



ANNUAL COMPREHENSIVE FINANCIAL REPORT

JIM STRICKLAND
MAYOR

FISCAL YEAR ENDING JUNE 30, 2022

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022

City of Memphis

Tennessee

Jim Strickland

Mayor

PREPARED BY DIVISION OF FINANCE



Jim Strickland

February 28, 2023

Dear Fellow Memphians,

I am pleased to share with you the Fiscal Year 2022 Annual Comprehensive Financial Report. For the last two fiscal years we have been faced with very difficult financial decisions among an unprecedented pandemic environment. I am proud to say that throughout it all, the city government's financial status remains stable.

I would like to say thank you the members of the Memphis City Council and our city employees for their hard work and diligent stewardship during these uncertain times. Because of their commitment, our budget was balanced without property tax increase, without layoffs, and we were able to do this without cutting services to our citizens.

I look forward to our continued partnership and collaboration as we work to keep our city moving in the right direction. I see the coming year as a time of renewal; renewal for our employees, renewal for our community, and renewal for our citizens.

Sincerely,

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

Jim Strickland

INTRODUCTORY SECTION

CITY OF MEMPHIS

T E N N E S S E E

INTRODUCTORY
SECTION



February 28, 2023

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, 2022, 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, 2022. 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 315.06 square miles and serves an estimated population of 633,104. 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 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 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 own finances, and is responsible for obligations incurred in such operations, including indebtedness payable from operations of the Division. 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.

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:

- Blight Authority of Memphis, Inc. (BAM)
- 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) Industrial Development Board

- 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 the 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 City prepared for another fiscal year with uncertainties as to the continued impact of the pandemic, and as a result a cautionary and conservative approach was taken for the planning of the fiscal year 2023 budget.

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

Economic Condition Assessment

The COVID-19 pandemic impacted the global economy, with cascading impacts on national and local economies. As Memphis experienced an improving economy and a more normalized post-pandemic environment, the City focused on maximizing the one-time assistance from the American Rescue Plan Act (ARPA) to align and support the City's operating and capital needs to ensure maximum utilization of programs for improved operations and continued promotion of economic and community development.

Nearly every Federal Reserve District experienced continued economic expansion, with the majority indicating slight or moderate growth. The retail sector experienced some deceleration as consumers face higher prices,

and the residential real estate market weakened as buyers faced rising prices and interest rates. Labor Market difficulties were one of the greatest obstacles, followed by continued disruptions in the supply chain. In addition to rising interest rates, general inflation, the Russian invasion of Ukraine, and disruptions caused by COVID-19 cases are the primary factors that influenced household and business plans. (*The Federal Reserve, 2022*)

The purpose of this section of the report is to provide an assessment of the economic condition of the United States as a whole, the state of Tennessee, and the Memphis Metropolitan Statistical Area (MSA).

The National Economy

- In a tight labor market, employment increased moderately. However, labor shortages forced many businesses to operate at less than full capacity. Firms continued to deploy automation, provide greater job flexibility, and raise wages in response. Wage growth was shown to be strong in some areas. However, wage increases were leveling off or edging down in some states.
- Inflationary pressures in the United States have recently reached their highest level since 2008. Large and consistent price increases impacted a wide range of products across the global economy. The ongoing complications from the COVID-19 pandemic, as well as supply chain disruptions, contributed to these increases. Delays in product delivery resulted in significant supply shortfalls and upward price pressure.
- Consumer prices increased in all four of the major Consumer Price Indexes (CPI) throughout 2021. The 12-month rate of change for the All-Items index was 7.0% in December 2021, the largest recorded 12-month advance since rising 7.1% in June 1982. Food prices followed suit, rising by 6.3 percent in December 2021, the most since October 2008. (*Bennion, Bergqvist, Camp, Kowal & Mead 2022*)
- The number of people who were unemployed at some point in 2021 was 16.1 million, a significant decrease from 26.4 million in 2020. Labor market conditions improved further in 2021, reflecting the resumption of economic activity that had been hampered by the coronavirus (COVID-19) pandemic and its containment efforts. The proportion of the civilian non-institutional population aged 16 and over who worked at some point in 2021 was 63.3%, little changed from the previous year. The proportion of people who worked at some point in 2021 was 1.6 percentage points lower than the pre-pandemic rate in 2019. (*U.S. Bureau of Labor Statistics, 2022*)
- Nonfarm business sector labor productivity increased 0.8 % in the third quarter of 2022 as output increased 3.3 % and hours worked increased 2.5 %. Nonfarm business sector labor productivity fell 1.3 % from the same quarter last year, despite a 2.1-percent increase in output and a 3.4% increase in hours worked. (*U.S. Bureau of Labor Statistics, 2022*)

- Since Russia's invasion of Ukraine, global geopolitical risks have skyrocketed. Investors, market participants, and policymakers anticipate that the conflict will have a negative impact on the global economy while increasing inflation, as well as a significant increase in uncertainty and the risk of severe adverse outcomes. Russia's and Ukraine's economies are contracting sharply as a direct result of the war and the sanctions imposed on Russia. Commodity markets are in turmoil, and financial markets remain extremely volatile since the conflict began.
- The COVID-19 pandemic hampered both firms' and consumers' ability to produce. Many governments used the large fiscal stimulus to respond to economic disruptions. This policy was effective in increasing consumption, which, when combined with a relatively inelastic supply, may have resulted in supply chain bottlenecks and price tensions. Despite the price pressures that may have resulted from the spending, the large spending supported a strong economic rebound, with both GDP and employment recovering at a remarkable rate, likely preventing worse outcomes.
- The overall impact of decisions made by The Federal Government, the Federal Reserve Bank, and households will continue to be revealed. Federal Initiatives such as the PPP and CARES Act undoubtedly provided much-needed financial aid to the nation. These stimulus measures combined with declining revenues contributed to a federal deficit near or exceeding \$3 trillion in both 2020 and 2021.

The Tennessee Economy

- From March 2021 to March 2022, employment increased in all six of Tennessee's large counties (Davidson, Williamson, Rutherford, Hamilton, Knox, and Shelby). Davidson County had the highest year-over-year increase in employment, at 7.8 %, while Shelby County's over-the-year increase was at 2.6%.
- From the first quarter of 2021 to the first quarter of 2022, all six large Tennessee counties reported average weekly wage increases. Shelby County experienced 6.6% average weekly gains from the first quarter of 2021 to the first quarter of 2022.
- Tennessee's economy recovered from the pandemic downturn in 2020, returning to 3,106,100 total nonfarm employment and a 4.3% annual unemployment rate in 2021. The annual average employment in 2021 was still 16,800 lower than the annual average employment in 2019. The 2021 annual average unemployment rate was higher than the 3.4% annual average rate in 2019, but it had dropped to 3.3% by June 2022.
- Tennessee's June 2022 unemployment rate of 3.3% is down from 4.4% in June 2021. The U.S. unemployment rate declined from 5.9% in June 2021 to 3.6% in June 2021.

- A key aspect of the current economic situation is concern by employers in Tennessee about the shortage of workers to fill available jobs. Employers can maintain productivity and make expansion plans as the economy grows if they have a sufficient workforce. In July 2022, the Tennessee Department of Labor and Workforce Development's website listed 2.4 job openings for every unemployed person in the state.

The Local Economy

The Memphis Metropolitan Statistical Area (MSA) is comprised of eight counties – Shelby, Tipton, and Fayette, TN; DeSoto, Marshall, Tate, and Tunica, MS; and Crittenden, AR. The City of Memphis contains about 48% of Memphis MSA's population, and Shelby County accounts for roughly 70%.

The City of Memphis is conveniently located within 600 miles of most major cities and commercial markets in the United States. The City is a major distribution hub due to its central location and access to the interstate, Mississippi River, railways, and international airport.

The MSA continues to face relatively higher unemployment and economic disparities caused by factors both pre-dating and succeeding the COVID-19 pandemic. Government, trade, healthcare services, hospitality, warehousing, transportation, and utilities are all mainstays of the regional economy.

- Local economic conditions improved slightly as of July 2022. Continuous price increases contributed to a mixed outlook, despite stable demand. Labor shortages continue to put upward pressure on wages, though some firms have reported that these pressures have eased slightly in recent weeks. Energy and intermediate goods prices rose, but at a slower pace than in previous months. Consumers are more sensitive to price increases, according to retailers and restaurants. Rising interest rates slowed homebuying activity, and rents increased. Supply chain bottlenecks remained a major issue across industries, with shortages and delays affecting key input availability.
- In terms of tourism and local consumption, visitor spending in Shelby County increased by 35% from 2020 to 2021, compared to a 32% decrease from 2019 to 2020. Conditions continued to improve in Fiscal Year 2022 as tourism and convention attendance returned to or surpassed pre-pandemic levels.
- Leisure and hospitality employment recovered its losses by February 2022. While overall employment is up 4% from pre-pandemic levels, leisure and hospitality employment is up 2% as of June 2022, equivalent to 7,000 more jobs than in 2019.
- Due to rising mortgage rates, the residential real estate market has slowed slightly. Total home sales and pending sales are down. Inventory remained scarce, and house prices increased in relation to income, particularly for first-time homebuyers. There were fewer bids per listing, indicating that demand is starting to cool. Real estate demand is expected to slow further in the coming months.

The rental market remained fiercely competitive. Rents in all District MSAs increased significantly in recent months. Many discouraged would-be home buyers appeared to be turning to rentals to avoid high mortgage rates and home prices.

- The banking sector's overall activity increased moderately. Total loans increased, with consumer loans increasing the most. However, due to recent interest rate increases, loan growth in Memphis is expected to slow. Commercial and industrial loans increased slightly but remain below levels seen in June 2021. Higher 30-year mortgage rates in Memphis reduced the price of a home that customers can afford, rather than decreasing demand for real estate loans.
- The unemployment rate in the United States (3.7%) exceeded that in Tennessee (3.4%) as of August 2022, which ranked near the middle among all 50 states. Memphis MSA unemployment reported for August 2022 remained above the national average at 4.7%.

Unemployment Rate (Seasonally Adjusted) 2021 -2022

Region	August 2021	August 2022	Percent Change
Memphis MSA	6.1	4.7	-23.0%
TN	4.6	3.4	-26.1%
US	5.2	3.7	-28.8%

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

Throughout 2022, the Memphis real estate market declined. Total home sales fell 13.3% year over year from 2021 to 2022 (ending mid-September). The median sales price increased by 10.8%, while the average sales price increased by 12.0%. New home sales fell 8.3%. With mortgage rates rising, demand in the residential real estate market has begun to cool. However, with inventory remaining low, it remained a seller's market.

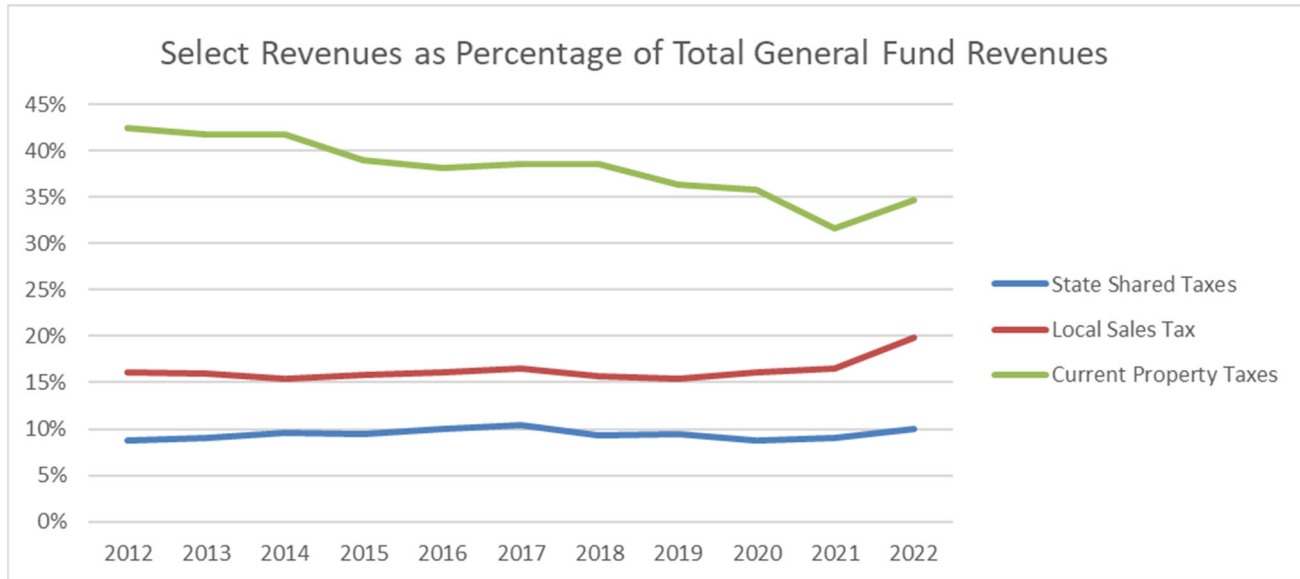
Home Sales in Memphis, Comparative September 2021 -2022

	FY 2021	FY 2022	Percent Change
Home Sales	16,823	15,919	-5.4%
Median Sales Price	\$ 200,000	\$ 220,000	10.8%
Average Sales Price	\$ 235,233	\$ 263,427	12.0%
Active Listings	2,529	2,935	16.1%

Source: Memphis Area Association of Realtors – Memphis Area Homes Sales Report September 2021 & 2022

General Fund Information

General Fund Revenues



While the chart above depicts the three primary sources of general fund revenues, the chart must be considered in context of the impact of the unique revenue funding related to COVID-19 relief funding for Fiscal Year 2020 and 2021. For comparison, the FY21 included \$75m of CARES attributed revenues, so even though current property tax decreased \$2m (less than 1%) year over year; as a percentage of total revenues, the decrease was more pronounced at 4%. FY22 revenues also included approximately \$12m of revenues transferred in from the Sales Tax Referendum Fund to accommodate the offset of healthcare premiums for public safety personnel.

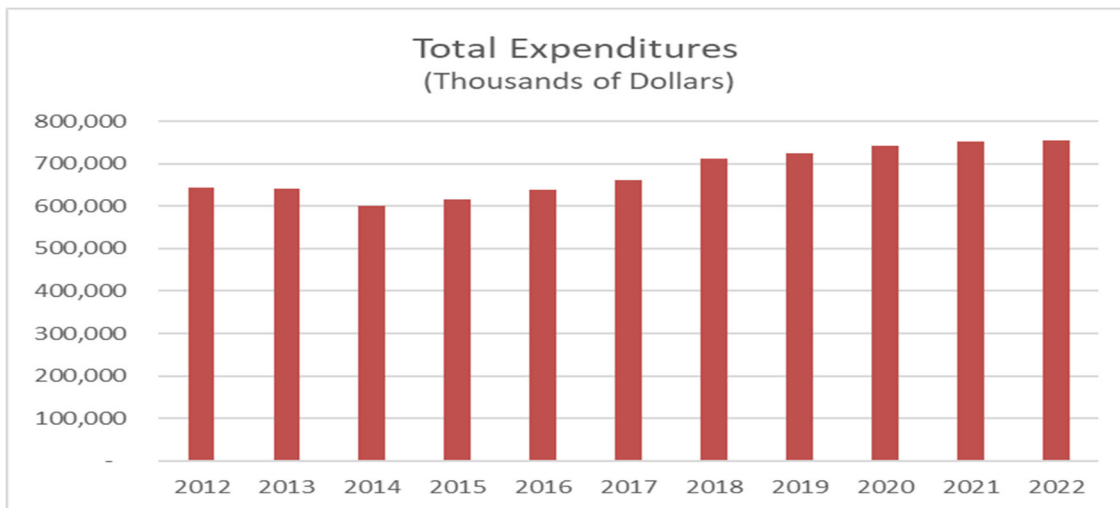
Notable trends for the last five years include the following:

- In 2018, the percentage of total revenues generated within the City from Property Taxes, State Shared Taxes, and Local Sales Taxes remained constant. Although percentages remained steady, revenue from these Property Taxes, State Shared Taxes, and Local Sales Taxes increased year over year.
- In 2019, general fund revenues increased by \$17 million, attributable to increases in FEMA and TEMA reimbursements of \$10 million and local sales taxes of \$4 million. Current property tax revenues decreased year over year from 39% to 36%.

- In 2020, property tax revenues remained steady at 36%, compared to 2019. 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 by \$16m from FY20 to FY21.
- While Total Property Taxes remained basically flat year over year for Fiscal Year 2022, Current Property Taxes experienced a \$5m increase. Fiscal Year 2022 saw another significant increase in sales tax income. Local Option Sales Tax FY22 revenue increased \$16.5m or 12% over FY21. State Shared Taxes also experienced an increase over the prior year of \$4.4m or 6.6%. The continued growth is attributed to the increased activity as a result of the federal stimulus circulated through the economy.

General Fund Expenditures

The following chart shows the General Fund Expenditure trends from the fiscal year 2012 through 2022.



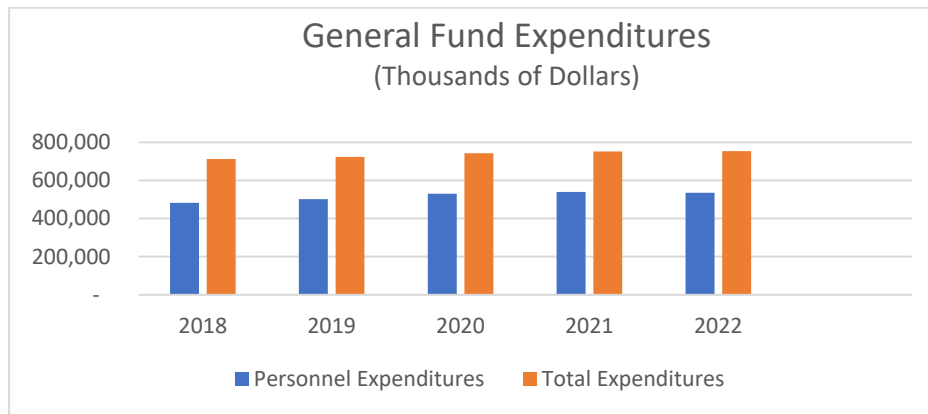
With 74% of the City's expense budget dedicated to personnel expenditures for the provision of city services; employment, healthcare, and retirement costs are a constant source of concern. For retirement costs, Tennessee state law required the City to progressively increase the funding percentages of 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 continue to be a significant and material component of personnel cost.

Notable trends for the last five years are as follows:

- In Fiscal Year 2018, total expenditures increased by 7.6%. This increase was partially due to the new Pre-K funding initiative for \$3 million. The City plan took a significant step toward fully funding needs-based Pre-Kindergarten for Memphis children. \$2 million was transferred to Solid Waste Fund for the increased Trash Service Level Initiative.
- In Fiscal Year 2019, total expenditures increased by only 1.9%. This slight change was due to the increase in personnel services mainly for the Police Division, totaling \$5.6 million increase. Total personnel expenditures increased 3.9% overall among the City's general fund divisions.
- Fiscal Year 2020 total expenditures increased by 2.7%. This change was due to 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 increased 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.
- While Fiscal Year 2022 total expenditures remain relatively flat, specific categories had 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 as a result 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.

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



Recent Developments

2022 saw the initiation of the execution of the Accelerate Memphis project. In 2021 the City of Memphis issued \$200 million in bonds to fund this catalytic initiative. This issue of social bonds (the first in Tennessee) was intended to facilitate community projects that will “accelerate” the growth of the City by improving quality of life, driving equity and inclusion, improving connectivity, and addressing deferred maintenance and other improvements that are far beyond any single year capital budget. As a result of a debt restructure in 2015, the City is poised to experience a dramatic drop in its debt service in 2027. The Accelerate Memphis initiative was developed to take advantage of that decrease and to immediately and timely execute on \$200 million of one-time transformative capital improvement across all districts of the City. The projects are scheduled to be completed by the end of the 2023 calendar year.

The receipt of Federal fundings from American Rescue Plan Act (ARPA) allowed the City to coordinate the Accelerate Memphis initiatives and the annual Capital Improvement Program (CIP) with ARPA one-time funding to leverage the impact of resources across the City.

The Accelerate Memphis program was developed into three primary targets:

\$75 million was allocated to activating the adopted Comprehensive Plan for the City, of Memphis 3.0. Memphis 3.0 provides the road map for where and how to invest in communities to drive growth within the core of the

City. There were 20 projects in progress, and \$3.3 million had been expended on these projects as of the end of the fiscal year 2022.

\$75 million was allocated to improving the park assets throughout the City. The City has millions in assets including 150 parks of all sizes, 30 community and senior centers, 17 pools, 7 golf courses, 81 playgrounds, 48 basketball courts, 80 tennis courts, and four dog parks. The execution is intended to provide much needed updates, additions, deferred maintenance, and improvements to these amenities throughout the City. There were 30 projects in progress, and more than \$23 million had been expended on these projects as of the end of FY22.

\$50 million was allocated to revitalizing Citywide assets. Regardless of the neighborhoods in which Memphians live, there are common assets that are enjoyed. Many are progressing through their life cycle to critical point at which major repairs or renovations are necessary to maintain their usefulness and vibrancy. As of the end of FY22 there were 10 projects in progress and approximately \$9 million had been spent toward those initiatives.

In addition to the extensive projects to be addressed through the Accelerate Memphis Project, there are other major initiatives throughout the City that are designed to leverage or complement ARPA federal funding and to catalyze private investment.

American Snuff Project – \$200 million project in the Uptown District, that includes 550 apartments, 50 single family homes, Riverwalk and park area, and planned retail and office space.

South City - \$200 million investment project with 712 mixed income apartments amid the resurgence of the area.

Northside Renaissance - \$72 million investment and adaptive reuse of Northside High School, a vacant school building in the Klondike-Smokey City neighborhood. The proposed redevelopment will transform the 270,000 SF building into a community hub that will house numerous organizations providing technical skills training, comprehensive health care services, work-force development, along with performing and visual arts programming. Expected completion in 2024.

St. Jude Children’s Research Hospital – \$2 billion capital investment in patient and research facilities.

The Medical District is home to many of Memphis’ premier medical facilities. Methodist University Hospital recently completed a \$275 million expansion and LeBonheur Children’s Hospital is undergoing a \$94.5 million expansion to its building. UTHSC undergoing \$45M expansion to its school of Dentistry. Complementing these investments are multi-family developments like the Rise Apartments and Orleans Station, as well as the \$73M renovation of a former bread factory as the HQ for Orion Credit Union.

Blue Oval City – Ford Hub - In Feb. 2022, The Megasite Authority of West Tennessee board of directors approved a 30-year lease with the State of Tennessee and Ford Motor Co. for the Blue Oval City project. Ford and South Korean firm SK Innovation announced in Sep. 2021 plans to invest

\$5.6 billion at the state-owned, 4,100-acre Megasite of West Tennessee. A 3,600-acre campus in Stanton, northeast of Memphis, will hold a battery manufacturing plant, supplier park, and Ford assembly plant to produce the company's F-series all-electric trucks.

Memphis International Airport – Completed in 2022 a \$245 million modernization of Concourse B.

Liberty Park - \$69 million Memphis Sports & Event center opened in December 2022.

Leftwich Tennis Center – this \$30 million project will be the largest tennis facility within hundreds of miles, with 24 outdoor and 12 indoor courts — replacing the current facility of eight outdoor and four indoor courts. The new Leftwich will be well positioned to host United States Tennis Association regional and national tournaments, bringing visitors to Memphis year-round. It will also be a competitive host site for national, regional, and conference-level collegiate tournaments hosted by the University of Memphis. Completion of construction is expected to be completed by February 2023.

Tom Lee Park – \$60 million of improvements to Tom Lee Park, a park that sits on the Mississippi Riverfront, in Downtown Memphis. The estimated completion for construction at Tom Lee Park and the Riverfront is 2023.

Brooks Museum – the \$150 million, 112,000 square foot new Brooks will be a world-class museum and great addition to the Memphis skyline. The \$20M investment by City of Memphis will be matched by \$120M of philanthropic giving and grants to fund the publicly owned art museum. The estimated completion for construction at the new Brooks Museum is 2026.

Long-term Financial Planning

The Fiscal Year 2022 Operating Budget brought many budgeting challenges to the City in its goal of maintaining financial stability while addressing some of its biggest financial issues. While these continued difficult financial times forced the City to prioritize and closely monitor operating expenditures, the City continues to strategically fund its budget to place emphasis on its essential priorities: to create safe and vibrant neighborhoods, grow prosperity and opportunity for its citizens, invest in the youth of the City, advance a culture of excellence in government, and provide good fiscal stewardship of the City's assets.

This careful consideration and elements related to the pandemic, federal funding, and budget adherence, created a final accounting that ultimately added \$67 million to the total General Fund balance in FY21 and an additional \$12 million in FY22.

During this unprecedented environment, the City was able to navigate the pandemic without loss to City employee livelihoods or temporary layoffs, and without increase to the property tax rate, while strategically planning and implementing targeted raises to the first responders of the City.

Specific revenue sources were materially negatively impacted by the pandemic; the Downtown Tourism Development Zone (Downtown TDZ) and the Hotel/Motel Tax among them. The City continues to closely monitor all funds for opportunities and situations for the most advantageous placement of revenue replacement afforded by ARPA.

As the City focuses on reprioritizing and economizing its Operating Budget, it is also continually planning for the future and developing a means of continued growth to its economy through strategic and visionary capital investments.

Based on the anticipated decrease in debt service requirements, the City is in the process of creating its first Long Range Strategic Plan for its Capital Improvement Program (CIP). This plan is intended to take the development beyond the normal five-year planning and reporting process, and to provide a broader range outlook for the capital assets of the City.

The goal in the years ahead will be to continue to evaluate the operating and CIP service delivery model to ensure the most efficient and effective service possible and direct all savings to priority obligations and the enhancement of core services while leveraging all revenue sources.

Major Initiatives

Considerations for Fiscal Year 2022 and 2023 budgets were planned with intentional use of resources to promote public safety recruitment and to provide incentives for continued employment through the use of bonuses. Additionally, the resources are designed to promote retention and lessen impacts both to complement and excessive occurrence of overtime, while allowing for the strategic planning for salary increases for police and fire.

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 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 \$276.1 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 2023 is \$95.2 million.
- The Capital Pay Go Capital Improvement Program funding for fiscal year 2023 is \$26 million.
- The Enterprise Funds Capital Improvement Program funding for fiscal year 2023 is \$154.9 million.

Highlights of the CIP budget plan for 2023-2027 are as follows:

- \$18.9 million for Memphis Parks maintenance and initiatives, including \$4 million for the replacement of the Lester Community Center and an additional \$4 million for the Audubon Golf Course redesign.
- \$6.3 million toward initiatives with Memphis River Parks Partnership.
- In Police Services, \$4 million is dedicated to the initiation of the replacement of the Mount Moriah precinct.
- In the Public Works Division, \$20 million in funding is provided to pave more than 400 lane miles of streets, including ADA ramp improvements and several road projects. \$10 million is dedicated to the enhancement of the Harbor Docks initiative. This investment is matched by a \$20 million state grant funding.
- The Sewer Fund includes \$107 million of capital pay go and an additional \$30 million in planned Revenue Bond issuance.
- The Storm Water Fund includes \$17 million in planned Revenue Bond issuance for Fiscal Year 2023.

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.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Memphis for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the 45th consecutive year that the City has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both the United States generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes that the current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program’s requirements and the City is submitting it to GFOA to determine its eligibility for another certificate recognition.

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 to both, with special thanks to Accounting Managers, Sandra Brodnax-Taylor and LaTonya Gray for their invaluable contributions to the completion of this audit and report.

Respectfully submitted,



Shirley Ford

Chief Financial Officer



Walter Person

Deputy CFO and Interim Comptroller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Memphis
Tennessee**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF MEMPHIS, TENNESSEE

CITY OFFICIALS

Jim Strickland, Mayor

CITY COUNCIL

Jamita Swearengen, Chairwoman (District 4)

J. Ford Canale	District 9-2	Worth Morgan	District 5
Chase Carlisle	District 9-1	Patrice Robinson	District 3
Edmund Ford, Sr.	District 6	JB Smiley, Jr.	District 8-1
Cheyenne Johnson	District 8-2	Frank Colvett, Jr.	District 2
Martavius Jones	District 8-3	Michalyn Easter- Thomas	District 7
Rhonda Logan	District 1	Dr. Jeff Warren	District 9-3

COURTS

Myron Lowery	City Court Clerk
Carolyn Watkins	City Court Judge - Division 1
Tarik B. Sugarmon	City Court Judge - Division 2 (Administrative Judge)
Jayne R. Chandler	City Court Judge - Division 3

ADMINISTRATIVE

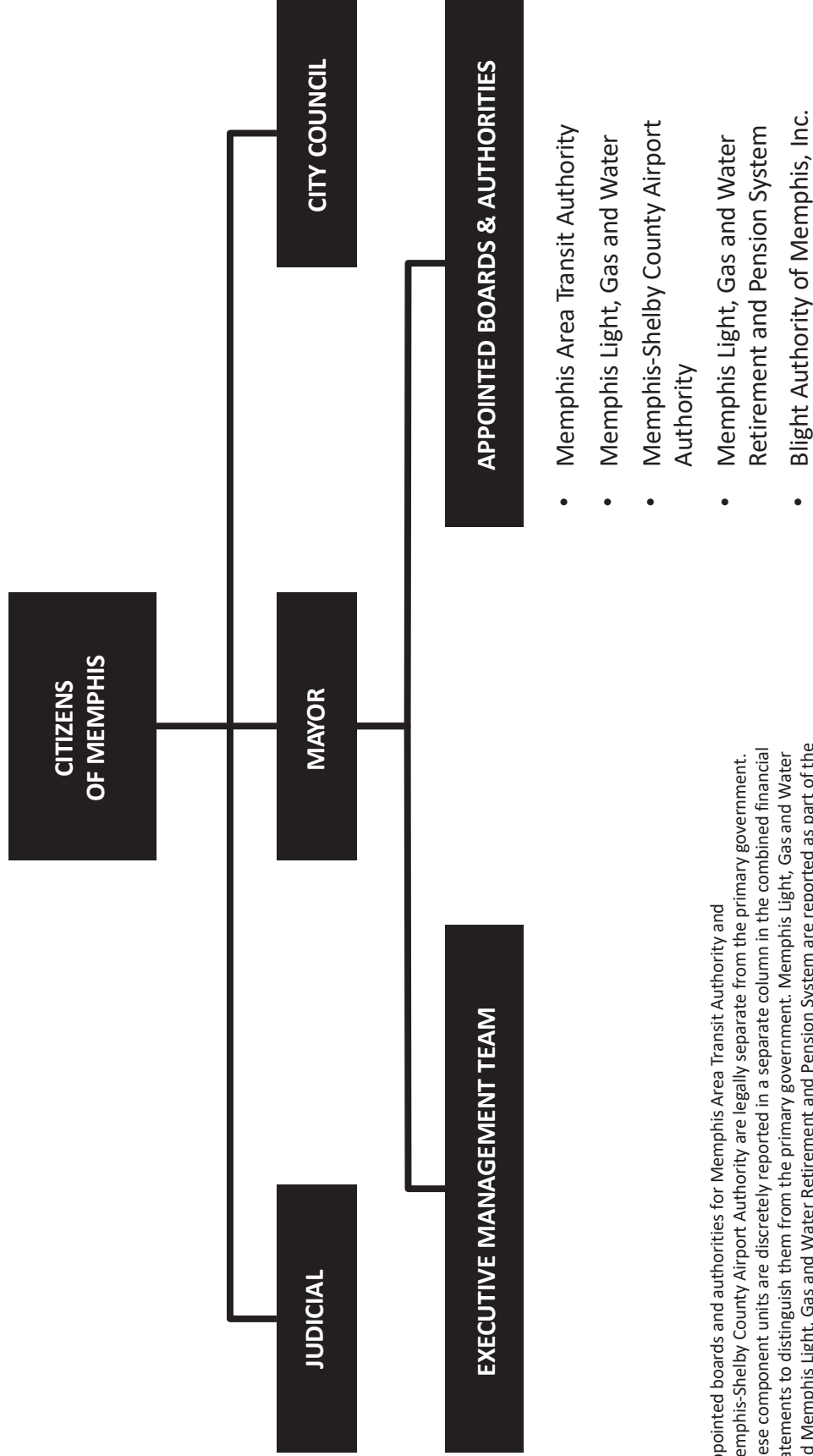
Doug McGowen	Chief Operating Officer
Cerelyn Davis	Chief of Police
Shirley Ford	Chief Financial Officer
Ursula Madden	Chief Communications Officer
Jennifer Sink	Chief Legal Officer
Alexandria Smith	Chief Human Resources Officer
Gina Sweat	Chief, Fire Services
Wendy Harris	Director, Information Officer
Antonio Adams	Director, General Services
Debbie Banks	Director, Internal Audit
Manny Belen	Director, City Engineering
Ashley Cash	Director, Housing and Community Development
Robert Knecht	Director, Public Works
Nick Walker	Director, Parks & Neighborhoods
John Zeanah	Director, Office of Planning and Development
Chandell Ryan	Interim Director, Solid Waste
Walter Person	Deputy CFO, Interim Comptroller
J.T. Young	President, Memphis Light, Gas and Water Division



City of Memphis, Tennessee

ORGANIZATION CHART

Primary Government and Discretely Presented Component Units

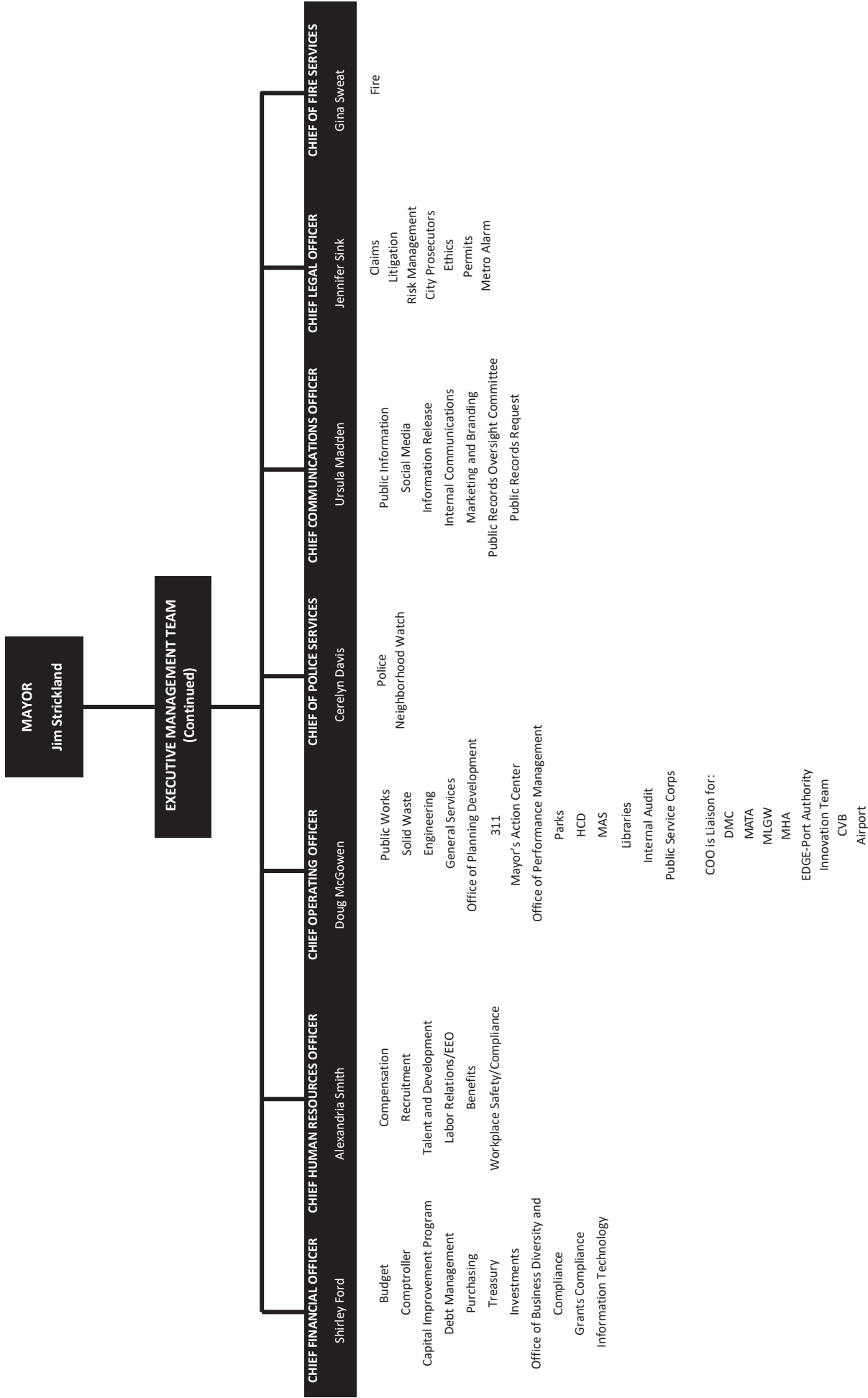


(1) Appointed boards and authorities for Memphis Area Transit Authority and Memphis-Shelby County Airport Authority are legally separate from the primary government. These component units are discretely reported in a separate column in the combined financial statements to distinguish them from the primary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

City of Memphis, Tennessee

ORGANIZATION CHART

Primary Government and Discretely Presented Component Units (continued)





CITY OF MEMPHIS

T E N N E S S E E

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 statements of revenues and other sources and expenditures and other uses on the basis of budgeting for the general fund, and the aggregate remaining fund information of the City of Memphis, Tennessee (the "City"), as of and for the year ended June 30, 2022, 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, 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, and the aggregate remaining fund information of the City, as of June 30, 2022, 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.

