - Purchased gas cost was $104.4 million, down 47.2%, or $93.5 million, from December 31, 2022, as a result of lower natural gas purchases and lower gas cost per unit.

However, Other operating expense was $122.9 million as of December 31, 2023, an increase of $28.2 million. WATER ($25,489 increase) – The Water Division experienced an increase in other operating expense of $25.6 million.

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







Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of June 30, 2024, the City's total governmental funds reported combined ending fund balance of $827,240, an increase of $227,732, or 38.0%, in comparison with the prior year. Approximately $97,379, or 11.7%, of the fund balance constitutes Unassigned fund balance, which is available for spending at the government's discretion. Approximately $483,300, or 58.4%, of the fund balance is considered Restricted to indicate the amount is subject to external enforceable legal restrictions. Additionally, $169,886, or 20.5%, of the fund balance is reported as Committed, indicating amounts where utilization is constrained by limitations that the City Council imposed. The remainder of fund balance – $76,675, or 9.3% – has been Assigned by the administration to indicate that it is not available for new spending, primarily because it has already been obligated to intergovernmental activities and extraordinary items, and to liquidate contracts and purchase orders of the prior period.

The general fund is the chief operating fund of the City. At June 30, 2024, unassigned fund balance of the general fund was $97,379, or 50.1%, of the total fund balance of $194,249. The assets of the general fund exceeded the liabilities and deferred inflows of resources by $194,249, which is a decrease of $20,376 from the prior year's $214,625. The $61,172 increase in total assets is due primarily to the $68,901 increase in Current property taxes receivable as a result of a 49-cent increase in the property tax rate. The increase in Current property taxes receivable was chiefly offset by a $6,108 decrease in Other receivables. General fund liabilities and deferred inflows from resources increased by $81,548 over the prior year. Deferred inflows increased $81,609 due to uncollected property taxes.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 11.7% of total general fund expenditures, while total general fund balance represents 23.3% of the fund expenditures.

General Fund

The fund balance of the City's general fund decreased by $20,376, or 9.5%, during the fiscal year ended June 30, 2024. Key factors of the change in the general fund are as follows:

- Total general fund revenues resulted in an increase of $28,812, or 4.1%, over the prior year. The increase is due primarily to a $21,586 increase in Other revenues, thanks to a $20,222 FEMA reimbursement for storm damage incurred by the Solid Waste Division in Fiscal Year 2022. Other year-over-year increases include Investment income – $11,016; Federal grants and entitlements – $2,977; and State taxes – $2,766, which was attributable to the City's portion of the state sales tax. The aforementioned increases were offset primarily by a $9,829 decrease in the Local taxes category, led by a $6,801 decrease in Current property tax revenue year over year.
- Total general fund expenditures of $834,718 was a $67,360 increase over $767,358 for the prior year. However, the total could be misleading without insight as to the specific category changes. General government was up $37,765; Public safety was up $16,532; the Community services category was up $6,658; and Transportation and environment was up $6,405.
- Total other financing sources (uses) increased $11,470 year over year.

Debt Service Fund

The fund balance of the City's Debt Service fund decreased by $5,174, or 7.4%, during the fiscal year ended June 30, 2024. Key factors resulting in this change are as follows:

- Total revenues decreased by $6,429 year over year, from $167,548 in 2023 to $161,119 in 2024.
- Expenditures related to debt service increased $10,416 for the fiscal year ended June 30, 2024.
- Total Other financing sources (uses) increased year over year by $5,638. Fiscal Year 2023 included $319,758 in proceeds from refunded bonds and a use of sources in the amount of $316,970 for payments to the refunded bond escrow agent. There were no refundings for the Debt Service Fund in Fiscal Year 2024; however, there was $6,800 in Tennessee Municipal Bond Fund (TMBF) General Obligation proceeds for Solid Waste operations.

Capital Projects

The fund balance of the City's Capital Projects Fund decreased by $83,142 for the fiscal year ended June 30, 2024. The Capital Projects Fund also includes the activities of the Accelerate Memphis Project initiated in Fiscal Year 2022. Additional information regarding the Accelerate Memphis Project is provided in the Transmittal Letter.
Major elements of the change in fund balance are:

- Revenues decreased $15,646, primarily attributable to decreases in Investment income ($11,422) and Federal grants and entitlements ($3,242).
- Expenditures decreased $33,336 due to a decrease in capital outlay.
- Other financing sources decreased from $157,825 in Fiscal Year 2023 to $106,084 in Fiscal Year 2024. The $51,741 year-over-year decrease was due primarily to a $35,241 decrease in Transfers-in from other funds and the $20,000 Fiscal Year 2024 payment to the refunded bond escrow agent, offset by a $5,000 year-over-year increase in Refunding of bonds/debt issuance proceeds.

Community Development

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

- Revenues decreased $63,860.
- Expenditures decreased $64,247.
- The fund balance decreased slightly from $4,049 to $3,900.

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

Proprietary Funds

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

Total net position of Business-Type activities for the year ended June 30, 2024, is $2,934,594.
Unrestricted net position of $628,707 on Exhibit A-1 is comprised of net positions of $583,176 and $6,988 for Memphis Light, Gas and Water and the Sewer Collection and Treatment Fund, respectively. The remaining balance represents the Storm Water Fund position of $33,347 and the consolidation of internal service funds related to enterprise funds of $5,196.

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

General Fund Budgetary Highlights

The original operating budget for the general fund for fiscal year 2024 anticipated a decrease in fund balance of $11,011. The actual decrease from fund balance for fiscal year 2024 was $39,837.

Differences between the original budget, the final amended budget, and actuals can be found on Exhibits A-7 and A-8 of the Basic Financial Statements section of the report.

Major variances can be briefly summarized as follows:

- Total Revenues had a positive variance of $32,291 over the final amended budget. The increases were attributed to an unbudgeted $20,222 FEMA reimbursement in the Other category for storm damage incurred by the Solid Waste Division in Fiscal Year 2022, and a $15,904 positive variance in Investment income. The remaining revenue categories had modest variances.
- Total Expenditures had a positive variance of $30,843.
    - General government posted $9,210 under final budget, led by positive variances in the following divisions: General Services – $3,615; City Attorney – $2,520; and Finance and Administration – $2,459.

- Public safety was $17,478 under budget on a net basis. Positive variances of $8,944 in Materials and supplies and $5,339 in Expense reimbursement from other funds accounted for the majority of the Fiscal Year 2024 Public safety variance.
- Community services was $5,162 under budget. Most of this variance was attributable to Parks and recreation, which was $2,477 under budget, and Library, which was $2,082 under budget. The Parks and recreation variance was split between Personnel services and Materials and supplies. Most of Library's variance was in Materials and supplies.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024, totaled $5,582,833 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, roads, highways, and other infrastructure. The total increase in the City's capital assets for the current fiscal year was $331,912, or 6.3%. Both governmental and business-type activities contributed an increase of $74,655 and $257,257, respectively.

Condensed Statement of Capital Assets
(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Land and buildings	$ 510,419	523,978	25,243	26,355	535,662	550,333
Improvements other than buildings	942,032	832,749	473,300	485,210	1,415,332	1,317,959
Equipment	85,881	100,505	23,647	20,776	109,528	121,281
Construction in progress	715,108	721,553	690,630	587,054	1,405,738	1,308,607
Memphis Light, Gas and Water	-	-	2,116,573	1,952,741	2,116,573	1,952,741
Total	$ 2,253,440	2,178,785	3,329,393	3,072,136	5,582,833	5,250,921

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

- Ongoing construction for the adaptive reuse of the former Coke Bottling facility to compensate for the loss of the primary fueling location near the center of Memphis.
- Final construction of the redesigned Audubon Golf Course.
- Opening of the new Pine Hill Golf Course clubhouse.

- Ongoing renovations to City Hall, including landscaping.
- Continued paving operations of the City of Memphis streets.
- Continued repairs and replacement of speed humps, traffic signals, fire stations, and community centers.

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

Long-term Debt

At June 30, 2024, the City had total bonded debt outstanding of $2,912,999. Of this amount, $1,833,201 comprises debt backed by the full faith and credit of the government. The remaining balance of $1,079,798 consists of bonds secured solely by specified revenue sources (i.e., revenue bonds) and State loans.

Condensed Statement of Outstanding Debt
General Obligation and Revenue Bonds

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	$ 1,455,179	1,569,229	-	-	1,455,179	1,569,229
Commercial Paper	150,000	50,000	-	-	150,000	50,000
Lease agreements	15,392	20,308	-	-	15,392	20,308
SBITAs	-	376	-	-	-	376
Settlement obligation	8,000	9,333	-	-	8,000	9,333
EDGE-Accelerate Memphis	25,898	24,255	-	-	25,898	24,255
Guarantee obligations	178,732	213,746	-	-	178,732	213,746
Revenue bonds	-	-	892,220	937,329	892,220	937,329
State loans	-	-	187,578	196,759	187,578	196,759
Total	$ 1,833,201	1,887,247	1,079,798	1,134,088	2,912,999	3,021,335

Governmental activities debt decreased by $54,046, or 2.9%, while Business-type activities debt decreased by $54,290, or 4.8%. The net decrease of $108,336 was primarily due to decreases in General Obligation bonds and Guarantee obligations (Governmental Activities) and Revenue bonds (Business-Type Activities), offset by an increase in Commercial Paper (Governmental Activities).

The City has long held a high-grade bond rating on indebtedness from the major credit rating services. As of June 30, 2024, the City held ratings of Aa2 by Moody's Ratings, and AA by S&P Global Ratings Service, for general obligation bonds. For sanitary sewerage system revenue bonds, the City held ratings of Aa2 by Moody's Ratings and AA+ by S&P Global

Ratings Service. Some of the factors most commonly cited by these firms in support of the credit rating assigned to the City's general obligation bonds include a stable and expanding economic climate, a broad revenue base, and well-managed finances. In addition, the City has maintained good relations with the rating services and the major investment institutions through comprehensive disclosure of financial data and direct meetings with rating agency officials. The City continues to follow prudent fiscal policies and practices while expanding its financial base.

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

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

Economic Factors and Next Year's Budgets

Economic outlook predictions for Memphis, Tennessee, in 2025 include:

- **Home prices**: Economists predict that home prices in Memphis will increase by 10.5% in 2025, which would be one of the highest percentage increases in the country.
- **Mortgage rates**: Fannie Mae, the Mortgage Bankers Association, and the National Association of Realtors predict that mortgage rates will decrease slightly throughout 2025. The average monthly rate is expected to be 6.3%.
- **Homeownership rate**: The homeownership rate is expected to drop by 0.3% between 2024 and 2025.
- **Rental market**: The median asking rent in 2025 is expected to be 0.1% lower than in 2024.
- **Job growth**: Occupations in business and financial operations, computer and mathematical occupations, and architecture and engineering are projected to grow faster than the state's average.
- **Electric vehicle manufacturing**: SK On and Magna International expect to hire 6,000 employees at its BlueOval City campus, which is opening in 2025.

The municipal budget for the City of Memphis for fiscal year 2025 reflects the City's prioritization of community development, heightened economic strength, and a dedication to enhancing public safety and peace. In addition to blight remediation, combatting crime, and fighting poverty, the City's current administration has expressed a keen interest in economic development and youth programming.

Following years of revenues inflated by funds from the American Rescue Plan (ARPA) Act and the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the City was tasked with developing a municipal budget that would continue to provide its residents with the services and programs they deserve while using typical revenue sources.

- The adopted operating budget for all funds calls for expenditures of $1,793,893 against revenues of $1,802,080 – which results in a projected positive impact on Fund balance of $8,187.
- The adopted operating budget for the general fund calls for expenditures of $852,423 against revenues of $860,617 – which results in a projected positive impact on fund balance of $8,194.

Requests for Information

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

CITY OF MEMPHIS

T E N N E S S E E

BASIC FINANCIAL STATEMENTS

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MEMPHIS
SHELBY
COUNTY
TENNESSEE

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	Primary Government			
	Governmental Activities	**Business-type Activities**	**Total**	**Component Units**
ASSETS				
Cash and cash equivalents	$ 123,665	$ 279,283	$ 402,948	$ 27,669
Investments	389,620	220,489	610,109	6,365
Derivative financial instruments	-	29	29	-
Equity in cash and investment pool	433,552	46,642	480,194	-
Restricted funds	7,987	95,845	103,832	-
Receivables (net of allowance for uncollectibles):				
Property taxes	497,342	-	497,342	-
Sales, income, and other taxes	43,486	-	43,486	-
Federal and state grants	11,721	-	11,721	9,008
Interest and dividends on investments	466	216	682	-
Notes and accounts receivable	3	233,604	233,607	11,650
Housing rehabilitation loans	42,717	-	42,717	-
Other	67,038	8,915	75,953	222,907
Due from other agencies and governments	12,801	-	12,801	915
Inventories	3,681	128,493	132,174	10,885
Unbilled revenues	-	73,798	73,798	-
Prepaid expense	-	3,497	3,497	5,992
Other assets	-	96,075	96,075	175
Restricted assets:				
Cash and cash equivalents	-	-	-	155,686
Receivables and other	-	-	-	24,873
Investments	-	71,796	71,796	225,194
Non-depreciable capital assets	796,702	704,746	1,501,448	232,983
Depreciable capital assets (net of accumulated depreciation)	1,456,738	2,616,228	4,072,966	995,190
Intangible Right-of-Use Assets	-	8,419	8,419	-
Total Assets	3,887,519	4,588,075	8,475,594	1,929,492
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pensions	239,064	232,103	471,167	4,093
Deferred outflows - OPEB	50,142	111,084	161,226	1,103
Deferred outflows - other	-	643	643	61
Total assets and deferred outflows of resources	4,176,725	4,931,905	9,108,630	1,934,749

(Continued)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES				
Accounts payable and accrued liabilities	$ 77,634	$ 265,063	$ 342,697	$ 43,308
Accrued interest payable	11,916	-	11,916	-
Contract retainage	4,783	7,986	12,769	-
Insurance claims payable	9,811	1,172	10,983	-
Due to other agencies and governments	26,330	-	26,330	51,516
Refundable bonds and deposits	1,760	-	1,760	-
Unearned revenue	43,059	-	43,059	2,603
Other liabilities	114,025	69,537	183,562	-
Noncurrent liabilities:				
Due within one year	114,335	12,382	126,717	34,716
Due in more than one year	1,718,866	1,114,554	2,833,420	453,729
Net OPEB liability - due in more than one year	412,700	262,007	674,707	58,310
Net pension liability - due in more than one year	502,590	193,838	696,428	21,906
Total Liabilities	3,037,809	1,926,539	4,964,348	666,088
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	153,349	6,650	159,999	815
Deferred inflows - OPEB	163,211	36,746	199,957	4,793
Deferred inflows - other	538,245	27,376	565,621	263,500
Total liabilities and deferred inflows of resources	3,892,614	1,997,311	5,889,925	935,196
NET POSITION				
Net investment in capital assets	240,976	2,236,110	2,477,086	827,949
Restricted for:				
Non-Expendable:				
Debt service	10,252	69,777	80,029	-
Capital acquisitions/projects	-	-	-	301,866
Expendable:				
Solid waste management	4,077	-	4,077	-
Drug enforcement	9,065	-	9,065	-
Operations	736,968	-	736,968	5,207
Unrestricted:	(717,227)	628,707	(88,520)	(135,469)
Total Net Position	$ 284,111	$ 2,934,594	$ 3,218,705	$ 999,553

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

STATEMENT OF ACTIVITIES
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
EXHIBIT A-2

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
Functions/Programs								
Primary government:								
Governmental activities:								
General government	$ 366,150	$ 55,831	$ 438,201	$ 6,533	$ 134,415	$ -	$ 134,415	$ -
Public safety	599,807	33,254	-	-	(566,553)	-	(566,553)	-
Community services	116,345	7,434	-	-	(108,911)	-	(108,911)	-
Transportation and environment	109,927	77,870	-	-	(32,057)	-	(32,057)	-
Education	7,000	-	-	-	(7,000)	-	(7,000)	-
Interest on long-term debt	68,971	-	-	-	(68,971)	-	(68,971)	-
Contributions to fiduciary funds	13,339	-	-	-	(13,339)	-	(13,339)	-
Total governmental activities	1,281,539	174,389	438,201	6,533	(662,416)	-	(662,416)	-
Business-type activities:								
Sewer collection and treatment	127,333	161,158	-	503	-	34,328	34,328	-
Memphis Light, Gas and Water	1,682,339	1,769,227	-	-	-	86,888	86,888	-
Storm water	24,267	37,099	-	-	-	12,832	12,832	-
Total business-type activities	1,833,939	1,967,484	-	503	-	134,048	134,048	-
Total primary government	$ 3,115,478	$ 2,141,873	$ 438,201	$ 7,036	$ (662,416)	$ 134,048	$ (528,368)	$ -
Component units:								
Memphis Area Transit Authority	91,663	2,154	-	1,613		-	-	(87,896)
Memphis-Shelby County Airport Authority	165,612	127,938	269	37,509	-		-	104
Renasant Convention Center	9,549	8,945	-	-	-	-	-	(604)
Memphis Metropolitan Land Bank Authority	571	2	89	413	-	-	-	(67)
Memphis Zoological Society	31,795	26,467	200	1,347	-	-	-	(3,781)
Total component units	$ 299,190	$ 165,506	$ 558	$ 40,882	$ -	$ -	$ -	$ (92,244)

Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
General revenues:							
Local taxes:							
Property taxes - levied for education				5	-	5	-
Property taxes - levied for debt service				124,845	-	124,845	-
Property taxes - levied for capital projects				1,185	-	1,185	-
Property taxes - levied for general government				272,423	-	272,423	-
Interest, penalties and commission - property taxes				6,239	-	6,239	-
Sales tax, general				251,276	-	251,276	-
Sales tax, beer				13,986	-	13,986	-
Alcoholic beverage tax				18,505		18,505	
Gross receipts tax				15,895	-	15,895	-
Franchise/Excise tax				8,753	-	8,753	-
Other local taxes				23,704	-	23,704	-
State taxes-unrestricted:							
Sales tax				79,158	-	79,158	-
Income tax				15	-	15	-
Beer tax				279	-	279	-
Alcoholic beverage tax				461	-	461	-
Sports betting				1,177	-	1,177	-
Petroleum products tax				23,364	-	23,364	-
State taxes - Debt service				16,158	-	16,158	-
Hotel/motel tax				17,591	-	17,591	-
City of Memphis subsidy				-	-	-	34,212
Investment income				43,902	39,267	83,169	31,017
Federal grants and entitlements				-	-	-	7,374
State grants				-	2,399	2,399	712
Other ***				115,206	44,970	160,176	23,718
Transfers *				64,775	(61,979)	2,796	-
Total general revenues and transfers				1,098,902	24,657	1,123,559	97,033
Changes in net position				436,486	158,705	595,191	4,789
Net position - beginning, as restated **				(152,375)	2,775,889	2,623,514	994,764
Net position - ending				$ 284,111	$ 2,934,594	$ 3,218,705	$ 999,553

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

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

** Note: The overall effect of restated balances for MLGW on the beginning net position for Business-type is $2,462.

*** Other Governmental Activities includes $120,000 in Commercial Paper proceeds and $6,800 in Tennessee Municipal Bond Fund (TMBF) General Obligation proceeds for Solid Waste.

BALANCE SHEET
GOVERNMENTAL FUNDS
(Thousands of Dollars)
June 30, 2024

CITY OF MEMPHIS, TENNESSEE
EXHIBIT A-3

	General	Debt Service	Capital Projects	Community Development	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 47	$ -	$ 85,504	$ 7,021	$ 31,092	$ 123,664
Investments	-	-	25,442	-	364,178	389,620
Equity in cash and investment pool	220,221	55,764	30,631	552	75,375	382,543
Receivables (net of allowance for uncollectibles):						
Property taxes:						
Current property taxes	334,738	121,252	1,186	-	4,280	461,456
Delinquent property taxes	30,346	5,152	16	-	372	35,886
Special assessments:						
Sales, income, and other taxes	35,072	2,039	-	-	6,375	43,486
Federal and state grants	662	-	1,597	3,714	5,748	11,721
Interest and dividends on investments	-	-	-	466	-	466
Housing rehabilitation loans	-	-	-	42,717	-	42,717
Other	41,586	8,015	6,917	9,851	679	67,048
Due from other funds	9,278	295	-	-	-	9,573
Due from other agencies and governments	5,120	80	-	-	7,601	12,801
Restricted assets:						
Cash restricted for debt service	-	7,987	-	-	-	7,987
Total assets	$ 677,070	$ 200,584	$ 151,293	$ 64,321	$ 495,700	$ 1,588,968
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	$ 64,072	$ 16	$ 5,198	$ 1,089	$ 5,710	$ 76,085
Contract retainage	39	-	4,623	117	4	4,783
Due to other funds	11	-	-	87	9,485	9,583
Due to other agencies and governments	2,641	-	367	-	13,135	16,143
Refundable bonds and deposits	1,760	-	-	-	-	1,760
Unearned revenue	52	-	31,787	-	11,220	43,059
Total liabilities	68,575	16	41,975	1,293	39,554	151,413
Deferred inflows:						
Uncollected property taxes	382,061	133,823	1,238	-	46	517,168
Uncollected anti-neglect fees	169	-	-	-	-	169
Uncollected traffic fines	23,636	-	-	-	-	23,636
Uncollected ambulance fees	8,161	-	-	-	-	8,161
Uncollected special assessments	-	-	-	-	34	34
Uncollected intergovernmental revenue	-	-	-	16,411	-	16,411
Uncollected project loans receivable	-	-	-	42,717	-	42,717
Other deferred inflows	219	1,800	-	-	-	2,019
Total deferred inflows	414,246	135,623	1,238	59,128	80	610,315
Total liabilities and deferred inflows	482,821	135,639	43,213	60,421	39,634	761,728
Fund balances:						
Restricted	20,195	10,252	-	3,900	448,953	483,300
Committed	-	54,693	108,080	-	7,113	169,886
Assigned	76,675	-	-	-	-	76,675
Unassigned	97,379	-	-	-	-	97,379
Total fund balances	194,249	64,945	108,080	3,900	456,066	827,240
Total liabilities, deferred inflows and fund balances	$ 677,070	$ 200,584	$ 151,293	$ 64,321	$ 495,700	$ 1,588,968

See accompanying notes to financial statements.

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
(Thousands of Dollars)
June 30, 2024

CITY OF MEMPHIS, TENNESSEE
EXHIBIT A-4

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

Total governmental fund balances	$ 827,240
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,253,440
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	61,884
Net pension liabilities, deferred inflows and outflows should be reported as a liability in the government-wide statement of net position. This is the cumulative amount by which the City has underfunded its pension obligations.	(416,877)
Net OPEB liabilities, deferred inflows and outflows should be reported as a liability in the government-wide statement of net position. This is the cumulative amount by which the City has underfunded its OPEB obligations.	(524,942)
Internal service funds are used by management to charge the costs of printing & mail, information systems, health insurance, unemployment compensation, and fleet management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	42,220
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(1,958,854)
Net position of governmental activities	$ 284,111

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES **CITY OF MEMPHIS, TENNESSEE**
GOVERNMENTAL FUNDS **EXHIBIT A-5**
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

	General	Debt Service	Capital Projects	Community Development	Nonmajor Funds	Total Governmental Funds
REVENUES						
Local taxes	$ 506,283	$ 139,685	$ 1,185	$ -	$ 85,555	$ 732,708
State taxes (local share)	82,251	16,158	-	-	22,203	120,612
Hotel/motel tax	-	-	-	-	17,591	17,591
Licenses and permits	12,773	-	-	-	2,208	14,981
Fines and forfeitures	11,146	-	-	-	1,122	12,268
Charges for services	46,492	-	-	-	77,870	124,362
Investment income	20,808	1,865	5,965	-	15,264	43,902
Federal grants and entitlements	6,691	606	5,104	24,278	53,715	90,394
State grants	-	-	1,429	-	352,911	354,340
Intergovernmental revenues	5,367	-	-	-	-	5,367
Other	35,796	2,805	10,546	190	4,183	53,520
Total revenues	727,607	161,119	24,229	24,468	632,622	1,570,045
EXPENDITURES						
Current:						
General government	217,428	-	-	-	114,847	332,275
Public safety	515,872	-	-	-	41,621	557,493
Community services	76,352	-	-	24,617	956	101,925
Transportation and environment	25,066	-	-	-	76,707	101,773
Education	-	-	-	-	7,000	7,000
Capital outlay	-	-	213,451	-	-	213,451
Debt service:						
Redemption of serial bonds and notes	-	112,836	-	-	-	112,836
Lease payments	-	1,067	-	-	-	1,067
Interest	-	68,971	-	-	-	68,971
Bond issuance cost	-	104	-	-	-	104
Service charges	-	1,196	4	-	-	1,200
Total expenditures	834,718	184,332	213,455	24,617	241,131	1,498,253
Revenues over (under) expenditures	(107,111)	(23,213)	(189,226)	(149)	391,491	71,792
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	37	-	-	-	-	37
Transfers in	96,549	11,238	7,584	-	14,525	129,896
Transfers out	(9,851)	-	(1,500)	-	(69,443)	(80,794)
Issuance of debt	-	6,800	120,000	-	-	126,800
Payment to refunded bond escrow agent	-	-	(20,000)	-	-	(20,000)
Total other financing sources (uses)	86,735	18,038	106,084	-	(54,918)	155,939
Net change in fund balances	(20,376)	(5,175)	(83,142)	(149)	336,573	227,731
Fund balances - beginning of year	214,625	70,120	191,222	4,049	119,493	599,509
Fund balances - end of year	$ 194,249	$ 64,945	$ 108,080	$ 3,900	$ 456,066	$ 827,240

See accompanying notes to financial statements.

RECONCILIATION OF THE STATEMENT OF REVENUES EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
EXHIBIT A-6

Amounts reported for governmental activities in the statement of net activities are different because:		
Net change in fund balances - total governmental funds	$	227,731
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		74,654
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		4,953
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		54,046
Changes in general liabilities reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(15,326)
Changes in pension and other post employment benefits (OPEB) liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		87,545
Internal service funds are used by management to charge the costs of printing & mail, information technology, health insurance, unemployment compensation, and fleet management to individual funds. The net expenditure of certain activities of internal service funds is reported with governmental activities.		2,883
Change in Net Position of Governmental Activities	$	436,486

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Local taxes:				
Property taxes	$ 270,800	$ 270,800	$ 269,000	$ (1,800)
Interest, penalties and commission - property taxes	7,550	7,550	6,239	(1,311)
Receipts in lieu of taxes contractual	12,800	12,800	12,090	(710)
Sales tax general	156,720	156,720	159,777	3,057
Sales tax beer	15,500	15,500	13,409	(2,091)
Alcoholic beverage tax	8,000	8,000	7,938	(62)
Liquor by the drink tax	10,000	10,000	10,649	649
Gross receipts tax	14,500	14,500	17,624	3,124
Excise tax	2,500	2,500	2,506	6
Franchise tax	9,456	9,456	7,550	(1,906)
Tourism development zone tax	-	-	1,138	1,138
Other local taxes	995	995	533	(462)
Total local taxes	508,821	508,821	508,453	(368)
State taxes (local share):				
Sales tax	76,300	76,300	79,966	3,666
Income taxes	-	-	46	46
Beer taxes	300	300	279	(21)
Alcoholic beverage tax	475	475	463	(12)
Petroleum special tax	1,285	1,285	1,161	(124)
Sports Betting	800	800	-	(800)
Local Occupancy Tax	100	100	146	46
Total state taxes (local share)	79,260	79,260	82,061	2,801
Licenses and permits:				
Auto licenses	13,300	13,300	11,764	(1,536)
Dog licenses	375	375	267	(108)
Liquor by the drink licenses	275	275	280	5
Other	551	551	542	(9)
Total licenses and permits	14,501	14,501	12,853	(1,648)
Fines and forfeitures:				
City courts	12,032	12,032	11,017	(1,015)
Library	130	130	129	(1)
Total fines and forfeitures	12,162	12,162	11,146	(1,016)

(Continued)

See accompanying notes to financial statements.

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Charges for services:				
Building and other inspection fees	$ 550	$ 550	$ 1,157	$ 607
Park commission revenues	8,043	8,635	7,434	(1,201)
Parking meter revenues	575	575	477	(98)
Ambulance service fees	24,600	28,980	31,217	2,237
Rents	3,227	3,542	2,422	(1,120)
Tax sale attorney fees	725	725	-	(725)
Wrecker and storage fees	2,191	2,191	560	(1,631)
Police special events	500	500	2,036	1,536
Other	4,704	5,480	2,749	(2,731)
Total charges for services	45,115	51,178	48,052	(3,126)
Investment income:				
Interest on investments	6,510	6,510	22,436	15,926
Other	75	75	53	(22)
Total investment income	6,585	6,585	22,489	15,904
Federal grants	4,750	6,451	6,691	240
Intergovernmental revenues	4,500	4,500	5,368	868
Other:				
Auctions	4,500	4,500	2,093	(2,407)
Property insurance recoveries	250	250	11	(239)
Local shared revenue	1,755	1,785	2,059	274
Miscellaneous	3,771	4,829	25,837	21,008
Total other	10,276	11,364	30,000	18,636
Total revenues	$ 685,970	$ 694,822	$ 727,113	$ 32,291
Other sources and transfers in:				
Sale of capital assets	$ -	$ -	$ 37	$ 37
Transfers in:				
Solid waste management	750	750	750	-
Sewer collection and treatment fund	11,737	11,737	11,991	254
MLG&W fund	58,500	58,500	52,678	(5,822)
Storm water	106	106	106	-
Fleet management fund	1,500	1,500	1,500	-
Metro alarm	1,625	1,625	1,625	-
2019 Sales Tax Referendum	27,900	27,900	27,900	-
Total transfers in	102,118	102,118	96,550	(5,568)
Total other sources and transfers in	$ 102,118	$ 102,118	$ 96,587	$ (5,531)
Total Revenues, Other Sources & Transfers In	$ 788,088	$ 796,940	$ 823,700	$ 26,760

See accompanying notes to financial statements.

GENERAL FUND
STATEMENT OF EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL ON BASIS OF BUDGETING
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
EXPENDITURES				
General government:				
Legislative:				
Personnel services	$ 2,634	$ 2,634	$ 2,457	$ 177
Materials and supplies	727	1,421	956	465
Total legislative	3,361	4,055	3,413	642
Judicial:				
Personnel services	790	790	759	31
Materials and supplies	53	54	39	15
Total judicial	843	844	798	46
Court clerk:				
Personnel services	3,736	3,684	3,479	205
Materials and supplies	3,597	3,712	3,523	189
Capital outlay	36	36	-	36
Total court clerk	7,369	7,432	7,002	430
Executive:				
Personnel services	13,955	13,280	13,051	229
Materials and supplies	6,734	7,328	6,871	457
Grants and subsidies	3,066	3,166	3,146	20
Expense reimbursement	(240)	(240)	(64)	(176)
Total executive	23,515	23,534	23,004	530
Finance and administration:				
Personnel services	10,491	10,489	9,586	903
Materials and supplies	2,778	2,908	2,642	266
Capital outlay	10	124	112	12
Grants and subsidies	3,309	3,059	1,873	1,186
Expense reimbursement	(1,083)	(1,083)	(1,175)	92
Total finance and administration	15,505	15,497	13,038	2,459
City attorney:				
Personnel services	5,454	5,454	5,081	373
Materials and supplies	13,801	16,057	14,062	1,995
Grants and subsidies	250	249	162	87
Expense reimbursement	(677)	(677)	(742)	65
Total city attorney	18,828	21,083	18,563	2,520

See accompanying notes to financial statements.

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
City engineer:				
Personnel services	$ 11,087	$ 11,087	$ 10,111	$ 976
Materials and supplies	5,307	9,521	6,471	3,050
Capital outlay	360	375	292	83
Expense reimbursement	(6,888)	(6,888)	(4,637)	(2,251)
Total city engineer	9,866	14,095	12,237	1,858
Information technologies:				
Personnel services	7,151	7,151	6,371	780
Materials and supplies	18,690	19,070	18,330	740
Capital outlay	-	2	-	2
Expense reimbursement	(805)	(805)	(885)	80
Total information technologies	25,036	25,418	23,816	1,602
Human resources:				
Personnel services	5,892	5,739	5,241	498
Materials and supplies	3,882	4,511	3,996	515
Capital outlay	20	24	14	10
Expense reimbursement	(829)	(186)	(125)	(61)
Total human resources	8,965	10,088	9,126	962
General services:				
Personnel services	22,358	25,958	25,246	712
Materials and supplies	11,190	14,148	10,609	3,539
Capital outlay	85	172	71	101
Expense reimbursement	(9,347)	(9,347)	(8,610)	(737)
Total general services	24,286	30,931	27,316	3,615
Special appropriations:				
Grants and subsidies	58,990	81,004	90,967	(9,963)
Expense reimbursement	(6,750)	(6,750)	(11,259)	4,509
Total special appropriations	52,240	74,254	79,708	(5,454)
Total general government	$ 189,814	$ 227,231	$ 218,021	$ 9,210

(Continued)

See accompanying notes to financial statements.

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Public safety:				
Police:				
Personnel services	$ 288,923	$ 302,559	$ 298,306	$ 4,253
Materials and supplies	35,592	39,340	32,529	6,811
Capital outlay	491	474	481	(7)
Grants and subsidies	150	150	60	90
Expense reimbursement	(19,342)	(20,511)	(22,110)	1,599
Total police	305,814	322,012	309,266	12,746
Fire:				
Personnel services	188,619	204,034	205,198	(1,164)
Materials and supplies	25,975	29,044	26,911	2,133
Capital outlay	86	86	63	23
Expense reimbursement	(13,326)	(13,326)	(17,066)	3,740
Total fire	201,354	219,838	215,106	4,732
Total public safety	$ 507,168	$ 541,850	$ 524,372	$ 17,478
Community services:				
Library:				
Personnel services	$ 18,106	$ 18,106	$ 18,135	$ (29)
Materials and supplies	5,967	6,596	4,600	1,996
Grants and Subsidies	-	-	3	(3)
Expense reimbursement	-	-	(118)	118
Total library	24,073	24,702	22,620	2,082
Parks and recreation:				
Personnel services	22,975	22,427	21,275	1,152
Materials and supplies	26,350	28,589	27,273	1,316
Capital outlay	2	2	1	1
Inventory	496	534	683	(149)
Expense reimbursement	-	-	(157)	157
Total parks and recreation	49,823	51,552	49,075	2,477
Community development:				
Personnel services	4,772	4,995	4,440	555
Materials and supplies	584	698	380	318
Grants and subsidies	1,675	1,723	1,594	129
Expense reimbursement	(2,275)	(2,275)	(1,882)	(393)
Total community development	4,756	5,141	4,532	609
Public service				
Materials and supplies	-	(6)	-	(6)
Total public service	-	(6)	-	(6)

See accompanying notes to financial statements.

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget-
	Original	Final	Amounts	Positive (Negative)
Total community services	$ 78,652	$ 81,389	$ 76,227	$ 5,162
Transportation and environment:				
Public works:				
Personnel services	$ 17,340	$ 19,610	$ 19,723	$ (113)
Materials and supplies	16,112	20,277	17,196	3,081
Capital outlay	180	204	80	124
Grants and subsidies	62	562	521	41
Expense reimbursement	(16,250)	(16,250)	(12,110)	(4,140)
Total public works	17,444	24,403	25,410	(1,007)
Total transportation and environment	$ 17,444	$ 24,403	$ 25,410	$ (1,007)
Total Expenditures	$ 793,078	$ 874,873	$ 844,030	$ 30,843
OTHER USES				
2019 Sales Tax Referendum	$ -	$ 125	$ -	$ 125
New Memphis Arena	-	1,975	1,975	-
Capital projects fund	-	1,855	1,855	-
Unemployment compensation fund	5,000	5,000	5,000	-
Library retirement fund	471	471	471	-
HUB Community Impact fund	550	550	550	-
Total transfers out	6,021	9,976	9,851	125
Total other uses	$ 6,021	$ 9,976	$ 9,851	$ 125
Total Expenditures and Other Uses	$ 799,099	$ 884,849	$ 853,881	$ 30,968
Net Change in Fund balances (Budgetary)	$ (11,011)	$ (87,909)	$ (30,181)	$ 57,728
Adjustment for encumbrances - Timing Differences			6,234	
Revenues over expenditures GAAP basis			(23,947)	
Fund Balance - beginning			214,625	
Fund Balance - ending			$ 190,678	
Reconciliation from Cash Basis to Modified Accrual			3,571	
Fund Balance (Modified Accrual)			$ 194,249	

See accompanying notes to financial statements.

	Business Type Activities - Enterprise Funds						Governmental Activities
	Major Funds						
	Sewer Collection and Treatment	MLGW Electric Division	MLGW Gas Division	MLGW Water Division	Non-Major Fund	Total	Internal Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	$ -	$ 91,585	$ 115,082	$ 72,616	$ -	$ 279,283	$ 1
Investments	22,067	64,665	79,480	51,510	2,767	220,489	-
Equity in cash and investment pool	2,774	-	-	-	43,868	46,642	51,009
Derivative financial instruments	-	-	29	-	-	29	-
Restricted funds	6,972	37,211	27,530	10,073	14,060	95,846	-
Receivables:							
Notes and accounts	29,816	121,517	45,898	33,428	2,945	233,604	3
Interest on investments	-	-	216	-	-	216	-
Unbilled revenues	-	56,008	13,485	4,305	-	73,798	-
Prepaid power cost	-	-	3,718	-	-	3,718	-
Unrecovered purchased power cost	-	6,916	-	-	-	6,916	-
Prepaid expenses	2,205	-	1,292	-	-	3,497	-
Inventories of materials and supplies	-	103,681	17,019	7,793	-	128,493	3,681
Other current assets	-	7,927	3,882	1,812	-	13,621	-
Total current assets	63,834	489,510	307,631	181,537	63,640	1,106,152	54,694
Non-current assets:							
Restricted assets:							
Investments, less current portion	-	45,267	16,248	10,281	-	71,796	-
Total restricted assets	-	45,267	16,248	10,281	-	71,796	-
Capital assets:							
Land	14,079	-	-	-	37	14,116	-
Buildings	105,196	-	-	-	2,573	107,769	-
Utility plant	-	2,334,308	825,230	645,908	-	3,805,446	-
Improvements other than buildings	764,851	-	-	-	103,755	868,606	-
Machinery and equipment	65,512	-	-	-	22,335	87,847	-
Less accumulated depreciation and amortization	(510,663)	(1,014,158)	(433,367)	(249,766)	(45,485)	(2,253,439)	-
Total capital assets	438,975	1,320,150	391,863	396,142	83,215	2,630,345	-
Construction in progress	600,039	-	-	-	90,591	690,630	-
Net capital assets	1,039,014	1,320,150	391,863	396,142	173,806	3,320,975	-
Other non-current assets:							
Right of use assets	-	13,221	5,496	4,056	-	22,773	-
Less accumulated amortization	-	(8,370)	(3,463)	(2,521)	-	(14,354)	-
Prepayments in lieu of taxes	-	1,598	36	-	-	1,634	-
Unamortized debt expense	-	1,320	700	724	-	2,744	-
Other prepayments	-	21,887	17,032	4,067	-	42,986	-
Net pension asset -long term	-	-	-	-	-	-	-
Notes receivable	-	6,383	18,914	2,876	-	28,173	-
Total other non-current assets	-	36,039	38,715	9,202	-	83,956	-
Total non-current assets	1,039,014	1,401,456	446,826	415,625	173,806	3,476,727	-
Total assets	1,102,848	1,890,966	754,457	597,162	237,446	4,582,879	54,694
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to pensions	7,998	132,536	50,805	37,551	3,213	232,103	-
Deferred outflows related to OPEB	3,042	63,815	24,461	18,080	1,686	111,084	93
Unamortized balance of refunded debt	-	643	-	-	-	643	-
Total assets and deferred outflows of resources	$ 1,113,888	$ 2,087,960	$ 829,723	$ 652,793	$ 242,345	$ 4,926,709	$ 54,787
Adjustment to reflect the consolidation of internal service funds related to enterprise funds for health insurance contributions and fleet services						5,196	
						$ 4,931,905	

(Continued)

	Business Type Activities - Enterprise Funds						Governmental Activities
	Major Funds						
	Sewer Collection and Treatment	MLGW Electric Division	MLGW Gas Division	MLGW Water Division	Non-Major Fund	Total	Internal Service Funds
LIABILITIES							
Current liabilities:							
Accounts payable and accrued expenses	$ 14,051	$ 135,212	$ 35,384	$ 12,900	$ 1,114	$ 198,661	$ 1,549
Bonds and notes payable	-	10,996	4,158	4,039	-	19,193	-
Accrued liabilities	-	45,738	10,178	10,484	-	66,400	-
Payables due from restricted assets	-	28,247	11,943	5,174	-	45,364	-
Bonds payable - principal from restricted assets	-	1,049	396	386	-	1,831	-
Bonds payable - interest from restricted assets	-	968	439	367	-	1,774	-
Insurance claims payable	770	-	-	-	402	1,172	9,811
Contract retainage	7,521	-	-	-	465	7,986	-
Current installment of revenue bonds payable	-	-	-	-	1,738	1,738	-
State loans payable - current	10,644	-	-	-	-	10,644	-
Vacation, sick and other leave benefits	3,360	10,960	4,142	3,013	1,780	23,255	287
Total current liabilities	36,346	233,170	66,640	36,363	5,499	378,018	11,647
Long-term liabilities:							
Revenue bonds payable	190,720	312,326	133,822	123,453	33,748	794,069	-
State loans payable	176,934	-	-	-	-	176,934	-
Federal loans payable	75,389					75,389	-
Net pension liability	18,571	100,132	38,384	28,371	8,380	193,838	-
Net OPEB liability	22,378	136,011	52,137	38,536	12,945	262,007	787
Customer common deposits	-	21,539	5,630	1,898	-	29,067	-
Other	-	10,174	3,738	3,305	-	17,217	-
Total long-term liabilities	483,992	580,182	233,711	195,563	55,073	1,548,521	787
Total liabilities	520,338	813,352	300,351	231,926	60,572	1,926,539	12,434
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to pensions	3,134	1,043	399	295	1,779	6,650	-
Deferred inflows related to OPEB	9,217	13,654	5,234	3,869	4,772	36,746	133
Leases	-	6,972	18,571	1,804	-	27,347	-
Revenue collected in advance	-	-	29	-	-	29	-
Total liabilities and deferred inflows of resources	532,689	835,021	324,584	237,894	67,123	1,997,311	12,567
NET POSITION							
Net investment in capital assets	566,610	997,896	265,843	269,068	136,693	2,236,110	-
Restricted for debt service	7,601	30,676	13,789	12,529	5,182	69,777	-
Unrestricted (deficit)	6,988	224,367	225,507	133,302	33,347	623,511	42,220
Total net position (deficit)	$ 581,199	$ 1,252,939	$ 505,139	$ 414,899	$ 175,222	$ 2,929,398	$ 42,220
Adjustment to reflect the consolidation of internal service funds related to enterprise funds for health insurance contributions and fleet services						5,196	
Net position of business-type activities						$ 2,934,594	

See accompanying notes to financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION **CITY OF MEMPHIS, TENNESSEE**
PROPRIETARY FUNDS **Exhibit A-10**
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

	Business Type Activities - Enterprise Funds						Governmental Activities
	Major Funds						
	Sewer Collection and Treatment	MLGW * Electric Division	MLGW * Gas Division	MLGW * Water Division	Non-Major Fund	Total	Internal Service Funds
Charges for services	$ 161,158	$ 1,381,531	$ 257,060	$ 130,636	$ 37,099	$ 1,967,484	$ 125,316
Operating revenues	161,158	1,381,531	257,060	130,636	37,099	1,967,484	125,316
Operating expenses other than depreciation and amortization:							
Personnel services	24,761	-	-	-	12,281	37,042	7,291
Materials, supplies, services, and other	76,297	-	-	-	8,020	84,317	23,817
Capital outlay	1,364	-	-	-	558	1,922	304
Purchased power and gas for resale	-	1,050,251	104,449	-	-	1,154,700	-
Production	-	-	-	21,266	-	21,266	-
Operation	-	151,611	82,413	51,724	-	285,748	-
Maintenance	-	65,979	8,988	16,076	-	91,043	-
In lieu of taxes	-	5,876	764	-	-	6,640	-
Death benefits	-	-	-	-	-	-	149
PCORI tax	-	-	-	-	-	-	14
Inventories	-	-	-	-	-	-	16,727
Claims incurred	-	-	-	-	-	-	71,269
Total operating expenses other than depreciation and amortization	102,422	1,273,717	196,614	89,066	20,859	1,682,678	119,571
Operating income (loss) before depreciation and amortization	58,736	107,814	60,446	41,570	16,240	284,806	5,745
Depreciation and amortization	7,997	66,132	26,810	13,305	1,758	116,002	-
Operating income (loss)	50,739	41,682	33,636	28,265	14,482	168,804	5,745
Non-operating revenues:							
Transmission credits	-	38,889	-	-	-	38,889	-
Investment income	1,877	17,467	10,763	7,903	1,257	39,267	-
Federal grants	3,397	-	-	-	-	3,397	-
State grants	2,399	-	-	-	-	2,399	-
Other	1,737	-	-	-	947	2,684	-
Total non-operating revenues	9,410	56,356	10,763	7,903	2,204	86,636	-
Non-operating expenses:							
Loss on disposal of assets	71	-	-	-	-	71	-
Interest on bonded indebtedness	9,126	9,317	3,873	3,505	1,643	27,464	-
Interest on state loan	1,492	-	-	-	-	1,492	-
Other	6,225	-	-	-	7	6,232	-
Total non-operating expenses	16,914	9,317	3,873	3,505	1,650	35,259	-
Income (loss) before capital contributions and transfers	43,235	88,721	40,526	32,663	15,036	220,181	5,745
Transfers in	-	-	-	-	-	-	2,334
Transfers out	(11,991)	(35,553)	(14,925)	(4,600)	(106)	(67,175)	-
Capital contributions	503	-	-	-	-	503	-
Change in net position (deficit)	31,747	53,168	25,601	28,063	14,930	153,509	8,079
Total net position (deficit) - beginning of year	549,452	1,199,771	479,538	386,836	160,292		34,141
Total net position - end of year	$ 581,199	$ 1,252,939	$ 505,139	$ 414,899	$ 175,222		$ 42,220
Adjustment to reflect the consolidation of internal service funds related to enterprise funds for health insurance contributions and fleet services						5,196	
Change in net position of business-type activities						$ 158,705	

See accompanying notes to financial statements.

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


MEMPHIS
SHELBY
COUNTY
TENNESSEE

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit A-11

	Sewer Collection and Treatment	MLGW Electric Division	MLGW Gas Division	MLGW Water Division	Non-Major Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers and users	$ 153,296	$ 1,355,492	$ 263,983	$ 123,510	$ 36,303	$ 1,932,584	$ 120
Receipts from other division funds	-	-	-	-	-	-	34,199
Receipt of miscellaneous income	1,737	-	-	-	947	2,684	-
Employee contributions	-	-	-	-	-	-	12,994
Employer contributions	-	-	-	-	-	-	69,591
Pharmacy Rx rebates	-	-	-	-	-	-	8,413
Payments to suppliers	(75,703)	(1,142,416)	(173,274)	(42,136)	(7,961)	(1,441,490)	(22,650)
Payments to/on behalf of employees	(26,477)	(122,381)	(63,534)	(44,077)	(13,092)	(269,561)	(7,347)
Payments from / (to) other divisions or funds	-	(5,183)	(611)	(2,641)	-	(8,435)	-
Payments per Affordable Care Act (Re-insurance fees, PCORI tax)	-	-	-	-	-	-	(14)
Payments for taxes	-	(5,528)	(766)	-	-	(6,294)	-
Payments for inventory	-	-	-	-	-	-	(17,754)
Payments for death benefits	-	-	-	-	-	-	(149)
Payments for claims incurred	-	-	-	-	-	-	(69,068)
Net cash provided by operating activities	52,853	79,984	25,798	34,656	16,197	209,488	8,335
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:							
Transfers to City	-	(35,553)	(14,925)	(4,600)	-	(55,078)	-
Principal paid on lease liabilities	-	(204)	(65)	(48)	-	(317)	-
Principal paid on subscription liabilities	-	(4,073)	(1,734)	(1,285)	-	(7,092)	-
Interest paid on lease liabilities	-	(8)	(4)	(3)	-	(15)	-
Interest paid on subscription liabilities	-	(226)	(89)	(66)	-	(381)	-
Transfers from other funds	-	-	-	-	-	-	2,334
Transfers to other funds	(11,991)	-	-	-	(106)	(12,097)	-
Net cash provided by (used in) non-capital financing activities	(11,991)	(40,064)	(16,817)	(6,002)	(106)	(74,980)	2,334
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition and construction of capital assets	(97,635)	(226,731)	(26,611)	(33,680)	(14,984)	(399,641)	-
Contributions in aid of construction	-	14,234	4,220	4,638	-	23,092	-
Proceeds from federal grants	5,796	-	-	-	-	5,796	-
Principal payments on long-term debt	(10,515)	(11,490)	(4,335)	(4,250)	(860)	(31,450)	-
Interest payments on debt	(10,619)	(11,896)	(5,376)	(4,470)	(1,654)	(34,015)	-
Capital contributions received	503	-	-	-	-	503	-
Proceeds from Federal loan	10,799	-	-	-	-	10,799	-
Proceeds from State Revolving Fund (SRF) loans	2,923	-	-	-	-	2,923	-
Payments for State Revolving Fund (SRF) loans	(9,180)	-	-	-	-	(9,180)	-
Net cash used in capital and related financing activities	(107,928)	(235,883)	(32,102)	(37,762)	(17,498)	(431,173)	-
CASH FLOWS FROM INVESTING ACTIVITIES:							
Sales and maturities of investments	1,175	63,662	7,349	1,131	-	73,317	-
Purchase of investments	(1,170)	(28,781)	(32,144)	(21,087)	(142)	(83,324)	-
Payments received on notes receivable	-	-	-	93	-	93	-
Income (Loss) earned on investments	(4,414)	14,673	11,719	7,152	1,250	30,380	-
Net cash provided by (used in) investing activities	(4,409)	49,554	(13,076)	(12,711)	1,108	20,466	-
Net increase (decrease) in cash and cash equivalents	(71,475)	(146,409)	(36,197)	(21,819)	(299)	(276,199)	10,669
Cash and cash equivalents, beginning of year	81,221	308,076	188,471	109,836	58,227	745,831	40,341
Cash and cash equivalents, end of year	$ 9,746	$ 161,667	$ 152,274	$ 88,017	$ 57,928	$ 469,632	$ 51,010

(Continued)

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

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

	Sewer Collection and Treatment	MLGW Electric Division	MLGW Gas Division	MLGW Water Division	Non-Major Fund	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	$ 50,739	$ 41,681	$ 33,636	$ 28,265	$ 14,482	$ 168,803	$ 5,746
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation and amortization	7,997	66,132	26,810	13,305	1,758	116,002	-
Transmission credits	-	38,889	-	-	-	38,889	-
Other income (loss)	1,737	2,794	(863)	753	947	5,368	-
(Increase) decrease in assets and deferred outflows:							
Accounts receivable	(7,862)	(32,756)	(844)	(12,561)	47	(53,976)	5
Deferred outflows - Pension	3,203	(158,144)	(60,622)	(44,807)	1,796	(258,574)	-
Deferred outflows - OPEB	1,691	(48,302)	(18,516)	(13,685)	947	(77,865)	19
Net pension asset	-	120,464	46,178	34,132		200,774	
Unbilled revenues	-	4,543	6,045	2,115	-	12,703	-
Prepayments - in lieu of taxes	-	14	-	-	-	14	-
Unrecovered purchased power and gas	-	(3,637)	-	-	-	(3,637)	-
Inventories	-	(29,733)	(4,559)	(1,966)	-	(36,258)	(1,027)
Prepaid expense	(29)	-	-	-	-	(29)	-
Other assets	-	(196)	5,218	-	-	5,022	-
Increase (decrease) in liabilities and deferred inflows:							
Accounts payable	587	(18,326)	(24,025)	-	(637)	(42,401)	3,631
Other accrued expenses	409	14,223	(12,731)	6,270	-	8,171	-
Customer deposits	-	819	(644)	(137)	-	38	-
Insurance reserves	-	1,210	335	(270)	-	1,275	-
Medical benefit accrual	-	(1,828)	(834)	(545)	-	(3,207)	-
Deferred inflows - Leases	-	2,739	3,140	773	-	6,652	-
Deferred inflows - Pension	(1,377)	(42,755)	(16,390)	(12,114)	(772)	(73,408)	-
Deferred inflows - OPEB	5,721	(41,347)	(15,849)	(11,715)	3,207	(59,983)	64
Net pension liability	(911)	100,132	38,384	28,371	(484)	165,492	-
Net OPEB liability	(9,088)	63,349	24,284	17,949	(5,094)	91,400	(103)
Accrued vacation/sick leave	36	-	-	-	-	36	-
Other	-	19	(2,355)	523	-	(1,813)	-
Total adjustments	2,114	38,303	(7,838)	6,391	1,715	40,685	2,589
Net cash provided by (used in) operating activities	$ 52,853	$ 79,984	$ 25,798	$ 34,656	$ 16,197	$ 209,488	$ 8,335
Reconciliation of cash and cash equivalents per statements of cash flows to the balance sheets:							
Restricted funds	$ 6,972	$ 82,478	$ 43,778	$ 20,354	$ 14,060	$ 167,642	$ -
Less investments included in restricted funds	-	(12,396)	(6,586)	(4,953)	-	(23,935)	-
Cash and cash equivalents included in restricted funds	6,972	70,082	37,192	15,401	14,060	143,707	-
Current assets - cash and cash equivalents	-	91,585	115,082	72,616	-	279,283	1
Current assets - equity in cash and investment pool	2,774	-	-	-	43,868	46,642	51,009
Total cash and cash equivalents	$ 9,746	$ 161,667	$ 152,274	$ 88,017	$ 57,928	$ 469,632	$ 51,010

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY NET POSITION **CITY OF MEMPHIS, TENNESSEE**
FIDUCIARY FUNDS **Exhibit A-12**
(Thousands of Dollars)
June 30, 2024

	Pension and OPEB Trust Funds	Sold Property Tax Receivable Custodial Fund
ASSETS		
Cash and cash equivalents	$ 101,989	$ -
Investments, at fair value:		
U.S. government securities - long-term	159,973	-
Common stock - domestic	1,645,758	-
Common stock - foreign	393,341	-
Corporate bonds - domestic	265,090	-
Corporate bonds - foreign	81,601	-
Mutual funds and money market funds	77,256	-
Government bonds - domestic	28,311	-
Global bond - international	66,013	-
Corporate bond mutual funds - domestic	88,325	-
Convertible bond - domestic	10,621	-
Collateralized mortgage obligations	5,757	-
Asset-backed pooled securities	4,122	-
Mortgage-backed pooled securities	35,309	-
Core Fixed Income CIT- Domestic	53,400	-
Core Fixed Income CIT- International	59,527	-
Investments in index funds	93,066	-
Investments in limited partnerships	273,325	-
Investments in real estate	516,003	-
Multi-asset - domestic	13,984	-
Private debt funds - domestic	32,240	-
Private equity - domestic	186,337	-
Private equity - international	30,563	-
Investments in international equity fund	489,406	-
Hedge funds	30,768	-
Distressed debt funds - domestic	55,267	-
Distressed debt funds - international	40,806	-
Life Settlement fund	90,686	-
Investments short sales & written options	(95)	-
Total investments	4,826,760	-
Equity in cash and investment pool	17,528	2,078
Interest and dividend receivables	11,470	-
Receivable for securities sold	242,181	-
Property tax receivable - delinquent	-	3,574
Employer and employee contributions receivable	4,728	-
Other receivables	624	-
Collateral held in trust for securities on loan	108,921	-
Total assets	5,314,201	5,652
LIABILITIES		
Accounts payable and other liabilities	305,474	5,652
Payable for securities purchased	649	-
Collateral subject to return to borrowers	108,920	-
Total liabilities	415,043	5,652
NET POSITION		
Restricted for OPEB	717,563	-
Restricted for Pensions	4,181,594	-
Total net position	$ 4,899,158	$ -

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION **CITY OF MEMPHIS, TENNESSEE**
FIDUCIARY FUNDS **Exhibit A-13**
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

	Pension and OPEB Trust Funds	Sold Property Tax Receivable Custodial Fund
ADDITIONS		
Contributions:		
Employer	$ 139,478	$ -
Plan members	53,689	-
Total contributions	193,167	-
Transfer from other fund	13,339	-
Pharmacy rebates	1,744	-
Other revenues	-	509
Total Revenues	-	509
Investment income:		
Interest and dividend income	102,979	-
Securities lending income	1,053	-
Other investment income	94	-
Gain on real estate investments	18,355	-
Net appreciation in the fair value of investments	331,673	-
Less investment expenses	(27,254)	-
Net investment income	426,900	-
Total additions	635,150	509
DEDUCTIONS		
Benefits	380,063	-
Administrative expenses	18,329	-
Refunds of contributions	24,137	-
Other contributions	-	1,026
Total deductions	422,529	1,026
Net (decrease)/increase	212,621	(517)
Net position - beginning of year	4,686,537	517
Net position - end of year	$ 4,899,158	$ -

See accompanying notes to financial statements.