Basis for Opinions

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



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

We did not audit the financial statements of Memphis-Shelby County Airport Authority, Memphis Zoological Society, the Blight Authority of Memphis, Inc., and Renasant Convention Center, which represent 90%, 1.1%, 0.1%, and 3%, respectively, of the assets, net position, and revenues of the aggregately discretely presented component units. 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 42%, 17% and 13%, 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.

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 27-44 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 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 combining and individual nonmajor fund financial statements and 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*, 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 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 28, 2023, 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 28, 2023

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, 2022. 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, 2022 by \$2,184,568 (net position). Total government-wide net position increased by \$104,307 or 5% in fiscal year 2022.
- At June 30, 2022, the City's governmental activities reported ending net position of a negative \$352,342 compared to a negative \$217,915 as restated from the prior year. The governmental activities change in net position for fiscal year 2022 was a decrease of \$134,427 or 61.7% from prior year's beginning balance as restated.
- The City's business-type activities reported a June 30, 2022 ending net position of \$2,536,910 an increase of \$238,734 or 10.4% from prior year beginning balance as restated.
- At June 30, 2022, the fund balance for the general fund was \$207,923, a \$10,370 or 5.25% increase from prior year's balance. The unassigned portion, comprising 52.2% of the total general fund balance at fiscal year-end was \$108,574 a \$2,224 or 2.1% over the prior year.
- The City's total general obligation, other debt, and revenue bond debt increased by \$216,024 or 13.2% during the current fiscal year for governmental activities and increased \$182,145 or 16.4% for the business-type activities.
- The City's total liabilities of \$4,889,827 which include, among other items, pension, and other post-employment benefits liabilities, increased \$679,556 or 16.1% from prior year total liabilities of \$4,210,271.
- Deferred outflows increased from \$223,524 to \$607,885 for a change of \$384,361 or 171.9%. The year over year change is primarily attributable to changes in actuarial assumptions for pension.
- Deferred Inflows increased from \$1,304,276 to \$1,518,308 for a change of \$214,032 or 16.4%. As with deferred outflows, year over year changes are primarily attributable to changes in actuarial assumptions. For the fiscal year ended June 30, 2022, 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, 2022. 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 only result in cash flow 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, Blight Authority of Memphis, Inc., 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 in separate columns in a combining statement in the basic

statements after the fund financial statements to emphasize that they are legally separate from the City. The audits of the component units are performed and reported independently of the annual audit of the City. The City's Independent Auditors rely on the information provided under the audit opinion concluded by the 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 2022, the City maintained 23 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 18 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 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 postemployment benefit (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 detail about nonmajor governmental funds and internal service funds referred to earlier. Individual fund statements provide greater detail. Combining and individual fund statements and schedules are presented as Exhibits B through F.

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 postemployment benefit (OPEB) liability are reported in the government-wide statement of net position as governmental activities.

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Combining schedules provide detail about nonmajor governmental funds and internal service funds referred to 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 \$2,184,568 at June 30, 2022.

	Condensed Statement of Net Position					
	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 1,490,091	1,208,845	1,483,334	1,374,926	2,973,425	2,583,771
Capital assets	<u>2,074,828</u>	<u>1,984,964</u>	<u>2,936,565</u>	<u>2,802,549</u>	<u>5,011,393</u>	<u>4,787,513</u>
Total assets	<u>3,564,919</u>	<u>3,193,809</u>	<u>4,419,899</u>	<u>4,177,475</u>	<u>7,984,818</u>	<u>7,371,284</u>
Deferred outflows of resources	<u>494,683</u>	<u>130,638</u>	<u>113,202</u>	<u>92,886</u>	<u>607,885</u>	<u>223,524</u>
Long-term liabilities outstanding	1,742,953	1,507,934	1,346,149	1,077,439	3,089,102	2,585,373
Other liabilities	<u>1,455,467</u>	<u>996,523</u>	<u>345,258</u>	<u>628,375</u>	<u>1,800,725</u>	<u>1,624,898</u>
Total liabilities	<u>3,198,420</u>	<u>2,504,457</u>	<u>1,691,407</u>	<u>1,705,814</u>	<u>4,889,827</u>	<u>4,210,271</u>
Deferred inflows of resources	<u>1,213,524</u>	<u>1,037,905</u>	<u>304,784</u>	<u>266,371</u>	<u>1,518,308</u>	<u>1,304,276</u>
Net positions:						
Net investment in capital assets	1,388,684	244,190	1,761,334	1,226,768	3,150,018	1,470,958
Restricted	532,460	295,914	149,160	563,850	681,620	859,764
Unrestricted	<u>(2,273,486)</u>	<u>(758,019)</u>	<u>626,416</u>	<u>507,558</u>	<u>(1,647,070)</u>	<u>(250,461)</u>
Total net position as restated	<u>\$ (352,342)</u>	<u>(217,915)</u>	<u>2,536,910</u>	<u>2,298,176</u>	<u>2,184,568</u>	<u>2,080,261</u>

The portion of the City's net position that reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related outstanding debt used to acquire those assets is \$3,150,018.

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 for by other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional \$681,620 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 \$1,647,070. The majority of the negative unrestricted net position is driven by governmental activities and the result of the City's Pension and Post-retirement benefits liability.

Condensed Statement of Changes in Net Positions

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for services	\$ 118,994	199,899	1,927,438	1,698,838	2,046,432	1,898,737
Operating grants and contributions	8,628	138,249	-	127	8,628	138,376
Capital grants and contributions	23,943	12,291	463	789	24,406	13,080
General revenues:						
Local taxes	730,241	690,526	-	-	730,241	690,526
State taxes (local share)	103,878	112,301	-	-	103,878	112,301
Hotel/motel tax	17,057	11,369	-	-	17,057	11,369
Sale of Capital Assets	-	-	-	-	-	-
Unrestricted investment earnings	(6,331)	573	4,219	7,373	(2,112)	7,946
Federal grants and entitlements	130,845					
State grants	19,555					
Other	57,314	(7,154)	42,336	52,225	99,650	45,071
Total revenues	1,204,124	1,158,054	1,974,456	1,759,352	3,028,180	2,917,406
Expenses:						
General government	469,127	361,003	-	-	469,127	361,003
Public safety	614,942	452,271	-	-	614,942	452,271
Community services	126,280	82,061	-	-	126,280	82,061
Transportation and environment	113,466	70,668	-	-	113,466	70,668
Education	6,010	4,556	-	-	6,010	4,556
Interest on long-term debt	69,555	66,252	-	-	69,555	66,252
Refunding Bonds/Escrow Agent	-	-	-	-	-	-
Sewer collection and treatment	-	-	121,156	102,730	121,156	102,730
Memphis Light, Gas and Water	-	-	1,519,540	1,422,151	1,519,540	1,422,151
Miscellaneous	-	-	-	-	-	-
Storm Water	-	-	22,934	19,950	22,934	19,950
Total expenses	1,399,380	1,036,811	1,663,630	1,544,831	3,063,010	2,581,642
Increase (decrease) in net position before transfers	(195,256)	121,243	310,826	214,521	115,570	335,764
Transfers	60,829	68,344	(72,092)	(68,844)	(11,263)	(500)
Increase (decrease) in net position	(134,427)	189,587	238,734	145,677	104,307	335,264
Net position - July 1	-	2,536,910	-	2,184,568	-	4,721,478
Restatement of beginning net position						
Net position - July 1, as restated	(217,915)	(407,502)	2,298,176	2,152,499	2,080,261	1,744,997
Net position - June 30	\$ (352,342)	(217,915)	2,536,910	2,298,176	2,184,568	2,080,261

Governmental Activities

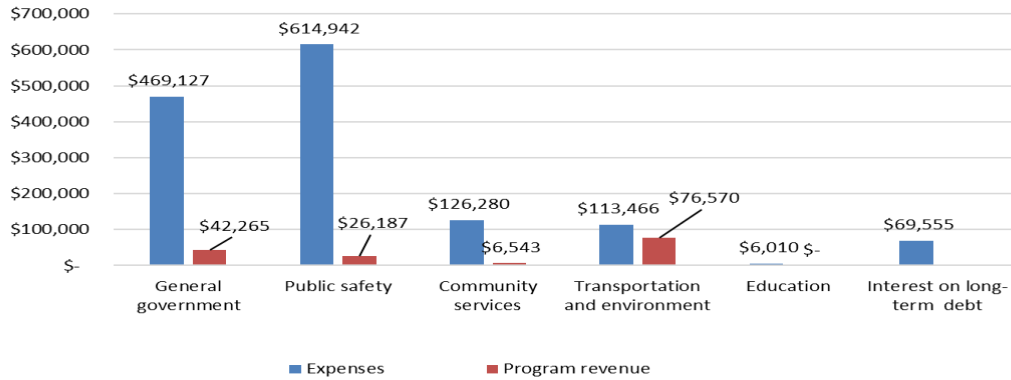
During fiscal year 2022 governmental activities decreased the City's net position by \$134,427. Key elements of the governmental activities are discussed below:

- During fiscal year 2022, total revenues increased by \$46,070. Relevant factors include a significant decrease in charges for services of \$80,905 and \$129,621 for operating grants and contributions. There was an increase across the board in local taxes as municipalities continue to benefit from the upsurge in spending initiated by the federal stimulus payments. There was a slight gain the Hotel/Motel tax as the economy starts to stabilize and normalize from the impact of the COVID-19 pandemic. Also contributing to the increase in revenues was \$130,845 in federal grants and entitlements and \$19,555 in state grants.

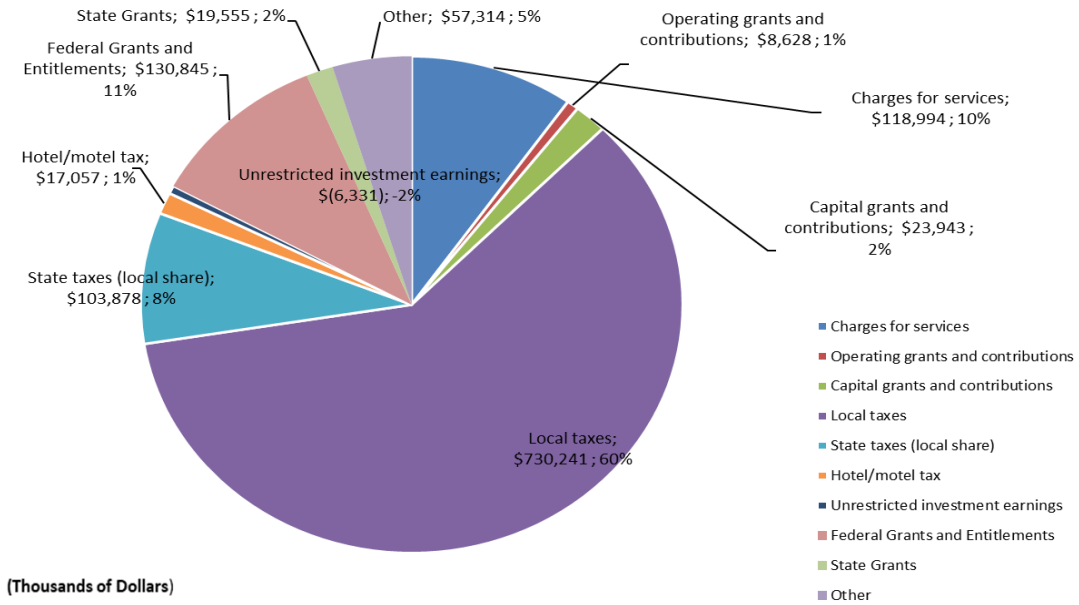
- Total governmental activities expenses also increased in every category. The total increase was \$362,569 or 35%, with the most notable increases in public safety categories and general government with increases of \$162,671 and \$108,124 respectively. Governmental activities program expenses are detailed in Exhibit A-2.

Expenses and Program Revenues - Governmental Activities

(Thousands of Dollars)



Revenues by Source - Governmental Activities



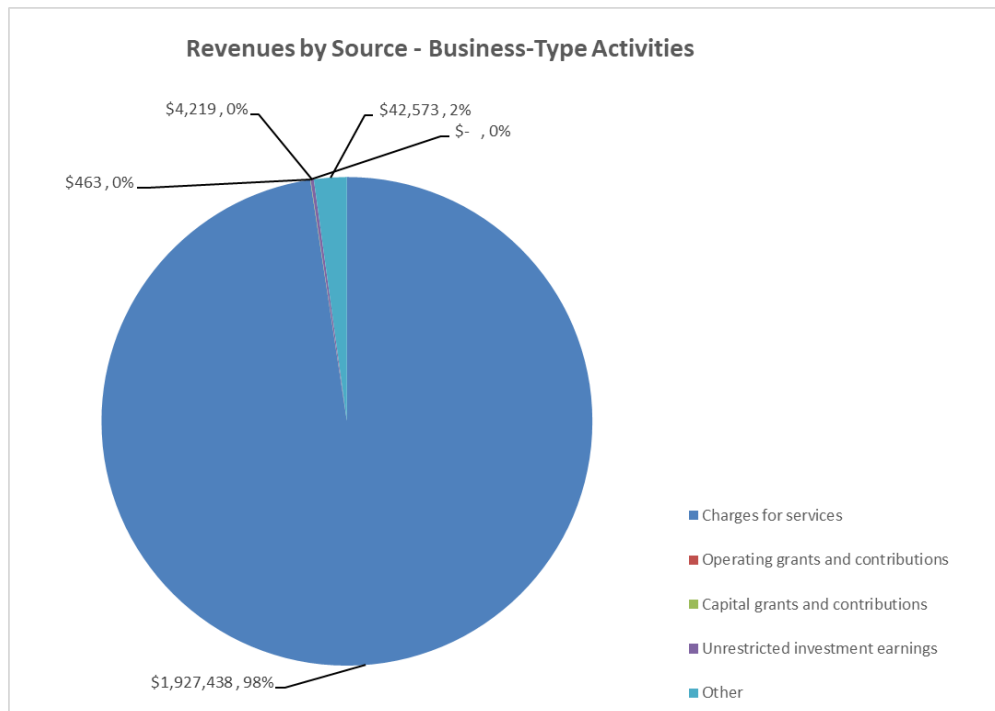
(Thousands of Dollars)

Business-type Activities

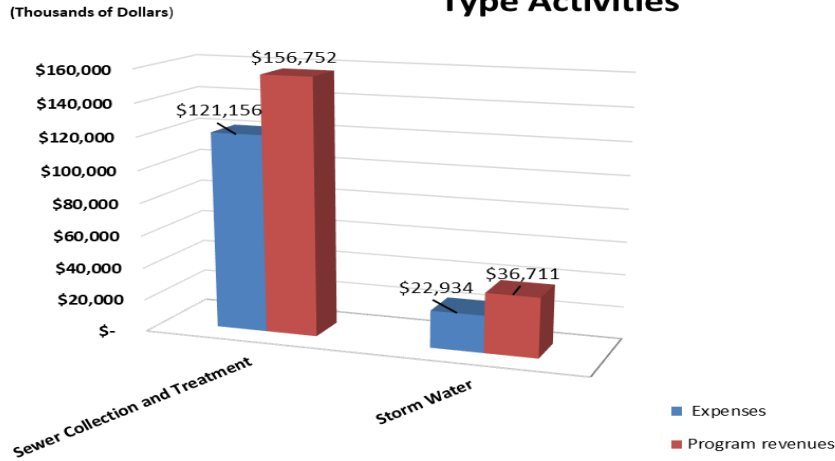
Business-type activities increased the City's net position by \$238,734. Key elements of the increase are as follows:

- Total revenues increased by \$215,104 or 12.2% year over year. All categories except charges for services experienced slight decreases; however, charges for services increased by \$228,600 or 13.5% over the prior year.
- Expenses increased across all categories, for a total increase of \$118,799 or 7.7%. The largest increases were attributable to increases for Memphis Light, Gas, and Water.

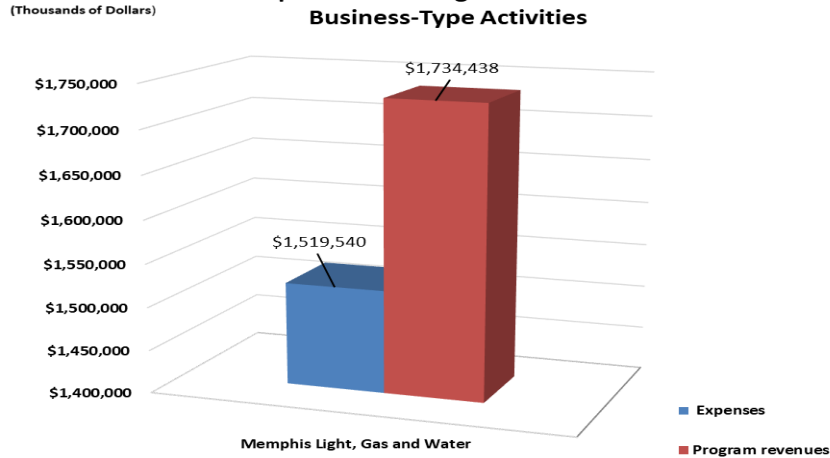
Business-type program expenses are detailed in Exhibit A-2.



Expenses and Program Revenues- Business-Type Activities



Expenses and Program Revenues- Business-Type Activities



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. 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.

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, 2022, the City's total governmental funds reported combined ending fund balance of \$645,619, an increase of \$243,355 or 60.5% in comparison with the prior year. Approximately \$113,159 or 17.5% of the fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. Approximately \$154,519 or 23.9% of the fund balance is considered restricted to indicate the amount is subject to external enforceable legal restrictions. Additionally, \$296,047 or 45.9% 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 \$81,894 or 12.7% 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, 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, 2022, unassigned fund balance of the general fund was \$108,574 or 52.2% of the total fund balance of \$207,923. The assets of the general fund exceeded the liabilities and deferred inflows of resources by \$207,923, which remains relatively steady from the prior year of \$197,553. The modest increase in total assets is attributable to a slight increase in cash and due from other agencies. General fund liabilities and deferred inflows from resources decreased by \$7,986 over the prior year. Funds due to other agencies and governments decreased \$10,500 at June 30, 2022 which was attributable to the funding from the federal government during fiscal year 2020 in conjunction with the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") for the City's COVID-19 response and relief efforts. Deferred inflows also decreased \$3,5580 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 14.5% of total general fund expenditures, while total general fund balance represents 27.8% of the fund expenditures.

General Fund

The fund balance of the City's general fund increased by \$10,370 or 5.3% during the fiscal year ended June 30, 2022. Key factors of the change in the general fund are as follows:

- Total general fund revenues resulted in a decrease of \$59,856 or 8.1% over the prior year. The primary variances that comprise the changes include a decrease in federal grants and entitlements of \$73,910 year over year. FY22 Federal grants included approximately \$80,000 of funding from the CARES Act. State grants also decreased by \$5,000 due to the reduction in one-time funding initiatives from the state. In the Local taxes category, year over year growth was 4.7% with a \$22,576 increase largely attributed to the increase in local sales tax. There was also a modest \$1,861 increase in the state taxes attributable to the state portion of sales tax. The general fund also experienced a \$6,689 or 18.8% increase in charges for services as activities normalized to more pre-pandemic levels.
- Total expenditures of \$747,177 decreased \$2,304 slightly below prior year expenditures of \$749,481. However, the total could be misleading without insight as to the specific category changes. The transportation and environment category was up \$7,747, the community services category was up \$7,514, and public safety was up \$6,952 for a combined total of \$22,213 in expenditure increases year over year. However, general government expenditures decreased \$24,517 due to the decrease in spending for testing site and procurement of protective equipment and other supplies in response to the COVID-19 pandemic.
- Total other financing sources (uses) remained flat year over year with a less than a half percent in change.

Debt Service Fund

The fund balance of the City's Debt Service fund decreased slightly by \$1,299 or 2% during the fiscal year ended June 30, 2021. Key factors resulting in this change are as follows:

- Total revenues increased by \$241,129 or 157% year over year. The increase is primarily due to increases in the "other" category which represents \$247,911 in proceeds from refunded bonds. Local taxes had a modest increase of \$4,205 attributable to the increase in local sales tax revenue across the state.
- Expenditures related to debt service increased \$28,082 for the fiscal year ended June 20, 2022. The increase is primarily due to bond issuance cost.

- Total other financing sources and uses increased by \$105,789. Activities included a use of sources in the amount of \$207,084 for payments to refunded bond escrow agent. This activity represented a \$109,479 increase over prior year.

Capital Projects

The fund balance of the City's Capital Projects Fund increased by \$205,733 for fiscal year ended June 30, 2022. 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.

Details Major elements of fund balance change are:

- Revenues increased \$8,825, primarily attributable to state grants of \$10,124.
- Expenditures increased \$30,864 due to increase in capital outlay.
- Other financing sources in the form of refunding of bonds/issuance of debt increased from \$ \$130,407 to \$335,196 over the prior year.

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 agreement.

- Revenues increased \$13,395.
- Expenditures increased \$14,741.
- The fund balance decreased slightly from \$4,770 to \$4,585.

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 year ended June 30, 2022 is \$2,536,910.

Unrestricted net position of \$626,416 on Exhibit A-1 is comprised of net positions of \$505,482 and \$86,469 for Memphis Light, Gas and Water and the Sewer Collection and Treatment Fund, respectively. The remaining balance represents the Storm Water Fund position of \$31,048 and the consolidation of internal service funds related to enterprise funds of \$3,417.

Detail of Proprietary Funds is presented on Exhibit A-9 Statement of Net Position.

General Fund Budgetary Highlights

The original operating budget for the general fund for fiscal year 2022 anticipated a decrease in fund balance of \$23,175. Actual contribution to fund balance for fiscal year 2022 was \$10,370.

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 Statement section of the report.

Major variances can be briefly summarized as follows:

- Total Revenues had a positive variance of \$46,357 over the final amended budget. The increases were attributed to Local Taxes, which posted \$39,456 over budget, primarily due to a \$21,652 increase in local sales tax and a \$5,163 increase in property taxes over budget. There were modest gains in other categories of the Local Taxes. The local share of State Sales Tax also posted \$9,251 over budget. These increases were systemic across the state and are believed to be a result of increased spending due to the Federal stimulus proceeds.
- Total expenditures had a positive variance of \$23,508.
 - General government posted \$25,067 under final budget, material variances occurred in the Executive Division where all categories came in under budget at \$9,718, City Attorney Division with \$5,289 under budget primarily in materials and supplies, City Engineer Division at \$5,904 under budget, and General Services Division at \$3,540 under budget, primarily in materials and supplies. Many Divisions experienced issues with supply chain availability, creating lagging fulfillment of material and supplies.
 - Public Safety was \$8,490 over budget, primarily due to overtime in the personnel categories.

- Community Services came in at \$2,672 under budget, and Transportation and Environment was \$4,259 under budget.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2022, totaled \$5,011,393 (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 \$223,880 or 4.7%. Both governmental and business-type activities contributed an increase of \$89,864 and \$134,016, respectively.

	Condensed Statement of Capital Assets (net of depreciation)					
	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Land and buildings	\$ 532,596	375,439	27,469	28,609	560,065	404,048
Improvements other than buildings	753,751	488,223	489,100	393,556	1,242,851	881,779
Equipment	126,124	102,198	15,415	15,954	141,539	118,152
Construction in progress	662,357	1,019,104	491,648	459,548	1,154,005	1,478,652
Memphis Light, Gas and Water	-	-	1,912,933	1,904,882	1,912,933	1,904,882
Total	<u>\$ 2,074,828</u>	<u>1,984,964</u>	<u>2,936,565</u>	<u>2,802,549</u>	<u>5,011,393</u>	<u>4,787,513</u>

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

- Pavement of up to 400 lane miles of streets
- Major investments in the drainage infrastructure throughout the City
- Repair and replacement of sewer infrastructure, new sewer connections and improvements to the treatment plants
- Final construction on Memphis Fire Department Fire Station No. 1
- Engineering Division funding for replacement of traffic signals, speed bumps, and transportation improvements
- Final installment on Foote Homes – South City project
- Contract construction on the new Frayer Library
- Commitment to MATA Innovation Corridor Bus Rapid Transit project
-

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

Long-term Debt

At June 30, 2022, the City had total bonded debt outstanding of \$3,114,017. Of this amount, \$1,849,480 comprises debt backed by the full faith and credit of the government. The remaining balance of \$1,288,792 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	
	2022	2021	2022	2021	2022	2021
General obligation bonds	1,502,554	1,294,434	-	-	1,502,554	1,294,434
Commercial Paper	75,000	150,000	-	-	75,000	150,000
Capital lease obligations	26,719	23,742	-	-	26,719	23,742
Settlement obligations	10,667	12,000	-	-	10,667	12,000
EDGE - Accelerate Memphis	24,255	-	-	-	-	-
Guarantee obligations	210,285	153,280	-	-	210,285	153,280
Revenue bonds	-	-	1,112,652	953,638	1,112,652	953,638
State loans	-	-	176,140	153,009	176,140	153,009
Total	<u>\$ 1,849,480</u>	<u>1,633,456</u>	<u>1,288,792</u>	<u>1,106,647</u>	<u>3,114,017</u>	<u>2,740,103</u>

Governmental activities debt increased by \$216,024 or 13.2%, while Business-type activities debt increased by \$182,145 or 16.5%. Increases were primarily due to increases in general obligation bonds and guarantee obligations for governmental activities and increase in revenue bonds and state loans for business-type activities.

The City has long held a high-grade bond rating on indebtedness from the major credit rating services. As of June 30, 2022 the City held ratings of Aa2 by Moody's Investor Service and AA by S&P Global Rating Service, for general obligation bonds. For sanitary sewerage system revenue bonds, the City held ratings of Aa2 by Moody's Investor Service and AA+ by S&P Global Rating 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, 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 which may be incurred.

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

Economic Factors and Next Year's Budgets

The City has continued to adapt its business model to sustain not only mission critical services, but also the continuation of projects and the support of operational functions. Organizations nationwide have experienced impacts from the COVID-19 pandemic, some more than others. The City's priorities for the FY23 budget include a continued focus on service to its and for protection its community. While there are some lingering impacts, the City continues to experience recovery in some areas as it moves to a post-pandemic financial and economical environment.

- A conservative approach to certain revenues that have surpassed pre-pandemic levels (local sales tax and state portion of local taxes).
- Public safety, which encompasses our Police and Fire Division, remains a top priority. Increases for salaries for police are budgeted at 5% for FY23 and FY24. Salaries for fire were negotiated in 2022 for a 3% increase in FY22 and an additional 3% increase for FY23.
- The adopted operating budget for all funds calls for expenditures of \$1,617,332 against revenues of \$1,611,717.
- The adopted operating budget for the general fund is \$750,184 in revenues and \$750,105 in expenditures.

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.

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CITY OF MEMPHIS

T E N N E S S E E

BASIC FINANCIAL STATEMENTS



STATEMENT OF NET POSITION
(Thousands of Dollars)
June 30, 2022

CITY OF MEMPHIS, TENNESSEE
EXHIBIT A-1

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 307,867	\$ 368,327	\$ 676,194	\$ 68,481
Investments	10,659	175,559	186,218	20,961
Derivative financial instruments	-	9,245	9,245	-
Equity in cash and investment pool	555,246	88,648	643,894	-
Restricted funds	7,486	278,730	286,216	-
Receivables (net of allowance for uncollectibles):				
Property taxes	437,833	-	437,833	-
Sales, income, and other taxes	41,803	-	41,803	-
Federal and state grants	16,169	-	16,169	30
Interest and dividends on investments	251	4	255	-
Notes and accounts receivable	-	166,946	166,946	10,640
Housing rehabilitation loans	42,606	-	42,606	-
Other	62,431	2,232	64,663	-
Due from other agencies and governments	5,850	-	5,850	31,691
Inventories	1,890	67,880	69,770	6,370
Unbilled revenues	-	76,114	76,114	-
Prepaid expense	-	3,469	3,469	5,130
Restricted assets:				
Cash and cash equivalents	-	-	-	68,283
Investments	-	66,831	66,831	150,301
Non-depreciable capital assets	740,087	505,765	1,245,852	417,959
Depreciable capital assets (net of accumulated depreciation)	1,334,741	2,430,800	3,765,541	806,139
Net Pension asset	-	-	-	21,049
Other assets	-	179,349	179,349	330,132
Total Assets	3,564,919	4,419,899	7,984,818	1,937,166
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pensions	480,434	61,815	542,249	11,974
Deferred outflows - OPEB	14,249	50,285	64,534	2,857
Deferred outflows - other	-	1,102	1,102	369
Total assets and deferred outflows of resources	4,059,602	4,533,101	8,592,703	1,952,366

(Continued)

STATEMENT OF NET POSITION
(Thousands of Dollars)
June 30, 2022

CITY OF MEMPHIS, TENNESSEE
EXHIBIT A-1

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Accounts payable and accrued liabilities	\$ 77,913	\$ 253,320	\$ 331,233	\$ 25,823
Accrued interest payable	13,419	-	13,419	10,129
Contract retainage	3,653	5,858	9,511	-
Insurance claims payable	10,579	327	10,906	-
Due to other agencies and governments	101,170	-	101,170	3,534
Refundable bonds and deposits	1,667	-	1,667	-
Unearned revenue	22,580	-	22,580	11,271
Other liabilities	90,942	67,464	158,406	-
Noncurrent liabilities:				
Due within one year	107,533	18,289	125,822	30,243
Due in more than one year	1,742,953	1,153,992	2,896,945	526,834
Net OPEB liability - due in more than one year	470,547	192,157	662,704	63,494
Net pension liability - due in more than one year	555,464	-	555,464	23,914
Total Liabilities	<u>3,198,420</u>	<u>1,691,407</u>	<u>4,889,827</u>	<u>695,242</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	558,306	130,623	688,929	9,841
Deferred inflows - OPEB	109,823	164,916	274,739	43,354
Deferred inflows - other	545,395	9,245	554,640	270,924
Total liabilities and deferred inflows of resources	<u>4,411,944</u>	<u>1,996,191</u>	<u>6,408,135</u>	<u>1,019,361</u>
NET POSITION				
Net investment in capital assets	1,388,684	1,761,334	3,150,018	763,204
Restricted for:				
Debt service	17,285	149,160	166,445	-
Capital acquisitions/projects	-	-	-	218,361
Solid waste management	14,318	-	14,318	-
Drug enforcement	9,026	-	9,026	-
Operations	491,831	-	491,831	3,752
Unrestricted:	<u>(2,273,486)</u>	<u>626,416</u>	<u>(1,647,070)</u>	<u>(52,312)</u>
Total Net Position	<u>\$ (352,342)</u>	<u>\$ 2,536,910</u>	<u>\$ 2,184,568</u>	<u>\$ 933,005</u>

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, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position								
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government							
					Governmental Activities	Business-Type Activities	Total					
Functions/Programs												
Primary government:												
Governmental activities:												
General government	\$ 469,127	\$ 9,694	\$ 8,628	\$ 23,943	\$ (426,862)	\$ -	\$ -	\$ (426,862)	\$ -	\$ -	\$ -	\$ -
Public safety	614,942	26,187	-	-	(588,755)	-	-	(588,755)	-	-	-	-
Community services	126,280	6,543	-	-	(119,737)	-	-	(119,737)	-	-	-	-
Transportation and environment	113,466	76,570	-	-	(36,896)	-	-	(36,896)	-	-	-	-
Education	6,010	-	-	-	(6,010)	-	-	(6,010)	-	-	-	-
Interest on long-term debt	69,555	-	-	-	(69,555)	-	-	(69,555)	-	-	-	-
Total governmental activities	1,399,380	118,994	8,628	23,943	(1,247,815)	-	-	(1,247,815)	-	-	-	-
Business-type activities:												
Sewer collection and treatment	121,156	156,289	-	463	-	35,596	-	35,596	35,596	-	-	-
Memphis Light, Gas and Water	1,519,540	1,734,438	-	-	-	214,898	-	214,898	214,898	-	-	-
Storm water	22,934	36,711	-	-	-	13,777	-	13,777	13,777	-	-	-
Total business-type activities	1,663,630	1,927,438	-	463	-	264,271	-	264,271	264,271	-	-	-
Total primary government	\$ 3,063,010	\$ 2,046,432	\$ 8,628	\$ 24,406	\$ (1,247,815)	\$ 264,271	\$ -	\$ (983,544)	\$ -	\$ -	\$ -	\$ -
Component units:												
Memphis Area Transit Authority	69,763	2,492	-	8,772	-	-	-	-	-	-	-	(58,499)
Memphis-Shelby County Airport Authority	128,090	101,131	8,032	82,510	-	-	-	-	-	-	-	63,583
Renasant Convention Center	7,080	5,581	-	-	-	-	-	-	-	-	-	(1,499)
Blight Authority Memphis, Inc.	98	-	7	-	-	-	-	-	-	-	-	(91)
Memphis Zoological Society	31,414	26,071	441	142	-	-	-	-	-	-	-	(4,760)
Total component units	\$ 236,445	\$ 135,275	\$ 8,480	\$ 91,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,266)

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

STATEMENT OF ACTIVITIES
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total	
				Governmental Activities	Business-Type Activities		
General revenues:							
Local taxes:							
Property taxes - levied for education				5,583	-	5,583	-
Property taxes - levied for debt service				140,994	-	140,994	-
Property taxes - levied for capital projects				1,200	-	1,200	-
Property taxes - levied for general government				285,598	-	285,598	-
Interest, penalties and commission - property taxes				7,801	-	7,801	-
Sales tax, general				223,076	-	223,076	-
Sales tax, beer				15,448	-	15,448	-
Alcoholic beverage tax				19,505	-	19,505	-
Gross receipts tax				17,572	-	17,572	-
Franchise/Exise tax				12,053	-	12,053	-
Other local taxes				1,411	-	1,411	-
State taxes-unrestricted:							
Sales tax				74,251	-	74,251	-
Income tax				1	-	1	-
Beer tax				289	-	289	-
Alcoholic beverage tax				461	-	461	-
Professional tax				0	-	0	-
Petroleum products tax				24,520	-	24,520	-
State taxes - Debt service				4,356	-	4,356	-
Hotel/motel tax				17,057	-	17,057	-
City of Memphis subsidy				-	-	-	21,784
Investment income				(6,331)	4,219	(2,112)	7,928
Federal grants and entitlements				130,845	-	130,845	39,879
State grants				19,555	-	19,555	8,385
Other				57,314	42,336	99,650	15,209
Transfers				60,829	(72,092)	(11,263)	-
Total general revenues and transfers				1,113,388	(25,537)	1,087,851	93,185
Changes in net position				(134,427)	238,734	104,307	91,919
Net position - beginning, as restated				(217,915)	2,298,176	2,080,261	841,086
Net position - ending				(352,342)	2,536,910	2,184,568	933,005
				\$	\$	\$	\$

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

BALANCE SHEET
GOVERNMENTAL FUNDS
(Thousands of Dollars)
June 30, 2022

CITY OF MEMPHIS, TENNESSEE
EXHIBIT A-3

	General	Debt Service	Capital Projects	Community Development	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 45	\$ -	\$ 221,015	\$ 8,216	\$ 78,590	\$ 307,866
Investments	-	56	10,603	-	-	10,659
Equity in cash and investment pool	212,735	52,705	31,836	68,695	154,348	520,318
Receivables (net of allowance for uncollectibles):						
Property taxes:						
Current property taxes	272,902	127,453	696	-	4,642	405,693
Delinquent property taxes	22,022	9,825	138	-	155	32,140
Special assessments:						
Sales, income, and other taxes	33,527	2,050	-	-	6,226	41,803
Federal and state grants	927	-	4,824	4,086	6,332	16,169
Interest and dividends on investments	-	-	-	251	-	251
Housing rehabilitation loans	-	-	-	42,606	-	42,606
Other	42,837	2,810	-	5,883	4,658	56,188
Due from other funds	10,638	295	-	-	-	10,933
Due from other agencies and governments	5,850	-	-	-	8,024	13,874
Escrows - debt funding	-	6,198	-	-	-	6,198
Restricted assets:						
Cash restricted for debt service	-	7,486	-	-	-	7,486
Total assets	\$ 601,483	\$ 208,876	\$ 269,112	\$ 129,737	\$ 262,975	\$ 1,472,183
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 54,596	\$ 2	\$ 11,910	\$ 1,371	\$ 8,044	\$ 75,923
Contract retainage	32	-	3,545	-	76	3,653
Due to other funds	-	-	-	-	10,932	10,932
Due to other agencies and governments	1,504	-	-	-	104,460	105,964
Refundable bonds and deposits	1,667	-	-	-	-	1,667
Unearned revenue	-	-	11,963	-	10,617	22,580
Total liabilities	57,799	2	27,418	1,371	134,129	220,719
Deferred inflows:						
Prepaid taxes	1	-	-	-	-	1
Uncollected property taxes	306,154	141,977	1,381	-	91	449,602
Uncollected anti-neglect fees	213	-	-	-	-	213
Uncollected traffic fines	23,424	-	-	-	-	23,424
Uncollected ambulance fees	5,320	-	-	-	-	5,320
Uncollected special assessments	-	-	-	-	44	44
Uncollected intergovernmental revenue	-	-	-	81,175	-	81,175
Uncollected project loans receivable	-	-	-	42,606	-	42,606
Other deferred inflows	649	2,810	-	-	-	3,459
Total deferred inflows	335,761	144,787	1,381	123,781	135	605,845
Total liabilities and deferred inflows	393,560	144,789	28,799	125,152	134,264	826,564
Fund balances:						
Restricted	17,455	17,285	-	-	119,779	154,519
Committed	-	46,802	240,313	-	8,932	296,047
Assigned	81,894	-	-	-	-	81,894
Unassigned	108,574	-	-	4,585	-	113,159
Total fund balances	207,923	64,087	240,313	4,585	128,711	645,619
Total liabilities, deferred inflows and fund balances	\$ 601,483	\$ 208,876	\$ 269,112	\$ 129,737	\$ 262,975	\$ 1,472,183

See accompanying notes to financial statements.

**RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION
(Thousands of Dollars)
June 30, 2022**

**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	\$ 645,619
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,074,828
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	57,218
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.	(633,336)
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.	(565,265)
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.	23,209
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,954,615)</u>
Net position of governmental activities	<u>\$ (352,342)</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 (Thousands of Dollars)
 For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
 EXHIBIT A-5

	General	Debt Service	Capital Projects	Community Development	Nonmajor Funds	Total Governmental Funds
REVENUES						
Local taxes	\$ 506,571	\$ 140,994	\$ 1,200	\$ -	\$ 81,476	\$ 730,241
State taxes (local share)	76,183	4,356	-	-	23,339	103,878
Hotel/motel tax	-	-	-	-	17,057	17,057
Licenses and permits	13,157	-	-	-	2,268	15,425
Fines and forfeitures	11,097	-	-	-	2,180	13,277
Charges for services	42,283	-	-	-	76,711	118,994
Investment income	(3,068)	(1,433)	-	-	(2,124)	(6,625)
Federal grants and entitlements	8,628	2,124	13,819	34,718	71,556	130,845
State grants	5,000	-	10,124	-	4,431	19,555
Intergovernmental revenues	4,575	-	-	-	-	4,575
Other	12,309	248,612	(481)	86	2,058	262,584
Total revenues	676,735	394,653	24,662	34,804	278,952	1,409,806
EXPENDITURES						
Current:						
General government	175,323	-	-	-	87,206	262,529
Public safety	483,645	-	-	-	24,993	508,638
Community services	68,522	-	-	34,989	939	104,450
Transportation and environment	19,687	-	-	-	74,164	93,851
Education	-	-	-	-	6,010	6,010
Capital outlay	-	-	178,346	-	-	178,346
Debt service:						
Redemption of serial bonds and notes	-	94,370	-	-	-	94,370
Lease payments	-	3,711	-	-	-	3,711
Interest	-	69,529	26	-	-	69,555
Bond issuance cost	-	29,735	1,631	-	-	31,366
Service charges	-	879	80	-	-	959
Total expenditures	747,177	198,224	180,083	34,989	193,312	1,353,785
Revenues over (under) expenditures	(70,442)	196,429	(155,421)	(185)	85,640	56,021
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	43	-	-	-	-	43
Transfers in	84,830	11,238	25,958	-	10,025	132,050
Transfers out	(4,061)	(1,881)	-	-	(66,929)	(72,871)
Payment to refunded bond escrow agent	-	(207,084)	-	-	-	(207,085)
Issuance of debt	-	-	335,196	-	-	335,196
Total other financing sources (uses)	80,812	(197,727)	361,154	-	(56,904)	187,333
Net change in fund balances	10,370	(1,299)	205,733	(185)	28,736	243,354
Fund balances - beginning of year	197,553	65,386	34,580	4,770	99,975	402,264
Fund balances - end of year	\$ 207,923	\$ 64,087	\$ 240,313	\$ 4,585	\$ 128,711	\$ 645,619

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, 2022**

**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	\$ 243,352
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.	89,864
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	3,927
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.	(214,986)
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.	1,145
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.	(264,296)
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 net expenditure of certain activities of internal service funds is reported with governmental activities.	<u>6,567</u>
Change in net position of governmental activities	<u><u>\$ (134,427)</u></u>

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

GENERAL FUND
STATEMENT OF REVENUES AND OTHER SOURCES -
BUDGET AND ACTUAL ON BASIS OF BUDGETING
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit A-7

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget-Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local taxes:				
Property taxes	\$ 265,225	\$ 265,225	\$ 270,388	\$ 5,163
Interest, penalties and commission - property taxes	6,700	6,700	7,801	1,101
Receipts in lieu of taxes contractual	12,800	12,800	10,622	(2,178)
Sales tax general	130,120	130,120	151,772	21,652
Sales tax beer	15,000	15,000	15,448	448
Alcoholic beverage tax	6,600	6,600	8,818	2,218
Liquor by the drink tax	5,000	7,000	10,687	3,687
Gross receipts tax	13,300	13,300	17,572	4,272
Excise tax	2,000	2,000	2,570	570
Franchise tax	7,450	7,450	9,483	2,033
Tourism development zone tax	-	-	33	33
Other local taxes	920	920	1,378	458
Total local taxes	465,115	467,115	506,571	39,456
State taxes (local share):				
Sales tax	65,000	65,000	74,251	9,251
Income taxes	-	-	1	1
Beer taxes	300	300	289	(11)
Alcoholic beverage tax	450	450	461	11
Petroleum special tax	1,285	1,285	1,181	(104)
Sports Betting	100	100	-	(100)
Total state taxes (local share)	67,135	67,135	76,183	9,048
Licenses and permits:				
Auto licenses	12,000	12,000	12,004	4
Dog licenses	313	370	372	1
Liquor by the drink licenses	240	240	250	10
Other	400	400	531	132
Total licenses and permits	12,953	13,010	13,157	147
Fines and forfeitures:				
City courts	11,427	11,547	10,958	(589)
Library	120	-	139	139
Total fines and forfeitures	11,547	11,547	11,097	(450)

(Continued)

See accompanying notes to financial statements.

GENERAL FUND
STATEMENT OF REVENUES AND OTHER SOURCES -
BUDGET AND ACTUAL ON BASIS OF BUDGETING
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit A-7
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Charges for services:				
Building and other inspection fees	\$ 250	\$ 250	\$ 384	\$ 134
Park commission revenues	4,666	6,209	6,543	335
Parking meter revenues	800	800	574	(226)
Ambulance service fees	20,400	24,500	25,283	783
Rents	2,077	2,077	2,407	329
Tax sale attorney fees	600	600	767	167
Wrecker and storage fees	1,400	1,400	1,757	357
Police special events	350	350	904	554
Other	909	2,175	3,665	1,490
Total charges for services	<u>31,452</u>	<u>38,361</u>	<u>42,283</u>	<u>3,922</u>
Investment income:				
Interest on investments	860	860	(3,128)	(3,988)
Other	60	60	60	0
Total investment income	<u>920</u>	<u>920</u>	<u>(3,068)</u>	<u>(3,988)</u>
Federal grants	<u>5,073</u>	<u>12,416</u>	<u>8,628</u>	<u>(3,788)</u>
State grants	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Intergovernmental revenues	<u>4,120</u>	<u>4,120</u>	<u>4,575</u>	<u>455</u>
Other:				
Auctions	2,500	2,500	5,136	2,636
Property insurance recoveries	285	485	897	412
Local shared revenue	1,709	3,909	2,573	(1,336)
Miscellaneous	2,784	3,860	3,703	(157)
Total other	<u>7,278</u>	<u>10,754</u>	<u>12,309</u>	<u>1,555</u>
Total revenues	<u>\$ 610,593</u>	<u>\$ 630,378</u>	<u>\$ 676,735</u>	<u>\$ 46,357</u>
Other sources and transfers in:				
Sale of capital assets	\$ -	\$ -	\$ 43	\$ 43
Transfers in:				
Solid waste management	750	750	750	-
Sewer collection and treatment fund	12,037	12,037	11,254	(783)
MLG&W fund	56,411	56,411	59,097	2,686
Hotel/Motel	-	-	-	-
Storm water	106	106	106	-
Debt service	-	-	23	23
Metro alarm	1,600	1,600	1,600	-
2019 Sales Tax Referendum	12,000	12,000	12,000	-
Total transfers in	<u>82,904</u>	<u>82,904</u>	<u>84,830</u>	<u>1,926</u>
Total other sources and transfers in	<u>\$ 82,904</u>	<u>\$ 82,904</u>	<u>\$ 84,873</u>	<u>\$ 1,969</u>
Total Revenues, Other Sources & Transfers In	<u>\$ 693,497</u>	<u>\$ 713,282</u>	<u>\$ 761,608</u>	<u>\$ 48,326</u>

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, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit A-8

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
EXPENDITURES				
General government:				
Legislative:				
Personnel services	\$ 1,940	\$ 1,975	\$ 1,858	\$ 117
Materials and supplies	825	1,019	491	528
Grants and Subsidies	-	95	(95)	190
Total legislative	<u>2,765</u>	<u>3,089</u>	<u>2,254</u>	<u>835</u>
Judicial:				
Personnel services	756	757	724	33
Materials and supplies	54	53	30	23
Total judicial	<u>810</u>	<u>810</u>	<u>754</u>	<u>56</u>
Court clerk:				
Personnel services	3,601	3,602	3,483	119
Materials and supplies	3,612	3,788	2,579	1,209
Capital outlay	37	40	(3)	43
Total court clerk	<u>7,250</u>	<u>7,430</u>	<u>6,059</u>	<u>1,371</u>
Executive:				
Personnel services	14,113	12,440	11,206	1,234
Materials and supplies	4,461	9,514	3,753	5,761
Grants and subsidies	3,566	4,493	1,616	2,877
Expense reimbursement	(240)	(240)	(86)	(154)
Total executive	<u>21,900</u>	<u>26,207</u>	<u>16,489</u>	<u>9,718</u>
Finance and administration:				
Personnel services	9,249	9,443	8,506	937
Materials and supplies	2,464	2,594	2,073	521
Capital outlay	10	17	8	9
Grants and subsidies	3,309	3,280	3,295	(15)
Expense reimbursement	(1,083)	(1,083)	(943)	(140)
Total finance and administration	<u>13,949</u>	<u>14,251</u>	<u>12,939</u>	<u>1,312</u>
City attorney:				
Personnel services	5,441	5,441	4,913	528
Materials and supplies	13,317	14,653	10,112	4,541
Grants and subsidies	475	474	104	370
Expense reimbursement	(4,727)	(4,727)	(4,577)	(150)
Total city attorney	<u>14,506</u>	<u>15,841</u>	<u>10,552</u>	<u>5,289</u>

See accompanying notes to financial statements.

(Continued)

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, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit A-8
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
City engineer:				
Personnel services	\$ 9,921	\$ 9,921	\$ 8,946	\$ 975
Materials and supplies	5,533	6,217	4,494	1,723
Capital outlay	85	85	4	81
Expense reimbursement	(5,638)	(5,638)	(8,763)	3,125
Total city engineer	9,901	10,585	4,681	5,904
Information technologies:				
Personnel services	3,123	3,123	2,729	394
Materials and supplies	22,260	23,775	21,511	2,264
Capital outlay	25	25	24	1
Expense reimbursement	(1,580)	(1,580)	(1,101)	(479)
Total information technologies	23,828	25,343	23,163	2,180
Human resources:				
Personnel services	5,559	5,508	5,452	56
Materials and supplies	3,771	4,156	3,582	574
Capital outlay	30	21	11	10
Expense reimbursement	(829)	(829)	(832)	3
Total human resources	8,531	8,856	8,213	643
General services:				
Personnel services	22,893	22,893	21,620	1,273
Materials and supplies	10,202	11,168	9,022	2,146
Capital outlay	85	85	62	23
Expense reimbursement	(9,347)	(9,347)	(9,445)	98
Total general services	23,833	24,799	21,259	3,540
Special appropriations:				
Materials and supplies	100	17,500	17,733	(233)
Grants and subsidies	43,155	48,834	53,142	(4,308)
Expense reimbursement	(5,500)	(5,500)	(4,260)	(1,240)
Total special appropriations	37,755	60,834	66,615	(5,781)
Total general government	\$ 165,028	\$ 198,045	\$ 172,978	\$ 25,067

(Continued)

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, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit A-8
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Public safety:				
Police:				
Personnel services	\$ 258,872	\$ 257,272	\$ 261,833	\$ (4,561)
Materials and supplies	31,670	37,718	34,319	3,399
Capital outlay	491	492	434	58
Grants and subsidies	150	150	82	68
Expense reimbursement	(15,459)	(15,459)	(13,656)	(1,803)
Total police	<u>275,724</u>	<u>280,173</u>	<u>283,012</u>	<u>(2,839)</u>
Fire:				
Personnel services	178,660	182,710	187,609	(4,899)
Materials and supplies	21,549	23,675	24,543	(868)
Capital outlay	86	86	48	38
Expense reimbursement	(9,616)	(9,616)	(9,694)	78
Total fire	<u>190,679</u>	<u>196,855</u>	<u>202,506</u>	<u>(5,651)</u>
Total public safety	<u>\$ 466,403</u>	<u>\$ 477,028</u>	<u>\$ 485,518</u>	<u>\$ (8,490)</u>
Community services:				
Library:				
Personnel services	\$ 16,684	\$ 16,329	\$ 15,899	\$ 430
Materials and supplies	4,698	6,034	4,975	1,059
Total library	<u>21,382</u>	<u>22,363</u>	<u>20,874</u>	<u>1,489</u>
Parks and recreation:				
Personnel services	18,896	17,048	17,322	(274)
Materials and supplies	20,638	25,987	25,280	707
Capital outlay	2	2	-	2
Inventory	314	422	339	83
Total parks and recreation	<u>38,950</u>	<u>43,459</u>	<u>42,941</u>	<u>518</u>
Community development:				
Personnel services	4,406	4,406	4,360	46
Materials and supplies	608	631	452	179
Grants and subsidies	1,755	2,105	1,407	698
Expense reimbursement	(1,937)	(2,037)	(1,779)	(258)
Total community development	<u>4,832</u>	<u>5,105</u>	<u>4,440</u>	<u>665</u>
Public service				
Materials and supplies	-	(6)	(6)	-
Total public service	<u>-</u>	<u>(6)</u>	<u>(6)</u>	<u>-</u>

See accompanying notes to financial statements.

(Continued)

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, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit A-8
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Total community services	\$ 65,164	\$ 70,921	\$ 68,249	\$ 2,672
Transportation and environment:				
Public works:				
Personnel services	\$ 16,110	\$ 16,236	\$ 17,044	\$ (808)
Materials and supplies	14,664	21,601	18,440	3,161
Capital outlay	200	152	2	150
Grants and subsidies	62	62	3	59
Expense reimbursement	(13,725)	(13,725)	(15,422)	1,697
Total public works	17,311	24,326	20,067	4,259
Total transportation and environment	\$ 17,311	\$ 24,326	\$ 20,067	\$ 4,259
Total Expenditures	\$ 713,906	\$ 770,320	\$ 746,812	\$ 23,508
OTHER USES				
Transfers out				
New Memphis Arena	\$ -	\$ -	\$ 1,975	\$ (1,975)
Library retirement fund	1,536	1,536	1,536	-
HUB Community Impact fund	550	550	550	-
Total transfers out	2,086	2,086	4,061	(1,975)
Total other uses	\$ 2,086	\$ 2,086	\$ 4,061	\$ (1,975)
Total Expenditures and Other Uses	\$ 715,992	\$ 772,406	\$ 750,873	\$ 21,533
Net Change in Fund balances (Budgetary)	\$ (22,495)	\$ (59,124)	\$ 10,735	\$ 69,859
Adjustment for encumbrances			(365)	
Revenues over expenditures GAAP basis			10,370	
Fund Balance - beginning			197,553	
Fund Balance - ending			\$ 207,923	

See accompanying notes to financial statements.

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 (Thousands of Dollars)
 June 30, 2022

CITY OF MEMPHIS, TENNESSEE
 Exhibit A-9

	Business Type Activities - Enterprise Funds						Governmental
	Major Funds						Activities
	Sewer Col- lection 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	\$ -	\$ 227,745	\$ 87,517	\$ 53,065	\$ -	\$ 368,327	\$ 1
Investments	21,775	94,330	34,890	22,037	2,527	175,559	-
Equity in cash and investment pool	66,303	-	-	-	22,345	88,648	34,928
Derivative financial instruments	-	-	9,245	-	-	9,245	-
Restricted funds	58,795	75,498	60,006	54,181	30,250	278,730	-
Receivables:							
Notes and accounts	15,748	82,251	45,905	20,051	2,991	166,946	45
Interest on investments	-	-	4	-	-	4	-
Due from other agencies	-	-	-	-	-	-	-
Unbilled revenues	-	53,234	18,237	4,643	-	76,114	-
Prepaid power cost	-	-	2,232	-	-	2,232	-
Unrecovered purchased power cost	-	594	5,970	-	-	6,564	-
Prepaid expenses	2,142	-	1,327	-	-	3,469	-
Inventories of materials and supplies	-	49,503	12,222	6,155	-	67,880	1,890
Other current assets	-	5,236	5,101	3,020	-	13,357	-
Total current assets	164,763	588,391	282,656	163,152	58,113	1,257,075	36,864
Non-current assets:							
Restricted assets:							
Investments, less current portion	-	42,281	15,034	9,516	-	66,831	-
Total restricted assets	-	42,281	15,034	9,516	-	66,831	-
Capital assets:							
Land	14,079	-	-	-	37	14,116	-
Buildings	105,196	-	-	-	2,573	107,769	-
Utility plant	-	2,092,919	795,340	595,771	-	3,484,030	-
Improvements other than buildings	760,956	-	-	-	100,771	861,727	-
Machinery and equipment	48,039	-	-	-	19,845	67,884	-
Less accumulated depreciation and amortization	(480,463)	(942,892)	(394,640)	(233,565)	(39,050)	(2,090,610)	-
Total capital assets	447,807	1,150,027	400,700	362,206	84,176	2,444,916	-
Construction in progress	423,881	-	-	-	67,768	491,649	-
Net capital assets	871,688	1,150,027	400,700	362,206	151,944	2,936,565	-
Other non-current assets:							
Prepayments in lieu of taxes	-	1,631	37	-	-	1,668	-
Unamortized debt expense	-	1,634	856	889	-	3,379	-
Other prepayments	-	14,975	19,548	4,977	-	39,500	-
Net pension asset -long term	-	63,587	24,375	18,017	-	105,979	-
Notes receivable	-	-	3,972	1,514	-	5,486	-
Total other non-current assets	-	81,827	48,788	25,397	-	156,012	-
Total non-current assets	871,688	1,274,135	464,522	397,119	151,944	3,159,408	-
Total assets	1,036,451	1,862,526	747,178	560,271	210,057	4,416,483	36,864
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to pensions	17,866	21,171	8,115	5,997	8,666	61,815	-
Deferred outflows related to OPEB	793	29,412	11,274	8,334	472	50,285	57
Unamortized balance of refunded debt	-	1,102	-	-	-	1,102	-
Total assets and deferred outflows of resources	\$ 1,055,110	\$ 1,914,211	\$ 766,567	\$ 574,602	\$ 219,195	\$ 4,529,685	\$ 36,921

(Continued)

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 (Thousands of Dollars)
 June 30, 2022

CITY OF MEMPHIS, TENNESSEE
 Exhibit A-9
 (Continued)

	Business Type Activities - Enterprise Funds						Governmental
	Major Funds						Activities
	Sewer Col- lection 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	\$ 18,197	\$ 133,008	\$ 23,114	\$ -	\$ 1,869	\$ 176,188	\$ 1,989
Bonds and notes payable	-	10,102	3,795	3,763	-	17,660	-
Accrued liabilities	-	29,421	13,581	16,470	-	59,472	-
Payables due from restricted assets	-	25,122	10,736	5,566	-	41,424	-
Bonds payable - principal from restricted assets	-	919	345	342	-	1,606	-
Bonds payable - interest from restricted assets	-	1,032	464	384	-	1,880	-
Insurance claims payable	327	-	-	-	-	327	10,579
Contract retainage	5,183	-	-	-	675	5,858	-
Unearned revenue	-	-	-	-	-	-	-
Current installment of revenue bonds payable	10,035	-	-	-	815	10,850	-
State loans payable - current	7,439	-	-	-	-	7,439	-
Vacation, sick and other leave benefits	3,561	10,499	4,044	2,889	1,561	22,554	231
Total current liabilities	44,742	210,103	56,079	29,414	4,920	345,258	12,799
Long-term liabilities:							
Revenue bonds payable	212,811	342,287	146,093	134,369	38,409	873,969	-
State loans payable	168,760	-	-	-	-	168,760	-
Federal loans payable	41,173	-	-	-	-	41,173	-
Net pension liability	16,198	-	-	-	7,062	23,260	-
Net OPEB liability	25,563	91,077	34,913	25,805	14,799	192,157	807
Customer common deposits	-	20,209	4,992	1,790	-	26,991	-
Long term commercial paper	-	-	-	-	-	-	-
Other	-	9,141	8,208	2,490	-	19,839	-
Total long-term liabilities	464,505	462,714	194,206	164,454	60,270	1,346,149	807
Total liabilities	509,247	672,817	250,285	193,868	65,190	1,691,407	13,606
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to pensions	9,637	69,374	26,593	19,655	5,364	130,623	-
Deferred inflows related to OPEB	6,172	93,425	35,813	26,471	3,035	164,916	106
Revenue collected in advance	-	-	9,245	-	-	9,245	-
Total liabilities and deferred inflows of resources	525,056	835,616	321,936	239,994	73,589	1,996,191	13,712
NET POSITION							
Net investment in capital assets	381,243	794,877	248,867	226,827	109,520	1,761,334	-
Restricted for debt service	62,342	47,417	20,891	13,471	5,039	149,160	-
Restricted for construction	-	-	-	-	-	-	-
Unrestricted (deficit)	86,469	236,301	174,873	94,308	31,048	622,999	23,209
Total net position (deficit)	\$ 530,054	\$ 1,078,595	\$ 444,631	\$ 334,606	\$ 145,607	\$ 2,533,493	\$ 23,209
Adjustment to reflect the consolidation of internal service funds related to enterprise funds						3,417	
Net position of business-type activities						\$ 2,536,910	

See accompanying notes to financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit A-10

	Business Type Activities - Enterprise Funds						Governmental
	Major Funds						Activities
	Sewer Col- lection and Treatment	MLGW Electric Division	MLGW Gas Division	MLGW Water Division	Non-Major Fund	Total	Internal Service Funds
Charges for services	\$ 156,289	\$ 1,312,820	\$ 295,473	\$ 126,145	\$ 36,711	\$ 1,927,438	\$ 119,293
Operating revenues	156,289	1,312,820	295,473	126,145	36,711	1,927,438	119,293
Operating expenses other than depreciation and amortization:							
Personnel services	25,918	-	-	-	12,071	37,989	4,714
Materials, supplies, services, and other	70,225	-	-	-	6,483	76,708	21,802
Capital outlay	3,191	-	-	-	-	3,191	303
Purchased power and gas for resale	-	985,215	151,669	-	-	1,136,884	-
Production	-	-	-	17,385	-	17,385	-
Operation	-	81,871	57,744	33,371	-	172,986	-
Maintenance	-	50,709	6,821	11,291	-	68,821	-
In lieu of taxes	-	6,306	1,046	-	-	7,352	-
Death benefits	-	-	-	-	-	-	174
Inventories	-	-	-	-	-	-	17,041
Claims incurred	-	-	-	-	-	-	72,504
Total operating expenses other than depreciation and amortization	99,334	1,124,101	217,280	62,047	18,554	1,521,316	116,608
Operating income (loss) before depreciation and amortization	56,955	188,719	78,193	64,098	18,157	406,122	2,685
Depreciation and amortization	14,556	61,565	25,073	11,965	3,334	116,493	-
Operating income (loss)	42,399	127,154	53,120	52,133	14,823	289,629	2,685
Non-operating revenues:							
Transmission credits	-	37,175	-	-	-	37,175	-
Investment income	(814)	4,067	58	1,094	(186)	4,219	(293)
Federal grants	-	-	-	-	-	-	-
State grants	-	-	-	-	-	-	-
Other	3,578	-	-	-	1,583	5,161	-
Total non-operating revenues	2,764	41,242	58	1,094	1,397	46,555	(293)
Non-operating expenses:							
Bond sale expense	-	-	-	-	-	-	-
Loss on disposal of assets	146	-	-	-	-	146	-
Interest on bonded indebtedness	5,731	9,818	4,045	3,646	843	24,083	-
Interest on state loan	1,355	-	-	-	-	1,355	-
Other	34	-	-	-	203	237	-
Total non-operating expenses	7,266	9,818	4,045	3,646	1,046	25,821	-
Income (loss) before capital contributions and transfers	37,897	158,578	49,133	49,581	15,174	310,363	2,392
Transfers in	864	-	-	-	-	864	1,650
Transfers out	(11,254)	(39,090)	(18,006)	(4,500)	(106)	(72,956)	-
Capital contributions	463	-	-	-	-	463	-
Change in net position (deficit)	27,970	119,488	31,127	45,081	15,068	238,734	4,042
Total net position (deficit) - beginning of year	502,084	959,107	413,504	289,525	130,539		19,167
Prior Period Adjustment	-	-	-	-	-	-	-
Total net position - end of year	\$ 530,054	\$ 1,078,595	\$ 444,631	\$ 334,606	\$ 145,607		\$ 23,209
Adjustment to reflect the consolidation of internal service funds related to enterprise funds							
Change in net position of business-type activities						\$ 238,734	

See accompanying notes to financial statements.



STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Thousands of Dollars)

For the fiscal year ended June 30, 2022

	Sewer Col- lection and Treatment	MLGW Electric Division	MLGW Gas Division	MLGW Water Division	Non-Major Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers and users	\$ 155,693	\$ 1,304,595	\$ 291,107	\$ 128,186	\$ 37,278	\$ 1,916,859	\$ 199
Receipts from other division funds	-	-	-	-	-	-	33,105
Miscellaneous income	503	-	-	-	223	726	-
Employee contributions	-	-	-	-	-	-	16,649
Employer contributions	-	-	-	-	-	-	62,574
Pharmacy rx rebates	-	-	-	-	-	-	6,752
Payments to suppliers	(70,366)	(1,002,553)	(178,676)	(34,084)	(8,385)	(1,294,064)	(23,120)
Payments to/on behalf of employees	(25,292)	(128,265)	(56,750)	(43,417)	(11,747)	(265,471)	(4,686)
Payments from / (to) other divisions or funds	-	(3,750)	(2,057)	(3,320)	-	(9,127)	-
Payments per Affordable Care Act (Re-insurance fees, PCORI tax)	-	-	-	-	-	-	(70)
Payments for taxes	-	(6,741)	(1,038)	-	-	(7,779)	-
Payments for inventory	-	-	-	-	-	-	(16,911)
Payments for death benefits	(21)	-	-	-	(203)	(224)	(174)
Payments for claims incurred	-	-	-	-	-	-	(71,322)
Net cash provided by (used in) operating activities (1)	60,517	163,286	52,586	47,365	17,166	340,920	2,996
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:							
Transfers to City	-	(39,090)	(18,006)	(4,500)	-	(61,596)	-
Transfers from other funds	864	-	-	-	-	864	1,650
Transfers to other funds	(11,254)	-	-	-	(106)	(11,360)	-
Net cash (used in) provided by non-capital financing activities	(10,390)	(39,090)	(18,006)	(4,500)	(106)	(72,092)	1,650
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition and construction of capital assets	(131,367)	(90,724)	(16,807)	(23,489)	(11,849)	(274,236)	-
Contributions in aid of construction	-	18,218	2,025	3,928	-	24,171	-
Principal payments on long term commercial paper loan	-	-	-	-	(1,792)	(1,792)	-
Principal payments on capital debt	(14,081)	(10,560)	(3,955)	(3,985)	(775)	(33,356)	-
Interest payments on debt	(10,653)	(12,824)	(5,759)	(4,731)	(1,789)	(35,756)	-
Capital contributions received	463	-	-	-	-	463	-
Proceeds from Federal loan	35,837	-	-	-	-	35,837	-
Proceeds from State Revolving Fund (SRF) loans	23,190	-	-	-	-	23,190	-
Net cash used in capital and related financing activities	(96,611)	(95,890)	(24,496)	(28,277)	(16,205)	(261,479)	-
CASH FLOWS FROM INVESTING ACTIVITIES:							
Sales and maturities of investments	136	119,187	81,821	59,250	-	260,394	-
Purchase of investments	-	(50,349)	(19,392)	(12,475)	-	(82,216)	-
Payments received on notes receivable	-	-	-	236	-	236	-
Income earned on investments	(439)	1,667	1,008	471	(166)	2,541	(293)
Net cash provided by (used in) investing activities	(303)	70,505	63,437	47,482	(166)	180,955	(293)
Net increase (decrease) in cash and cash equivalents	(46,787)	98,811	73,521	62,070	689	188,304	4,353
Cash and cash equivalents, beginning of year	171,885	239,022	84,634	51,451	51,906	598,898	30,577
Cash and cash equivalents, end of year	\$ 125,098	\$ 337,833	\$ 158,155	\$ 113,521	\$ 52,595	\$ 787,202	\$ 34,930

(Continued)

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

	Sewer Collection and Treatment	MLGW Electric Division	MLGW Gas Division	MLGW Water Division	Non-Major Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 42,399	\$ 127,154	\$ 53,120	\$ 52,133	\$ 14,823	\$ 289,629	\$ 2,685
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation expense	14,556	61,565	25,073	11,965	3,334	116,493	-
Transmission credits	-	37,175	-	-	-	37,175	-
Other income	482	2,402	(951)	623	20	2,576	-
(Increase) decrease in assets:							
Accounts receivable	(596)	(5,672)	5,387	758	567	444	(14)
Deferred outflows - Pension	(10,647)	14,778	5,665	4,187	(4,645)	9,338	-
Deferred outflows - OPEB	(231)	5,885	2,256	1,667	(101)	9,476	(3)
Net pension asset	-	(47,689)	(18,281)	(13,512)	-	(79,482)	-
Unbilled revenues	-	(7,581)	(1,212)	(166)	-	(8,959)	-
Prepayments - in lieu of taxes	-	19	-	-	-	19	-
Unrecovered purchased power and gas	-	4,691	(5,970)	-	-	(1,279)	-
Inventories	-	(390)	(1,200)	(508)	-	(2,098)	131
Other assets	-	(168)	(5,943)	4	-	(6,107)	-
Increase (decrease) in liabilities:							
Accounts payable	(1,633)	7,287	2,052	-	(1,147)	6,559	259
Other accrued expenses	5,567	3,957	(1,840)	2,669	-	10,353	-
Customer deposits	-	1,023	(114)	391	-	1,300	-
Insurance reserves	-	(727)	3,263	29	-	2,565	-
Medical benefit accrual	-	(580)	(265)	(173)	-	(1,018)	-
Deferred inflows - Pension	(3,717)	6,222	2,385	1,763	(1,621)	5,032	-
Deferred inflows - OPEB	2,019	(8,922)	(3,420)	(2,527)	881	(11,969)	23
Net pension liability	16,889	-	-	-	7,173	24,062	-
Net OPEB liability	(4,855)	(34,058)	(13,056)	(9,650)	(2,118)	(63,737)	(85)
Accrued vacation/sick leave	284	-	-	-	-	284	-
Other	-	(3,085)	5,637	(2,288)	-	264	-
Total adjustments	18,118	36,132	(534)	(4,768)	2,343	51,291	311
Net cash provided by (used in) operating activities (1)	\$ 60,517	\$ 163,286	\$ 52,586	\$ 47,365	\$ 17,166	\$ 340,920	\$ 2,996
Reconciliation of cash and cash equivalents per statements of cash flows to the balance sheets:							
Restricted funds	\$ 58,795	\$ 117,779	\$ 75,040	\$ 63,696	\$ 30,250	\$ 345,560	\$ -
Less investments included in restricted funds	-	(7,691)	(4,402)	(3,240)	-	(15,333)	-
Cash and cash equivalents included in restricted funds	58,795	110,088	70,638	60,456	30,250	330,227	-
Current assets - cash and cash equivalents	-	227,745	87,517	53,065	-	368,327	4,353
Current assets - equity in cash and investment pool	66,303	-	-	-	22,345	88,648	30,577
Total cash and cash equivalents	\$ 125,098	\$ 337,833	\$ 158,155	\$ 113,521	\$ 52,595	\$ 787,202	\$ 34,930

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
(Thousands of Dollars)
June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit A-12

	Pension and OPEB Trust Funds
ASSETS	
Cash and cash equivalents	\$ 60,889
Investments, at fair value:	
U.S. government securities - long-term	165,722
Common stock - domestic	1,598,426
Common stock - foreign	433,292
Corporate bonds - domestic	337,886
Corporate bonds - foreign	150,719
Mutual funds and money market funds	173,766
Government bonds - domestic	7,728
Government bonds - international	48,264
Global bond - international	97,476
Emerging market bonds ETF	8,283
Corporate bond mutual funds - domestic	51,204
Convertible bond - international	17,720
Collateralized mortgage obligations	1,604
Asset-backed pooled securities	4,584
Mortgage-backed pooled securities	30,583
Securitized asset fund	39,983
Investments in index funds	149,032
Investments in limited partnerships	277,997
Investments in real estate	529,984
Multi-asset - domestic	16,040
Private debt funds - domestic	2,309
Private equity - domestic	173,787
Private equity - international	23,470
Investments in international equity fund	416,439
Hedge funds	11,386
Distressed debt funds - domestic	61,067
Distressed debt funds - international	90,145
Life Settlement fund	98,067
Investments short sales & written options	(35,566)
Total investments	4,981,397
Equity in cash and investment pool	14,222
Interest and dividend receivables	11,016
Receivable for securities sold	364,807
Property tax receivable - current	3,494
Property tax receivable - delinquent	3,364
Employer and employee contributions receivable	4,603
Other receivables	339
Collateral held in trust for securities on loan	163,274
Total assets	5,607,405
LIABILITIES	
Accounts payable and other liabilities	425,566
Payable for securities purchased	17,868
Collateral subject to return to borrowers	163,274
Total liabilities	606,708
NET POSITION	
Restricted for OPEB	710,876
Restricted for Pensions	4,292,261
Restricted for Property Tax Receivable	(2,440)
Total net position	\$ 5,000,697

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit A-13

	<u>Pension and OPEB Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 130,906
Plan members	38,016
Total contributions	<u>168,922</u>
Transfer from other fund	11,264
Pharmacy rebates	1,492
Investment income:	
Interest and dividend income	70,364
Securities lending income	497
Other investment income	304
Gain on real estate investments	22,039
Net appreciation in the fair value of investments	8,270
Less investment expenses	<u>(24,386)</u>
Net investment income	<u>77,088</u>
Total additions	<u>258,766</u>
DEDUCTIONS	
Benefits	351,181
Administrative expenses	15,482
Refunds of contributions	<u>24,072</u>
Total deductions	<u>390,735</u>
Net (decrease)/increase	(131,969)
Net position - beginning of year	<u>5,135,106</u>
Net position - end of year	<u>\$ 5,003,137</u>

See accompanying notes to financial statements.

COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
(Thousands of Dollars)
June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit A-14

	Memphis Area Transit Authority	Memphis - Shelby County Airport Authority	Renasant Convention Center	Blight Authority of Memphis (1)	Memphis Zoological Society	Total
ASSETS						
Current unrestricted assets:						
Cash and cash equivalents	\$ 7,304	\$ 49,384	\$ 3,190	\$ 160	\$ 8,443	\$ 68,481
Investments	-	11,940	-	-	9,021	20,961
Receivables:						
Federal and state grants	-	30	-	-	-	30
Accounts receivable	84	9,293	713	-	550	10,640
Due from other agencies and governments	31,005	-	-	-	686	31,691
Inventories of materials and supplies	3,334	2,695	-	-	341	6,370
Prepaid expenses	428	3,730	66	-	906	5,130
Total current unrestricted assets	42,155	77,072	3,969	160	19,947	143,303
Current restricted assets:						
Cash and cash equivalents	-	68,033	-	-	250	68,283
Investments	-	150,301	-	-	-	150,301
Capital contributions receivable	-	34,337	-	-	-	34,337
Accounts receivable	-	1,019	-	-	-	1,019
Accrued interest	-	876	-	-	-	876
Total current restricted assets	-	254,566	-	-	250	254,816
Total current assets	42,155	331,638	3,969	160	20,197	398,119
Non-current unrestricted assets:						
Lease receivable	-	216,792	-	-	-	216,792
Total non-current unrestricted assets	-	216,792	-	-	-	216,792
Non-current restricted assets:						
Investments	485	76,579	-	31	-	77,095
Other assets	13	-	-	-	-	13
Net pension asset	21,049	-	-	-	-	21,049
Total non-current restricted assets	21,547	76,579	-	31	-	98,157
Capital assets:						
Land	2,731	146,554	643	-	1,115	151,043
Buildings	178,128	782,443	43,545	-	433	1,004,549
Avigation easements	-	58,913	-	-	-	58,913
Improvements other than buildings	-	993,301	-	-	82	993,383
Machinery, buses and equipment	97,257	183,423	8,275	-	75	289,030
Less accumulated depreciation and amortization	(204,581)	(1,285,880)	(49,183)	-	(92)	(1,539,736)
Total capital assets, net	73,535	878,754	3,280	-	1,613	957,182
Construction in progress	19,859	246,802	255	-	-	266,916
Net capital assets	93,394	1,125,556	3,535	-	1,613	1,224,098
Total assets	157,096	1,750,565	7,504	191	21,810	1,937,166
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refundings	-	369	-	-	-	369
Deferred actuarial losses-pension	65	11,909	-	-	-	11,974
Deferred actuarial losses-OPEB	1,820	1,037	-	-	-	2,857
Total deferred outflows of resources	1,885	13,315	-	-	-	15,200
Total assets and deferred outflows of resources	158,981	1,763,880	7,504	191	21,810	1,952,366

(Continued)

COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
(Thousands of Dollars)
June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit A-14
(Continued)

	Memphis Area Transit Authority	Memphis - Shelby County Airport Authority	Renasant Convention Center	Blight Authority of Memphis (1)	Memphis Zoological Society	Total
LIABILITIES						
Current:						
Notes and accounts payable	\$ 4,898	\$ 14,526	\$ 842	\$ 1	\$ 948	\$ 21,215
Due to other agencies and governments	3,534	-	-	-	-	3,534
Accrued liabilities	-	12,618	254	-	1,865	14,737
Unearned revenue	91	8,840	82	-	2,258	11,271
Current installment of revenue bonds payable and future event:	-	28,268	850	-	1,125	30,243
Total current liabilities	8,523	64,252	2,028	1	6,196	81,000
Long-term (net of current maturities):						
Net pension liability	-	23,914	-	-	-	23,914
Net OPEB liability	51,787	11,707	-	-	-	63,494
Revenue bonds payable	-	523,122	-	-	1,245	524,367
Other long-term obligations	-	2,436	-	31	-	2,467
Total long-term liabilities	51,787	561,179	-	31	1,245	614,242
Total liabilities	60,310	625,431	2,028	32	7,441	695,242
DEFERRED INFLOWS OF RESOURCES						
Deferred gain on refunding	-	524	-	-	-	524
Deferred inflows - pension	7,565	2,276	-	-	-	9,841
Deferred inflows - OPEB	40,278	3,076	-	-	-	43,354
Deferred inflow on leases	-	270,400	-	-	-	270,400
Total deferred inflows of resources	47,843	276,276	-	-	-	324,119
Total liabilities and deferred inflows	108,153	901,707	2,028	32	7,441	1,019,361
NET POSITION						
Net investment in capital assets	93,394	666,275	3,535	-	-	763,204
Restricted for:						
Capital acquisitions/projects	-	218,361	-	-	-	218,361
Self-insurance	504	-	-	-	-	504
Other	-	-	-	-	3,248	3,248
Unrestricted	(43,070)	(22,463)	1,941	159	11,121	(52,312)
Total net position	50,828	862,173	5,476	159	14,369	933,005
Total liabilities, deferred inflows and net position	\$ 158,981	\$ 1,763,880	\$ 7,504	\$ 191	\$ 21,810	\$ 1,952,366

See accompanying notes to financial statements.
(1) Blight Authority of Memphis data reported as of June 30, 2020.

COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS (Thousands of Dollars)
 For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
 Exhibit A-15

Component units:	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	Memphis-Shelby County Airport Authority	Renasant Convention Center	Blight Authority of Memphis (1)	Memphis Zoological Society	Total
Memphis Area Transit Authority	\$ 69,763	\$ 2,492	\$ -	\$ 8,772	\$ (58,499)	\$ -	\$ -	\$ -	\$ -	\$ (58,499)
Blight Authority of Memphis (1)	98	-	7	-	-	-	(91)	-	-	(91)
Memphis Zoological Society	31,414	26,071	441	142	-	-	-	(4,760)	-	(4,760)
Renasant Convention Center	7,080	5,581	-	-	-	-	(1,499)	-	-	(1,499)
Memphis-Shelby County Airport Authority	128,090	101,131	8,032	82,510	-	63,583	-	-	-	63,583
Total component units	\$ 236,445	\$ 135,275	\$ 8,480	\$ 91,424	\$ (58,499)	\$ 63,583	\$ (1,499)	\$ (91)	\$ (4,760)	\$ (1,266)
General revenues:										
City of Memphis subsidy					19,170	-	2,614	-	-	21,784
Investment income (loss)					(530)	9,889	1	3	(1,435)	7,928
Federal grants and entitlements					39,584	-	295	-	-	39,879
State grants					8,385	-	-	-	-	8,385
Other					425	14,768	-	-	16	15,209
Total general revenues and special items					67,034	24,657	2,910	3	(1,419)	93,185
Change in net position					8,535	88,240	1,411	(88)	(6,179)	91,919
Net position - beginning					40,993	770,954	4,065	247	20,548	836,807
Prior period adjustment					1,300	2,979	-	-	-	4,279
Net position - beginning, as restated					42,293	773,933	4,065	247	20,548	841,086
Net position - ending					\$ 50,828	\$ 862,173	\$ 5,476	\$ 159	\$ 14,369	\$ 933,005

See accompanying notes to financial statements.

(1) Blight Authority of Memphis data reported as of June 30, 2020.

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, 2021. 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 combining 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 Memphis Cook 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 Memphis Cook 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 38103 Phone: 901-636-6657.

Memphis Area Transit Authority (MATA) – MATA was created by City ordinance on May 13, 1975, replacing the Memphis Transit Authority. The MATA Board consists of seven members nominated by the City Mayor and approved by the City Council for terms of three years. MATA has 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

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.

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, 2021, contained 52 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

Blight Authority of Memphis, Inc. (BAM) – BAM 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.

BAM 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.

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 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 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 agency 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.

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. It operates independently, manages its own finances, and responsible for obligations incurred in such operations. 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.

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 Agency 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 Agency 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.

New Accounting Standards Adopted

In April 2018 GASB issued Statement No. 88 *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to governmental financial statements related to debt. Statement No. 88 defines debt for purposes of disclosures in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The requirements of this Statement are effective for reporting periods ending June 30, 2020. See Note IV. G for detailed debt disclosures.

In June 2018 GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods ending after December 31, 2021. The City has decided to early implement this pronouncement. Implementing this Statement had no effect on the current operations or reporting of the City's capital assets. The City has historically and continues to report interest cost incurred before the end of a construction period as an expenditure in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance; and has excluded said interest cost from the historical cost of its capital assets.

In August 2018 GASB issued Statement No. 90, *Majority Equity Interests*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement defines a majority equity interest and specifies that the majority equity interest should be reported as an investment if a government's holding of the equity interest meets the definition of an investment and should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. All other holdings of majority equity interest in a legally separate organization should be reported as component units. The requirements of this Statement are effective for reporting periods ending after December 31, 2020.

In May 2020, GASB amended the effective date for Statement No. 84, *Fiduciary Activities*. The primary objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. The requirements of this statement are effective for reporting periods ending December 31, 2020.

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This statement establishes the term Annual Comprehensive Financial Report and its acronym ACFR. The new term replaces the Comprehensive Annual Financial Report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for reporting periods ending after

December 15, 2021. The City has decided to early implement this pronouncement and has applied the change as of the issuance of this report.

Future Accounting Pronouncements

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. 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, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City will implement this statement in fiscal year 2022.

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 commitments, arrangements and related note disclosures. The requirements of this Statements are effective for reporting periods ending after December 31, 2022.

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, 2022, related to tax levies for fiscal year 2022 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, 2022, are recorded as deferred inflows at June 30, 2022.

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, 2022. 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 \$7,086. 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

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 payables 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.

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 Finance 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 \$1,954,615 difference are as follows:

Bonds payable	\$ 1,427,952
Settlement obligation	10,667
Premium on General Obligation Bonds	74,601
Commercial paper	75,000
Capital lease obligations	26,719
Related party loan	113,460
Related party loan premium	9,756
Related party debt obligation	87,069
EDGE – Accelerate Memphis	24,255
Accrued interest	13,419
Claims and judgments liability	3,348
On the job injury	2,384
Compensated absences	<u>85,984</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position-governmental activities	<u>\$ 1,954,615</u>

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.”

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

The details of the \$89,864 difference are as follows:

Capital outlay	\$ 669,676
Retirement	(511,754)
Depreciation Expense	<u>(68,058)</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at change in net position of governmental activities	<u>\$ 89,864</u>

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 \$ (214,986) difference are as follows:

Debt issued or incurred:	\$(208,
General obligation bonds	119)
Commercial paper	75,000
Capital lease	(2,977)
Settlement obligations	1,333
Related party debt obligation	(67,130)
Related party loan	9,400
Premium on related party	<u>1762</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<u>(\$214,986)</u>

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 \$1,145 difference are as follows:

Liability Changes:	
Claims and judgments liability	\$ 601
Accrued interest expense	111
Personnel cost (OJI, Vacation, Sick, Other)	433
	<u>\$1,145</u>
Net pension liability adjustment	(316,608)
Net OPEB liability adjustment	52,305
	<u>(264,303)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u><u>\$(265,158)</u></u>

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

Net Investments in Capital Assets

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Total capital assets (both tangible and intangible)	\$ 3,076,431	\$ 5,027,175
Less: Accumulated depreciation/amortization	<u>(1,001,603)</u>	<u>(2,090,610)</u>
Net carrying value of capital assets	2,074,828	2,936,565
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")	1,849	771,630
Outstanding principal of debt and other borrowing used to refund capital-related borrowings		217,372
Outstanding principal balance of any other (non-debt) capital related liabilities as of fiscal year end, including capital accounts payable and retainage payable	3,653	5,858
Unamortized original issue premiums on outstanding capital debt	100,802	113,950
Capital-related deferred inflows of resources (such as a gain on refunding of outstanding capital debt)		805
Other reductions, if any [SPECIFY] Specify <u>Unspent bond proceeds</u>	579,840	66,761
	<u>686,144</u>	<u>1,176,376</u>
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)		1,145
	<u>-</u>	<u>1,145</u>
Equals: Net investment in capital assets	<u>\$ 1,388,684</u>	<u>\$ 1,761,334</u>

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; however, each transfer shall have a maximum limit of \$50 and each program shall have an annual cumulative limit of \$100 for transfers between 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, 2022, 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

Sold Property Tax Receivable Agency Fund has a negative total net position of (2,440).

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, 2022 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.

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

Deposits held by the C&I Pool at June 30, 2022, totaled \$121,194 and cash draws against future deposits of (\$12,849).

The investments held by the pool consist of the following at June 30, 2022:

<u>Description</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Fair Value</u>	<u>Duration</u>
U.S. Government Obligations	June 2022 - February 2026	0% - 3.375%	\$ 545,859	. -01 - 3.65
Cash Equivalents	July 2022 - December 2022	0%	3,912	.02 - .48
Total Investments			<u>\$ 549,771</u>	

The C&I Pool does not issue separate financial statements. Condensed financial information as of June 30, 2022, is as follows (dollar amounts and share amounts are the same):

Condensed Statement of Net Position

Cash deposits	\$ 121,194
Cash draws against future deposits	(12,849)
Investments	<u>549,771</u>
Net position	<u>\$ 658,116</u>
Net position held in trust for pool participants:	
Internal participants	<u>658,116</u>
Total net position held in trust for pool participants	<u>\$ 658,116</u>

Condensed Statement of Changes in Net Position

Additions:	
Investment income	\$ 28,198
Purchase of units	<u>2,529,563</u>
Total additions	2,557,761
Deduction:	
Redemption of units	<u>(2,524,003)</u>
Net increase	33,758
Net position held in trust for pool participants:	
Beginning of year	<u>624,358</u>
End of year	<u>\$ 658,116</u>

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, 2022, totaled \$1,013,907.

The investments held by the primary government outside the C&I Pool at June 30, 2022:

<u>Description</u>	<u>Fair Value</u>
Short-term investments	\$ 11,066
Money market	2,738
U.S. Government securities	(45,841)
Federal Agency securities	136,896
Total	<u>\$ 104,859</u>
Investments not subject to categorization:	
State of Tennessee LGIP	96,693
Total Investments	<u>\$ 201,552</u>

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	\$ 121,194
C&I Pool draws against future deposits	(12,849)
C&I Pool investments	549,771
Derivative financial instruments- MLGW	9,245
Other deposits and cash on hand	1,013,907
Other investments	201,552
Total	<u>1,882,820</u>
Equity in C&I Pool – Agency funds	(6,439)
Equity in C&I Pool – Fiduciary funds	(7,783)
Total	<u>\$ 1,868,598</u>
Cash and cash equivalents	\$ 676,194
Investments	195,463
Equity in cash and investment pool	643,894
Restricted special fund-customer deposits	286,216
Restricted investments	66,831
Total	<u>\$ 1,868,598</u>

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, 2022

Cash and Cash Equivalents	\$ 7,304
Restricted Investments	
Federal Home Loan Mortgage Obligation	\$ 485
Total Investments	\$ 485

RENASANT CONVENTION CENTER as of June 30, 2022

Cash and Cash Equivalents	\$ 3,190
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Memphis Shelby County Airport Authority (MSCAA) as of June 30, 2022

Deposits

Cash deposits	\$ 49,381
Cash on hand	3
Total Deposits and cash on hand	\$ 49,384

Restricted Cash

Bonds, construction and other miscellaneous	\$ 68,033
Total Restricted Cash	\$ 68,033

Investments

U.S. Government agencies	\$ 214,980
Investments not subject to categorization:	
Forward purchase agreement	23,840
Total Investments	\$ 238,820

Memphis Zoological Society (MZS) as of June 30, 2022

Cash and Cash Equivalents	<u><u>\$ 8,443</u></u>
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Restricted Cash

Construction of new parking	<u>\$ 250</u>
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Total Restricted Cash	<u><u>\$ 250</u></u>
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Investments

Community Foundation of Greater Memphis funds	<u>\$ 9,021</u>
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Total Investments	<u><u>\$ 9,021</u></u>
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Blight Authority of Memphis (BAM) as of June 30, 2020, (1)

Cash and Cash Equivalents	<u><u>\$ 161</u></u>
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(1) The most recent audited financial statements available are as of June 30, 2020.

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:

	<u>Minimum</u>	<u>Maximum</u>
Cash equivalents	0%	5%
Real estate	5%	15%
Private equity	3%	7%
Hedge Fund of Funds	2%	6%
Domestic equities	18%	38%
International equities	15%	30%
Fixed income	18%	34%

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or deposit. Duration is the measure of the price sensitivity of a fixed income portfolio to changes in interest rates. The longer the duration of a portfolio, the greater is its price sensitivity to changes in interest rates. The City 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, 2022, are as follows:

Current to one year	\$	98,980
One to two years		82,701
Two to three years		22,205
Three to four years		31,787
Four to five years		64,473
Five or more years		409,236
		<u>709,382</u>
Funds with indeterminable maturities		<u>-</u>
	\$	<u>709,382</u>

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 Plan’s exposure to credit risk at June 30, 2022, 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	\$ 153,826	AAA	21.68%
Non-government-backed CMOs	1,604	AAA	0.23%
Corporate bonds and index funds	112,350	AAA	15.84%
	7,041	AA+	0.99%
	3,514	AA	0.50%
	1,221	AA-	0.17%
	1,140	A+	0.16%
	35,277	A	4.97%
	3,601	A-	0.51%
	999	BBB+	0.14%
	33,829	BBB	4.77%
	13,550	BBB-	1.91%
	16,284	BB+	2.29%
	18,421	BB	2.60%
	25,021	BB-	3.53%
	20,234	B+	2.85%
	13,537	B	1.91%
	8,930	B-	1.26%
	4,583	CCC+	0.65%
	2,085	CCC	0.29%
	330	CC	0.05%
	290	D	0.04%
	227,877	NR	32.12%
Government mortgage-backed securities	3,838	AAA	0.54%
Total Fixed Income	\$ 709,382		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 Plan's exposure to foreign currency risk – in U.S. Dollars – as of June 30, 2022, is as follows:

Currency	Equities	Corporate Bonds	Total
Australian dollar	\$ 4,930	\$ 9,017	\$ 13,947
Bermudian dollar	311	-	311
British pound sterling	21,843	17,810	39,653
Canadian dollar	17,224	6,123	23,347
Cayman Islands dollar	-	13,708	13,708
Chinese yuan (renminbi)	-	-	-
Danish krone	7,424	281	7,705
Euro	39,912	22,432	62,344
Hong Kong dollar	2,443	-	2,443
Indian rupee	245	174	419
Israeli shekel	2,363	-	2,363
Japanese yen	29,255	1,691	30,946
Kuwaiti Dinar	-	-	-
Mexican peso	275	18,342	18,617
Norwegian krone	2,892	-	2,892
Malaysian Ringgit	-	12,202	12,202
Polish zloty	-	1,759	1,759
Qatari riyal	-	209	209
Saudi Arabian riyal	-	197	197
Singapore dollar	1,064	200	1,264
South African rand	163	-	163
Swedish krona	5,015	504	5,519
Swiss franc	15,294	1,601	16,895
New Taiwan dollar	782	-	782
Total securities subject to foreign credit risk	\$ 152,291	\$ 113,112	\$ 265,403
International portfolio in U.S dollars	416,439	-	416,439
	\$ 568,730	\$ 113,112	\$ 681,842

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 116% of the market value of loan foreign securities. The city retains the interest income on the securities being transferred and earned \$285 during the year ended June 30, 2022.

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, 2022 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, 2022, the collateral held and the market value of the securities on loan was \$87,875 and \$83,156 respectively for the City Plan. The cash collateral is recorded as both an asset and a liability on the Plan financial statements (Exhibit E-1). Securities received as collateral on June 30, 2022 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 2022 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 \$13,027 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.

City OPEB Trust-Deposits and Investments

City OPEB Trust Investments at June 30, 2022, were as follows:

<u>Description</u>	<u>Fair Value</u>
Mutual Funds	\$3,754

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, 2022:

	Total Fair Value	Fair Value Measurements at Reporting Date Using		
		Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Money Market Instruments	\$ 52,700	\$ 13,537	\$ 10,664	\$ 28,499
Convertible Securities	378,685	327,685	51,000	-
Equities	246,664	238,786	-	7,878
Equity Mutual Funds	35,326	-	35,326	-
Fixed Income Securities	1,165,471	261,601	883,904	19,966
Fixed Income Mutual Funds	16,929	-	16,929	-
Futures Contracts	(910)	(910)	-	-
Real Estate Funds	186,661	-	-	186,661
Partnerships	277,997	-	-	277,997
REIT	5,564	-	5,564	-
Preferred Securities	1,161	516	645	-
	<u>\$ 2,366,248</u>	<u>\$ 841,215</u>	<u>\$ 1,004,032</u>	<u>\$ 521,001</u>
LGIP	-			
NAV Expedient:	<u>\$ 784,647</u>			
Total Leveling, NAV, LGIP	\$ 3,150,895			
Less Cash Equivalents	(13,005)			
Net Leveling	<u>\$ 3,137,890</u>			

The following methods were used to estimate 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 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 estimate 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, 2022. 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.