	Memphis Area Transit Authority (1)	Memphis - Shelby County Airport Authority	Renasant Convention Center	Memphis Metropolitan Land Bank Authority	Memphis Zoological Society	Total
ASSETS						
Current unrestricted assets:						
Cash and cash equivalents	$ 2,260	$ 19,102	$ 3,942	$ 262	$ 2,103	$ 27,669
Investments	-	2,883	-	-	3,482	6,365
Receivables:						
Federal and state grants	8,909	99	-	-	-	9,008
Accounts receivable	275	9,664	1,119	15	577	11,650
Due from other agencies and governments	-	-	-	-	915	915
Inventories of materials and supplies	3,272	7,145	-	1	467	10,885
Prepaid expenses	573	4,377	114	-	928	5,992
Total current unrestricted assets	15,289	43,270	5,175	278	8,472	72,484
Current restricted assets:						
Cash and cash equivalents	-	155,286	-	-	400	155,686
Investments	-	107,305	-	330	-	107,635
Capital contributions receivable	-	20,330	-	-	-	20,330
Accounts receivable	-	2,630	-	-	-	2,630
Accrued interest	-	1,913	-	-	-	1,913
Total current restricted assets	-	287,464	-	330	400	288,194
Total current assets	15,289	330,734	5,175	608	8,872	360,678
Non-current unrestricted assets:						
Lease receivable	-	219,907	-	-	-	219,907
Other assets	-	2,875	-	-	125	3,000
Total non-current unrestricted assets	-	222,782	-	-	125	222,907
Non-current restricted assets:						
Investments	484	116,699	-	376	-	117,559
Total non-current restricted assets	484	116,699	-	376	-	117,559
Capital assets:						
Land	2,731	147,033	643	-	-	150,407
Buildings	178,644	801,053	44,440	-	99	1,024,236
Avigation easements	-	58,913	-	-	-	58,913
Improvements other than buildings	-	1,273,655	-	-	-	1,273,655
Machinery, buses and equipment	104,661	208,202	9,675	-	-	322,538
Subscription-based IT arrangements	-	3,583	-	-	-	3,583
Less accumulated depreciation and amortization	(225,779)	(1,411,937)	(49,949)	-	(70)	(1,687,735)
Total capital assets, net	60,257	1,080,502	4,809	-	29	1,145,597
Construction in progress	27,137	55,120	319	-	-	82,576
Net capital assets	87,394	1,135,622	5,128	-	29	1,228,173
Other assets	-	-	175	-	-	175
Total assets	103,167	1,805,837	10,478	984	9,026	1,929,492
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refundings	-	61	-	-	-	61
Deferred actuarial losses-pension	-	4,093	-	-	-	4,093
Deferred actuarial losses-OPEB	-	1,103	-	-	-	1,103
Total deferred outflows of resources	-	5,257	-	-	-	5,257
Total assets and deferred outflows of resources	103,167	1,811,094	10,478	984	9,026	1,934,749

(Continued)

	Memphis Area Transit Authority	Memphis - Shelby County Airport Authority	Renasant Convention Center	Memphis Metropolitan Land Bank Authority	Memphis Zoological Society	Total
LIABILITIES						
Current:						
Notes and accounts payable	$ 12,992	$ 16,068	$ 526	$ 14	$ 447	$ 30,047
Due to other agencies and governments	31,516	-	-	-	-	31,516
Due to City of Memphis	20,000	-	-	-	-	20,000
Accrued liabilities	(1,117)	12,220	352	-	1,806	13,261
Unearned revenue	90	-	64	-	2,449	2,603
Current installment of revenue bonds payable and future events	-	32,637	954	-	1,125	34,716
Total current liabilities	63,481	60,925	1,896	14	5,827	132,143
Long-term (net of current maturities):						
Net pension liability	(471)	22,377	-	-	-	21,906
Net OPEB liability	50,240	8,070	-	-	-	58,310
Revenue bonds payable	-	448,250	-	-	862	449,112
Other long-term obligations	-	4,117	-	376	124	4,617
Total long-term liabilities	49,769	482,814	-	376	986	533,945
Total liabilities	113,250	543,739	1,896	390	6,813	666,088
DEFERRED INFLOWS OF RESOURCES						
Deferred gain on refunding	-	132	-	-	-	132
Deferred inflows - pension	-	815	-	-	-	815
Deferred inflows - OPEB	(530)	5,323	-	-	-	4,793
Deferred inflows on leases	-	263,368	-	-	-	263,368
Total deferred inflows of resources	(530)	269,638	-	-	-	269,108
Total liabilities and deferred inflows	112,720	813,377	1,896	390	6,813	935,196
NET POSITION						
Net investment in capital assets	87,394	735,399	5,128	-	28	827,949
Restricted for:						
Capital acquisitions/projects	-	301,766	-	100	-	301,866
Self-insurance	505	-	-	-	-	505
Other	-	-	-	-	4,702	4,702
Unrestricted	(97,452)	(39,448)	3,454	494	(2,517)	(135,469)
Total net position	(9,553)	997,717	8,582	594	2,213	999,553
Total liabilities, deferred inflows and net position	$ 103,167	$ 1,811,094	$ 10,478	$ 984	$ 9,026	$ 1,934,749

See accompanying notes to financial statements.

NOTE: The financials presented for MATA as of June 30, 2024, are unaudited.

COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS (Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit A-15

		Program Revenues			Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Memphis Area Transit Authority (1)	Memphis-Shelby County Airport Authority	Renasant Convention Center	Memphis Metropolitan Land Bank Authority	Memphis Zoological Society	Total
Component units:										
Memphis Area Transit Authority	$ 91,663	$ 2,154	$ -	$ 1,613	$ (87,896)	$ -	$ -	$ -	$ -	$ (87,896)
Memphis Metropolitan Land Bank Authority	571	2	89	413	-	-	-	(67)	-	(67)
Memphis Zoological Society	31,795	26,467	200	1,347	-	-	-	-	(3,781)	(3,781)
Renasant Convention Center	9,549	8,945	-	-	-	-	(604)	-	-	(604)
Memphis-Shelby County Airport Authority	165,612	127,938	269	37,509	-	104	-	-	-	104
Total component units	$ 299,190	$ 165,506	$ 558	$ 40,882	$ (87,896)	$ 104	$ (604)	$ (67)	$ (3,781)	$ (92,244)
General revenues:										
City of Memphis subsidy					32,170	-	2,042	-	-	34,212
Investment income (loss)					88	30,715	2	-	212	31,017
Federal grants and entitlements					7,199	-	175	-	-	7,374
State grants					712	-	-	-	-	712
Other					300	23,272	-	-	146	23,718
Total general revenues and special items					40,469	53,987	2,219	-	358	97,033
Change in net position					(47,427)	54,091	1,615	(67)	(3,423)	4,789
Net position - beginning					37,874	943,626	6,967	661	5,636	994,764
Net position - beginning, as restated					37,874	943,626	6,967	661	5,636	994,764
Net position - ending					$ (9,553)	$ 997,717	$ 8,582	$ 594	$ 2,213	$ 999,553

See accompanying notes to financial statements.

NOTE: The financials presented for MATA as of June 30, 2024, are unaudited.


MEMPHIS
SHELBY
COUNTY
TENNESSEE

CITY OF MEMPHIS

T E N N E S S E E

NOTES TO FINANCIAL STATEMENTS

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

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

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

Fiscal Year-End

The City of Memphis maintains a fiscal year of July 1 – June 30. Memphis Light, Gas and Water (MLGW), a division of the primary government, has a fiscal year-end of December 31. Thus, the amounts and disclosures for the MLGW Enterprise Funds, the MLGW Other Post Employment Benefits Trust Fund and the MLGW Retirement System Fund are as of December 31, 2023. The disclosures for other divisions, component units, and joint ventures are as of their June 30 fiscal year-end.

Discretely Presented Component Units

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

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

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

While the Center self-reports as an Enterprise Fund, for City reporting purposes the Center is considered a discretely presented component unit. In fiscal year 2016, the City opted to disclose the Center as a blended component unit under the guidelines of Governmental Accounting Standards Board Statement No. 61 (GASB 61); however upon further analysis, the City has determined that the Center meets the requirements of a discretely presented component unit under GASB 14. Complete financial statements for the Center may be obtained at The City of Memphis, 125 North Main Street - Third Floor, Room 368, Memphis, TN 38103 Phone: 901-636-6657.

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

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

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

Memphis Shelby County Airport Authority (MSCAA) – MSCAA was established by City resolution on September 30, 1969. MSCAA is reported separately to emphasize that it is legally separate from the primary government and is governed by a separate board. The Mayor of the City, with the Mayor of Shelby County nominating two, appoints all members of the seven-member Board of Commissioners (the "Board") to govern MSCAA. The Memphis City Council confirms these appointments for a seven-year term. A member of the Board may be

removed from office by a two-thirds vote of the Memphis City Council, but only after notice of cause for the removal has been served and the member has been granted an opportunity for a public hearing on the matter. The Board appoints the President, who serves as the chief executive officer. The President appoints, and the Board confirms, the remaining officers. These officers manage and operate the Authority's airports. MSCAA has the power to issue bonds to accomplish any of the purposes authorized by the Metropolitan Airport Authority Act of Tennessee. MSCAA's fiscal year is June 30. Complete financial statements for this component unit may be obtained at the entity's administrative office: MSCAA, 2491 Winchester Road, Suite 113, Memphis, TN 38116 Phone: 901-922-8000.

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

Memphis Zoological Society (MZS) – MZS was created as a nonprofit in April 1951 by Charter to manage and support the Memphis Zoo and Aquarium in its efforts to preserve wildlife through education, conservation, and research. All land, buildings, exhibits, and other physical assets used by MZS are the property of the City of Memphis. MZS operates on a 52-53 week fiscal year ending on the last Sunday in the month of June. The year ended June 30, 2024, contained 53 weeks.
Complete financial statements for this component unit may be obtained at the entity's administrative office: MZS, 2000 Prentiss Place, Memphis, TN 38112 Phone: 901-333-6500

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

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

The MMLBA is managed by a Board of Directors which may consist of nine (9) voting members, who shall be qualified residents and voters of the City of Memphis, all of whom shall be appointed by the Mayor of the City of Memphis and approved by the Memphis City Council. The Board shall also include one (1) non-voting member who shall be the Mayor of the City of Memphis, or a City official acting as the Mayor's designee, and one (1) non-voting member who shall be a member of the City Council. The organization is established with a fiscal year ending June 30. Complete financial statements for the MMLBA may be obtained at The City of Memphis, 125 North Main Street - Third Floor, Room 368, Memphis, TN 38103 Phone: 901-636-6657.

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

Related Organization

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

Joint Ventures

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

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

Jointly Governed Organizations

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

Downtown Memphis Commission (the Commission) – The Commission is an organization responsible for promotion and redevelopment of the Memphis Center City area. Board members (ten) are appointed by the City and the County Mayors, with approval by the City Council and the County Commission, for three-year terms. The City collects special assessment taxes for the promotion and maintenance of the Memphis downtown area that are remitted annually to the Commission for such activities. Prior to July 1, 2011 the Commission's official name was the Center City Commission.

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

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

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

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

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

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

B. Government-wide and fund financial statements

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. In accordance with the Governmental Accounting, Auditing and Financial Reporting Standards, the City's A-7 Schedule (Statement of Revenues and Other Sources – Budget and Actual on Basis Budgeting) and A-8 (Statement of Expenditures and Other Uses – Budget and Actual on Basis Budgeting) are presented as cash basis for FY2024.

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

Fleet Management Internal Service Fund

Health Insurance Internal Service Fund

Unemployment Compensation Internal Service Fund

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

City Other Post-Employment Benefits Trust Fund

City Retirement System Fund

Library Retirement System Fund

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

Memphis Light, Gas and Water Retirement System Fund

Sold Property Tax Receivable Custodial Fund

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

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

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

Prior Period Adoption

In May 2019 **GASB issued Statement No. 91, *Conduit Debt Obligations***. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City implemented this statement in Fiscal Year 2023.

GASB Statement 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

This Statement addresses a variety of topics and includes specific provisions about the following:
The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports. Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan. The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets* that are not within the Scope of GASB Statement 68, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits. The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements. Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition. Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers. Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. Terminology used to refer to derivative instruments. The City of Memphis has made – and will continue to make – the proper effort to be in full compliance with each of the topics noted, where applicable.

GASB 93, *Replacement of Interbank, Offered rates.* (Issued March 2020) With some governments having entered into agreements in which variable payments, made or received, depend on an Interbank Offered Rate (IBOR) - most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. Processes are in place to identify financing situations involving Interbank-based rates, as well as the impact on accounting processes, reporting and the Annual Comprehensive Financial Report.

GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* was issued March 2020 and implemented by the City in Fiscal 2023, where applicable, using the facts and circumstances that exist at the beginning of the period of implementation. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public

partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which: (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

GASB Statement 96 *Subscription-Based Information Technology Arrangements*, issued May 2020. Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The City implemented requirements of this Statement in Fiscal Year 2023.

New Accounting Standards Adopted

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

In June 2022 **GASB Statement No. 100, *Accounting Changes and Error Corrections***—an amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting

requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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

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

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

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences.

However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. The effective date is for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City continues to analyze the impact Statement 101 has on our procedures, accounting transactions, reporting, and Annual Comprehensive Financial Report compilation. We shall be compliant as required.

Prior Period Restatements

In 2023, MLGW implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). GASB 96 requires the recognition of an intangible right of use asset and a SBITA liability, thereby enhancing the relevance and consistency of information regarding SBITA activities. Accordingly, the accompanying financial statements, as of and for year ended December 31, 2022, have been restated for the change, which had an immaterial impact on the net position. As a result of the implementation of this provision, MLGW increased Electric, Gas, and Water Divisions' net position for 2022 by $1,456; $589; and $417, respectively. The overall effect of the restatements on the beginning net position is $2,462.

As a result of adopting GASB 96, as of December 31, 2022, MLGW's Electric Division recorded total intangible right of use assets of $11,230 with accumulated amortization of $4,489 and recognized total SBITA liabilities of $5,264, ($2,924 current). Electric Division also reclassified $3,172 from operating expenses to $2,984 as amortization expense and $188 as interest expense.

As a result of adopting GASB 96, as of December 31, 2022, MLGW's Gas Division recorded total intangible right of use assets of $4,733 with accumulated amortization of $1,854 and recognized total SBITA liabilities of $2,268, ($1,295 current). Gas Division also reclassified $1,295 from operating expenses to $1,264 as amortization expense and $31 as interest expense.

As a result of adopting GASB 96, as of December 31, 2022, MLGW's Water Division recorded total intangible right of use assets of $3,492 with accumulated amortization of $1,341 and recognized total SBITA liabilities of $1,709, ($960 current). Water Division also reclassified $939 from operating expenses to $914 as amortization expense and $25 as interest expense.

Additional disclosures, as well as other reclassifications in the statement of cash flows, also resulted from the adoption of GASB 96.

Future Accounting Pronouncements

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

This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party

or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

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

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

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

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

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

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, with earlier application encouraged. The City is analyzing this Statement to understand its impact on our reporting and Annual Comprehensive Financial Report compilation. We anticipate being compliant as required.

D. Assets, liabilities, and net position or equity

Cash and Cash Equivalents and Investments

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

Property Taxes Receivable

Property taxes are recorded as receivables when levied, net of estimated uncollectible accounts. The receivables collected during the current fiscal year and those collected by August 31, 2023, related to tax levies for fiscal year 2023 and prior, are recorded as revenue. Amounts received related to the property tax levy of the next fiscal year and the net receivables estimated to be collectible after August 31, 2024, are recorded as deferred inflows at June 30, 2024.

Interfund Receivables and Payables

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

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

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

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

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

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

Inventories and Prepaid Expenditures

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

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

Capital Assets

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

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

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

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

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

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

Equity / Fund Balance – Purpose and Function

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

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

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

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

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

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

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

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

Compensated Absences

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

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

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

Deferred Compensation Plan

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

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

Long-term Obligations

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

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

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

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

Use of Estimates

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

Fund Equity - Net Position

Fund equity is generally the difference between Assets plus deferred outflows and Liabilities plus deferred inflows. Government-wide and proprietary fund statements report fund equity as net position. Fund equity for governmental fund statements is reported as fund balance (see Note IV.I.).

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

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

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

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

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

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

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

Unassigned Fund balance represents general fund amounts not classified elsewhere.

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental funds balance sheet includes a reconciliation between fund balance as reflected on the total governmental funds balance sheet and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of the $1,958,854 difference are as follows:

General obligation bonds payable	$ 1,393,795
Premium on general obligation bonds	61,384
Commercial Paper	150,000
Lease agreements	15,392
Subscription agreements (SBITAs)	-
Settlement Obligation	8,000
EDGE- Accelerate Memphis bonds	23,255
Premium on EDGE-Accelerate Memphis bonds	2,643
Related party loan	91,950
Related party loan premium	4,143
Related party debt obligation	82,639
Legal claims and judgments	2,242
Accrued interest	11,916
Vacation, sick and other leave benefits	106,298
On-the-Job Injury	5,197
Net adjustment to reduce fund balance-total governmental funds to arrive at net position-governmental activities	$ 1,958,854

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

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

The details of the $74,655 difference are as follows:

Capital outlay	$	154,946
Depreciation Expense		(73,341)
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at change in net position of governmental activities	$	74,655

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bond, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of the $54,046 difference are as follows:

General obligation bonds payable	$	89,457
Premium on general obligation bonds		24,593
Commercial Paper		(100,000)
Lease agreements		4,916
Subscription agreements (SBITAs)		376
Settlement Obligation		1,333
EDGE- Accelerate Memphis bonds		1,000
Premium on EDGE-Accelerate Memphis bonds		(2,643)
Related party loan		10,900
Related party loan premium		21,679
Related party debt obligation		2,435
Net adjustment to increase net changes in fund balance-total governmental funds to arrive at change in net position of governmental activities	$	54,046

Another element of the reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of the $(537,403) difference are as follows:

Liability changes:	
Claims and judgments liability	$ (1,058)
Accrued interest expense	2,367
Personnel cost (On-the-Job Injury; Vacation/Sick/Other)	(16,636)
	(15,327)
Net pension liability adjustment	(550,746)
Net OPEB liability adjustment	28,670
	(522,076)
Net adjustment to increase net changes in fund balance-total governmental funds to arrive at change in net position of governmental activities	$ (537,403)

Net Investment in Capital Assets

	Governmental Activities	Business-Type Activities
Total capital assets (both tangible and intangible)	$ 3,417,086	$ 5,597,186
Less: Accumulated depreciation/amortization	(1,163,646)	(2,267,793)
Net carrying value of capital assets	2,253,440	3,329,393
Less:		
Outstanding principal of capital-related borrowings related to the government's own capital assets (limited to proceeds expended for capital purposes and excluding unspent proceeds) ("outstanding capital debt")	1,833,201	751,793
Outstanding principal of debt and other borrowing used to refund capital-related borrowings	-	240,504
Outstanding principal balance of any other (non-debt) capital related liabilities as of fiscal year end, including capital accounts payable and retainage payable	111,093	7,867
Unamortized original issue premiums on outstanding capital debt	68,170	87,501
Capital-related deferred inflows of resources (such as a gain on refunding of outstanding capital debt)	-	6,261
Other reductions, if any [SPECIFY]		
Specify N/A	-	-
Specify		
	2,012,464	1,093,926
Plus:		
Unamortized original issue discounts on outstanding capital debt	-	-
Capital-related deferred outflows of resources (such as a loss on refunding of outstanding capital debt)	-	643
Other additions, if any [SPECIFY]		
Specify		
Specify		
	-	643
Equals: Net investment in capital assets	$ 240,976	$ 2,236,110

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

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

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

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

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

B. Excess of expenditures over appropriations

In demonstrating compliance with the City's legally prescribed budgetary requirements, expenditures at June 30, 2024, did not exceed appropriations at the program level. The comparison of actual expenditures to the budget for the General Fund reflects no unfavorable variances from the budget at the program level.

C. Deficit net position

Community Catalyst Fund has a negative total net position of ($83).

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

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

Cash and Investment Pool

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

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

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

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

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

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

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

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure the government's deposits may not be returned. At June 30, 2024 all deposits were insured or collateralized as required by policy. The City's investment policy provides that all securities purchased by the City or held as collateral on either deposits or investments shall be held in third-party safekeeping at a financial institution.

Deposits held by the C&I Pool at June 30, 2024, totaled $52,842 and cash draws against future deposits of ($31,457).

The investments held by the pool consist of the following at June 30, 2024:

Description	Maturity Dates	Interest Rates	Fair Value	Duration
U.S. Government Obligations	July 2024 - August 2028	0.60% - 5.60%	$ 448,247	.04 - 4.13
Cash Equivalents	August 2024 - October 2024	0%	30,168	.12 -.32
Total Investments			$ 478,415	

The C&I Pool does not issue separate financial statements. Condensed financial information as of June 30, 2024, is as follows (dollar amounts and share amounts are the same):

Condensed Statement of Net Position

Cash deposits	$ 52,842
Cash draws against future deposits	(31,457)
Investments	478,415
Net position	$ 499,800
Net position held in trust for pool participants:	
Internal participants	499,800
Total net position held in trust for pool participants	$ 499,800

Condensed Statement of Changes in Net Position

Additions:	
Investment income	$ 33,061
Purchase of units	2,325,758
Total additions	$ 2,358,819
Deduction:	
Redemption of units	2,408,721
Net decrease	$ (49,902)
Net position held in trust for pool participants:	
Beginning of year	549,702
End of year	$ 499,800

Investments Outside of the Pool

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

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

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

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

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

Deposits and cash on hand-held by the primary government outside of the C&I Pool at June 30, 2024, totaled $554,642.

The investments held by the primary government outside the C&I Pool at June 30, 2024:

Description	Fair Value
Short-term investments	$ 26,303
Money market	476
U.S. Government securities	85,487
Federal Agency securities	27,609
Federal Agency callable	35,252
Total	$ 175,127
Investments not subject to categorization:	
Investments	364,178
State of Tennessee LGIP	94,739
Total	$ 634,044

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

C&I Pool deposits	$ 52,842
C&I Pool draws against future deposits	(31,457)
C&I Pool investments	478,415
Derivative financial instruments- MLGW	29
Other deposits and cash on hand	554,642
Other investments	634,044
Total	$ 1,688,515
Equity in C&I Pool – Custodial funds	(17,528)
Equity in C&I Pool – Fiduciary funds	(2,078)
Total	$ 1,668,909
Cash and cash equivalents	$ 402,948
Investments	610,138
Equity in cash and investment pool	480,194
Restricted special fund-customer deposits	103,833
Restricted investments	71,796
Total	$ 1,668,909

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

Memphis Area Transportation Authority (MATA) as of June 30, 2024[1]

Cash and Cash Equivalents	$	2,260
Restricted Investments		
U.S. government agency securities	$	485
Total Investments	$	485

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

RENASANT CONVENTION CENTER as of June 30, 2024

Cash and Cash Equivalents	$	3,942

Memphis Shelby County Airport Authority (MSCAA) as of June 30, 2024

Deposits		
Cash deposits	$	19,102
Cash on hand		3
Total Deposits and cash on hand	$	19,105
Restricted Cash		
Bonds, construction and other miscellaneous	$	155,286
Total Restricted Cash	$	155,286
Investments		
U.S. Government agencies	$	205,922
Investments not subject to categorization:		
Forward purchase agreement		23,840
Total Investments	$	229,762

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

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

Memphis Metropolitan Land Bank Authority (MMLBA) as of June 30, 2024

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

City of Memphis Retirement System – Deposits and Investments

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

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

	Minimum	Maximum
Cash equivalents	0%	5%
Real estate	5%	10%
Private equity	2%	6%
Hedge Fund of Funds	2%	6%
Domestic equities	14%	28%
International equities	24%	38%
Fixed income	20%	36%

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

Interest Rate Risk

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

The fair values of fixed income investments, grouped by maturity at June 30, 2024, are as follows:

Current to one year	$	99,306
One to two years		137,432
Two to three years		21,464
Three to four years		29,766
Four to five years		46,317
Five or more years		310,404
		644,689
Funds with indeterminable maturities		229
	$	644,918

Credit Risk

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

The City and MLGW Plan's exposure to credit risk at June 30, 2024, is presented below by investment category as rated by S&P Global Rating service.

Type of Investment	Fair Value	Ratings	Percentage of Fixed Income
Government bonds	$ 157,095	AAA	24.40%
	2,878	NR	0.45%
Non-government-backed CMOs	5,757	AAA	0.90%
Asset-backed securities	1,853	AAA	0.29%
	2,269	NR	0.35%
Corporate bonds and index funds	80,834	AAA	12.53%
	74	AA+	0.01%
	2,319	AA	0.36%
	783	AA-	0.10%
	1,507	A+	0.23%
	12,823	A	1.99%
	1,572	A-	0.24%
	765	BBB+	0.12%
	18,923	BBB	2.93%
	13,030	BBB-	2.02%
	16,412	BB+	2.54%
	17,743	BB	2.75%
	24,210	BB-	3.75%
	18,580	B+	2.88%
	11,528	B	1.79%
	8,705	B-	1.35%
	4,209	CCC+	0.65%
	2,003	CCC	0.31%
	317	CC	0.05%
	279	D	0.04%
	203,141	NR	31.50%
Government mortgage-backed securities	20,005	AAA	3.10%
	15,304	NR	2.37%
Total Fixed Income	$ 644,918		100.00%

Foreign currency risk

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

The City and MLGW Plan's exposure to foreign currency risk – in U.S. Dollars – as of June 30, 2024, is as follows:

Currency	Equities	Corporate Bonds	Total
Australian dollar	$ 4,387	$ 1,473	$ 5,860
Bermudian dollar	-	207	207
Brazilian real	-	217	217
British pound sterling	31,225	21,005	52,230
Canadian dollar	13,880	6,516	20,396
Cayman Islands dollar	-	1,529	1,529
Danish krone	10,825	266	11,091
Euro	276,537	24,037	300,574
Hong Kong dollar	3,190	-	3,190
Indian rupee	289	-	289
Indonesian rupiah	227	-	227
Israeli shekel	715	-	715
Japanese yen	35,809	-	35,809
Mexican peso	259	18,900	19,159
New Zealand dollar	1,209	5,900	7,109
Norwegian krone	1,537	-	1,537
Peruvian Sol	-	1,551	1,551
Singapore dollar	2,424	-	2,424
South Korean won	620	-	620
Swedish krona	4,635	-	4,635
Swiss franc	5,573	-	5,573
Total securities subject to foreign credit risk	$ 393,341	$ 81,601	$ 474,942
International portfolio in U.S dollars	489,406	-	489,406
	$ 882,747	$ 81,601	$ 964,348

Securities Lending Program

The City of Memphis Retirement System (the City Plan) is authorized by the Charter and Statement of Investment Objectives to lend securities to brokerage firms on a temporary basis through their custodian bank, Bank of New York Mellon (Custodian). During the fiscal year, the Custodian lent City Plan securities and received cash, U.S. Treasury, U.S. Treasury Inflation Protected Securities (TIPS), and U.S. Agency Mortgages as collateral. The Custodian did not have the ability to pledge or sell non-cash collateral delivered absent a borrower default. Borrowers were required to deliver collateral for each loan in amounts equal to or not less than 102% of the market value of loaned domestic securities and 104% of the market value of loaned foreign securities. The City and MLGW retains the interest income on the securities being transferred and earned at $1,053 during the year ended June 30, 2024 (the City) and December 31, 2023 (MLGW).

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

All securities loans can be terminated on demand by either the lender or the borrower. The average term of the City Plan's loans for the year ended June 30, 2024, was approximately 60 days. Cash collateral is invested in a short-term investment pool. The relationship between the maturities of the investment pool and the Custodian's loans is affected by the maturities of the securities loans made by other entities that use the Custodian's pool, which the Custodian's system cannot determine. Cash collateral may also be invested in "term loans", in which case the investments match the loan term. As the loans are terminable at will, the duration of the investments generally did not match the duration of the investments made with cash collateral.

On June 30, 2024, the collateral held and the market value of the securities on loan was $68,953 and $66,938 respectively for the City Plan. On June 30, 2023, the collateral held and the market value of the securities on loan was $39,967 and $36,213 respectively for the MLGW Plan. The combined collateral held in trust amounts to $108,920. The cash collateral is recorded as both an asset and a liability on the Plan financial statements (Exhibit E-1). Securities received as collateral at June 30, 2024 are not recorded in the Statement of Net Position, as the Plan cannot sell or pledge the collateral received absent a borrower default.

Derivatives

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

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

Instruments utilized during fiscal year 2024 included specifically assigned derivative instruments used to manage risk or to make investments. At year end, the City Plan held investments with a market value of $14,456 in money market futures, government futures, currency forwards, interest rate swaps and credit default swaps. The objective of the account holdings is to provide a means of managing interest rate and volatility exposure, replicate government bond positions, and to gain exposure to foreign currencies.

Bucket	MV AMT	MV%
Uninvested Cash	11.00	0.01
Interest Receivable	506.00	0.52
Net Unsettled Trades	-36,712.00	-37.67
Bond/Stock Futures	-7,476.00	-7.67
Money Market Futures	-5,767.00	-5.92
Swap Offset	-16,670.00	-17.11
Broker Money	-5.00	-0.01
Total Market Value	97,450.00	100.00

Total Market Value x 0.146	14,228.00	PIMCO
	228.00	BrandyWine
	14,456.00	

	Original Face Value	Change in Fair Value		
				Increase / (Decrease)
	FY24	*FY24*	*FY23*	
Cash & Cash Equivs.	6.00	7.00	5.00	2.00
Fixed Income	390.00	854.00	620.00	234.00
Forwards	11,508.00	13,595.00	23,171.00	(9,576.00)
	11,904.00	**14,456.00**	**23,796.00**	**(9,340.00)**

City OPEB Trust-Deposits and Investments

City OPEB Trust Investments at June 30, 2024, were as follows:

Description	Fair Value
Mutual Funds	$4,714

Financial Instruments Reported at Fair Value

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

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

The following table summarizes fair value disclosures and measurements at June 30, 2024:

		Fair Value Measurements at Reporting Date Using		
	Total Fair Value	Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Money Market Instruments	$ 79,669	$ 27,119	$ 23,133	$ 29,417
Convertible Securities	1,572	-	1,572	-
Equities	759,759	695,494	59,864	4,401
Equity Mutual Funds	39,919	-	39,919	-
Fixed Income Securities	1,016,142	117,371	880,995	17,776
Fixed Income Mutual Funds	16,083	-	16,083	-
Futures Contracts	426	426	-	-
Real Estate Funds	178,025	-	-	178,025
Partnerships	254,002	-	-	254,002
REIT	5,828	-	5,828	-
Preferred Securities	1,901	1,612	289	-
	$ 2,353,326	$ 842,022	$ 1,027,683	$ 483,621
LGIP	-			
NAV Expedient:	$ 818,438			
Total Leveling, NAV, LGIP	$ 3,171,764			
Less Cash Equivalents	(46,331)			
Net Leveling	$ 3,125,433			

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

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

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

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

Asset Class:

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

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

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

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

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

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

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

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

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

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

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

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

The fair value presented herein is based on pertinent information available to management as of June 30, 2024. Although management is not aware of any facts that would significantly affect the fair value amounts presented, events occurring in the future or alternative valuation techniques could generate significantly different results from the fair value amounts presented herein.

B. Receivables

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

	General	Debt Service	Capital Projects	Sewer Collection and Treatment	Memphis Light, Gas and Water	Community Development	Nonmajor and Other Funds	Total
Receivables:								
Property taxes	$ 352,730	$ 127,770	$ 1,249	$ -	$ -	$ -	$ 4,280	$ 486,029
Delinquent property taxes	31,503	5,673	20				374	37,570
Sales, income, and other taxes	35,072	2,039	-	-	-	-	6,375	43,486
Federal and state grants	662	-	1,597	1,515	-	3,714	5,748	13,236
Interest and dividends on investments	-	-	-	-	-	466	-	466
Notes and accounts receivable	-	-	-	28,513	224,412	-	-	252,925
Housing and rehabilitation loans	-	-	-	-	-	42,717	-	42,717
Due from other funds	41,576	8,015	6,917	(212)	-	9,851	679	66,826
Due from other agencies and governments	9,278	295	-	-	-	-	-	9,573
Other	5,130	80	-	-	-	-	7,601	12,811
Net total receivables	475,951	143,872	9,783	29,816	224,412	56,748	25,057	965,639
Less allowance for uncollectibles	(19,149)	(7,039)	(67)	-	(23,353)	-	(2)	(49,610)
Net total receivables	$ 456,802	$ 136,833	$ 9,716	$ 29,816	$ 201,059	$ 56,748	$ 25,055	$ 916,029

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At June 30, 2024, deferred revenue principally represents: (1) amounts received for various capital projects upon which revenues will not be recognized until such projects have started; (2) amounts relating to property taxes as described above; (3) operating subsidies received in advance; (4) uncollected principal on Housing Rehabilitation Loans; and (5) long-term receivables due from agencies.

C. Property taxes

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

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

The assessed value upon which the fiscal year 2024 levy was based was approximately $14.9 billion. Taxes attach as an enforceable lien on property on June 1, the day taxes are levied and are due by September 1. Current tax collections for the year ended June 30, 2024, were 96.26% of the tax levy.

At June 30, 2024, the allowance for uncollectible property taxes by fund was as follows:

General Fund	$ 19,149
Debt Service Fund	7,039
Capital Project Fund	68
Pre-K Fund	2
	$ 26,258

The property tax levy is without legal limit. The rate, as permitted by Tennessee State Law and City Charter, is set annually by the City Council and collected by the City Treasurer. The City allocated the property tax per $100 of assessed value for the year ended June 30, 2024, as follows:

General Fund	1.845868
Debt Service Fund	0.847485
Capital Projects Fund	0.008287
	2.701640

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

Tax Abatements

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

City of Memphis Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board	**Downtown Memphis Commission (PILOT Program administered by Center City Revenue Finance Corporation)**
Purpose of Program	Financial incentive designed to encourage commercial real estate development in and around the Downtown Memphis area.
Tax being abated	Real and/or personal property taxes
Authority under which abatement agreements are entered into	Tennessee Code Annotated 7-53-102
Criteria to be eligible to receive abatement.	In order to be eligible for the Program, applicants must meet the following requirements: - The project should be located within the Central Business Improvement District (CBID), and/or within the Parkways (Appendix II). - The value of the proposed building renovations, site improvements or new construction must be equal to or greater than 60 percent of the total project cost. - The project must pass a "but for" test that determines that the project would not be financially feasible without a PILOT. - Applicant must own the property or have an option or other right to purchase the property. - Residential projects with 51 units or more are subject to the DMC's affordable housing requirement. This requirement stipulates that at least 20 percent of the residential rental units shall be occupied by, or held available solely for, individuals and families of low or moderate income, defined as no more than 80 percent of the median gross income for Shelby County, Tennessee. - No project on Mud Island south of A. W. Willis Avenue shall be considered for a PILOT without consideration of the Riverfront Development Corporation's recommendation. - Only multi-family projects or mixed-use developments that include a multi-family component are eligible for a PILOT outside of the CBID. - Apartment and mixed-use projects shall not utilize electric resistance heat systems. o Projects should incorporate natural gas, heat pumps, or another high-efficiency system as deemed adequate by DMC staff and Memphis Light, Gas & Water (MLGW) staff. This requirement applies to both new construction and building renovation projects. o The only exception to this requirement will be for instances where using natural gas, heat pumps, or another high-efficiency system is deemed technically infeasible by MLGW staff due to unavoidable characteristics of the project, use, building, or site.
How recipients' taxes are reduced	Taxes are reduced by 75% of the increase in the assessment from the date of the PILOT closing
How amount of abatement is determined	Payments shall be based on the predevelopment assessment, plus 25 percent of the increase in the assessment from the date of the PILOT closing.
Provisions for recapturing abated taxes	N/A
Types of commitments made by the City other than to reduce taxes	N/A
Fiscal Year 2024 Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreements	6,899

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

NOTES TO FINANICAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
(Continued)

Tax abatement (cont.)

City of Memphis Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board	Programs Administered by Economic Development Growth Engine (Industrial Development Board)		
	Fast Track PILOT	**Jobs PILOT**	**Residential PILOT**
Purpose of Program	The intent of this program is to attract new business to Memphis and Shelby County and spur industrial, industrial warehouse and office investment in conjunction with employer job creation in the City of Memphis and unincorporated Shelby County.	The intent of the program is to increase employment within the State of Tennessee.	The intent of this program is to spur investment in market-rate multi-family residential rental projects in the City of Memphis and unincorporated Shelby County.
Tax being abated	Real and/or personal property taxes	Real and/or personal property taxes	Real and/or personal property taxes
Authority under which abatement agreements are entered into	Tennessee Code Annotated section 7-53-101, et seq	Tennessee Code Annotated section 7-53-101, et seq	Tennessee Code Annotated section 7-53-101, et seq
Criteria to be eligible to receive abatement.	1) The project must create at least twenty-five (25) net new jobs. 2) A Capital Investment of $1M is required. 3) The applicant must meet the minimum LBP Standard in the Local Business Participation Program. 4) The project must be located in the City of Memphis or Shelby County. 5) In order to be considered, the project must be one of the specified types of projects.	1) The project must create at least fifteen (15) net new jobs. 2) A Capital Investment of $1M is required. 3) The applicant must meet the minimum LBP Standard in the Local Business Participation Program. 4) In order to be considered, the project must be one of the specified types of projects.	1) The minimum requirements are that the project must entail 25 residential units - new construction or substantial renovation. The applicant must own or control the site and demonstrate proof of construction and post-construction financing . Additionally, sixty percent (60%) of the total project costs must be spent on hard construction and/ or building renovation and site work. 2) Applicants must demonstrate that the project is not financially feasible without the PILOT benefit. EDGE will analyze the project pro forma, third party market analysis of comparable projects, and other data to determine the need for the PILOT. 3) Applicant must provide project pro forma on a monthly basis through stabilization and then annually through the term of the PILOT, the projects source and use of funds and third party market analysis of comparable projects showing anticipated rental and occupancy rates. Additionally, sponsor principals annual financial statements for the past three (3) years plus an interim financial statement no more than 90-days old at the time of the PILOT approval must be provided for review. 4) For projects with 25-50 units, 10% (rounded-up) must be set-aside for individuals or families that qualify as low/moderate income as defined by the US Department of Housing & Urban Development for the Memphis area. Forprojects with 51-75 units, 15% must be set aside; for projects with 76 or more units, 20% must be set aside. Applicants that provide an extraordinary number of low/moderate income units will be awarded one (1) extra year on their PILOT. 5)The applicant must comply with the Local Business Participation Program requirements.
How recipients' taxes are reduced	Through a reduction of the property's assessed value.	Through a reduction of the property's assessed value.	Through a reduction of the property's assessed value.
How amount of abatement is determined	PILOT payments are to based on one-hundred percent (100%) of the property taxes which would otherwise be collected and attributable to the land and twenty-five percent (25%) of the property taxes which would otherwise be collected and attributable to the real property improvements resulting from the Project at the time EDGE takes title of the property. For tangible personal property, PILOT payments are to be based on twenty-five percent (25%) property taxes that would otherwise be collected and attributable to the tangible personal property that is new to Shelby County at the time EDGE takes title of the property. The tangible personal property must be new or Shelby County at the time it is included into the PILOT.	The payments are based on one-hundred percent (100%) of the property taxes which would otherwise be collected and attributable to the land and a fraction of the property taxes which would otherwise be collected and attributable to the real property improvements resulting from the project at the time EDGE takes title of the property. The minimum allowable PILOT payment for real property improvements is twenty-five percent (25%) for the City of Memphis, if located in whole or in part within the City of Memphis , and twenty-five (25%) for Shelby County. For tangible personal property, PILOT payments are to be based on a fraction of the property taxes that would otherwise be collected and attributable to the tangible personal property that is new to Shelby County at the time EDGE takes title of the property. The tangible personal property must be new to Shelby County at the time it is included into the PILOT. The minimum allowed PILOT payment is twenty-five percent (25%) for the City of Memphis, if located in whole or in part within the City of Memphis, and twenty-five percent (25%) for Shelby County.	Generally and subject to exceptions set forth herein, for real property, such PILOT payments are to be based on one-hundred percent (100%) of the property taxes which would otherwise be collected and attributable to the land and a fraction of the property taxes which would otherwise be collected and attributable to the real property improvements resulting from the Project at the time EDGE takes title to the property. In unique cases, the EDGE Board reserves the right to waive this provision and provide a Community Reinvestment Credit. At the present time, the minimum allowable fraction is subject to change from time to time by action of the Memphis City Council, Shelby County Commission, and/or EDGE Board, but no such change shall be applied retroactively to any previously approved PILOT. The minimum allowed PILOT payment for real property improvements is twenty-five (25%) for the City of Memphis, if located in whole or in part within the City of Memphis, and twenty-five (25%) for Shelby County.
Provisions for recapturing abated taxes	N/A	N/A	N/A
Types of commitments made by the City other than to reduce taxes	N/A	N/A	N/A
Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreements.	10,293		

City of Memphis Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board	**LCH (Health, Education & Housing Facility Board)**
Purpose of Program	The purpose of the program is to issue bonds for the purpose of financing the acquisition and development of qualified multi-family residential facilities for low and moderate-income families.
Tax being abated	Real and/or personal property taxes
Authority under which abatement agreements are entered into	Tennessee Code Annotated Section 48-101-301 *et seq*
Criteria to be eligible to receive abatement.	1) The value of the building renovations, site improvements or new construction must be equal to or greater fifty-percent (50%) of the property acquisition cost. 2) The applicant must have site control which shall be the equivalent of fee simple title, 99 year lease, or an option to purchase with no contingencies except financing. 3) Applicant must have evidence of financing commitment for total project costs. 4) 20% of the applicant's units must e occupied by individuals whose income is 50% less of the median gross income or 40% more of the units must be occupied by individuals whose income is 60% less of the median gross income. 5) Applicant must provide written projection of how tax abatement savings will directly benefit tenants through one or more of the following - additional property improvements, rent reduction or stabilization, and tenant services to include any special social services.
How recipients' taxes are reduced	The taxes being abated are fifty percent (50%) of the real property taxes of the qualified multi-family housing property at the time that the PILOT Agreement and PILOT Lease Agreement are entered into.
How amount of abatement is determined	The current assessed value of the qualified multi-family housing property is frozen at fifty percent for the full-term of the PILOT and is used to determine the amount of the annual PILOT payments due to the City of Memphis and Shelby County.
Provisions for recapturing abated taxes	N/A
Types of commitments made by the City other than to reduce taxes	N/A
Fiscal Year 2024 Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreements	5,229

Tax Incremental Funding District (TIF) Abatements

Purpose of Program	Tennessee Code Annotated 9-23-101 et seq. establishes the codes that allow the diversion of a portion of future tax revenues of an approved area for economic development.		
Tax being abated	Real property taxes		
Authority under which abatement agreements are entered into	Tennessee Code Annotated 9-23-101		
Agency	**District**	**Abatement**	
Community Redevelopment Agency	Binghampton	101,122.66	
	Highland Row	431,352.99	
	Klondike	277.32	
	Soulsville	2,497.63	
	Uptown 1	362,423.75	
	Uptown 2	10,422.40	
	Uptown 3	2,758.16	
Economic Development Growth Engine	Highland Strip	0.00	
	Graceland	0.00	
	Poplar Corridor	0.00	
Total TIF Abatements		910,854.91	

D. Capital assets

Capital asset activity for the year ended June 30, 2024 , was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	$ 78,262	$ -	$ -	$ 3,332	$ 81,594
Construction in progress	721,552	147,996	-	(154,440)	715,108
Total capital assets not being depreciated	799,814	147,996	-	(151,108)	796,702
Capital assets being depreciated:					
Buildings	836,528	-	-	2,267	838,795
Improvements other than buildings	1,289,281	-	-	133,181	1,422,462
Machinery and equipment	289,159	11,911	-	15,660	316,730
ROU Assets:					
Facilities	23,645	-	-	-	23,645
Equipment/Lease Arrangements	22,961	-	(4,594)	-	18,367
SBITA's	752	-	(367)	-	385
Total capital assets being depreciated	2,462,326	11,911	(4,961)	151,108	2,620,384
Less accumulated depreciation for:					
Buildings	(390,812)	(19,158)	-	-	(409,970)
Improvements other than buildings	(456,531)	(23,899)	-	-	(480,430)
Machinery and equipment	(209,337)	(36,904)	-	-	(246,241)
ROU Assets:					
Facilities	(12,849)	(181)	-	-	(13,030)
Equipment/Lease Arrangements	(13,450)	(140)	-	-	(13,590)
SBITA's	(376)	(9)	-	-	(385)
Total accumulated depreciation	(1,083,355)	(80,291)	-	-	(1,163,646)
Total capital assets being depreciated, net	1,378,971	(68,380)	(4,961)	151,108	1,456,738
Governmental activities capital assets, net	$ 2,178,785	$ 79,616	$ (4,961)	$ -	$ 2,253,440

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets not being depreciated:					
Land	$ 14,116	$ -	$ -	$ -	$ 14,116
Construction in progress	587,054	103,576	-	-	690,630
Memphis Light, Gas and Water assets	259,351	248,583	(164,825)	-	343,109
Total capital assets not being depreciated	860,521	352,159	(164,825)	-	1,047,855
Capital assets being depreciated:					
Buildings	107,769	-	-	-	107,769
Improvements other than buildings	868,606	-	-	-	868,606
Machinery and equipment	78,475	9,457	(85)	-	87,847
Memphis Light, Gas and Water assets	3,322,032	165,026	(24,722)	-	3,462,336
Total capital assets being depreciated	4,376,882	174,483	(24,807)	-	4,526,558
Less accumulated depreciation for:					
Buildings	(95,530)	(1,112)	-	-	(96,642)
Improvements other than buildings	(383,396)	(11,910)	-	-	(395,306)
Machinery and equipment	(57,699)	(6,168)	(333)	-	(64,200)
Memphis Light, Gas and Water depreciation*	(1,629,067)	(127,483)	59,259	-	(1,697,291)
Total accumulated depreciation	(2,165,692)	(146,673)	58,926	-	(2,253,439)
Memphis Light, Gas and Water, Intangible Right of Use Assets:					
SBITA	19,455	2,245	-	-	21,700
Office equipment	1,251	(178)	-	-	1,073
Less amortization	(8,510)	(5,792)	(52)	-	(14,354)
Total intangible right of use assets, net	12,196	(3,725)	(52)	-	8,419
Total capital assets being depreciated, net	2,223,386	24,085	34,067	-	2,281,538
Business-type activities capital assets, net	$ 3,083,907	$ 376,244	$ (130,758)	$ -	$ 3,329,393

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

Construction Commitments

The government had active construction projects as of June 30, 2024. At year-end the government's commitments with contractors were as follows:

Function/Activity		Commitment
Executive	$	943
Fire services		566
Police services		7,317
Park services		6,288
Public works		23,585
Public services		(37,540)
General services		13,597
Housing and Community Development		4,494
Engineering		9,092
Information Technology		548
Library		995
Storm Water		7,281
Sewer		16,389
	$	53,555

Depreciation Expense

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

Governmental activities:		
Finance	$	2,683
Human Services		1
Fire Services		9,532
Police Services		3,450
Park Services		8,227
Public Works		10,733
Human Resources		17
Public Services		1,002
General Services		18,112
Housing and Community Development		6,592
Infomation Technology		7,542
Executive		1,869
Engineering		3,428
Library		4,016
Solid Waste		3,087
Total depreciation expense - Governmental activities	$	80,291
Business-type activities:		
Sewer	$	16,293
Storm Water		2,897
Memphis Light, Gas and Water		106,247
Total depreciation expense - Business-type activities	$	125,437

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

		Sewer	Storm Water
Depreciation Expense	$	16,293	2,897
Amortization of Bond Premium		(8,296)	(1,139)
Total depreciation and amortization	$	7,997	1,758

The reported depreciation expense for MLGW as of December 31, 2023, was as follows:

	MLGW Electric Division	MLGW Gas Division	MLGW Water Division	Total
Statement of Revenues, Expense and Changes in Net Position (*Dollars in Thousands):*				
Depreciation expense	59,235	18,461	11,361	89,057
Transportation costs	1,901	1,895	405	4,201
Salvage returns	10,070	183	31	10,284
Amortization	4,996	6,454	1,539	12,989
Retirements	(10,070)	(183)	(31)	(10,284)
Depreciation and Amortization	66,132	26,810	13,305	106,247
Statement of Cash Flows	66,132	26,810	13,305	106,247

Discretely Presented Component Units

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	$ 2,731	$ -	$ -	$ -	$ 2,731
Construction in progress	25,690	1,447	-	-	27,137
Total capital assets not being depreciated	28,421	1,447	-	-	29,868
Capital assets being depreciated:					
Buildings and improvements	181,321	-	(2,677)	-	178,644
Buses and other revenue vehicles	71,148	-	(688)	-	70,460
Machinery and equipment	31,576	2,625	-	-	34,201
Total capital assets being depreciated	284,045	2,625	(3,365)	-	283,305
Less accumulated depreciation for:					
Buildings and improvements	(134,369)	(6,217)	-	-	(140,586)
Buses and other revenue vehicles	(55,337)	(4,058)	-	-	(59,395)
Machinery and equipment	(25,470)	(328)	-	-	(25,798)
Total accumulated depreciation	(215,176)	(10,603)	-	-	(225,779)
Total capital assets being depreciated, net	68,869	(7,978)	(3,365)	-	57,526
Capital assets, net	$ 97,290	$ (6,531)	$ (3,365)	$ -	$ 87,394

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 146,554	$ 479	$ -	$ 147,033
Avigation easements	58,913	-	-	58,913
Construction in progress	23,812	62,996	(31,688)	55,120
Total capital assets not being depreciated	229,279	63,475	(31,688)	261,066
Capital assets being depreciated:				
Runways, taxiways, aprons and airfield lighting	1,046,228	9,954	-	1,056,182
Buildings	800,678	375	-	801,053
Facilities constructed for tenants	139,411	131	-	139,542
Roads, bridges and fences	77,358	573	-	77,931
Equipment and utility systems	188,192	20,206	(196)	208,202
Subscription-based IT arrangements	3,539	44	-	3,583
Total capital assets being depreciated	2,255,406	31,283	(196)	2,286,493
Less accumulated depreciation for:				
Runways, taxiways, aprons and airfield lighting	(635,199)	(28,550)	-	(663,749)
Buildings	(434,037)	(19,047)	-	(453,084)
Facilities constructed for tenants	(73,390)	(4,262)	-	(77,652)
Roads, bridges and fences	(72,467)	(1,706)	-	(74,173)
Equipment and utility systems	(128,952)	(13,268)	194	(142,026)
Subscription-based IT arrangements	(752)	(501)	-	(1,253)
Total accumulated depreciation	(1,344,797)	(67,334)	194	(1,411,937)
Total capital assets being depreciated, net	910,609	(36,052)	(2)	874,558
Capital assets, net	$ 1,139,888	$ 27,424	$ (31,690)	$ 1,135,622

Activity for the Renasant Convention Center for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	$ 643	$ -	$ -	$ -	$ 643
Construction in progress	407	254	(341)	-	320
Total capital assets not being depreciated	1,050	254	(341)	-	963
Capital assets being depreciated:					
Buildings and improvements	43,984	425	31	-	44,440
Furniture and Equipment	8,683	682	310	-	9,675
Total capital assets being depreciated	52,667	1,107	341	-	54,115
Less accumulated depreciation for:					
Buildings and improvements	(42,200)	(200)	-	-	(42,400)
Furniture and Equipment	(7,326)	(222)	-	-	(7,548)
Total accumulated depreciation	(49,526)	(422)	-	-	(49,948)
Total capital assets being depreciated, net	3,141	685	341	-	4,167
Capital assets, net	$ 4,191	$ 939	$ -	$ -	$ 5,130

E. Interfund receivables, payables and transfers

The composition of interfund transfers for the year ended June 30, 2024, is as follows:

	Transfers In											
				Nonmajor Special Revenue				Internal Service	Fiduciary Funds			
Transfer Out of Funds Below:	**General Fund**	**Debt Service**	**Capital Projects**	**HUB Community Impact Fund**	**New Memphis Arena**	**Pre-K Fund**	**Affordable Housing**	**Healthcare Fund**	**City Retirement System**	**Library Retirement System**	**OPEB Trust Fund**	**Total Transfers-Out**
General Fund	$ -	$ -	$ 1,855	$ 550	$ 1,975	$ -	$ 5,000	$ -	$ -	471	$ -	$ 9,851
Capital Projects Fund	1,500	-	-	-	-	-	-	-	-	-	-	1,500
Nonmajor Special Revenue:												
State Street Aid	-	1,768	-	-	-	-	-	-	-	-	-	1,768
Miscellaneous Grants	-	192	-	-	-	-	-	-	-	-	-	192
American Rescue Plan Act	-	-	5,729	-	-	-	-	-	-	-	-	5,729
Solid Waste	750	2,644	-	-	-	-	-	-	-	-	-	3,394
Hotel/Motel Tax	-	6,633	-	-	-	-	-	-	-	-	-	6,633
Metro Alarm	1,625	-	-	-	-	-	-	-	-	-	-	1,625
2019 Sales Tax Referendum	27,900	-	-	-	-	7,000	-	2,334	3,696	-	9,172	50,102
Total Nonmajor Special Revenue	31,775	11,237	7,584	550	1,975	7,000	5,000	2,334	3,696	471	9,172	80,794
PROPRIETARY FUND TYPES												
Enterprise:												
Sewer Collection and Treatment	11,990	-	-	-	-	-	-	-	-	-	-	11,990
Memphis Light, Gas and Water	52,678	-	-	-	-	-	-	-	-	-	-	52,678
Storm Water	106	-	-	-	-	-	-	-	-	-	-	106
Total Proprietary Fund Types	64,774	-	-	-	-	-	-	-	-	-	-	64,774
Total Transfers-In	$ 96,549	$ 11,237	$ 7,584	$ 550	$ 1,975	$ 7,000	$ 5,000	$ 2,334	$ 3,696	$ 471	$ 9,172	$ 145,568

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

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

Governmental Funds:
FY24 Transfers in to General Fund from Solid Waste Fund represents annual payment of an interfund loan, from Metro Alarm represents fines redistributed to police, fire, and legal for false alarms, and from the 2019 Sales Tax Referendum Fund represents transfers for offsets to the Police and Fire for benefits restoration and Engineering and Solid Waste for street maintenance in accordance with the referendum.
FY24 Transfers in to the Debt Service Fund from State Street Aid represents the portion of current debt related to street maintenance, transfers in from Solid Waste represents the lease payments for equipment, and Transfers In to Capital Project Fund includes $1,855 of one-time project spend from the General Fund fund balance.

The transfer in $550 to the HUB Community Impact Fund represents allocations toward the homeless initiatives.
Transfers in the Pre-K Fund represents amounts allocated by ordinance to support the Pre-K initiative as allowed under the parameters of the 2019 Sales Tax Referendum.
The transfers in the Healthcare Fund from the 2019 Sales Tax Referendum support the cost of benefit restoration allowed under the parameters of the 2019 Sales Tax Referendum.
The transfers in to the City Retirement Fund represents the cost of benefit restoration for Police and Fire under the parameters of the 2019 Sales Tax Referendum.
The transfer in to the Library Pension Fund from the General Fund represents the deficit required by the closed Retirement Fund to support disbursements to retirees under the closed plan. Employee and Employer contributions are insufficient to cover the cost of pension disbursements to retirees.
The transfer in to the OPEB Fund from the 2019 Sales Tax Referendum Fund represents the restoration cost of benefits to retired police and fire employees under the parameters of the 2019 Sales Tax Referendum.

Proprietary Funds:
Transfers in to the General Fund from Sewer Fund and the Storm Water Fund represents the assessment for PILOT related to the infrastructure, and the transfer in from MLGW represents PILOT payments related to the utility infrastructure.
Transfers In to the New Memphis Arena Fund represents MLGW PILOT payments specific to the debt service of the bonds issued for the FedEx Forum arena.

The composition of interfund balances as of June 30, 2024, is as follows:

Due to/from other funds:

The composition of interfund balances as of June 30, 2024 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
GOVERNMENTAL FUND TYPES		
General		
	Community Development	$ 87
	State Street Aid	3,941
	Solid Waste Management	5,250
		9,278
Debt Service	State Street Aid	295
		295
Total		$ 9,573

Interfund Balances:
These balances resulted from timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) payments between funds occur. Also, there are some interfund balances resulting from working capital loans made between the funds. The majority of these balances are scheduled to be collected in the subsequent year. One exception is the $1,792 receivable in the Debt Service Fund recorded for the allocation of commercial paper issuance to Storm Water, which was issued in 2016. As Storm Water is a proprietary fund, a long-term commercial paper liability is presented in conformity with generally accepted accounting principles (GAAP).

F. Leases

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

Lease Agreements

For the year ended 6/30/2024, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

As of 06/30/2024, the City of Memphis, TN has 9 outstanding Lease issues in the amount of $15,392,000.

In 2018, tax-exempt $4,400,000 Series 2018 Solid Waste Lease – 1000144086 was issued with maturities ranging from $417,423 to $466,973. The Series 2018 Solid Waste Lease – 1000144086 was bank placed with JP Morgon Chase Bank and is replaced from the Debt Service Fund.

On 07/01/2021, City of Memphis , TN entered a 22-month lease as Lessee for the use of NovaTech Inc. Contract #34644. An initial lease liability was recorded in the amount of $200,458. As of 6/30/2024, the value of the lease liability is $0. City of Memphis, TN is required to make monthly payments of $9,130. The lease has an interest rate of 0.2177%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 6/30/2024 of $200,458 with accumulated depreciation of $109,250 is included with Equipment on the Lease Class activities table found in the Capital Assets note (Note IV.D.). City of Memphis, TN has 2 extension option(s), each for 12 months.

In 2014, tax-exempt $17,925,000 Series 2014 A Sports Facility Revenue Bonds were issued with maturities ranging from $680,000 to $2,005,000. The Series 2014 A Sports Facility Revenue Bonds were publicly sold and are repaid from the Debt Service Fund. As of 06/30/2024, the value of the lease liability is $8,650,000. The lease has an interest rate of 2.000% - 5.000%.

In 2014, taxable $5,720,000 Series 2014 B Sports Facility Revenue Bonds were issued with maturities ranging from $285,000 to $635,000. The Series 2014 B Sports Facility Revenue Bonds were publicly sold and are repaid from the Debt Service Fund. As of 06/30/2024, the value of the lease liability is $1,965.000. The lease has an interest rate of 1.900% - 4.970%.

In 2019, a tax-exempt $8,000,000 Series 2019 Solid Waste Lease - Property No. 6 was issued with maturities ranging from $761,659 to $839,462. The Series 2019 Solid Waste Lease - Property No. 6 was bank placed with Banc of America Public Capital Corp. and is repaid from the Debt Service Fund. As of 06/30/2024, the value of the lease liability is $839,462. The lease has an interest rate of 2.173%.

In 2019, a tax-exempt $1,183,958 Series 2019 Fire Services Lease - Mobile Data Terminal was issued with maturities ranging from $761,659 to $839,462. The Series 2019 Fire Services Lease - Mobile Data Terminal was bank placed with Renasant Bank and is repaid from the Debt Service Fund. As of 06/30/2024, the value of the lease liability is $138,583. The lease has an interest rate of 2.650%.

On 07/01/2021, City of Memphis, TN entered a 38-month lease as Lessee for the use of 119 South Main Street. An initial lease liability was recorded in the amount of $1,242,804. As of 06/30/2024, the value of the lease liability is $74,971. City of Memphis, TN is required to make monthly fixed payments of $33,106.46. The lease has an interest rate of 0.3147%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $74,971 with accumulated depreciation of $1,171,060 is included with Buildings on the Lease Class activities table found in Note IV.D.

On 09/01/2021, City of Memphis, TN entered a 60-month lease as Lessee for the use of 2129 Troyer Street Bldg. 249. An initial lease liability was recorded in the amount of $224,777. As of 06/30/2024, the value of the lease liability is $97,404. City of Memphis, TN is required to make monthly fixed payments of $5,166.29. The lease has an interest rate of 0.5773%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $97,403 with accumulated depreciation of $127,373 is included with Buildings on the Lease Class activities table found in Note IV.D.

On 07/01/2021, City of Memphis, TN entered a 30-month lease as Lessee for the use of 2714 Union Ave - Suite #100. An initial lease liability was recorded in the amount of $135,609. As of 06/30/2024, the value of the lease liability is $0.00. City of Memphis, TN is required to make monthly fixed payments of $5,487. The lease has an interest rate of 0.3147%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $0.00 with accumulated depreciation of $135,609 is included with Buildings on the Lease Class activities table found in Note IV.D. City of Memphis, TN has 1 extension option(s), each for 24 months.

On 07/01/2021, City of Memphis, TN entered a 30-month lease as Lessee for the use of 2714 Union Ave - Suite #600, #610, #700, #625. An initial lease liability was recorded in the amount of $564,798. As of 06/30/2024, the value of the lease liability is $0.00. City of Memphis, TN is required to make monthly fixed payments of $16,544. The lease has an interest rate of 0.3147%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $0.00 with accumulated depreciation of $564,798 is included with Buildings on the Lease Class activities table found in Note IV.D. City of Memphis, TN has 1 extension option(s), each for 24 months.

On 07/05/2021, City of Memphis, TN entered a 24-month lease as Lessee for the use of 2714 Union Extended Building - Suite #400. An initial lease liability was recorded in the amount of $289,575. As of 06/30/2024, the value of the lease liability is $0.00. City of Memphis, TN is required to make monthly fixed payments of $12,066. The lease has an interest rate of 0.2177%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $0.00 with accumulated depreciation of $289,575 is included with Buildings on the Lease Class activities table found in Note IV.D.

On 07/01/2021, City of Memphis, TN entered a 24-month lease as Lessee for the use of 2714 Union Extended Building - Suite #500. An initial lease liability was recorded in the amount of $344,322. As of 06/30/2024, the value of the lease liability is $0.00. City of Memphis, TN is required to make monthly fixed payments of $14,377. The lease has an interest rate of 0.2177%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $0.00 with accumulated depreciation of $344,322 is included with Buildings on the Lease Class activities table found in Note IV.D.

On 07/01/2021, City of Memphis, TN entered a 15-month lease as Lessee for the use of 2801 Appling Center Cove. An initial lease liability was recorded in the amount of $125,849. As of 06/30/2024, the value of the lease liability is $0.00. City of Memphis, TN is required to make monthly fixed payments of $8,400.00. The lease has an interest rate of 0.1850%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $0.00 with accumulated depreciation of $125,849 is included with Land on the Lease Class activities table found in Note IV.D. City of Memphis, TN has 1 extension option(s), each for 60 months. City of Memphis, TN had a termination period of 2 months as of the lease commencement.

On 07/01/2021, City of Memphis, TN entered an 84-month lease as Lessee for the use of 3657 Old Getwell Rd. An initial lease liability was recorded in the amount of $3,366,904. As of 06/30/2024, the value of the lease liability is $2,097,027.43. City of Memphis, TN is required to make monthly fixed payments of $41,082. The lease has an interest rate of 0.8333%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $2,097,027 with accumulated depreciation of $1,269,876 is included with Buildings on the Lease Class activities table found in Note IV.D. City of Memphis, TN has 2 extension option(s), each for 60 months.

On 07/01/2021, City of Memphis, TN entered a 21-month lease as Lessee for the use of 600 Jefferson Avenue. An initial lease liability was recorded in the amount of $294,982. As of 06/30/2024, the value of the lease liability is $0.00. City of Memphis, TN is required to make monthly fixed payments of $14,072. The lease has an interest rate of 0.2177%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $0.00 with accumulated depreciation of $294,982 is included with Buildings on the Lease Class activities table found in Note IV.D.

On 07/01/2021, City of Memphis, TN entered a 28-month lease as Lessee for the use of Farrisview Industrial Park. An initial lease liability was recorded in the amount of $101,242. As of 06/30/2024, the value of the lease liability is $0.00. City of Memphis, TN is required to make monthly fixed payments of $3,523. The lease has an interest rate of 0.2177%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $0.00 with accumulated depreciation of $101,248 is included with Buildings on the Lease Class activities table found in Note IV.D.

On 07/01/2021, City of Memphis, TN entered a 30-month lease as Lessee for the use of Memphis Depot Business Park. An initial lease liability was recorded in the amount of $455,659. As of 06/30/2024, the value of the lease liability is $0.00. City of Memphis, TN is required to make monthly fixed payments of $14,704. The lease has an interest rate of 0.3147%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $0.00 with accumulated depreciation of $455,659 is included with Buildings on the Lease Class activities table found in Note IV.D. City of Memphis,

TN has 1 extension option(s), each for 36 months. City of Memphis, TN had a termination period of 6 months as of the lease commencement.

On 07/01/2021, City of Memphis, TN entered a 198-month lease as Lessee for the use of Pidgeon Industrial Park. An initial lease liability was recorded in the amount of $1,216,817. As of 06/30/2024, the value of the lease liability is $1,002,068. City of Memphis, TN is required to make annual fixed payments of $85,000.00. The lease has an interest rate of 1.4270%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2024 of $1,002,068 with accumulated depreciation of $214,749 is included with Land on the Lease Class activities table found in Note IV.D. City of Memphis, TN has 2 extension option(s), each for 60 months.

On 07/01/2021, City of Memphis, TN entered a 94-month lease as Lessee for the use of Universal Life Building. An initial lease liability was recorded in the amount of $819,702. As of 06/30/2024, the value of the lease liability is $527,884. City of Memphis, TN is required to make monthly fixed payments of $13,859. The lease has an interest rate of 0.9670%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $527,884 with accumulated depreciation of $291,818 is included with Buildings on the Lease Class activities table found in Note IV.D. City of Memphis, TN has 2 extension option(s), each for 60 months.

On 07/01/2021, City of Memphis, TN entered a 24-month lease as Lessee for the use of Research Institute. An initial lease liability was recorded in the amount of $18,900. As of 06/30/2024, the value of the lease liability is $0.00. City of Memphis, TN is required to make monthly fixed payments of $9,450. The lease has an interest rate of 2.1843%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $0.00 with accumulated depreciation of $18,900 is included with Equipment on the Lease Class activities table found in Note IV.D. City of Memphis, TN has 2 extension option(s), each for 12 months.

Subscription Agreements

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

As of 6/30/2024, City of Memphis, TN had 2 active subscriptions. The subscriptions have payments that range from $9,696 to $439,324 and interest rates that range from 1.7103% to 2.1843%. As of 6/30/2024, the total combined value of subscription liability is $385. The combined value of the right-of-use asset, as of 6/30/2024, is $42,397 (with accumulated amortization of $27,005) and is included within Note IV.D. The subscriptions had $0 of variable payments and $0 of other payments not included in the subscription liability within the fiscal year.

On 07/01/2022, Memphis, TN entered a 16-month subscription for the use of Conduent's eTims System. An initial subscription liability was recorded in the amount of $366,322. As of 06/30/2024, the value of the subscription liability is $0.00. Memphis, TN is required to make annual fixed payments of $368,445. The subscription has an interest rate of 1.7103%. The value of the right to use asset as of 06/30/2024 of $0.00 with accumulated amortization of $366,322 is included with Software on the Subscription Class activities table found below. Memphis, TN had a termination period of 1 month as of the subscription commencement.

On 07/01/2022, Memphis, TN entered a 32-month subscription for the use of Research Institute. An initial subscription liability was recorded in the amount of $18,900. As of 06/30/2024, the value of the subscription liability is $0.00. Memphis, TN is required to make annual fixed payments of $9,696. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2024 of $0.00 with accumulated amortization of $18,900 is included with Software on the Subscription Class activities table found in Note IV.D. Memphis, TN had a termination period of 1 month as of the subscription commencement.

Lease and Subscription Assets

The assets acquired through leases and SBITAs (in thousands) are as follows:

Right-to-Use Assets:

Facilities	$	23,645
Lease Arrangements		18,367
SBITAs		385
Accumulated Amortization		(13,030)
Accumulated Depreciation		(13,975)
Total	$	15,392

The remaining debt service requirement for lease interest obligations for the City (in thousands) at June 30, 2024, is as follows:

Fiscal Year		
2025	$	788
2026		746
2027		739
2028		764
2029		236
2030-2037		68
Present Value of Payments	$	3,341

G. Long-term debt

General Obligation Bonds

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

As of June 30, 2024, the City's bond ratings were as follows: Aa2 by Moody's Investors Service, Inc., and AA by S&P Global Ratings.

The City of Memphis has 18 outstanding General Obligation issues in the amount of $1,393,795.

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

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

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

In 2012, Tax-Exempt $93,595 Series 2012A General Improvement and Refunding Bonds were issued with maturities ranging from $250 to $26,570. The Series 2012A General Improvement and Refunding Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2014, Tax-Exempt $103,955 Series 2014A General Improvement Refunding Bonds were issued with maturities ranging from $1,410 to $24,860. The Series 2014A General Improvement Refunding Bonds were publicly sold and are repaid from the Debt Service Fund.

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

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

In 2015, Taxable $54,390 Series 2015B General Improvement Refunding Bonds were issued with maturities ranging from $9,300 to $31,655. The Series 2015B General Improvement Refunding Bonds were publicly sold and are repaid from the Debt Service Fund.

In 2015, Tax-Exempt $67,845 Series 2015C General Improvement Bonds were issued with maturities ranging from $1,960 to $5,005. The Series 2015C General Improvement Bonds were publicly sold and are repaid from the Debt Service Fund.

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

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

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

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

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

In 2021, Tax-Exempt $163,772 Series 2021A Local Government Public Improvement Bonds were issued with maturities ranging from $6,443 to $9,816. The Series 2021A Local Government Public Improvement Bonds were bank placed and are repaid from the Debt Service Fund.

In July 2022, the City issued $167,555 of General Improvement Refunding Bonds, Series 2022 to refund General Improvement & Refunding Bonds 2014B and General Improvement & Refunding Bonds 2015C and to finance the cost of public works projects of the City and provide payment of the cost of issuance of the Series 2022 Bonds. The issue resulted in net proceeds of $167,969 (after the payment of $45 in bank counsel fees and $541 cost of issuance).

In July 2022, the City issued $138,010 of Local Government Public Improvement Bonds, Series 2022A to finance the cost of public works projects of the City and provide payment of the cost of issuance of the Series 2022A Bonds. The issue resulted in net proceeds of $149,177 (after the payment of $101 in underwriter's discount and $577 cost of issuance).

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

The proceeds of debt related to capital improvements as well as the associated issue costs paid by the City were recorded in the Capital Projects Fund. The proceeds and extinguishment of debt related to Commercial Paper, as well as the associated issue costs paid by the City, were recorded in the Debt Service Fund.

Commercial Paper Program

In October 2018, the City entered agreements to sell tax-exempt bond anticipation notes in the form of General Obligation Commercial Paper. The Commercial Paper is issued under the State of Tennessee Commercial Paper Program in an amount not to exceed $150,000. The purpose of the Commercial Paper is to provide interim financing of various capital projects. The Commercial Paper notes have varying maturities of not more than 270 days from their respective dates of issuance. The City entered into a line of credit agreement to provide liquidity support for this Commercial Paper Program. Unless earlier terminated or substituted, the agreement will expire on October 04, 2024. The debt is classified as long-term debt and is reflected in the City's Statement of Net Position and the City's Capital Projects Fund based on the City's ability to refinance the debt under the line of credit agreement. As of June 30, 2024, the outstanding balance is $150,000.

Sewer & Storm Water Revenue Bonds

As of June 30, 2024, the City's bond ratings were as follows: AA+ by S&P Global Ratings and Aa2+ by Moody's Investors Service, Inc.

Sewer

The City of Memphis has four outstanding Sewer Revenue issues in the amount of $244,754.

In 2014, Tax-Exempt $18,930 Series 2014 Sanitary Sewerage System Revenue Refunding Bonds were issued with maturities ranging from $1,580 to $2,210. The Series 2014 Sanitary Sewerage System Revenue Refunding Bonds were publicly sold and are repaid from the Sewer Collection and Treatment Fund.

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

In 2020, the Federally Taxable $75,389 Sanitary Sewerage System Revenue Bond, Series 2020A (WIFIA Project) was issued with maturities ranging from $4,240 to $5,215. The Sanitary Sewerage System Revenue Bond, Series 2020A, was bank-placed and is repaid from the Sewer Collection and Treatment Fund.

In 2020, Tax-Exempt $123,535 Series 2020B Sanitary Sewerage System Revenue And Revenue Refunding Bonds were issued with maturities ranging from $3,475 to $7,435. Proceeds from the bonds are to be used by the City for the purpose of financing improvements, additions and extensions to the City's sanitary sewerage water system and refunding of all or a portion of the City's outstanding Sanitary Sewerage System Revenue Bond, Series 2010 Bonds and Sanitary Sewerage System Revenue Bonds, Series 2013. The issue resulted in net proceeds of $157,923 (after the underwriter's discount of $352 and issuance costs of $578). Interest on the Series 2020 Bonds is payable semiannually on each October 1 and April 1, commencing October 1, 2020. The interest rate is 5.000%. The aggregate difference in debt service between the refunding debt and the

refunded debt was $4,478. The economic gain on this transaction was $4,230**.** The Series 2020B Sanitary Sewerage System Revenue And Revenue Refunding Bonds were publicly sold and are repaid from the Sewer Collection and Treatment Fund.

Storm Water

The City of Memphis has one outstanding Storm Water Revenue issue in the amount of $32,640.

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

State Loans

The City is part of a Revolving Fund Loan Agreement with the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority. The purpose of the agreement is to provide for the financing of all or a portion of a wastewater facility by the City as a Tennessee governmental entity authorized to own, operate, and manage wastewater facilities. The current loan agreement consists of the following: SRF 2006-195 obligation of $3,989 with an interest rate of 2.59% payable over a 11-year period, SRF 2013-311 obligation of $100,000 with an interest rate of 0.75% payable over a 18-year period, SRF 2013-309 obligation of $11,602 with an interest rate of 0.75% payable over a 16-year period, 2015-355 obligation of $25,000 with interest rate of 0.75% over a 19 year period, SRF 2018-409 obligation of $11,000 with an interest rate of 0.81% payable over a 19-year period, SRF 2019-421 obligation of $6,500 with an interest rate of 1.20% payable over a 19-year period, SRF 2019-434 obligation of $48,000 with an interest rate of 0.47% payable over a 20-year period, and SRF 2021-451 obligation of $22,773 with an interest rate of 0.61% payable over a 20-year period.

Federal Loans

In January 2021, the City created a loan agreement with the Federal WIFIA Sewer Loan, Series 2020A for an obligation of $75,389. Proceeds from the loan are to be used by the City for the purpose of the T.E. Maxson Wastewater Treatment Facility Process and Biosolids Upgrade Programs. Interest on the Series 2020 Bonds is payable semiannually on each October 1 and April 1, commencing October 1, 2020. The interest rate is 1.39%.

Center City Revenue Finance Corporation

Qualified Energy Conservation Bonds (QECB) are issued by CCRFC on behalf of the City to provide funding for the "Green Communities Program" for energy conservation installations and improvements to privately owned facilities with proceeds of qualified energy conservation bonds.

The City entered into a loan agreement with CCRFC on February 18, 2015, whereby the City would receive an amount not to exceed $8,316 of the proceeds from CCRFC QECB, Series 2015A. Actual proceeds totaled $8,316. Interest on the loan is 3.72%, and the loan matures in 2025. Under the provisions of the agreement, the proceeds of the loan must be spent on specific authorized projects within a limited time period. The proceeds

are held in an escrow account. As allowable expenditures are incurred, the developer will submit expenditures to the City. Upon approval of expenditures, the City will request the release of the funds from the escrow account to reimburse the developer. The bonds mature annually through January 5, 2025, with semiannual interest payments. The City is required to pay the remaining portion of the CCRFC's debt service payments based on this guarantee.

City of Memphis has paid $7,484 in principal and $1,587 in interest on the guarantee through June 30, 2024. The amount of liability recognized is the best estimate of the discounted present value of the future outflows expected to be incurred as a result of the guarantee.

June 30, 2023	Increases	Decreases	June 30, 2024
$1,662	**$0**	**$830**	**$832**

The City entered a loan agreement with CCRFC on April 29, 2015, whereby the City would receive an amount not to exceed $2,015 of the proceeds from CCRFC QECB, Series 2015B. Actual proceeds totaled $2,015. Interest on the loan is 3.91%, and the loan matures in 2025. Under the provisions of the agreement, the proceeds of the loan must be spent on specific authorized projects within a limited time period. The proceeds are held in an escrow account. As allowable expenditures are incurred, the developer will submit expenditures to the City. Upon approval of expenditures, the City will request the release of the funds from the escrow account to reimburse the developer. The bonds mature annually through January 5, 2025, with semiannual interest payments.

The City is required to pay the remaining portion of the CCRFC's debt service payments based on this guarantee. The City of Memphis has paid $2,014 in principal and $385 in interest on the guarantee through June 30, 2024. The amount of liability recognized is the best estimate of the discounted present value of the future outflows expected to be incurred as a result of the guarantee.

June 30, 2023	Increases	Decreases	June 30, 2024
$202	$0	$202	$0

The City entered into a loan agreement with CCRFC on April 29, 2015, whereby the City would receive an amount not to exceed $340 of the proceeds from CCRFC QECB, Series 2015C. Actual proceeds totaled $340. Interest on the loan is 3.91%, and the loan matures in 2024. Under the provisions of the agreement, the proceeds of the loan must be spent on specific authorized projects within a limited time period. The proceeds are held in an escrow account. As allowable expenditures are incurred, the developer will submit expenditures to the City.

Upon approval of expenditures, the City will request the release of the funds from the escrow account to reimburse the developer. The bonds mature annually through January 5, 2025, with semiannual interest payments. The City is required to pay the remaining portion of the CCRFC's debt service payments based on

this guarantee. The City of Memphis has paid $340 in principal and $65 in interest on the guarantee through June 30, 2024. The amount of liability recognized is the best estimate of the discounted present value of the future outflows expected to be incurred as a result of the guarantee.

June 30, 2023	Increases	Decreases	June 30, 2024
$34	$0	$34	$0

Economic Development Growth Engine

Pursuant to a Trust Indenture dated as of May 18, 2017 (the "Indenture"), the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee (EDGE) issued its $36,215 Federally Taxable Senior Revenue Bonds, Series 2017A, its $87,725 Tax-Exempt Subordinate Revenue Bonds, Series 2017B and its $34,300 Federally Taxable Subordinate Revenue Bonds, Series 2017C. The Series 2017 EDGE Bonds are payable principally from distributions of state and local sales and use taxes in a tourist development zone that includes the Pyramid Arena, the Pinch District of the City and the Memphis Cook Convention Center.

Pursuant to the Indenture, the proceeds of the Series 2017 EDGE Bonds were used to, among other things, provide funds to make a loan (the "Series 2017 Loan") to the City pursuant to that certain Loan Agreement dated as of May 18, 2017 (the "Loan Agreement") between EDGE and the City. The City used the proceeds of the Series 2017 Loan to: (a) refund and defease the Refunded Bonds, Memphis Center City Revenue Finance Corporation of Memphis, Tennessee (CCRFC), Series 2011; and (b) pay the costs of issuance with respect to the Series 2017 EDGE Bonds.

The bonds mature annually through November 1, 2030, with semiannual interest payments. The City is required to pay the remaining portion of the EDGE's debt service payments based on this guarantee.

The City of Memphis has paid $66,290 in principal and $37,018 in interest on the guaranteed obligation through June 30, 2024. The amount of liability recognized is the best estimate of the discounted present value of the future outflows expected to be incurred because of the guarantee.

June 30, 2023	Increases	Decreases	June 30, 2024
$ 102,850	**$ 0**	**$10,900**	**$91,950**

Changes in long-term liabilities

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

The following is a summary of general obligation, other debt and revenue bonds by fund at June 30, 2024:

	General Obligation Bonds (1)	Bond Anticipation Notes-Commercial Paper	Lease Obligations	Settlement Obligation	Guarantee Obligations-Related Party Loans & Debt Obligations	Economic Development Bonds-Accelerate Memphis	Revenue Bonds	State Loans	Total
Governmental Funds	$ 1,455,179	150,000	15,392	8,000	178,732	25,898	-	-	1,833,201
Enterprise Funds	-	-	-	-	-	-	892,220	187,578	1,079,798
Total long-term debt	$ 1,455,179	150,000	15,392	8,000	178,732	25,898	892,220	187,578	2,912,999

(1) Per City of Memphis resolution, $10 million of Series 2016 was allocated to the Storm Water Fund.

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Governmental activities:					
Bonds & Other Obligations:					
General obligation bonds payable	$ 1,483,252	6,800	(96,257)	1,393,795	96,528
Premium on general obligation bonds	85,977	10,168	(34,761)	61,384	-
Commercial Paper	50,000	120,000	(20,000)	150,000	-
Lease agreements	20,308	-	(4,916)	15,392	788
Subscription agreements (SBITAs)	376	-	(376)	-	-
Settlement Obligation	9,333	-	(1,333)	8,000	1,333
EDGE- Accelerate Memphis bonds	24,255	-	(1,000)	23,255	1,010
Premium on EDGE- Accelerate Memphis bonds	-	3,019	(376)	2,643	376
	$ 1,673,501	139,987	(159,020)	1,654,469	100,035
Guarantee Obligations:					
Related party loan	$ 102,850	-	(10,900)	91,950	10,900
Related party loan premium	25,822	-	(21,679)	4,143	-
Related party debt obligation	85,074	-	(2,435)	82,639	3,399
	$ 213,746	-	(35,014)	178,732	14,299
Subtotal - Bonds & Other Obligations and Guarantee Obligations	$ 1,887,247	139,987	(194,033)	1,833,201	114,335
Other Liabilities:					
Legal claims and judgments	$ 1,184	1,058	-	2,242	718
Accrued interest	14,283	(2,367)	-	11,916	-
Vacation, sick and other leave benefits	91,034	73,463	(58,199)	106,298	697
On-the-Job Injury	3,826	1,371	-	5,197	-
	$ 110,327	73,525	(58,199)	125,653	1,415
Total Governmental activities	$ 1,997,574	213,512	(252,232)	1,958,854	115,749
Business-type activities:					
Revenue bonds	$ 277,970	-	(576)	277,394	-
Net premium/(discount) on revenue bonds	30,255	-	(6,055)	24,200	-
MLGW revenue bonds	547,400	-	(20,075)	527,325	21,025
Premium on MLGW revenue bonds	81,704	-	(18,403)	63,301	-
Sewer State Loans	196,758	-	(9,180)	187,578	-
Subtotal - Bonds & State Loans	$ 1,134,087	-	(54,289)	1,079,798	21,025
Vacation, sick and other leave benefits	37,983	4,394	(3,947)	38,430	622
Total Business-type activities	$ 1,172,070	4,394	(58,236)	1,118,228	21,647

The compound interest bonds are subject to optional redemption by the City prior to their maturities at stated redemption prices which are calculated based upon the compounded accreted value at the date of redemption. A summary of General Obligation, Other Debt and Revenue Bonds at June 30, 2024, follows:

Description	Interest Rates (%)	Original Issue	Balance Outstanding at Year-End
General Obligation Debt:			
General City Government Serial Bonds	2.91-6.14	$ 1,671,377	$ 1,393,795
Bond Anticipation Notes-Commercial Paper	variable	150,000	150,000
Net Premium/(Discount) on General Obligation Debt		186,001	61,384
Total General Obligation Debt		2,007,378	1,605,179
Lease Agreements	3.75-4.32	46,607	15,392
SBITAs		752	-
Settlement Obligation		20,000	8,000
EDGE-Accelerate Memphis		24,255	23,255
Net Premium/(Discount) on EDGE-Accelerate Memphis		3,019	2,643
		27,274	25,898
Guarantee Obligations	variable	216,564	174,589
Net Premium/(Discount) on Guarantee Obligations		18,433	4,143
		234,997	178,732
Total Governmental activities Debt		$ 2,337,008	$ 1,833,201
Business-Type Debt:			
Long term commercial paper	2.91-6.14	$ 10,000	$ -
Sanitary & Storm Water Sewerage Systems	3.00-6.30	267,536	277,394
Electric & Gas Divisions, MLGW (1)	2.00-5.00	521,000	400,215
Water Division, MLGW (1)	2.00-5.00	138,000	127,110
Net Premium/(Discount) on revenue bonds		134,555	87,501
State Loans	.75-2.59	153,009	187,578
Total Business-Type activities Debt		$ 1,224,100	$ 1,079,798
Total		$ 3,561,108	$ 2,912,999

(1) All MLGW bonds reflect amounts outstanding at December 31, 2023.

Debt service requirements to maturity for governmental long-term indebtedness at June 30, 2024 are as follows:

Total Long-term Indebtedness

	General Obligation							Revenue										
	General Obligations		Lease		Settlement Obligation (3)	Guarantee Obligations		Sewer and Storm Water		State Loan		Federal Loan		MLGW (2)		Total Requirements		
Fiscal Year	Principal (4) (5)	Interest (1)	Principal	Interest	Principal	Principal (4)	Interest	Principal (4)	Interest (1)	Principal	Interest	Principal	Interest	Principal (4)	Interest	Principal	Interest	Total
2024	-	-	-	-	-	-	-	-	-	-	-	-	-	21,025	20,791	21,025	20,791	41,816
2025	96,188	52,067	3,496	538	1,333	14,684	6,486	11,890	9,418	10,644	1,432	-	1,047	22,000	19,815	160,236	90,802	251,038
2026	99,775	47,871	2,627	432	1,333	14,423	5,881	10,455	8,902	10,722	1,346	-	1,048	23,040	18,769	162,376	84,249	246,625
2027	55,030	46,883	2,777	330	1,333	15,218	5,229	8,665	8,446	10,801	1,259	-	1,048	24,120	17,694	117,943	80,888	198,831
2028	57,323	44,416	2,968	221	1,333	15,910	4,540	9,105	8,002	10,881	1,171	-	1,048	25,250	16,568	122,770	75,965	198,735
2029	59,718	41,821	2,600	123	1,333	16,640	3,811	8,130	7,571	10,961	1,082	-	1,048	26,420	15,396	125,802	70,853	196,655
2030	62,247	39,105	361	23	1,333	17,405	3,042	8,545	7,154	11,042	992	-	1,048	27,645	14,171	128,578	65,535	194,113
2031	59,335	36,393	77	8	-	18,215	2,233	7,495	6,754	11,123	902	-	1,048	28,825	12,990	125,071	60,328	185,398
2032	58,575	33,941	78	7	-	3,108	1,780	6,885	6,403	11,205	811	-	1,048	29,920	11,900	109,771	55,890	165,661
2033	59,345	32,147	79	6	-	3,185	1,701	7,220	6,071	11,288	719	-	1,048	31,070	10,754	112,187	52,445	164,632
2034	60,717	30,331	80	5	-	3,273	1,619	7,570	5,721	11,135	629	-	1,048	32,235	9,582	115,010	48,934	163,944
2035	62,390	28,509	81	4	-	3,355	1,533	7,935	5,354	11,192	542	-	1,048	27,120	8,360	112,073	45,350	157,423
2036	58,216	26,837	83	2	-	3,445	1,443	8,315	4,970	11,270	455	-	1,048	28,065	7,417	109,394	42,173	151,567
2037	55,184	25,267	84	1	-	2,270	1,348	8,720	4,567	11,349	367	-	1,048	20,880	6,457	98,486	39,056	137,542
2038	56,647	23,807	-	-	-	2,335	1,283	9,145	4,145	11,217	279	-	1,048	10,025	5,769	89,369	36,331	125,700
2039	58,262	22,194	-	-	-	2,400	1,215	9,590	3,701	10,871	194	-	1,048	10,320	5,467	91,444	33,819	125,263
2040	59,935	20,507	-	-	-	2,475	1,144	10,055	3,236	9,140	111	-	1,048	10,635	5,157	92,239	31,203	123,443
2041	61,862	18,717	-	-	-	2,545	1,071	10,540	2,747	4,641	62	4,240	1,048	10,955	4,840	94,783	28,484	123,267
2042	59,757	16,582	-	-	-	2,620	996	11,050	2,237	3,279	38	4,299	989	11,275	4,510	92,280	25,352	117,632
2043	61,073	14,481	-	-	-	2,700	917	11,590	1,699	3,296	19	4,358	929	11,620	4,171	94,637	22,217	116,854
2044	59,787	12,306	-	-	-	2,780	834	12,150	1,136	1,521	2	4,419	869	12,060	3,735	92,717	18,882	111,599
2045	48,813	10,161	-	-	-	2,870	748	9,520	610	-	-	4,480	807	12,510	3,282	78,193	15,609	93,802
2046	36,468	8,503	-	-	-	2,955	660	7,435	186	-	-	4,543	745	12,980	2,812	64,381	12,906	77,286
2047	23,060	1,844	-	-	-	3,045	569	-	-	-	-	4,606	682	13,500	2,292	44,211	5,387	49,598
2048	24,090	816	-	-	-	3,140	474	-	-	-	-	4,670	618	14,040	1,754	45,940	3,662	49,602
2049	-	-	-	-	-	3,240	374	-	-	-	-	4,735	553	14,605	1,191	22,580	2,118	24,698
2050	-	-	-	-	-	3,345	272	-	-	-	-	4,801	487	15,185	608	23,331	1,367	24,697
2051	-	-	-	-	-	3,450	165	-	-	-	-	4,867	420	-	-	8,317	586	8,903
2052	-	-	-	-	-	3,561	56	-	-	-	-	4,935	353	-	-	8,496	408	8,904
2053	-	-	-	-	-	-	-	-	-	-	-	5,004	284	-	-	5,004	284	5,288
2054	-	-	-	-	-	-	-	-	-	-	-	5,073	215	-	-	5,073	215	5,288
2055	-	-	-	-	-	-	-	-	-	-	-	5,144	144	-	-	5,144	144	5,288
2056	-	-	-	-	-	-	-	-	-	-	-	5,215	72	-	-	5,215	72	5,288
TOTAL	$ 1,393,795	635,507	15,392	1,700	8,000	174,590	51,424	202,005	109,030	187,578	12,413	75,388	25,980	527,325	236,252	2,584,075	1,072,305	3,656,380

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

H. Restricted assets

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

Insurance reserves - casualties and general	$	42,755
Medical benefits		14,239
Sewer bond escrow		7,601
Storm Water bond escrow		5,182
Total	$	69,777

I. Fund balance by purpose

Following is more detailed information on the governmental fund balances.

Equity - Fund Balances:	General	Debt Service	Capital Projects	Community Development	Nonmajor	Total Governmental Funds
Restricted						
Photo Enforcement	$ 12,717	-	-	-	-	$ 12,717
Bass Pro	1,476	-	-	-	-	1,476
Sex Offender Registry	221	-	-	-	-	221
Miscellaneous Activities	1,353	-	-	-	-	1,353
E-Traffic Citation Fee	-	-	-	-	476	476
Debt Service - Related Party Loan	-	7,987	-	-	-	7,987
Debt Service - Capital Lease	-	1,800	-	-	-	1,800
Debt Service - Pledged TDZ Revenue	-	465	-	-	-	465
Solid Waste Management	-	-	-	-	4,077	4,077
Drug Enforcement	-	-	-	-	9,065	9,065
Community Development	-	-	-	3,900	-	3,900
Beale Street	-	-	-	-	1,893	1,893
Fire EMS	-	-	-	-	4,649	4,649
Pre-K	-	-	-	-	10,625	10,625
Community Catalyst	-	-	-	-	(83)	(83)
Affordable Housing	-	-	-	-	5,029	5,029
2019 Sales Tax Referendum	-	-	-	-	43,373	43,373
Local Occupancy Tax	428	-	-	-	-	428
Sports Betting	3,066	-	-	-	-	3,066
ARPA	-	-	-	-	56	56
Transit and Mobility	-	-	-	-	5,614	5,614
Opiod Settlements	934	-	-	-	-	934
Arenas Funding	-	-	-	-	364,178	364,178
Committed						
Debt Service Requirements	-	54,693	-	-	-	54,693
Metro Alarm	-	-	-	-	3,070	3,070
New Memphis Arena	-	-	-	-	111	111
Hotel/Motel Tax	-	-	-	-	3,933	3,933
Capital Projects	-	-	108,080	-	-	108,080
Assigned						
Encumbrances for General Fund	19,175	-	-	-	-	19,175
Intergovernmental - Shelby County	20,000	-	-	-	-	20,000
MATA Operating Loan	20,000	-	-	-	-	20,000
Grants Contingency/Payback	9,500	-	-	-	-	9,500
Downtown Command Center	2,500	-	-	-	-	2,500
1555 Three Place	500	-	-	-	-	500
Sports Authority - CapX	5,000	-	-	-	-	5,000
Unassigned	97,379	-	-	-	-	97,379
Total Fund Balances	$ 194,249	64,945	108,080	3,900	456,066	$ 827,240

J. Deferred inflows and deferred outflows

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

Deferred Outflows of Resources

Governmental Activities	
Deferred outflows - pensions	$ 239,065
Deferred outflows - OPEB	50,142
Total Governmental Activities Deferred Outflows	$ 289,207
Business-Type Activities	
Deferred outflows - pensions	$ 232,103
Deferred outflows - OPEB	111,084
Deferred outflows - other	643
Total Business-Type Activities Deferred Outflows	$ 343,830
Total Deferred Outflows of Resources	$ 633,037

Deferred Inflows of Resources

Governmental Activities	
Deferred inflows - pensions	$ 162,965
Deferred inflows - OPEB	163,212
Uncollected property taxes	481,707
Uncollected special assessments	(4,610)
Uncollected intergovernmental revenues	16,411
Uncollected project loans receivable	42,717
Other	2,020
Total Governmental Activities Deferred Inflows	$ 864,422
Business-Type Activities	
Deferred inflows - pensions	$ 6,650
Deferred inflows - OPEB	36,746
Revenue collected in advance	27,376
Total Business-Type Activities Deferred Inflows	$ 70,772
Total Deferred Inflows of Resources	$ 935,194

V. OTHER INFORMATION

A. Risk management

The City is self-insured for health and medical benefits as well as on-the-job injury (OJI) claims. The Health Insurance Internal Service Fund charges premiums to other funds (primarily to the General Fund) that are used to pay claims and to fund the accrual for "incurred but not reported" (IBNR) claims and administrative costs of its health and medical benefits program. Additionally, OJI claims payable of $5,197 were recorded in the Governmental Funds.

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

The changes in the insurance claims payable for the years ended June 30, 2023, and 2024 are as follows:

		On the Job Injury				
	Health	OPEB	Sewer Collection and Treatment Fund	Storm Water Fund	Governmental Funds
Balance - June 30, 2022	$ 10,579	566	327	59	2,384
Current year provision	(69,673)	(15,767)	(199)	(51)	(6,198)
Payments	66,702	15,970	297	51	7,464
Balance - June 30, 2023	$ 7,608	769	425	59	3,650
Current year provision	(68,941)	(17,413)	(91)	(118)	(4,316)
Payments	71,144	17,634	436	461	5,863
Balance - June 30, 2024	$ 9,811	990	770	402	5,197

B. Subsequent events

The City has evaluated subsequent events for potential recognition and disclosure through December 31, 2024.

In August 2024, Tax-Exempt $135,345 Series 2024A General Improvement Bonds were issued with maturities ranging from $3,560 to $7,125. The Series 2024A General Improvement Bonds were publicly sold and are repaid from the Debt Service Fund. The Bonds were sold to the Underwriter at a purchase price equal to $149,181 (representing the par amount of the Bonds $135,345 plus original issue premium of $15,352, minus the underwriter's discount of $116 and the good faith deposit of $1,400). The proceeds of the Series 2024A Bonds will be used to: (a) pay the $150,000 principal amount of the City's outstanding Commercial Paper at their respective maturities; and (b) pay certain costs of issuance related to the Series 2024A Bonds.

In August 2024, Tax-Exempt $85,290 Series 2024B General Improvement Refunding Bonds were issued with maturities ranging from $355 to $16,015. The Series 2024B General Improvement Refunding Bonds were publicly sold and are repaid from the Debt Service Fund. The Bonds were sold to the Underwriter at a purchase price equal to $93,200 (representing the par amount of the Bonds $85,290 plus original premium of $8,074, minus the underwriter's discount of $164). The proceeds of the Series 2024B Bonds will be used to: (a) fund a refunding trust fund in an amount sufficient, together with other funds of the City that may be deposited, to redeem certain maturities or portions of certain maturities of the City's General Improvement and Refunding Bonds, Series 2012A; General Improvement Refunding Bonds, Series 2014A; General Improvement Refunding Bonds, Series 2014B; General Improvement Bonds, Series 2015C; and General Improvement Bonds, Series 2016, as further described herein (collectively, the "Refunded Bonds") no more than 90 days from the date of issuance of the Series 2024B Bonds, for the purpose of achieving debt service savings; and (b) pay certain costs of issuance related to the Series 2024B Bonds.

In October 2024, a Tax-Exempt $25,665 Series 2024A Revenue Finance Corporation Economic Development Bond was issued with maturities ranging from $1,480 to $3,775. The Series 2024A Revenue Finance Corporation Economic Development Bond was bank placed with Regions Bank and is repaid from the Debt Service Fund. The proceeds of the Economic Development Bond will be used to (a) finance the cost of the acquisition, construction, maintenance, reconstruction and improvements to the Sheraton Hotel (located at 250 N. Main Street); and (b) provide for the payment of costs of issuance of the Bond.

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

C. Contingent liabilities and commitments

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

The City is a defendant in a number of other various lawsuits filed in the ordinary course of its operations. The City believes that $5,130 is a reasonable measure of the ultimate settlement of these matters.

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

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

The City has commitments at June 30, 2024, for outstanding purchase orders and outstanding contracts reported as assigned fund balance for encumbrances in the General Fund of $19,175.

The City had additional commitments of approximately $80,000 for certain infrastructure and sewer construction projects.

Pursuant to an interlocal agreement by and between the Economic Development Growth Industrial Development Board of the City of Memphis and County of Shelby, Tennessee ("EDGE"), the City, and the County of Shelby, Tennessee (the "County"), the City and the County have covenanted to timely appropriate from legally available non-ad valorem revenues sufficient moneys to pay scheduled debt service on the Revenue Refunding Bond, Series 2022 (Electrolux Project), the "2022 Bond"). The obligation of the City and the County to support the payment of debt service on the 2022 Bond shall be apportioned on the following basis: 50% from the City, and 50% from the County, and shall not be a joint obligation. The obligation to support the payment of debt service on the 2022 Bond is not a general obligation of the City or the County. As of June 30, 2024, the 2022 Bond was outstanding in the aggregate principal amount of $25,346, of which the City's obligation is $12,673.

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

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

Due to the nature of the remediation, the range of all components of the liability cannot be reasonably estimated. In accordance with the statement, the City has reviewed a series of recognition benchmarks in determining when component of pollution remediation liabilities are reasonably estimable. It is anticipated that the recognition would increase over time as more components become reasonably estimable or when new information indicates increases or decreases in estimated outlays. Expenses incurred as a result of the Consent Decree have been transacted utilizing access to the State Revolving Fund Loan Agreement (Loan Agreement) with the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority. Said Loan Agreements currently have a cap of $216,512; expensed components of the remediation outlays to date are approximately $56,260. The City will re-evaluate expenses annually for GASB 49 disclosure requirements.

D. Joint ventures

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

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

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

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

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

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

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

Sports Authority of Memphis and Shelby County Incorporated

The Sports Authority of Memphis and Shelby County Incorporated (the Sports Authority) is a nonprofit corporation established jointly by the City and County under the provisions of the Sports Authority Act of 1993 (State of Tennessee). The purpose of the Sports Authority is to review and/or act upon issues dealing with sports entities, teams, stadiums, arenas, and other matters related to the improvement of sports-related activities. Board members (eleven) are appointed by the City and the County Mayors, with approval by the City Council and County Commission, for six year terms. The Sports Authority has issued bonds in connection with the financing of a multi-purpose sports and entertainment facility (FedEx Forum). Pursuant to the Interlocal Agreement, the City and the County have agreed to replenish the Debt Service Reserve Fund in the event that a draw is required to make a debt service payment on the Senior Bonds. The bonds are to be repaid by the following revenue sources: seat rental fees – pledge until bonds are paid in full; sales tax rebates related to certain taxes generated by the Memphis Grizzlies – effective 2001–2031; car rental fees – pledged by the County until bonds are paid in full; hotel/motel taxes – pledged by City and County; MLGW in-lieu-of-tax payments received from the City's Water Division of MLGW - pledged annually until the end of 2028.

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

E. Other postemployment benefits

City of Memphis Other Postemployment Benefits Trust Fund

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

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

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

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

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

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

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

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

As of and for its year ended June 30, 2024, the City OPEB Fund reported the following net position:

	City OPEB Fund
ASSETS	
Cash and cash equivalents	$ 1
Investments, at fair value:	
Mutual funds and money market funds	4,714
Total investments	4,714
Equity in cash and investment pool	16,104
Interest and dividend receivables	14
Total assets	20,833
LIABILITIES	
Accounts payable and other	1,339
Total liabilities	1,339
NET POSITION	
Held in trust for pension benefits, pool participants and OPEB	$ 19,494

As of and for its year ended June 30, 2024, the City OPEB Fund reported the following changes in net position:

	City OPEB Fund
ADDITIONS	
Contributions:	
Employer	$ 19,366
Plan members	3,923
Total contributions	23,289
Transfer from other fund	9,172
Pharmacy rebate	1,744
Investment income:	
Interest and dividend income	108
Net appreciation in the fair value of investments	470
Total investment income	578
Total additions	34,783
DEDUCTIONS	
Benefits	17,634
Administrative expenses	8,648
Total deductions	26,282
Net increase / decrease	8,501
Net position - beginning of year	10,993
Net position - end of year	$ 19,494

City of Memphis Other Postemployment Benefits (OPEB) Plan

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

At June 30, 2024, the number of active participants in the OPEB Defined Benefit Plan was 6,576. There were 6,008 inactive participants eligible, of which 3,426 were enrolled. Eligibility for OPEB benefits are based on two pension options: Normal retirement or disability retirement. The applicable pension plan provisions are as follows:

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

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

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

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

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

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

Summary of Plan Provisions

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

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

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

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

Summary of Accounting Policies – The financial statements of the OPEB Plan are prepared using the accrual basis of accounting. In fiscal year 2017, the City adopted the new statement of financial accounting standards issued by the Governmental Accounting Standards Board (GASB) Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and also adopted the early implementation of Governmental Accounting Standards Board (GASB) Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Financial statement reporting information for the City's fiscal year ended June 30, 2024, is in accordance with GASB 74 and GASB 75. Required disclosures under GASB 74 and GASB 75 implementation are presented herein and in the Required Supplementary Information section of this report. Investments of the City of Memphis OPEB Plan are reported at fair value. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expenses or expenditures, information about the fiduciary net position, and the additions to and deductions from the Plan's fiduciary net position, have been determined in accordance with GASB 74 and GASB75 implementation and are disclosed herein.

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

In fiscal year 2009, the City adopted and established an OPEB Trust for the exclusive purpose of pre-funding and providing for payment of OPEB benefits under the plan. At June 30, 2024, the value of the Trust assets within the OPEB Fund was $20,833. The current fiscal year includes interest at 4.21% on the beginning of year total OPEB liability and service cost offset by a half-year of interest on benefit payments. For the 2024 fiscal year, the net investment return for the year was a positive $578 compared to the expected return on assets of $0.

Schedule of Contributions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the contractual contribution of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The City is contractually required to pay benefits as they come due and make HRA contributions to participants enrolled in the retiree exchange or an allowable plan.

The Schedule of Contributions under GASB 74 and GASB 75, presented in the Required Supplementary Information section following the Notes to the Financial Statements Exhibit RSI-4, is presented for those years for which it is available and was prepared prospectively from the Plan's fiscal year ending June 30, 2024, for GASB 75 purposes. The City is contractually required to pay benefits as they come due and make HRA contributions to participants enrolled in an allowable plan. The City's actual covered payroll of $378,621, and the Airport's actual covered payroll of $20,613 (totaling 399,234) represent the total covered payroll for the prior calendar year, increased by the salary scale. For calendar year 2024, the average salary was $57,418. The net OPEB liability as a percentage of covered payroll was 114.2% for the year ending June 30, 2024.

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

City of Memphis OPEB Plan

Total OPEB Liability - beginning balance	$	640,580
Total Service Cost		20,325
Interest Cost		27,167
Experience (Gains)/Losses		1,361
Assumption Changes		(209,363)
Changes of Benefit Terms		16,136
Net Benefit Payments		(20,615)
Total OPEB Liability - ending balance		475,591
OPEB Fiduciary Net Position - beginning balance	$	10,993
Employer Contribution		28,538 (1)
Employee Contribution		3,923
Investment Return		578
Benefit Payments		(15,890) (2)
Administrative Expenses		(8,648)
Fiduciary Net Position - ending balance		19,494
Total OPEB Liability	$	475,591
Net Fiduciary Position		19,494
Net OPEB Liability		456,097
Fiduciary Net Position as a % of Total OPEB Liability		4.1%
Actual Covered Employee Payroll	$	399,234
Net OPEB Liability as a % of Covered Payroll		114.2%

(1) Includes 9M Transfer In.
(2) Actual benefit payments reduced by Pharmacy Rebate of 1,744.

Actuarial Methods and Assumptions

The City of Memphis retained PricewaterhouseCoopers LLP (PwC) to perform an actuarial valuation of the OPEB Plan for the purpose of calculating accounting results in accordance with Governmental Accounting Standards Board Statement No. 74 (GASB 74) and Governmental Accounting Standards Board Statement No. 75 (GASB 75) for the Plan's fiscal year ending December 31, 2023, and the City's fiscal year ending June 30, 2024, respectively. GASB 74 and GASB 75 require that each significant assumption reflect the best estimate of the City's future experience solely with respect to that assumption.

Benefit obligations were determined using a July 1, 2023 Valuation Date and based on census data as of that date. The resulting valuation was then rolled forward to the June 30, 2024 measurement date using standard actuarial techniques with adjustments for service cost, interest, benefit payments, and significant changes subsequent to the Valuation Date and before the Measurement Date.

For the July 1, 2024, actuarial valuation, the Entry Age Normal Actuarial Cost Method was used. This method determines a normal cost rate as a fixed percentage of compensation for each active participant. The current year's normal cost is the participant's compensation multiplied by the normal cost rate. Annual contributions in this amount, from the date the participant entered the plan (or would have entered, if the plan had always been in effect and the participant had entered at the earliest possible date) until retirement, would be sufficient to provide for the actuarial present value of the participant's plan benefits. The total normal cost is the sum of the normal costs for all active participants.

Other actuarial assumptions are as follows:

Mortality

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

Disability

Disability rates are set based on the Plan's historical experience and future expectations with periodic monitoring of observed gains and losses caused by disability patterns different than assumed. The assumption for 2024 used the 1968 Social Security Experience Table with ages ranging from 20 – 55+ and combined male/female percentages ranging from 0.10% - 1.33%.

Termination
Termination rates are set based on the Plan's historical experience and future expectations with periodic monitoring of observed gains and losses caused by termination patterns different than assumed. The assumption for 2024 used Select and Ultimate rates based on age and years of service for (1978 and 2016 Plans) Police and Fire males, Police and Fire females, General Males and General Females.

Retirement Rates

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

The assumption for 2024 for both General employees and Police and Fire employees, the rates vary by age, gender, and pension plan (1978/2012 or 2016 Plan).

Participation Rates
Participation rates are set based on the Plan's historical experience under the current plan design and future expectations with periodic monitoring of observed gains and losses caused by participation patterns different than assumed. The assumptions used for 2024 are as follows:

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

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

Per Capita Costs
The per capita claims costs for the self-insured Select and Choice plans were developed by PwC based on historical 2021 - 2023 claims experience for City of Memphis retired participants adjusted for enrollment and plan design provisions. The Choice plan was reinstated effective January 1, 2024. The 2024 calendar year annual per capita costs used to develop per capita costs (before rebates) for the fiscal year beginning July 1, 2024, are:

- All Ages – Select Plan $14,928, Choice Plan $19,608

Self-Insured Premiums
2025 calendar year monthly Retiree Premiums that were used to develop per capita cost for the fiscal year beginning July 1, 2024, are provided below:

- Single – Select Plan $216.00, Choice Plan $309
- Family – Select Plan $427.00, Choice Plan $614

The Choice plan was reinstated effective January 1, 2024.

Tobacco Surcharge
The tobacco surcharge rates are set based on the Plan's historical experience and future expectations with periodic monitoring of observed gains and losses caused by tobacco usage patterns different than assumed. Assumption for 2024 is $120 per month per family; based on current inactive experience, 10% of future inactive participants are assumed to pay the tobacco surcharge.

Life Insurance Per Capita Costs

Assumption for 2024 is based on current face amount of $5,000.00.

Administrative Expenses
Administrative expenses are assumed to be included in per capita costs.

Medicare Eligibility
- 100% of future retirees and current pre-65 retirees hired in 1986 or later eligible for Medicare at age 65.
- 90% of current Pre-65 retirees hired prior to 1986 are assumed to be Medicare eligible at age 65.

Persistence Assumption
Persistence rates are set based on the Plan's historical experience and future expectations with periodic monitoring of observed gains and losses caused by persistence patterns different than assumed. For 2024, the assumption is that all inactive participants are assumed to continue to receive retiree medical coverage for their lifetime.

Spouse Age Difference
Material rates are set based on the Plan's historical experience and future expectations with periodic monitoring of observed gains and losses caused by marital patterns different than assumed. The assumption for 2024 is that husbands are assumed to be three years older than wives for future retirees who are married and assume to cover a spouse.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.21% as of June 30, 2024, which is equal to the single rate of return developed pursuant to GASB 75. GASB 75 requires that projected benefit payments expected to be satisfied by the plan's fiduciary net position (i.e. assets) be discounted using the long-term rate of return on OPEB plan investments and that projected benefit payments not expected to be satisfied by the plan's fiduciary net position be discounted using a yield or index rate of a 20-year tax-exempt general obligation municipal bond rated AA/Aa or higher. Based on the City's current funding policy effective June 30, 2024, the OPEB Plan's fiduciary net position is not projected to be available to make all projected future benefit payments of current plan members. The discount rate assumption for determining the total OPEB liability was based on the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2024.