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)

For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

B. Receivables

Receivables as of year-end for the City's individual major funds and nonmajor governmental funds, in the aggregate, including the 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
Property taxes	\$ 310,285	\$ 144,637	\$ 1,314	\$ -	\$ -	\$ -	\$ 91	\$ 456,327
Special assessments	(3)	-	-	-	-	-	4,707	4,704
Sales, income, and other taxes	33,527	2,050	-	-	-	-	6,226	41,803
Federal and state grants	927	-	4,343	-	-	9,873	4,880	20,023
Interest and dividends on investments	4,987	-	-	-	-	251	-	5,238
Notes and accounts receivable	-	-	-	15,906	164,911	-	-	180,817
Housing and rehabilitation loans	-	-	-	-	-	53,258	-	53,258
Due from other funds	10,638	295	-	-	-	-	-	10,933
Other	186,459	2,809	-	-	-	96	14,134	203,498
Gross receivables	546,820	149,791	5,657	15,906	164,911	63,478	30,038	976,601
Less allowance for uncollectibles	(158,117)	(7,359)	1	(158)	(16,700)	(10,652)	(1)	(192,986)
Net total receivables	\$ 388,703	\$ 142,432	\$ 5,658	\$ 15,748	\$ 148,211	\$ 52,826	\$ 30,037	\$ 783,615

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At June 30, 2022, deferred revenue principally represents: (1) amounts received for various capital projects upon which revenues will not be recognized until such projects have started; (2) amounts relating to property taxes as described above; (3) operating subsidies received in advance; (4) uncollected principal on Housing Rehabilitation Loans; and (5) long-term receivables due from agencies.

C. Property taxes

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

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

The assessed value upon which the fiscal year 2022 levy was based was approximately \$15.5 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, 2022, were 98.92% of the tax levy.

At June 30, 2022, the allowance for uncollectible property taxes by fund was as follows:

General Fund	\$	15,361
Debt Service Fund		7,359
Capital Project Fund		1
Pre-K Fund		4
	\$	<u>22,725</u>

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, 2022, as follows:

General Fund	1.847277
Capital Projects Fund	0.008287
Debt Service Fund	0.847485
Pre-K Fund	0.010000
	<u>2.713049</u>

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

Tax Abatements

The City through the Economic Development Growth Engine (EDGE), Downtown Memphis Commission, both jointly governed organizations with Shelby County, and 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.

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

<p><i>City of Memphis Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board</i></p>	<p>Downtown Memphis Commission (PILOT Program administered by Center City Revenue Finance Corporation)</p>
<p>Purpose of Program</p>	<p>Financial incentive designed to encourage commercial real estate development in and around the Downtown Memphis area.</p>
<p>Tax being abated</p>	<p>Real and/or personal property taxes</p>
<p>Authority under which abatement agreements are entered into</p>	<p>Tennessee Code Annotated 7-53-102</p>
<p>Criteria to be eligible to receive abatement.</p>	<p>In order to be eligible for the Program, applicants must meet the following requirements:</p> <ul style="list-style-type: none"> - 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. <ul style="list-style-type: none"> 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.
<p>How recipients' taxes are reduced</p>	<p>Taxes are reduced by 75% of the increase in the assessment from the date of the PILOT closing</p>
<p>How amount of abatement is determined</p>	<p>Payments shall be based on the predevelopment assessment, plus 25 percent of the increase in the assessment from the date of the PILOT closing.</p>
<p>Provisions for recapturing abated taxes</p>	<p>N/A</p>
<p>Types of commitments made by the City other than to reduce taxes</p>	<p>N/A</p>
<p>Fiscal Year 2022 Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreements</p>	<p>6,066</p>

**NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022**

**CITY OF MEMPHIS, TENNESSEE
(Continued)**

Tax abatements (cont.)

Programs Administered by Economic Development Growth Engine (Industrial Development Board)			
	Community Builder PILOT	Destination Retail PILOT	Expansion PILOT
<p><i>City of Memphis Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board</i></p> <p>Purpose of Program</p>	<p>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.</p>	<p>The intent of the program is to increase employment within the State of Tennessee.</p>	<p>The intent of the program is to increase employment within the State of Tennessee.</p>
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:	<ol style="list-style-type: none"> Only eligible uses proposed by the applicant for locations in, contiguous to or adjacent to New Markets Tax Credit Program Eligible Census Tracts. 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. 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. All projects must comply with the Local Business Participation Program. 	<ol style="list-style-type: none"> A project must create at least one hundred (100) Net New Jobs. A Capital Investment of at least \$50M is required. 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. The project must comply with Local Business Participation Program requirements. 	<ol style="list-style-type: none"> The project must result in the retention of at least one hundred (100) retained jobs. A capital investment of at least \$10M is required. The applicant must have been operating and directly employing workers in Shelby County for ten (10) consecutive years prior to applying. The applicant must comply with the Local Business Participation Program requirements. 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	<p>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.</p> <p>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.</p>	<p>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</p>	<p>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 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</p>
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 FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022**

**CITY OF MEMPHIS, TENNESSEE
(Continued)**

Tax abatements (cont.)

Programs Administered by Economic Development Growth Engine (Industrial Development Board)			
	Fast Track PILOT	Jobs PILOT	Residential PILOT
<p><i>City of Memphis Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board</i></p> <p>Purpose of Program</p>	<p>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.</p>	<p>The intent of the program is to increase employment within the State of Tennessee.</p>	<p>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.</p>
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:	<ol style="list-style-type: none"> 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. 	<ol style="list-style-type: none"> 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. 	<ol style="list-style-type: none"> 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 hand 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 thereafter for the duration of the project. The project pro forma must include the following information: comparable projects showing anticipated rental and occupancy rates. Additionally, sponsor principals annual financial statements for the past three (3) years plus an interim financial statement no more than 90-days old at the time of the PILOT approval must be provided for review. 4) For projects with 25-50 units, 10% (rounded-up) must be set-aside for individuals or families that qualify as low/moderate income as defined by the US Department of Housing & Urban Development for the Memphis area. For projects with 51-100 units, 15% must be set-aside. For projects with 101-200 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 How amount of abatement is determined	<p>Through a reduction of the property's assessed value. 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 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.</p>	<p>Through a reduction of the property's assessed value. 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.</p>	<p>Through a reduction of the property's assessed value. 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.</p>
Provisions for recapturing abated taxes 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.			
		13,040	

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

Tax abatement (cont.)

<p><i>City of Memphis Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board</i></p>	<p>LCH (Health, Education & Housing Facility Board)</p>
<p>Purpose of Program</p>	<p>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.</p>
<p>Tax being abated</p>	<p>Real and/or personal property taxes</p>
<p>Authority under which abatement agreements are entered into</p>	<p>Tennessee Code Annotated Section 48-101-301 et seq</p>
<p>Criteria to be eligible to receive abatement.</p>	<p>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 be 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.</p>
<p>How recipients' taxes are reduced</p>	<p>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.</p>
<p>How amount of abatement is determined</p>	<p>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.</p>
<p>Provisions for recapturing abated taxes</p>	<p>N/A</p>
<p>Types of commitments made by the City other than to reduce taxes</p>	<p>N/A</p>
<p>Fiscal Year 2022 Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreements</p>	<p>4,210</p>

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

D. Capital assets

Capital asset activity for the year ended June 30, 2022, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 77,471	\$ 259	\$ -	\$ -	\$ 77,730
Construction in progress	1,019,104	155,007	(511,754)	-	662,357
Total capital assets not being depreciated	<u>1,096,575</u>	<u>155,266</u>	<u>(511,754)</u>	<u>-</u>	<u>740,087</u>
Capital assets being depreciated:					
Buildings	652,513	174,015	-	-	826,528
Improvements other than buildings	897,740	285,292	-	-	1,183,032
Machinery and equipment	271,276	55,043	(12)	477	326,784
Total capital assets being depreciated	<u>1,821,529</u>	<u>514,350</u>	<u>(12)</u>	<u>477</u>	<u>2,336,344</u>
Less accumulated depreciation for:					
Buildings	(354,545)	(17,117)	-	-	(371,662)
Improvements other than buildings	(409,517)	(19,764)	-	-	(429,281)
Machinery and equipment	(169,078)	(31,177)	12	(417)	(200,660)
Total accumulated depreciation	<u>(933,140)</u>	<u>(68,058)</u>	<u>12</u>	<u>(417)</u>	<u>(1,001,603)</u>
Total capital assets being depreciated, net	<u>888,389</u>	<u>446,292</u>	<u>-</u>	<u>60</u>	<u>1,334,741</u>
Governmental activities capital assets, net	<u>\$ 1,984,964</u>	<u>\$ 601,558</u>	<u>\$ (511,754)</u>	<u>\$ 60</u>	<u>\$ 2,074,828</u>

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets not being depreciated:					
Land	\$ 14,145	\$ -	\$ (29)	\$ -	\$ 14,116
Construction in progress	459,548	139,598	(107,498)	-	491,648
Memphis Light, Gas and Water assets	208,940	96,667	(66,075)	-	239,532
Total capital assets not being depreciated	<u>682,633</u>	<u>236,265</u>	<u>(173,602)</u>	<u>-</u>	<u>745,296</u>
Capital assets being depreciated:					
Buildings	107,769	-	-	-	107,769
Improvements other than buildings	754,639	107,498	(410)	-	861,727
Machinery and equipment	64,408	4,460	(507)	(476)	67,885
Memphis Light, Gas and Water assets	3,188,775	66,849	(11,126)	-	3,244,498
Total capital assets being depreciated	<u>4,115,591</u>	<u>178,807</u>	<u>(12,043)</u>	<u>(476)</u>	<u>4,281,879</u>
Less accumulated depreciation for:					
Buildings	(93,305)	(1,112)	-	-	(94,417)
Improvements other than buildings	(361,083)	(11,836)	292	-	(372,627)
Machinery and equipment	(48,453)	(4,941)	508	417	(52,469)
Memphis Light, Gas and Water depreciation*	(1,492,833)	(98,802)	20,538	-	(1,571,097)
Total accumulated depreciation	<u>(1,995,674)</u>	<u>(116,691)</u>	<u>21,338</u>	<u>417</u>	<u>(2,090,610)</u>
Total capital assets being depreciated, net	<u>2,119,917</u>	<u>62,116</u>	<u>9,295</u>	<u>(59)</u>	<u>2,191,269</u>
Business-type activities capital assets, net	<u>\$ 2,802,550</u>	<u>\$ 298,381</u>	<u>\$ (164,307)</u>	<u>\$ (59)</u>	<u>\$ 2,936,565</u>

*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, 2022. At year-end, the government's commitments with contractors were as follows:

<u>Function/Activity</u>	<u>Commitment</u>
Executive	\$ 6,335
Fire services	2,037
Police services	2,074
Park services	2,494
Public works	32,743
Public services	2,041
General services	22,539
Housing and Community Development	11,596
Engineering	5,336
Information services	1,252
Library	431
Storm Water	10,941
Sewer	30,788
	<u>\$ 130,607</u>

Depreciation Expense

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

Governmental activities:		
Finance	\$	2,944
Fire Services		9,458
Police Services		2,735
Park Services		7,793
Public Works		10,367
Human Resources		13
Public Services		1,073
General Services		15,420
Housing and Community Development		3,535
Information Systems		4,362
Executive		1,684
Engineering		1,879
Library		3,934
Solid Waste		<u>2,857</u>
Total depreciation expense - Governmental activities	\$	<u>68,054</u>
Business-type activities:		
Sewer	\$	14,556
Storm Water		3,334
Memphis Light, Gas and Water		<u>98,603</u>
Total depreciation expense - Business-type activities	\$	<u>116,493</u>

The reported depreciation expense for MLGW as of December 31, 2021, was as follows:

	MLGW Electric Division	MLGW Gas Division	MLGW Water Division	Total
Statement of Revenues, Expense and Changes in Net Position (<i>Dollars in Thousands</i>):				
Depreciation expense	57,227	18,011	11,059	86,297
Transportation costs	1,824	1,822	443	4,089
Salvage returns	1,254	544	423	2,221
Amortization	2,514	5,240	463	8,217
Retirements	(1,254)	(544)	(423)	(2,221)
Statement of Cash Flows, Depreciation Expense	<u>61,565</u>	<u>25,073</u>	<u>11,965</u>	<u>98,603</u>
Per MLGW Annual Report F-6 Statement of Cash Flows (<i>Dollars in Thousands</i>):				
Depreciation of utility plant	<u>61,565</u>	<u>25,073</u>	<u>11,965</u>	<u>98,603</u>

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

Discretely Presented Component Units

Activity for the Memphis Area Transit Authority for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 2,731	\$ -	\$ -	\$ -	\$ 2,731
Construction in progress	13,968	5,891	-	-	19,859
Total capital assets not being depreciated	<u>16,699</u>	<u>5,891</u>	<u>-</u>	<u>-</u>	<u>22,590</u>
Capital assets being depreciated:					
Buildings and improvements	177,333	825	(30)	-	178,128
Buses and other revenue vehicles	71,918	418	(5,395)	-	66,941
Machinery and equipment	29,669	600	(22)	-	30,247
Total capital assets being depreciated	<u>278,920</u>	<u>1,843</u>	<u>(5,447)</u>	<u>-</u>	<u>275,316</u>
Less accumulated depreciation for:					
Buildings and improvements	(121,642)	(6,356)	-	-	(127,998)
Buses and other revenue vehicles	(50,865)	(5,235)	4,945	-	(51,155)
Machinery and equipment	(24,772)	(656)	-	-	(25,428)
Total accumulated depreciation	<u>(197,279)</u>	<u>(12,247)</u>	<u>4,945</u>	<u>-</u>	<u>(204,581)</u>
Total capital assets being depreciated, net	<u>81,641</u>	<u>(10,404)</u>	<u>(502)</u>	<u>-</u>	<u>70,735</u>
Capital assets, net	<u>\$ 98,340</u>	<u>\$ (4,513)</u>	<u>\$ (502)</u>	<u>\$ -</u>	<u>\$ 93,325</u>

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

Activity for the Memphis-Shelby County Airport for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 159,853	\$ -	\$ (13,299)	\$ 146,554
Avigation easements	46,679	12,234	-	58,913
Construction in progress	322,079	130,576	(205,853)	246,802
Total capital assets not being depreciated	<u>528,611</u>	<u>142,810</u>	<u>(219,152)</u>	<u>452,269</u>
Capital assets being depreciated:				
Runways, taxiways, aprons and airfield lighting	774,752	1,780	-	776,532
Buildings	626,867	155,576	-	782,443
Facilities constructed for tenants	139,208	203	-	139,411
Roads, bridges and fences	77,358	-	-	77,358
Equipment and utility systems	135,979	47,895	(451)	183,423
Total capital assets being depreciated	<u>1,754,164</u>	<u>205,454</u>	<u>(451)</u>	<u>1,959,167</u>
Less accumulated depreciation for:				
Runways, taxiways, aprons and airfield lighting	(594,218)	(21,034)	-	(615,252)
Buildings	(400,284)	(15,334)	-	(415,618)
Facilities constructed for tenants	(64,868)	(4,260)	-	(69,128)
Roads, bridges and fences	(65,456)	(3,686)	-	(69,142)
Equipment and utility systems	(110,367)	(6,824)	451	(116,740)
Total accumulated depreciation	<u>(1,235,193)</u>	<u>(51,138)</u>	<u>451</u>	<u>(1,285,880)</u>
Total capital assets being depreciated, net	<u>518,971</u>	<u>154,316</u>	<u>-</u>	<u>673,287</u>
Capital assets, net	<u>\$ 1,047,582</u>	<u>\$ 297,126</u>	<u>\$ (219,152)</u>	<u>\$ 1,125,556</u>

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

Activity for the Renasant Convention Center for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 643	\$ -	\$ -	\$ -	\$ 643
Construction in progress	296	205	(246)	-	255
Total capital assets not being depreciated	939	205	(246)	-	898
Capital assets being depreciated:					
Buildings and improvements	43,061	292	192	-	43,545
Furniture and Equipment	7,798	423	54	-	8,275
Total capital assets being depreciated	50,859	715	246	-	51,820
Less accumulated depreciation for:					
Buildings and improvements	(41,851)	(165)	-	-	(42,016)
Furniture and Equipment	(7,018)	(149)	-	-	(7,167)
Total accumulated depreciation	(48,869)	(314)	-	-	(49,183)
Total capital assets being depreciated, net	1,990	401	246	-	2,637
Capital assets, net	\$ 2,929	\$ 606	\$ -	\$ -	\$ 3,535

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

E. Interfund receivables, payables, and transfers

The composition of the interfund transfers for the year ended June 30, 2022, is as follows:

	Transfers In											Total Transfers-Out	
	General Fund	Debt Service	Capital Projects	Nonmajor Special Revenue		Enterprise		Internal Service		City Retirement System	Fiduciary Library Retirement System		OPEB Trust Fund
				HUB Community Impact Fund	New Memphis Arena	Pre-K Fund	Sewer Treatment	Healthcare Fund					
Transfer Out of Funds Below:													
General Fund	\$ -	\$ -	\$ -	\$ 550	\$ 1,975	\$ -	\$ -	\$ -	\$ -	\$ 1,536	\$ -	\$ 4,061	
Debt Service Fund	23	-	994	-	-	864	-	-	-	-	-	1,881	
Nonmajor Special Revenue													
State Street Aid	-	1,768	-	-	-	-	-	-	-	-	-	1,768	
Miscellaneous Grants	-	192	-	-	-	-	-	-	-	-	-	192	
American Rescue Plan Act	-	-	24,964	-	-	-	-	-	-	-	-	24,964	
Solid Waste	750	2,645	-	-	-	-	-	-	-	-	-	3,395	
Hotel/Motel Tax	-	6,633	-	-	-	-	-	-	-	-	-	6,633	
Metro Alarm	1,600	-	-	-	-	-	-	-	-	-	-	1,600	
2019 Sales Tax Referendum	12,000	-	-	-	-	5,000	-	1,650	-	2,769	6,959	28,378	
Total Nonmajor Special Revenue	14,373	11,238	25,958	550	1,975	5,000	864	1,650	2,769	1,536	6,959	72,872	
PROPRIETARY FUND TYPES													
Enterprise:													
Sewer Collection and Treatment	11,254	-	-	-	-	-	-	-	-	-	-	11,254	
Memphis Light, Gas and Water	59,097	-	-	-	2,500	-	-	-	-	-	-	61,597	
Storm Water	106	-	-	-	-	-	-	-	-	-	-	106	
Total Proprietary Fund Types	70,457	-	-	-	2,500	-	-	-	-	-	-	72,957	
Total Transfers-in	\$ 84,830	\$ 11,238	\$ 25,958	\$ 550	\$ 4,475	\$ 5,000	\$ 864	\$ 1,650	\$ 2,769	\$ 1,536	\$ 6,959	\$ 145,829	

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.

The composition of interfund balances as of June 30, 2022 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
GOVERNMENTAL FUND TYPES		
General		
	State Street Aid	\$ 3,888
	Solid Waste Management	6,750
		<u>10,638</u>
Debt Service		
	State Street Aid	295
		<u>295</u>
Total		<u>\$ 10,933</u>

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.

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.

F. Leases

Capital Leases

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

City of Memphis, TN has 19 outstanding Capital Lease issues in the amount of \$26,032,000.

In 2018, a 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 Morgan Chase Bank and is repaid 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 \$200,457.60. As of 06/30/2023, the value of the lease liability is \$0.00. City of Memphis, TN is required to make monthly fixed payments of \$9,129.90. 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 06/30/2023 of \$200,457.60 with accumulated depreciation of \$109,249.62 is included with Equipment on the Lease Class activities table found below. City of Memphis, TN has 2 extension option(s), each for 12 months.

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.

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.

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.

In 2019, a tax-exempt \$1,183,957.93 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.

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 \$1,242,804.46. As of 06/30/2023, the value of the lease liability is \$505,671.46. 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 06/30/2023 of \$1,242,804.46 with accumulated depreciation of \$394,261.49 is included with Buildings on the Lease Class activities table found below.

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 \$221,618.16. As of 06/30/2023, the value of the lease liability is \$141,031.98. 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 06/30/2023 of \$221,618.16 with accumulated depreciation of \$36,582.66 is included with Buildings on the Lease Class activities table found below.

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 \$135,608.82. As of 06/30/2023, the value of the lease liability is \$27,200.03. City of Memphis, TN is required to make monthly fixed payments of \$5,487.17. 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 06/30/2023 of \$135,608.82 with accumulated depreciation of \$54,136.93 is included with Buildings on the Lease Class activities table found below. 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 \$562,701.07. As of 06/30/2023, the value of the lease liability is \$108,987.69. City of Memphis, TN is required to make monthly fixed payments of \$16,544.12. 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 06/30/2023 of \$562,701.07 with accumulated depreciation of \$236,251.68 is included with Buildings on the Lease Class activities table found below. 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 \$288,926.57. As of 06/30/2023, the value of the lease liability is \$12,063.44. City of Memphis, TN is required to make monthly fixed payments of \$12,065.63. 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 06/30/2023 of \$288,926.57 with accumulated depreciation of \$132,272.36 is included with Buildings on the Lease Class activities table found below.

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 \$344,322.14. As of 06/30/2023, the value of the lease liability is \$0.00. City of Memphis, TN is required to make monthly fixed payments of \$14,376.70. 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 06/30/2023 of \$344,322.14 with accumulated depreciation of \$172,004.98 is included with Buildings on the Lease Class activities table found below.

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 \$125,849.26. As of 06/30/2023, 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 06/30/2023 of \$125,849.26 with accumulated depreciation of \$100,657.03 is included with Land on the Lease Class activities table found below. City of Memphis, TN has 1 extension option(s), each for 60 months. City of Memphis, TN had a termination period of 2 months as of the lease commencement.

On 07/01/2021, City of Memphis, TN entered an 84-month lease as Lessee for the use of 3657 Old Getwell Rd. An initial lease liability was recorded in the amount of \$3,366,903.69. As of 06/30/2023, the value of the lease liability is \$2,529,887.11. City of Memphis, TN is required to make monthly fixed payments of \$41,081.89. 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 06/30/2023 of \$3,366,903.69 with accumulated depreciation of \$407,747.83 is included with Buildings on the Lease Class activities table found below. City of Memphis, TN has 2 extension option(s), each for 60 months.

On 07/01/2021, City of Memphis, TN entered a 21-month lease as Lessee for the use of 600 Jefferson Avenue. An initial lease liability was recorded in the amount of \$294,981.93. As of 06/30/2023, the value of the lease liability is \$0.00. City of Memphis, TN is required to make monthly fixed payments of \$14,072.25. 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 06/30/2023 of \$294,981.93 with accumulated depreciation of \$168,446.47 is included with Buildings on the Lease Class activities table found below.

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 \$101,241.48. As of 06/30/2023, the value of the lease liability is \$14,718.33. City of Memphis, TN is required to make monthly fixed payments of \$3,522.92. 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 06/30/2023 of \$101,241.48 with accumulated depreciation of \$42,721.73 is included with Buildings on the Lease Class activities table found below.

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 \$455,658.64. As of 06/30/2023, the value of the lease liability is \$92,210.23. City of Memphis, TN is required to make monthly fixed payments of \$14,704.39. 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 06/30/2023 of \$455,658.64 with accumulated depreciation of \$183,985.86 is included with Buildings on the Lease Class activities table found below. 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 \$1,216,817.30. As of 06/30/2023, the value of the lease liability is \$1,071,774.21. 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 06/30/2023 of \$1,216,817.30 with accumulated

depreciation of \$76,388.01 is included with Land on the Lease Class activities table found below. City of Memphis, TN has 2 extension option(s), each for 60 months.

On 07/01/2021, City of Memphis, TN entered a 94-month lease as Lessee for the use of Universal Life Building. An initial lease liability was recorded in the amount of \$819,702.15. As of 06/30/2023, the value of the lease liability is \$627,362.36. City of Memphis, TN is required to make monthly fixed payments of \$13,858.75. 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 06/30/2023 of \$819,702.15 with accumulated depreciation of \$93,818.43 is included with Buildings on the Lease Class activities table found below. City of Memphis, TN has 2 extension option(s), each for 60 months.

The assets acquired through capital leases are as follows:

Assets:	
Equipment	\$ 4,600
Facility	42,006
Accumulated Depreciation	<u>(19,887)</u>
Total	<u>\$ 26,719</u>

The remaining debt service requirement for capital lease obligations for the City at June 30, 2022, is as follows:

Capital Lease Obligation

Fiscal Year

2023	\$ 7,177
2024	5,560
2025	4,034
2026	3,059
2027	3,107
2028-2037	6,892
Interest	<u>(3,109)</u>
Present Value of Payments	<u>\$ 26,719</u>

G. Long-term debt

General Obligation Bonds

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

As of June 30, 2022, the City's bond ratings were as follows: Aa2 by Moody's Investors Service, Inc. and AA by S&P Global Ratings as it relates to the Series 2020A Bonds.

In July 2021, the City issued \$163,772 of Local Government Public Improvement Bonds, Series 2021A to finance the cost of public works projects of the City and provide payment of the cost of issuance of the Series 2021A Bonds. The issue resulted in net proceeds of \$160,008 (after the payment of \$713 in the underwriter's discount and \$727 cost of issuance).

In August 2021, the City issued \$165,680 of General Improvement Refunding Bonds, Series 2021 to refund Development Revenue Bonds, Series 2011 and to finance the cost of public works projects of the CITY, and provide payment of the cost of issuance of the Series 2021 Bonds. The issue resulted in net proceeds of \$163,193 (after the payment of \$243 in the underwriter's discount and \$540 cost of issuance).

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 the credit agreement to provide liquidity support for this Commercial Paper Program. Unless earlier terminated or substituted, the agreement will expire on October 04, 2023. 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, 2022, the outstanding balance is \$75,000.

Revenue Bonds

As of June 30, 2022, the City's bond ratings were as follows: AA+ by S&P Global Ratings and Aa2+ by Moody's Investors Service, Inc as it relates to the Series 2020 Bonds.

In October 2020, the City issued \$123,535 of Sanitary Sewerage System Revenue and Revenue Refunding Bonds, Series 2020B. 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). The proceeds and issuance costs of this debt instrument were recorded in the City's Sewer Collection and Treatment Fund. 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.

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 \$2,461 with an interest rate of 2.59% payable over a 11-year period, SRF 2013-311 obligation of \$89,605 with an interest rate of 0.75% payable over a 18-year period, SRF 2013-309 obligation of \$9,354 with an interest rate of 0.75% payable over a 16-year period, 2015-355 obligation of \$23,545 with interest rate of 0.75% over a 19 year period, SRF 2018-409 obligation of \$10,278 with an interest rate of 0.81% payable over a 19-year period, SRF 2019-421 obligation of \$6,025 with an interest rate of 1.20% payable over a 19-year period, SRF 2019-434 obligation of \$32,072 with an interest rate of 0.47% payable over a 20-year period, and SRF 2021-451 obligation of \$2,859 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 Environmental Protection Agency WIFIA Program for a Sewer Loan, Series 2020A that has a maximum loan amount of \$156 million. The current obligation on June 30, 2022, for the loan is \$41,173. 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 loan is payable semiannually on each October 1 and April 1, the interest rate is 1.39%.

Defeased Debt

In prior years, the City defeased other general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on old bonds. Accordingly, the trust account assets and the liability of the defeased bonds are not included in the City's financial statements. On June 30, 2022, a total of approximately \$56,140 bonds outstanding were considered defeased.

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.

The City of Memphis has paid \$5,821 in principal and \$1,479 in interest on the guarantee through June 30, 2022. 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, 2021	Increases	Decreases	June 30, 2022
\$3,326	\$0	\$832	\$2,494

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. City of Memphis has paid \$1,612 in principal and \$361 in interest on the guarantee through June 30, 2022. 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, 2021	Increases	Decreases	June 30, 2022
\$604	\$0	\$201	\$403

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 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 \$272 in principal and \$61 in interest on the guarantee through June 30, 2022. 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, 2021	Increases	Decreases	June 30, 2022
\$102	\$0	\$34	\$68

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 \$44,780 in principal and \$27,406 in interest on the guaranteed obligation through June 30, 2022. 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, 2021	Increases	Decreases	June 30, 2022
\$122,860	\$0	\$9,400	\$113,460

Port Commission Electrolux Bonds

The Memphis and Shelby County Port Commission (the "Port Commission"), the State, the County, the City, and the Memphis and Shelby County Industrial Development Board entered into a Site Location and Development Agreement dated December 15, 2010, whereby each committed to support the development of the appliance manufacturing and assembly facility, warehouse and distribution facility, and regional headquarters facility for Electrolux Home Products, Inc. (the "Electrolux Development") located in the City and the County, within the Port Commission's boundaries and jurisdiction. The City and the County agreed to match funds of the State to subsidize or assist in the Electrolux Development.

The Port Commission issued its \$40,795 Development Revenue Bonds, Series 2011 (the "Port Commission Electrolux Bonds") on September 7, 2011, pursuant to Chapters 500 and 529 of the Private Acts of 1947 of the State of Tennessee (collectively, the "1947 Act"). The Port Commission Electrolux Bonds are secured in part by all of the Port Commission's right, title, and interest in an interlocal agreement by and among the Port Commission, the City and the County, under which the City and the County, pursuant to the provisions of the 1947 Act, have covenanted to timely appropriate from legally available non-ad valorem revenues sufficient monies to pay scheduled debt service on the Port Commission Electrolux Bonds.

The obligation of the City and the County to support the payment of debt service on the Port Commission Electrolux Bonds is apportioned on an equal basis (i.e., 50 percent by the City and 50 percent by the County). The obligation of the City and the County to support the payment of debt service on the Port Commission Electrolux Bonds is not a general obligation of the City or the County. The bonds mature annually through April 1, 2036, with semiannual interest payments.

On October 1, 2011, the City began making payments on the guarantee obligation. The City of Memphis has paid \$20,396 in principal and \$7,871 in interest on the guaranteed obligation through June 30, 2022. 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 guaranteed obligation.

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

June 30, 2021	Increases	Decreases	June 30, 2022
\$14,870	\$0	\$14,870	\$0

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, 2022:

	General Obligation Bonds (1)	Bond Anticipation Notes / Commercial Paper	Capital Lease Obligations	Settlement Obligation	Guarantee Obligations	Economic Development Bonds	Revenue Bonds	State Loans	Total
Governmental Funds	\$ 1,502,553	75,000	26,719	10,667	210,285	24,255	-	-	1,849,479
Enterprise Funds	-	-	-	-	-	-	1,112,652	176,140	1,288,792
Total long-term debt	\$ 1,502,553	75,000	26,719	10,667	210,285	24,255	1,112,652	176,140	3,138,271

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

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

Long-term liability activity for the year ended June 30, 2022, was as follows:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
<i>Bonds and Other Obligations:</i>					
General obligation bonds payable	\$ 1,237,565	329,452	(139,065)	1,427,952	90,160
Premium on general obligation bonds	56,869	36,911	(19,179)	74,601	-
Commercial Paper	150,000	75,000	(150,000)	75,000	-
Capital lease agreements	23,742	7,174	(4,197)	26,719	746
Settlement Obligation	12,000	-	(1,333)	10,667	1,334
EDGE- Accelerate Memphis	-	24,255	-	24,255	-
	<u>\$ 1,480,176</u>	<u>472,793</u>	<u>(313,775)</u>	<u>1,639,195</u>	<u>92,241</u>
<i>Guarantee Obligations:</i>					
Related party loan	\$ 122,860	-	(9,400)	113,460	10,610
Related party loan premium	11,358	-	(1,602)	9,756	1,645
Related party debt obligation	18,902	84,105	(15,937)	87,069	2,031
Related party debt obligation premium	160	-	(160)	-	-
	<u>\$ 153,280</u>	<u>84,105</u>	<u>(27,099)</u>	<u>210,285</u>	<u>14,286</u>
Subtotal	<u>\$ 1,633,456</u>	<u>556,898</u>	<u>(340,874)</u>	<u>1,849,480</u>	<u>106,527</u>
<i>Other Liabilities:</i>					
Legal Claims and Judgments	\$ 4,615	-	(1,267)	3,348	525
Accrued Interest	12,164	1,255	-	13,419	-
Vacation, sick and other leave benefits	86,523	51,113	(51,652)	85,984	481
On the Job Injury	4,014	(1,630)	-	2,384	-
	<u>\$ 107,316</u>	<u>50,737</u>	<u>(52,919)</u>	<u>105,134</u>	<u>1,006</u>
Total	<u>\$ 1,740,772</u>	<u>607,635</u>	<u>(393,793)</u>	<u>1,954,614</u>	<u>107,533</u>
Business-type activities:					
Revenue bonds	\$ 242,281	-	105,484	347,765	10,850
Long term commercial paper	1,792	-	(1,792)	(0)	-
Net premium/discount on revenue bonds	42,696	159	(1,685)	41,170	-
MLGW revenue bonds	585,165	-	(18,500)	566,665	19,265
Premium on MLGW revenue bonds	81,704	81,704	(6,356)	157,052	-
Sewer State Loan	153,009	37,966	(14,835)	176,140	7,509
Subtotal	<u>\$ 1,106,647</u>	<u>119,829</u>	<u>62,316</u>	<u>1,288,792</u>	<u>37,624</u>
Vacation, sick and other leave benefits	44,992	3,897	(6,497)	42,392	717
Total	<u>\$ 1,151,639</u>	<u>123,726</u>	<u>55,818</u>	<u>1,331,184</u>	<u>38,341</u>

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

The compound interest bonds are subject to optional redemption by the City prior to their maturities at state redemption prices which are calculated based on the compounded accreted value at the date of redemption. A summary of General Obligation, Other Debt, and Revenue Bonds at June 30, 2022 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	\$ 1,427,952
Bond Anticipation Notes-Commercial Paper	variable	150,000	75,000
Net Premium/(Discount) on General Obligation Debt		186,001	74,601
Total General Obligation Debt		<u>2,007,378</u>	<u>1,577,553</u>
Capital Lease Obligations	3.75-4.32	46,607	26,719
Settlement Obligation		20,000	10,667
Guarantee Obligations	variable	216,564	200,529
Net Premium/(Discount) on Guarantee Obligations		18,433	9,756
		<u>234,997</u>	<u>210,285</u>
Total Governmental Funds Debt		\$ <u>2,308,982</u>	\$ <u>1,825,224</u>
Business-Type Debt:			
Long term commercial paper	2.91-6.14	\$ 10,000	\$ (0)
Sanitary & Storm Water Sewerage Systems	3.00-6.30	267,536	347,765
Electric / Gas Division, MLG&W (1)	2.00-5.00	521,000	439,555
Water Division, MLG&W (1)	2.00-5.00	138,000	127,110
Net Premium/(Discount) on revenue bonds		134,555	198,222
State Loans	.75-2.59	153,009	176,140
Total Business-Type Debt		\$ <u>1,224,100</u>	\$ <u>1,288,791</u>
Total		\$ 3,533,082	\$ 3,114,015

(1) All MLG&W bonds reflect amounts outstanding at December 31, 2021.