The discount rate sensitivity on the net OPEB liability is presented below:

	1% Decrease (3.21%)	Current Rate (4.21%)	1% Increase (5.21%)
Net OPEB Liability	$504,788	$456,097	$413,815

Annual Health Care Trend Rate

Annual health care trend assumptions represent a blend of medical and drug trends and are set based on the plan's historical experience and future industry expectations with periodic monitoring of observed gains and losses caused by trend patterns different than assumed. The actuarial assumption for the annual healthcare

trend rate beginning in year 2025 will be 7.00% with declining rates for years 2025 - 2034+ ranging from 7.00% to 4.50%. HRA amounts are not assumed to increase in the future.

The health care trend sensitivity on the net OPEB liability is presented below:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	$415,684	$456,097	$503,004

Changes in Actuarial Methods and Assumptions

The last actuarial valuation of the City of Memphis Retiree Health and Life Insurance Benefits was performed as of July 1, 2023. The following is a summary of the changes that have occurred since the last valuation.

- Per capita claims costs and premiums for the self-funded preferred and premier plans were updated based on recent claims experience and to reflect expected prescription drug rebates.
- The trend assumptions were updated based on plan experience and healthcare industry trend projections.
- The discount rate assumption changed from 4.13% as of June 30, 2023, to 4.21% as of June 30, 2024, based on the change in the S&P Municipal Bond Rate Index at the measurement date.
- The participation assumptions for commissioned police and fire, paramedics, and dispatchers ("restored") changed based on emerging experience and the City's best estimate of long-term enrollment rates:
  - 60% of active employees and current Pre-65 retirees are assumed to elect Post-65 Retiree Exchange coverage (down from 65%).
- The participation assumptions for all other participants changed based on emerging experience and the City's best estimate of long-term enrollment rates:
  - 40% of active employees and current Pre-65 retirees are assumed to elect Post-65 Retiree Exchange coverage (down from 45%).
  - 60% of the Pre-65 line-of-duty disabled retirees are assumed to elect Post-65 Retiree Exchange coverage (down from 65%).
  - 25% of current Pre-65 opt-outs are assumed to elect Post-65 Retiree Exchange coverage (down from 35%).
- Specified eligible public safety employees and non-commissioned dispatchers and paramedics currently participating in the 2016 Plan were given the option to make a one-time irrevocable election to return to the legacy 1978 Plan. The June 30, 2024, valuation census data reflects this change. The retirement rates were updated, to reflect which Pension Plan formula the active participant is entitled to, based on their election.

There were no other changes in assumptions or methods since the prior year.

Changes in Plan Provisions from Prior Year

The following changes are reflected in the valuation effective January 1, 2024:

- Effective January 1, 2024, the City of Memphis reinstated the Choice Plan. As of July 1, 2024, the date of this valuation, both the Select Plan and the Choice Plan are self-insured plan options available to actives and retirees. No decisions have been made or communicated regarding plan offerings for 2025.

Change in Plan Experience

Below is a table summarizing the changes in the census information over the prior year:

City of Memphis OPEB Plan	Census Data	
	June 30, 2022	June 30, 2023
Active		
Number of Participants	6,692	6,576
Average Age of Participants	45.43	44.97
Average Years of Service	13.1	12.5
Actual Covered Payroll (000's)	$ 368,709	$ 378,621
Inactive *		
Number Eligible (Retiree/Disabled)	5,523	6,008
Number Enrolled (Retiree/Disabled)	2,285	2,361
Number Enrolled (Dependent Spouse)	1,008	1,065
Number Enrolled (Total)	3,293	3,426

*Retirees, Disabled, and Dependent Spouses

Deferred Outflows of Resources and Deferred Inflows of Resources

The implementation of GASB 74 and GASB 75 required the calculation and disclosure of deferred outflows of resources and deferred inflows of resources related to certain changes in the components of the net OPEB liability (or asset) not yet recognized in OPEB expense. GASB 75 also requires that most changes in the net OPEB liability be included in OPEB expense in the period of change. In circumstances in which the net OPEB liability is determined based on the results of an actuarial valuation, the effects of certain other changes in the net OEPB liability are required to be included in OPEB expense over the current period and future periods. Under all means of determining the net OPEB liability, the effect on the net OPEB liability of differences between the projected earnings on OPEB plan investments and actual experience with regard to those earnings is required to be included in OPEB expense in a systematic and rational manner over a closed period of five years, beginning in the current period.

Determination of resources of deferred outflows and resources of deferred inflows for the fiscal year ended June 30, 2024, is provided below.

City of Memphis and Airport OPEB Plan

Determination of Resources of Deferred Outflows and Deferred Inflows					Balances at June 30, 2024	
	Established in Fiscal Year Ending June 30	City Loss	City (Gain)	Cumulative Amounts Recognized in Expense through June 30, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
a. Experience (Gains) and Losses	2019		$ (13,201)	$ (13,201)	$ -	$ -
	2020		$ (2,264)	$ (2,264)	$ -	$ -
	2021		$ (2,215)	$ (2,100)	$ -	$ (115)
	2022	$ 11,252		$ 9,477	$ 1,775	$ -
	2023		$ (1,380)	$ (722)	$ -	$ (658)
	2024	$ 1,286		$ 362	$ 924	$ -
					$ 2,699	$ (773)
b. Changes in Assumptions	2019		$ (21,941)	$ (21,941)	$ -	$ -
	2020	$ 21,629		$ 21,629	$ -	$ -
	2021		$ (74,550)	$ (70,664)	$ -	$ (3,886)
	2022		$ (99,719)	$ (78,522)	$ -	$ (21,197)
	2023	$ 107,697		$ 55,802	$ 51,895	$ -
	2024		$ (206,162)	$ (55,682)	$ -	$ (150,480)
					$ 51,895	$ (175,563)
c. Investment (Gains) and losses	2019		$ (221)	$ (221)	$ -	$ -
	2020		$ (190)	$ (190)	$ -	$ -
	2021		$ (905)	$ (724)	$ -	$ (181)
	2022	$ 693		$ 417	$ 276	$ -
	2023		$ (391)	$ (154)	$ -	$ (237)
	2024		$ (562)	$ (116)	-	$ (446)
					$ 276	$ (864)
d. Collective deferred outflows/(inflows) of resources: a + b + c					**$ 54,870**	**$ (177,200)**

Allocated Deferred Outflows and Deferred Inflows	Allocated Balances at June 30, 2024	
	Deferred Outflows	Deferred Inflows
Governmental Activities Business	$ 50,049	$ (163,078)
Type - Sewer	3,042	(9,217)
Business Type - Storm Water	1,686	(4,772)
Internal Service Fund - Health Care*	93	(133)
Total	$ 54,870	$ (177,200)

* Note: Internal Service Fund - Health Care is included in Governmental Activities in the Governmental-wide financials.

The schedule of deferred outflows of resources and deferred inflows of resources to be recognized in future OPEB expense under GASB 74 and GASB 75 is provided below.

City of Memphis OPEB Plan

Year Ending June 30	Total	Governmental Activities	Business Type Sewer Fund	Business Type Storm Water	Internal Service Fund Health Care
2025	$ (50,830)	$ (47,097)	$ (2,478)	$ (1,239)	$ (16)
2026	(30,337)	(28,082)	(1,479)	(766)	(10)
2027	(41,051)	(37,988)	(2,049)	(1,001)	(13)
2028	(112)	(104)	(5)	(3)	(0)
2029	-	-	-	-	-
Thereafter	-	-	-	-	-
	$ (122,330)	$ (113,271)	$ (6,011)	$ (3,008)	$ (40)

The schedule of OPEB expenses under GASB 74 and GASB 75 for the fiscal year ended June 30, 2024, is provided below.

City of Memphis OPEB Expense Fiscal Year 2024		Total	Governmental Activities	Business Type Sewer	Business Type Storm Water	Internal Service Health Care	Component Unit MSCAA
Service Cost		$ 20,325	$ 18,296	$ 1,098	$ 569	$ 2	$ 360
Interest Cost							
Interest on Total OPEB Liability at beginning of year	$ 26,754	-	-	-	-	-	-
Interest on Service Cost	839	-	-	-	-	-	-
Half-year Interest on Benefit Payments	(426)	-	-	-	-	-	-
Total		27,167	24,456	1,467	761	3	481
Change of Benefit Terms		16,136	14,525	871	452	2	286
Recognition of deferred (inflows) and outflows of resources related to							
Liability Experience (Gains)/Losses	$ 2,431	-	-	-	-	-	43
Assumption Changes (Gains)/Losses	(69,656)	-	-	-	-	-	(1,233)
Investment (Gains)/Losses	(274)	-	-	-	-	-	(5)
Changes in proportion of net OPEB liability and deferred (inflows) / outflows							(572)
Changes in actual contributions and proportionate share of contributions							(77)
Total		(67,499)	(60,113)	(3,645)	(1,890)	(7)	(1,844)
Total OPEB Expense (Income)		$ (3,871)	(2,836)	(209)	(108)	(0)	(717)

Memphis Light, Gas and Water Division Other Postemployment Benefits Trust Fund

The information presented below is taken directly from the MLGW audited financial statements dated December 31, 2023.

The Memphis Light, Gas and Water Division OPEB Trust ("OPEB Trust") was established for the exclusive benefit of MLGW's retired employees and their dependents (who meet the eligibility requirements) to fund the postemployment benefits provided through the health and welfare benefit plan. Amounts contributed to the OPEB Trust by MLGW are held in trust and are irrevocable and are for the sole and exclusive purpose of funding health and welfare benefits of the eligible participants, and the cost of operating and administering the OPEB Trust. The OPEB Trust is administered by the MLGW OPEB Trust Investment Committee.

Plan Description - Memphis Light, Gas and Water Division, by resolution of its Board of Commissioners, has established, adopted, and maintains medical benefits (health and welfare) plan (the "Plan") for its retired employees and their eligible dependents. The Plan is a single employer defined benefit healthcare plan administered by MLGW. MLGW issues a separate audited financial report for the OPEB Trust that includes financial statements and required supplementary information. That report may be obtained at www.mlgw.com.

The Plan provides postemployment coverage for health care, life insurance, accident/death, and dismemberment (AD&D), medical, and prescription drugs to eligible retirees and their dependents. Benefits are payable to retirees and their spouses for their lifetime. Qualified dependents will continue to receive benefits as long as they are qualified under the Plan. Dental, dependent life insurance, cancer, accident, and long-term care benefits are available, but are 100% paid by the retiree.

Employees retired under the MLGW Retirement and Pension Plan or disabled with five years of service at any age or disabled in the line of duty at any age with no years of service restriction, are eligible for OPEB benefits. Health care benefits are also offered to qualifying survivors of active employees who are eligible to retire at time of death.

Members of the Plan consisted of the following at December 31, 2021 (valuation date):

	Medical	Life
Retired members currently receiving benefits	2,040	2,040
Vested terminated members entitled to, but not yet receiving benefits	1,682	-
Beneficiaries currently receiving benefits	-	-
Active members	2,416	2,416
Total	6,138	4,456

MLGW Funding Policy - The contribution requirements of plan members and MLGW are established and may be amended by the MLGW Board of Commissioners. Contribution rates for retired plan members and beneficiaries currently receiving benefits are periodically reset and are currently at 25% of costs for medical and drug benefits. For life insurance and AD&D, retirees contribute 40% of the cost.

The Board of Commissioners has set the employer contribution rate based on the Actuarially Determined Contribution ("ADC"). The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years. The ADC is based on the prior year's valuation, then adjusted forward at an assumed payroll growth rate. MLGW contributed $40,136 and $38,381 for the years ended December 31, 2023, and 2022, respectively to the OPEB Trust.

Schedule of Employer Contributions – The schedule of employer contributions is as follows:

Year Ended December 31	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions*	Contribution Deficiency / (Excess)	Covered-Employee Payroll	Contributions as a Percentage of covered Employee Payroll
2014	$ 38,386	$ 42,100	$ (3,713)	$ 152,368	27.63%
2015	$ 38,187	$ 38,438	$ (251)	$ 160,641	23.93%
2016	$ 45,289	$ 42,496	$ 2,793	$ 161,926	26.24%
2017	$ 46,978	$ 45,184	$ 1,794	$ 167,221	27.02%
2018	$ 48,270	$ 48,972	$ (702)	$ 169,605	28.87%
2019	$ 31,701	$ 33,949	$ (2,248)	$ 170,946	19.86%
2020	$ 32,111	$ 34,895	$ (2,784)	$ 173,425	20.12%
2021	$ 32,403	$ 37,561	$ (5,158)	$ 175,790	21.37%
2022	$ 31,406	$ 38,381	$ (6,975)	$ 184,710	20.78%
2023	$ 34,131	$ 40,136	$ (6,005)	$ 191,237	20.99%

*Starting with 2016, contributions are shown on an accrual basis.

Note: As MLGW is a separately audited and reported division of the primary government the supplementary information presented above is captured in Exhibit RSI-21.

Actuarial Methods and Assumptions – The actuarial assumptions used in the December 31, 2021, valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. The plan's measurement date is December 31, 2022.

Inflation Rate	2.50%
Salary Increases	Inflation plus merit increases based on age and service.
Discount Rate	7.00%
Healthcare costs trend rates	
Medical	7.00% graded to 4.50% over 10 years
Prescription drug	8.00% graded to 4.50% over 14 years
Administrative costs	3.00%
Mortality Rates	PRI-2012 Healthy Annuitant Mortality Table, Headcount-Weighted, for males and females, as appropriate, with adjustments for mortality improvement using Scale SSA-2019.

Pre-retirement mortality rates are based on the PRI-2012 Employee Mortality Table with sex-distinct rates. Healthy annuitant mortality rates are based on the PRI-2012 Healthy Annuitant Mortality Table with sex- distinct rates, plus a 20% load. Disabled annuitant mortality rates are based on the PRI-2012 Disabled Retiree Mortality Table with sex-distinct rates, plus a 20% load. Beneficiaries' mortality rates are based on PRI-2012 Contingent Survivor Mortality Table with sex-distinct rates, plus 20% load. All mortality tables above are Headcount-Weighted and projected generationally with Scale SSA-2019.

Investment Rates of Return - The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35%	6.91%
International Equity	12%	7.21%
Fixed Income	22%	1.61%
Alternatives	16%	7.71%
Real Estate	15%	3.61%
Short Term Investments	1%	0.71%
Total	100%	

Discount Rate – The discount rate used to measure the total OPEB liability (TOL) was 7.00% as of December 31, 2022, and December 31, 2021, respectively. The projection of cash flows used to determine the discount rate assumed that MLGW contributions would be made at rates equal to actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members are not included. Based on these assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL as of both December 31, 2022, and December 31, 2021.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Cost Trend - The following presents the net OPEB liability (NOL) of MLGW as of December 31, 2022, calculated using the discount rate of 7.00%, as well as what the Division's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate. Also, shown is the NOL as if it were calculated using healthcare cost trend rates that were 1-percentage point lower or 1-percentage point higher than the current healthcare trend rates:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability (asset)	$ 341,939	$ 226,685	$ 131,784

	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates	1% Increase in Health Care Cost Trend Rates
Net OPEB liability (asset)	$ 127,381	$ 226,685	$ 348,993

OPEB Plan's Fiduciary Net Position - Detailed information about the MLGW OPEB Trust's fiduciary net position is available in the separately issued plan financial statements. For purposes of measuring the NOL, all information about the OPEB plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position have been determined on the same basis as they are reported by the MLGW OPEB Trust.

The MLGW OPEB Trust's financial statements are prepared using the accrual basis of accounting in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. Investments are stated at fair value. Benefits payments are recognized when due and payable in accordance with the terms on the plan.

Net OPEB Liability – The net OPEB liability reported under GASB 75 is the difference between the actuarial present value of projected OPEB benefit payments attributable to employees' past service and the Plan's fiduciary net position. Previous to this new guidance, a liability was recognized only to the extent that contributions made to the OPEB Trust were exceeded by the actuarially calculated contributions.

MLGW CHANGES IN NET OPEB LIABILITY	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	**$ 18,094**	$ 16,093	$ 15,401	$ 15,804	$ 15,381	$ 19,520
Interest	**57,870**	54,019	51,713	53,030	50,559	64,666
Change of benefit terms	**-**	-	-	-	-	(61,896)
Differences between expected and actual experience	**(5,593)**	12,400	(4,090)	15,351	(3,134)	3,674
Changes of assumptions	**-**	30,869	-	(46,584)	-	(200,370)
Benefit payments, including refunds of member contributions	**(34,248)**	(33,268)	(30,588)	(31,916)	(28,676)	(29,457)
Net change in Total OPEB Liability	**$ 36,123**	$ 80,113	$ 32,436	$ 5,685	$ 34,130	$ (203,863)
Total OPEB Liability - beginning	**825,452**	745,339	712,903	707,218	673,088	876,951
(a) Total OPEB Liability - ending	**$ 861,575**	$ 825,452	$ 745,339	$ 712,903	$ 707,218	$ 673,088
Plan Fiduciary Net Position						
Contributions - employer	**38,381**	37,561	34,895	33,949	48,972	45,184
Net investment income	**(73,591)**	106,511	84,891	76,564	(14,273)	57,671
Benefit payments, including refunds of member contributions	**(33,805)**	(32,445)	(29,775)	(31,146)	(27,876)	(28,765)
Administrative expense	**(443)**	(823)	(812)	(770)	(801)	(692)
Net change in Plan Fiduciary Net Position	**$ (69,458)**	$ 110,804	$ 89,199	$ 78,597	$ 6,022	$ 73,398
Plan Fiduciary Net Position - beginning	**704,348**	593,544	504,345	425,748	419,726	346,328
(b) Plan Fiduciary Net Position - ending	**$ 634,890**	$ 704,348	$ 593,544	$ 504,345	$ 425,748	$ 419,726
(c) Net OPEB Liability - ending (a) - (b)	**$ 226,685**	$ 121,104	$ 151,795	$ 208,558	$ 281,470	$ 253,362
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	**73.69%**	85.33%	79.63%	70.75%	60.20%	62.36%
Covered Employee Payroll[1]	**$ 184,710**	$ 175,790	$ 173,425	$ 170,946	$ 169,605	$ 167,221
Plan Net OPEB Liability as a percentage of covered employee payroll	**122.72%**	68.05%	87.53%	122.00%	165.96%	151.51%

(1) Covered payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of the retirement benefits are included.

As MLGW is a separately audited and reported division of the primary government, the supplementary information presented above is captured in Exhibit RSI-18 & RSI-19.

Notes to schedule:

Benefit Changes : There have been no material changes in plan provisions.

Changes of assumptions :

Effective with the December 31, 2022 measurement, there have been no material changes in assumptions.

Effective with the December 31, 2021 measurement the following assumption changes were made:

- Healthcare claims cost and trend rates were updated to reflect the most recent experience.
- The discount rate approved for the December 31, 2021 measurement date was 7.00%. The discount rate for December 31, 2020 measurement date was 7.25%.

Historical data : This schedule will be expanded to include up to ten years of historical data as the data becomes available.

OPEB Expense for the year ended December 31, 2023, and 2022.

	2023	2022
Service cost	**$ 18,094**	$ 16,093
Interest on total OPEB liability	**57,870**	54,019
Expensed portion of current-period difference between expected and actual experience in the total OPEB liability	**(932)**	2,067
Expensed portion of current-period changes of assumptions or other inputs	**-**	5,145
Projected earnings on plan investments	**(49,449)**	(43,188)
Expensed portion of current-period difference between actual and projected earnings on plan investments	**24,608**	(12,665)
Recognition of beginning of year deferred outflows of resources as OPEB expense	**19,685**	12,473
Recognition of beginning of year deferred inflows of resources as OPEB expense	**(73,573)**	(67,130)
Total OPEB expense	**$ (3,697)**	$ (33,186)

Projected Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – The following table presents the projected deferred outflows of resources and deferred inflows of resources related to OPEB for the year-ended December 31, 2023.

Deferred outflows/inflows of resources related to OPEB

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 40,136	$ -
Changes of assumptions or other inputs	20,579	(15,528)
Net difference between projected and actual earnings on OPEB plan investments	32,258	-
Difference between expected and actual experience in the Total OPEB Liability	13,384	(7,229)
Total	$ 106,357	$ (22,757)

Note: The $40,136 contribution made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2024. Memphis Light, Gas and Water (MLGW), a division of the primary government, has a fiscal year-end of December 31. Thus, the amounts and disclosures for the MLGW Othere Post Employment Benefits Trust Fund are as of December 31, 2023.

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

Year Ended December 31:	
2024	$ (6,732)
2025	2,701
2026	17,541
2027	30,887
2028	(932)
Thereafter	-

Total aggregate amount of OPEB expense is as follows

City of Memphis	$ (3,871)
MLGW	(3,697)
Total OPEB expense	$ (7,568)

F. Pension and retirement plans

City of Memphis Retirement System

General - The City's Retirement System is established under Chapter 25, Code of Ordinances, City of Memphis, Tennessee, and is administered by a Board of Administration under the direction of the mayor. The purpose of the fund established for the investment of the City of Memphis Retirement is to provide retirement income to pension plan participants. Fund assets shall be invested for the exclusive benefit of the plan participants and solely in their interest.

The Pension Investment Committee (the Committee) was initially organized by authority of the Board of Administration of the City of Memphis Retirement System pursuant to the Pension Ordinances adopted on December 5, 1989. On July 21, 2006, the City Code of Ordinances, Chapter 25, Article III, Section 25-31 was amended to establish the Investment Committee by ordinance. Section 25-31 establishes the membership, authority, and functions of the Pension Investment Committee. The Committee consists of seven members: Finance Director (Chief Financial Officer), Deputy Chief of Finance, City Treasurer, City Comptroller, Investment Manager, Senior Investment Analyst, and a Citizen member. Guidance is established in the *City of Memphis Retirement System Statement of Investment Objectives.*

Separate financial statements are available and can be obtained from The City of Memphis, Finance Division, 125 North Main Street, Memphis, TN 38103.

As of June 30, 2024, the City Retirement System Fiduciary Trust Fund reported the following net position:

	City Retirement System
ASSETS	
Cash and cash equivalents	$ 46,797
Investments, at fair value:	
U.S. government securities - long-term	157,095
Common stock - domestic	823,334
Common stock - foreign	180,871
Corporate bonds - domestic	263,618
Corporate bonds - foreign	77,419
Mutual funds and money market funds	19,331
Collateralized mortgage obligations	5,757
Asset-backed pooled securities	1,853
Mortgage-backed pooled securities	20,005
Investments in index funds	93,066
Investments in limited partnerships	273,325
Investments in real estate	159,312
Investments in international equity fund	489,406
Investments in short sales & written options	(95)
Total investments	2,564,297
Equity in cash and investment pool	1,424
Interest and dividend receivables	8,326
Receivable for securities sold	241,266
Employer and employee contributions receivable	2,879
Other Receivables	624
Collateral held in trust for securities on loan	68,953
Total assets	2,934,566
LIABILITIES	
Accounts payable and other	301,518
Collateral subject to return to borrowers	68,953
Total liabilities	370,471
NET POSITION	
Held in trust for pension benefits, pool participants and OPEB	$ 2,564,095

As of and for its year ended June 30, 2024, the City Retirement System Fiduciary Trust Fund reported the following changes in net position:

	City Retirement System
ADDITIONS	
Contributions:	
Employer	$ 59,404
Plan members	34,452
Total contributions	93,856
Transfer from other fund	3,696
Investment income:	
Interest and dividend income	67,187
Securities lending income	922
Other investment income	3
Gain on real estate investments	12,630
Net appreciation / (depreciation) in the fair value	189,698
Less investment expenses	(21,944)
Total investment income	248,496
Total additions	346,048
DEDUCTIONS	
Benefits	194,997
Administrative expenses	8,027
Refunds of contributions	16,100
Total deductions	219,124
Net increase / decrease	126,924
Net position - beginning of year	2,437,171
Net position - end of year	$ 2,564,095

The statements presented above accurately report the pension activity within the City Retirement System Fiduciary Trust Fund and are presented in Exhibit E-1 and E-2 of this report. The statements include the pension activity related to the eligible participants of the Governmental Funds, Enterprise Funds, and the Memphis Shelby County Airport Authority (MSCAA) component unit.

Pension related financial transaction information for those entities is presented in accordance with GASB 67 and GASB 68 within the appropriate reporting segment of this report; Exhibit A-9 and Exhibit A-10 for the Enterprise Funds, and Exhibit A-14 and Exhibit A-15 for the MSCAA component unit.

The FY24 year-end GASB results are based on a 7/1/2023 *valuation date*, which is rolled forward to the June 30, 2024, *measurement date*. This roll-forward approach is permissible under GASB 67/68 and GASB 74/75. And a change in the valuation date from the prior year or a deviation from prior practice is also permissible if the valuation date falls within the time frame allowable under GASB.

Plan Description - The City Retirement System pension trust fund accounts for the activity of the City's Retirement System and is a single employer, public employee retirement system. Substantially all permanent full-time salaried employees of the City (including component unit MSCAA, excluding component unit MATA and Enterprise Fund MLGW) are required to participate in one of the following plans:

1948 Plan – for salaried employees hired prior to July 1, 1978
1978 Plan – for salaried employees hired on or after July 1, 1978, but prior to July 1, 2016.
2016 Plan – All regular salaried employees on their date of hire and hired on or after July 1, 2016. In addition, any non-grandfathered employee in the 1978 Plan will participate in the 2016 Plan as of July 1, 2016. For this purpose, a non-grandfathered employee is any employee with less than 7 ½ years of service as of July 1, 2016.

Under City Ordinances, trust assets are reported in one trust fund and not segregated between the benefit plans. Permanent, full-time employees in job classifications covered by contract with the Social Security. Administration are not participants of the Retirement System as they are covered under the Federal Insurance Contribution Act (Social Security).

Effective July 1, 2012, an ordinance was adopted to change benefit levels for participants hired after July 1, 2012. Changes in benefit levels include a reduction in the accrual rate, introduction of early commencement factors for early retirement, and the averaging period in determining average compensation. In addition, the employee contribution rate for Police and Fire was increased to 8.0%.

The plan was amended effective July 1, 2016, to encompass a new hybrid plan design. Participants with seven and one-half (7½) years of service or more will be grandfathered into their current plan, and all other employees will participate in the new hybrid plan design. As of June 30, 2022, active employees included 2,815 grandfathered participants. Non-grandfathered participants will move from a traditional defined benefit formula to a hybrid defined benefit formula that includes both a market-based cash balance component and a defined contribution component.

At June 30, 2024, the retirement System membership consisted of:

Retired members, beneficiaries and DROP enrollees receiving benefits	4,825	*
Disabled members receiving benefits	758	
Terminated (vested and nonvested) plan members entitled to but not yet receiving benefits	1,696	
Active employees:		
Fully vested	3,317	
Non-vested	2,741	
Total	13,337	

*Includes 206 employees currently participating in the Deferred Retirement Option Plan (DROP).

The Plans provide retirement benefits as well as death and disability benefits. Retirement benefits vest after ten years of service.

Summary of Plan Provisions

Normal Retirement
Under the 1948 Plan, General Employees may retire after completion of 25 years of service or, if earlier, after age 60 and the completion of 10 years of service.

Fire and Police Employees may retire after completion of 25 years of service, or at age 55 and completion of 10 years of service.

Under the 1978 Plan, General Employees hired before July 1, 2012, may retire after the completion of 25 years of service, age 60 and the completion of 10 years of service, or age 65 and the completion of 5 years of service. Employees hired on or after June 30, 2012, may retire after the completion of 25 years of service or at age 65 and the completion of 5 years of service.

Fire and Police Employees hired before July 1, 2012, may retire after the completion of 25 years of service, or age 55 and completion of 10 years of service. Fire and Police Employees hired on or after June 30, 2012, may retire after the completion of 25 years of service, or age 55 and completion of 10 years of service.

Under the 2016 Plan, General Employees may retire after the completion of 25 years of service or at age 65 and the completion of 5 years of service.

Fire and Police Employees may retire after the completion of 25 years of service, or age 55 and completion of 10 years of service.

Elected and appointed participants hired before November 1, 2004, may retire the first day of month coincident with or next following completion of 12 years of service. Otherwise, normal retirement eligibility follows their respective plan.

Disability Retirement

For both General Employees and Fire and Police Employees there is a five-year service eligibility requirement for non-line-of-duty, and no service eligibility requirement for line-of-duty disability.

For 1948 Plan participants, disabled employees while actively employed for reasons other than line-of-duty are entitled to receive the greater of 25% of average monthly compensation as of the date of disability, or the accrued benefit as of the date of disability.

For 1978 Plan participants an employee who becomes disabled while actively employed for reasons other than line-of-duty is entitled to receive the accrued benefit as of the date of disability.

For 2016 Plan participants, an employee who becomes disabled while actively employed for reasons other than line-of-duty is entitled to receive the accrued benefit as of the date of disability.

A Plan participant who becomes disabled while performing City duties is entitled to receive the greater of 60% of average monthly compensation as of the date of disability, or the accrued benefit as of the date of disability.

Average monthly compensation for General Employees for the 1948 Plan and 1978 employees hired before July 1, 2012, is calculated as the highest average monthly compensation received for any five consecutive years of service, or the most recent year's earnings if greater. For 1978 Plan employees hired after June 30, 2012, it calculated as the highest average monthly compensation received for any three consecutive years of service.

Average monthly compensation for Fire and Police Employees under the 1948 Plan is calculated as the highest average monthly compensation received for any five consecutive years of service, or the most recent year's earnings, if greater. For Fire and Police employees under the 1978 Plan and the 2012 Plan, average monthly compensation is calculated as the highest average monthly compensation received for any three consecutive years of service preceding the participant's date of termination. Police officers hired prior to January 31, 1979, who retire with 30 years of service, have their accrued benefit determined based on Captain's compensation if greater than their actual compensation, regardless of their rank.

Pre-Retirement Death Benefit

For both General Employees and Fire and Police Employees there is a five-year service eligibility requirement for non-line-of-duty, and no service eligibility requirement for line-of-duty pre-retirement death benefit.

The non-line-of-duty pre-retirement death benefit for the 1948 Plan is paid to the surviving spouse (or children) of a participant who dies while actively employed. The beneficiary will receive 100% of the participant's accrued benefit as of the date of the participant's death.

For the 1978 Plan, the surviving spouse (or children) of a participant who dies while actively employed will receive 75% of the participant's accrued benefit as of the date of the participant's death.

For the 2016 Plan, the surviving spouse (or children) of a participant who dies while actively employed will receive 75% of the normal form of annuity as of the date of the participant's death.

Under a normal form of annuity, the following conditions are applicable: If single, an annuity for the life of the participant. A married participant will receive this annuity during his/her lifetime with a 75% continuation to his/her spouse upon the participant's death. For the 1948 plan participants, 100% of the annuity is payable to the spouse upon the death of the participant.

Employee Contributions

General Employees in the 1948 Plan must contribute 5% of compensation. General Employees in the 1978 Plan must contribute 8% of compensation. General Employees in the 2016 Plan must contribute 2% of compensation to the cash balance account and 6% of compensation to the IRC section 401(a) defined contribution account.

The Fire and Police Employee contributions in the 1948 Plan range from 5% to 5.5%, depending on years of service. The contributions under the 1978 Plan range from 6.25% to 8% depending on date of hire. The contribution rate for current non-vested employees as of July 1, 2012, will increase annually in 0.5% increments beginning July 1, 2012, until the contribution rate reaches 8%. Fire and Police employees in the 2016 Plan must contribute 2% to the cash balance account and 6% to the defined contribution account.

Summary of Accounting Policies – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the City of Memphis Retirement System and the additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, the benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Financial statement reporting information for the City of Memphis fiscal year ended June 30, 2024, is in accordance with Government Accounting Standards Board Statement No. 68 (GASB 68), as amended by GASB Statement No. 82.

Method Used to Value Investments - All investments of the City of Memphis Retirement System are reported at fair value. Short-term investments are reported at cost, which approximates fair value. All other investments are valued based upon quoted market prices except for real estate investments, which are appraised by independent appraisals. Ordinance Section 25-31 grants the Board the authority to make investments including but not limited to stocks, bonds, mutual funds, notes and units of any commingled, collective, common pooled or mutual trust fund. The City of Memphis Retirement System had no individual investments in excess of 5% of plan net position.

Rate of Return - For the year ended June 30, 2024, the annual money-weighted rate of return on the City's pension plan investments, net of pension plan investment expense, was 11.49% compared to the assumed discount rate of 7.25%.

Contributions - The Plans' funding policy provided for actuarially determined periodic contributions at rates of 5% per annum for General city employees and up to 7% for Police and Fire employees. The City is required to contribute the remaining amounts necessary to fund the Plans using the actuarial basis specified by statute. The Actuarially Determined Contribution (ADC) for fiscal year 2024 was $54,716 of which the City contributed 100%.

The employer contribution is 6% of compensation, as determined by the Pension Ordinance. Employer contributions as a percentage of actual covered payroll for the year ended June 30, 2024, were 14.3%. For its year ended June 30, 2024, the City of Memphis Retirement System reported total employer and plan member contributions of $59,410 and $19,677 respectively.

Actual covered payroll is defined under GASB 82 to be payroll on which contributions to a pension plan are based.

The contribution information for the City Retirement System is presented in the Required Supplementary Information section of this report as Exhibit RSI-8.

The Total Pension Liability (TPL), Plan Fiduciary Net Position (FNP), and Net Pension Liability (NPL) for the year ended June 30, 2024, are as follows:

Total Pension Liability

Total Pension Liability - Beginning of year		$ 3,018,380
Service Cost [1]		42,287
Interest Cost [2]		214,156
Experience (gains)/losses		18,996
Assumption Changes		13,598
Changes of Benefit Terms		(368)
Benefit Payments		(213,594)
Transfer In / (Out)		18,465
Total Pension Liability - End of year		$ 3,111,920

Plan Fiduciary Net Position

Plan Fiduciary Net Position - Beginning of year		$ 2,449,530
Employer Contributions		59,410
Employee Contributions		19,677
Investment return		
Expected Investment Return [3]	$ 173,384	
Investment Gain/(Loss)	77,623	
Net Investment Return		$ 251,007
Benefit Payments		(213,594)
Transfer In / (Out)		18,465
Administrative Expenses		(8,026)
Plan Fiduciary Net Position - End of year		$ 2,576,469

Net Pension Liability

Net Pension Liability	535,451
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.8%

[1] Determined as of the beginning of the year.

[2] Interest at 7.25% on the prior year ending Total Pension Liability and current year beginning service cost offset by a half year of interest on benefit payments.

[3] Calculated assuming a 7.25% investment return, net of investment expenses, and assuming actual benefit payments, transfer in/out, and contributions occur at mid year.

The Net Pension Liability (NPL) represents the funded status of the City Plan as of the measurement date. The City's NPL for the fiscal year ended June 30, 2024, is $513,444. The Memphis Shelby County Airport Authority's (MSCAA) NPL is $22,007, bringing the total NPL to $535,451 in comparison to the prior year when there was a Net Pension Asset of $568,850 (The City) and $23,835 (MSCAA). The results reflect the impact of unfavorable asset experience in gains (net investment return). The investment rate of return is 11.49% compared to the assumed 7.25% investment yield.

The Schedule of Changes in the Net Pension Liability and Related Ratios which depicts Total Pension Liability (TPL), Plan Fiduciary Net Position (FNP), and Net Pension Liability (NPL) for the City Retirement System are presented in the Required Supplementary Information section of this report as Exhibit RSI-5, RSI-6, and RSI-7 respectively.

Actuarial Methods and Assumptions – The City annually obtains an actuarial valuation of the Retirement System for calculating the necessary information for accounting and reporting requirements in accordance with Governmental Accounting Standards. The actuarial asset valuation method is the Entry Age Normal Actuarial Cost Method. This method determines a normal cost rate as a fixed percentage of compensation for each active participant. The current year's normal cost is the participant's compensation multiplied by the normal cost rate. Annual contributions in this amount, from the date the participant entered the plan (or would have entered, if the plan had always been in effect and the participant had entered at the earliest possible date) until retirement, would be sufficient to provide for the actuarial present value of the participant's plan benefits. The total normal cost is the sum of the normal costs for all active participants.

Significant actuarial assumptions include: (a) a rate of return on the investment of present and future assets of 7.25% per year for GASB 67 and GASB 68 purposes; (b) projected future salary increases on a scale that varies by age and service with a weighted average of 4.25% per year; (c) no COLA increases; (d) measurement date as of June 30, 2024, and valuation date as of July 1, 2023.

Mortality rates used for the Net Pension Liability calculation are as follows:

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

Other actuarial assumptions are as follows:

- Marriage - 80% of male General Employees, 50% of female General Employees, 80% of male Police and Fire Employees, and 40% of female Police and Fire are assumed to be married. Wives are assumed to be three years younger than their husbands.
- Death/Disability – Deaths and disabilities for active General Employees are assumed to be not line-of-duty. Deaths and disabilities for active Fire and Police Employees are assumed to be line-of-duty.
- Form of Payment – It is assumed that benefits will be paid in the normal annuity form applicable to the particular benefit.
- Account Balance Conversion - Account balances under the 2016 Plan (effective July 1, 2016) are converted at 5.0% interest and the applicable mortality table under IRC 417(e) in effect on the current valuation date.
- Changes in Assumptions – For the 2016 Plan, the account balance conversion mortality table used to convert account balances to annuities was updated to the 2024 applicable mortality table for 2024 and 2025 applicable mortality table for years thereafter under IRC section 417(e). For current retirees, disabled and DROP participants, the payment form determination was updated to be based on if a spouse date of birth was provided instead of marital status per the City of Memphis.

Discount Rate – The discount rate used to measure the total pension liability was 7.25% as of June 30, 2024, and is equal to the long-term expected return on plan investments. The projection of cash flows used to determine the discount rate assumed that City contributions would be made at the actuarially calculated amount computed in accordance with the current funding policy adopted by the City, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level dollar installments over 30 years utilizing a closed-period approach. Pursuant to The Public Employee Defined Benefit Financial Security Act of 2014, the City will phase into funding 100% of the actuarially calculated amount over a 5-year period beginning with the fiscal year beginning July 1, 2015. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity – The following presents the net pension liability of the City calculated using the discount rate of 7.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	$907,792	$535,451	$223,039

Deferred Outflows of Resources and Deferred Inflows of Resources - The balance of deferred inflows and outflows of resources after recognition in current year pension expense are $(153,332) and $239,004 respectively.

Determination of Resources of Deferred Outflows and Resources of Deferred Inflows					Balances at June 30, 2024	
	Established in Fiscal Year ending June 30	City Loss	City (Gain)	Cumulative Amounts Recognized in Expense through June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
		(a)	(b)	(c)	(d) = (a - c)	e = (b - c)
a. Experience (Gains)	2020	$ 6,622	$ -	6,622	$ -	$ -
and Losses	2021	1,214	-	1,148	66	-
	2022	-	(1,912)	(1,398)	-	(514)
	2023	23,676	-	12,018	11,658	-
	2024	17,935	-	4,896	13,039	-
					$ 24,763	$ (514)
b. Changes in	2020	$ -	$ (91,982)	(91,982)	$ -	$ -
Assumptions	2021	-	(8,859)	(8,376)	-	(483)
	2022	85,019		62,208	22,811	-
	2023	-	-	-	-	-
	2024	12,246	-	3,505	8,741	-
					$ 31,552	$ (483)
c. Investment (Gains)	2020	$ 120,788	$ -	120,788	$ -	$ (96,054)
and losses	2021	-	(480,270)	(384,216)	-	-
	2022	468,628	-	285,939	182,689	-
	2023	-	(10,574)	(4,302)	-	(1,763)
	2024	-	(70,043)	(15,525)	-	(54,518)
					$ 182,689	$ (152,335)
d. Collective Deferred Outflows/(Inflows) of Resources: (a) + (b) + (C)					$ 239,004	$ (153,332)

Deferred outflows of resources are presented as positive amounts. Deferred inflows of resources are presented as negative amounts.
No assumption changes were made during fiscal year 2024.

Allocated Deferred Outflows and Deferred Inflows	Allocated Balances at June 30, 2024	
	Deferred Outflows	Deferred Inflows
Governmental Activities	227,793	(148,419)
Business Type - Sewer	7,998	(3,134)
Business Type - Storm Water	3,213	(1,779)
Total	239,004	(153,332)

Pension and Retirement Plans Reconciliation

	Net Pension Liability	Deferred Outflows	Deferred Inflows
City Plan	(535,451)	249,352	(165,601)
Library Plan	(16,098)	11,271	(4,930)
Total City of Memphis	(551,549)	260,623	(170,531)
Less: Sewer (Business-type)	18,571	(7,998)	3,000
Less: Storm Water (Business-type)	8,380	(3,213)	1,704
Less: MSCAA (Component Unit)	22,008	(10,348)	12,478
Governmental Activities	(502,590)	239,064	(153,349)

Future Amortization of Net Deferred Outflows and Deferred Inflows – The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions recognized in pension expense are as follows:

Year Ending June 30	Total	Governmental Activities	Business Type Sewer Fund	Business Type Storm Water
2025	$ 15,509	$ 14,609	$ 628	$ 272
2026	94,836	89,027	4,145	1,664
2027	(9,788)	(8,939)	(428)	(421)
2028	(14,885)	(13,973)	(651)	(261)
2029	-	-	-	-
Thereafter	-	-	-	-
	$ 85,672	$ 80,723	$ 3,694	$ 1,255

Pension Expense – The pension expense under GASB 68 for the fiscal year ending June 30, 2024, is as follows:

Fiscal Year 2024	Total	Governmental Activities	Business Type Sewer Fund	Business Type Storm Water	Component Unit MSCAA
Net employer service cost	$ 30,636	$ 27,203	$ 1,404	$ 770	$ 1,259
Interest cost	214,156	190,158	9,816	5,380	8,802
Expected return on assets	(173,384)	(153,955)	(7,947)	(4,356)	(7,126)
Changes of benefit terms	(368)	(327)	(17)	(9)	(15)
Recognition of deferred (inflows)/ outflows	25,440	22,613	1,153	352	1,322
Total collective pension expense	$ 96,480	$ 85,692	$ 4,409	$ 2,137	$ 4,242

Deferred Retirement Option Program (DROP) – According to the terms of the Deferred Retirement Option Program (DROP) specified in City of Memphis Ordinance 4548, an eligible participant is an employee who has attained his or her normal retirement date and has at least twenty-five years of service.

An eligible employee can make an irrevocable election to participate in the DROP for a maximum one-year, two-year, or three-year period, thereby agreeing to retire no later than the end of his or her one-year, two-year, or three-year period of participation. During the one-year, two-year, or three-year period elected, the employee's contributions and the City's contributions to the appropriate Plan shall cease as of the effective date. The employee's benefit under the Plan is frozen (fixed) as of the date his or her election is effective. A DROP account shall be established for the employee that will be credited with an amount equal to the monthly pension benefit the electing participant would receive had he or she retired and begun receiving payments on the effective date. Interest will be credited each calendar quarter on the average monthly balance in the DROP account based on twenty-five percent (25%) of the 90-day Treasury Bill yield published in the last Wall Street Journal of such quarter.

After participation in the DROP ceases, the City will begin to pay the employee his or her monthly benefit and pay the employee in a lump sum the balance in his or her DROP account as of the end of the last quarter. The lump sum payment of the DROP account may be rolled over at the participant's direction. The DROP Program account balance as of June 30, 2024, is $12,673.

All plan information presented under the section of City of Memphis Retirement System is reported inclusive of all participants in the plan, including those who for purposes of financial reporting are presented in the Enterprise Funds in Exhibits A-9 and A-10 and in the Memphis Shelby County Airport Authority (MSCAA) component unit in Exhibits A-14 and A-15 respectively.

Retirement System of Memphis and Shelby County Public Library and Information Center

General - The Retirement System of the Memphis and Shelby County Public Library and Information Center (the Library) is established under Chapter 18, Code of Ordinances, City of Memphis, Tennessee, and is administered by a Board of Administration under the direction of the Library Board of Trustees and City Council.

As of June 30, 2024, the Retirement System for the Library reported the following net position:

	Library Retirement System
ASSETS	
Cash and cash equivalents	$ (197)
Investments, at fair value:	
Mutual funds and money market funds	53,211
Total investments	53,211
Interest and dividend	142
Total assets	53,156
NET POSITION	
Held in trust for pension benefits	$ 53,156

As of and for its year ended June 30, 2024, the Retirement System for the Library reported the following changes in net position:

	Library Retirement System
ADDITIONS	
Contributions:	
Employer	$ 98
Plan members	98
Total contributions	196
Transfer from other fund	471
Investment income:	
Interest and dividend income	1,495
Net depreciation in the fair value of investments	4,250
Total investment income	5,745
Total additions	6,412
DEDUCTIONS	
Benefits	4,546
Administrative expenses	102
Total deductions	4,648
Net increase	1,764
Net position - beginning of year	51,392
Net position - end of year	$ 53,156

Plan Description - The Retirement System for the Library pension trust fund accounts for the activity of the Retirement System of Memphis and Shelby County Public Library and Information Center, a single employer, public employee retirement system. Substantially all regular full-time and permanent part-time employees of the Library are required to participate in either of two contributory defined benefit pension plans (the Library Plans). All assets of the Retirement System for the Library are available for the payment of pension benefits to either Plan I or Plan II. The Plans are as follows:

Plan I - Originally effective October 21, 1926; most recently amended effective July 1, 2005, to limit membership.
All full-time and permanent part-time employees hired prior to April 1, 1979, were eligible from the effective date of entering such service. Employees hired after July 1, 2005, are not eligible to participate.

Plan II - Originally effective April 1, 1979; most recently amended effective July 1, 2005, to limit membership. All employees hired after April 1, 1979, are eligible at date of employment and must apply for membership as a condition of employment. "Employee" means any person employed on regular full-time or permanent part-time basis prior to July 1, 1992. On or after January 1, 1992, permanent part-time employees are excluded unless they are already participants. Employees hired after July 1, 2005, are not eligible to participate.

Hourly-rate employees are not eligible for coverage under the above Library Plans since they are covered under the Federal Insurance Contribution Act (Social Security).

The Retirement System of Memphis and Shelby County Public Library and Information Center Plan has no new participants. Employees hired after July 1, 2005, if otherwise meeting eligibility requirements, became eligible to participate and are included in the City of Memphis Retirement System.

At January 1, 2024, the Retirement System for the Library membership consisted of:

Retired members, beneficiaries and disabled members receiving benefits	178
Terminated vested plan members entitled to but not yet receiving benefits	15
Active employees:	
Fully vested	59
Total	252

The Library Plans provide retirement benefits as well as death and disability benefits. Retirement benefits, under Plan I, vest after 15 years of service, with partial vesting occurring after 5 years of service. Under Plan II, retirement benefits vest after 10 years of service.

Summary of Plan I Provisions

Normal Retirement
Under Plan I, employees may retire under any of the following sets of criteria as applicable:

- Completion of 30 years of credited service;
- Completion of 25 years of credited service and attainment of age 55; or,
- Completion of 10 years of credited service and attainment of age 60.

Effective July 1, 1992, the normal retirement benefit, 1/12 of which is payable monthly for life, is determined as 2.5% of average compensation multiplied by years of credited service not in excess of 25 plus 1% of average compensation for the next 10 years with a maximum benefit of 72.5% of average compensation. The minimum pension is $100 per month. "Average Compensation" means the greater of the average monthly compensation for the three consecutive years of service during which compensation was the highest or average monthly compensation of the 12 months preceding the date of retirement if employed prior to July 1, 1975.

For those who retire on or after January 1, 1993, at the death of the retiree, 75% of the benefit continues to the surviving spouse until death or remarriage and to surviving children upon the death of the spouse. For those who retire before January 1, 1993, 100% of the retiree benefit continues to the spouse.

Disability Retirement
If disability occurs not in line-of-duty prior to the completion of five years of credited service, a refund of the participant's contributions with interest is payable to the participant. If disability occurs not in line-of-duty after completion of five years of credited service, the benefit on or after July 1, 1992, will be determined as 2.5% of average compensation times years of service up to 25. The benefit shall not exceed 62.5% of average compensation. If disability occurs in line-of-duty regardless of the number of years of credited service, the benefit will be 2.5% of average compensation per year of service with a minimum of 60% and a maximum of 72.5% of average compensation.

Pre-Retirement Death Benefit
If death occurs not in line-of-duty prior to the completion of five years of credited service, a refund of the participant's contributions with interest is payable at the time of his or her death. If death occurs not in line-of-duty after the completion of five years of credited service, a surviving spouse or minor child will receive a benefit equal to 75% of the participant's accrued benefit. A minimum benefit of $100 applies to an employee with at least 15 years of service at death provided he or she is not categorized as a permanent part-time employee. If death occurs in line-of-duty regardless of the number of years of credited service, a benefit on or after July 1, 1992, equal to 2.5% per year of service up to 25 of the participant's average compensation will be paid to the spouse until death or remarriage, or to minor children under 18 if no spouse is living, or to the father and/or mother who was supported by the deceased member at the time of his or her death. The benefit will not be less than 50% or greater than 62.5% of average compensation.

Optional Retirement Benefit
Optional forms of benefit are permitted by the plan if actuarially equivalent to the normal form of payment. For married participants, the normal form of payment is an unreduced 75% Joint and Survivor Annuity. For unmarried participants, the normal form of payment is the Single Life Annuity.

Other available options include the 50% or 100% Joint and Survivor Annuities, as well as a Life Annuity with 60, 120, or 180 payments guaranteed.

Conversion of Unused Sick Leave into Creditable Service

- Effective January 2, 2001, employees may elect to convert sick leave into creditable service time to become initially qualified for retirement benefits or provide enhancement of a full and normal retirement. If an employee requests to use unused sick leave to become eligible for a full and normal retirement, credit time will be given for all unused leave. Upon full and normal retirement eligibility, full-time employees with 35 years or less of creditable service will have the following options:
- Employees may be paid up to 520 hours of accumulated sick leave.
- Employees may elect to add accumulated sick leave days to their creditable service for pension calculations.
- Percentage will not exceed 72.5% of average annual compensation.

For purposes of converting accumulated sick leave hours to service time, 173.33 hours of accumulated sick leave will equal one month of creditable service.

Contributions
Effective January 1, 1993, employees contribute 5.0% of compensation to Plan I of the retirement plan. Effective January 1, 2000, this percentage decreased to 3.0% of compensation. The Library contributes no less than the amount employees contribute.

Cost of Living Adjustment (COLA)
Cost of living adjustment to retirees is granted on an ad-hoc basis as determined annually by the Board.

Changes Since Prior Valuation
There have been no changes to Plan I since the prior valuation.

Summary of Plan II Provisions

Normal Retirement
Under Plan II, employees may retire under any of the following sets of criteria as applicable:
- Completion of 30 years of credited service and attainment of age 60;
- Completion of 25 years of credited service and attainment of age 62; or,
- Completion of 5 years of credited service and attainment of age 65.

Effective July 1, 1992, the normal retirement benefit, 1/12 of which is payable monthly for life, is determined as 2.5% of average compensation multiplied by years of credited service not in excess of 25 plus 1% of average compensation multiplied by years of service greater than 25 but less than 35, with a maximum benefit of 72.5% of average compensation. The minimum pension is $100 per month.

"Average Compensation" means the average monthly compensation for the three consecutive years of service during which compensation was the highest.

At the death of the retiree, 75% of the benefit continues to the surviving spouse until death or remarriage or the surviving children upon the death of the spouse.

Early Retirement
Under Plan II, employees may retire with reduced benefits after completion of 25 years of credited service and attainment of age 55.

Disability Retirement
If disability occurs not in line-of-duty prior to the completion of five years of credited service, a refund of the participant's contributions with interest is payable to the participant. If disability occurs not in line-of-duty after completion of five years of credited service, the benefit will be determined as in normal retirement provided that the benefit will not be greater than 62.5% of average compensation. If disability occurs in line-of-duty regardless of the number of years of credited service, the benefit will be 2.5% of average compensation per year of service with a minimum of 60% and a maximum of 72.5% of average compensation.

Pre-Retirement Death Benefit
If death occurs not in line-of-duty prior to the completion of five years of credited service, a refund of the participant's contributions with interest is payable at the time of his or her death. If death occurs not in line-of-duty after the completion of five years of credited service, the participant's eligible spouse as defined in the plan will receive 75% of the participant's accrued benefit until remarriage. If the participant's spouse does not survive him or her or if the spouse dies or remarries, the benefit will be paid to the child or divided among the children of the participant until they reach age 18. If the child is handicapped, payments continue for the lifetime of the child. If death occurs in line-of-duty regardless of the number of years of credited service, a benefit equals to 2.5% per year of service up to 25 of the participant's average compensation will be paid to the spouse until death or remarriage or to minor children under 18 if no spouse is living. The benefit will not be less than 50% or greater than 62.5% of average compensation.

Optional Retirement Benefit
For retirement from active status, optional forms of benefit are permitted by the plan if actuarially equivalent to the normal form of payment. For married participants, the normal form of payment is an unreduced 75% Joint and Survivor Annuity. For unmarried participants, the normal form of payment is the Single Life Annuity. Other available options include the 50% or 100% Joint and Survivor Annuities, as well as a Life Annuity with 60, 120, or 180 payments guaranteed.

Conversion of Unused Sick Leave into Creditable Service
Effective January 2, 2001, employees may elect to convert sick leave into creditable service time to become initially qualified for retirement benefits or provide enhancement of a full and normal retirement. If an employee requests to use unused sick leave to become eligible for a full and normal retirement, credit time will be given for all unused leave.

Upon full and normal retirement eligibility, full-time employees with 35 years or less of creditable service will have the following options:

- Employees may be paid up to 520 hours of accumulated sick leave
- Employees may elect to add accumulated sick leave days to their creditable service for pension calculations
- Percentage will not exceed 72.5% of average annual compensation.

For purposes of converting accumulated sick leave hours to service time, 173.33 hours of accumulated sick leave will equal one month of creditable service.

Contributions
Effective January 1, 1993, employees contribute 5.0% of compensation to Plan I of the retirement plan. Effective January 1, 2000, this percentage decreased to 3.0% of compensation. The Library contributes no less than the amount employees contribute.

Cost of Living Adjustment (COLA)
Cost of living adjustment to retirees is granted on an ad-hoc basis as determined annually by the Board.

Changes Since Prior Valuation
There have been no changes to Plan II since the prior valuation.

Summary of Accounting Policies - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and the additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, the benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Financial statement reporting information for the City of Memphis fiscal year ended June 30, 2024, is in accordance with Government Accounting Standards Board Statement No. 68 (GASB 68), as amended by Governmental Accounting Standards Board Statement No.82 (GASB 82). As permitted under paragraph 20 of GASB 68, a measurement date of January 1, 2024, was utilized for the Retirement System of the Public Library and Information Center. The valuation was performed using census data and assets as of December 31, 2023, and reflects the plan provision effective December 31, 2023.

Method Used to Value Investments - All investments of the Retirement System of the Library are reported at fair market value. Short-term investments are reported at cost, which approximates fair market value. All other investments are valued based upon quoted market prices. The Retirement System of the Library has no investments in any one organization that represent more than 5% of plan net position.

Rate of Return – For the year ended June 30, 2024, the annual money-weighted rate of return on Library pension plan investments, net of pension plan investment expense, was 17.04% compared to the assumed discount rate of 7.25%.