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

Debt service requirements to maturity for governmental long-term indebtedness at June 30, 2022 are as follows:

Fiscal Year	Total Long-term Indebtedness																
	General Obligations					General Obligation				Revenue			Total Requirements				
	Principal (4) (5)	Interest (1)	Interest (2)	Settlement Obligation (3)	Guarantee Obligations	Capital Lease	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2022	-	-	-	-	-	6,411	766	-	-	-	-	-	19,265	22,555	19,265	22,555	
2023	90,160	55,981	644	1,333	11,677	4,916	644	1,333	5,063	7,509	1,406	544	20,075	21,744	148,016	41,820	
2024	95,615	51,458	538	1,333	11,967	3,496	538	1,333	4,733	7,571	1,339	572	21,025	20,791	95,985	244,001	
2025	100,125	47,408	432	1,333	12,117	2,627	432	1,333	4,303	7,634	1,270	572	22,000	19,815	153,802	89,494	
2026	99,375	43,076	330	1,333	11,820	2,777	330	1,333	3,738	7,897	1,202	572	23,040	18,769	158,595	83,323	
2027	48,942	40,416	221	1,333	12,425	2,968	221	1,333	3,132	7,760	1,132	572	24,120	17,694	156,348	76,691	
2028	51,141	37,982	221	1,333	56,420	2,600	221	1,333	5,818	7,824	1,062	572	25,250	16,568	106,022	71,721	
2029	53,401	35,447	122	1,333	-	2,600	122	1,333	-	9,105	991	572	26,420	15,396	154,041	70,225	
2030	55,799	32,792	23	1,333	-	361	23	1,333	-	7,889	991	572	26,420	15,396	99,774	60,100	
2031	57,64	30,136	8	-	-	77	8	-	-	8,545	919	572	26,420	15,396	101,638	55,632	
2032	51,871	27,774	7	-	-	78	7	-	-	7,495	847	572	28,825	12,990	101,638	55,632	
2033	53,445	25,829	6	-	-	79	6	-	-	8,087	774	572	29,920	11,900	96,841	47,430	
2034	54,712	23,658	5	-	-	80	5	-	-	8,154	701	572	31,070	10,754	99,968	43,933	
2035	56,275	21,858	4	-	-	81	4	-	-	8,092	636	572	32,235	9,582	102,669	40,353	
2036	51,986	20,012	2	-	-	83	2	-	-	7,919	555	572	27,120	8,360	99,330	36,702	
2037	48,864	18,627	1	-	-	84	1	-	-	8,088	492	572	28,065	7,417	96,537	33,465	
2038	50,212	16,827	-	-	-	84	-	-	-	8,151	423	572	20,880	6,457	86,689	30,284	
2039	51,697	14,916	-	-	-	-	-	-	-	8,003	353	572	10,025	5,769	77,385	27,466	
2040	53,245	13,124	-	-	-	-	-	-	-	7,641	287	572	10,320	5,467	79,248	24,943	
2041	54,922	11,243	-	-	-	-	-	-	-	5,893	223	572	10,635	5,157	79,828	22,312	
2042	52,462	9,234	-	-	-	-	-	-	-	1,380	183	572	10,955	4,840	80,113	19,595	
2043	53,403	7,293	-	-	-	-	-	-	-	2,237	-	540	11,275	4,510	112,066	16,521	
2044	51,722	5,301	-	-	-	-	-	-	-	2,348	-	508	11,620	4,171	78,993	13,672	
2045	40,333	3,360	-	-	-	-	-	-	-	2,413	-	475	12,060	3,735	78,345	10,646	
2046	27,553	1,962	-	-	-	-	-	-	-	2,447	-	441	12,510	3,282	64,810	7,694	
2047	13,690	1,117	-	-	-	-	-	-	-	186	-	373	13,900	2,292	50,449	5,367	
2048	14,240	570	-	-	-	-	-	-	-	-	-	338	14,040	1,754	29,705	3,782	
2049	-	-	-	-	-	-	-	-	-	2,551	-	302	14,040	1,754	30,831	2,662	
2050	-	-	-	-	-	-	-	-	-	2,586	-	286	14,605	1,191	17,191	1,493	
2051	-	-	-	-	-	-	-	-	-	2,622	-	230	15,185	607	17,807	873	
2052	-	-	-	-	-	-	-	-	-	2,658	-	193	-	-	2,658	230	
2053	-	-	-	-	-	-	-	-	-	2,695	-	156	-	-	2,695	193	
2054	-	-	-	-	-	-	-	-	-	2,733	-	117	-	-	2,733	156	
2055	-	-	-	-	-	-	-	-	-	2,771	-	79	-	-	2,771	117	
2056	-	-	-	-	-	-	-	-	-	2,809	-	40	-	-	2,809	79	
2056	-	-	-	-	-	-	-	-	-	2,848	-	40	-	-	2,848	40	
TOTAL	\$ 1,427,952	597,019	3,109	10,667	116,426	26,719	3,109	10,667	26,786	176,199	14,805	15,305	566,665	280,550	2,590,031	1,087,041	3,657,072

- (1) Interest on variable general obligation bonds is estimated.
- (2) At 12-31-22
- (3) No interest associated with the Settlement Obligation
- (4) Excludes premiums and/or discounts
- (5) Per City of Memphis resolution, \$10 million of Series 2016 was allocated to the Storm Water Fund

H. Restricted assets

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

Insurance reserves - injuries and damages	\$ 10,789
Insurance reserves - casualties and general	40,067
Medical benefits	34,340
Customer deposits	42,682
Sewer bond escrow	58,795
Storm Water bond escrow	30,250
Bond reserve and debt service	128,637
Total	<u>\$ 345,560</u>

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

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						
Parks Special Services	\$ 2,182	-	-	-	-	2,182
Photo Enforcement	10,434	-	-	-	-	10,434
Bass Pro	3,075	-	-	-	-	3,075
Sex Offender Registry	221	-	-	-	-	221
Miscellaneous Activities	549	-	-	-	-	549
E-Traffic Citation Fee	-	-	-	-	538	538
Debt Service - Related Party Loan	-	7,486	-	-	-	7,486
Debt Service - Capital Lease	-	2,700	-	-	-	2,700
Debt Service - Pledged TDZ Revenue	-	325	-	-	14,318	14,318
Solid Waste Management	-	-	-	-	9,026	9,026
Drug Enforcement	-	-	-	-	1,616	1,616
Community Development	-	-	-	4,585	-	4,585
Beale Street	-	-	-	-	45	45
Central Business Improvement District	-	-	-	-	1,350	1,350
Fire EMS	-	-	-	-	10,744	10,744
Pre-K	-	-	-	-	125	125
Community Catalyst	-	-	-	-	451	451
Affordable Housing	-	-	-	-	80,570	80,570
2019 Sales Tax Referendum	-	-	-	-	-	-
Local Occupancy Tax	138	-	-	-	-	138
Sports Betting	856	-	-	-	-	856
State Street Aid	-	-	-	-	996	996
Committed						
Debt Service Requirements	-	53,576	-	-	-	53,576
Metro Alarms	-	-	-	-	2,255	2,255
New Memphis Arena	-	-	-	-	2,086	2,086
Hotel/Motel Tax	-	-	-	-	4,591	4,591
Capital Projects	-	-	240,313	-	-	240,313
Assigned						
Encumbrances for General Fund	16,202	-	-	-	-	16,202
Intergovernmental	20,000	-	-	-	-	20,000
Intergovernmental - MATA	20,000	-	-	-	-	20,000
HCD Contingency	12,000	-	-	-	-	12,000
Sports Authority	5,000	-	-	-	-	5,000
Election	4,000	-	-	-	-	4,000
Cost Escalation	4,692	-	-	-	-	4,692
Unassigned	108,574	-	-	-	-	108,574
Total Fund Balances	\$ 207,923	\$ 64,087	\$ 240,313	\$ 4,585	\$ 128,711	\$ 640,927

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	\$ 480,434
Deferred outflows - OPEB	14,249
Total Governmental Activities Deferred Outflows	<u>\$ 494,683</u>

Business-Type Activities

Deferred outflows - pensions	\$ 61,815
Deferred outflows - OPEB	50,285
Deferred outflows - other	1,102
Total Business-Type Activities Deferred Outflows	<u>\$ 113,202</u>

Total Deferred Outflows of Resources	<u><u>\$ 607,885</u></u>
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Deferred Inflows of Resources

Governmental Activities

Deferred inflows - pensions	\$ 558,306
Deferred inflows - OPEB	109,823
Prepaid taxes	1
Uncollected property taxes	422,865
Uncollected anti-neglect fees	-
Uncollected traffic fines	-
Uncollected ambulance fees	-
Uncollected special assessments	(4,711)
Uncollected intergovernmental revenues	81,175
Uncollected project loans receivable	42,606
Other	3,459
Total Governmental Activities Deferred Inflows	<u>\$ 1,213,524</u>

Business-Type Activities

Deferred inflows - pensions	\$ 130,623
Deferred inflows - OPEB	164,916
Revenue collected in advance	9,245
Total Business-Type Activities Deferred Inflows	<u>\$ 304,784</u>

Total Deferred Inflows of Resources	<u><u>\$ 1,518,308</u></u>
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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 \$2,384 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, 2021 and 2022 are as follows:

	On the Job Injury					
	Health	OPEB	Sewer Collection and Treatment Fund	Fleet Management Fund	Storm Water Fund	Governmental Funds
Balance - June 30, 2020	\$ 7,009	330	157	-	59	3,265
Current year provision	(71,637)	(9,358)	(150)	-	(106)	(4,326)
Payments	74,010	9,482	212	-	106	5,075
Balance - June 30, 2021	\$ 9,382	454	219	-	59	4,014
Current year provision	(71,215)	(15,711)	(186)	-	(56)	(7,021)
Payments	72,412	15,823	294	-	56	5,391
Balance - June 30, 2022	\$ 10,579	566	327	-	59	2,384

B. Subsequent events

The City has evaluated subsequent events for potential recognition and disclosure through December 30, 2022.

In July 2022, the City issued \$167,555 in General Improvement Refunding Bonds. The Proceeds of the Series 2022 Bonds will be used to pay the costs of the Series 2014B & 2015C General Improvement Bonds and pay certain expenses incurred with the issuance of the Series 2022 Bonds.

In October 2022, the City issued \$138,010 in General Improvement Bonds. In November 2022, the Bonds were sold to the Underwriter at a purchase price equal to \$150,577 (representing the par amount of the Bonds \$138,010 plus the original premium of \$12,668, minus the underwriter's discount of \$100,963.98). The sale proceeds of the Series 2022 A Bonds will be used to pay the costs of the \$150,000 principal amount of outstanding General Obligation Commercial Paper, Series A (Tax -Exempt) and \$577,021 to pay certain expenses incurred with the issuance of the Series 2022 Bonds.

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. At this time no lawsuit has been filed regarding this incident. The City Administrator will continue to closely monitor the results of the incident for potential financial impact.

Contingent liabilities and commitments

The City is a defendant in a number of various lawsuits filed in the ordinary course of its operations. The City believes that \$3,348 is a reasonable measure of the ultimate settlement of those 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 that 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 money to replenish draws from the debt service reserve fund used to make scheduled debt service on the Senior Lien Bonds in the prior year.

Pursuant to an interlocal agreement by and among Memphis and Shelby County to issue Series 2022 Revenue Refunding Bond for the Port Commission Electrolux. The Proceeds of the Series 2022 Bonds will be used to pay the costs of the Series 2011 Development Revenue Bonds and pay certain expenses incurred with the issuance of the Series 2022 Bonds. The obligation of the City and the County to support the payment of debt service on the Port Commission Electrolux Bonds is apportioned on an equal basis (i.e., 50 percent by the City and 50 percent by the County). The City's obligation is \$14,468 for the Series 2022 Revenue Refunding Bond.

As of June 30, 2022, the Senior Lien Bonds were outstanding in an aggregate principal amount of \$13,835 and \$14,468 for the Series 2022 Revenue Refunding Bond. The obligation of the City and the County to replenish draws on the debt service reserve fund relating to the Senior Lien Bonds is apportioned on the following basis: 50% from the City and 50% from the County, but is not a joint obligation.

The obligation to replenish the debt service reserve fund relating to the Senior Lien Bonds is not considered a general obligation of the City since there is a reasonable expectation of the receipt of funds to service the debt.

The City has commitments at June 30, 2022, for outstanding purchase orders and outstanding contracts reported as assigned fund balance for encumbrances in the General Fund of \$16,202.

The City had additional commitments totaling \$130,607 for certain infrastructure and sewer construction projects.

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 \$ 198,670; expensed components of the remediation outlays to date are approximately \$ 83,303. 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 Chief 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, 2022, the City OPEB Fund reported the following net position:

	<u>City OPEB Fund</u>
ASSETS	
Investments, at fair value:	
Mutual funds and money market funds	\$ 3,754
Total investments	<u>3,754</u>
Equity in cash and investment pool	3,433
Interest and dividend receivables	<u>3</u>
Total assets	<u>7,191</u>
LIABILITIES	
Accounts payable and other	<u>663</u>
Total liabilities	<u>663</u>
NET POSITION	
Held in trust for pension benefits, pool participants and OPEB	<u>\$ 6,528</u>

As of and for its year ended June 30, 2022, the City OPEB Fund reported the following changes in net position:

	<u>City OPEB Fund</u>
ADDITIONS	
Contributions:	
Employer	\$ 14,569
Plan members	3,668
Total contributions	<u>18,237</u>
Transfer from other fund	6,959
Pharmacy rebate	1,492
Investment income:	
Interest and dividend income	78
Net appreciation in the fair value of investments	<u>(646)</u>
Total investment income	<u>(568)</u>
Total additions	<u>26,120</u>
DEDUCTIONS	
Benefits	15,823
Administrative expenses	<u>7,623</u>
Total deductions	<u>23,446</u>
Net increase / decrease	2,674
Net position - beginning of year	<u>3,854</u>
Net position - end of year	<u><u>\$ 6,528</u></u>

See accompanying notes to financial statements.

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, 2022, the number of active participants in the OPEB Defined Benefit Plan was 6,796. There were 5,683 inactive participants eligible, of which 3,323 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.

Due to the change in the valuation date for fiscal year ending June 30, 2021, the June 30, 2020 census data was used for both the June 30, 2020 and June 30, 2021 year-end results.

Summary of Plan Provisions

Medical Benefits

During fiscal year 2022, the Pre-65 Line-of-Duty Disableds/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 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, 2022 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, 2022, the value of the Trust assets within the OPEB Fund was \$7,191. The current fiscal year includes interest at 4.09% on the beginning of year total OPEB liability and service cost offset by a half-year of interest on benefit payments. For the 2022 fiscal year, the net investment return for the year was a negative (\$693) 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 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, 2022 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 actual covered payroll of \$368,709 represents the total covered payroll for the prior calendar year, increased by the salary scale. For calendar year 2022 the average salary was \$57,080. The net OPEB liability as a percentage of covered payroll was 141.7% for the year ending June 30, 2022.

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.

<u>City of Memphis OPEB Plan</u>	
Total OPEB Liability - beginning balance	\$ 618,156
Total Service Cost	17,340
Interest Cost	13,871
Experience (Gains)/Losses	12,287
Assumption Changes	(101,817)
Changes of Benefit Terms	(12,405)
Net Benefit Payments	<u>(18,287)</u>
Total OPEB Liability - ending balance	<u>529,145</u>
OPEB Fiduciary Net Position - beginning balance	\$ 3,980
Employer Contribution	21,528 (1)
Employee Contribution	3,668
Investment Return	(693)
Benefit Payments	(14,331) (2)
Administrative Expenses	<u>(7,624)</u>
Fiduciary Net Position - ending balance	<u>6,528</u>
Total OPEB Liability	\$ 529,145
Net Fiduciary Position	<u>6,528</u>
Net OPEB Liability	<u>522,617</u>
Fiduciary Net Position as a % of Total OPEB Liability	1.2%
Actual Covered Employee Payroll	\$ 368,709
Net OPEB Liability as a % of Covered Payroll	141.7%

(1) Includes 7M Transfer In.

(2) Actual benefit payments reduced by Pharmacy Rebate of 1,492.

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, 2021 and the City's fiscal year ending June 30, 2022 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. The valuation year spanned July 1, 2021 – June 30, 2022. The date of the census data was July 1, 2022.

For the July 1, 2022 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-2020 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-2020 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-2020 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 2022 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 2022 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 2022 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 2022 are as follows:

- 10% and 55% 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.
- 56% of future participating male General Employee Retirees, 15% of future participating female General Employee retirees, and 46% of 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 2020-July 2021 claims experience for City of Memphis retired participants adjusted for enrollment and plan design provisions. The 2023 calendar year annual per capita costs used to develop per capita costs (before rebates) for the fiscal year beginning July 1, 2022 are:

- Pre-65 – Select Plan \$12,588, Choice Plan \$15,876
- Post-65 No Medicare – Select Plan \$22,104, Choice Plan \$24,480

Self-Insured Premiums

2023 calendar year monthly Retiree Premiums that were used to develop per capita cost for the fiscal year beginning July 1, 2021 are provided below:

- Single – Select Plan \$216.00, Choice Plan \$309.00
- Family – Select Plan \$427.00, Choice Plan \$614.00

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 2022 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 2022 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 are eligible for Medicare at age 65.
- 92% of current Pre-65 retirees 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 2022, 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 2022 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 of Return

The discount rate used to measure the total OPEB liability was 4.09% as of June 30, 2022, 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, 2022 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, 2022.

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

	<u>1% Decrease (3.09%)</u>	<u>Current Rate (4.09%)</u>	<u>1% Increase (5.09%)</u>
Net OPEB Liability	\$578,971	\$522,617	\$473,874

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 health care trend rate beginning in year 2023 will be 6.50% with declining rates for years 2023 - 2032+ ranging from 6.50% 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:

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability	\$480,743	\$522,617	\$571,106

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, 2021. 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 mortality assumption was updated to reflect the MP-2021 projection scale which was released by the Society of Actuaries.
- The discount rate assumption changed from 2.18% as of June 30, 2021 to 4.09% as of June 30, 2022 based on the change in the S&P Municipal Bond Rate Index at the measurement date.
- The percentage of current pre-65 retirees assumed to enroll in Medicare at age 65 was updated from 92% as of June 30, 2021 to 99% as of June 30, 2022 based on recent plan experience.
- Inflation assumptions was updated from 2.00% to 2.25% based on current economic projections.

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, 2023:

- The Choice Plan Out-of-Pocket Maximums Tier II Coinsurance and Retiree Contributions were changed.
- Senate Bill 2458/House Bill 2661 into law (as Public Chapter 1070) takes effect, resulting in cost increases for both Select and Choice Plans.

Change in Plan Experience

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

<u>City of Memphis OPEB Plan</u>	<u>Census Data¹</u>	
	<u>June 30, 2020</u>	<u>June 30, 2021</u>
Active		
Number of Participants	7172	6796
Average Age of Participants	45.18	45.24
Average Years of Service	12.7	13.1
Actual Covered Payroll (000's)	\$ 410,167	\$ 378,824
Inactive *		
Number Eligible (Retiree/Disabled)	4,995	5,683
Number Enrolled (Retiree/Disabled)	1,993	2,296
Number Enrolled (Dependent Spouse)	911	1,027
Number Enrolled (Total)	2,904	3,323

*Retirees, Disabled, and Dependent Spouses

¹ Due to the change in the valuation date for fiscal year ending June 30, 2021, the June 30, 2020 census data was used for both the June 30, 2020 and June 30, 2021 year-end results.

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 OPEB 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, 2022 is provided below.

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

City of Memphis OPEB Plan

Determination of Resources of Deferred Outflows and Deferred Inflows					Balances at June 30, 2022	
	Established in Fiscal Year Ending June 30	Loss	(Gain)	Cumulative Amounts Recognized in Expense through June 20, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
a. Experience (Gains) and Losses	2017	\$ 18,838	\$ -	\$ 18,838	\$ -	\$ -
	2018		\$ (11,621)	\$ (11,621)	-	-
	2019		\$ (13,201)	\$ (11,432)	-	\$ (1,769)
	2020		\$ (2,264)	\$ (1,545)	-	\$ (719)
	2021		\$ (2,215)	\$ (1,050)	-	\$ (1,165)
	2021	\$ 12,287	\$ -	\$ 3,112	\$ 9,128	-
					\$ 9,128	\$ (3,653)
b. Changes in Assumptions	2017	\$ 25,586	\$ -	\$ 25,586	\$ -	\$ -
	2018		\$ (76,034)	\$ (76,034)	-	-
	2019		\$ (21,941)	\$ (19,000)	-	\$ (2,941)
	2020	\$ 21,629	\$ -	\$ 14,748	\$ 6,881	-
	2021		\$ (74,550)	\$ (35,332)	-	\$ (39,218)
	2022		\$ (101,817)	\$ (26,174)	-	\$ (75,643)
					\$ 6,881	\$ (117,802)
c. Investment (Gains) and losses	2017	\$ -	\$ (289)	\$ (289)	\$ -	\$ -
	2018		\$ (257)	\$ (257)	-	-
	2019		\$ (221)	\$ (176)	-	\$ (45)
	2021		\$ (190)	\$ (114)	-	\$ (76)
	2021		\$ (905)	\$ (362)	-	\$ (543)
	2021	\$ 693	\$ -	\$ 139	\$ 554	-
					\$ 554	\$ (664)
d. Collective deferred outflows/(inflows) of resources: a + b + c					\$ 16,563	\$ (122,119)

Allocated Deferred Outflows and Deferred Inflows

Allocated Balances at June 30, 2022

	Deferred Outflows	Deferred Inflows
Governmental Activities	\$ 14,191	\$ (109,717)
Business Type - Sewer	793	(6,172)
Business Type - Storm Water	472	(3,035)
Internal Service Fund - Health Care	57	(106)
Component Unit - MSCAA	1,050	(3,089)
Total	\$ 16,563	\$ (122,119)

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

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	Component Unit MSCAA
2023	\$ (41,640)	\$ (37,605)	\$ (2,123)	\$ (1,011)	\$ (19)	\$ (883)
2024	(39,525)	(35,832)	(2,014)	(959)	(19)	(701)
2025	(24,528)	(22,212)	(1,250)	(596)	(12)	(458)
2026	137	124	7	3	0	3
2027	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
	<u>\$ (105,556)</u>	<u>\$ (95,526)</u>	<u>\$ (5,379)</u>	<u>\$ (2,563)</u>	<u>\$ (49)</u>	<u>\$ (2,039)</u>

The schedule of OPEB expense under GASB 74 and GASB 75 For the fiscal year ended June 30, 2022 is provided below.

City of Memphis OPEB Expense Fiscal Year 2022	Total	Governmental Activities	Business Type Sewer	Business Type Storm Water	Internal Service Health Care	Component Unit MSCAA
Service Cost	\$ 17,340	\$ 15,528	\$ 936	\$ 486	\$ 2	\$ 388
Interest Cost						
Interest on Total OPEB Liability at beginning of year	\$ 13,692	-	-	-	-	-
Interest on Service Cost	378	-	-	-	-	-
Half-year Interest on Benefit Payments	<u>(199)</u>	-	-	-	-	-
Total	13,871	12,421	749	388	1	311
Change of Benefit Terms	(12,405)	(11,109)	(670)	(347)	(1)	(278)
Recognition of deferred (inflows) and outflows of resources related to						
Liability Experience (Gains)/Losses	\$ (2,040)	-	-	-	-	(46)
Assumption Changes (Gains)/Losses	(52,955)	-	-	-	-	(1,186)
Investment (Gains)/Losses	<u>(177)</u>	-	-	-	-	(4)
Changes in proportion of net OPEB liability and deferred (inflows) / outflows						21
Changes in actual contributions and proportionate share of contributions						-
Total	(55,172)	(49,427)	(2,979)	(1,545)	(6)	(1,215)
Total OPEB Expense (Income)	<u>\$ (36,366)</u>	<u>(32,586)</u>	<u>(1,964)</u>	<u>(1,018)</u>	<u>(4)</u>	<u>(794)</u>

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

MLGW is audited and reported independently of the annual audit of the City. The information presented below is taken directly from the MLGW audited financial statements dated December 31, 2021. MLGW operates independently from the City, manages its own finances, and is responsible for obligations incurred in such operations. MLGW operates on a calendar year basis, and this disclosure is made to provide transparency regarding the timing and reporting components of the financial information provided for the MLGW Other Postemployment Benefits Trust Fund.

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 by writing to: Manager, General Accounting, P.O. Box 430, Memphis, Tennessee 38101-0430.

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, 2019 (valuation date):

	Medical	Life
Retired members currently receiving benefits	2,006	2,006
Beneficiaries currently receiving benefits	1,726	-
Vested terminated members entitled to, but not yet receiving benefits	-	-
Active members	<u>2,543</u>	<u>2,543</u>
Total	<u><u>6,275</u></u>	<u><u>4,549</u></u>

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 \$37,561 and \$34,895 for the years ended December 31, 2021 and 2020, 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
2012	\$ 42,427	\$ 39,747	\$ 2,680	\$ 154,347	25.75%
2013	\$ 42,854	\$ 43,043	\$ (189)	\$ 154,759	27.81%
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%

*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 not captured in Exhibit RSI-4.

Actuarial Methods and Assumptions – The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2014 to December 31, 2018. The plan’s measurement date is December 31, 2020.

Inflation Rate	2.50%
Salary Increases	Inflation plus merit increases based on age and service.
Discount Rate	7.25%
Healthcare costs trend rates	
Medical	7.00% graded to 4.50% over 10 years
Prescription drug	8.00% graded to 4.50% over 10 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 and a risk margin. 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%	6.65%
International Equity	9%	7.82%
Fixed Income	24%	1.43%
Alternatives	15%	2.55%
Real Estate	15%	3.75%
Short Term Investments	2%	-0.10%
Total	100%	

Discount Rate – The discount rate used to measure the total OPEB liability (TOL) was 7.25% as of December 31, 2020 and December 31, 2019, 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, 2020 and December 31, 2019.

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, 2020, calculated using the discount rate of 7.25%, as well as what the Division’s NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage point higher (8.25%) 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net OPEB liability (asset)	\$251,676	\$151,795	\$69,646
	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)	\$66,179	\$151,795	\$257,291

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.

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

MLGW CHANGES IN NET OPEB LIABILITY	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 15,401	\$ 15,804	\$ 15,381	\$ 19,520
Interest	51,713	53,030	50,559	64,666
Change of benefit terms	-	-	-	(61,896)
Differences between expected and actual experience	(4,090)	15,351	(3,134)	3,674
Changes of assumptions	-	(46,584)	-	(200,370)
Benefit payments, including refunds of member contributions	(30,588)	(31,916)	(28,676)	(29,457)
Net change in Total OPEB Liability	\$ 32,436	\$ 5,685	\$ 34,130	\$ (203,863)
Total OPEB Liability - beginning	712,903	707,218	673,088	876,951
(a) Total OPEB Liability - ending	\$ 745,339	\$ 712,903	\$ 707,218	\$ 673,088
Plan Fiduciary Net Position				
Contributions - employer	34,895	33,949	48,972	45,184
Net investment income	84,891	76,564	(14,273)	57,671
Benefit payments, including refunds of member contributions	(29,775)	(31,146)	(27,876)	(28,765)
Administrative expense	(812)	(770)	(801)	(692)
Net change in Plan Fiduciary Net Position	\$ 89,199	\$ 78,597	\$ 6,022	\$ 73,398
Plan Fiduciary Net Position - beginning	504,345	425,748	419,726	346,328
(b) Plan Fiduciary Net Position - ending	\$ 593,544	\$ 504,345	\$ 425,748	\$ 419,726
(c) Net OPEB Liability - ending (a) - (b)	\$ 151,795	\$ 208,558	\$ 281,470	\$ 253,362
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	79.63%	70.75%	60.20%	62.36%
Covered Employee Payroll	\$ 173,425	\$ 170,946	\$ 169,605	\$ 167,221
Plan Net OPEB Liability as a percentage of covered employee payroll	87.53%	122.00%	165.96%	151.51%

As MLGW is a separately audited and reported division of the primary government, the supplementary information presented above is not captured in Exhibit RSI-3

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

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

OPEB Expense for the year-ended December 31, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Service cost	\$ 15,400	\$ 15,804
Interest on total OPEB liability	51,713	53,030
Expensed portion of current-period difference between expected and actual experience in the total OPEB liability	(682)	2,558
Expensed portion of current-period changes of assumptions or other inputs	-	(7,764)
Projected earnings on plan investments	(36,721)	(32,007)
Expensed portion of current-period difference between actual and projected earnings on plan investments	(9,634)	(8,911)
Recognition of beginning of year deferred outflows of resources as OPEB expense	12,473	9,915
Recognition of beginning of year deferred inflows of resources as OPEB expense	(56,814)	(40,139)
Total OPEB expense	<u>\$ (24,265)</u>	<u>\$ (7,514)</u>

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, 2021.

Deferred outflows/inflows of resources related to OPEB		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 37,561	\$ -
Changes of assumptions or other inputs	-	(97,846)
Net difference between projected and actual earnings on OPEB plan investments	-	(52,887)
Difference between expected and actual experience in the Total OPEB Liability	11,459	(4,974)
Total	\$ 49,020	\$ (155,707)

Note: The \$37,561 contribution made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2022. 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 Other Post Employment Benefits Trust Fund are as of December 31, 2021.

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

Year Ended December 31:

2022	\$ (54,656)
2023	(48,432)
2024	(24,955)
2025	(15,524)
2026	(681)
Thereafter	-

Total aggregate amount of OPEB expense is as follows

City of Memphis	\$ 36,366
MLGW	(24,265)
Total OPEB expense	\$ 12,101

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.

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

As of June 30, 2022, the City Retirement System Fiduciary Trust Fund reported the following net position:

	<u>City Retirement System</u>
ASSETS	
Cash and cash equivalents	\$ 15,033
Investments, at fair value:	
U.S. government securities - long-term	153,826
Common stock - domestic	681,011
Common stock - foreign	152,291
Corporate bonds - domestic	287,969
Corporate bonds - foreign	113,112
Mutual funds and money market funds	23,102
Collateralized mortgage obligations	1,604
Mortgage-backed pooled securities	3,838
Investments in index funds	149,032
Investments in limited partnerships	277,997
Investments in real estate	201,889
Investments in international equity fund	416,439
Investments in short sales & written options	<u>(35,566)</u>
Total investments	2,426,544
Equity in cash and investment pool	4,350
Interest and dividend receivables	6,702
Receivable for securities sold	348,362
Employer and employee contributions receivable	2,879
Other Receivables	339
Collateral held in trust for securities on loan	<u>87,875</u>
Total assets	<u>2,892,084</u>
LIABILITIES	
Accounts payable and other	406,056
Collateral subject to return to borrowers	<u>87,875</u>
Total liabilities	<u>493,931</u>
NET POSITION	
Held in trust for pension benefits, pool participants and OPEB	<u>\$ 2,398,153</u>

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

As of and for its year ended June 30, 2022, the City Retirement System Fiduciary Trust Fund reported the following changes in net position:

	City Retirement System
ADDITIONS	
Contributions:	
Employer	\$ 54,458
Plan members	20,014
Total contributions	<u>74,472</u>
Transfer from other fund	2,769
Investment income:	
Interest and dividend income	46,685
Securities lending income	285
Other investment income	208
Gain on real estate investments	16,212
Net appreciation / (depreciation) in the fair value	(315,767)
Less investment expenses	<u>(19,001)</u>
Total investment income	(271,378)
Total additions	<u>(194,137)</u>
DEDUCTIONS	
Benefits	183,312
Administrative expenses	6,090
Refunds of contributions	<u>17,350</u>
Total deductions	<u>206,752</u>
Net increase / decrease	(400,889)
Net position - beginning of year	<u>2,799,042</u>
Net position - end of year	<u><u>\$ 2,398,153</u></u>

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 FY22 year-end GASB results are based on a 7/1/2021 *valuation date*, which is rolled forward to the June 30, 2022 *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 as long as the valuation date falls within the time frame allowable under GASB. The prior year data is the same data used for the FY22 year-end GASB information.

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, 2022, the Retirement System membership consisted of:

Retired members, beneficiaries and DROP enrollees receiving benefits	4,800 *
Disabled members receiving benefits	708
Terminated (vested and nonvested) plan members entitled to but not yet receiving benefits	1,245
Active employees:	
Fully vested	2,966
Non-vested	3,019
Total	<u>12,738</u>

*Includes 247 employees currently participating in the Deferred Retirement Option Plan (DROP) and 20 employees who temporarily froze participation in the DROP Program effective November 1, 2015, or November 1, 2016.

Due to the change in the valuation date for fiscal year ending June 30, 2021, the June 30, 2020 census data was used for both the June 30, 2020 and June 30, 2021 year-end results.

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 6.2% 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, 2022, 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, 2022, the annual money-weighted rate of return on the City's pension plan investments, net of pension plan investment expense, was (9.21) % 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 2021 was \$52,201 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, 2022, were 14.2%. For its year ended June 30, 2022, the City of Memphis Retirement System reported total employer and plan member contributions of \$54,458 and \$20,014 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, 2022 are as follows:

Total Pension Liability

Total Pension Liability - Beginning of year	\$	2,805,759
Service Cost ¹		39,311
Interest Cost ²		205,824
Experience (gains)/losses		(1,912)
Assumption Changes		85,019
Changes of Benefit Terms		20,163
Benefit Payments		(201,510)
Transfer In / (Out)		
Total Pension Liability - End of year	\$	<u>2,952,654</u>

Plan Fiduciary Net Position

Plan Fiduciary Net Position - Beginning of year	\$	2,807,681
Employer Contributions		54,458
Employee Contributions		20,014
Investment return		
Expected Investment Return ³	\$	205,916
Investment Gain/(Loss)		<u>(476,563)</u>
Net Investment Return	\$	(270,647)
Benefit Payments		(201,510)
Transfer In / (Out)		2,769
Administrative Expenses		<u>(6,090)</u>
Plan Fiduciary Net Position - End of year	\$	2,406,675

Net Pension Liability

Net Pension Liability	545,979
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.5%

¹ Determined as of the beginning of the year.

² Interest at 7.5% 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 7.50% investment return, net of investment expenses, and assuming actual benefit payments and contributions occur at mid year

The Net Pension Asset (NPA) represents the funded status of the City Plan as of the measurement date. The NPA for fiscal year ended June 30, 2022, is \$545,978 in comparison from prior year when there was a Net Pension Liability of (\$1,922). The results reflect the impact of favorable asset experience in gains (net investment return). Assets returned (9.21)% 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 obtains annually 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, 2022 and valuation date as of July 1, 2021.

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-2020 projection scale from 2010 and adjusted by a one year set forward.
- Healthy Police and Fire- Fully Generational PubG-2010 Public Sector Mortality table for safety employees with MP-2020 projection scale from 2010 and adjusted by a one year set forward.
- Disabled General - Fully Generational PubNS-2010 Public Sector Disabled Mortality table for non-safety employees with MP-2020 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-2020 projection scale from 2010 and adjusted by a three-year set back
- Survivors General - Fully Generational PubS-2010 Public Sector Contingent Survivor table for general employees with MP-2020 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-2020 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, and 80% of Fire and Police Employees are assumed to be married. Wives are assumed to be three years younger than their husbands.
- Death/Disability – Deaths and disabilities for active General Employees are assumed to be not line-of-duty. Deaths and disabilities for active Fire and Police Employees are assumed to be line-of-duty.
- Form of Payment – It is assumed that benefits will be paid in the normal annuity form applicable to the particular benefit.
- Account Balance Conversion - Account balances under the 2016 Plan (effective July 1, 2016) are converted at 5.0% interest and the applicable mortality table under IRC 417(e) in effect on the current valuation date.
- Changes in Assumptions – The mortality improvement scale was updated from MP2020 to MP-2021.

Discount Rate – The discount rate used to measure the total pension liability was 7.25% as of July 1, 2022 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:

	<u>1% Decrease (6.25%)</u>	<u>Current Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Net pension liability	\$867,380	\$545,978	\$275,413

NOTES TO FINANCIAL STATEMENTS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
(Continued)

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 (\$330,583) and \$520,237 respectively. The determination of resources of deferred inflows and resources of deferred outflows for the fiscal year ending June 30, 2022, is as follows:

Determination of Resources of Deferred Outflows and Resources of Deferred Inflows				Balances at June 30, 2022		
	Established in Fiscal Year ending June 30	Loss (a)	(Gain) (b)	Cumulative Amounts Recognized in Expense through June 30, 2021 (c)	Deferred Outflows of Resources	Deferred Inflows of Resources
					(d) = (a - c)	e = (b - c)
a. Experience (Gains) and Losses	2018	\$ -	\$ (64,966)	\$ (64,966)	\$ -	\$ -
	2019	-	(20,127)	(17,464)	-	(2,663)
	2020	6,622	-	4,200	2,422	-
	2021	1,214	-	574	640	-
	2022	-	-	(466)	-	(1,446)
					\$ 3,062	\$ (4,109)
b. Changes in Assumptions	2018	\$ -	\$ (13,322)	\$ (13,322)	\$ -	\$ -
	2019	71,345	-	61,904	9,441	-
	2020	-	(91,982)	(58,341)	-	(33,641)
	2021	-	(8,859)	(4,188)	-	(4,671)
	2022	85,019	-	20,736	64,283	-
					\$ 73,724	\$ (38,312)
c. Investment (Gains) and losses	2018	\$ -	\$ (26,613)	\$ (26,613)	\$ -	\$ -
	2019	69,439	-	55,552	13,887	-
	2020	120,788	-	72,474	48,314	-
	2021	-	(480,270)	(192,108)	-	(288,162)
	2022	476,563	-	95,938	381,250	-
					\$ 443,451	\$ (288,162)
d. Collective Deferred Outflows/(Inflows) of Resources: (a) + (b) + (c)					\$ 520,237	\$ (330,583)

Deferred outflows of resources are presented as positive amounts. Deferred inflows of resources are presented as negative amounts.

	Allocated Deferred Outflows and Deferred Inflows		Allocated Balances at June 30, 2022	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Governmental Activities	57,253	111,150		
Business Type - Sewer	9,813	(1,524)		
Business Type - Storm Water	4,613	(1,284)		
Component Unit - MSCAA	5,107	4,526		
Total	76,786	112,868		

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		Component Unit MSCAA
			Type Sewer Fund	Type Storm Water	
2023	\$ 44,498	\$ 39,027	\$ 1,945	\$ 781	\$ 2,745
2024	28,706	25,126	1,255	504	1,822
2025	19,112	17,129	835	335	812
2026	97,338	87,120	4,254	1,708	4,254
2027	-	-	-	-	-
Thereafter	-	-	-	-	-
	<u>\$ 189,654</u>	<u>\$ 168,403</u>	<u>\$ 8,289</u>	<u>\$ 3,329</u>	<u>\$ 9,633</u>

Pension Expense – The pension expense under GASB 68 for the fiscal year ending June 30, 2022, is as follows:

Fiscal Year 2022	Total	Governmental Activities	Business		Component Unit MSCAA
			Type Sewer Fund	Type Storm Water	
Net employer service cost	\$ 25,386	\$ 23,284	\$ 689	\$ 301	\$ 1,112
Interest cost	205,824	188,779	5,589	2,440	9,015
Expected return on assets	(205,916)	(188,864)	(5,592)	(2,442)	(9,019)
Changes of benefit terms	20,163	18,493	548	239	883
Recognition of deferred (inflows)/ outflows	32,710	28,877	857	441	2,536
Total collective pension expense	<u>\$ 78,167</u>	<u>\$ 70,569</u>	<u>\$ 2,091</u>	<u>\$ 980</u>	<u>\$ 4,527</u>

Deferred Retirement Option Program (DROP) – According to the terms of the Deferred Retirement Option Program (DROP) specified in the 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 also 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, 2022, is \$15,493.

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, 2022, the Retirement System for the Library reported the following net position:

	Library Retirement System
ASSETS	
Investments, at fair value:	
Mutual funds and money market funds	\$ 50,354
Total investments	<u>50,354</u>
Interest and dividend	<u>39</u>
Total assets	<u>50,393</u>
LIABILITIES	
Account payable and other	<u>185</u>
NET POSITION	
Held in trust for pension benefits	<u><u>\$ 50,208</u></u>

As of and for its year ended June 30, 2022, the Retirement System for the Library reported the following changes in net position:

	<u>Library Retirement System</u>
ADDITIONS	
Contributions:	
Employer	\$ 118
Plan members	118
Total contributions	<u>236</u>
Transfer from other fund	1,536
Investment income:	
Interest and dividend income	1,392
Total investment income	<u>1,392</u>
Total additions	<u>3,164</u>
DEDUCTIONS	
Net depreciation in fair value investments	11,465
Benefits	4,543
Administrative expenses	<u>78</u>
Total deductions	<u>16,086</u>
Net increase	(12,922)
Net position - beginning of year	<u>63,130</u>
Net position - end of year	<u>\$ 50,208</u>

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 have to 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, 2022, the Retirement System for the Library membership consisted of:

Retired members, beneficiaries and disabled members receiving benefits	173
Terminated vested plan members entitled to but not yet receiving benefits	13
Active employees:	
Fully vested	<u>78</u>
Total	<u><u>264</u></u>

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;
- 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 July 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 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. 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, 2022, 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, 2022 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, 2021 and reflects the plan provision effective December 31, 2021.

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, 2022, the annual money-weighted rate of return on Library pension plan investments, net of pension plan investment expense, was 12.49% 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, 2022, the Library contributions of \$1,658 represented 43.8% of actual covered payroll of \$3,786 under GASB 67 and contributions of \$1,658 represented 43.4% of actual covered payroll of \$3,822 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, 2022 is \$68,095. The components of the TPL are as follows:

TPL - beginning balance	\$	67,309
Service cost		239
Interest cost		4,898
Experience (gains)/losses		(1,766)
Assumption changes		1,895
Benefit payments		(4,480)
TPL – ending balance	\$	<u>68,095</u>

Plan Fiduciary Net Position – The Retirement System of the Library Plan Fiduciary Net Position (FNP) for the year ended June 30, 2022, is \$65,388. The components of the FNP are as follows:

FNP - beginning balance		\$	60,793
Employer contributions			1,658
Employee contributions			114
Investment return			
Expected return	\$	4,458	
Investment gain/(loss)		<u>2,961</u>	
Net investment return			7,419
Benefit payments			(4,480)
Administrative expenses			(116)
FNP – ending balance	\$		<u>65,388</u>

Net Pension Liability – The Net Pension Liability (NPL) for the Retirement System of the Library for the year ended June 30, 2022 is \$2,707. The components of the Net Pension Liability (NPL) are as follows:

Total Pension Liability	\$ 68,095
Plan Fiduciary Net Position	<u>(65,388)</u>
Net Pension liability	<u>\$ 2,707</u>
FNP as a percentage of the TPL	96.0%
Actual Covered Employee Payroll	3,786
Net Pension Liability as a percentage of the covered payroll	71.5%

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, 2022, decreased \$3,809 from prior year due to 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).

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 a 3.0% 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, 2021, 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 municipal bond rated AA/Aa or higher. For this purpose, the City has 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, 2022 of 2.26%.

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:

	<u>1% Decrease (6.25%)</u>	<u>Current Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Net Pension Liability	\$10,104	\$2,707	(\$3,557)

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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 (\$6,073) and \$3,804 respectively. The net of the deferred inflows and outflows for the fiscal year is (\$2,269). The determination of resources of deferred inflows and resources of deferred outflows for the fiscal year ending June 30, 2022, is as follows:

						<u>Balances at June 30, 2022</u>	
	Established in Fiscal Year ending June 30	Loss	(Gain)	Cumulative Amounts Recognized in Expense through June 30, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources	
		(a)	(b)	(c)	(d) = (a - c)	e = (b - c)	
a. Experience (Gains) and Losses	2020	\$ 538	\$ -	\$ 538	\$ -	\$ -	
	2021	-	(3,446)	(3,036)	-	(410)	
	2022	-	(1,766)	(833)	-	(933)	
					<u>\$ -</u>	<u>\$ (1,343)</u>	
b. Changes in Assumptions	2020	-	(251)	(251)	-	-	
	2021	-	(460)	(406)	-	(54)	
	2022	1,895	-	894	1,001	-	
					<u>\$ 1,001</u>	<u>\$ (54)</u>	
c. Investment (Gains) and losses	2018	-	(3,877)	(3,877)	-	-	
	2019	9,213	-	7,370	1,843	-	
	2020	-	(5,767)	(3,460)	-	(2,307)	
	2021	1,513	-	605	907	-	
	2022	-	(2,962)	(592)	-	(2,369)	
					<u>\$ 2,750</u>	<u>\$ (4,676)</u>	
d. Contributions subsequent to the measurement date	2022	N/A	N/A	N/A	\$ 53	\$ -	
e. Collective Deferred Outflows/(Inflows) of Resources: a + b + c					<u>\$ 3,804</u>	<u>\$ (6,073)</u>	

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	
2023	\$ (4)
2024	(1,435)
2025	(290)
2026	(592)
2027	-
Thereafter	-
	<u>\$ (2,321)</u>

Pension Expense – The pension expense under GASB 68 for the fiscal year ending June 30, 2022, is (\$1,304) It was developed using a measurement date of January 1, 2022, as permitted under paragraph 20 of GASB 68, not adjusted to the fiscal year-end for passage of time.

Employer Service Cost	\$ 239
Actual employee contributions	(114)
Administrative expenses	116
Interest Cost	4,898
Expected Return on Assets	(4,458)
Changes in Benefit Terms	-
Recognition of deferred (inflows)/outflows	<u>(1,985)</u>
Total collective pension expense	<u>\$ (1,304)</u>

MLGW Retirement System

MLGW is audited and reported independently of the annual audit of the City. The information presented below is taken directly from the MLGW audited financial statements dated December 31, 2021. MLGW operates independently from the City, manages its own finances, and is responsible for obligations incurred in such operations. MLGW operates on a calendar year basis, and this disclosure is made to provide transparency regarding the timing and reporting components of the financial information provided for the MLGW Retirement System.

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 by writing to the MLGW Manager of Risk Management & Employee Benefits, P.O. Box 430, Memphis, Tennessee 38101.

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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Retirees and beneficiaries receiving benefits	2,678	2,680
Participants inactive during year ended December 31 with vested rights	37	37
Active plan members	1,051	1,058
Active members not vested	1,429	1,485
Total	<u>5,195</u>	<u>5,260</u>

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:

<u>Retirement Age</u>	<u>Benefit Percentage For Each Year of Creditable Service</u>
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 2021 minimum monthly retirement benefit for all members is the greater of \$50 per month per year of service or \$500.

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 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, or the surviving spouse 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 or surviving spouse 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 2021, MLGW contributed 13.77% of the annual covered payroll. Employer contributions recognized by the MLGW Pension Plan during 2021 totaled \$24,199.

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
2012	\$ 30,067	\$ 30,063	\$ 4	\$ 154,347	19.48%
2013	\$ 30,705	\$ 30,706	\$ (1)	\$ 154,759	19.84%
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	\$ -	\$ 174,270	14.06%
2021	\$ 24,199	\$ 24,199	\$ -	\$ 175,790	13.77%

As MLGW is a separately audited and reported division of the primary government, the supplementary information presented above is not captured in Exhibit RSI-12.

Net Pension Liability – 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, 2020 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2021.

Actuarial Methods and Assumptions – The actuarial assumptions used in the valuation as of January 1, 2021, 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	7.25%, 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%	6.65%
International Equity	9%	7.82%
Fixed Income	24%	1.43%
Alternatives	15%	2.55%
Real Estate	15%	3.75%
Short Term Investments	2%	-0.10%
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability is 7.25% as of December 31, 2020. 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, 2020.

Discount Rate Sensitivity – The following presents the net pension liability of MLGW as of December 31, 2020, calculated using the discount rate of 7.25%, 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Current Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Net pension liability (asset)	\$64,010	(\$105,979)	(\$248,687)

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. Previous to this new guidance, a liability was recognized only to the extent that contributions made to the plan were exceeded by the actuarially calculated contributions.

	(a)	(b)	(a) - (b)
	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 1,530,875	\$ 1,557,372	\$ (26,497)
Service cost	32,142	-	32,142
Interest cost	109,265	-	109,265
Difference between expected and actual experience	9,102	-	9,102
Changes of assumptions	-	-	-
Employer contributions	-	24,504	(24,504)
Employee contributions	-	13,828	(13,828)
Net investment income	-	192,438	(192,438)
Benefit payments including refunds of employee contributions	(111,826)	(111,826)	-
Administrative expenses	-	(779)	779
Net change in plan fiduciary net position	<u>\$ 38,683</u>	<u>\$ 118,165</u>	<u>\$ (79,482)</u>
Balance at December 31, 2020	<u>\$ 1,569,558</u>	<u>\$ 1,675,537</u>	<u>\$ (105,979)</u>

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CITY OF MEMPHIS, TENNESSEE
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Required Schedule of Changes in Net Pension Liability

	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability								
Service Cost	\$ 32,142	\$ 31,636	\$ 31,185	\$ 31,977	\$ 32,591	\$ 30,139	\$ 31,786	\$ 33,122
Interest Cost	109,265	110,927	108,432	103,731	102,248	99,940	100,436	98,818
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	9,102	(5,040)	3,726	4,908	(11,298)	2,275	(16,338)	(14,280)
Changes in assumptions	-	(174)	-	-	-	-	(22,112)	-
Benefit Payments, including refunds of employee contributions	(111,826)	(107,731)	(113,316)	(104,919)	(102,628)	(100,528)	(100,249)	(91,931)
Net change in total pension liability	38,683	29,618	30,027	35,697	20,913	31,825	(6,477)	25,730
Total pension liability - beginning	1,530,875	1,501,257	1,471,230	1,435,533	1,414,620	1,382,794	1,389,271	1,363,542
Total pension liability - ending	\$ 1,569,558	\$ 1,530,875	\$ 1,501,257	\$ 1,471,230	\$ 1,435,533	\$ 1,414,619	\$ 1,382,794	\$ 1,389,271
Plan Fiduciary Net Position								
Employer Contributions	\$ 24,504	\$ 21,813	\$ 22,174	\$ 22,390	\$ 21,390	\$ 21,390	\$ 26,804	\$ 30,706
Employee Contributions	13,828	13,462	13,217	12,959	12,513	12,310	11,729	12,000
Net investment income	192,438	237,314	(39,996)	216,498	108,008	15,231	98,931	185,707
Benefit Payments including refunds of employee contributions	(111,826)	(107,731)	(113,315)	(104,919)	(102,628)	(100,528)	(100,249)	(91,931)
Administrative Expenses	(779)	(931)	(871)	(860)	(730)	(759)	(714)	(657)
Other	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	\$ 118,165	\$ 163,927	\$ (118,791)	\$ 146,068	\$ 38,553	\$ (52,356)	\$ 36,501	\$ 135,825
Other Adjustments	-	-	-	-	-	788	-	-
Plan fiduciary net position - beginning	1,557,372	1,393,445	1,512,237	1,366,169	1,327,616	1,379,184	1,342,683	1,206,858
Plan fiduciary net position - ending	\$ 1,675,537	\$ 1,557,372	\$ 1,393,446	\$ 1,512,237	\$ 1,366,169	\$ 1,327,616	\$ 1,379,184	\$ 1,342,683
System's net pension liability - ending	\$ (105,979)	\$ (26,497)	\$ 107,811	\$ (41,007)	\$ 69,364	\$ 87,003	\$ 3,610	\$ 46,588
Plan fiduciary net position as a percentage of the total pension liability	106.75%	101.73%	92.82%	102.79%	95.17%	93.85%	99.74%	96.65%
Covered employee payroll	\$ 173,425	\$ 170,946	\$ 169,605	\$ 167,221	\$ 161,926	\$ 160,641	\$ 152,368	\$ 154,759
System's net pension liability as a percentage of covered employee payroll	-61.11%	-15.50%	63.57%	-24.52%	42.84%	54.16%	2.37%	30.10%

As MLGW is a separately audited and reported division of the primary government, the supplementary information presented above is not captured in Exhibit RSI-11. 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: There have been no changes in benefit provision since GASB 68 implementation.
Change in assumptions: The assumptions were updated for the December 31, 2019 pension liability based on the five year experience study for the period ending December 31, 2018.

Pension Expense – Pension expense for the year ended December 31, 2021, is as follows:

Service cost	\$ 32,142
Interest on total pension liability	109,265
Employee contributions	(13,828)
Administrative expenses	779
Expected return on assets	(110,217)
Expensed portion of current year period differences between expected and actual experience in total pension liability	1,517
Expensed portion of current year period differences between projected and actual investment earnings	(16,444)
Current year recognition of deferred inflows and outflows established in prior years	(23,497)
Total expense	<u>\$ (20,283)</u>

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	\$ 24,199	\$ -
Net difference between projected and actual earnings on pension plan investments	-	(110,263)
Net difference between projected and actual experience in total Pension Liability	11,084	(5,243)
Assumption changes	-	(116)
Total	\$ 35,283	\$ (115,622)

Note: The \$24,199 contribution made subsequent to the measurement date will be recognized as a reduction of the net pension liability in 2022

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

Year Ending December 31	
2022	\$ (36,594)
2023	(11,377)
2024	(42,287)
2025	(15,796)
2026	1,517
Thereafter	-

Total aggregate amount of Pension expense is as follows

City of Memphis	\$	78,167
Library		(1,304)
MLGW		<u>(20,283)</u>
Total Pension expense	\$	<u>56,580</u>

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.

Blight Authority of Memphis, Inc. (BAM) – BAM 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.

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Each component unit* is reported in a combining 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	MSCAA	RCC	BAM (1)	TOTAL	ZOO	COMPONENT UNITS TOTAL
Current Assets	\$ 42,155	\$ 331,638	\$ 3,969	\$ 160	\$ 377,922	\$ 20,197	\$ 398,119
Property, plant and equipment (net of accumulated depreciation)	93,393	1,125,556	3,535	-	1,222,484	1,613	1,224,097
Other assets	498	293,371	-	31	293,900	-	293,900
Net pension asset	21,050	-	-	-	21,050	-	21,050
Total assets	<u>157,096</u>	<u>1,750,565</u>	<u>7,504</u>	<u>191</u>	<u>1,915,356</u>	<u>21,810</u>	<u>1,937,166</u>
Deferred outflows - charges on refunding	-	369	-	-	369	-	369
Deferred actuarial losses - pension	65	11,909	-	-	11,974	-	11,974
Deferred actuarial losses - OPEB	1,820	1,037	-	-	2,857	-	2,857
Total assets and deferred outflows	<u>\$ 158,981</u>	<u>\$ 1,763,880</u>	<u>\$ 7,504</u>	<u>\$ 191</u>	<u>\$ 1,930,556</u>	<u>\$ 21,810</u>	<u>\$ 1,952,366</u>
Current liabilities	\$ 8,523	\$ 64,252	\$ 2,028	\$ 1	\$ 74,804	\$ 6,196	\$ 81,000
Long-term liabilities	51,787	561,179	-	31	612,997	1,245	614,242
Total liabilities	<u>60,310</u>	<u>625,431</u>	<u>2,028</u>	<u>32</u>	<u>687,801</u>	<u>7,441</u>	<u>695,242</u>
Deferred inflows - revenue received in advance of expense	47,843	276,276	-	-	324,119	-	324,119
Net position	50,828	862,173	5,476	159	918,636	14,369	933,005
Total liabilities, deferred inflows, and net position	<u>\$ 158,981</u>	<u>\$ 1,763,880</u>	<u>\$ 7,504</u>	<u>\$ 191</u>	<u>\$ 1,930,556</u>	<u>\$ 21,810</u>	<u>\$ 1,952,366</u>
Operating revenues	\$ 2,492	\$ 109,163	\$ 5,581	\$ 7	\$ 117,243	\$ 26,512	\$ 143,755
Operating expenses	57,675	63,767	6,766	98	128,306	31,414	159,720
Operating income (loss) before depreciation and amortization	<u>(55,183)</u>	<u>45,396</u>	<u>(1,185)</u>	<u>(91)</u>	<u>(11,063)</u>	<u>(4,902)</u>	<u>(15,965)</u>
Depreciation and amortization	(12,088)	(51,138)	(314)	-	(63,540)	-	(63,540)
City of Memphis subsidy	19,170	-	2,614	-	21,784	-	21,784
Federal and State grant revenues	47,969	-	295	-	48,264	-	48,264
Interest and investment income (loss)	(530)	9,889	1	3	9,363	(1,435)	7,928
Other revenue (expense)	9,197	97,278	-	-	106,475	158	106,633
Change in net position	8,535	88,240	1,411	(88)	98,098	(6,179)	91,919
Net position - beginning of year, as restated	42,293	773,933	4,065	247	820,538	20,548	841,086
Net position - end of year	<u>\$ 50,828</u>	<u>\$ 862,173</u>	<u>\$ 5,476</u>	<u>\$ 159</u>	<u>\$ 918,636</u>	<u>\$ 14,369</u>	<u>\$ 933,005</u>

(1) Blight Authority of Memphis data reported as of June 30, 2020.

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 \$23.5m was spent in fiscal year 2020. Approximately \$85m was executed during fiscal year 2021, and the remaining \$5.1m allocation was expended in fiscal year 2022.

In conjunction with the CARES Act, the Housing and Community Development Division of the City received \$8m in Emergency Solutions Grant through the US 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 was schedule to receive \$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.*

The first tranche was received just prior to the FY21 year-end close, and the second tranche was received in May 2022 just prior to the year-end close. As of FY22, 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 FY22 more than \$55 million had already been expended. As of December 2022, more than \$77 million had been expended with \$64 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 \$23m in funding allocation through the Tennessee Housing Development Agency to provide Emergency Rental Assistance. Those initiatives have been appropriated and are on-going.



FINANCIAL SECTION

CITY OF MEMPHIS

T E N N E S S E E

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY
INFORMATION

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS UNDER GASB 74 AND GASB 75

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-1

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

(Thousands of Dollars)

For the fiscal year ended June 30, 2022

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	Net Benefit Payments (4)	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

(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 2.18% on the beginning-of-year Total OPEB Liability (including the change due to updated census as of July 1, 2021) 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 the mortality, turnover, Medicare eligibility, per capita costs, trend, and discount rate assumptions.

(4) 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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

(Thousands of Dollars)

For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-2

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

Note: The money average rate of return used to measure the total OPEB liability was 4.09% as of June 30, 2022, 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
OTHER POSTEMPLOYMENT BENEFITS (OPEB)

(Thousands of Dollars)

For the fiscal year ended June 30, 2022

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%

(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 calendar 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 calendar year 2021, the average salary was \$57,080.

**SCHEDULE OF CONTRIBUTIONS UNDER GASB 74 AND GASB 75
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
(Thousands of Dollars)
For the fiscal year ended June 30, 2022**

**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%

- (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 calendar 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 calendar year 2021, the average salary was \$57,080.

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, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-5

Total Pension Liability

Year Ending June 30 (1)	Beginning Total Pension Liability	Service Cost (2)	Interest (3)	Experience (Gains)/ Losses	Assumption Changes (4)	Changes of Benefit Terms	Benefit Payments	Transfer In/(Out) (5)	Ending Total Pension Liability
2014	\$ 2,592,987	\$ 55,409	\$ 192,223	\$ 58,245	\$ (128,961)	\$ -	\$ (170,833)	\$ -	\$ 2,599,070
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)	\$ 2,769	\$ 2,955,423

(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 7.5% on the prior year ending Total Pension Liability and current year beginning service cost offset by a half year of interest on benefit payments.

(4) Assumption changes for the most recent fiscal year reflect changes to the mortality improvement scale, valuation interest rate, interest crediting rate under the 2016 Plan, and long-term inflation.

(5) The Transfer In for 2021 reflects the transfer of the 401(a) account balances 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.

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, 2022

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	Transfer In/(Out) (2)	Ending Fiduciary Net Position
2014	\$ 2,040,069	\$ 19,440	\$ 24,173	\$ 342,614	\$ (170,833)	\$ (1,478)	\$ (8,827)	\$ -	2,245,158
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	\$ 54,458	\$ 20,014	\$ (251,646)	\$ (201,510)	\$ (6,090)	\$ (19,001)	\$ 2,769	2,406,675

(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 Transfer In for 2021 reflects the transfer of the 401(a) account balances 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.

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, 2022

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
2014	\$ 2,599,070	\$ 2,245,158	\$ 353,912	86.4%	\$ 324,000	109.2%
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(3)	\$ 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%

(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 *actual covered employee payroll* is defined under GASB 82 to be payroll on which contributions to a pension plan are based. As pensionable pay is used for determining contributions under the plan, pensionable pay is shown above starting June 30, 2016. Prior to June 30, 2016 the gross payroll is shown, consistent with the requirements prior to the release of GASB 82.

(3) Subsequent to the issuance of the June 30, 2018 financial statements, there was an error in reporting of the Fiduciary Net Position. The Investment Return and the Ending Fiduciary Net Position have been restated. Additionally, the fiscal year 2018 financial statements have been restated for the effects of this error. The effect of the error is presented in the Reclassification of the Net Position in Note I-D.

SCHEDULE OF CONTRIBUTIONS
CITY RETIREMENT SYSTEM
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-8

For the fiscal year ended June 30, 2022

Schedule of Contributions

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
2014	\$ 96,024	\$ 19,440	\$ (76,584)	\$ 324,000	6.0%
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	\$ 54,458	\$ 2,257	\$ 402,813	13.5%

Note: Beginning in 2022 the employer contribution includes monies transferred from the Sales Tax Referendum Revenue Fund.

- (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, 2014 for GASB 67 purposes and prospectively from fiscal year ending June 30, 2015 for GASB 68 purposes.
- (2) The actuarially determined contribution is for the fiscal year end and is developed in a separate funding report for the corresponding fiscal year.
- (3) The *actual covered employee payroll* is defined under GASB 82 to be payroll on which contributions to a pension plan are based. As pensionable pay is used for determining contributions under the plan, pensionable pay is shown above starting June 30, 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.

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS UNDER GASB 67 AND 68

**CITY OF MEMPHIS, TENNESSEE
Exhibit RSI-9**

LIBRARY RETIREMENT SYSTEM

(Thousands of Dollars)

For the fiscal year ended June 30, 2022

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

(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
LIBRARY RETIREMENT SYSTEM
 (Thousands of Dollars)
 For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
 Exhibit RSI-10

Plan Fiduciary Net Position

Year Ending June 30 (1)	Beginning Fiduciary Net Position	Employer Contribution	Employee Contribution	Investment Return	Benefit Payments	Administrative Expenses	Investment Expenses	Ending Fiduciary Net Position
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

(1) This schedule is prepared to satisfy the requirement to show information regarding the Net Pension Liability and Related Ratios for 10 years. The information presented above is for those years for which it is available.

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS UNDER GASB 67 AND 68
LIBRARY RETIREMENT SYSTEM
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

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%

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, 2022

Schedule of Contributions under GASB 67

Year Ending December 31 (1)	Actuarially Determined Contribution (2)	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll (3)	Contributions as a Percentage of Covered Payroll
2015	\$ 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	\$ 1,304	\$ 1,658	\$ 354	\$ 3,786	43.8%

- (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, 2021 is based on 6-month portions applicable to the City fiscal years ending on June 30, 2021 and June 30, 2022.
- (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, 2022

**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%

(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' most recent fiscal year-end (June 30).

(2) The actuarially determined contribution is calculated as of the City's fiscal year end and is based on a discount rate assumption of 7.25%. It is developed in a separate funding report for the corresponding fiscal year. 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).



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 fund accounts for assistance received from Federal Government to provide relief for negative impact of COVID-19.

Beale Street District - The Beale Street District fund accounts for the development of the Beale Street Area.

Central Business Improvement District - The Central Business Improvement District Fund accounts for the special assessments distributed to the Center City Commission.

Community Catalyst - The Community Catalyst Fund accounts for property taxes collected by the City designated 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 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 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 construction of a sports and basketball arena, FedEx Forum.

Pre-K - The Pre-K Education Fund accounts for property taxes collected by the City designated to fund Pre-K needs-based enrollment.

2019 Sales Tax Referendum - The 2019 Sales Tax Referendum accounts for proceeds of the sales tax to restore and maintain the health care benefits for Public Safety employees and retirees.