Contributions – For both Plan I and Plan II, effective January 1, 1993, employees contribute 5.0% of compensation to the retirement plan. Effective January 1, 2000, this percentage decreased to 3.0% of compensation. The Library contributes no less than what employees contribute. For the year ended June 30, 2024, the Library contributions of $576 represented 16.5% of actual covered payroll of $3,500 under GASB 67 and contributions of $542 represented 23% of actual covered payroll of $2,353 under GASB 68. The actual covered payroll is defined under GASB 82 to be payroll on which contributions to a pension plan are based.

The contribution information for the Library Retirement System is presented in the Required Supplementary Information section of this report as Exhibit RSI-12 and RSI-13.

Total Pension Liability – The Retirement System of the Library Total Pension Liability (TPL) for the year ended June 30, 2024, is $68,840 The components of the TPL are as follows:

TPL - beginning balance	$ 68,241
Service cost	222
Interest cost	4,810
Experience (gains)/losses	(200)
Benefit payments	(4,233)
TPL – ending balance	$ 68,840

Plan Fiduciary Net Position – The Retirement System of the Library Plan Fiduciary Net Position (FNP) for the year ended June 30, 2024, is $52,743 The components of the FNP are as follows:

FNP - beginning balance		$ 48,451
Employer contributions		576
Employee contributions		105
Investment return		
Expected return	$ 3,384	
Investment gain/(loss)	4,561	
Net investment return		7,945
Benefit payments		(4,233)
Administrative expenses		(101)
FNP – ending balance		$ 52,743

Net Pension Liability – The Net Pension Liability (NPL) for the Retirement System of the Library for the year ended June 30, 2024, is $16,098. The components of the Net Pension Liability (NPL) are as follows:

Total Pension Liability	$ 68,841
Plan Fiduciary Net Position	(52,743)
Net Pension liability	$ 16,098
FNP as a percentage of the TPL	76.6%
Actual Covered Employee Payroll	3,500
Net Pension Liability as a percentage of the covered payroll	459.9%

The Net Pension Liability represents the funded status of the Library Plan as of the measurement date. The NPL for fiscal year ended June 30, 2024, decreased $3,692 from prior year.

The Schedule of Changes in the Net Pension Liability and Related Ratios which depicts Total Pension Liability (TPL), Plan Fiduciary Net Position (FNP), and Net Pension Liability (NPL) for the Library Retirement System is presented in the Required Supplementary Information section of this report as Exhibit RSI-9, RSI-10, and RSI-11 respectively.

Actuarial Methods and Assumptions - The actuarial asset valuation method is the Entry Age Normal Actuarial Cost Method. This method determines a normal cost rate as a fixed percentage of compensation for each active participant. The current year's normal cost is the participant's compensation multiplied by the normal cost rate. The total normal cost is the sum of the normal costs for all active participants. Significant actuarial assumptions include: (a) a rate of return on the investment of present and future assets of 7.25% per year for GASB 67 and GASB 68 purposes; (b) projected salary increases of 3.5% per year including 2.25% for projected inflation and (c) Cost of Living Adjustment (COLA) increases of 2.5% per year.

The healthy mortality assumption utilized the Fully Generational PubG-2010 Public Sector Mortality table for general employees with MP-2021 projection scale from 2010 and adjusted by a one year set forward. The disabled mortality assumption utilized the Fully Generational PubNS-2010 Public Sector Disabled Mortality table for non-safety employees with MP-2021 projection scale from 2010 and adjusted by a three-year set back.

Other actuarial assumptions are as follows:

- Sick Leave – for every year of creditable service an additional 0.05 years of creditable service time is assumed to be added for sick leave accrual.
- Marriage (Actives only) – 65% of male active employees and 50% of female active employees are assumed to be married. Wives are assumed to be three years younger than their husbands.
- Death/Disability – Deaths and disabilities for active employees are assumed to be other than line-of-duty.
- Form of Payment – It is assumed that benefits will be paid in the normal annuity form upon retirement. Current terminated vested participants are assumed to elect payment in the form of a single life annuity at age 65.
- Data Assumptions – Retiree and disabled members that do not have a retirement option listed are assumed to be receiving a 75% joint and survivor annuity.

Discount Rate – The discount rate used to measure the total pension liability was 7.25% as of December 31, 2023, which is equal to the single rate of return developed pursuant to paragraphs 40 – 45 under GASB 67 and paragraphs 26-31 of GASB 68. GASB 67/68 requires that projected benefit payments expected to be satisfied by the plan's fiduciary net position (i.e. assets) be discounted using the long-term rate of return on pension plan investments and that projected benefit payments not expected to be satisfied by the plan's fiduciary net position be discounted using a yield or index rate of a 20-year tax-exempt general obligation municipal bond rated AA/Aa or higher. For this purpose, the City and the Library have selected a long-term rate of return on pension plan assets of 7.25% and S&P Municipal Bond 20-Year High Grade Rate Index as of January 1, 2024, of 4.12%.

The projection of cash flows used to determine the discount rate assumed that Library contributions would be made at the actuarially calculated amount computed in accordance with the current funding policy adopted by the City, which complies with State of Tennessee Public Law No. 990. This law requires 100% payment of the Actuarially Determined Contribution (ADC), which consists of normal cost and amortization of the unfunded actuarially accrued liability in level dollar installments over 30 years utilizing a closed period approach. In accordance with Public Law No. 990, the City will phase-in to the 100% payment of the ADC funding requirement over a 5-year period commencing July 1, 2015. As of January 1, 2021, the city is fully phased-in to paying 100% of the ADC.

Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. As such, the discount rate assumption for determining the total pension liability is the long-term rate of return on pension plan investments.

Discount Rate Sensitivity – The following presents the net pension liability of the Library calculated using the discount rate of 7.25%, as well as what the Library's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (Asset)	$23,350	$16,098	$9,942

Deferred Outflows of Resources and Deferred Inflows of Resources - The balance of deferred inflows and outflows of resources after recognition in current year pension expense is ($4,930) and $11,271 respectively. The net of the deferred inflows and outflows for the fiscal year is $6,341. The determination of resources of deferred inflows and resources of deferred outflows for the fiscal year ending June 30, 2024, is as follows:

					Balances at June 30, 2024	
	Established in Fiscal Year ending June 30	Loss (a)	(Gain) (b)	Cumulative Amounts Recognized in Expense through June 30, 2023 (c)	Deferred Outflows of Resources (d) = (a - c)	Deferred Inflows of Resources e = (b - c)
a. Experience (Gains) and Losses	2022	$ -	$ (1,766)	$ (1,766)	$ -	$ -
	2023	-	(527)	(521)	-	$ (5)
	2024	-	(200)	(109)	-	$ (91)
					$ -	$ (96)
b. Changes in Assumptions	2022	$ 1,895	$ -	$ 1,895	$ -	$ -
	2023	-	-	-	-	-
	2024	-	-	-	-	-
					$ -	$ -
c. Investment (Gains) and losses	2020	$ -	$ (5,767)	$ (5,767)	$ -	$ -
	2021	1,513	-	1,210	$ 303	-
	2022	-	(2,962)	1,777	$ -	$ (1,185)
	2023	18,251	-	7,301	$ 10,951	$ -
	2024	-	(4,561)	(912)	-	$ (3,649)
					$ 11,254	$ (4,834)
d. Contributions subsequent to the measurement date	2024	N/A	N/A	N/A	$ 17	$ -
e. Collective Deferred Outflows/(Inflows) of Resources: a + b + c					$ 11,271	$ (4,930)

Deferred outflows of resources are presented as positive amounts. Deferred inflows of resources are presented as negative amounts.

Future Amortization of Net Deferred Outflows and Deferred Inflows – The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions recognized in pension expense is as follows:

Year Ending June 30	
2025	$ 2,352
2026	2,146
2027	2,728
2028	(912)
2029	-
Thereafter	-
	$ 6,314

This report includes financial statement reporting information for the Plan Year ending December 31, 2023, in accordance with our understanding of Governmental Accounting Standards Board Statement No. 87 as amended by Government Accounting Standards Board Statement No. 82.

Pension Expense – The pension expense under GASB 68 for the fiscal year ending June 30, 2024, is $2,578. It was developed using a measurement date of January 1, 2024, as permitted under paragraph 20 of GASB 68, not adjusted to the fiscal year-end for passage of time.

Employer Service Cost	$ 223
Actual employee contributions	(105)
Administrative expenses	101
Interest Cost	4,810
Expected Return on Assets	(3,384)
Recognition of deferred (inflows)/outflows	933
Total collective pension expense	$ 2,578

MLGW Retirement System

The information presented below is taken directly from the MLGW audited financial statements dated December 31, 2023.

General – The Memphis Light, Gas and Water Division (the Division), a division of the City of Memphis, under resolution by the Board of Commissioners, established the Memphis Light, Gas and Water Division Retirement and Pension System (the MLGW Pension Plan). The MLGW Retirement System is administered by the MLGW Pension Board under the direction of the Board of Commissioners. Separate financial statements for the MLGW Retirement System and the MLGW Retiree Medical and Life Insurance Benefits are issued as of and for its year-ended December 31 and can be obtained at www.mlgw.com.

Plan Description – The Memphis Light, Gas and Water Division Pension Board is the administrator of a single employer retirement system established by the Division to provide retirement benefits for its employees. Prior to 1988, the retirement system included two contributory defined benefit plans (the "1948 Plan" and the "1978 Plan"). The 1948 Plan and the 1978 Plan were amended and superseded as of July 1, 1988.

All employees who were members of the 1948 Plan and the 1978 Plan automatically became members of the amended, restated, and consolidated Memphis Light, Gas and Water Division Retirement and Pension System (the MLGW Pension Plan), a division of the City of Memphis, Tennessee. The MLGW Pension Plan was amended and restated effective January 1, 2015. Participants in the 1948 Plan (which includes those employees hired before July 1, 1978) are entitled to the greater of their retirement benefit determined under the 1948 Plan or their retirement benefit under the MLGW Pension Plan.

Employees Covered – The MLGW Pension Plan covers permanent full-time employees and appointed commissioners who opt to participate. Plan membership consisted of the following participants as of December 31, 2022, and 2021:

	2022	2021
Retirees and beneficiaries receiving benefits	2,717	2,700
Participants inactive during year ended December 31 with vested rights	31	34
Active members fully invested	1,021	1,023
Active members not vested	1,395	1,403
Total	5,164	5,160

The MLGW Pension Plan provides death and disability benefits as well as retirement benefits. MLGW Pension Plan members hired prior to January 1, 2014, who attain the age of fifty-five (55) and retire on or after ten (10) years of creditable service or attain the age of seventy (70) and retire on or after five (5) years of creditable service or attain twenty-five (25) years of creditable service regardless of age are entitled to an annual retirement allowance. The allowance is computed by multiplying the applicable percentage for the age of retirement times the number of years of creditable service, which equals the benefit percentage times the final average compensation.

MLGW Pension Plan members hired on or after January 1, 2014, who attain the age of sixty (60) and retire on or after ten (10) years of creditable service or attain the age of seventy (70) and retire on or after five (5) years of creditable service or attain the age of fifty-five (55) with twenty-five (25) years of creditable service are entitled to an annual retirement allowance. The allowance is computed by multiplying the applicable percentage for the age of retirement times the number of years of creditable service, which equals the benefit percentage times the final average compensation.

Effective January 1, 2001, the following table is the applicable benefit percentage for each year of creditable service at the applicable retirement age under the MLGW Pension Plan:

Retirement Age	Benefit Percentage For Each Year of Creditable Service
59 1/2 and less	2.25%
60	2.30%
61	2.40%
62 and older	2.50%

Final average compensation is the member's basic earnings (which includes member contributions pursuant to Section 414(h) and Section 457 of the Internal Revenue Code (the "Code") for the three (3) consecutive years of creditable service if less than thirty (30) years, two (2) consecutive years if more than thirty (30) years and one (1) year if 35 or more years of creditable service during which the compensation was the highest) plus work out of classification pay, shift differential pay, and automobile allowance for such employees designated by Resolution of the Board of Commissioners. The annual retirement allowance shall not exceed 85.0% of the member's final average compensation. The 2023and 2022 minimum monthly retirement benefit for all members is the greater of $60 times the number of full years of service, or $600.

Cost of Living Adjustments - As of July 1 of each plan year, each retired participant who (1) has attained age fifty-six (56) on such date and (2) has been terminated from the employment of the Division for at least twelve (12) months, shall be entitled to an increase in the amount of his/her monthly benefit under The MLGW Pension Plan equal to the cost-of-living adjustment. A surviving spouse or handicapped child receiving death benefits shall be entitled to a cost-of-living adjustment if the surviving spouse has attained age fifty-six (56) and the deceased participant has separated from service at least twelve (12) months prior to July 1.

The cost-of-living adjustment shall be equal to the product of the monthly benefit payable to the participant, the surviving spouse, or handicapped child under the MLGW Pension Plan for the immediately preceding plan year multiplied by the applicable percentage increase in the Consumer Price Index (CPI) for the immediately preceding calendar year.

The applicable percentage increase shall be determined based on the age of the participant, surviving spouse, or handicapped child as of the first day of July of the plan year in which the adjustment is made as follows:

Age	Percentage of CPI Increase
56 - 58	30%
59 - 61	60%
62 and older, and all Disabled Participants	75%

The cost-of-living adjustment for any retired participant, surviving spouse, or handicapped child in any plan year shall not exceed five percent (5%) of the retired participant's or surviving spouses, or handicapped child's benefit under the MLGW Pension Plan for the immediately preceding plan year. Under no circumstances shall the cost-of-living adjustment result in a decrease in the benefit of a retired participant or surviving spouse, or handicapped child.

Contributions – The contribution requirements of pension plan members and MLGW are established and may be amended and approved by the MLGW Pension Board, the MLGW Board of Commissioners and the Memphis City Council. Pension plan members are required to contribute 8% of their annual covered salary. Under Article III, Section 3.2 of the pension plan, MLGW shall contribute to the pension fund such amounts as from time to time are estimated by the actuary. MLGW also funds the 8% pension plan member's contributions on behalf of the president and vice presidents. For 2023, MLGW contributed 10.71% of the annual covered payroll. Employer contributions recognized by the MLGW Pension Plan during 2023 totaled $20,474.

Schedule of Employer Contributions – The schedule of employer contributions is as follows:

Year Ended December 31	Actuarially Determined Contribution (ADC)	Actual Contribution in Relation to ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	$ 26,812	$ 26,804	$ 8	$ 152,368	17.59%
2015	$ 21,390	$ 21,390	$ -	$ 160,641	13.32%
2016	$ 21,390	$ 21,390	$ -	$ 161,926	13.21%
2017	$ 22,390	$ 22,390	$ -	$ 167,221	13.39%
2018	$ 22,174	$ 22,174	$ -	$ 169,605	13.07%
2019	$ 21,813	$ 21,813	$ -	$ 170,946	12.76%
2020	$ 24,504	$ 24,504	$ -	$ 172,425	14.13%
2021	$ 24,199	$ 24,199	$ -	$ 175,790	13.77%
2022	$ 20,941	$ 20,941	$ -	$ 184,710	11.34%
2023	$ 20,474	$ 20,474	$ -	$ 191,237	10.71%

As MLGW is a separately audited and reported division of the primary government, the supplementary information presented above is not captured in Exhibit RSI-17.

Net Pension Liability (Asset) – The net pension liability (asset) is the difference between the actuarial present value of projected pension benefit payments attributable to employees' past service and the Plan's fiduciary net position. MLGW's net pension liability (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2023.

Actuarial Methods and Assumptions – The actuarial assumptions used in the valuation as of January 1, 2023, are based on the results of an experience study for the period January 1, 2014, to December 31, 2018.

Inflation	2.50%
Salary increases	Inflation plus merit increases that vary by age and service, ranging from 0.00% to 8.50%
Investment rate of return	7.00%, including inflation, net of investment expenses
Cost of living adjustments	0.75% for ages 56-58 1.50% for ages 59-61 1.875% for ages 62 and older, and all disabled participants

Pre-retirement mortality rates are based on the PRI-2012 Employee Mortality Table with. Healthy annuitant mortality rates are based on 120% of PRI-2012 Health Annuitant Mortality Table. Disabled annuitant mortality rates are based on 120% of PRI-2012 Disabled Retiree Mortality Table. All mortality tables above are projected generationally with Scale SSA-2019.

Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35%	6.91%
International Equity	9%	7.21%
Fixed Income	24%	1.61%
Alternatives	15%	7.71%
Real Estate	15%	3.61%
Short Term Investments	2%	0.71%
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability is 7.00% as of December 31, 2022, and 2021. The projection of cash flows used to determine the discount rate assumes employee contributions will be made at the current 8.00% of pay contribution rate and that MLGW contributions will equal to the actuarially determined contribution. For this purpose, only employee and employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, the MLGW Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2022, and 2021.

Discount Rate Sensitivity – The following table presents the net pension liability of MLGW as of December 31, 2022, calculated using the discount rate of 7.00%, as well as what MLGW's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability (asset)	$353,780	$166,887	$9,877

Pension Plan's Fiduciary Net Position – Detailed information about the MLGW Pension Plan's fiduciary net position is available in the separately issued Plan financial statement. For purposes of measuring the net pension liability, all information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position have been determined on the same basis as they are reported by the MLGW Pension Plan.

The MLGW Pension Plan's financial statements are prepared using the accrual basis of accounting in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. Investments are stated at fair value. Benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with the terms of the plan.

Summary of Accounting Policies - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Memphis Light, Gas and Water Retirement and Pension System (the "MLGW Pension Plan") and additions to and deductions from the MLGW Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the MLGW Pension Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Pension Liability – The net pension liability reported under GASB 68 is the difference between the actuarial present value of projected pension benefit payments attributable to employees' past service and the Plan's fiduciary net position.

	(a) Total Pension Liability	(b) Increase (Decrease) Plan Fiduciary Net Position	(a) - (b) Net Pension Asset
Balance at December 31, 2021	$ 1,643,128	$ 1,843,901	$ (200,773)
Service Costs	34,220	-	34,220
Interest	113,017	-	113,017
Changes of Benefit Terms	-	-	-
Differences between expected and actual experience	54,247	-	54,247
Changes of assumptions	-	-	-
Employer contributions	-	20,941	(20,941)
Employee contributions	-	14,657	(14,657)
Net investment income	-	(200,888)	200,888
Benefit payments including refunds of employee contributions	(125,633)	(125,633)	-
Administrative expenses	-	(886)	886
Net change in plan fiduciary net position	$ 75,851	$ (291,809)	$ 367,660
Balance at December 31, 2022	$ 1,718,979	$ 1,552,092	$ 166,887

Required Schedule of Changes in Net Pension Liability

	2022	2021	2020	2019	2018
Total Pension Liability					
Service Cost	$ 34,220	$ 32,463	$ 32,142	$ 31,636	$ 31,185
Interest Cost	113,017	111,732	109,265	110,927	108,432
Changes of Benefit Terms	-	4,760	-	-	-
Difference between expected and actual experience	54,247	6,177	9,102	(5,040)	3,726
Changes in assumptions	-	40,219	-	(174)	-
Benefit Payments, including refunds of employee contributions	(125,633)	(121,781)	(111,826)	(107,731)	(113,316)
Net change in total pension liability	75,851	73,570	38,683	29,618	30,027
Total pension liability - beginning	1,643,128	1,569,558	1,530,875	1,501,257	1,471,230
Total pension liability - ending	**$ 1,718,979**	**$ 1,643,128**	**$ 1,569,558**	**$ 1,530,875**	**$ 1,501,257**
Plan Fiduciary Net Position					
Employer Contributions	$ 20,941	$ 24,199	$ 24,504	$ 21,813	$ 22,174
Employee Contributions	14,657	14,216	13,828	13,462	13,217
Net investment income	(200,888)	252,598	192,438	237,314	(39,996)
Benefit Payments including refunds of employee contributions	(125,632)	(121,781)	(111,826)	(107,731)	(113,315)
Administrative Expenses	(886)	(868)	(779)	(931)	(871)
Other	-	-	-	-	-
Net change in plan fiduciary net position	$ (291,808)	$ 168,364	$ 118,165	$ 163,927	$ (118,791)
Other Adjustments	-	-	-	-	-
Plan fiduciary net position - beginning	1,843,900	1,675,537	1,557,372	1,393,445	1,512,237
Plan fiduciary net position - ending	**$ 1,552,092**	**$ 1,843,901**	**$ 1,675,537**	**$ 1,557,372**	**$ 1,393,446**
System's net pension liability - ending	**$ 166,887**	**$ (200,773)**	**$ (105,979)**	**$ (26,497)**	**$ 107,811**
Plan fiduciary net position as a percentage of the total pension liability	90.29%	112.22%	106.75%	101.73%	92.82%
Covered employee payroll	$ 184,709	$ 175,790	$ 173,425	$ 170,946	$ 169,605
System's net pension liability as a percentage of covered employee payroll	90.35%	-114.21%	-61.11%	-15.50%	63.57%

As MLGW is a separately audited and reported division of the primary government, the supplementary information presented above is not captured in Exhibits RSIs' 14-16.

This schedule will be expanded in future years to include up to ten years of historical data as the required information becomes available.

Notes to schedule:

Changes of Benefit Terms: Effective January 1, 2022, the minimum benefit increased from $50 per month per year of service or $500 total to $60 per month per year of service or $600 total.

Change of assumptions: The discount rate was lowered from 7.25% to 7.00% with the December 31, 2021 measurement

2017	2016	2015	2014	2013	
					Total Pension Liability
$ 31,977	$ 32,591	$ 30,139	$ 31,786	$ 33,122	Service Cost
103,731	102,248	99,940	100,436	98,818	Interest Cost
-	-	-	-	-	Changes of Benefit Terms
4,908	(11,298)	2,275	(16,338)	(14,280)	Difference between expected and actual experience
-	-	-	(22,112)	-	Changes in assumptions
(104,919)	(102,628)	(100,528)	(100,249)	(91,931)	Benefit Payments, including refunds of employee contributions
35,697	20,913	31,825	(6,477)	25,730	Net change in total pension liability
1,435,533	1,414,620	1,382,794	1,389,271	1,363,542	Total pension liability - beginning
$ 1,471,230	**$ 1,435,533**	**$ 1,414,619**	**$ 1,382,794**	**$ 1,389,271**	**Total pension liability - ending**
					Plan Fiduciary Net Position
$ 22,390	$ 21,390	$ 21,390	$ 26,804	$ 30,706	Employer Contributions
12,959	12,513	12,310	11,729	12,000	Employee Contributions
216,498	108,008	15,231	98,931	185,707	Net investment income
(104,919)	(102,628)	(100,528)	(100,249)	(91,931)	Benefit Payments including refunds of employee contributions
(860)	(730)	(759)	(714)	(657)	Administrative Expenses
-	-	-	-	-	Other
$ 146,068	$ 38,553	$ (52,356)	$ 36,501	$ 135,825	Net change in plan fiduciary net position
-	-	788	-	-	Other Adjustments
1,366,169	1,327,616	1,379,184	1,342,683	1,206,858	Plan fiduciary net position - beginning
$ 1,512,237	**$ 1,366,169**	**$ 1,327,616**	**$ 1,379,184**	**$ 1,342,683**	**Plan fiduciary net position - ending**
$ (41,007)	**$ 69,364**	**$ 87,003**	**$ 3,610**	**$ 46,588**	**System's net pension liability - ending**
102.79%	95.17%	93.85%	99.74%	96.65%	Plan fiduciary net position as a percentage of the total pension liability
$ 167,221	$ 161,926	$ 160,641	$ 152,368	$ 154,759	Covered employee payroll
-24.52%	42.84%	54.16%	2.37%	30.10%	System's net pension liability as a percentage of covered employee payroll

Pension Expense – Pension expense for the year ended December 31, 2023, is as follows:

Service cost	$ 34,220
Interest on total pension liability	113,017
Employee contributions	(14,657)
Administrative expenses	886
Expected return on assets	(125,891)
Expensed portion of current year period differences between expected and actual experience in total pension liability	10,849
Expensed portion of current year period differences between projected and actual investment earnings	65,356
Current year recognition of deferred inflows and outflows established in prior years	(30,479)
Total expense	$ 53,301

Deferred outflows of resources and deferred inflows of resources – GASB 68 requires recognition of deferred outflows and inflows of resources associated with the difference between projected and actual earnings on Plan investments, to be amortized to pension expense over a closed five-year period. Also, to be recognized as deferred outflows and inflows of resources are differences between expected and actual experience with regard to economic or demographic factors in the measurement of total pension liability, to be amortized to pension expense over a closed period equal to the average of the expected remaining service lives of all employees receiving pension benefits. Employer contributions to the pension trust made between the net pension liability measurement date and the employer's fiscal year-end are recognized as deferred outflows of resources related to pensions. GASB 68 also requires the deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods to be aggregated and reported as a net deferred outflow of resources related to pensions or a net deferred inflow of resources related to pensions.

Deferred outflows/inflows of resources related to pension

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 20,474	$ -
Net difference between projected and actual earnings on pension plan investments	120,919	-
Net difference between projected and actual experience in total Pension Liability	52,688	(1,680)
Assumption changes	26,813	(58)
Total	$ 220,894	$ (1,738)

Note: The $20,474 contribution made subsequent to the measurement date will be recognized as a reduction of the net pension liability in 2024.

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

Year Ending December 31	
2023	$ 14,817
2024	41,307
2025	58,620
2026	83,938
Thereafter	-

Total aggregate amount of Pension expense is as follows

City of Memphis	$ 96,480
Library	2,578
MLGW	53,301
Total Pension expense	$ 152,359

G. Component units

As referenced in Note I.A. Reporting Entity, the City of Memphis currently has five discretely presented component units.

Renasant Convention Center (RCC) – Renasant Convention Center, formerly known as Memphis Cook Convention Center, was formed in 1917 under the Tennessee Private Act (TPA) of 1917, Chapter 420, as subsequently amended. On August 25, 2011, the City became the sole owner of the Center, and the deficit is now solely funded by the City. Memphis Management Group, LLC, a wholly owned subsidiary of Memphis Convention and Visitors Bureau, manages the facility.

In fiscal year 2016, the City opted to disclose the Convention Center as a blended component unit under the guidelines of Governmental Accounting Standards Board Statement No. 61 (GASB 61); however, upon further analysis, the City has determined that the Renasant Convention Center meets the requirements of a discretely presented component unit under GASB 14. Complete financial statements for the Center may be obtained at The City of Memphis, 125 North Main Street - Third Floor, Room 368, Memphis, TN 38102 Phone: 901-636-6657.

Memphis Area Transit Authority (MATA) – MATA was created by City ordinance on May 13, 1975, replacing the Memphis Transit Authority. MATA has the authority to supervise the operations of the City's transit system. MATA is funded by a combination of user fees, federal and state grants, and a subsidy from the City.

Memphis Shelby County Airport Authority (MSCAA) – MSCAA was established by City resolution on September 30, 1969. MSCAA's Board selects management staff, sets user charges, establishes budgets and controls all aspects of general aviation, airport management and development.

Memphis Zoological Society (MZS) – MZS was created as a nonprofit in April 1951 by Charter to manage and support the Memphis Zoo and Aquarium in its efforts to preserve wildlife through education, conservation and research. All land, buildings, exhibits and other physical assets used by MZS are the property of the City of Memphis.

Memphis Metropolitan Land Bank Authority (MMLBA) – MMLBA was authorized by City of Memphis Resolution and created in November 2015 as a nonprofit 501(c)(3) organization. The general nature of the business to be transacted by the corporation and the general purpose for which it is organized is to conduct business as a land bank as prescribed by the Tennessee Local Land Bank Program. The organization is declared to be performing a public function on behalf of the City of Memphis and to be a public instrumentality of the City by providing a tool to support economic revitalization through returning blighted properties, vacant properties, abandoned properties, and tax-delinquent properties to productive use. The organization is established with a fiscal year ending June 30.

Each component unit is reported in a combined statement within the basic financial statements segment of this report as Exhibit A-14 and Exhibit A-15 to emphasize that the entities are legally separate from the City. The complete financial statements for each of the individual component units may be obtained at the entity's administrative offices. Essential disclosures related to the discretely presented component units are included in the complete financial statements of each of the individual component units.

Condensed financial statement information for these discretely presented component units is shown below:

	MATA (1)	MSCAA	RCC	MMLBA	TOTAL	ZOO	COMPONENT UNITS TOTAL
Current Assets	$ 15,289	$ 330,734	$ 5,175	$ 608	$ 351,806	$ 8,872	$ 360,678
Property, plant and equipment (net of accumulated depreciation)	87,394	1,135,622	5,128	-	1,228,144	29	1,228,173
Other assets	484	339,481	175	376	340,516	125	340,641
Net pension asset	-	-	-	-	-	-	-
Total assets	103,167	1,805,837	10,478	984	1,920,466	9,026	1,929,492
Deferred outflows - charges on refunding	-	61	-	-	61	-	61
Deferred actuarial losses - pension	-	4,093	-	-	4,093	-	4,093
Deferred actuarial losses - OPEB	-	1,103	-	-	1,103	-	1,103
Total assets and deferred outflows	$ 103,167	$ 1,811,094	$ 10,478	$ 984	$ 1,925,723	$ 9,026	$ 1,934,749
Current liabilities	$ 63,481	$ 60,925	$ 1,896	$ 14	$ 126,316	$ 5,827	$ 132,143
Long-term liabilities	49,769	482,814	-	376	532,959	986	533,945
Total liabilities	113,250	543,739	1,896	390	659,275	6,813	666,088
Deferred inflows - revenue received in advance of expense	(530)	269,638	-	-	269,108	-	269,108
Net position	(9,553)	997,717	8,582	594	997,340	2,213	999,553
Total liabilities, deferred inflows, and net position	$ 103,167	$ 1,811,094	$ 10,478	$ 984	$ 1,925,723	$ 9,026	$ 1,934,749
Operating revenues	$ 2,154	$ 128,207	$ 8,945	$ 91	$ 139,397	$ 26,667	$ 166,064
Operating expenses	80,444	85,402	9,127	571	175,544	31,795	207,339
Operating income (loss) before depreciation and amortization	(78,290)	42,805	(182)	(480)	(36,147)	(5,128)	(41,275)
Depreciation and amortization	(11,219)	(67,236)	(422)	-	(78,877)	-	(78,877)
City of Memphis subsidy	32,170	-	2,042	-	34,212	-	34,212
Federal and State grant revenues	7,911	-	175	-	8,086	-	8,086
Interest and investment income (loss)	88	30,715	2	-	30,805	212	31,017
Other revenue (expense)	1,913	60,781	-	413	63,107	1,493	64,600
Change in net position	(47,427)	54,091	1,615	(67)	8,212	(3,423)	4,789
Net position - beginning of year, as restated	37,874	943,626	6,967	661	989,128	5,636	994,764
Net position - end of year	$ (9,553)	$ 997,717	$ 8,582	$ 594	$ 997,340	$ 2,213	$ 999,553

(1) The financials presented for MATA as of June 30, 2024, are unaudited.

H. COVID-19 Financial Impacts

With the passing of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the City of Memphis received $113,607,217 in funding from the US Department of Treasury to assist in navigating the impact of the COVID-19 outbreak. The federal allocation was received in April 2020, and approximately $23.5 million was spent in Fiscal Year 2020. Approximately $85 million was executed during Fiscal Year 2021, and the remaining $5.1 million allocation was expended in Fiscal Year 2022.

In conjunction with the CARES Act, the Housing and Community Development Division of the City received $8 million in Emergency Solutions Grant funding through the U.S. Department of Housing and Urban Development.

On March 1, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President. Section 9901 of ARPA amended Title VI of the Social Security Act to add section 602, which established the Coronavirus State Fiscal Recovery Fund, and section 603, which established the Coronavirus Local Fiscal Recovery Fund (together, the Fiscal Recovery Funds). None of the ARPA funds were expended or recognized as revenue in Fiscal Year 2021. The City received $161,061,490 in funding and such funding must be expended in accordance with Treasury guidance.

Use of Funds – the metropolitan city shall only use the funds provided under a payment made under this section to cover cost incurred by the metropolitan city by December 31, 2024

(a) to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

(b) to respond to works performing essential work during the COVID-19 public health emergency by providing premium pay to eligible works of the metropolitan city that are performing such essential work, or by providing grants to eligible employers that have eligible works who perform essential work;

(c) for the provision of government services to the extent of the reduction in revenue of such metropolitan city due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city; or

(d) to make necessary investment in water, sewer, or broadband infrastructure;

(e) to provide emergency relief from natural disasters or the negative economic impacts of natural disasters;

(f) for projects eligible under the 26 surface transportation programs specified in the 2023 CAA (Surface Transportation projects); or

(g) for projects eligible under Title I of the Housing and Community Development Act of 1974 (Title I projects).

The first tranche was received just prior to the Fiscal Year 2021 year-end close, and the second tranche was received in May 2022 just prior to the close of Fiscal Year 2022. As of Fiscal Year 2022, all funding had been allocated to projects and initiatives in accordance with the guidelines. Approximately $59 million was appropriated for operational support, $33 million for public safety initiatives, $15 million toward broadband infrastructure, and $54 million for community initiatives in response to the pandemic. As of the close of Fiscal Year 2024 more than $151 million had already been expended. As of December 2024, nearly $158 million had been expended with $3 million in commitments and/or contracts.

Also, in conjunction with the Fiscal Recovery Funds, the Housing and Community Development Division of the City also received $90 million in funding multiple allocations through the U.S. Department of Treasury to provide Emergency Rental Assistance. Those initiatives have been appropriated and are ongoing.


MEMPHIS
SHELBY
COUNTY
TENNESSEE

CITY OF MEMPHIS

T E N N E S S E E

REQUIRED SUPPLEMENTARY INFORMATION

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SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS UNDER GASB 74 AND GASB 75 **CITY OF MEMPHIS, TENNESSEE**
OTHER POSTEMPLOYMENT BENEFITS (OPEB) **Exhibit RSI-1**
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

Total OPEB Liability

Fiscal Year Ending June 30 (1)	Beginning Total OPEB Liability	Total Service Cost	Interest (2)	Experience (Gains) / Losses	Assumption Changes (3)	Changes of Benefit Terms (4)	Net Benefit Payments (5)	Ending Total OPEB Liability
2017	$ 691,738	$ 14,943	$ 18,877	$ 18,838	$ 25,586	$ (331,901)	$ (20,190)	$ 417,891
2018	$ 417,891	$ 8,035	$ 13,113	$ (11,621)	$ (76,034)	$ -	$ (13,928)	$ 337,456
2019	$ 337,456	$ 5,042	$ 10,015	$ (13,201)	$ (21,941)	$ -	$ (12,817)	$ 304,554
2020	$ 304,554	$ 4,176	$ 8,437	$ (2,264)	$ 21,629	$ 346,334	$ (12,678)	$ 670,188
2021	$ 670,188	$ 20,348	$ 18,184	$ (2,215)	$ (74,550)	$ -	$ (13,799)	$ 618,156
2022	$ 618,156	$ 17,340	$ 13,871	$ 12,287	$ (101,817)	$ (12,405)	$ (18,287)	$ 529,145
2023	$ 529,145	$ 15,545	$ 22,136	$ (1,394)	$ 107,697	$ (12,955)	$ (19,594)	$ 640,580
2024	$ 640,580	$ 20,325	$ 27,167	$ 1,361	$ (209,363)	$ 16,136	$ (20,615)	$ 475,591

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net OPEB Liability and Related Ratios for 10 years. The information presented above is for those years for which it is available. It was prepared prospectively from the Plan's fiscal year ending June 30, 2017, for GASB 75 purposes.
(2) For the current fiscal year, includes interest at 4.13% on the beginning-of-year Total OPEB Liability (including the change due to updated census as of July 1, 2023) and service cost offset by a half-year of interest on benefit payments.
(3) Assumption changes for the most recent fiscal year reflect changes to participation, per capita costs, trend, discount rate and plan change assumptions.
(4) For 2024, the plan change reflects the reinstatement of the Choice Plan effective January 1, 2024.
(5) Paid claims including administrative expenses less retiree contributions.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS UNDER GASB 74 AND GASB 75 **CITY OF MEMPHIS, TENNESSEE**
OTHER POSTEMPLOYMENT BENEFITS (OPEB) **Exhibit RSI-2**
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

Plan Fiduciary Net Position

Fiscal Year Ending June 30 (1)	Beginning Fiduciary Net Position	Employer Contribution (2)	Employee Contribution	Investment Return	Benefit Payments (3)	Administrative Expenses	Investment Expenses	Ending Fiduciary Net Position
2017	$ 6,450	$ 16,654	$ 5,531	$ 289	$ (21,476)	$ (4,245)	$ -	$ 3,203
2018	$ 3,203	$ 14,420	$ 1,829	$ 257	$ (6,468)	$ (9,289)	$ -	$ 3,952
2019	$ 3,952	$ 12,659	$ 1,945	$ 221	$ (8,112)	$ (6,650)	$ -	$ 4,015
2020	$ 4,015	$ 12,263	$ 1,807	$ 190	$ (7,222)	$ (7,263)	$ -	$ 3,790
2021	$ 3,790	$ 13,084	$ 2,573	$ 905	$ (8,763)	$ (7,609)	$ -	$ 3,980
2022	$ 3,980	$ 21,528	$ 3,668	$ (693)	$ (14,331)	$ (7,624)	$ -	$ 6,528
2023	$ 6,528	$ 23,667	$ 3,967	$ 392	$ (14,885)	$ (8,676)	$ -	$ 10,993
2024	$ 10,993	$ 28,538	$ 3,923	$ 578	$ (15,890)	$ (8,648)	$ -	$ 19,494

Note: The money average rate of return used to measure the total OPEB liability was 4.21% as of June 30, 2024, which is equal to the single rate of return developed pursuant to GASB 75.

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net OPEB Liability and Related Ratios for 10 years. The information presented above is for those years for which it is available. It was prepared prospectively from the Plan's fiscal year ending June 30, 2017, for GASB 75 purposes.

(2) Includes employer contributions to the trust and transfers from other funds.

(3) Includes benefits paid less Medicare Part D subsidies and pharmacy Rx rebates received.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS UNDER GASB 74 AND GASB 75 **CITY OF MEMPHIS, TENNESSEE**
OTHER POSTEMPLOYMENT BENEFITS (OPEB) **Exhibit RSI-3**
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

Net OPEB Liability

Fiscal Year Ending June 30 (1)	Total OPEB Liability	Net Fiduciary Position	Net OPEB Liability	Net Fiduciary Position as % of Total OPEB Liability	Actual Covered Payroll (2)	Net OPEB Liability as a Percentage of Covered Payroll
2017	$ 417,891	$ 3,203	$ 414,688	0.8%	$ 379,324	109.3%
2018	$ 337,456	$ 3,952	$ 333,504	1.2%	$ 368,922	90.4%
2019	$ 304,554	$ 4,015	$ 300,539	1.3%	$ 400,195	75.1%
2020	$ 670,188	$ 3,790	$ 666,398	0.6%	$ 410,167	162.5%
2021	$ 618,156	$ 3,980	$ 614,176	0.6%	$ 378,824	162.1%
2022	$ 529,145	$ 6,528	$ 522,617	1.2%	$ 368,709	141.7%
2023	$ 640,580	$ 10,993	$ 629,587	1.7%	$ 369,163	170.5%
2024	$ 475,591	$ 19,494	$ 456,097	4.1%	$ 399,234	114.2%

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net OPEB Liability and Related Ratios for 10 years. The information presented above is for those years for which it is available. It was prepared prospectively from the Plan's fiscal year ending June 30, 2017 for GASB 75 purposes.

(2) The actual covered payroll represents the total covered payroll for the prior year, increased by the salary scale. Where a salary amount was not provided, an average salary of the other participants for that year was assumed. For 2023, the average salary was $57,418.

SCHEDULE OF CONTRIBUTIONS UNDER GASB 74 AND GASB 75
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-4

Schedule of Contributions

Fiscal Year Ending June 30 (1)	Contractual Contribution (2)	Actual Employer Contributions	Contribution Excess / (Deficiency)	Actual Covered Payroll (3)	Contributions as a Percentage of Covered Payroll
2017	$ 16,654	$ 16,654	$ -	$ 379,324	4.4%
2018	$ 14,420	$ 14,420	$ -	$ 368,922	3.9%
2019	$ 12,659	$ 12,659	$ -	$ 400,195	3.2%
2020	$ 12,263	$ 12,263	$ -	$ 410,167	3.0%
2021	$ 13,084	$ 13,084	$ -	$ 378,824	3.5%
2022	$ 21,528	$ 21,528	$ -	$ 368,709	5.8%
2023	$ 23,667	$ 23,667	$ -	$ 369,163	6.4%
2024	$ 28,538	$ 28,538	$ -	$ 399,234	7.1%

(1) The information presented above is for those years for which it is available. It was prepared prospectively from the Plan's fiscal year ending June 30, 2017 for GASB 75 purposes.

(2) The City is contractually required to pay benefits as they come due and make HRA contributions to participants enrolled in the retiree exchange or an allowable plan. Any difference between actual benefits paid and employer contributions is due to a timing difference plus retiree contributions.

(3) The actual covered payroll represents the total covered payroll for the prior year, increased by the salary scale. Where a salary amount was not provided, an average salary of the other participants for that year was assumed. For 2023, the average salary was $57,418.

Schedule of Money Weighted Return
Last 10 Fiscal Years

	2015	2016	2017	2018	2019
Annual money-weighted rate of return[1]	0.3%	7.4%	15.0%	(4.7%)	21.0%

[1] Provided by the City of Memphis

Schedule of Money Weighted Return
Last 10 Fiscal Years

2020	2021	2022	2023	2024	
14.9%	13.8%	(16.5%)	17.2%	13.7%	Annual money-weighted rate of return[1]

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS UNDER GASB 67 AND 68 **CITY OF MEMPHIS, TENNESSEE**
CITY RETIREMENT SYSTEM **Exhibit RSI-5**
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

Total Pension Liability

Year Ending June 30 (1)	Beginning Total Pension Liability	Service Cost (2)	Interest (3)	Experience (Gains)/ Losses	Assumption Changes	Changes of Benefit Terms	Benefit Payments	Transfer In/(Out)	Ending Total Pension Liability
2015	$ 2,599,070	$ 48,189	$ 190,459	$ (60,057)	$ -	$ (20,805)	$ (173,991)	$ -	$ 2,582,865
2016	$ 2,582,865	$ 44,343	$ 190,419	$ (12,367)	$ (9,882)	$ -	$ (176,566)	$ -	$ 2,618,812
2017	$ 2,618,812	$ 42,678	$ 193,004	$ 44,176	$ (41,610)	$ -	$ (176,205)	$ -	$ 2,680,855
2018	$ 2,680,855	$ 44,158	$ 197,627	$ (64,966)	$ (13,322)	$ -	$ (179,985)	$ -	$ 2,664,367
2019	$ 2,664,367	$ 41,840	$ 196,197	$ (20,127)	$ 71,345	$ -	$ (180,484)	$ -	$ 2,773,138
2020	$ 2,773,138	$ 41,858	$ 203,958	$ 6,622	$ (91,982)	$ -	$ (191,109)	$ -	$ 2,742,485
2021	$ 2,742,485	$ 35,847	$ 201,121	$ 1,214	$ (8,859)	$ 9,610	$ (193,431)	$ 17,772	$ 2,805,759
2022	$ 2,805,759	$ 39,311	$ 205,824	$ (1,912)	$ 85,019	$ 20,163	$ (201,510)	$ -	$ 2,952,654
2023	$ 2,952,654	$ 38,430	$ 209,393	$ 23,676	$ -	$ -	$ (205,799)	$ 26	$ 3,018,380
2024	$ 3,018,380	$ 42,287	$ 214,156	$ 18,996	$ 13,598	$ (368)	$ (213,594)	$ 18,465	$ 3,111,920

Note: The Transfer In for 2021 reflects the transfer of the 401(a) account balances from the 401(a) Plan to the defined benefit Plan's trust for participants who elected to restore benefits from the 2016 Plan to the 1978 Plan.
The Transfer In for 2023 reflects the transfer from 401(a) accounts for participants retiring from the 2016 Plan. It is an estimate of the increase in the accrued liability when the 401(a) accounts are transferred to the pension trust and converted to an annuity payable under the defined benefit plan.
The Transfer In for 2024 reflects the transfer of the 401(a) account balances from the 401(a) Plan to the defined benefit Plan's trust for participants who elected to transfer from the 2016 Plan to the 1978 Plan of $18,418 and transfer from 401(a) accounts for participants retiring from the 2016 Plan of $47.

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net Pension Liability and Related Ratios for 10 years. The information presented above is for those years for which it is available. It was prepared prospectively from the Plan's fiscal year ending June 30, 2014 for GASB 67 purposes and prospectively from fiscal year ending June 30, 2015 for GASB 68 purposes.
(2) The service cost includes the employee contributory portion of the benefit earned during the measurement period and excludes expenses.
(3) For the current fiscal year, includes interest at 7.25% on the prior year ending Total Pension Liability and current year beginning service cost offset by a half year of interest on benefit payments.

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS UNDER GASB 67 AND 68
CITY RETIREMENT SYSTEM
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

Plan Fiduciary Net Position

Year Ending June 30 (1)	Beginning Fiduciary Net Position	Employer Contribution (2)	Employee Contribution	Investment Return	Benefit Payments	Administrative Expenses	Investment Expenses	Transfer In/(Out)	Ending Fiduciary Net Position
2015	$ 2,245,158	$ 46,215	$ 23,319	$ 70,687	$ (173,991)	$ (1,975)	$ (8,864)	$ -	$ 2,200,549
2016	$ 2,200,549	$ 51,875	$ 23,912	$ 6,890	$ (176,566)	$ (2,228)	$ (12,846)	$ -	$ 2,091,586
2017	$ 2,091,586	$ 55,441	$ 20,016	$ 286,536	$ (176,205)	$ (3,119)	$ (12,670)	$ -	$ 2,261,585
2018	$ 2,261,585	$ 55,059	$ 18,578	$ 205,516	$ (179,985)	$ (3,700)	$ (13,272)	$ -	$ 2,343,781
2019	$ 2,343,781	$ 58,896	$ 18,027	$ 115,989	$ (180,484)	$ (5,282)	$ (13,528)	$ -	$ 2,337,399
2020	$ 2,337,399	$ 54,194	$ 17,884	$ 64,036	$ (191,109)	$ (6,060)	$ (13,983)	$ -	$ 2,262,361
2021	$ 2,262,361	$ 61,534	$ 17,780	$ 663,368	$ (193,431)	$ (4,669)	$ (17,034)	$ 17,772	$ 2,807,681
2022	$ 2,807,681	$ 57,227	$ 20,014	$ (251,646)	$ (201,510)	$ (6,089)	$ (19,001)	$ -	$ 2,406,676
2023	$ 2,406,676	$ 56,701	$ 19,716	$ 196,207	$ (205,799)	$ (8,339)	$ (15,658)	$ 26	$ 2,449,530
2024	$ 2,449,530	$ 59,410	$ 19,677	$ 272,951	$ (213,594)	$ (8,026)	$ (21,944)	$ 18,465	$ 2,576,469

Note: The money average rate of return used to measure the total Pension liability was 7.25% as of June 30, 2023, and is equal to the long-term expected return on plan investments as developed pursuant to GASB 67 and 68.
The Transfer In for 2021 reflects the transfer monies from 401(a) accounts for participants who elected to restore benefits from the 2016 Plan to the 1978 Plan.
The Transfer In for 2022 reflects the transfer monies from the Sales Tax Referendum Revenue Fund of $2,769,000.
The Transfer In for 2023 reflects the transfer of the 401(a) account balances of $26,000 for participants who retired from the 2016 Plan. The Employer Contributions for 2023 reflect the transfer monies from the Sales Tax Referendum Revenue Fund of $1,846,000.
The Transfer In for 2024 reflects the transfer monies from 401(a) accounts for participants who elected to restore benefits from the 2016 Plan to the 1978 Plan transfer monies from the Sales Tax Referendum of $18,418,000 and the transfer of the 401(a) account balances of $47,000 for participants who retired from the 2016 Plan. The The Employer Contributions for 2024 reflect the transfer monies from the Sales Tax Referendum Revenue Fund of $3,696,000.

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net Pension Liability and Related Ratios for 10 years.
(2) City contribution includes annual contributions from the Sales Tax Referendum (that were attributable to the 1978 Plan buyback programs) of $3,696,000 and excludes 401(a)

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS UNDER GASB 67 AND 68 **CITY OF MEMPHIS, TENNESSEE**
CITY RETIREMENT SYSTEM **Exhibit RSI-7**
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

Net Pension Liability

Year Ending June 30 (1)	Total Pension Liability	Net Fiduciary Position	Net Pension Liability	Net Fiduciary Position as % of Total Pension Liability	Actual Covered Payroll (2)	Net Pension Liability as a Percentage of Covered Payroll
2015	$ 2,582,865	$ 2,200,549	$ 382,316	85.2%	$ 327,627	116.7%
2016	$ 2,618,812	$ 2,091,586	$ 527,226	79.9%	$ 300,123	175.7%
2017	$ 2,680,855	$ 2,261,585	$ 419,270	84.4%	$ 336,505	124.6%
2018	$ 2,664,367	$ 2,343,781	$ 320,586	88.0%	$ 333,171	96.2%
2019	$ 2,773,138	$ 2,337,399	$ 435,739	84.3%	$ 338,373	128.8%
2020	$ 2,742,485	$ 2,262,361	$ 480,124	82.5%	$ 372,817	128.8%
2021	$ 2,805,759	$ 2,807,681	$ (1,922)	100.1%	$ 379,346	-0.5%
2022	$ 2,952,654	$ 2,406,676	$ 545,978	81.5%	$ 402,813	135.5%
2023	$ 3,018,380	$ 2,449,530	$ 568,850	81.2%	$ 371,676	153.0%
2024	$ 3,111,920	$ 2,576,469	$ 535,451	82.8%	$ 415,755	128.8%

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net Pension Liability and Related Ratios for 10 years.

(2) The *actual covered payroll* is defined under GASB 82 to be payroll on which contributions to a pension plan are based. As pensionable pay is used for determining contributions under the plan, pensionable pay is shown above starting June 30, 2016. Prior to June 30, 2016 the gross payroll is shown, consistent with the requirements prior to the release of GASB 82.

Schedule of Contributions

Year Ending June 30	Actuarially Determined Contribution (1)	Actual Employer Contributions (3)	Contribution Excess/(Deficiency)	Actual Covered Payroll (2)	Contributions as a Percentage of Covered Payroll
2015	$ 79,742	$ 46,215	$ (33,527)	$ 327,627	14.1%
2016	$ 73,913	$ 51,875	$ (22,038)	$ 300,123	17.3%
2017	$ 58,185	$ 55,441	$ (2,744)	$ 336,505	16.5%
2018	$ 62,433	$ 55,059	$ (7,374)	$ 333,171	16.5%
2019	$ 62,499	$ 58,896	$ (3,603)	$ 338,373	17.4%
2020	$ 53,719	$ 54,194	$ 475	$ 372,817	14.5%
2021	$ 61,532	$ 61,534	$ 2	$ 379,346	16.2%
2022	$ 52,201	$ 57,227	$ 5,026	$ 402,813	14.2%
2023	$ 52,765	$ 56,701	$ 3,936	$ 371,676	15.3%
2024	$ 54,716	$ 59,410	$ 4,694	$ 415,755	14.3%

Note: Beginning in 2022 the employer contribution includes monies transferred from the Sales Tax Referendum Revenue Fund. used to offset cost of benefit restoration.

(1) The actuarially determined contribution is for the fiscal year end and is developed in a separate funding report for the corresponding fiscal year.

(2) The *actual covered payroll* is defined under GASB 82 to be payroll on which contributions to a pension plan are based. As pensionable pay is used for determining contributions under the plan, pensionable pay is shown above starting June 30, 2016. Prior to June 30, 2016, the gross payroll is shown, as consistent with the requirements prior to the release of GASB 82. Note, the actual covered payroll is for the year immediately preceding the valuation date.

(3) City contribution includes annual contributions from the Sales Tax Referendum (that were attributable to the 1978 Plan buyback programs) of $3,696,000 and excludes 401(a) transfers of $3,689,974 (= $9,295 and $3,680,679)

Schedule of Money Weighted Return
Last 10 Fiscal Years

	2015	2016	2017	2018	2019
Annual money-weighted rate of return[1]	(0.2%)	6.3%	17.9%	(5.8%)	18.4%

[1] Provided by the City of Memphis

Schedule of Money Weighted Return
Last 10 Fiscal Years

2020	2021	2022	2023	2024	
14.6%	13.1%	13.2%	11.3%	9.6%	Annual money-weighted rate of return[1]

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS UNDER GASB 67 AND 68 **CITY OF MEMPHIS, TENNESSEE**
LIBRARY RETIREMENT SYSTEM **Exhibit RSI-9**
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

Total Pension Liability

Year Ending June 30 (1)	Beginning Total Pension Liability	Service Cost (2)	Interest Cost	Experience (Gains)/ Losses	Assumption Changes (3)	Changes of Benefit Terms	Benefit Payments	Ending Total Pension Liability
2015	$ 70,097	$ 585	$ 4,647	$ (1,692)	$ (2,142)	$ -	$ (3,675)	$ 67,820
2016	$ 67,820	$ 440	$ 4,976	$ (164)	$ (475)	$ -	$ (3,816)	$ 68,781
2017	$ 68,781	$ 334	$ 5,039	$ (671)	$ (3,549)	$ -	$ (3,844)	$ 66,090
2018	$ 66,090	$ 338	$ 4,834	$ (503)	$ (481)	$ -	$ (3,955)	$ 66,323
2019	$ 66,323	$ 296	$ 4,855	$ (523)	$ 1,683	$ -	$ (3,775)	$ 68,859
2020	$ 68,859	$ 278	$ 5,022	$ 538	$ (251)	$ -	$ (4,356)	$ 70,090
2021	$ 70,090	$ 269	$ 5,117	$ (3,446)	$ (460)	$ -	$ (4,261)	$ 67,309
2022	$ 67,309	$ 239	$ 4,898	$ (1,766)	$ 1,895	$ -	$ (4,480)	$ 68,095
2023	$ 68,095	$ 245	$ 4,796	$ (527)	$ -	$ -	$ (4,368)	$ 68,241
2024	$ 68,241	$ 223	$ 4,810	$ (200)	$ -	$ -	$ (4,233)	$ 68,841

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net Pension Liability and Related Ratios for 10 years. The information presented above is for those years for which it is available.
(2) The service cost includes the employee contributory portion of the benefit earned during the measurement period and excludes administrative expenses.
(3) Assumption changes include the following:
a. For 2022, the change in the discount rate assumption from 7.50% to 7.25% resulted in an actuarial loss of $1,700 and an update in the mortality assumption resulted in an actuarial loss of $195.
b. For 2021, the update in the mortality assumption resulted in an actuarial gain of ($460).
c. For 2020, the update in the mortality assumption resulted in an actuarial gain of ($251).
d. For 2019, the update in the mortality assumption resulted in an actuarial loss of $1,683.
e. For 2018, the update in the mortality assumption resulted in an actuarial gain of $(481).
f. For 2017, the updates in the mortality assumption and retirement assumption resulted in actuarial gains of ($1,710) and ($1,839), respectively.
g. For 2016, the update in the mortality assumption resulted in an actuarial gain of ($475).
h. For 2015, the change in the discount rate assumption from 6.75% to 7.50% resulted in an actuarial gain of ($6,174) and an update in the mortality assumption resulted in an actuarial loss of $4,032.

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS UNDER GASB 67 AND 68 **CITY OF MEMPHIS, TENNESSEE**
LIBRARY RETIREMENT SYSTEM **Exhibit RSI-10**
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

Plan Fiduciary Net Position

Year Ending June 30 (1)	Beginning Fiduciary Net Position	Employer Contribution	Employee Contribution	Investment Return	Benefit Payments	Administrative Expenses	Investment Expenses	Ending Fiduciary Net Position
2015	$ 62,110	$ 160	$ 160	$ 1,687	$ (3,675)	$ (80)	$ (31)	$ 60,331
2016	$ 60,331	$ 150	$ 150	$ (2,939)	$ (3,817)	$ (108)	$ (29)	$ 53,738
2017	$ 53,738	$ 132	$ 132	$ 5,404	$ (3,844)	$ (64)	$ (28)	$ 55,470
2018	$ 55,470	$ 818	$ 118	$ 7,954	$ (3,954)	$ (66)	$ (29)	$ 60,311
2019	$ 60,311	$ 2,012	$ 123	$ (4,716)	$ (3,775)	$ (47)	$ (35)	$ 53,873
2020	$ 53,873	$ 1,213	$ 123	$ 9,694	$ (4,356)	$ (114)	-	$ 60,433
2021	$ 60,433	$ 1,651	$ 114	$ 2,926	$ (4,261)	$ (70)	-	$ 60,793
2022	$ 60,793	$ 1,658	$ 114	$ 7,419	$ (4,480)	$ (116)	-	$ 65,388
2023	$ 65,388	$ 1,044	$ 105	$ (13,628)	$ (4,368)	$ (90)	-	$ 48,451
2024	$ 48,451	$ 576	$ 105	$ 7,945	$ (4,233)	$ (101)	-	$ 52,743

Note: The money average rate of return used to measure the total Pension liability was 7.25% as of December 31, 2023, and is equal to the long-term expected return on investments as developed pursuant to GASB 67 and 68.

The City of Memphis fiscal year end is June 30, 2024. As permitted under paragraph 20 of GASB 68, the valuation uses a measurement date and valuation date of January 1, 2024 for the Library Plan. These results are not rolled-forward to the fiscal year-end reporting date.

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net Pension Liability and Related Ratios for 10 years. The information presentec above is for those years for which it is available.

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS UNDER GASB 67 AND 68 **CITY OF MEMPHIS, TENNESSEE**
LIBRARY RETIREMENT SYSTEM **Exhibit RSI-11**
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

Net Pension Liability

Year Ending June 30 (1)	Total Pension Liability	Net Fiduciary Position	Net Pension Liability	Net Fiduciary Position as % of Total Pension Liability	Actual Covered Payroll (2)	Net Pension Liability as a Percentage of Covered Payroll
2015	$ 67,820	$ 60,331	$ 7,489	89.0%	$ 5,349	140.0%
2016	$ 68,781	$ 53,738	$ 15,043	78.1%	$ 5,014	300.0%
2017	$ 66,090	$ 55,470	$ 10,620	83.9%	$ 4,400	241.4%
2018	$ 66,323	$ 60,311	$ 6,012	90.9%	$ 3,943	152.5%
2019	$ 68,859	$ 53,873	$ 14,986	78.2%	$ 4,089	366.5%
2020	$ 70,089	$ 60,432	$ 9,657	86.2%	$ 4,097	235.7%
2021	$ 67,309	$ 60,793	$ 6,516	90.3%	$ 3,817	170.7%
2022	$ 68,095	$ 65,388	$ 2,707	96.0%	$ 3,786	71.5%
2023	$ 68,241	$ 48,451	$ 19,789	71.0%	$ 3,511	563.6%
2024	$ 68,840	$ 52,743	$ 16,097	76.6%	$ 3,500	459.9%

The actual covered payroll is based on the calendar year.

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net Pension Liability and Related Ratios for 10 years. The information presented above is for those years for which it is available.

(2) The *actual covered payroll* is defined under GASB 82 to be payroll on which contributions to a pension plan are based. As pensionable pay is used for determining contributions under the plan, pensionable pay is shown above starting January 1, 2016. Prior to January 1, 2016 the gross payroll is shown, consistent with the requirements prior to the release of GASB 82. Note, these amounts are for the period from January 1 through December 31 immediately preceding the fiscal year end shown in column (1).

SCHEDULE OF CONTRIBUTIONS
LIBRARY RETIREMENT SYSTEM
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-12

Schedule of Contributions under GASB 67

Year Ending December 31 (1)	Actuarially Determined Contribution (2)	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll (3)	Contributions as a Percentage of Covered Payroll
2014	$ 518	$ 160	$ (358)	$ 5,349	3.0%
2015	$ 518	$ 150	$ (367)	$ 5,014	3.0%
2016	$ 738	$ 132	$ (606)	$ 4,400	3.0%
2017	$ 1,230	$ 818	$ (412)	$ 3,942	20.8%
2018	$ 1,343	$ 2,012	$ 669	$ 4,089	49.2%
2019	$ 971	$ 1,213	$ 242	$ 4,097	29.6%
2020	$ 1,147	$ 1,651	$ 504	$ 3,817	43.3%
2021	$ 1,305	$ 1,658	$ 354	$ 3,786	43.8%
2022	$ 1,006	$ 1,044	$ 38	$ 3,511	29.7%
2023	$ 705	$ 576	$ (129)	$ 3,500	16.5%

(1) This schedule is presented to satisfy the requirement to show information regarding the Schedule of Contributions for 10 years. The information presented above is for those years for which it is available. Per GASB 67, Paragraph 32, the information presented is based on the plan's most recent fiscal year-end (December 31).

(2) The actuarially determined contribution is calculated as of the City's fiscal year end (June 30). The schedule above is presented based on the Plan's fiscal year end (December 31). The actuarially determined contribution shown above is the aggregate of the actuarially determined contribution for the portions of the City's fiscal years that overlap the Plan's fiscal year. For example, the actuarially determined contribution for the Plan fiscal year ending December 31, 2023, is based on 6-month portions applicable to the City fiscal years ending on June 30, 2023, and June 30, 2024.

(3) The *actual covered payroll* is defined under GASB 82 to be payroll on which contributions to a pension plan are based. As pensionable pay is used for determining contributions under the plan, pensionable pay is shown above starting January 1, 2016. Prior to January 1, 2016 the gross payroll is shown, consistent with the requirements prior to the release of GASB 82.

SCHEDULE OF CONTRIBUTIONS
LIBRARY RETIREMENT SYSTEM
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-13

Schedule of Contributions under GASB 68

Year Ending June 30 (1)	Actuarially Determined Contribution (2)	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll (3)	Contributions as a Percentage of Covered Payroll
2015	$ 517	$ 155	$ (362)	$ 5,182	3.0%
2016	$ 517	$ 141	$ (376)	$ 4,707	3.0%
2017	$ 958	$ 821	$ (137)	$ 4,048	20.3%
2018	$ 1,502	$ 918	$ (584)	$ 3,917	23.4%
2019	$ 1,185	$ 1,213	$ 28	$ 4,097	29.6%
2020	$ 757	$ 1,207	$ 450	$ 3,901	30.9%
2021	$ 1,536	$ 1,646	$ 110	$ 3,658	45.0%
2022	$ 1,073	$ 1,658	$ 585	$ 3,822	43.4%
2023	$ 939	$ 1,044	$ 105	$ 3,494	29.9%
2024	$ 470	$ 542	$ 72	$ 2,353	23.0%

(1) This schedule is presented to satisfy the requirement to show information regarding the Schedule of Contributions for 10 years. The information presented above is for those years for which it is available. Per GASB 68, Paragraph 46, the information presented is based on the employers's most recent fiscal year-end (June 30).

(2) The actuarially determined contribution is for the City's fiscal year end of June 30. Starting in 2022, the results are based on a discount rate assumption of 7.25% (previous years used a discount rate of 7.50%). The actuarially determined contribution applicable to the employer fiscal year (July 1 to June 30) is determined based on the preceding plan fiscal year (January 1 to December 31).

(3) The *actual covered payroll* is defined under GASB 82 to be payroll on which contributions to a pension plan are based. As pensionable pay is used for determining contributions under the plan, pensionable pay is shown above starting January 1, 2016. Prior to January 1, 2016 the gross payroll is shown, consistent with the requirements prior to the release of GASB 82. Note, these amounts are for the period from July 1 through June 30 ending on the employer fiscal year-end shown in column (1).


MEMPHIS
SHELBY
COUNTY
TENNESSEE

Schedule of Money Weighted Return
Last 10 Fiscal Years

	2015	2016	2017	2018	2019
Annual money-weighted rate of return[1]	2.3%	(5.1%)	10.5%	14.6%	(8.1%)

[1] Provided by the City of Memphis

Schedule of Money Weighted Return
Last 10 Fiscal Years

2020	2021	2022	2023	2024	
18.4%	6.5%	12.5%	(21.1%)	16.9%	Annual money-weighted rate of return[1]

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) UNDER GASB 67 AND 68
MLGW RETIREMENT SYSTEM
(Thousands of Dollars)
For the fiscal year ended December 31, 2023

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-14

Total Pension Liability

Year Ending December 31	Beginning Total Pension Liability	Service Cost	Interest	Experience (Gains)/ Losses	Assumption Changes (1)	Changes of Benefit Terms (2)	Benefit Payments	Transfer In/(Out)	Ending Total Pension Liability
2014	$ 1,389,271	$ 31,786	$ 100,436	$ (16,338)	$ (22,112)	$ -	$ (100,249)	$ -	$ 1,382,794
2015	$ 1,382,794	$ 30,139	$ 99,940	$ 2,275	$ -	$ -	$ (100,528)	$ -	$ 1,414,620
2016	$ 1,414,620	$ 32,591	$ 102,248	$ (11,298)	$ -	$ -	$ (102,628)	$ -	$ 1,435,533
2017	$ 1,435,533	$ 31,977	$ 103,731	$ 4,908	$ -	$ -	$ (104,919)	$ -	$ 1,471,230
2018	$ 1,471,230	$ 31,185	$ 108,432	$ 3,726	$ -	$ -	$ (113,316)	$ -	$ 1,501,257
2019	$ 1,501,257	$ 31,636	$ 110,927	$ (5,040)	$ (174)	$ -	$ (107,731)	$ -	$ 1,530,875
2020	$ 1,530,875	$ 32,142	$ 109,265	$ 9,102	$ -	$ -	$ (111,826)	$ -	$ 1,569,558
2021	$ 1,569,558	$ 32,463	$ 111,732	$ 6,177	$ 40,219	$ 4,760	$ (121,781)	$ -	$ 1,643,128
2022	$ 1,643,128	$ 34,219	$ 113,017	$ 54,247	$ -	$ -	$ (125,633)	$ -	$ 1,718,978
2023	$ 1,718,978	$ 36,222	$ 118,226	$ 51,235	$ -	$ -	$ (132,517)	$ -	$ 1,792,144

(1) There were no changes to actuarial assumptions or methods reflected in the last two years.
(2) Effective January 1, 2022, the minimum benefit increased from $50 per month per year of service or $500 total to $60 per month per year of service or $600 total.

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS UNDER GASB 67 AND 68 **CITY OF MEMPHIS, TENNESSEE**
MLGW RETIREMENT SYSTEM **Exhibit RSI-15**
(Thousands of Dollars)
For the fiscal year ended December 31, 2023

Plan Fiduciary Net Position

Year Ending December 31	Beginning Fiduciary Net Position	Employer Contribution	Employee Contribution	Investment Return	Benefit Payments	Administrative Expenses	Other Adjustments	Transfer In/(Out)	Ending Fiduciary Net Position
2014	$ 1,342,683	$ 26,804	$ 11,729	$ 98,931	$ (100,249)	$ (714)	$ -	$ -	$ 1,379,184
2015	$ 1,379,184	$ 21,390	$ 12,310	$ 15,231	$ (100,528)	$ (759)	$ 788	$ -	$ 1,327,616
2016	$ 1,327,616	$ 21,390	$ 12,513	$ 108,008	$ (102,628)	$ (730)	$ -	$ -	$ 1,366,169
2017	$ 1,366,169	$ 22,390	$ 12,959	$ 216,498	$ (104,919)	$ (860)	$ -	$ -	$ 1,512,237
2018	$ 1,512,237	$ 22,174	$ 13,217	$ (39,996)	$ (113,316)	$ (871)	$ -	$ -	$ 1,393,445
2019	$ 1,393,445	$ 21,813	$ 13,462	$ 237,314	$ (107,731)	$ (931)	$ -	$ -	$ 1,557,372
2020	$ 1,557,372	$ 24,504	$ 13,828	$ 192,438	$ (111,826)	$ (779)	$ -	$ -	$ 1,675,537
2021	$ 1,675,537	$ 24,199	$ 14,216	$ 252,598	$ (121,781)	$ (868)	$ -	$ -	$ 1,843,901
2022	$ 1,843,900	$ 20,941	$ 14,657	$ (200,888)	$ (125,632)	$ (886)	$ -	$ -	$ 1,552,092
2023	$ 1,552,092	$ 20,473	$ 15,216	$ 110,039	$ (132,517)	$ (958)	$ -	$ -	$ 1,564,345

Note: The long-term expected rate of return of 7.00% on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class pusuant to December 31, 2022.

Net Pension Liability

Year Ending December 31	Total Pension Liability	Net Fiduciary Position	Net Pension Liability	Net Fiduciary Position as % of Total Pension Liability	Covered Payroll (1)	Net Pension Liability as a Percentage of Covered Payroll
2014	$ 1,382,794	$ 1,379,184	$ 3,610	99.74%	$ 152,368	2.37%
2015	$ 1,414,620	$ 1,327,616	$ 87,004	93.85%	$ 160,641	54.16%
2016	$ 1,435,533	$ 1,366,169	$ 69,364	95.17%	$ 161,926	42.84%
2017	$ 1,471,230	$ 1,512,237	$ (41,007)	102.79%	$ 167,221	-24.52%
2018	$ 1,501,257	$ 1,393,445	$ 107,812	92.82%	$ 169,605	63.57%
2019	$ 1,530,875	$ 1,557,372	$ (26,497)	101.73%	$ 170,946	-15.50%
2020	$ 1,569,558	$ 1,675,537	$ (105,979)	106.75%	$ 173,425	-61.11%
2021	$ 1,643,128	$ 1,843,901	$ (200,773)	112.22%	$ 175,790	-114.21%
2022	$ 1,718,978	$ 1,552,092	$ 166,887	90.29%	$ 184,710	90.35%
2023	$ 1,792,144	$ 1,564,345	$ 227,799	87.29%	$ 191,237	119.12%

(1) The *actual covered payroll* is based on calendar year.

SCHEDULE OF CONTRIBUTIONS
MLGW RETIREMENT SYSTEM
(Thousands of Dollars)
For the fiscal year ended December 31, 2023

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-17

Schedule of Contributions

Year Ending December 31	Actuarially Determined Contribution (ADC) (1)	Actual Contribution in Relation to ADC	Contribution Excess/(Deficiency)	Covered Payroll (2)	Contributions as a Percentage of Covered Payroll
2014	$ 26,812	$ 26,804	$ 8	$ 152,368	17.59%
2015	$ 21,390	$ 21,390	$ -	$ 160,641	13.32%
2016	$ 21,390	$ 21,390	$ -	$ 161,926	13.21%
2017	$ 22,390	$ 22,390	$ -	$ 167,221	13.39%
2018	$ 22,174	$ 22,174	$ -	$ 169,605	13.07%
2019	$ 21,813	$ 21,813	$ -	$ 170,946	12.76%
2020	$ 24,504	$ 24,504	$ -	$ 173,425	14.13%
2021	$ 24,199	$ 24,199	$ -	$ 175,790	13.77%
2022	$ 20,941	$ 20,941	$ -	$ 184,710	11.34%
2023	$ 20,474	$ 20,474	$ -	$ 191,237	10.71%

(1) The actuarially determined contribution (ADC) is calculated using the January 1 valuation date as of the beginning of the fiscal year prior to the year in which contributions are reported. Therefore, the ADC for the year ended December 31, 2022 is based on the January 1, 2021 actuarial valuation.

(2) The *actual covered payroll* is based on calendar year.

Schedule of Money Weighted Return
Last 10 Fiscal Years

	2023	2022	2021	2020	2019
Annual money-weighted rate of return, net of investment expense[1]	7.75%	(11.22%)	15.40%	12.75%	17.70%

[1]The annual money-weighted rate of return on the Pension plan investments is calculated as the internal rate of return on investments, net of investment expense. A money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts, actually invested. The Pension plan investment expense should be measured on the accrual basis of accounting.

Schedule of Money Weighted Return
Last 10 Fiscal Years

2018	2017	2016	2015	2014	
(2.61%)	16.51%	8.66%	1.34%	7.77%	Annual money-weighted rate of return, net of investment expense[1]

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS UNDER GASB 74 AND GASB 75 **CITY OF MEMPHIS, TENNESSEE**
MLGW OTHER POSTEMPLOYMENT BENEFITS (OPEB) **Exhibit RSI-18**
(Thousands of Dollars)
For the fiscal year ended December 31, 2023

Total OPEB Liability

Fiscal Year Ending December 31 (1)	Beginning Total OPEB Liability	Total Service Cost	Interest	Experience (Gains) / Losses	Assumption Changes (2)	Changes of Benefit Terms (3)	Net Benefit Payments	Ending Total OPEB Liability
2017	$ 876,951	$ 19,520	$ 64,666	$ 3,674	$ (200,370)	$ (61,896)	$ (29,457)	$ 673,088
2018	$ 673,088	$ 15,381	$ 50,559	$ (3,134)	$ -	$ -	$ (28,676)	$ 707,218
2019	$ 707,218	$ 15,804	$ 53,030	$ 15,351	$ (46,584)	$ -	$ (31,916)	$ 712,903
2020	$ 712,903	$ 15,401	$ 51,713	$ (4,090)	$ -	$ -	$ (30,588)	$ 745,339
2021	$ 745,339	$ 16,093	$ 54,019	$ 12,400	$ 30,869	$ -	$ (33,268)	$ 825,452
2022	$ 825,452	$ 18,094	$ 57,870	$ (5,593)	$ -	$ -	$ (34,248)	$ 861,575
2023	$ 861,575	$ 18,547	$ 60,267	$ 8,924	$ (83,192)	$ -	$ (39,001)	$ 827,120

(1) This schedule will be expanded to include up to ten years of historical data as the data becomes available.
(2) Effective with the December 31, 2022 measurement, there have been no material changes in assumptions.
(3) There have been no material changes in plan provisions.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS UNDER GASB 74 AND GASB 75 **CITY OF MEMPHIS, TENNESSEE**
MLGW OTHER POSTEMPLOYMENT BENEFITS (OPEB) **Exhibit RSI-19**
(Thousands of Dollars)
For the fiscal year ended December 31, 2023

Plan Fiduciary Net Position

Fiscal Year Ending December 31 (1)	Beginning Fiduciary Net Position	Employer Contribution	Employee Contribution	Investment Return	Benefit Payments	Administrative Expenses	Other Adjustments	Ending Fiduciary Net Position
2017	$ 346,328	$ 45,184	$ -	$ 57,671	$ (28,765)	$ (692)	$ -	$ 419,726
2018	$ 419,726	$ 48,972	$ -	$ (14,273)	$ (27,876)	$ (801)	$ -	$ 425,748
2019	$ 425,748	$ 33,949	$ -	$ 76,564	$ (31,146)	$ (770)	$ -	$ 504,345
2020	$ 504,345	$ 34,895	$ -	$ 84,891	$ (29,775)	$ (812)	$ -	$ 593,544
2021	$ 593,544	$ 37,561	$ -	$ 106,511	$ (32,445)	$ (823)	$ -	$ 704,348
2022	$ 704,348	$ 38,381	$ -	$ (73,591)	$ (34,248)	$ -	$ -	$ 634,890
2023	$ 634,890	$ 40,136	$ -	$ 62,043	$ (39,001)	$ -	$ -	$ 698,068

Note: The long-term expected rate of return of 7.00% on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses.

(1) This schedule will be expanded to include up to ten years of historical data as the data becomes available.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS UNDER GASB 74 AND GASB 75 **CITY OF MEMPHIS, TENNESSEE**
MLGW OTHER POSTEMPLOYMENT BENEFITS (OPEB) **Exhibit RSI-20**
(Thousands of Dollars)
For the fiscal year ended December 31, 2023

Net OPEB Liability

Fiscal Year Ending December 31 (1)	Total OPEB Liability	Net Fiduciary Position	Net OPEB Liability	Net Fiduciary Position as % of Total OPEB Liability	Covered Payroll (2)	Net OPEB Liability as a Percentage of Covered Payroll
2017	$ 673,088	$ 419,726	$ 253,362	62.36%	$ 167,221	151.51%
2018	$ 707,218	$ 425,748	$ 281,470	60.20%	$ 169,605	165.96%
2019	$ 712,903	$ 504,345	$ 208,558	70.75%	$ 170,946	122.00%
2020	$ 745,339	$ 593,544	$ 151,795	79.63%	$ 173,425	87.53%
2021	$ 825,452	$ 704,348	$ 121,104	85.33%	$ 175,790	68.89%
2022	$ 861,575	$ 634,890	$ 226,685	73.69%	$ 184,710	122.72%
2023	$ 827,120	$ 698,068	$ 129,051	84.40%	$ 191,237	67.48%

(1) This schedule will be expanded to include up to ten years of historical data as the data becomes available.
(2) The *covered payroll* represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of the retirement benefits are included.

SCHEDULE OF CONTRIBUTIONS UNDER GASB 74 AND GASB 75
MLGW OTHER POSTEMPLOYMENT BENEFITS (OPEB)
(Thousands of Dollars)
For the fiscal year ended December 31, 2023

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-21

Schedule of Contributions

Fiscal Year Ending December 31	Actuarially Determined Contributions (1)	Contributions in Relation to the Actuarially Determined Contributions	Contribution Excess / (Deficiency)	Covered Payroll (2)	Contributions as a Percentage of Covered Payroll
2014	$ 38,386	$ 42,100	$ (3,714)	$ 152,368	27.63%
2015	$ 38,187	$ 38,438	$ (251)	$ 160,641	23.93%
2016	$ 45,289	$ 42,496	$ 2,793	$ 161,926	26.24%
2017	$ 46,978	$ 45,184	$ 1,794	$ 167,221	27.02%
2018	$ 48,270	$ 48,972	$ (702)	$ 169,605	28.87%
2019	$ 31,701	$ 33,949	$ (2,248)	$ 170,946	19.86%
2020	$ 32,111	$ 34,895	$ (2,784)	$ 173,425	20.12%
2021	$ 32,403	$ 37,561	$ (5,158)	$ 175,790	21.37%
2022	$ 31,406	$ 38,381	$ (6,975)	$ 184,710	20.78%
2023	$ 34,131	$ 40,136	$ (6,005)	$ 191,237	20.99%

(1) The actuarially determined contribution (ADC) is calculated using the January 1 valuation date as of the beginning of the fiscal year prior to the year in which contributions are reported.

(2) The *covered payroll* represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compens would possibly go into the deterrmination of the retirement benefits are included.

Schedule of Money Weighted Return
Last 10 Fiscal Years

	2023	2022	2021	2020	2019
Annual money-weighted rate of return, net of investment expense[1]	9.83%	(10.40%)	17.75%	16.97%	17.84%

[1]The annual money-weighted rate of return on the OPEB Trust's investments is calculated as the internal rate of return on investments, net of investment expense. A money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts, actually invested. The the OPEB Trust's investment expense should be measured on the accrual basis of accounting.

Schedule of Money Weighted Return
Last 10 Fiscal Years

2018	2017	2016	2015	2014	
(3.45%)	17.16%	9.26%	(2.36%)	4.42%	Annual money-weighted rate of return, net of investment expense[1]

CITY OF MEMPHIS

T E N N E S S E E

COMBINING NONMAJOR FUNDS

SPECIAL REVENUE FUNDS

Affordable Housing - The Affordable Housing Fund accounts for property taxes collected by the City to support affordable housing activities.

American Rescue Plan Act (ARPA) - The American Rescue Plan Act funds accounts for assistance from the Federal Government to provide relief for the negative impact of COVID-19.

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

Beale Street District - The Beale Street District fund accounts for the development of the Beale Street Area.

Central Business Improvement District – The Central Business Improvement District Fund accounts for the special assessments distributed to the Center City Commission.

Community Catalyst - The Community Catalyst Fund accounts for property taxes collected by the Citydesignated to promote growth in key anchors, spur economic development, and create more positive momentum in neighborhoods throughout the City.

Drug Enforcement – The Drug Enforcement Fund accounts for confiscated funds that are restricted to the provision of drug enforcement activities.

Education – The Education Fund accounts for property taxes collected by the City and distributed to the Shelby County Board of Education.

Electronic Traffic Citation Fees - The Electronic Traffic Citation Fees Fund accounts for a fee attached to electronic citations to enhance the electronic citation systems and programs for City Court Clerk and MPD.

Fire EMS- The Fire Emergency Medical Services Fund accounts for revenue and expenditures to enhance services with the purchase of medical equipment and transportation.

Hotel / Motel Tax – The Hotel / Motel Tax Fund accounts for the proceeds of the hotel/motel occupancy tax. Funds are used to repay outstanding bond indebtedness relating to the Renasant Convention Center. Excesses are provided to the Memphis Convention and Visitors Bureau.

HUB Community Impact - The HUB Community Impact Fund accounts for financial resources to advance the quality of life and effectively end street-level homelessness by expanding the Hospitality Hub.

Metro Alarm – The Metro Alarm Fund accounts for the financial resources enforcing an ordinance to encourage proper alarm use and to reduce false alarm calls.

Miscellaneous Grants – The Miscellaneous Grants Fund accounts for several unrelated federal and state grants.

New Memphis Arena – The New Memphis Arena Fund accounts for the revenues and expenditures related to financing the construction of a sports and basketball arena, FedEx Forum.

Pre-K- The Pre-K Education Fund accounts for property taxes collected by the City designated to fund Pre-K needs-based enrollment.

2019 Sales Tax Referendum - The 2019 Sales Tax Referendum Fund accounts for proceeds of the local sales tax to restore and maintain the health care benefits for Public Safety employees and retirees.

Solid Waste Management – The Solid Waste Management Fund accounts for the revenues and expenditures related to the collection and disposal of solid waste.

State Street Aid – The State Street Aid Fund accounts for proceeds of the local share of the tax on motor fuel that is restricted to use only on street and road construction and maintenance.

Transit and Mobility – The Transit and Mobility Fund accounts for proceeds reserved for funding transportation and mobility operations and related capital purchases, pursuant to the Transit Vision adopted by the City of Memphis.

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NONMAJOR FUNDS
COMBINING BALANCE SHEET
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit B-1

	Affordable Housing	American Rescue Plan Act (ARPA)	Arenas Funding Account	Beale Street District	Central Business Improvement District	Community Catalyst	Drug Enforcement	Education	Electronic Traffic Citation Fees	Fire EMS	Hotel/ Motel Tax
ASSETS											
Cash and cash equivalents	$ -	$ 30,935	$ -	$ -	$ -	$ -	$ 157	$ -	$ -	$ -	$ -
Investments			364,178								
Equity in cash and investment pool	5273	(19,129)	-	1,893	739	(1)	9,668	14	476	5,961	3,728
Receivables (net of allowance for uncollectibles):											
Property taxes:											
Current property taxes	-	-	-	-	4,280	-	-	-	-	-	-
Delinquent property taxes	8	-	-	-	326	8	-	-	-	-	-
Special assessments:											
Sales, income, and other taxes	-	-	-	-	-	-	-	-	-	-	-
Federal grants and entitlements	-	-	-	-	-	-	-	-	-	-	-
State grants and entitlements	-	-	-	-	-	-	-	-	-	-	-
Other	-	(6)	-	-	-	-	3	-	-	-	-
Due from other agencies and governments	1	-	-	-	-	1	-	-	-	-	1,189
Total assets	$ 5,282	$ 11,800	$ 364,178	$ 1,893	$ 5,345	$ 8	$ 9,828	$ 14	$ 476	$ 5,961	$ 4,917
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	$ -	$ 127	$ -	$ -	$ 716	$ 83	$ 12	$ 14	$ -	$ 1,312	$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-
Contract retainage	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Due to other agencies and governments	-	11,617	-	-	19	-	-	-	-	-	984
Unearned revenue	245	-	-	-	4,610	-	751	-	-	-	-
Total liabilities	245	11,744	-	-	5,345	83	763	14	-	1,312	984
Deferred Inflows:											
Uncollected property taxes	8	-	-	-	-	8	-	-	-	-	-
Uncollected special assessments	-	-	-	-	-	-	-	-	-	-	-
Total deferred inflows	8	-	-	-	-	8	-	-	-	-	-
Fund balances:											
Restricted	5,029	56	364,178	1,893	-	(83)	9,065	-	476	4,649	-
Committed	-	-	-	-	-	-	-	-	-	-	3,933
Total fund balances	5,029	56	364,178	1,893	-	(83)	9,065	-	476	4,649	3,933
Total liabilities, deferred inflows, and fund balances	$ 5,282	$ 11,800	$ 364,178	$ 1,893	$ 5,345	$ 8	$ 9,828	$ 14	$ 476	$ 5,961	$ 4,917

HUB Community Impact Fund	Metro Alarm	Miscellaneous Grants	New Memphis Arena	Pre-K	2019 Sales Tax Referendum	Solid Waste Management	State Street Aid	Transit and Mobility Fund	Total	
										ASSETS
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,092	Cash and cash equivalents
									364,178	Investments
-	3,086	4,236	110	10,613	37,456	5,638	-	5,614	75,375	Equity in cash and investment pool
										Receivables (net of allowance for uncollectibles):
										Property taxes:
-	-	-	-	-	-	-	-	-	4,280	Current property taxes
-	-	-	-	30	-	-	-	-	372	Delinquent property taxes
										Special assessments:
-	-	-	-	-	6,375	-	-	-	6,375	Sales, income, and other taxes
-	-	1,512	-	-	-	-	-	-	1,512	Federal grants and entitlements
-	-	-	-	-	-	-	4,235	-	4,235	State grants and entitlements
-	-	646	-	-	-	36	-	-	679	Other
										Due from other agencies and
-	-	-	-	12	-	6,398	-	-	7,601	governments
$ -	$ 3,086	$ 6,394	$ 110	$ 10,655	$ 43,831	$ 12,073	$ 4,235	$ 5,614	$ 495,700	**Total assets**
										LIABILITIES AND FUND BALANCES
										Liabilities:
$ -	$ 16	$ 277	$ -	$ -	$ 441	$ 2,712	$ -	$ -	$ 5,710	Accounts payable
-	-	-	-	-	-	-	-	-	-	Accrued liabilities
-	-	(12)	-	-	16	-	-	-	4	Contract retainage
-	-	-	-	-	-	5,250	4,235	-	9,485	Due to other funds
-	-	515	-	-	-	-	-	-	13,135	Due to other agencies and governments
-	-	5,614	-	-	-	-	-	-	11,220	Unearned revenue
-	16	6,394	-	-	457	7,962	4,235	-	39,554	**Total liabilities**
										Deferred Inflows:
-	-	-	-	30	-	-	-	-	46	Uncollected property taxes
-	-	-	-	-	-	34	-	-	34	Uncollected special assessments
-	-	-	-	30	-	34	-	-	80	**Total deferred inflows**
										Fund balances:
-	-	-	-	10,625	43,374	4,077	-	5,614	448,953	Restricted
-	3,070	-	110	-	-	-	-	-	7,113	Committed
-	3,070	-	110	10,625	43,374	4,077	-	5,614	456,066	**Total fund balances**
$ -	$ 3,086	$ 6,394	$ 110	$ 10,655	$ 43,831	$ 12,073	$ 4,235	$ 5,614	$ 495,700	**Total liabilities, deferred inflows, and fund balances**

(Continued)

NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit B-2

	Affordable Housing	American Rescue Plan Act (ARPA)	Arenas Funding Account	Beale Street District	Central Business Improvement District	Community Catalyst	Drug Enforcement	Education	Electronic Traffic Citation Fees	Fire EMS	Hotel/ Motel Tax
REVENUES											
Local taxes:											
Special assessments - current	$ -	$ -	$ -	$ -	$ 4,629	$ -	$ -	$ -	$ -	$ -	$ -
Special assessments - prior	-	-	-	-	8	-	-	-	-	-	-
Sales tax general	-	-	-	-	-	-	-	-	-	-	-
Other local taxes	-	-	-	-	-	-	-	-	-	-	-
Total local taxes	-	-	-	-	4,637	-	-	-	-	-	-
State taxes (local share):											
Gas and motor fuel tax	-	-	-	-	-	-	-	-	-	-	-
Gas 3 cent	-	-	-	-	-	-	-	-	-	-	-
Gas 1989	-	-	-	-	-	-	-	-	-	-	-
Gas 2017	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-
Hotel/motel tax	-	-	-	-	-	-	-	-	-	-	17,591
Licenses and Permits	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	1,115	-	7	-	-
Charges for services	-	-	-	142	-	-	-	-	-	-	-
Investment income	-	1,086	14,178	-	-	-	-	-	-	-	-
Federal grants and entitlements	-	41,450	-	-	-	-	30	-	-	4,357	-
State grants	-	-	350,000	-	-	-	-	-	-	-	-
Other	2	1,854	-	-	-	-	7	-	-	144	-
Total revenues	2	44,390	364,178	142	4,637	-	1,152	-	7	4,501	17,591
EXPENDITURES											
General government	150	38,605	-	-	4,717	2	-	-	-	2,173	11,142
Public safety	-	-	-	-	-	-	1,891	-	70	1,579	-
Community service	297	-	-	-	-	108	-	-	-	-	-
Transportation & environment	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	447	38,605	-	-	4,717	110	1,891	-	70	3,752	11,142
Revenues over (under) expenditures	(445)	5,785	364,178	142	(80)	(110)	(739)	-	(63)	749	6,449
OTHER FINANCING SOURCES (USES)											
Transfers in	5,000	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(5,729)	-	-	-	-	-	-	-	-	(6,633)
Total other financing sources and uses	5,000	(5,729)	-	-	-	-	-	-	-	-	(6,633)
Net change in fund balances	4,555	56	364,178	142	(80)	(110)	(739)	-	(63)	749	(184)
Fund balances - beginning of year	474	-	-	1,751	80	27	9,804	-	539	3,900	4,117
Fund balances - end of year	$ 5,029	$ 56	$ 364,178	$ 1,893	$ -	$ (83)	$ 9,065	$ -	$ 476	$ 4,649	$ 3,933

HUB Community Impact	Metro Alarm	Miscellaneous Grants	New Memphis Arena	Pre-K	2019 Sales Tax Referendum	Solid Waste Management	State Street Aid	Transit and Mobility Fund	Total	
										REVENUES
										Local taxes:
$ -	$ -	$ -	$ -	$ 5	$ -	$ -	$ -	$ 2,321	$ 6,955	Special assessments - current
-	-	-	-	-	-	-	-	-	8	Special assessments - prior
-	-	-	-	-	76,058	-	-	-	76,058	Sales tax general
-	-	-	2,500	-	-	34	-	-	2,534	Other local taxes
-	-	-	2,500	5	76,058	34	-	2,321	85,555	**Total local taxes**
										State taxes (local share):
-	-	-	-	-	-	-	11,341	-	11,341	Gas and motor fuel tax
-	-	-	-	-	-	-	3,259	-	3,259	Gas 3 cent
-	-	-	-	-	-	-	1,764	-	1,764	Gas 1989
-	-	-	-	-	-	-	5,723	-	5,723	Gas 2017
-	-	-	-	-	-	-	116	-	116	Transport Mod Revenues (2023)
-	-	-	-	-	-	-	-	-	17,591	Hotel/motel tax
-	2,208	-	-	-	-	-	-	-	2,208	Licenses and Permits
-	-	-	-	-	-	-	-	-	1,122	Fines and forfeitures
-	-	-	-	-	-	77,728	-	-	77,870	Charges for services
-	-	-	-	-	-	-	-	-	15,264	Investment income
-	-	7,878	-	-	-	-	-	-	53,715	Federal grants and entitlements
-	-	2,911	-	-	-	-	-	-	352,911	State grants
-	-	2,162	-	-	-	14	-	-	4,183	Other
-	2,208	12,951	2,500	5	76,058	77,776	22,203	2,321	632,622	**Total revenues**
										EXPENDITURES
-	473	10,514	4,475	-	22,161	-	20,435	-	114,847	General government
-	-	2,245	-	-	35,837	-	-	-	41,621	Public safety
550	-	-	-	-	-	-	-	-	956	Community service
-	-	-	-	-	-	76,707	-	-	76,707	Transportation & environment
-	-	-	-	7,000	-	-	-	-	7,000	Education
550	473	12,759	4,475	7,000	57,998	76,707	20,435	-	241,131	**Total expenditures**
(550)	1,735	192	(1,975)	(6,995)	18,060	1,069	1,768	2,321	391,491	**Revenues over (under) expenditures**
										OTHER FINANCING SOURCES (USES)
550	-	-	1,975	7,000	-	-	-	-	14,525	Transfers in
-	(1,625)	(192)	-	-	(50,102)	(3,394)	(1,768)	-	(69,443)	Transfers out
550	(1,625)	(192)	1,975	7,000	(50,102)	(3,394)	(1,768)	-	(54,918)	**Total other financing sources and uses**
-	110	-	-	5	(32,042)	(2,325)	-	2,321	336,573	**Net change in fund balances**
-	2,960	-	110	10,620	75,416	6,402	-	3,293	119,493	Fund balances - beginning of year
$ -	$ 3,070	$ -	$ 110	$ 10,625	$ 43,374	$ 4,077	$ -	$ 5,614	$ 456,066	**Fund balances - end of year**

(Continued)

	Budget Amounts			
	Original	Final	Actual	Variance with Final Budget- Positive (Negative)
AFFORDABLE HOUSING				
Revenues:				
Other	$ -	$ -	$ 2	$ 2
Total revenues	-	-	2	2
Expenditures:				
General government	-	150	150	-
Community service	5,000	4,900	297	4,603
Total expenditures	5,000	5,050	447	4,603
Other financing sources (uses):				
Transfers in	5,000	5,000	5,000	-
Total other financing sources (uses)	5,000	5,000	5,000	-
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ (50)	$ 4,555	$ 4,605
AMERICAN RESCUE PLAN ACT (ARPA)				
Revenues:				
Investment income	$ -	$ -	$ 1,086	$ 1,086
Federal grants and entitlements	-	20,204	41,450	21,246
Other	-	-	1,854	1,854
Total revenues	-	20,204	44,390	24,186
Expenditures:				
General government	-	30,364	38,605	(8,241)
Total expenditures	-	30,364	38,605	(8,241)
Other financing sources (uses):				
Transfers out	-	(5,500)	(5,729)	(229)
Total other financing sources (uses)	-	(5,500)	(5,729)	(229)
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ (15,660)	$ 56	$ 15,716
ARENAS FUNDING ACCOUNT				
Revenues:				
Investment income	$ -	$ -	$ 14,178	$ 14,178
State Grants	-	-	350,000	350,000
Total revenues	-	-	364,178	364,178
Revenues over (under) expenditures	$ -	$ -	$ 364,178	$ 364,178

(Continued)

	Budget Amounts			
	Original	Final	Actual	Variance with Final Budget- Positive (Negative)
BEALE STREET DISTRICT				
Revenues:				
Charges for services	$ 492	$ 492	$ 142	$ (350)
Total revenues	492	492	142	(350)
Expenditures:				
Community Service	492	492	-	492
Total expenditures	492	492	-	492
Revenues over (under) expenditures	$ -	$ -	$ 142	$ 142
CENTRAL BUSINESS IMPROVEMENT DISTRICT				
Revenues:				
Other local taxes	$ -	$ -	$ 4,637	$ 4,637
Total revenues	-	-	4,637	4,637
Expenditures:				
General government	-	-	4,717	(4,717)
Total expenditures	-	-	4,717	(4,717)
Revenues over (under) expenditures	$ -	$ -	$ (80)	$ (80)
COMMUNITY CATALYST				
Revenues:				
Other	$ 401	$ 401	$ -	$ (401)
Total revenues	401	401	-	(401)
Expenditures:				
General government	34	53	2	51
Community Service	367	403	108	295
Total expenditures	401	456	110	346
Revenues over (under) expenditures	$ -	$ (55)	$ (110)	$ (55)
DRUG ENFORCEMENT				
Revenues:				
Fines and forfeitures	$ 2,370	$ 2,370	$ 1,115	$ (1,255)
Federal grants and entitlements	83	83	30	(53)
Other	702	702	7	(695)
Total revenues	3,155	3,155	1,152	(2,003)
Expenditures:				
Public safety	3,155	4,141	1,891	2,250
Total expenditures	3,155	4,141	1,891	2,250
Revenues over (under) expenditures	$ -	$ (986)	$ (739)	$ 247

(Continued)

	Budget Amounts			
	Original	Final	Actual	Variance with Final Budget- Positive (Negative)
ELECTRONIC TRAFFIC CITATION FEES				
Revenues:				
Fines and forfeitures	$ -	$ -	$ 7	$ 7
Total revenues	-	-	7	7
Expenditures:				
Public Safety	-	53	70	(17)
Total expenditures	-	53	70	(17)
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ (53)	$ (63)	$ (10)
FIRE EMS				
Revenues:				
Federal grants and entitlements	$ 3,437	$ 3,437	$ 4,357	$ 920
Other	463	2,746	144	(2,602)
Total revenues	3,900	6,183	4,501	(1,682)
Expenditures:				
General government	-	-	2,173	(2,173)
Public Safety	3,900	6,927	1,579	5,348
Total expenditures	3,900	6,927	3,752	3,175
Revenues over (under) expenditures	$ -	$ (744)	$ 749	$ 1,493
HOTEL/MOTEL TAX				
Revenues:				
Hotel/motel tax	$ 15,750	$ 15,750	$ 17,591	$ 1,841
Total revenues	15,750	15,750	17,591	1,841
Expenditures:				
General government	9,117	9,117	11,142	(2,025)
Total expenditures	9,117	9,117	11,142	(2,025)
Other financing sources (uses):				
Transfers out	(6,633)	(6,633)	(6,633)	-
Total other financing sources (uses)	(6,633)	(6,633)	(6,633)	-
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ -	$ (184)	$ 3,866

(Continued)

	Budget Amounts			
	Original	Final	Actual	Variance with Final Budget- Positive (Negative)
HUB COMMUNITY IMPACT				
Expenditures:				
Community Service	$ 551	$ 551	$ 550	$ 1
Total expenditures	551	551	550	1
Other financing sources (uses):				
Transfers in	550	550	550	-
Total other financing sources (uses)	550	550	550	-
Revenues over (under) expenditures and other financing sources (uses)	$ (1)	$ (1)	$ -	$ 1
METRO ALARM				
Revenues:				
Licenses and permits	$ 1,940	$ 1,940	$ 2,208	$ 268
Other	373	373	-	(373)
Total revenues	2,313	2,313	2,208	(105)
Expenditures:				
General government	688	690	473	217
Total expenditures	688	690	473	217
Other financing uses:				
Transfers out	(1,625)	(1,625)	(1,625)	-
Total other financing uses	(1,625)	(1,625)	(1,625)	-
Revenues over (under) expenditures and other financing uses	$ -	$ (2)	$ 110	$ 112
MISCELLANEOUS GRANTS				
Revenues:				
Federal grants and entitlements	$ -	$ -	$ 7,878	$ 7,878
State grants	-	-	2,911	2,911
Other	-	-	2,162	2,162
Total revenues	-	-	12,951	12,951
Expenditures:				
General government	408	8,058	10,514	(2,456)
Public Safety	-	-	2,245	(2,245)
Total expenditures	408	8,058	12,759	(4,701)
Other financing sources (uses):				
Transfers out	(191)	(192)	(192)	-
Total other financing sources (uses)	(191)	(192)	(192)	-
Revenues over (under) expenditures and other financing sources (uses)	$ (599)	$ (8,250)	$ -	$ 8,250

(Continued)

	Budget Amounts			
	Original	Final	Actual	Variance with Final Budget- Positive (Negative)
NEW MEMPHIS ARENA				
Revenues:				
Other local taxes	$ 2,500	$ 2,500	$ 2,500	$ -
Total revenues	2,500	2,500	2,500	-
Expenditures:				
General government	2,500	4,475	4,475	-
Total expenditures	2,500	4,475	4,475	-
Other financing sources (uses):				
Transfers in	-	1,975	1,975	-
Total other financing sources (uses)	-	1,975	1,975	-
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ -	$ -	$ -
PRE-K				
Revenues:				
Other local taxes	$ -	$ -	$ 5	$ 5
Total revenues	-	-	5	5
Expenditures:				
Education	6,500	6,500	7,000	(500)
Total expenditures	6,500	6,500	7,000	(500)
Other financing sources (uses):				
Transfers in	6,500	7,000	7,000	-
Total other financing sources (uses)	6,500	7,000	7,000	-
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ 500	$ 5	$ (495)

(Continued)

	Budget Amounts			
	Original	Final	Actual	Variance with Final Budget- Positive (Negative)
2019 SALES TAX REFERENDUM				
Revenues:				
Sales tax general	$ 76,000	$ 76,000	$ 76,058	$ 58
Other	346	846	-	(846)
Total revenues	76,346	76,846	76,058	(788)
Expenditures:				
General government	-	23,710	22,161	1,549
Public Safety	-	-	35,837	(35,837)
Total expenditures	-	23,710	57,998	(34,288)
Other financing sources (uses):				
Transfers In	-	125	-	(125)
Transfers out	(76,346)	(76,846)	(50,102)	26,744
Total other financing sources (uses)	(76,346)	(76,721)	(50,102)	26,619
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ (23,585)	$ (32,042)	$ (8,457)
SOLID WASTE MANAGEMENT				
Revenues:				
Other local taxes	$ 100	$ 100	$ 34	$ (66)
Charges for services	76,040	76,040	77,728	1,688
Investment income	53	53	-	(53)
Other	5,146	5,146	14	(5,132)
Total revenues	81,339	81,339	77,776	(3,563)
Expenditures:				
Transportation and environment	77,945	78,677	76,707	1,970
Total expenditures	77,945	78,677	76,707	1,970
Other financing sources (uses):				
Transfers out	(3,394)	(3,394)	(3,394)	-
Total other financing sources (uses)	(3,394)	(3,394)	(3,394)	-
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ (732)	$ (2,325)	$ (1,593)

(Continued)

	Budget Amounts			
	Original	Final	Actual	Variance with Final Budget- Positive (Negative)
STATE STREET AID				
Revenues:				
State gasoline tax (local share):				
Gas and motor fuel tax	$ 11,860	$ 11,860	$ 11,341	$ (519)
Gas 3 cent	3,500	3,500	3,259	(241)
Gas 1989	1,850	1,850	1,764	(86)
Gas 2017	5,900	5,900	5,723	(177)
Transport Mod Revenue	-	-	116	116
Total revenues	23,110	23,110	22,203	(907)
Expenditures:				
General government	21,342	21,342	20,435	907
Total expenditures	21,342	21,342	20,435	907
Other financing uses:				
Transfers out	(1,768)	(1,768)	(1,768)	-
Total other financing uses	(1,768)	(1,768)	(1,768)	-
Revenues over (under) expenditures and other financing uses	$ -	$ -	$ -	$ -
TRANSIT AND MOBILITY FUND				
Revenues:				
Other local taxes	$ 4,250	$ 4,250	$ 2,321	$ (1,929)
Total revenues	4,250	4,250	2,321	(1,929)
Expenditures:				
General government	4,250	$ 4,250	-	4,250
Total expenditures	4,250	4,250	-	4,250
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ -	$ 2,321	$ 2,321

(Continued)

TOTAL NONMAJOR SPECIAL REVENUE FUNDS

Revenues:				
Local taxes:				
Sales tax general	$ 76,000	$ 76,000	$ 76,058	$ 58
Other local taxes	6,850	6,850	9,497	2,647
State taxes (local share):				
Gas and motor fuel tax	11,860	11,860	11,341	(519)
Gas 3 cent	3,500	3,500	3,259	(241)
Gas 1989	1,850	1,850	1,764	(86)
Gas 2017	5,900	5,900	5,723	(177)
Transportation	-	-	116	116
Hotel/motel tax	15,750	15,750	17,591	1,841
Licenses and permits	1,940	1,940	2,208	268
Fines and forfeitures	2,370	2,370	1,122	(1,248)
Charges for services	76,532	76,532	77,870	1,338
Investment income	53	53	15,264	15,211
Federal grants and entitlements	3,520	23,724	53,715	29,991
State grants	-	-	352,911	352,911
Other	7,431	10,215	4,183	(6,032)
Total revenues	213,556	236,544	632,622	396,078
Expenditures:				
General government	38,338	102,209	114,847	(12,638)
Public safety	7,055	11,120	41,621	(30,501)
Community service	6,410	6,346	956	5,390
Transportation and environment	77,944	78,677	76,707	1,970
Education	6,500	6,500	7,000	(500)
Total expenditures	136,247	204,852	241,131	(36,279)
Other financing sources (uses)				
Transfers in	12,050	14,650	14,525	(125)
Transfers out	(89,957)	(95,958)	(69,443)	26,515
Total other financing sources (uses)	(77,907)	(81,308)	(54,918)	26,390
Revenues over (under) expenditures and other financing sources (uses)	$ (598)	$ (49,616)	$ 336,573	$ 386,189

CITY OF MEMPHIS

T E N N E S S E E

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis.

Fleet Management Fund – Fleet Management Fund accounts for the consolidated operations and maintenance of City vehicles.

Health Insurance Fund – Health Insurance Fund accounts for the City's self insurance for health benefits for City employees, their dependents, and retirees.

Unemployment Compensation Fund – Unemployment Compensation Fund accounts for the City's self insurance for unemployment benefits that may be due for employment benefits for City employees.

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	Fleet Management	Health Insurance	Unemployment Compensation	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ -	$ 1	$ -	$ 1
Equity in cash and investment pool	5,041	44,049	1,919	51,009
Receivables	-	3	-	3
Inventories	3,681	-	-	3,681
Total current assets	8,722	44,053	1,919	54,694
Total assets	8,722	44,053	1,919	54,694
DEFFERED OUTFLOWS OF RESOURCES				
Deferred Outflows - OPEB	-	93	-	93
Total deferred outflows of resources	-	93	-	93
Total assets and deferred outflows of resources	8,722	44,146	1,919	54,787
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	1,164	364	21	1,549
Insurance claims payable	-	9,811	-	9,811
Vacation, sick and other leave benefits	-	287	-	287
Total current liabilities	1,164	10,462	21	11,647
Long term liabilities:				
Net OPEB liability	-	787	-	787
Total long term liabilities	-	787	-	787
Total liabilities	1,164	11,249	21	12,434
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - OPEB	-	133	-	133
Total deferred inflows of resources	-	133	-	133
NET POSITION				
Unrestricted (deficit)	7,558	32,764	1,898	42,220
Total net position	$ 7,558	$ 32,764	$ 1,898	$ 42,220

	Fleet Management	Health Insurance	Unemployment Compensation	Total
Operating revenues:				
Charges for services	$ 34,319	$ -	$ -	$ 34,319
Pharmacy Rx rebates	-	8,413	-	8,413
Employee contributions	-	12,994	-	12,994
Employer contributions	-	69,086	504	69,590
Total operating revenues	34,319	90,493	504	125,316
Operating expenses other than depreciation:				
Personnel services	-	7,291	-	7,291
Materials and supplies	16,726	7,091	-	23,817
Capital outlay	304	-	-	304
Death benefits	-	149	-	149
PCORI tax	-	14	-	14
Inventories	16,727	-	-	16,727
Claims incurred	-	71,144	125	71,269
Total operating expenses other than depreciation	33,757	85,689	125	119,571
Operating income (loss) before depreciation	562	4,804	379	5,745
Operating income (loss)	562	4,804	379	5,745
Income (loss) before transfers	562	4,804	379	5,745
Transfers in/(out), net	-	2,334	-	2,334
Change in net position	562	7,138	379	8,079
Total net position (deficit) - beginning of year, PY	6,996	25,625	1,520	34,141
Total net position (deficit) - end of year	$ 7,558	$ 32,763	$ 1,899	$ 42,220

INTERNAL SERVICE FUNDS | **CITY OF MEMPHIS, TENNESSEE**

COMBINING STATEMENT OF CASH FLOWS | **Exhibit D-3**

(Thousands of Dollars)

For the fiscal year ended June 30, 2024

	Fleet Management	Health Insurance	Unemployment Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	$ 120	$ -	$ -	$ 120
Receipts from other division funds	34,199	-	-	34,199
Employee contributions	-	12,994	-	12,994
Employer contributions	-	69,087	504	69,591
Pharmacy rx rebates	-	8,413	-	8,413
Payments to suppliers	(16,109)	(6,545)	4	(22,650)
Payments to employees	-	(7,347)	-	(7,347)
PCORI Taxes	-	(14)	-	(14)
Payments for inventory	(17,754)	-	-	(17,754)
Payments for death benefits	-	(149)	-	(149)
Payments for claims incurred	-	(68,942)	(126)	(69,068)
Net cash (used in) provided by operating activities	456	7,497	382	8,335
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	2,334	-	2,334
Net cash provided by non-capital financing activities	-	2,334	-	2,334
Net increase (decrease) in cash and cash equivalents	456	9,831	382	10,669
Cash and cash equivalents, beginning of year	4,585	34,219	1,537	40,341
Cash and cash equivalents, end of year	$ 5,041	$ 44,050	$ 1,919	$ 51,010
Reconciliation of operating income (loss) to net cash (used in) provided by operating activities:				
Operating income (loss)	$ 562	$ 4,805	$ 379	$ 5,746
(Increase) decrease in assets:				
Accounts receivable	-	5	-	5
Deferred outflows - OPEB	-	19	-	19
Inventories	(1,027)	-	-	(1,027)
Increase (decrease) in liabilities:				
Accounts payable and accrued expenses	921	2,707	4	3,632
Deferred inflows - OPEB	-	64	-	64
Net OPEB liability	-	(103)	-	(103)
Total adjustments	(106)	2,692	4	2,590
Net cash (used in) provided by operating activities	$ 456	$ 7,497	$ 383	$ 8,336


MEMPHIS
SHELBY
COUNTY
TENNESSEE

CITY OF MEMPHIS

T E N N E S S E E

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. This includes pension trust and investment trust funds. Included in the Fiduciary Funds are:

Pension (and other employee benefit) Trust Funds:

City Retirement Systems Fund – Included are the retirement systems for the City of Memphis, the Library, and Memphis Light, Gas and Water.

City OPEB Fund – Included in this fund is activity for retiree benefits for post-retirement major medical and life insurance benefits, including assets held in trust for future medical claims.

Memphis Light, Gas and Water OPEB Trust Fund – Included in this fund are reserves for retiree benefits for post-retirement major medical and life insurance benefits.

Agency Funds:

Sold Property Tax Receivables Fund – Accounts for the assets and liabilities held by the City for the purchaser of delinquent property tax receivables.

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STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY TRUST FUNDS (Thousands of Dollars)
June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit E-1

	Pension Trust					
	City Retirement System	Library Retirement System	Memphis Light, Gas and Water Retirement System	City OPEB Fund	Memphis Light, Gas and Water OPEB Trust	Total Pension and OPEB Trust Funds
ASSETS						
Cash and cash equivalents	$ 46,797	$ (197)	$ 38,150	$ 1	$ 17,238	$ 101,989
Investments, at fair value:						
U.S. government securities - long-term	157,095	-	2,159	-	719	159,973
Common stock - domestic	823,334	-	547,734	-	274,690	1,645,758
Common stock - foreign	180,871	-	141,757	-	70,713	393,341
Corporate bonds - domestic	263,618	-	-	-	1,472	265,090
Corporate bonds - foreign	77,419	-	3,904	-	278	81,601
Mutual funds and money market funds	19,331	53,211	-	4,714	-	77,256
Government bonds - domestic	-	-	23,907	-	4,404	28,311
Global bond - international	-	-	42,307	-	23,706	66,013
Corporate bond mutual funds - domestic	-	-	33,447	-	54,878	88,325
Convertible bond mutual fund - domestic	-	-	-	-	10,621	10,621
Collateralized mortgage obligations	5,757	-	-	-	-	5,757
Asset-backed pooled securities	1,853	-	1,714	-	555	4,122
Mortgage-backed pooled securities	20,005	-	12,472	-	2,832	35,309
Investments in index funds	93,066	-	-	-	-	93,066
Investments in limited partnerships	273,325	-	-	-	-	273,325
Core Fixed Income CIT- Domestic			53,400	-	-	53,400
Core Fixed Income CIT- International			59,527	-	-	59,527
Investments in real estate	159,312	-	268,721	-	87,970	516,003
Multi-asset - domestic	-	-	13,984	-	-	13,984
Private debt funds - domestic	-	-	21,490	-	10,750	32,240
Private equity - domestic	-	-	113,604	-	72,733	186,337
Private equity - international	-	-	20,229	-	10,334	30,563
Investments in international equity fund	489,406	-	-	-	-	489,406
Hedge funds	-	-	20,393	-	10,375	30,768
Distressed debt funds - domestic	-	-	43,515	-	11,752	55,267
Distressed debt funds - international	-	-	25,589	-	15,217	40,806
Life Settlement fund	-	-	74,627	-	16,059	90,686
Investments in short sales & written options	(95)	-	-	-	-	(95)
Total investments	2,564,297	53,211	1,524,480	4,714	680,058	4,826,760
Equity in cash and investment pool	1,424	-	-	16,104	-	17,528
Interest and dividend receivables	8,326	142	1,939	14	1,049	11,470
Receivable for securities sold	241,266	-	543	-	372	242,181
Employer and employee contributions receivable	2,879	-	895	-	954	4,728
Other Receivables	624	-	-	-	-	624
Collateral held in trust for securities on loan	68,953	-	39,312	-	656	108,921
Total assets	2,934,566	53,156	1,605,319	20,833	700,327	5,314,201
LIABILITIES						
Accounts payable and other	301,518	-	1,663	1,339	954	305,474
Payable for securities purchased	-	-	-	-	649	649
Collateral subject to return to borrowers	68,953	-	39,312	-	655	108,920
Total liabilities	370,471	-	40,975	1,339	2,258	415,043
NET POSITION						
Restricted for pension benefits, pool participants and OPEB	$ 2,564,095	$ 53,156	$ 1,564,344	$ 19,494	$ 698,069	$ 4,899,158

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION **CITY OF MEMPHIS, TENNESSEE**
FIDUCIARY TRUST FUNDS (Thousands of Dollars) **Exhibit E-2**
For the fiscal year ended June 30, 2024

	Pension Trust					
	City Retirement System	Library Retirement System	Memphis Light, Gas and Water Retirement System	City OPEB Fund	Memphis Light, Gas and Water OPEB Trust	Total Pension and OPEB Trust Funds
ADDITIONS						
Contributions:						
Employer	$ 59,404	$ 98	$ 20,474	$ 19,366	$ 40,136	$ 139,478
Plan members	34,452	98	15,216	3,923	-	53,689
Total contributions[1]	93,856	196	35,690	23,289	40,136	193,167
Transfer from other fund	3,696	471	-	9,172	-	13,339
Pharmacy rebate	-	-	-	1,744	-	1,744
Investment income:						
Interest and dividend income	67,187	1,495	23,788	108	10,401	102,979
Securities lending income	922	-	118	-	13	1,053
Other investment income	3	-	27	-	64	94
Gain on real estate investments	12,630	-	4,367	-	1,358	18,355
Net appreciation in the fair value of investments	189,698	4,250	84,891	470	52,364	331,673
Less investment expenses	(21,944)	-	(3,153)	-	(2,157)	(27,254)
Net investment income	248,496	5,745	110,038	578	62,043	426,900
Total additions	346,048	6,412	145,728	34,783	102,179	635,150
DEDUCTIONS						
Benefits	194,997	4,546	124,480	17,634	38,406	380,063
Administrative expenses	8,027	102	958	8,648	594	18,329
Refunds of contributions	16,100	-	8,037	-	-	24,137
Total deductions	219,124	4,648	133,475	26,282	39,000	422,529
Net increase / decrease	126,924	1,764	12,253	8,501	63,179	212,621
Net position - beginning of year	2,437,171	51,392	1,552,091	10,993	634,890	4,686,537
Net position - end of year	$ 2,564,095	$ 53,156	$ 1,564,344	$ 19,494	$ 698,069	$ 4,899,158

See accompanying notes to financial statements.

[1] City contribution includes annual contributions from the Sales Tax Referendum (that were attributable to the 1978 Plan buyback programs) of $3,696,000 and excludes 401(a) transfers of $3,689,974 (= $9,295 and $3,680,679).

CITY OF MEMPHIS

T E N N E S S E E

SUPPLEMENTARY SCHEDULES

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ALL FUNDS
COMBINED SCHEDULE OF DELINQUENT
PROPERTY TAXES RECEIVABLE
(Thousands of Dollars)
June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit F-1

Tax Year	General	Debt Service	Capital Projects	CBID	Pre-K	Community Catalyst	Affordable Housing	Total
2014	597	262	-	-	-	-	-	859
2015	853	376	1	-	-	-	-	1,230
2016	843	370	1	-	-	-	-	1,214
2017	957	425	1	-	-	-	-	1,383
2018	1,115	502	2	-	4	-	-	1,623
2019	1,363	606	5	-	5	-	-	1,979
2020	1,755	783	7	-	9	-	-	2,554
2021	2,557	1,150	11	-	13	9	9	3,749
2022	2,343	1,050	5	-	-	-	-	3,398
2023	19,120	150	(14)	326	-	-	-	19,582
Total delinquent property taxes receivable	31,503	5,674	19	326	31	9	9	37,571
Allowance for uncollectibles	1,157	522	3	-	1	1	1	1,685
Net delinquent property taxes receivable	$ 30,346	5,152	16	326	30	8	8	35,886
Total tax, net of allowance								$ 35,886

(1) During fiscal year 2024, $5,927 of delinquent taxes and late fees incurred were submitted to Chancery Court for further collections.

SCHEDULE OF REVENUE DEBT BY ISSUE
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit F-2

Description	Interest Rates	Date of Issue	Date of Final Maturity	Original Issue	Redemptions	Principal Amount Outstanding June 30, 2024	Interest to Maturity as of June 30, 2024
REVENUE BONDS PAYABLE (Business-Type Activities)							
Sanitary Sewerage System Revenue Refunding Bonds, Series 2014	3.00-4.00	Jul. 01, 2014	Jul. 01, 2025	18,930	14,580	4,350	132
Sanitary Sewerage System Revenue Refunding Bonds, Series 2018	4.00-5.00	Nov. 01, 2018	Oct. 01, 2043	69,480	13,790	55,690	21,753
Federal WIFIA Sewer Loan, Series 2020A	1.39	Jan. 01, 2021	Apr. 01, 2056	75,389	-	75,389	25,980
Sanitary Sewerage System Revenue Refunding Bonds, Series 2020B	5.00	Oct. 15, 2020	Oct 01, 2045	123,535	14,210	109,325	67,066
Storm Water Revenue Bond, Series 2019	5.00	Nov. 13, 2019	Oct. 01 ,2044	35,830	3,190	32,640	20,079
Total Revenue Bonds Payable (Business-Type Activities)				323,164	45,770	277,394	135,010
SEWER STATE LOANS (Business-Type Activities)							
TN Sewer State Loan SRF 06-195	2.59	Jul. 19, 2013	Jul. 20, 2033	3,989	1,921	2,068	255
TN Sewer State Loan SRF 13-309	0.75	Mar. 20, 2018	Feb. 20, 2038	11,602	3,382	8,220	477
TN Sewer State Loan SRF 13-311	0.75	Mar. 20, 2020	Feb. 20, 2040	100,000	19,953	80,047	5,334
TN Sewer State Loan SRF 15-355	0.75	Dec. 20, 2015	Mar. 20, 2041	25,000	3,812	21,188	1,511
TN Sewer State Loan SRF 18-409	0.81	Nov. 19, 2020	Nov. 20, 2040	11,000	1,766	9,234	693
TN Sewer State Loan SRF 19-421	1.20	Oct. 20, 2020	Oct. 20, 2040	6,500	1,070	5,430	589
TN Sewer State Loan SRF 19-434	0.47	Jun. 20, 2018	Jun. 20, 2038	48,000	1,146	46,854	2,561
TN Sewer State Loan SRF 19-451	0.61	Jun. 20, 2022	Jul. 20, 2022	15,000	463	14,537	993
Total Sewer State Loans (Business-Type Activities)				221,091	33,513	187,578	12,413
REVENUE BONDS PAYABLE (Memphis Light Gas & Water) (1)							
Electric System Revenue Bonds, Series 2014	2.00-5.00	Jun. 03, 2014	Dec. 01, 2029	70,000	47,555	22,445	3,473
Electric System Revenue Bonds, Series 2016	3.00-5.00	Sep. 01, 2016	Dec. 01, 2036	40,000	10,050	29,950	9,717
Electric System Revenue Bonds, Series 2017	3.00-5.00	Sep. 01, 2017	Dec. 01, 2037	90,000	18,995	71,005	22,225
Electric System Revenue Bonds, Series 2020A	3.00-5.00	Sep. 22, 2020	Dec. 01, 2050	148,000	7,805	140,195	87,107
Electric System Revenue Bonds, Series 2020B	0.43-1.97	Sep. 22, 2020	Sep. 01 , 2034	29,000	1,345	27,655	4,247
Gas System Revenue Bonds, Series 2016	3.00-5.00	Sep. 01, 2016	Dec. 01, 2036	40,000	10,050	29,950	9,717
Gas System Revenue Bonds, Series 2017	3.00-5.00	Sep. 28, 2017	Dec. 01, 2037	40,000	8,325	31,675	11,405
Gas System Revenue Bonds, Series 2020	3.00-5.00	Sep. 22, 2020	Dec. 01, 2050	63,000	3,320	59,680	37,080
Water System Revenue Bonds, Series 2014	2.00-5.00	June 3, 2014	Dec. 01, 2034	15,000	5,500	9,500	2,325
Water System Revenue Bonds, Series 2016	2.00-4.00	Sep. 01, 2016	Dec. 01, 2036	30,000	8,510	21,490	5,112
Water System Revenue Bonds, Series 2017	2.00-5.00	Sep. 28, 2017	Dec. 01, 2037	25,000	5,600	19,400	5,904
Water System Revenue Bonds, Series 2020	3.00-5.00	Sep. 22, 2020	Dec. 01, 2050	68,000	3,620	64,380	37,940
Total Revenue Bonds Payable (Memphis Light Gas & Water)				658,000	130,675	527,325	236,252
Total Revenue Debt Payable				$ **1,202,255**	**209,958**	**992,297**	**383,675**

(1) All Memphis Light Gas Water bonds reflect amounts outstanding at December 31, 2023.

SCHEDULE OF GENERAL OBLIGATION DEBT PAYABLE BY ISSUE
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit F-3

Description	Interest Rates	Date of Issue	Date of Final Maturity	Original Issue	Redemption	Principal Amount Outstanding June 30, 2024	Interest to Maturity as of June 30, 2024
GENERAL OBLIGATION							
General Obligation Bonds TMBF Solid Waste, Series 2023	3.687	Jul. 13, 2023	Jun. 01, 2032	6,800	642	6,158	1,159
General Obligation Bonds Direct Placement Refunding (2022REF)	3.750-4.270	Jul. 13, 2022	Apr. 01, 2040	167,555	-	167,555	52,393
General Improvement Bonds Series 2022- A	5.000	Jul. 07, 2022	Oct. 01, 2045	138,010	-	138,010	101,113
General Improvement Bonds, Series 2021A	2.460- 4.000	Jul. 01, 2021	Apr. 01, 2046	163,772	-	163,772	72,226
General Improvement Bonds, Series 2021 (GORE)	4.000- 5.000	Aug. 05, 2021	May. 01, 2046	165,680	6,055	159,625	77,374
General Improvement Bonds, Series 2020A	5.000	Nov. 18, 2020	Dec. 01, 2030	24,470	6,105	18,365	3,398
General Improvement Refunding Bonds, Series 2020	4.000- 5.000	Apr. 29, 2020	May 1, 2045	214,675	92,470	122,205	61,576
General Improvement Bonds, Series 2018	3.450- 5.000	May. 01, 2018	Jul. 01, 2048	309,255	35,835	273,420	147,600
General Improvement Refunding Bonds, Series 2016	2.500- 5.000	Jun. 30, 2016	May 01, 2041	69,885	15,960	53,925	18,034
General Improvement Refunding Bonds, Series 2015C	5.000	May 19, 2015	Apr. 01, 2045	67,845	45,090	22,755	21,728
General Improvement Refunding Bonds, Series 2015B (Taxable)	2.698- 2.948	May 19, 2015	Apr. 01, 2025	54,390	22,735	31,655	933
General Improvement Refunding Bonds, Series 2015A	5.000	May 19, 2015	Apr. 01, 2026	76,820	-	76,820	6,486
General Improvement Refunding Bonds, Series 2014B	5.000	Mar. 25, 2014	Apr. 01, 2044	208,230	156,185	52,045	41,697
General Improvement Refunding Bonds, Series 2014A	5.000	Mar. 25, 2014	Nov. 01, 2025	103,955	89,680	14,275	709
General Improvement and Refunding Bonds, Series 2012A	3.250 - 4.125	Mar. 29, 2012	Apr. 01, 2042	93,595	83,420	10,175	4,234
General Improvement Bonds, Series 2010F (RZEDB)	6.042	Jun. 29, 2010	Jul. 01, 2034	11,160	-	11,160	6,749
General Improvement Bonds, Series 2010C (BABs)	4.706 - 5.942	Jun. 29, 2010	Jul. 01, 2032	62,550	19,015	43,535	11,952
General Improvement Bonds, Series 2010B (BABs)	5.415 - 6.145	May 04, 2010	May 01, 2030	39,950	11,610	28,340	6,146
Total General Obligation Bonds Payable				1,978,597	584,802	1,393,795	635,507
COMMERCIAL PAPER							
Commercial Paper	variable	Oct. 01, 2018	Oct. 04, 2024	150,000	-	150,000	-
Total Commercial Paper				150,000	-	150,000	-
SETTLEMENT OBLIGATION							
Settlement Obligation	-	Jan. 30, 2015	Feb. 15, 2031	20,000	12,000	8,000	-
Total Settlement Obligation				20,000	12,000	8,000	-
Total General Obligation Debt Payable				$ **2,148,597**	**596,802**	**1,551,795**	**635,507**

SCHEDULE OF GENERAL OBLIGATION DEBT - BY USE
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit F-4

Use	Balance Outstanding At Year End
GENERAL OBLIGATION BONDS	
General Improvement	$ 1,393,795
Bond Premiums	61,384
Total General Obligation Bonds	1,455,179
TOTAL GENERAL OBLIGATION DEBT	$ 1,455,179

SCHEDULE OF LEASE OBLIGATIONS, PRINCIPAL AND INTEREST REQUIREMENTS BY YEAR
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

Description	Original Issue	Interest Rates	Date of Issue	Date of Final Maturity	Principal Amount Outstanding July 1, 2023	Issued During Period	Paid and/or Matured During Period	Principal Amount Outstanding June 30, 2024	Interest to Maturity as of June 30, 2024
LEASES									
Sports Facility Revenue Bonds, Series 2014A	$ 17,925	2.000% - 5.000%	Mar. 28, 2014	Feb. 01, 2029	$ 9,920	-	1,270	8,650	1,191
Sports Facility Revenue Bonds, Series 2014B	5,720	1.900% - 4.970%	Mar. 28, 2014	Feb. 01, 2030	2,355	-	390	1,965	343
Solid Waste 2019	8,000	2.1730%	Aug. 23, 2019	Aug. 23, 2024	2,491	-	1,652	839	9
Fire Lease 2019	1,184	2.6500%	Apr. 18, 2019	Oct. 18, 2024	410	-	271	139	2
119 South Main Street	1,243	0.3147%	Jul. 01, 2021	Jun. 30, 2025	506	-	431	75	0
2129 Troyer Street Bldg 249	222	0.5773%	Sep. 01,2021	Jun. 30, 2027	141	-	44	97	1
2714 Union Ave - Suite #100	136	0.3147%	Jul. 01, 2021	Jun. 30, 2024	27	-	27	-	-
2714 Union Ave - Suite #600, #610, #700, #625	562	0.3147%	Jul. 01, 2021	Jun. 30, 2024	109	-	109	-	-
2714 Union Extended Building - Suite #400	289	0.2177%	Jul. 05, 2021	Jun. 30, 2024	12	-	12	-	-
3657 Old Getwell Road	3,367	0.8333%	Jul. 01, 2021	Jun. 30, 2029	2,530	-	433	2,097	38
Farrisview Industrial Park	101	0.2177%	Jul. 01, 2021	Jun. 30, 2024	15	-	15	-	-
Memphis Depot Business Park	456	0.3147%	Jul. 01, 2021	Jun. 30, 2024	92	-	92	-	-
Pidgeon Industrial Park	1,217	1.4270%	Jul. 01, 2021	Jun. 30, 2037	1,072	-	70	1,002	103
Universal Life Building	820	0.9670%	Jul. 01, 2021	Jun. 30, 2029	627	-	99	528	13
Research Institute	2,730	2.1843%	Jul. 01, 2022	Mar. 08, 2025	9	-	9	-	-
Conduent's e-Tims System	2,559	1.7103%	Jul. 01, 2022	Nov. 30, 2024	367	-	367	-	-
Tritech Computer-Aided Dispatch	432	1.7104%	Jul. 01, 2023	Jun. 30, 2024	-	432	432	-	-
Total Leases Payable	$ **46,963**				$ **20,683**	**432**	**5,723**	**15,392**	**1,700**

SCHEDULE OF GUARANTEE OBLIGATIONS PAYABLE BY ISSUE
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit F-6

Description	Interest Rates	Date of Issue	Date of Final Maturity	Original Issue	Redemptions	Principal Amount Outstanding June 30, 2024	Interest to Maturity as of June 30, 2024
GUARANTEE OBLIGATIONS							
For General Purposes:							
Qualified Energy Conservation Bonds, Series 2015A	3.720%	Feb. 28, 2015	Jan. 05, 2025	$ 8,316	7,484	832	31
Economic Development Growth Engine (EDGE)- 2021	5.000%	Jun. 01, 2017	Dec. 01, 2051	69,635	500	69,135	31,827
EDGE Port Comm Revenue Refunding Bond, Series 2022 (2022REF)	2.960%	Jun. 15, 2022	Apr. 01, 2036	14,468	1,795	12,673	2,607
Economic Development Growth Engine Bonds, Series 2017B	0.453% - 3.127%	Jul. 01, 2021	Nov. 01, 2030	87,725	-	87,725	16,897
Economic Development Growth Engine Bonds, Series 2017C	2.358%-2.931	Jun. 01, 2017	Nov. 01, 2024	34,300	30,075	4,225	62
				$ **214,444**	**39,854**	**174,590**	**51,424**

LONG TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS
REVENUE DEBT PAYABLE
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

Year Ending June 30	Revenue Bonds Sewer Collection and Treatment Fund Principal	Revenue Bonds Sewer Collection and Treatment Fund Interest	Revenue Bonds Storm Water Fund Principal	Revenue Bonds Storm Water Fund Interest	Revenue Bonds Memphis Light Gas Water (1) Principal	Revenue Bonds Memphis Light Gas Water (1) Interest	Sewer State Loans Sewer Collection and Treatment Fund Principal	Sewer State Loans Sewer Collection and Treatment Fund Interest	Sewer Federal Loans Sewer Collection and Treatment Fund Principal	Sewer Federal Loans Sewer Collection and Treatment Fund Interest	Total
2024					21,025	20,791			-		41,816
2025	10,990	7,808	900	1,610	22,000	19,815	10,644	1,433	-	1,048	76,248
2026	9,510	7,339	945	1,563	23,040	18,769	10,722	1,346	-	1,048	74,282
2027	7,670	6,931	995	1,515	24,120	17,694	10,801	1,258	-	1,048	72,032
2028	8,060	6,538	1,045	1,464	25,250	16,568	10,881	1,172	-	1,048	72,026
2029	7,030	6,161	1,100	1,410	26,420	15,396	10,961	1,082	-	1,048	70,608
2030	7,390	5,800	1,155	1,354	27,645	14,171	11,042	992	-	1,048	70,597
2031	6,280	5,459	1,215	1,295	28,825	12,990	11,123	902	-	1,048	69,137
2032	5,605	5,171	1,280	1,232	29,920	11,900	11,205	811	-	1,048	68,172
2033	5,875	4,904	1,345	1,167	31,070	10,754	11,288	719	-	1,048	68,170
2034	6,155	4,623	1,415	1,098	32,235	9,582	11,135	629	-	1,048	67,920
2035	6,450	4,329	1,485	1,025	27,120	8,360	11,192	542	-	1,048	61,551
2036	6,755	4,021	1,560	949	28,065	7,417	11,270	455	-	1,048	61,540
2037	7,080	3,698	1,640	869	20,880	6,457	11,349	367	-	1,048	53,388
2038	7,420	3,360	1,725	785	10,025	5,769	11,217	279	-	1,048	41,628
2039	7,775	3,005	1,815	696	10,320	5,467	10,871	194	-	1,048	41,191
2040	8,145	2,633	1,910	603	10,635	5,157	9,140	111	-	1,048	39,382
2041	8,535	2,242	2,005	505	10,955	4,840	4,641	62	4,240	1,048	39,073
2042	8,940	1,834	2,110	403	11,275	4,510	3,279	38	4,299	988	37,676
2043	9,375	1,405	2,215	294	11,620	4,171	3,296	19	4,358	929	37,682
2044	9,820	955	2,330	181	12,060	3,735	1,521	2	4,419	868	35,891
2045	7,070	549	2,450	61	12,510	3,282	-	-	4,480	807	31,209
2046	7,435	186	-	-	12,980	2,812	-	-	4,543	745	28,701
2047	-	-	-	-	13,500	2,292	-	-	4,606	682	21,080
2048	-	-	-	-	14,040	1,754	-	-	4,670	618	21,082
2049	-	-	-	-	14,605	1,191	-	-	4,735	553	21,084
2050	-	-	-	-	15,185	608	-	-	4,801	486	21,080
2051	-	-	-	-	-	-	-	-	4,867	420	5,287
2052	-	-	-	-	-	-	-	-	4,935	353	5,288
2053	-	-	-	-	-	-	-	-	5,004	284	5,288
2054	-	-	-	-	-	-	-	-	5,073	215	5,288
2055	-	-	-	-	-	-	-	-	5,144	144	5,288
2056	-	-	-	-	-	-	-	-	5,215	72	5,287
	$ 169,365	**$ 88,951**	**$ 32,640**	**$ 20,079**	**$ 527,325**	**$ 236,252**	**$ 187,578**	**$ 12,413**	**$ 75,389**	**$ 25,980**	**$ 1,375,972**

(1) All Memphis Light, Gas & Water bonds reflect amounts outstanding at December 31, 2023.

LONG TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS **CITY OF MEMPHIS, TENNESSEE**

GOVERNMENTAL DEBT PAYABLE **Exhibit F-8**

(Thousands of Dollars)

For the fiscal year ended June 30, 2024

Year Ending June 30	General Obligation Bonds		Settlement Obligation		Total
	Principal	Interest	Principal	Interest	
2025	96,188	52,067	1,333	-	149,588
2026	99,775	47,871	1,333	-	148,980
2027	55,030	46,883	1,333	-	103,246
2028	57,322	44,416	1,333	-	103,072
2029	59,718	41,821	1,334	-	102,873
2030	62,247	39,105	1,334	-	102,685
2031	59,335	36,393	-	-	95,729
2032	58,575	33,941	-	-	92,516
2033	59,345	32,147	-	-	91,491
2034	60,717	30,331	-	-	91,048
2035	62,390	28,509	-	-	90,898
2036	58,216	26,837	-	-	85,053
2037	55,184	25,267	-	-	80,451
2038	56,647	23,807	-	-	80,454
2039	58,262	22,195	-	-	80,457
2040	59,934	20,507	-	-	80,442
2041	61,862	18,717	-	-	80,579
2042	59,757	16,582	-	-	76,339
2043	61,073	14,481	-	-	75,554
2044	59,787	12,306	-	-	72,093
2045	48,813	10,161	-	-	58,974
2046	36,468	8,503	-	-	44,970
2047	23,060	1,844	-	-	24,904
2048	24,090	816	-	-	24,906
	$ 1,393,795	**$ 635,507**	**$ 8,000**	**$ -**	**$ 2,037,302**

SCHEDULE OF INTERFUND BALANCES
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit F-9

	Primary Government		
	Governmental Fund Types		
	General Fund	Debt Service	Total Payables - Reporting Entity
GOVERNMENTAL FUND TYPES			
Community Development	$ 87	$ -	$ 87
Special Revenue:			
State Street Aid	3,941	295	4,236
Solid Waste Management	5,250	-	5,250
Misc Grants	10	-	10
	9,201	295	9,496
Total receivables - primary government	9,288	295	9,583
Total receivables - reporting entity	$ 9,288	$ 295	$ 9,583

Interfund transfers are attributable to the budgeted allocation of resources from one fund to another, primarily for debt service requirements, operating subsidies and/or the funding of capital items.

SCHEDULE OF INTERFUND TRANSFERS
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit F-10

	Primary Government											
	Governmental Fund Types								Fiduciary Funds			
				Nonmajor Special Revenue				Internal Service				
	General Fund	Debt Service	Capital Projects	HUB Community Impact Fund	New Memphis Arena	Pre-K Fund	Affordable Housing	Healthcare Fund	City Retirement System	Library Retirement System	OPEB Trust Fund	Total Transfers-Out
GOVERNMENTAL FUND TYPES												
General Fund	$ -	$ -	$ 1,855	$ 550	$ 1,975	$ -	$ 5,000	$ -	$ -	$ 471	$ -	$ 9,851
Capital Projects Fund	1,500	-	-	-	-	-	-	-	-	-	-	1,500
Special Revenue:												
State Street Aid	-	1,768	-	-	-	-	-	-	-	-	-	1,768
Miscellaneous Grants	-	192	-	-	-	-	-	-	-	-	-	192
American Rescue Plan Act	-	-	5,729	-	-	-	-	-	-	-	-	5,729
Solid Waste	750	2,645	-	-	-	-	-	-	-	-	-	3,395
Hotel/Motel Tax	-	6,633	-	-	-	-	-	-	-	-	-	6,633
Metro Alarm	1,625	-	-	-	-	-	-	-	-	-	-	1,625
2019 Sales Tax Referendum	27,900	-	-	-	-	7,000	-	2,334	3,696	-	9,172	50,102
Total Governmental Fund Types	31,775	11,238	7,584	550	1,975	7,000	5,000	2,334	3,696	471	9,172	80,795
PROPRIETARY FUND TYPES												
Enterprise:												
Sewer Collection and Treatment	11,990	-	-	-	-	-	-	-	-	-	-	11,990
Memphis Light, Gas and Water	52,678	-	-	-	-	-	-	-	-	-	-	52,678
Storm Water	106	-	-	-	-	-	-	-	-	-	-	106
Total Proprietary Fund Types	64,774	-	-	-	-	-	-	-	-	-	-	64,774
Total Transfers-In	$ 96,549	$ 11,238	$ 7,584	$ 550	$ 1,975	$ 7,000	$ 5,000	$ 2,334	$ 3,696	$ 471	$ 9,172	$ 145,569

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

COMBINED SCHEDULE OF DEPOSITS AND INVESTMENTS
HELD OUTSIDE OF THE CASH AND INVESTMENT POOL - CARRYING AMOUNT
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit F-11

	Governmental Fund Types					Proprietary Funds			Internal Service Funds		Fiduciary Fund Types					
											Trust and Agency					
	General	Debt Service	Special Revenue	Community Development	Capital Projects	Sewer	Storm Water	MLGW	Internal Service Funds	Total	City Retirement System	Library Retirement System	MLGW Retirement System	City OPEB Trust	Memphis Light, Gas and Water OPEB Trust	Total
Deposits:																
Cash and cash equivalents [1]	$ 47	$ 7,987	$ 31,092	$ 7,021	$ 85,504	$ 6,972	$ 14,060	$ 401,958	$ 1	$ 554,642	$ 46,797	$ (197)	$ 38,150	$ 1	$ 17,238	$ 101,989
Total deposits	47	7,987	31,092	7,021	85,504	6,972	14,060	401,958	1	554,642	46,797	(197)	38,150	1	17,238	101,989
Investments:																
U.S. government securities - long-term	-	-	-	-	-	20,880	2,478	-	-	23,358	157,095	-	2,159	-	719	159,973
Common stock - domestic	-	-	-	-	-	-	-	-	-	-	823,334	-	547,734	-	274,690	1,645,758
Common stock - foreign	-	-	-	-	-	-	-	-	-	-	180,871	-	141,757	-	70,713	393,341
Corporate bonds - domestic	-	-	-	-	-	-	-	-	-	-	263,618	-	-	-	1,472	265,090
Corporate bonds - foreign	-	-	-	-	-	-	-	-	-	-	77,419	-	3,904	-	278	81,601
Mutual funds and money market funds	-	-	-	-	-	187	289	-	-	476	19,331	53,211	-	4,714	-	77,256
Government bonds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	23,907	-	4,404	28,311
Global bond - international	-	-	-	-	-	-	-	-	-	-	-	-	42,307	-	23,706	66,013
Corporate bond mutual funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	33,447	-	54,878	88,325
Convertible - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,621	10,621
Collateralized mortgage obligations	-	-	-	-	-	-	-	-	-	-	5,757	-	-	-	-	5,757
Asset-backed pooled securities	-	-	-	-	-	-	-	-	-	-	1,853	-	1,714	-	555	4,122
Mortgage-backed pooled securities	-	-	-	-	-	-	-	-	-	-	20,005	-	12,472	-	2,832	35,309
Core Fixed Income CIT- Domestic	-	-	-	-	-	-	-	-	-	-	-		53,400		-	53,400
Core Fixed Income CIT- International	-	-	-	-	-	-	-	-	-	-	-		59,527		-	59,527
Investments	-	-	364,178	-	-	-	-	-	-	364,178	-	-	-	-	-	-
Investments in index funds	-	-	-	-	-	-	-	-	-	-	93,066	-	-	-	-	93,066
Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	273,325	-	-	-	-	273,325
Investments in real estate	-	-	-	-	-	-	-	-	-	-	159,312	-	268,721	-	87,970	516,003
Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	13,984	-	-	13,984
Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	21,490	-	10,750	32,240
Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	113,604	-	72,733	186,337
Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	20,229	-	10,334	30,563
Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	489,406	-	-	-	-	489,406
Hedge funds	-	-	-	-	-	-	-	-	-	-	-	-	20,393	-	10,375	30,768
Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	43,515	-	11,752	55,267
Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	25,589	-	15,217	40,806
State of TN Local Gov't Investment Pool	-	-	-	-	139	-	-	94,600	-	94,739	-	-	-	-	-	-
Commercial paper	-	-	-	-	25,303	-	-	-	-	25,303	-	-	-	-	-	-
U.S. Treasuries	-	-	-	-	-	-	-	62,129	-	62,129	-	-	-	-	-	-
Federal agency (Fixed Rate)	-	-	-	-	-	-	-	27,609	-	27,609	-	-	-	-	-	-
Federal agency (Callable)	-	-	-	-	-	-	-	35,252	-	35,252	-	-	-	-	-	-
Certificates of Deposit	-	-	-	-	-	1,000	-	-	-	1,000	-	-	-	-	-	-
Life Settlement fund	-	-	-	-	-	-	-	-	-	-	-	-	74,627	-	16,059	90,686
Investment short sales & written options	-	-	-	-	-	-	-	-	-	-	(95)	-	-	-	-	(95)
Total investments	-	-	364,178	-	25,442	22,067	2,767	219,590	-	634,044	2,564,297	53,211	1,524,480	4,714	680,058	4,826,760
Total deposits and investments	$ 47	$ 7,987	$ 395,270	$ 7,021	$ 110,946	$ 29,039	$ 16,827	$ 621,548	$ 1	$ 1,188,686	$ 2,611,094	$ 53,014	$ 1,562,630	$ 4,715	$ 697,296	$ 4,928,749

[1] Cash and cash equivalents includes restricted cash.

SCHEDULE OF ADDITIONS AND RETIREMENTS
TO UTILITY PLANT
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit F-12

MEMPHIS LIGHT, GAS AND WATER DIVISION [1]

	Balance January 1, 2023	Additions	Retirements	Transfers	Balance December 31, 2023
Electric Division	$ 2,157,215	$ 326,696	$ (149,603)	$ -	$ 2,334,308
Accumulated depreciation					(1,014,158)
Gas Division	805,239	39,292	(19,301)	-	825,230
Accumulated depreciation					(433,367)
Water Division	618,930	47,621	(20,643)	-	645,908
Accumulated depreciation					(249,766)
Total	$ 3,581,384	$ 413,609	$ (189,547)	$ -	$ 2,108,155

SEWER COLLECTION AND TREATMENT FUND [2]

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Land and buildings	$ 119,275	$ -	$ -	$ -	$ 119,275
Accumulated depreciation					(95,761)
Improvements other than buildings	764,851	-	-	-	764,851
Accumulated depreciation					(369,995)
Machinery and equipment	57,405	8,422	(85)	(230)	65,512
Accumulated depreciation					(44,907)
Construction work in progress	510,460	89,579	-	-	600,039
	$ 1,451,991	$ 98,001	$ (85)	$ (230)	$ 1,039,014

[1] MLGW is presented for the year ended December 31.

[2] Sewer Collection and Treatment Fund is presented for the year ended June 30.

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
EXHIBIT F-13

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Local taxes	$ 143,673	$ 143,673	$ 139,685	$ (3,988)
State taxes (local share)	16,681	16,681	16,158	(523)
Investment income	3,041	3,041	8,665	5,624
Federal grants	1,759	1,759	606	(1,153)
Other	2,058	2,058	2,805	747
Total revenues	167,212	167,212	167,919	707
EXPENDITURES				
Redemption of serial bonds and notes	113,909	113,909	113,903	6
Interest	70,559	70,459	69,075	1,384
Other	1,236	1,336	1,196	140
Total expenditures	185,704	185,704	184,174	1,530
Revenues over (under) expenditures	(18,492)	(18,492)	(16,255)	2,237
OTHER FINANCING SOURCES (USES)				
Transfers in	11,238	11,238	11,238	-
Prior Year Expense	-	-	(158)	(158)
Contributed From Fund Balance	7,253	7,253	-	(7,253)
Total other financing sources and uses	18,491	18,491	11,080	(7,411)
Net change in fund balances	$ (1)	$ (1)	$ (5,175)	$ (5,174)
Fund balance - beginning of year			70,120	
Fund balance - end of year			$ 64,945	

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ON BASIS OF BUDGETING
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit F-14

	Budgeted Amounts		Actual	Variance with Final Budget-
	Original	Final	Amounts	Positive (Negative)
REVENUES				
Local taxes	$ 508,821	$ 508,821	$ 508,453	$ (368)
State taxes (local share)	79,260	79,260	82,061	2,801
Licenses and permits	14,501	14,501	12,852	(1,649)
Fines and forfeitures	12,162	12,162	11,146	(1,016)
Charges for services	45,115	51,180	48,051	(3,129)
Investment income	6,585	6,585	22,489	15,904
Federal grants	4,750	6,450	6,691	241
Intergovernmental revenues	4,500	4,500	5,369	869
Other	10,276	11,364	29,999	18,635
Total revenues	685,970	694,823	727,111	32,288
EXPENDITURES				
General government	189,814	227,231	218,021	9,210
Public safety	507,168	541,850	524,371	17,479
Community services	78,652	81,389	76,226	5,163
Transportation and environment	17,444	24,403	25,409	(1,006)
Total expenditures	793,078	874,873	844,027	30,846
Revenues over expenditures	(107,108)	(180,050)	(116,916)	63,134
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	37	37
Transfers in	102,118	102,118	96,549	(5,569)
Transfers out	(6,021)	(9,976)	(9,851)	125
Total other financing sources and uses	96,097	92,142	86,735	(5,407)
Net change in fund balances (budgetary basis)	$ (11,011)	$ (87,908)	$ (30,181)	$ 57,727
Adjustment for encumbrances - prior year			(12,923)	
Adjustment for encumbrances - current year			19,157	
Revenues over expenditures (GAAP basis)			$ (23,947)	
Fund balance - beginning			214,625	
Fund balance - ending			$ 190,678	
Reconciliation from Cash Basis to Modified Accrual			3,571	
Fund Balance (Modified Accrual)			$ 194,249	

See accompanying notes to financial statements.

SCHEDULE OF ECONOMIC DEVELOPMENT BONDS PAYABLE BY ISSUE
(Thousands of Dollars)
For the fiscal year ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit F-15

Description	Interest Rates	Date of Issue	Date of Final Maturity	Original Issue	Redemptions	Principal Amount Outstanding June 30, 2024	Interest to Maturity as of June 30, 2024
ECONOMIC DEVELOPMENT BONDS- ACCELERATE MEMPHIS							
For General Purposes:							
Series 2021A Economic Development Bonds	4.000% - 5.000%	Jul. 14, 2021	Apr. 01, 2046	$ 19,140	-	19,140	11,368
Series 2021B Economic Development Bonds	1.150% - 1.720%	Jul. 14, 2021	Apr. 01, 2028	5,115	1,000	4,115	159
				$ **24,255**	**1,000**	**23,255**	**11,527**


MEMPHIS
SHELBY
COUNTY
TENNESSEE

CITY OF MEMPHIS

T E N N E S S E E

The statistical section provides additional historical perspective, context, and detail to assist in assessing the City's economic condition. The statistical section is presented in the following five categories:

Financial Trends Information assists in understanding and assessing how the City's financial position has changed over time.

Revenue Capacity Information assists in understanding and assessing the factors affecting the City's ability to generate its own-source revenues.

Debt Capacity Information assists in understanding and assessing the City's debt burden and its ability to issue additional debt.

Demographic and Economic Information assists in understanding the City's socioeconomic status and provides information that facilitates comparisons of financial statement information over time and among governments.

Operating Information provides contextual information about the City's operations and resources in order to assist readers in using the financial statement information in understanding and assessing the City's economic condition.

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NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-1

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investments in capital assets	$ 2,611,833	$ 293,259	$ 304,799	$ 340,474	$ 225,370	$ 343,085	$ 244,190	$ 1,388,684	$ 1,801,003	$ 240,976
Restricted for :										
Debt service	52,823	61,255	48,798	76,888	77,929	109,086	17,285	17,285	11,261	10,252
Capital acquisitions/ projects	-	4,381	23,661	191,471	148,359	-	-	-	-	-
Solid waste management	16,138	15,871	13,001	10,783	6,056	3,648	15,379	14,318	6,402	4,077
Drug enforcement	9,630	10,077	9,980	9,426	9,411	8,889	8,772	9,026	9,804	9,065
Other	10,000	-	-	70,168	72,760	185,665	254,478	491,831	457,565	736,968
Unrestricted:										
Unrestricted, other	(3,216,914)	(851,833)	(918,811)	(1,031,458)	(809,885)	(1,058,700)	(758,019)	(2,273,486)	(2,438,411)	(717,227)
Total governmental activities net position	(455,329)	(407,176)	(451,330)	(332,248)	(270,000)	(408,327)	(217,915)	(352,342)	(152,376)	284,110
Business-type activities:										
Net investment in capital assets	1,896,485	2,017,891	2,020,550	1,958,252	2,043,389	2,135,366	1,226,768	1,761,334	1,921,262	2,236,110
Restricted for debt service	99,797	64,173	108,387	103,345	53,193	65,865	552,470	149,160	132,780	69,777
Restricted for construction	7,268	8,456	8,775	9,007	10,845	10,845	11,380	-	-	-
Unrestricted	377,219	320,158	259,192	341,409	(36,333)	(52,383)	507,558	626,416	724,309	628,707
Total business-type activities net position	2,380,769	2,410,678	2,396,904	2,412,013	2,071,094	2,159,693	2,298,176	2,536,910	2,778,351	2,934,594
Primary government:										
Net investment in capital assets	4,508,318	2,311,150	2,325,349	2,298,726	2,268,759	2,478,451	1,470,958	3,150,018	3,722,265	2,477,086
Restricted for:										
Debt service	152,620	125,428	157,185	180,233	131,122	174,951	569,755	166,445	144,041	80,029
Construction	33,344	8,456	8,775	9,007	10,845	10,845	11,380	-	-	-
Capital acquisitions/ projects	-	4,381	23,661	191,471	148,359	-	-	-	-	-
Solid waste management	16,138	15,871	13,001	10,783	6,056	3,648	15,379	14,318	6,402	4,077
Drug enforcement	9,630	10,077	9,980	9,426	9,411	8,889	8,772	9,026	9,804	9,065
Other	10,000	-	-	70,168	72,760	185,665	254,478	491,831	457,565	736,968
Unrestricted	(2,839,695)	(531,675)	(659,619)	(690,049)	(846,218)	(1,111,083)	(250,461)	(1,647,070)	(1,714,102)	(88,520)
Total primary government net position	$ 1,925,440	$ 2,003,502	$ 1,945,574	$ 2,079,765	$ 1,801,094	$ 1,751,366	$ 2,080,261	$ 2,184,568	$ 2,625,975	$ 3,218,705

CHANGES IN NET POSITION
Last Ten Fiscal Years
(Thousands of Dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 89,038	$ 72,499	$ 65,436	$ 65,970	$ 90,946	$ 96,413	$ 98,976	$ 9,694	$ 63,403	$ 55,831
Public Safety	3,383	22,329	22,069	21,388	22,976	21,913	24,030	26,187	29,151	33,254
Community services	-	-	-	-	-	-	-	6,543	7,212	7,434
Transportation and environment	55,832	56,318	56,819	57,425	57,688	67,339	76,893	76,570	76,838	77,870
Operating grants and contributions	57,732	38,719	41,666	50,416	57,072	60,663	138,249	8,628	167,872	438,201
Capital grants and contributions	12,627	23,610	8,934	1,668	8,537	12,501	12,291	23,943	8,690	6,533
Total governmental activities program revenues	218,612	213,475	194,924	196,867	237,219	258,829	350,439	151,565	353,166	619,122
Business-type activities:										
Charges for services:										
Sewer collection and treatment	103,299	96,845	98,726	110,304	123,449	132,315	149,116	156,289	152,735	161,158
Memphis Light, Gas and Water	1,700,897	1,602,957	1,555,258	1,559,990	1,667,234	1,652,282	1,517,664	1,734,438	1,972,698	1,769,227
Storm water	24,309	24,289	24,418	21,391	28,202	31,903	32,058	36,711	36,403	37,099
Operating grants and contributions	562	555	547	537	420	258	127	-	-	-
Capital grants and contributions	3,022	3,009	1,133	946	-	1,333	789	463	712	503
Total business-type activities program revenues	1,832,089	1,727,655	1,680,082	1,693,168	1,819,305	1,818,091	1,699,754	1,927,901	2,162,548	1,967,987
Total primary government program revenues	2,050,701	1,941,130	1,875,006	1,890,035	2,056,524	2,076,920	2,050,193	2,079,466	2,515,714	2,587,109
Expenses										
Governmental Activities:										
General government	134,182	212,054	91,718	197,380	428,057	434,376	361,003	469,127	537,578	366,150
Public safety	425,128	437,430	133,750	310,961	342,077	540,696	452,271	614,942	352,372	599,807
Community services	93,383	92,365	46,935	78,865	82,572	93,817	82,061	126,280	121,382	116,345
Transportation and environment	85,675	71,286	28,469	50,649	65,627	84,624	70,668	113,466	67,947	109,927
Education	(151)	154	112	82	59	3,060	4,556	6,010	6,403	7,000
Refunding bond/ escrow agent	-	-	-	150,000	-	-	-	-	-	-
Miscellaneous	-	-	-	3,436	-	-	-	-	-	-
Interest on long term debt	83,005	64,151	64,586	59,933	67,971	63,470	66,252	69,555	66,535	68,971
Total governmental activities expenses	821,222	877,440	365,570	851,306	986,363	1,220,043	1,036,811	1,399,380	1,152,217	1,268,201
Business-type activities:										
Sewer collection and treatment	63,049	70,163	62,347	75,739	93,766	110,461	102,730	121,156	125,341	127,333
Memphis Light, Gas and Water	1,630,708	1,554,006	1,561,282	1,561,085	1,548,223	1,564,178	1,422,151	1,519,540	1,747,391	1,682,339
Storm water	17,027	19,289	8,502	16,556	18,777	30,375	19,950	22,934	23,256	24,267
Total business-type activities expenses	1,710,784	1,643,458	1,632,131	1,653,380	1,660,766	1,705,014	1,544,831	1,663,630	1,895,988	1,833,939
Total primary government expenses	2,532,006	2,520,898	1,997,701	2,504,686	2,647,129	2,925,057	2,581,642	3,063,010	3,048,205	3,102,140
Net (expense)/revenue										
Governmental activities	(602,610)	(663,965)	(170,646)	(654,439)	(749,144)	(961,214)	(686,372)	(1,247,815)	(799,051)	(649,079)
Business-type activities	121,305	84,197	47,951	39,788	158,539	113,077	154,923	264,271	266,560	134,048
Total primary government net expense	(481,305)	(579,768)	(122,695)	(614,651)	(590,605)	(848,137)	(531,449)	(983,544)	(532,491)	(515,031)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Local taxes	571,583	542,475	580,750	607,148	603,048	627,101	690,526	730,241	746,816	736,816
State taxes (local share)	77,129	103,987	82,519	105,895	102,385	107,136	112,301	103,878	115,873	120,612
Hotel/motel tax	4,612	10,726	15,513	17,176	18,964	13,614	11,369	17,057	18,903	17,591
Unrestricted investment earnings	813	1,654	1,574	4,960	12,197	8,460	573	(6,331)	33,891	43,902
Federal grants and entitlements	-	-	-	-	-	-	-	130,845	-	-
State grants	-	-	-	-	-	-	-	19,555	-	-
Other	19,563	28,662	41,881	4,274	43,544	38,270	(7,154)	57,314	20,718	115,206
Transfers	68,302	25,097	(131,119)	111,631	37,675	19,348	68,344	60,829	62,816	64,775
Total governmental activities	742,002	712,601	591,118	851,084	817,813	813,929	875,959	1,113,388	999,017	1,098,902
Business-type activities:										
Investment earnings	24,816	21,998	18,059	14,949	17,448	12,227	7,373	4,219	10,051	39,267
Other	3,991	10,003	33,910	35,216	35,559	35,936	52,225	42,336	39,929	44,970
Transfers	(68,302)	(66,505)	(70,897)	(74,844)	(70,248)	(69,559)	(68,844)	(72,092)	(75,274)	(61,979)
Total business-type activities	(39,495)	(34,504)	(18,928)	(24,679)	(17,241)	(21,396)	(9,246)	(25,537)	(25,294)	22,258
Total primary government	702,507	678,097	572,190	826,405	800,572	792,533	866,713	1,087,851	973,723	1,121,160
Change in Net Position										
Governmental activities	139,392	48,636	329,690	196,645	68,669	(147,285)	189,587	(134,427)	199,966	449,823
Business-type activities	81,810	49,693	30,196	15,109	141,298	91,681	145,677	238,734	241,266	156,306
Total primary government	$ 221,202	$ 98,329	$ 359,886	$ 211,754	$ 209,967	$ (55,604)	$ 335,264	$ 104,307	$ 441,232	$ 606,129

FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-3

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
General fund											
Restricted	$ 6,246	$ 7,210	$ 8,281	$ 10,768	$ 12,725	$ 13,912	$ 14,635	$ 17,455	$ 19,188	$ 20,195	(1)
Assigned	34,030	43,489	43,759	32,150	31,726	36,866	76,568	81,894	80,961	76,675	(2)
Unassigned	91,990	94,674	95,343	98,283	91,541	79,047	106,350	108,574	114,476	97,379	(3)
Total general fund	132,266	145,373	147,383	141,201	135,992	129,825	197,553	207,923	214,625	194,249	
All other governmental funds											
Restricted	56,130	62,616	46,688	54,815	52,711	147,551	115,147	137,064	127,614	463,105	(4)
Committed	53,346	43,083	63,954	261,003	217,353	108,959	89,564	296,047	257,270	169,886	(5)
Unassigned	-	794	-	-	-	-	-	4,585	-	-	
Total all other governmental funds	109,476	106,493	110,642	315,818	270,064	256,510	204,711	437,696	384,884	632,991	
Total governmental funds	$ 241,742	$ 251,866	$ 258,025	$ 457,019	$ 406,056	$ 386,335	$ 402,264	$ 645,619	$ 599,509	$ 827,240	

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* , during fiscal year 2012.

(1) The $1,008 year-over-year increase in primarily attributable to the spike in sports betting.
(2) The $26,214 increase in assigned is due to increase in encumbrances of $5,906 and the MATA operating loan increasing by $31 mil.
(3) The decrease of $47,597 for unassigned was due to supplementing operations for MATA and heightened cost for operations city-wide.
(4) The $335,492 increase is primarily attributable to the new fund 0906, which is Arenas Funding.
(5) The $87,384 year- over-year decrease is primarily attributable to expenditures exceeding revenue for the Capital Projects fund.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-4

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Local taxes	$ 568,619	$ 576,294	$ 580,750	$ 609,946	$ 603,993	$ 633,194	$ 694,326	$ 730,241	$ 746,814	$ 732,708
State taxes (local share)	94,058	103,987	100,397	105,895	102,385	107,136	112,179	103,878	115,873	120,612
Hotel/motel tax	4,612	10,726	15,513	17,176	18,964	13,614	11,369	17,057	18,903	17,591
Licenses and permits	12,694	13,586	14,161	15,300	15,827	14,398	17,080	15,425	15,940	14,981
Fines and forfeitures	19,546	19,863	17,731	17,226	17,835	13,312	12,210	13,277	13,025	12,268
Charges for services	87,058	91,075	90,924	91,618	93,915	101,464	112,541	118,994	124,841	124,362
Investment income	769	1,508	1,421	4,574	12,197	8,460	573	(6,625)	33,420	43,902
Federal grants and entitlements	44,287	52,758	45,596	47,474	62,496	70,567	136,717	130,845	128,057	90,394
State grants	5,839	9,571	5,004	4,610	3,113	2,597	13,823	19,555	48,505	354,340
Intergovernmental revenues	3,411	5,996	9,409	8,661	9,966	10,760	10,610	4,575	4,047	5,367
Operating revenues	-	4,506	-	-	-	-	-	-	-	-
Other	22,525	16,661	20,321	38,988	21,080	27,416	23,006	262,584	464,885	53,520
Total revenues	863,418	906,531	901,227	961,468	961,771	1,002,918	1,144,434	1,409,806	1,714,310	1,570,045
Expenditures										
General government	176,173	183,995	198,706	219,466	216,804	236,346	259,455	262,529	290,323	332,275
Public safety	400,632	408,809	435,763	445,196	457,908	481,206	481,921	508,638	526,803	557,493
Community services	84,247	77,099	80,562	85,180	83,494	78,915	82,039	104,450	159,665	101,925
Transportation and environment	79,189	68,281	74,196	82,055	91,410	78,248	77,503	93,851	100,190	101,773
Education	0	154	112	82	59	3,060	4,556	6,010	6,403	7,000
Capital outlay	85,120	97,966	71,108	91,963	138,196	259,451	147,847	178,346	245,781	213,451
Operating expenditures	-	6,259	-	-	-	-	-	-	-	-
Debt service:										
Redemption of serial bonds and notes	86,421	86,733	90,782	92,535	97,366	99,922	98,236	94,370	104,060	112,836
Lease payments	3,294	7,037	6,406	5,608	6,422	4,228	4,442	3,711	2,809	1,067
Interest	67,465	65,403	65,051	59,848	69,319	65,078	66,252	69,555	66,535	68,971
Bond issuance cost	2,773	895	1,699	2,234	242	1,450	437	31,366	1,182	104
Service charges	1,019	966	1,115	1,202	754	4,920	2,147	959	1,437	1,200
Total expenditures	986,333	1,003,597	1,025,500	1,085,369	1,161,974	1,312,824	1,224,835	1,353,785	1,505,188	1,498,095
Excess of revenues over (under) expenditures	(122,915)	(97,066)	(124,273)	(123,901)	(200,203)	(309,906)	(80,401)	56,021	209,122	71,950
Other financing sources (uses)										
Sale of capital assets	691	-	1,792	60	5,493	19	34	43	54	37
Transfers in	86,542	99,071	95,190	110,963	115,923	101,290	107,789	132,050	164,213	129,896
Transfers out	(30,161)	(36,987)	(23,817)	(43,865)	(47,211)	(35,421)	(44,295)	(72,871)	(103,626)	(80,794)
Capital leases	18,716	2,003	3,250	4,400	-	-	-	-	-	-
Special Items	-	(6,250)	-	-	-	-	-	-	-	-
Issuance of refunding debt	244,055	114,885	233,240	384,254	75,035	339,977	130,407	335,196	-	126,800
Related party loan	1,585	1,562	-	-	-	-	-	-	-	-
Retirement of refunded debt obligation	(222,171)	(75,000)	(195,830)	(150,000)	-	(143,436)	(97,605)	(207,085)	(316,970)	(20,000)
Premium on debt issue	25,084	5,805	17,401	17,764	-	27,756	-	-	1,097	158
Total other financing sources	124,341	105,089	131,226	323,576	149,240	290,185	96,330	187,333	(255,232)	156,097
Net change in fund balances/(deficit)	$ 1,426	$ 8,023	$ 6,953	$ 199,675	$ (50,963)	$ (19,721)	$ 15,929	$ 243,354	$ (46,110)	$ 228,047
Debt service as a percentage of noncapital expenditures (1)	17.4%	17.6%	17.0%	15.9%	16.9%	16.1%	15.7%	14.3%	13.8%	14.2%

(1) For fiscal year 2024, the debt ratio includes the government-wide capital outlay of $245,796.

GENERAL FUND EXPENDITURES AND OTHER USES BY FUNCTION
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
Exhibit X-5

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Legislative	$ 1,501	$ 1,443	$ 1,547	$ 1,932	$ 2,093	$ 2,345	$ 2,443	$ 2,331	$ 2,901	$ 3,368
Judicial	626	642	645	631	858	797	782	754	820	790
Court clerk	9,160	6,250	6,354	6,099	5,717	5,899	5,500	5,715	5,445	5,730
Executive	7,101	8,413	12,970	18,605	18,220	17,802	26,948	19,958	20,982	22,389
Finance and administration	5,100	7,489	9,278	16,648	16,962	25,838	25,213	12,772	13,551	12,506
City attorney	9,131	10,140	11,892	10,385	12,861	13,280	13,639	10,663	16,429	19,087
City engineer	5,230	6,640	7,776	7,916	8,636	7,792	6,263	4,452	6,964	11,959
Information technology	14,474	15,949	21,378	27,836	19,573	20,879	20,256	21,808	23,466	23,250
Human resources	5,731	7,342	8,091	9,351	8,428	8,069	7,235	7,849	8,298	9,476
General services	20,628	21,701	24,274	20,216	20,396	24,829	21,679	21,829	23,280	28,480
Special appropriations	55,521	53,886	49,837	50,033	54,638	61,371	69,882	67,192	57,526	80,393
Total general government	134,203	139,895	154,042	169,652	168,382	188,901	199,840	175,323	179,662	217,428
Public Safety										
Police	234,108	240,431	256,476	262,684	269,578	279,713	276,726	281,219	290,333	303,505
Fire	163,014	165,273	176,102	178,816	184,589	191,008	199,967	202,426	209,006	212,367
Total public safety	397,122	405,704	432,578	441,500	454,167	470,721	476,693	483,645	499,339	515,872
Community Services										
Library	-	-	17,547	18,698	19,800	20,532	19,670	20,885	20,964	22,033
Parks and recreation	49,815	49,710	31,900	35,126	35,796	36,678	34,872	43,137	43,829	49,912
Public services	-	373	(2)	1	-	-	-	-	-	-
Community development	4,726	3,914	4,792	4,457	5,197	5,050	6,465	4,502	4,900	4,407
Community enhancement	-	-	5	1	-	-	-	-	-	-
Total community services	54,541	53,997	54,242	58,283	60,793	62,260	61,007	68,524	69,693	76,352
Transportation and Environment										
Public works	11,847	14,612	14,162	19,433	17,002	13,076	11,940	19,687	18,661	25,066
Total transportation and environment	11,847	14,612	14,162	19,433	17,002	13,076	11,940	19,687	18,661	25,066
Transfers out	19,005	18,775	7,974	23,764	23,287	7,865	4,950	4,061	27,939	9,851
Special items	-	6,250	-	-	-	-	-	-	-	-
Total	$ 616,718	$ 639,233	$ 662,998	$ 712,632	$ 723,631	$ 742,823	$ 754,430	$ 751,240	$ 795,294	$ 844,569

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-6

		Real Property				Personal Property		Utilities and Carriers (55%) (Real and Personal) (1)					
		Farm and Residential(25%)		Commercial and Industrial(40%) (3)		Commercial and Industrial(30%) (2)		Privately Owned		Total		Total Assessed to Total Market Value	Total Direct Tax Rate
Tax Year	Fiscal Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2014	2015	$ 4,680,381,500	$ 18,721,526,000	$ 4,285,184,728	$ 10,949,013,700	$ 1,202,709,365	$ 4,007,052,700	$ 973,975,835	$ 1,770,865,155	$ 11,142,251,428	$ 35,448,457,555	31.43%	3.4000
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	31.65%	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

(1) Does not include City-owned utilities (Electric and Gas Divisions) which are assessed a separate in-lieu-of-tax. Beginning with fiscal year 1988, the Electric and Gas Divisions are taxed under the provisions of State Statutes, "The Municipal Electric System Tax Equivalent Law of 1987" and "The Municipal Gas System Tax Equivalent Law of 1987" respectively. Under these laws, the annual tax equivalent is the sum of: (1) The equalized tax rate applied to the net plant value and book value of materials and supplies, and (2) Four percent (4%) of the average of revenue less power cost for the preceding three (3) fiscal years. The law also provides that no payment shall be less than the amount paid in Fiscal Year 1987. Net proceeds from this source go only to the City's General Fund and are not allocated by the tax rate ordinance. The City contributes a portion of the proceeds to the County based on a tax rate formula.

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

(3) Includes multiple real estate assessed at 0-40% as well as greenbelt commercial real estate at 25%, greenbelt industrial real estate at 25% and greenbelt multiple real estate at 0-40% For real estate, where parcel classification is multiple, the assessments will not equal the percentage multiple of the market appraisal or greenbelt.

Sources: Shelby County Assessor (real and personal) and State of Tennessee Office of State Assessed Property (utilities and carriers).

PROPERTY TAX RATES AND LEVIES -
ALL DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

CITY OF MEMPHIS, TENNESSEE
Exhibit X-7

Tax Year	2014 *	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City Direct Rates										
General Fund	$ 2.3125	$ 2.3125	$ 2.3125	$ 2.2251	$ 2.1640	$ 2.1640	$ 2.1773	$ 1.8473	$ 1.8459	$ 1.8459
Debt Service	1.0842	1.0842	1.0842	1.0432	1.0189	0.9989	0.9989	0.8475	0.8475	0.8475
CIP	0.0033	0.0033	0.0033	0.0032	0.0031	0.0098	0.0098	0.0083	0.0083	0.0083
Education	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Pre-K	0.0000	0.0000	0.0000	0.0000	0.0100	0.0100	0.0100	0.0100	0.0000	0.0000
Community Catalyst Fund	0.0000	0.0000	0.0000	0.0000	0.0000	0.0067	0.0000	0.0000	0.0000	0.0000
Affordable Housing Fund	0.0000	0.0000	0.0000	0.0000	0.0000	0.0067	0.0000	0.0000	0.0000	0.0000
Total City Direct Rate	3.4000	3.4000	3.4000	3.2715	3.1960	3.1960	3.1960	2.7130	2.7016	2.7016
County Direct Rates										
General Fund	1.45	1.45	1.45	1.43	1.49	1.49	1.47	1.24	1.25	1.26
Debt Service	0.78	0.78	0.78	0.69	0.62	0.62	0.62	0.57	0.55	0.53
Education	2.14	2.14	2.14	1.99	1.94	1.94	1.96	1.64	1.59	1.60
Total County Direct Rate	4.37	4.37	4.37	4.11	4.05	4.05	4.05	3.45	3.39	3.39
Total Overlapping Rate	7.7700	7.7700	7.7700	7.3815	7.2460	7.2460	7.2460	6.1630	6.0916	6.0916
Tax Levies										
[1] City	$ 383,169,118	$ 382,019,032	$ 384,098,042	$ 408,539,179	$ 403,069,834	$ 400,602,833	$ 404,669,953	$ 417,422,909	$ 419,222,494	$ 402,897,241
County	778,641,703	780,513,345	787,557,182	823,187,542	821,656,618	821,373,075	832,869,240	864,226,442	860,980,737	847,415,477
Total Tax Levies	$ 1,161,810,821	$ 1,162,532,377	$ 1,171,655,224	$ 1,231,726,721	$ 1,224,726,452	$ 1,221,975,908	$ 1,237,539,193	$ 1,281,649,351	$ 1,280,203,231	$ 1,250,312,718

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

* Note: Rate presentation corrected from FY14 Annual Report. Additionally, the City's tax levy was restated to include payments in lieu of taxes to ensure consistency of presentation.

Source of County information: Shelby County Trustee
Source of City information: Tax Rate Ordinance and Revenue Collections Percentage Report

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

CITY OF MEMPHIS, TENNESSEE
Exhibit X-8

	Fiscal Year 2024			Fiscal Year 2015		
Name of Taxpayer		**Taxable Assessed Value**	**Percentage of Total Taxable Assessed Value**	**Name of Taxpayer**	**Taxable Assessed Value**	**Percentage of Total Taxable Assessed Value**
FedEx Express	$	731,724,177	4.90	Federal Express	$ 803,448,108	7.21
Memphis Center City Revenue		314,082,855	2.10	Bell South Telecommunications	91,198,453	0.82
Pool 6 Industrial		66,950,760	0.45	Belz Investo GP	62,546,765	0.56
Amazon.Com Services		58,872,700	0.39	Wolfchase Galleria, LTD	52,923,480	0.47
BNSF Railway Company		55,745,274	0.37	AMISUB (St. Francis Hospital)	45,191,910	0.41
Olymbec		53,916,050	0.36	BNSF Railway Company	39,841,666	0.36
Smith & Nephew Inc.		49,237,480	0.33	Illinois Central Railroad	36,776,617	0.33
The Premcor Refining Group		48,516,150	0.33	Premcor Refining	34,307,640	0.31
Nike TN, Inc.		42,917,830	0.29	Smith & Nephew Inc.	32,172,150	0.29
TMF		42,705,040	0.29	International Paper	31,535,700	0.28
Total Assessed Valuation of Top 10 Taxpayers		1,464,668,316	9.81		1,229,942,489	11.04
Balance of Assessed Valuation		13,458,495,559	90.19		9,912,308,939	88.96
	$	14,923,163,875	100.00		$ 11,142,251,428	100.00

Source: City of Memphis Tax System

Tax Year	Fiscal Year	Adjusted Tax Levy *	Current Tax Collections *	Percent Collected	Delinquent Tax Collections	Total Tax Collections *	Total Collections as Percent of Current Levy	Prior Years' Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
2014	2015 (A)	383,169,118	364,599,517	95.15	9,154,932	373,754,449	97.54	37,980,066	9.91
2015	2016 (B)	382,019,032	363,065,674	95.04	9,372,759	372,438,433	97.49	38,934,491	10.19
2016	2017 (C)	384,098,042	367,801,984	95.76	5,759,219	373,561,203	97.26	41,089,159	10.70
2017	2018 (D)	408,539,179	391,863,376	95.92	7,091,826	398,955,202	97.65	40,252,452	9.85
2018	2019 (E)	403,069,834	385,927,277	95.75	6,753,713	392,680,990	97.42	38,342,430	9.51
2019	2020 (F)	400,602,833	383,674,201	95.77	3,148,875	386,823,076	96.56	38,212,875	9.54
2020	2021 (G)	404,669,953	388,692,151	96.05	8,364,301	397,056,452	98.12	31,319,387	7.74
2021	2022 (H)	417,422,909	402,681,709	96.47	4,585,098	407,266,807	97.57	25,275,688	6.06
2022	2023 (I)	419,222,494	401,689,702	95.82	10,625,949	412,315,651	98.35	38,992,018	9.30
2023	2024 (J)	402,897,241	387,831,193	96.26	12,645,206	400,476,399	99.40	21,558,177	5.35

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

Taxes are normally due on June 1 and become delinquent on September 1 each year and may be paid in two installments (June 1 through June 30 and August 1 through August 31 Interest of 1-1/2% accrues the first of each month taxes remain delinquent. Discounts are not allowed. Delinquent taxes may be collected by foreclosure proceedings through court-ordered tax sales.

(A) In December 2014, the City sold the majority of the 2014 tax year real property taxes outstanding (which funds Fiscal Year 2015) to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balance of $14,917,354 for Fiscal Year 2015, which is reflected in tax collections.

(B) In April 2016, the City sold a portion of the 2015 tax year real property taxes outstanding (which funds Fiscal Year 2016) to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balance of $8,622,852 for Fiscal Year 2016, which is reflected in tax collections. Additionally, the City swapped previously sold receivables that had not yet been paid, with different delinquent receivables. The total balance of the swap was $2,431,705, which is reflected in "Prior Years' Outstanding Delinquent Taxes."

(C) In March 2017, the City sold a portion of the 2016 tax year real property taxes outstanding (which funds Fiscal Year 2017) to an outside party. The sale generated property tax revenue and reductions of the property tax receivable balance of $10,884,669. Additionally, the City redeemed remaining outstanding 2012 receivables in the amount of $1,270,078. The sale is reflected in total tax collections.

(D) In May 2018, the City sold a portion of the 2017 tax year real property taxes outstanding (which funds Fiscal Year 2018) to an outside party. The sale generated property tax revenue and reductions of the property tax receivable balance of $11,000,142.91. Additionally, the City redeemed remaining outstanding 2013 receivables in the amount of $2,945,038. The sale is reflected in total tax collections.

(E) In December 2018, the City sold a portion of the 2018 tax year real property taxes outstanding (which funds Fiscal Year 2019) to an outside party. The sale generated property tax revenue and reductions of the property tax receivable balance of $12,231,850.21. Additionally, the City redeemed remaining outstanding 2014 receivables in the amount of $2,541,070.80. The sale is reflected in total tax collections.

(F) In December 2019, the City sold a portion of the 2019 tax year real property taxes outstanding (which funds Fiscal Year 2020) to an outside party. The sale generated property tax revenue and reductions of the property tax receivable balance of $8,759,170.71. In April 2020, the City sold an additional portion of the 2019 tax year real property taxes outstanding (which funds Fiscal Year 2020) to an outside party. The sale generated property tax revenue and reductions of the property tax receivable balance of $3,382,708 Additionally, the City redeemed remaining outstanding 2015 receivables in the amount of $1,196,751.06. The sale is reflected in total tax collections.

(G) In June 2021, the City sold the majority of the 2020 tax year real property taxes outstanding (which funds Fiscal Year 2021) to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balance of $9,938,683.67 for Fiscal Year 2021 that is reflected in tax collections.

(H) In June 2022, the City sold a portion of 2021 tax year real property taxes outstanding (which funds Fiscal Year 2022) to an outside party. The sale generated property tax rever and a reduction in the property tax receivable balance of $5,874,693.22.

(I) No portions of property taxes were sold in Fiscal Year 2023.

(J) No portions of property taxes were sold in Fiscal Year 2024.

Source: City of Memphis Tax System

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-10

	Governmental Activities									Business-Type Activities											
Fiscal Year	General Obligation Bonds [1]	Bond Premiums [1]	EDGE-Accelerated Memphis Bonds [1]	Accelerated Memphis Bond Premiums [1]	Bond Anticipation Notes / Commercial Paper [1]	Guarantee Obligations [1]	Guarantee Obligations Premiums [1]	Settlement Obligation [1]	Leases [1]	Sewer & Storm Water Revenue Bonds [1]	Sewer & Storm Water Revenue Bond Premiums [1]	Sewer State Loans [1]	Electric Revenue Bonds [1]	Electric Revenue Bond Premiums [1]	Gas Bond Anticipation Notes	Gas Bond Anticipation Premiums	Water Revenue Bonds [1]	Water Revenue Bond Premiums [1]	Total Primary Government [3]	Percentage of Personal Income [2]	Per Capita [2]
2015	1,208,825	79,464	-	-	20,000	220,765	2,370	20,000	43,062	111,510	3,124	4,749	531,230	29,573	-	-	15,000	944	2,290,616	5.74%	3,508
2016	1,199,950	73,155	-	-	-	213,155	2,171	18,666	38,025	100,580	10,000	11,344	421,030	20,122	-	-	14,440	869	2,123,507	5.23%	3,232
2017	1,119,035	60,542	-	-	75,000	186,307	17,831	17,332	31,618	89,190	929	47,124	341,455	21,016	40,000	7,866	43,870	3,331	2,102,446	5.01%	3,220
2018	1,347,440	66,452	-	-	-	176,765	16,394	15,999	30,410	77,960	461	83,898	312,685	27,659	78,725	13,828	67,170	5,679	2,321,525	5.48%	3,481
2019	1,261,655	52,893	-	-	75,000	165,184	14,797	14,665	23,989	115,005	44,237	107,743	185,520	23,709	76,160	12,611	64,540	5,180	2,242,888	5.19%	3,440
2020	1,300,115	67,620	-	-	50,000	153,235	13,171	13,331	28,184	105,245	39,155	130,277	178,480	21,395	73,500	11,426	61,860	4,693	2,251,688	5.04%	3,459
2021	1,237,565	56,869	-	-	150,000	141,762	11,518	12,000	23,742	242,281	42,343	153,009	324,320	42,953	133,735	22,237	127,110	16,514	2,737,958	5.92%	4,206
2022	1,427,952	74,601	24,255	-	75,000	116,426	26,786	10,667	26,719	224,230	4,660	141,267	139,705	39,547	207,190	20,453	131,560	15,349	2,706,366	4.19%	4,157
2023	1,483,252	85,977	24,255	-	50,000	187,924	25,822	9,333	20,683	213,380	30,255	196,758	302,740	36,267	125,640	18,730	119,020	14,212	2,944,247	4.27%	4,688
2024	1,393,795	61,384	23,255	2,643	150,000	174,589	4,143	8,000	15,392	277,394	24,200	187,578	291,250	33,121	121,305	17,072	114,770	13,108	2,913,000	3.87%	4,602

[1] Sources: City of Memphis and MLGW financial records.

[2] Source: Bureau of Economic Analysis

[3] Total Primary Government Fiscal Year 2015 adjusted for rounding

RATIOS OF GENERAL BONDED DEBT TO APPRAISED
AND ASSESSED VALUES AND BONDED DEBT PER CAPITA
Last ten fiscal years

CITY OF MEMPHIS, TENNESSEE
Exhibit X-11

	For the Fiscal Years Ended June 30									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Estimated population (3)	656,861	653,480	666,723	652,236	650,618	651,073	633,104	628,127	621,056	618,639
Appraised property valuation (2) (4)	$ 35,448,458	$ 35,955,987	$ 36,080,187	$ 39,799,719	$ 40,029,728	$ 40,073,124	$ 39,895,317	$ 49,085,642	$ 48,692,226	$ 47,702,623
Assessed valuation (2) (4)	11,142,251	11,345,981	11,374,600	12,597,019	12,687,864	12,694,209	12,613,711	15,481,874	15,312,293	14,923,164
General obligation debt (1) (2)	1,228,825	1,199,950	1,119,035	1,347,440	1,261,655	1,300,115	1,237,565	1,427,952	1,483,252	1,393,795
Bond Premiums (2) (5)	79,464	73,155	60,542	66,452	52,893	67,620	56,869	74,601	85,977	61,384
Net Debt (1a) (2)	1,308,289	1,273,105	1,179,577	1,413,892	1,314,548	1,367,735	1,294,434	1,502,553	1,569,229	1,455,179
Bonded debt per capita - net debt	1,992	1,770	1,946	1,992	2,020	2,101	2,045	2,392	2,527	2,352
Bonded debt to appraised valuation -net debt	3.69%	3.54%	3.27%	3.55%	3.28%	3.41%	3.24%	3.06%	3.22%	3.05%
Bonded debt to assessed valuation -net debt	11.74%	11.22%	10.37%	11.22%	10.36%	10.77%	10.26%	9.71%	10.25%	9.75%

(1) Debt includes City general obligation bonds, bond anticipation notes, and commercial paper (2015-2024). Does not include leases, guarantee obligations or State loans.

(2) In thousands of dollars.

(3) Source-U.S. Census Bureau; the most current data available is for calendar year 2023.

(4) Sources: Shelby County Assessor and State of Tennessee Office of State Assessed Properties

(5) Bond premiums are related to a change in presentation for 2015.

Refer to the Notes to Financial Statements for details of debt and obligations.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2024
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
Exhibit X-12

	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Overlapping Debt [2]
Direct Governmental Indebtedness:			
Government Obligation Bonds [4]	$ 1,393,795	100.0%	$ 1,393,795
Bond Premiums	61,384	100.0%	61,384
Lease obligations	15,392	100.0%	15,392
Commercial Paper	150,000	100.0%	150,000
EDGE-Accelerate Memphis Bonds	23,255	100.0%	23,255
EDGE-Accelerate Memphis Premiums	2,643	100.0%	2,643
Guarantee Obligations	174,589	100.0%	174,589
Guarantee Obligation Premiums	4,143	100.0%	4,143
Settlement Obligation	8,000	100.0%	8,000
Total direct government indebtedness [3]	1,833,201		1,833,201
Overlapping bonded indebtedness:			
Shelby County debt	825,622	58.8%	485,728
Total overlapping bonded indebtedness	825,622		485,728
Total direct and overlapping debt [4]	$ 2,658,823		$ 2,318,929

(1) Determined by ratio of assessed valuation of property subject to taxation in City of Memphis to valuation of property subject to taxation in Shelby County.

(2) Amount in debt outstanding column multiplied by percentage applicable.

(3) Has not been adjusted for the $63,563 that is available for payment of principal and interest in the Debt Service Fund.

(4) The City of Memphis has no legal debt margin.

DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-13

	Fiscal Year									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Debt capacity limit	$ 1,337,070	$ 1,361,518	$ 1,364,952	$ 1,511,642	$ 1,522,544	$ 1,523,305	1,513,645	1,857,825	1,837,475	1,790,780
Total net debt applicable to limit	1,308,289	1,273,105	1,179,577	1,413,892	1,314,548	1,367,735	1,294,434	1,408,773	1,483,252	1,591,639
Debt capacity margin balance	$ 28,781	$ 88,413	$ 185,375	$ 97,750	$ 207,996	$ 155,570	$ 219,211	$ 449,052	$ 354,223	$ 199,142
Total net debt applicable to the limit as a percentage of debt limit	97.85%	93.51%	86.42%	93.53%	86.34%	89.79%	85.52%	75.83%	80.72%	88.88%

Debt Margin Calculation for Fiscal Year 2024

Total assessed value (1)	$ 14,923,164
Debt capacity limit **(12% of total assessed value)** (2)	1,790,780
Debt applicable to limit:	
Total bonded debt	$ 1,591,639
Total net debt applicable to limit	1,591,639
Debt capacity margin balance	$ 199,142

(1) Sources: Shelby County Assessor and State of Tennessee Office of State Assessed Property

(2) Source: City of Memphis Debt Management Policy

PLEDGED REVENUE COVERAGE - MLGW AND SEWER COLLECTION AND TREATMENT FUND
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
Exhibit X-14

Year	Total Income (3)	Operating and Maintenance Expenses	Net Revenue Available for Debt Service	Total Debt Service	Debt Service Coverage
			ELECTRIC DIVISION (1)		
2014	1,336,440	1,201,760	134,680	131,682	1.02
2015	1,321,726	1,193,682	128,044	135,481	0.95
2016	1,299,757	1,206,084	93,673	139,879	0.67
2017	1,281,400	1,182,661	98,739	135,414	0.73
2018	1,337,857	1,181,919	155,938	153,431	1.02
2019	1,329,504	1,213,134	116,370	15,226	7.64
2020	1,235,520	1,099,957	135,563	40,021	3.39
2021	1,354,062	1,125,925	228,137	23,384	9.76
2022	1,534,128	1,303,982	230,146	23,391	9.84
2023	1,437,887	1,275,627	162,260	23,386	6.94
			GAS DIVISION (1)		
2014	333,596	293,100	40,496	-	N/A
2015	250,231	212,097	38,134	-	N/A
2016	205,974	186,886	19,088	443	43.09
2017	226,217	200,540	25,677	3,368	7.62
2018	275,087	203,028	72,059	6,125	11.76
2019	261,963	186,445	75,518	6,130	12.32
2020	213,131	149,461	63,670	6,612	9.63
2021	295,531	219,102	76,429	9,714	7.87
2022	344,972	265,820	79,152	9,712	8.15
2023	267,823	198,221	69,602	9,711	7.17
			WATER DIVISION (1)		
2014	86,903	70,379	16,524	253	65.31
2015	85,169	74,604	10,565	1,072	9.86
2016	100,586	77,611	22,975	1,256	18.29
2017	100,513	81,352	19,161	3,222	5.95
2018	104,317	65,118	39,199	4,930	7.95
2019	106,733	70,299	36,434	4,927	7.39
2020	111,536	68,367	43,169	5,436	7.94
2021	127,239	62,490	64,749	8,716	7.43
2022	136,657	65,249	71,408	8,717	8.19
2023	138,539	89,460	49,079	8,720	5.63
			SEWER COLLECTION AND TREATMENT FUND (2) (3)		
2015	104,592	50,944	53,648	16,028	3.35
2016	97,854	55,031	42,823	15,922	2.69
2017	99,859	65,332	34,527	15,900	2.17
2018	111,250	58,750	52,500	13,868	3.79
2019	125,497	74,655	50,842	14,839	3.43
2020	133,475	72,142	61,333	14,217	4.31
2021	149,905	75,064	74,841	11,940	6.27
2022	156,752	99,717	57,035	10,990	5.19
2023	153,447	101,951	51,496	11,656	4.42
2024	161,661	102,316	59,345	11,656	5.09

(1) MLGW revenue bond coverage is presented for years ended December 31.

(2) Sewer Collection and Treatment Fund revenue bond coverage is presented for the year ended June 30.

(3) For the Sewer Collection and Treatment Fund, total income represents the sum of charges for services and capital contributions.

Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment		Unemployment Rate	
2015	656,861	40,594,551	43,210	34.3	141,814		8.7	
2016	653,480	41,968,752	44,705	34.1	116,059	(1)	6.5	
2017	666,723	42,356,302	45,153	34.2	114,644		4.2	
2018	652,236	43,210,184	46,234	33.5	112,808		4.7	
2019	650,618	44,650,627	47,655	36.5	103,015		5.0	
2020	651,073	46,287,828	49,465	36.5	104,770		13.0	(2)
2021	633,104	64,590,483	47,985	34.7	104,460		6.9	
2022	628,127	68,992,049	51,155	34.2	109,319		4.7	
2023	621,056	75,580,090	56,568	34.2	108,321		4.4	
2024	618,639	75,194,683	56,440	33.9	115,330		4.6	

Source - U.S. Census Bureau, Bureau of Economic Analysis, Bureau of Labor Statistics, Shelby County Schools and Greater Memphis Chamber

(1) In school year 2014-15, the decrease in district enrollment was due to over 30 schools joining one of six new municipal school districts, and the Tennessee Achievement School District (ASD) acquiring seven district-run schools ranked in the bottom 5% of academic achievement and growth.

(2) Unemployment rates increased due to global pandemic, COVID-19.

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

CITY OF MEMPHIS, TENNESSEE
Exhibit X-16

	2024			2015	
Name of Employer	**Employees**	**Percentage of Total City Employment**	**Name of Employer**	**Employees**	**Percentage of Total City Employment**
Federal Express Corporation	35,000	5.71%	Federal Express Corporation	30,000	4.92%
United States Government	16,100	2.63%	Shelby County Schools	14,500	2.38%
Tennessee State Government	14,200	2.32%	United States Government	13,100	2.15%
Memphis-Shelby County Schools (MSCS)	11,894	1.94%	Tennessee State Government	12,700	2.08%
Memphis Le Bonheur Health Care	11,430	1.86%	Methodist Le Bonheur Healthcare	10,784	1.77%
Baptist Memorial Health Care	9,956	1.62%	Naval Support Activity Mid-South	7,500	1.23%
Walmart Inc.	8,100	1.32%	Baptist Memorial Health Care Corp.	6,654	1.09%
City of Memphis Government	7,900	1.29%	City of Memphis	6,476	1.06%
Naval Support Activity Mid-South	6,500	1.06%	Wal-Mart Stores Inc.	5,300	0.87%
St. Jude Children's Research Hospital	6,153	1.00%	Shelby County Government	5,194	0.85%
Total	127,233	20.75%	Total	112,208	18.40%

Source - City of Memphis Comprehensive Annual Financial Report FY 2015, Memphis Regional Chamber of Commerce

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-17

	Fiscal Year									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Function and Activity										
General government	640	652	725	983	1,049	1,119	1,131	1,622	1,492	1,484
Public safety										
Police										
Officers	2,299	2,042	2,290	2,283	2,397	2,462	2,674	2,325	2,526	2,179
Civilians	397	732	438	453	469	451	452	636	615	581
Fire										
Firefighters and officers	1,576	1,391	1,576	1,585	1,595	1,595	1,595	1,586	1,550	1,707
Civilians	213	398	208	199	178	178	178	196	141	132
Highways and streets										
Engineering	117	116	116	116	116	118	119	45	56	47
Maintenance	391	393	399	399	446	446	447	214	131	136
Sanitation	619	615	515	515	515	515	515	517	454	471
Culture and recreation	508	506	162	208	211	212	218	228	544	556
Sewer	305	341	341	341	354	356	356	354	356	331

Source - City of Memphis Human Resources & Budget Team Utilization of FY24 Budgeted Complements Adjusted for Approved Increased Service Levels

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-18

	Fiscal Year									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Function										
Police										
Physical arrests	58,247	53,269	65,231	62,707	58,920	49,649	41,175	25,646	25,663	25,912
Parking violations	62,916	48,623	58,181	64,622	72,770	59,908	50,994	2,238	61,337	61,536
Traffic violations	152,773	179,374	111,908	167,936	219,237	175,728	144,139	27,641	90,044	106,104
Fire										
Number of calls answered	118,928	124,320	142,087	144,931	144,282	142,585	150,671	155,119	160,491	163,948
Inspections	51,159	45,240	45,022	15,822	18,919	19,427	17,942	21,026	9,290	11,341
Highways and streets										
Street resurfacing (miles)	113.90	177.80	246.30	102.00	225	63.40	91	156	85	89
Potholes repaired	76,482	3,882	75,000	58,871	60,085	39,814	56,894	6,967	55,343	70,618
Sanitation										
Refuse collected (tons/day)	928	920	1,117	1,868	1,898	887	960	1,431	1,244	1,352
Recyclables collected (tons/day)	392	489	337	411	1,385	81	24	30	32	34
Culture and recreation										
Athletic field permits issued	1,129	1,154	827	702	1,127	594	712	731	726	172
Community center admissions	1,818,094	1,318,919	1,676,957	1,328,117	1,116,072	1,101,618	520,971	369,470	493,196	437,118
Water										
Average daily consumption (thousands of gallons)	104,620	100,055	99,957	99,137	99,657	102,215	97,885	99,800	99,047	106,406
Wastewater										
Average daily sewage treatment (thousands of gallons)	146,000	146,000	146,000	149,200	187,901	170,501	149,500	58,254	56,400	55,900

Source: MLGW and/or Internal Division Operating Reports

CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-19

	Fiscal Year									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Function and Activity										
Public Safety:										
Police:										
Stations	9	10	10	9	9	9	9	9	9	9
Community policing offices	9	9	9	9	9	9	9	9	9	9
Patrol units	741	740	677	715	781	775	773	630	650	503
Fire:										
Stations	56	56	56	57	57	57	56	57	56	56
Trucks (ladder)	21	21	21	21	21	20	20	20	20	21
Solid Waste Management:										
Collection trucks	227	214	212	212	263	299	295	228	277	276
Solid waste disposed (tons)	343,114	366,483	378,256	485,820	493,423	444,576	248,670	248,670	213,945	211,273
Streets and Highways:										
Streets (miles)	6,818	6,818	6,818	6,818	6,818	6,714	6,714	6,714	6,714	6,714
Curb & gutter (miles)	6,306	6,306	6,060	6,355	6,306	6,306	6,306	6,306	6,306	6,306
Streetlights	83,437	83,800	83,800	83,800	84,499	84,648	85,065	84,385	85,171	78,793
Traffic signals	772	770	770	782	787	787	787	788	788	785
Roadside ditches	512	512	512	512	512	512	512	512	512	512
Community Services:										
Parks acreage	3,219	4,002	4,002	3,219	3,219	3,219	3,219	3,219	3,219	5,656
Parks	166	167	167	167	167	167	164	164	164	162
Golf courses	8	8	8	8	8	8	8	7	7	7
Community centers	24	24	24	24	24	24	24	24	24	18
Tennis courts	7	7	7	7	7	7	7	7	7	7
Swimming pools	17	17	17	17	17	17	17	17	17	16
Water:										
Water mains (miles)	3,877	3,879	3,879	3,881	3,943	3,947	3,949	3,949	3,958	3,973
Fire hydrants	30,937	31,018	31,018	31,159	30,311	30,378	30,404	30,403	30,464	31,182
Daily storage capacity (millions of gallons)	437.5	437.5	437.5	438	438	438	438	433	427	413
Sanitary Sewer and Storm:										
Miles of sewer lines	2,400	2,400	2,400	3,133	3,133	3,133	3,171	3,203	3,224	3,228
Miles of storm drainage	1,997	1,936	307	1,424	1,424	2,002	1,672	1,280	1,672	1,672

Source - MLGW.com and/or Internal Division Operating Reports.

GENERAL FUND EXPENDITURES ON STATE STREET AID
(Thousands of Dollars)
For the Fiscal Year Ended June 30, 2024

CITY OF MEMPHIS, TENNESSEE
Exhibit X- 20

	2024
Revenues	
State taxes (local share)	$ 20,435
Total revenues	20,435
Expenditures	
Traffic engineering	2,554
Street signs and markings	3,003
Mass transit	50,670
Traffic signal maintenance	3,360
Street maintenance	5,427
Grounds maintenance	3,844
Total expenditures	68,858
Excess of expenditures over revenues	$ 48,423

Note: Municipal state aid revenue can only be spent on expenditures allowed under T.C.A. 54-4-204.

CITY OF MEMPHIS

T E N N E S S E E

SINGLE AUDIT

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FEDERAL GRANTOR/PASS-THROUGH GRANTOR	PROGRAM/CLUSTER NAME	ALN Number		Federal Award Number	Passed Through to Subrecipients	Expenditures
Federal Government Awards						
DEPARTMENT OF HOMELAND SECURITY						
	Urban Search and Rescue Task Force	97.025	0205	EMW2019CA00070	$ -	$ 3,055
	2021 US&R Search and Rescue	97.025	0205	EMW2021CA00041	-	297,573
	2022 US&R	97.025	0205	EMW-2023-CA-05373	-	422,018
	2022 US&R	97.025	0205	EMW-2023-CA-05373	-	386,785
Total Program 97.025					$ -	$ 1,109,431
	Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program	97.083	0111	EMW2018FH00346	$ -	$ 82,146
	Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program	97.083	0111	EMW2020FF01147	-	4,768,523
	Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program	97.083	0111	EMW-2022-FF-01161	-	434,173
Total Program 97.083					$ -	$ 5,284,842
	2020 Port Security	97.044	0205	EMW2020PU00188	$ -	$ 18,750
	2020 AFG Vehicles (HCN)	97.044	0205	EMW2020FG16519	-	185,279
	AFG 21 Ops & Safety 21	97.044	0205	EMW2021FG01314	-	13,386
	2020 USAR National Urban	97.044	0205		-	164,213
	Assistance to Firefighters	97.044	0205		-	238,248
	AFG 21 Vehicle (MFD Units)	97.044	0205	EMW2021FG03051	-	1,090,909
Total Program 97.044					$ -	$ 1,710,785
	Port Security Grant	97.056	0205	EMW-2020_PU-00542	$ -	$ 44,994
	PSGP FY22	97.056	0205		-	9,316
	PSGP FY23	97.056	0205		-	28,548
Total Program 97.056					$ -	$ 82,858
TOTAL DEPARTMENT OF HOMELAND SECURITY					**$ -**	**$ 8,187,916**
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
				B16MC470006, B12MC470006,	$ 74,750	$ 89,875
	Community Development Block Grant	14.218	0221	B13MC470006		
	Community Development Block Grant	14.218	0221	B19MC470006	165,012	667,607
	Community Development Block Grant	14.218	0221	B17MC470006	360,164	788,174
	Community Development Block Grant	14.218	0221	B18MC470006, B17MC470006	232,241	1,425,001
	Community Development Block Grant	14.218	0221	B20MC470006	71,382	728,647
	CDBG Bass Pro Section 108	14.218	0221	B20MC470006, B01MC470006	730,820	1,383,867
	CARES Act CDBG-CV	14.218	0221	B20MW470006	134,500	134,500
	CARES Act 2 (CDBG-CV)	14.218	0221	B20MW470006	185,757	1,617,309
	CDBG Entitlement	14.218	0221	B21MC470006	4,950	1,541,937
	CDBG Entitle Prog Inc	14.218	0221	B51MC470006	44,221	358,196
	CBDG Entitlement	14.218	0221	B22MC470006	1,199,122	2,322,755
	CDBG ENTITLEMENT	14.218	0221	B23MC470006	2,447,733	4,894,068
	HOME ENTITLEMENT	14.218	0221	M23MC470202	-	220,225
Total Program 14.218					$ 5,650,652	$ 16,172,161
	CARES ACT ESG-CV	14.231	0221	E20MW4700006	$ -	$ 43
	Emergency Shelter Grant	14.231	0221	E21MC470002	-	554
	CARES Act2 (ESG-CV)	14.231	0221	E20MW4700006	300,000	512,960
	ESG	14.231	0221	E22MC470002	-	433,520
Total Program 14.231					$ 300,000	$ 947,077
	Home FY20	14.239	0221	M19MC470202	$ -	$ 9,576
	Home Entitlement and Program Income	14.239	0221	M18MC470202	-	185,833
	HOME Entitlement	14.239	0221	M21MC470202	-	85,409
	HOME Program Income	14.239	0221	M21MC470202	9,946	47,182
	ESG	14.239	0221	E22MC470002	-	261,611
	HOME Entitlement	14.239	0221	M22MC470202	-	76,603
	HOME Program Income	14.239	0221	1197	-	6,522
	HOME-ARP	14.239	0221		40,174	159,604
Total Program 14.239					$ 50,120	$ 832,340
	HOPWA	14.241	0221	TNH21F001	$ -	$ 68,202
	HOPWA	14.241	0221	TNH22F001	11,974	951,617
	HOPWA	14.241	0221	TNH21F001	-	2,128,826
Total Program 14.241					$ 11,974	$ 3,148,645
	Weatherization Program	81.042	0221		$ -	$ 60,206
	Weatherization Program	81.042	0205		-	334,333
	LIHEAP 2020	93.568	0221	G2001TNLIEA	-	89,417
	Weatherization Program	93.568	0221		-	38,826
	Lead Hazard Control and Healthy Homes	14.905	0221	TNLHD040019	-	1,123,180
	Choice Neighborhoods implementation Grant	14.889	0221	TN4K001CNG114	-	6,511
Total Program 81.042, 14.267, 93.568, 14.889					$ -	$ 1,652,473
	Historic Melrose Redevelopment	14.251	0221		$ 554,024	$ 554,024
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					**$ 6,566,770**	**$ 23,306,720**
DEPARTMENT OF JUSTICE						
	Equitable Sharing Forfeitures	16.000	0216	TNMPD0000	$ -	$ 132,900
Total Program 16.000					$ -	$ 132,900
	Coronavirus Emergency Supplemental Funding Program Cluster:					
	COVID-19	16.034	0205	2020VDBX0247	$ -	$ 133,367
	ORP	16.034	0205	2020MUBX0001	-	49,757
	COPS Hiring Program	16.034	0205	2020ULWX0008	-	2,930,651
Total Program 16.034					$ -	$ 3,113,775
	FY19 Law Enforcement Based Vic	16.582	0205	2019V3GX0137	$ 51,371	$ 249,745
	Memphis FY19 LEMHWA Peer Support	16.710	0205	2019MHWXK004	-	15,416
Total Program 16.582, 16.710					$ 51,371	$ 265,161
Pass-through Funding						
Passed through Shelby County State of Tennessee						
	JAG Program Cluster:					
	Crime Gun Intelligence Center Integration Initiative	16.738	0205	2018BG0004	$ 55,620	$ 55,620
	2019 Local Edward Byrne	16.738	0205		-	40,161
	JAG FY2020	16.738	0205		-	165,510
	JAG FY21	16.738	0205	O-BJA-2021-135004	87,050	348,622
	JAG FY22	16.738	0205	15PBJA-22-GG-02101-JAGX	61,850	96,936
	JAG FY23	16.738	0205	15PBJA23GG03797JAGX	-	10,164
Total Program 16.738					$ 204,520	$ 717,013
	Total JAG Program Cluster				$ 204,520	$ 717,013
	FY18 National Assault Kit Initiative	16.833	0205	2018AKBX0028	$ 45,240	$ 165,228
	Federal FY19 Sexual Assault	16.833	0205	2019AKBX0032	56,275	67,908
	SAKI 2020 Memphis	16.833	0205		-	349,678
Total Program 16.833					$ 101,515	$ 582,814
	Body Cam Program	16.835	0205		$ -	$ 3,198
TOTAL DEPARTMENT OF JUSTICE					**$ 357,406**	**$ 4,814,861**
Direct Funding:						

FEDERAL GRANTOR/PASS-THROUGH GRANTOR	PROGRAM/CLUSTER NAME	ALN Number		Federal Award Number	Passed Through to Subrecipients	Expenditures
U.S. DEPARTMENT OF TRANSPORTATION	*Highway Planning and Construction:*					
	Elvis Presley/Shelby/Winchester	20.205	0400	STPEN09TN(003)113028	$ -	$ 93,320
	Winchester/Perkins	20.205	0400	STPM9409(96,36)	-	55,115
	Holmes/Millbranch	20.205	0400	STPM9409(97)	-	79,364
	Holmes Road East	20.205	0400	PIN10870100,STPM9409(99)	-	234,663
	Westmont Street Sidewalk Imp Project	20.205	0400	PIN 123158	-	9,440
	TDOT Macon Road Sidewalk Project	20.205	0400	PIN 123156	-	15,482
	STP Wolf River Greenway Phase 15	20.205	0400	STPM9409(204) PIN 123310	-	99,398
	STP Isolated Traffic Signal Improvements-Grp 2	20.205	0400	STPEN9409 (111) PIN 119541	-	18,564
	STP Isolated Traffic Signal	20.205	0400	STPEN9409 (111) PIN 119542	-	7,932
	Repair 14 Bridges on/over Sam Cooper Blvd	20.205	0400	STPEN9409 (111) PIN 119544	-	1,523,673
	TDOT N. Parkway Sidewalk	20.205	0400	PIN 122148	-	37,936
	Shelby Farms Greenline Bridge	20.205	0400	PIN 119937	-	574,941
	TDOT Plough/Winchester	20.205	0400	PIN 102619	-	2,292
	Democrat Road Signal System	20.205	0400	PIN 128216	-	15,205
	Dept of Transp-Cobble	20.205	0400	STPEN9409(62)	-	1,164,050
	Chelsea Ave Greenline	20.205	0400	PIN 119935	-	644,481
	Miss Blvd Pedestrian Crossing	20.205	0400		-	20,663
	Surface Transportation Block Grant	20.205	0400	PIN 127024.00	-	203,101
	STBG	20.205	0400	PIN: 127040.00	-	52,475
	Watkins Presley On Street Project	20.205	0400	PIN 128217	-	709
	Chelsea Hollywood Facilities	20.205	0400	PIN 128214	-	2,477
	Covington Pike Sig	20.205	0400	PIN 130765	-	106,338
Total Program 20.205	Total Highway Planning and Construction				$ -	$ 4,961,619
	Railroad Safety Improvements	20.301	0400	STPR2883(2) PIN 112932	$ -	$ 317,888
Total Program 20.301	Total Highway Planning and Construction				$ -	$ 317,888
TOTAL DEPARTMENT OF TRANSPORTATION					**$ -**	**$ 5,279,507**
INSTITUTE OF MUSEUM AND LIBRARY SERVICES						
FEDERAL COMMUNICATIONS COMMISSION (FCC)						
	Memphis Smart Connection	32.011	0205	ACOGP2340134	$ -	$ 38,845
TOTAL FEDERAL COMMUNICATIONS COMMISSION (FCC)					**$ -**	$ 38,845
EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF NATIONAL DRUG CONTROL POLICY						
	HIDTA FY21	95.001	0205	G20GC005A	$ -	$ 4,150
	HIDTA FY22	95.001	0205	G22GC0005A	-	62,674
EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF NATIONAL DRUG CONTROL POLICY					**$ -**	**$ 66,824**
DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE						
	Clayborn Temple	15.904	0221		$ -	$ 298,869
	Memphis Heritage Trail	15.904	0205		-	42,647
TOTAL DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE					**$ -**	**$ 341,516**
ENVIRONMENTAL PROTECTION AGENCY, OFFICE OF WATER						
	Capitalization Grant for Clean Water State Revolving Fund	66.458	0601	SRF18-409, SRF19-421, SRF19-434, SRF20	$ -	$ 6,073,166
	Water Infrastructure Finance and Innovation Act	66.958	0601	18157TN	-	12,319,723
TOTAL ENVIRONMENTAL PROTECTION AGENCY, OFFICE OF WATER					**$ -**	**$ 18,392,889**
U.S. DEPARTMENT OF THE TREASURY						
	Emergency Rental Assistance 2020	21.023	0221		$ 2	$ 2
	ERA 2021	21.023	0221		-	223,347
	ERA Highest Need	21.023	0221		-	499,483
	Coronavirus State and Local Fiscal Recovery Funds	21.027	0280		23,725,914	44,333,431
TOTAL U.S. DEPARTMENT OF THE TREASURY					**$ 23,725,916**	**$ 45,056,263**
Pass-through Funding						
Tennessee Department of Health						
Direct Funding:						
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)						
	ELC-Enhancing Detection Expansion	93.323	0205	34349-60421	$ -	$ 55,592
TOTAL EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)					**$ -**	**$ 55,592**
	Community Program to Improve Minority Health	93.137	0205	1 CPIMP2112340100	$ -	$ 62,259
					$ -	**$ 62,259**
TOTAL FEDERAL GRANTS	**TOTAL FEDERAL GRANTS**			**TOTAL FEDERAL GRANTS**	**$ 30,650,092**	**$ 105,603,192**
STATE FINANCIAL ASSISTANCE						
	State ICAC		0205		$ -	$ 200,277
	SNAP Outreach		0205		-	22,827
	Surface Transportation Prgm		0400	STP-EN-9409 (111) PIN 113028	-	582
	TN VW Settlement Med & Lar		0400		-	131,534
	Leftwich Tennis Center		0400		-	1,297,929
	ECF Grant		0205	ECF202111139	-	76,327
	Project Diabetes		0205		-	3,252
	TSLA Metro Grant '22	45.310	0205	LS252485-OLS-22	-	180,374
	THSO DUI Laws FY23		0205	23-74578 (AL)	-	26,163
	THSO Traffic FY23		0205	23-74579 (PT)	-	182,940
	2019 PSN West		0205	2019-GP-BX-0014	-	33,781
	TCAD Frayser Raleigh		0205		-	8,000
	TCAD Lewis		0205		-	8,000
	TCAD McWherter		0205		-	8,000
	TCAD Orange Mound		0205		-	8,000
	TCAD Ruth Tate		0205		-	8,000
	2022 Reducing Diesel Emissions		0205	2022-FDEFHT-232	-	144,000
	Memphis Heritage Trail-MTSU		0205	P22AC0228800	-	5,000
	EFLEA Shooting Response Grant		0205	15PBJA-23-GG-00054-EFLEA	-	14,708
	Project Diabetes Year 2		0205	34347-54223	-	129,336
	HMEP FY23		0205	34101-45423	-	24,500
	TSLA Metro Grant FY24		0205		-	406,671
	VCIF Grant		0205		-	1,410,834
	Hot Spot VCIF TCCRP		0205		-	137,495
	THSO DUI FY24		0205	78559AL	-	5,309
	THSO Traffic FY24		0205	78563PT	-	46,035
	TSLA Tech Grant FY24		0205		-	12,433
	TCAD 2024		0205		-	9,200
	TCAD Frayser-Raleigh		0205		-	4,611
	TCAD 2024- Orange Mound		0205		-	2,599
	TCAD 2024 McWherter		0205		-	6,298
	TCAD 2024- Lewis		0205		-	2,403
	ERA		0221	ERA1-0001	-	14
TOTAL STATE GRANTS					**$ -**	**$ 4,557,432**
TOTAL GRANTS					**$ 30,650,092**	**$ 110,160,624**

NOTE 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the City of Memphis and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from those presented in, or used in preparing the general-purpose financial statements.

In compliance with Tennessee state law, the accompanying schedule of expenditures of state financial assistance is included in this report. The schedule presents all state-funded financial awards, as defined by the State Comptroller of the Treasury's Office, and is prepared and presented in a manner consistent with the schedule of expenditures of federal awards.

NOTE 2 - Basis of Accounting

The expenditures presented in the associated schedules of expenditures of federal awards and state financial assistance were developed from agency records and federal and state financial reports which have been reconciled to the central accounting records of the government. Governmental funds are reported using a modified accrual basis of accounting. Proprietary funds are reported using the accrual basis of accounting.

Federal and state revenues and expenditures are included in the general fund, special revenue funds, capital projects funds, and enterprise funds in the government's basic financial statements.

The City of Memphis has not elected to use the 10% de minimis indirect cost rate under the Uniform Guidance.

NOTE 3 - Federal Loans

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling $100,000,000 (SRF 13-311) to improve its sewer system. The amount listed for this loan, $84,008,486, includes proceeds during the year and the outstanding loan balance from prior years.

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling $7,000,000 (SRF 06-195) to improve its sewer system. The amount listed for this loan, $2,228,873, includes proceeds during the year and the outstanding loan balance from prior years. This loan has been closed out and no further draws will be made on it.

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling $22,000,000 (SRF 13-309) to improve its sewer system. The amount listed for this loan, $8,689,861, includes proceeds during the year and the outstanding balance from prior years.

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling $25,000,000 (SRF 15-355) to improve its sewer system. The amount listed for this loan, $22,165,028, includes proceeds during the year.

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling $11,000,000 (SRF 18-409) to improve its sewer system. The amount listed for this loan, $9,666,671, includes proceeds during the year.

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling $6,500,000 (SRF 19-421) to improve its sewer system. The amount listed for this loan, $5,675,740, includes proceeds during the year.

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling $48,000,000 (SRF 19-434) to improve its sewer system. The amount listed for this loan, $42,546,271, includes proceeds during the year.

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling $15,000,000 (SRF 21-451) to improve its sewer system. The amount listed for this loan, $12,368,481, includes proceeds during the year.

The City of Memphis was approved by the Environmental Protection Agency, to receive a Water Infrastructure Finance and Innovation Act (WIFIA) loan totaling $156,000,000 (18157TN) to improve its sewer system. The amount listed for this loan, $75,388,909, includes proceeds during the year.

Both the current and prior year loans are also reported on the City of Memphis's Statement of Net Position for Proprietary Funds. Also, the current loan payable and the long-term loan payable equal the total loan amounts. (see Exhibit A-9)

NOTE 4 – Contingencies

The federal and state awards received by the City of Memphis are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies because of such an audit, the grantor agencies could make a claim for reimbursement, which would become a liability of the City of Memphis.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying/Grant Number Identifying/Grant Number	Beginning Federal Expenditures	Cash Receipts	Expenditures	Ending Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY						
Passed through the State of Tennessee Emergency Management Agency:						
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	4594DR-TN	$ (2,507)	$ -	$ 38	$ (2,545)
Emergency Management Performance Grants	97.036	4514DR-TN	(236)	-	-	(236)
			$ (2,743)	$ -	$ 38	$ (2,781)
U.S. DEPARTMENT OF HOMELAND SECURITY/PORT SECURITY GRANT PROGRAM	97.056	EMW-2020-PU-00507	$ -	$ 418	$ 418	$ -
			$ -	$ 418	$ 418	$ -
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ (2,743)**	**$ 418**	**$ 456**	**$ (2,781)**

BANKS, FINLEY, WHITE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the budgetary comparison information of the City of Memphis, Tennessee (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 24, 2025.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.



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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, 2024-003, 2024-004, and 2024-005 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Memphis, Tennessee
February 24, 2025

BANKS, FINLEY, WHITE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Memphis, Tennessee's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Memphis, Tennessee
February 24, 2025


MEMPHIS
SHELBY
COUNTY
TENNESSEE

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION I: SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued:		Unmodified
Internal Control over financial reporting:		
a. Material Weakness Identified	____ Yes	X No
b. Significant deficiency(ies) identified not considered to be material weakness	X Yes	____ none reported
Noncompliance material to financial statement n	____ Yes	X No

Federal Awards

Internal control over major federal programs:		
a. Material weakness(es) identified?	____ Yes	X No
b Significant deficiency(ies) identified not considered to be material weakness?	____ Yes	X none reported
Type of auditor's report issued on compliance for major federal programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	X No

Identification of major programs:
Name of Federal Program

ALN Number

97.083	Staffing for Adequate Fire and Emergency Response (SAFER)
21.027	Coronavirus State and Local Fiscal Recovery
14.218	Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish between Type A and Type B Programs:		$3,000,000
Auditee qualified as low-risk auditee	X Yes	____ No

CITY OF MEMPHIS, TENNESSEE
Schedule of Finding and Questioned Cost
For the Year Ended June 30, 2024

I. SIGNIFICANT NUMBER OF JOURNAL ENTRIES MADE THROUGHOUT THE AUDIT

2024-001

CONDITION:

Throughout the audit the accounting department continued to make journal entries, which made the majority of the supporting documentation initially provided to the auditors obsolete.

CRITERIA:

C8042 - Management has a process in place to ensure that the trial balance(s) used in the financial statement preparation process is final, contains all valid journal entries made, and is in balance.

C8012-Management establishes a well-defined process for financial reporting. The process and its key attributes (e.g., overall timing, methodology, format, and frequency of analyses) are formally documented, approved, and reviewed on a regular basis.

CAUSE OF CONDITION:

There does not appear to be a formal monthly close process.
Incomplete or inaccurate reconciliations

Delays in the audit due to the auditors continuously having to reperform work previously done.

POTENTIAL EFFECT OF CONDITION:

Delays in the audit due to the auditors continuously having to reperform work previously done because of material adjustments throughout the audit.
Material misstatements to the financial statements.

RECOMMENDATION:

Management to establish a clearly defined monthly close process, which specifically defines, the work to be performed and the time frame in which it should be completed. The accounting department should also establish documentation to show evidence the process is being followed.

CLIENT RESPONSE: See attachment.

II. CLAIM ON CASH

2024-002

CONDITION:

The claim on cash fund was out of balance in the appropriations statement provided to the auditors.

CRITERIA:

C8042-Management has a process in place to ensure that the trial balance(s) used in the financial statement preparation process is final, contains all valid journal entries made, and is in balance.

C8012-Management establishes a well-defined process for financial reporting. The process and its key attributes (e.g., overall timing, methodology, format, and frequency of analyses) are formally documented, approved, and reviewed on a regular basis.

CAUSE OF CONDITION

There is no evidence of a formal monthly close process which documents review the staff's work.

There is no evidence that management has a formal process to ensure the appropriations statements contain complete and relevant information.

POTENTIAL EFFECT OF CONDITION:

Misstatements to the financial statements.

Material audit adjustments during the annual financial statement audit.

RECOMMENDATION:

As a part of the monthly close process management should incorporate a process in which assurance can be provided that the appropriation contains relevant reliable data and all funds are in balance.

CLIENT RESPONSE:

See attachment.

III. INVESTMENTS

2024-003

CONDITION:

During the course of the audit the auditors noted investment balances per the appropriations statement did not reconcile to investment amounts maintained by the investment department.

CRITERIA:

C0206-Data underlying financial statements are captured completely, accurately, and timely, in accordance with the entity's policies and procedures, and in compliance with laws and regulations.

C0200-Relevant, reliable information is used to develop accounting and financial information and serves as a basis for financial reporting, including as the basis for accounting estimates.

C0205-Accounting procedures are sufficiently formal that management can determine whether the control objective is met. documentation supporting the procedures is in place, and personnel routinely know the procedures that need to be performed.

CAUSE OF CONDITION:

There is no formal process which requires the accounting department to reconcile investment account balances with the totals investment balances maintained by the investments department. New money managers were added to the investment portfolio in FY 24 that were not recorded by the accounting department.

POTENTIAL EFFECT OF CONDITION:

Misstatements to the financial statements.

Incorrect information reported to the Actuary for pension and OPEB actuarial reports.

RECOMMENDATION:

As a part of the formal close process, the accounting should confirm the investment balances reported in the appropriation statement reconcile to the amounts maintained by the investments department.

CLIENT RESPONSE:

See attachment.

IV. ADJUSTMENTS MADE TO AMORTIZATION OF BOND PREIMUM/DISCOUNT ACCOUNTS

2024-004

CONDITION:

Amounts reported in the appropriation statement for amortization of premium/discount on bonds did not match the amounts maintained by the debt department.

CRITERIA:

C0200-Relevant, reliable information is used to develop accounting and financial information and serves as a basis for financial reporting, including as the basis for accounting estimates.

C0206-Data underlying financial statements are captured completely, accurately, and timely, in accordance with the entity's policies and procedures, and in compliance with laws and regulations.

CAUSE OF CONDITION:

The accounting department is using an excel spreadsheet to calculate amortization of premium/discount on bonds. The auditor noted formula errors in the spreadsheet which caused the incorrect calculation of amortization expense.

POTENTIAL EFFECT OF CONDITION:

Misstatements to the financial statements.

Inconsistent amounts reported in the financial statements from what the debt department independently reports to the state.

RECOMMENDATION:

The accounting department should incorporate in its close process the use of debt reporting tool which is maintained by the debt department. This will ensure that the accounting departments information is consistent with the information maintained by the debt department.

CLIENT RESPONSE:

See attachment.

V. STATE REVOLVING LOAN FUNDS NOT PROPERLY RECORDED

2024-005

CONDITION:

During the course of the audit, the auditors noted the amount recorded for the state revolving loan funds were inconsistent with the amounts maintained by the debt department.

CRITERIA

C0200-Relevant, reliable information is used to develop accounting and financial information and serves as a basis for financial reporting, including as the basis for accounting estimates.

C0206-Data underlying financial statements are captured completely, accurately, and timely, in accordance with the entity's policies and procedures, and in compliance with laws and regulations.

CAUSE OF CONDITION:

Amounts received in FY 24 not properly recorded.

POTENTIAL EFFECT OF CONDITION:

Misstatements to the financial statements.

Financial statements contain inconsistent information from what the debt department independently reports to the state.

RECOMMENDATION:

The accounting department should reconcile the debt accounts in the appropriations statement with the amounts that are maintained by the debt department debt reporting tool.

CLIENT RESPONSE:

See attachment.