Solid Waste Management - The Solid Waste Management Fund accounts for the revenues and expenditures related to the collection and disposal of solid waste.

State Street Aid - The State Street Aid Fund accounts for proceeds of the local share of the tax on motor fuel that are restricted to use only on street and road construction and maintenance.



NONMAJOR FUNDS
 COMBINING BALANCE SHEET
 (Thousands of Dollars)
 For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
 Exhibit B-1

	Affordable Housing	American Rescue Plan Act (ARPA)	Beale Street District	Central Business Improvement District	Community Catalyst	Drug Enforcement	Education	Electronic Traffic Citation Fees	Fire EMS	Hotel/ Motel Tax
ASSETS										
Cash and cash equivalents	\$ -	\$ 78,279	\$ -	\$ -	\$ -	\$ 311	\$ -	\$ -	\$ -	\$ -
Equity in cash and investment pool	450	26,399	1,616	647	124	10,523	24	538	1,350	3,381
Receivables (net of allowance for uncollectibles):										
Property taxes:										
Current property taxes	-	-	-	4,630	-	-	-	-	-	-
Delinquent property taxes	11	-	-	77	11	-	-	-	-	-
Special assessments:										
Sales, income, and other taxes	-	-	-	-	-	-	-	-	-	-
Federal grants and entitlements	-	-	-	-	-	-	-	-	-	-
State grants and entitlements	-	-	-	-	-	-	-	-	-	-
Other	-	(1)	-	-	-	1	-	-	-	-
Due from other agencies and governments	1	-	-	-	1	-	-	-	-	1,682
Total assets	\$ 462	\$ 104,677	\$ 1,616	\$ 5,354	\$ 136	\$ 10,835	\$ 24	\$ 538	\$ 1,350	\$ 5,063
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ -	\$ 379	\$ -	\$ 598	\$ -	\$ 177	\$ 14	\$ -	\$ -	\$ 472
Accrued liabilities	-	375	-	-	-	-	-	-	-	-
Contract retainage	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Due to other agencies and governments	-	103,923	-	-	-	-	10	-	-	-
Unearned revenue	-	-	-	4,711	-	1,632	-	-	-	-
Total liabilities	-	104,677	-	5,309	-	1,809	24	-	-	472
Deferred Inflows:										
Uncollected property taxes	11	-	-	-	11	-	-	-	-	-
Uncollected special assessments	-	-	-	-	-	-	-	-	-	-
Total deferred inflows	11	-	-	-	11	-	-	-	-	-
Fund balances:										
Restricted	451	-	1,616	45	125	9,026	-	538	1,350	-
Committed	-	-	-	-	-	-	-	-	-	4,591
Total fund balances	451	-	1,616	45	125	9,026	-	538	1,350	4,591
Total liabilities, deferred inflows, and fund balances	\$ 462	\$ 104,677	\$ 1,616	\$ 5,354	\$ 136	\$ 10,835	\$ 24	\$ 538	\$ 1,350	\$ 5,063

NONMAJOR FUNDS
 COMBINING BALANCE SHEET
 (Thousands of Dollars)
 For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
 Exhibit B-1
 (Continued)

HUB Community Impact	Metro Alarms	Miscellaneous Grants	New Memphis Arena	Pre-K	2019 Sales Tax Referendum	Solid Waste Management	State Street Aid	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,590	ASSETS
550	2,267	48	2,086	10,732	74,975	18,638	-	154,348	Cash and cash equivalents
-	-	-	-	12	-	-	-	4,642	Equity in cash and investment pool
-	-	-	-	56	-	-	-	155	Receivables (net of allowance for uncollectibles):
-	-	-	-	-	6,226	-	-	6,226	Property taxes:
-	-	1,149	-	-	-	-	-	1,149	Current property taxes
-	-	5	-	-	-	-	5,178	5,183	Delinquent property taxes
-	-	4,614	-	-	-	44	-	4,658	Special assessments:
-	-	-	-	12	-	6,327	-	8,023	Sales, income, and other taxes
-	-	-	-	-	-	-	-	-	Federal grants and entitlements
-	-	-	-	-	-	-	-	-	State grants and entitlements
-	-	-	-	-	-	-	-	-	Other
-	-	-	-	-	-	-	-	-	Due from other agencies and governments
\$ 550	\$ 2,267	\$ 5,816	\$ 2,086	\$ 10,812	\$ 81,201	\$ 25,009	\$ 5,178	\$ 262,974	Total assets
LIABILITIES AND FUND BALANCES									
\$ 550	\$ 12	\$ 970	\$ -	\$ -	\$ 600	\$ 3,897	\$ -	\$ 7,669	Liabilities:
-	-	-	-	-	-	-	-	375	Accounts payable
-	-	45	-	-	31	-	-	76	Accrued liabilities
-	-	-	-	-	-	6,750	4,182	10,932	Contract retainage
-	-	527	-	-	-	-	-	104,460	Due to other funds
-	-	-	-	-	-	-	-	-	Due to other agencies and governments
-	-	4,274	-	-	-	-	-	10,617	Unearned revenue
550	12	5,816	-	-	631	10,647	4,182	134,129	Total liabilities
-	-	-	-	69	-	-	-	91	Deferred Inflows:
-	-	-	-	-	-	44	-	44	Uncollected property taxes
-	-	-	-	69	-	44	-	135	Uncollected special assessments
-	-	-	-	-	-	-	-	-	Fund balances:
-	-	-	-	10,744	80,570	14,318	996	119,779	Restricted
-	2,255	-	2,086	-	-	-	-	8,932	Committed
-	2,255	-	2,086	10,744	80,570	14,318	996	128,711	Total fund balances
\$ 550	\$ 2,267	\$ 5,816	\$ 2,086	\$ 10,813	\$ 81,201	\$ 25,009	\$ 5,178	\$ 262,975	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, 2022

CITY OF MEMPHIS, TENNESSEE
 Exhibit B-2

	Affordable Housing	American Rescue Plan Act (ARPA)	Beale Street District	Central Business Improvement District	Community Catalyst	Drug Enforcement	Education	Electronic Traffic Citation Fees	Fire EMS	Hotel/ Motel Tax
REVENUES										
Local taxes:										
Property taxes	\$ 1	\$ -	\$ -	\$ 45	\$ 1	\$ -	\$ 10	\$ -	\$ -	\$ -
Special assessments - current	-	-	-	4,367	-	-	-	-	-	-
Special assessments - prior	-	-	-	95	-	-	-	-	-	-
Sales tax general	-	-	-	-	-	-	-	-	-	-
Other local taxes	-	-	-	-	-	-	-	-	-	-
Total local taxes	1	-	-	4,507	1	-	10	-	-	-
State taxes (local share):										
Gas and motor fuel tax	-	-	-	-	-	-	-	-	-	-
Gas 3 cent	-	-	-	-	-	-	-	-	-	-
Gas 1989	-	-	-	-	-	-	-	-	-	-
Gas 2017	-	-	-	-	-	-	-	-	-	-
Hotel/motel tax	-	-	-	-	-	-	-	-	-	17,057
Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	2,169	-	11	-	-
Charges for services	-	-	141	-	-	-	-	-	-	-
Investment income	(4)	(1,721)	-	-	(6)	(97)	-	(8)	-	-
Federal grants and entitlements	-	57,138	-	-	-	34	-	-	1,721	-
State grants	-	-	-	-	-	-	-	-	-	-
Other	51	-	-	-	-	9	-	-	-	-
Total revenues	48	55,417	141	4,507	(5)	2,115	10	3	1,721	17,057
EXPENDITURES										
General government	-	30,453	-	4,462	-	-	-	-	-	10,521
Public safety	-	-	-	-	-	1,861	-	274	374	-
Community service	23	-	-	-	366	-	-	-	-	-
Transportation & environment	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	10	-	-	-
Total expenditures	23	30,453	-	4,462	366	1,861	10	274	374	10,521
Revenues over (under) expenditures	25	24,964	141	45	(371)	254	-	(271)	1,347	6,536
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(24,964)	-	-	-	-	-	-	-	(6,633)
Total other financing sources and uses	-	(24,964)	-	-	-	-	-	-	-	(6,633)
Net change in fund balances	25	-	141	45	(371)	254	-	(271)	1,347	(97)
Fund balances - beginning of year	426	-	1,475	-	496	8,772	-	809	3	4,688
Fund balances - end of year	\$ 451	\$ -	\$ 1,616	\$ 45	\$ 125	\$ 9,026	\$ -	\$ 538	\$ 1,350	\$ 4,591

NONMAJOR FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 (Thousands of Dollars)
 For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
 Exhibit B-2
 (Continued)

HUB Community Impact	Metro Alarm	Miscellaneous Grants	New Memphis Arena	Pre-K	2019 Sales Tax Referendum	Solid Waste Management	State Street Aid	Total	
REVENUES									
Local taxes:									
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57	57 Property taxes
-	-	-	-	5,573	-	-	-	9,940	9,940 Special assessments - current
-	-	-	-	-	-	-	-	95	95 Special assessments - prior
-	-	-	-	-	71,304	-	-	71,304	71,304 Sales tax general
-	-	-	-	-	-	80	-	80	80 Other local taxes
-	-	-	-	5,573	71,304	80	-	81,476	Total local taxes
State taxes (local share):									
-	-	-	-	-	-	-	12,471	12,471	12,471 Gas and motor fuel tax
-	-	-	-	-	-	-	3,307	3,307	3,307 Gas 3 cent
-	-	-	-	-	-	-	1,674	1,674	1,674 Gas 1989
-	-	-	-	-	-	-	5,887	5,887	5,887 Gas 2017
-	-	-	-	-	-	-	-	17,057	17,057 Hotel/motel tax
-	2,268	-	-	-	-	-	-	2,268	2,268 Licenses and Permits
-	-	-	-	-	-	-	-	2,180	2,180 Fines and forfeitures
-	-	-	-	-	-	76,570	-	76,570	76,570 Charges for services
(6)	(50)	-	-	(65)	-	(167)	-	(2,124)	(2,124) Investment income
-	-	12,663	-	-	-	-	-	71,556	71,556 Federal grants and entitlements
-	-	4,431	-	-	-	-	-	4,431	4,431 State grants
-	3	1,981	-	-	-	14	-	2,058	2,058 Other
(6)	2,221	19,075	-	5,508	71,304	76,497	23,339	278,952	Total revenues
EXPENDITURES									
(1)	450	17,603	2,500	-	643	-	20,575	87,206	87,206 General government
-	-	1,280	-	-	21,204	-	-	24,993	24,993 Public safety
550	-	-	-	-	-	-	-	939	939 Community service
-	-	-	-	-	-	74,164	-	74,164	74,164 Transportation & environment
-	-	-	-	6,000	-	-	-	6,010	6,010 Education
549	450	18,883	2,500	6,000	21,847	74,164	20,575	193,312	Total expenditures
(555)	1,771	192	(2,500)	(492)	49,457	2,333	2,764	85,640	Revenues over (under) expenditures
OTHER FINANCING SOURCES (USES)									
550	-	-	4,475	5,000	-	-	-	10,025	10,025 Transfers in
-	(1,600)	(192)	-	-	(28,378)	(3,394)	(1,768)	(66,929)	(66,929) Transfers out
550	(1,600)	(192)	4,475	5,000	(28,378)	(3,394)	(1,768)	(56,904)	Total other financing sources and uses
(5)	171	-	1,975	4,508	21,079	(1,061)	996	28,736	Net change in fund balances
5	2,084	-	111	6,236	59,491	15,379	-	99,975	99,975 Fund balances - beginning of year
\$ -	\$ 2,255	\$ -	\$ 2,086	\$ 10,744	\$ 80,570	\$ 14,318	\$ 996	\$ 128,711	Fund balances - end of year

(Continued)

NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (WITH ANNUAL BUDGETS)
 (Thousands of Dollars)
 For the fiscal year ended June 30, 2022

	Budget Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
AFFORDABLE HOUSING				
Revenues:				
Property taxes	\$ -	\$ -	\$ 1	\$ 1
Investment income	-	-	(4)	(4)
Other	-	-	51	51
Total revenues	-	-	48	48
Expenditures:				
Community service	-	80	23	57
Total expenditures	-	80	23	57
Revenues over (under) expenditures	\$ -	\$ (80)	\$ 25	\$ 105
AMERICAN RESCUE PLAN ACT (ARPA)				
Revenues:				
Federal grants and entitlements	\$ -	\$ 48,011	\$ 57,138	\$ 9,127
Other	-	-	(1,721)	(1,721)
Total revenues	-	48,011	55,417	7,406
Expenditures:				
General government	-	48,011	30,453	17,558
Total expenditures	-	48,011	30,453	17,558
Other financing sources (uses):				
Transfers out	-	-	(24,964)	(24,964)
Total other financing sources (uses)	-	-	(24,964)	(24,964)
Revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
BEALE STREET DISTRICT				
Revenues:				
Charges for services	\$ 492	\$ 492	\$ 141	\$ (351)
Total revenues	492	492	141	(351)
Revenues over (under) expenditures	\$ 492	\$ 492	\$ 141	\$ (351)
CENTRAL BUSINESS IMPROVEMENT DISTRICT				
Revenues:				
Other local taxes	\$ -	\$ -	\$ 4,507	\$ 4,507
Total revenues	-	-	4,507	4,507
Expenditures:				
General government	-	-	4,462	(4,462)
Total expenditures	-	-	4,462	(4,462)
Revenues over (under) expenditures	\$ -	\$ -	\$ 45	\$ 45
COMMUNITY CATALYST				
Revenues:				
Property taxes	\$ -	\$ -	\$ 1	\$ 1
Investment income	-	-	(7)	(7)
Other	401	401	-	(401)
Total revenues	401	401	(6)	(407)
Expenditures:				
Community Service	401	704	366	338
Total expenditures	401	704	366	338
Revenues over (under) expenditures	\$ -	\$ (303)	\$ (372)	\$ (69)

(Continued)

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (WITH ANNUAL BUDGETS)
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit B-3
(Continued)

	Budget Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
DRUG ENFORCEMENT				
Revenues:				
Investment income	\$ -	\$ -	\$ (98)	\$ (98)
Fines and forfeitures	1,494	1,494	2,169	675
Federal grants and entitlements	70	70	34	(36)
Other	1,724	1,724	9	(1,715)
Total revenues	<u>3,288</u>	<u>3,288</u>	<u>2,114</u>	<u>(1,174)</u>
Expenditures:				
Public safety	3,288	4,329	1,860	2,469
Total expenditures	<u>3,288</u>	<u>4,329</u>	<u>1,860</u>	<u>2,469</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (1,041)</u>	<u>\$ 254</u>	<u>\$ 1,295</u>
EDUCATION				
Revenues:				
Investment income	\$ -	\$ -	\$ 10	\$ 10
Total revenues	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
Expenditures:				
Education	-	-	10	(10)
Total expenditures	<u>-</u>	<u>-</u>	<u>10</u>	<u>(10)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ELECTRONIC TRAFFIC CITATION FEES				
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 11	\$ 11
Investment income	-	-	(8)	(8)
Total revenues	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>318</u>	<u>275</u>	<u>(43)</u>
Other financing sources (uses):				
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ (318)</u>	<u>\$ (272)</u>	<u>\$ 46</u>
FIRM EMS				
Revenues:				
Federal grants and entitlements	\$ 3,437	\$ 3,437	\$ 1,721	\$ (1,716)
Total revenues	<u>3,437</u>	<u>3,437</u>	<u>1,721</u>	<u>(1,716)</u>
Expenditures:				
Public Safety	3,437	3,437	374	3,063
Total expenditures	<u>3,437</u>	<u>3,437</u>	<u>374</u>	<u>3,063</u>
Other financing sources (uses):				
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,347</u>	<u>\$ 1,347</u>
HOTEL/MOTEL TAX				
Revenues:				
Hotel/motel tax	\$ 10,000	\$ 10,000	\$ 17,058	\$ 7,058
Other	3,593	3,593	-	(3,593)
Total revenues	<u>13,593</u>	<u>13,593</u>	<u>17,058</u>	<u>3,465</u>
Expenditures:				
General government	6,960	6,960	10,521	(3,561)
Total expenditures	<u>6,960</u>	<u>6,960</u>	<u>10,521</u>	<u>(3,561)</u>
Other financing sources (uses):				
Transfers out	(6,633)	(6,633)	(6,633)	-
Total other financing sources (uses)	<u>(6,633)</u>	<u>(6,633)</u>	<u>(6,633)</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (96)</u>	<u>\$ (96)</u>

(Continued)

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (WITH ANNUAL BUDGETS)
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit B-3
(Continued)

	Budget Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
HUB COMMUNITY IMPACT				
Revenues:				
Investment income	\$ 1	\$ 1	\$ (6)	\$ (7)
Total revenues	<u>1</u>	<u>1</u>	<u>(6)</u>	<u>(7)</u>
Expenditures:				
Community Service	551	551	549	2
Total expenditures	<u>551</u>	<u>551</u>	<u>549</u>	<u>2</u>
Other financing sources (uses):				
Transfers in	550	550	550	-
Total other financing sources (uses)	<u>550</u>	<u>550</u>	<u>550</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5)</u>	<u>\$ (5)</u>
METRO ALARM				
Revenues:				
Licenses and permits	\$ 1,850	\$ 1,850	\$ 2,268	\$ 418
Investment income	5	5	(51)	(56)
Other	318	318	3	(315)
Total revenues	<u>2,173</u>	<u>2,173</u>	<u>2,220</u>	<u>47</u>
Expenditures:				
General government	573	573	450	123
Total expenditures	<u>573</u>	<u>573</u>	<u>450</u>	<u>123</u>
Other financing uses:				
Transfers out	(1,600)	(1,600)	(1,600)	-
Total other financing uses	<u>(1,600)</u>	<u>(1,600)</u>	<u>(1,600)</u>	<u>-</u>
Revenues over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170</u>	<u>\$ 170</u>
MISCELLANEOUS GRANTS				
Revenues:				
Federal grants and entitlements	\$ -	\$ -	\$ 12,663	\$ 12,663
State grants	-	-	4,431	4,431
Other	-	-	1,981	1,981
Total revenues	<u>-</u>	<u>-</u>	<u>19,075</u>	<u>19,075</u>
Expenditures:				
General government	-	14,541	17,603	(3,062)
Public Safety	-	-	1,280	(1,280)
Total expenditures	<u>-</u>	<u>14,541</u>	<u>18,883</u>	<u>(4,342)</u>
Other financing sources (uses):				
Transfers out	-	-	(192)	(192)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(192)</u>	<u>(192)</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ (14,541)</u>	<u>\$ -</u>	<u>\$ 14,541</u>
NEW MEMPHIS ARENA				
Revenues:				
Other local taxes	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
Expenditures:				
General government	2,500	2,500	2,500	-
Total expenditures	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	-	4,475	4,475
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,475</u>	<u>4,475</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,975</u>	<u>\$ 1,975</u>

(Continued)

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (WITH ANNUAL BUDGETS)
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit B-3
(Continued)

	Budget Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
PRE-K				
Revenues:				
Other local taxes	\$ 2,038	\$ 2,038	\$ 5,574	\$ 3,536
Investment income	-	-	(66)	(66)
Total revenues	<u>2,038</u>	<u>2,038</u>	<u>5,508</u>	<u>3,470</u>
Expenditures:				
Education	6,000	6,000	6,000	-
Contributed from unassigness fund balance	1,038	1,038	-	1,038
Total expenditures	<u>7,038</u>	<u>7,038</u>	<u>6,000</u>	<u>1,038</u>
Other financing sources (uses):				
Transfers in	5,000	5,000	5,000	-
Total other financing sources (uses)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,508</u>	<u>\$ 4,508</u>
2019 SALES TAX REFERENDUM				
Revenues:				
Sales tax general	\$ 62,000	\$ 62,000	\$ 71,304	\$ 9,304
Total revenues	<u>62,000</u>	<u>62,000</u>	<u>71,304</u>	<u>9,304</u>
Expenditures:				
General government	3,000	36,625	643	(35,982)
Public Safety	-	-	21,203	21,203
Total expenditures	<u>3,000</u>	<u>36,625</u>	<u>21,846</u>	<u>(14,779)</u>
Other financing sources (uses):				
Transfers out	(59,000)	(25,375)	(28,378)	(3,003)
Total other financing sources (uses)	<u>(59,000)</u>	<u>(25,375)</u>	<u>(28,378)</u>	<u>(3,003)</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,080</u>	<u>\$ 6,301</u>
SOLID WASTE MANAGEMENT				
Revenues:				
Other local taxes	\$ 100	\$ 100	\$ 80	\$ (20)
Charges for services	75,101	75,101	76,570	1,469
Investment income	53	53	(167)	(220)
Federal grants and entitlements	-	17,500	-	(17,500)
Other	25	25	14	(11)
Total revenues	<u>75,279</u>	<u>92,779</u>	<u>76,497</u>	<u>(16,282)</u>
Expenditures:				
Transportation and environment	71,883	78,689	74,164	4,525
Total expenditures	<u>71,883</u>	<u>78,689</u>	<u>74,164</u>	<u>4,525</u>
Other financing sources (uses):				
Transfers out	(3,394)	(3,394)	(3,394)	-
Total other financing sources (uses)	<u>(3,394)</u>	<u>(3,394)</u>	<u>(3,394)</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ 2</u>	<u>\$ 10,696</u>	<u>\$ (1,061)</u>	<u>\$ (11,757)</u>
STATE STREET AID				
Revenues:				
State gasoline tax (local share):				
Gas and motor fuel tax	\$ 11,860	\$ 11,860	\$ 12,470	\$ 610
Gas 3 cent	3,500	3,500	3,307	(193)
Gas 1989	1,850	1,850	1,674	(176)
Gas 2017	5,900	5,900	5,887	(13)
Total revenues	<u>23,110</u>	<u>23,110</u>	<u>23,338</u>	<u>228</u>
Expenditures:				
General government	21,342	21,342	20,574	768
Total expenditures	<u>21,342</u>	<u>21,342</u>	<u>20,574</u>	<u>768</u>
Other financing uses:				
Transfers out	(1,768)	(1,768)	(1,768)	-
Total other financing uses	<u>(1,768)</u>	<u>(1,768)</u>	<u>(1,768)</u>	<u>-</u>
Revenues over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 996</u>	<u>\$ 996</u>

(Continued)

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (WITH ANNUAL BUDGETS)
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit B-3
(Continued)

	Budget Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
TOTAL NONMAJOR SPECIAL REVENUE FUNDS				
Revenues:				
Local taxes:				
Property taxes	\$ -	\$ -	\$ 2	\$ 2
Sales tax general	62,000	62,000	71,304	9,304
Other local taxes	2,138	2,138	10,161	8,023
State taxes (local share):				
Gas and motor fuel tax	11,860	11,860	12,471	611
Gas 3 cent	3,500	3,500	3,307	(193)
Gas 1989	1,850	1,850	1,674	(176)
Gas 2017	5,900	5,900	5,888	(12)
Hotel/motel tax	10,000	10,000	17,058	7,058
Licenses and permits	1,850	1,850	2,268	418
Fines and forfeitures	1,494	1,494	2,180	686
Charges for services	75,593	75,593	76,711	1,118
Investment income	59	59	(395)	(454)
Federal grants and entitlements	3,507	69,018	71,556	2,538
State grants	-	-	4,431	4,431
Other	6,061	6,061	336	(5,725)
Total revenues	185,812	251,323	278,952	27,629
Expenditures:				
General government	34,375	130,552	87,206	43,346
Public safety	6,725	7,804	24,993	(17,189)
Community service	952	1,335	939	396
Transportation and environment	71,883	78,689	74,164	4,525
Education	6,000	6,000	6,010	(10)
Total expenditures	119,935	224,380	193,312	31,068
Other financing sources (uses)				
Transfers in	5,550	5,550	10,025	4,475
Transfers out	(72,395)	(38,770)	(66,929)	(28,159)
Total other financing sources (uses)	(66,845)	(33,220)	(56,904)	(23,684)
Revenues over (under) expenditures and other financing sources (uses)	\$ (968)	\$ (6,277)	\$ 28,736	\$ 35,013

CITY OF MEMPHIS

T E N N E S S E E

ENTERPRISE FUNDS

Enterprise Funds account for the acquisition, operations and maintenance of the City's facilities and services that are entirely or predominantly supported by user charges or where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

All activities necessary to provide services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, and debt service.

Storm Water – The Storm Water Fund accounts for the operations of the storm water system operated by the City.

ENTERPRISE FUND
STATEMENT OF NET POSITION
(Thousands of Dollars)
June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit C-1

	<u>Storm Water</u>
ASSETS	
Current assets:	
Investments	\$ 2,527
Equity in cash and investment pool	22,345
Restricted funds - current	30,250
Accounts receivable	2,991
Total current assets	<u>58,113</u>
Capital assets:	
Land	37
Buildings	2,573
Improvements other than buildings	100,771
Machinery and equipment	19,845
Less accumulated depreciation and amortization	<u>(39,049)</u>
Total capital assets	84,177
Construction in progress	<u>67,768</u>
Net capital assets	<u>151,945</u>
Total assets	<u>210,058</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	8,666
OPEB	472
Total assets and deferred outflows of resources	<u>219,196</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	1,869
Contract retainage	675
Current revenue bond payable	815
Vacation, sick and other leave benefits	1,561
Total current liabilities	<u>4,920</u>
Long Term liabilities:	
Revenue bond payable	38,409
Net pension Liability	7,062
Net OPEB liability	14,799
Total long term liabilities	<u>60,270</u>
Total liabilities	65,190
DEFERRED INFLOWS OF RESOURCES	
Pension	5,364
OPEB	3,035
Total liabilities and deferred inflows of resources	<u>73,589</u>
NET POSITION	
Net investment in capital assets	109,520
Restricted for debt service	5,039
Unrestricted	31,048
Total net position	<u>\$ 145,607</u>

ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit C-2

	<u>Storm Water</u>
Operating revenues-charges for services	\$ 36,711
Operating expenses other than depreciation and amortization:	
Personnel services	12,071
Materials, supplies, services, and other	<u>6,483</u>
Total operating expenses other than depreciation and amortization	<u>18,554</u>
Operating income before depreciation and amortization	<u>18,157</u>
Depreciation and amortization	<u>3,334</u>
Operating income (loss)	<u>14,823</u>
Non-operating revenues:	
Investment income	(186)
Other revenue	<u>1,583</u>
Total non-operating revenues	<u>1,397</u>
Income (loss) before non-operating expenses, transfers, and capital contributions	<u>16,220</u>
Non-operating expense:	
Interest on bond indebtedness	843
Other	<u>203</u>
Total non-operating expenses	<u>1,046</u>
Transfers out	<u>(106)</u>
Change in net position	15,068
Total net position (deficit) - beginning of year	<u>130,539</u>
Total net position (deficit) - end of year	<u>\$ 145,607</u>

ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit C-3

	<u>Storm Water</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 37,278
Miscellaneous income	223
Payments to suppliers	(8,385)
Payments to employees	(11,747)
Miscellaneous payments	(203)
Net cash provided by operating activities	<u>17,166</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Transfers to other funds	(106)
Net cash used in non-capital financing activities	<u>(106)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(11,849)
Principal payment on long term commercial paper loan	(1,792)
Principal payment on debt	(775)
Interest payments	(1,789)
Net cash provided by capital and related financing activities:	<u>(16,205)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Income earned on investments	(166)
Net cash used in investing activities	<u>(166)</u>
Net change in cash and cash equivalents	689
Cash and cash equivalents, beginning of year	51,906
Cash and cash equivalents, end of year	<u>\$ 52,595</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 14,823
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	3,334
Other income	20
(Increase) decrease in assets:	
Accounts receivable	567
Deferred outflows Pension	(4,645)
Deferred outflows OPEB	(101)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(1,147)
Deferred inflows Pension	(1,621)
Deferred inflows OPEB	881
Net pension liability	7,173
Net OPEB liability	(2,118)
Total adjustments	<u>2,343</u>
Net cash provided by operating activities	<u>\$ 17,166</u>



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.

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF NET POSITION
 (Thousands of Dollars)
 June 30, 2022

CITY OF MEMPHIS, TENNESSEE
 Exhibit D-1

	Fleet Management	Health Insurance	Unemployment Compensation	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ 1	\$ -	\$ 1
Equity in cash and investment pool	5,881	27,904	1,143	34,928
Receivables	45	-	-	45
Inventories	1,890	-	-	1,890
Total current assets	7,816	27,905	1,143	36,864
Total assets	7,816	27,905	1,143	36,864
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows - OPEB	-	57	-	57
Total deferred outflows of resources	-	57	-	57
Total assets and deferred outflows of resources	7,816	27,962	1,143	36,921
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	1,631	358	-	1,989
Insurance claims payable	-	10,579	-	10,579
Vacation, sick and other leave benefits	-	231	-	231
Total current liabilities	1,631	11,168	-	12,799
Long term liabilities:				
Net OPEB liability	-	807	-	807
Total long term liabilities	-	807	-	807
Total liabilities	1,631	11,975	-	13,606
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - OPEB	-	106	-	106
Total deferred inflows of resources	-	106	-	106
NET POSITION				
Unrestricted (deficit)	6,185	15,881	1,143	23,209
Total net position	\$ 6,185	\$ 15,881	\$ 1,143	\$ 23,209

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 (Thousands of Dollars)
 For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
 Exhibit D-2

	Fleet Management	Health Insurance	Unemployment Compensation	Total
Operating revenues:				
Charges for services	\$ 33,315	\$ -	\$ -	\$ 33,315
Pharmacy Rx rebates	-	6,752	-	6,752
Employee contributions	-	16,649	-	16,649
Employer contributions	-	62,047	530	62,577
Total operating revenues	33,315	85,448	530	119,293
Operating expenses other than depreciation:				
Personnel services	-	4,714	-	4,714
Materials and supplies	15,139	6,663	-	21,802
Capital outlay	296	7	-	303
Death benefits	-	174	-	174
PCORI tax	-	70	-	70
Inventories	17,041	-	-	17,041
Claims incurred	-	72,412	92	72,504
Total operating expenses other than depreciation	32,476	84,040	92	116,608
Operating income (loss) before depreciation	839	1,408	438	2,685
Operating income (loss)	839	1,408	438	2,685
Non-operating revenues:				
Investment income	(39)	(229)	(25)	(293)
Total non-operating revenues	(39)	(229)	(25)	(293)
Income (loss) before transfers	800	1,179	413	2,392
Transfers in/(out), net	-	1,650	-	1,650
Change in net position	800	2,829	413	4,042
Total net position (deficit) - beginning of year, PY	5,385	13,052	730	19,167
Total net position (deficit) - end of year	\$ 6,185	\$ 15,881	\$ 1,143	\$ 23,209

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit D-3

	Fleet Management	Health Insurance	Unemployment Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 199	\$ -	\$ -	\$ 199
Receipts from other division funds	33,105	-	-	33,105
Employee contributions	-	16,649	-	16,649
Employer contributions	-	62,046	528	62,574
Pharmacy rx rebates	-	6,752	-	6,752
Payments to suppliers	(15,220)	(7,900)	-	(23,120)
Payments to employees	-	(4,686)	-	(4,686)
PCORI Taxes	-	(70)	-	(70)
Payments for inventory	(16,911)	-	-	(16,911)
Payments for death benefits	-	(174)	-	(174)
Payments for claims incurred	-	(71,213)	(109)	(71,322)
Net cash (used in) provided by operating activities	<u>1,173</u>	<u>1,404</u>	<u>419</u>	<u>2,996</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	1,650	-	1,650
Net cash provided by non-capital financing activities	<u>-</u>	<u>1,650</u>	<u>-</u>	<u>1,650</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Income earned on investments	(39)	(229)	(25)	(293)
Net cash provided by investing activities	<u>(39)</u>	<u>(229)</u>	<u>(25)</u>	<u>(293)</u>
Net increase (decrease) in cash and cash equivalents	1,134	2,825	394	4,353
Cash and cash equivalents, beginning of year, PY	4,747	25,078	752	30,577
Cash and cash equivalents, end of year	<u>\$ 5,881</u>	<u>\$ 27,903</u>	<u>\$ 1,146</u>	<u>\$ 34,930</u>
Reconciliation of operating income (loss) to net cash (used in) provided by operating activities:				
Operating income (loss)	\$ 839	\$ 1,408	\$ 438	\$ 2,685
(Increase) decrease in assets:				
Accounts receivable	(12)	(2)	-	(14)
Deferred outflows - OPEB	-	(3)	-	(3)
Inventories	131	-	-	131
Increase (decrease) in liabilities:				
Accounts payable and accrued expenses	215	63	(19)	259
Deferred inflows - OPEB	-	23	-	23
Net OPEB liability	-	(85)	-	(85)
Total adjustments	<u>334</u>	<u>(4)</u>	<u>(19)</u>	<u>311</u>
Net cash (used in) provided by operating activities	<u>\$ 1,173</u>	<u>\$ 1,404</u>	<u>\$ 419</u>	<u>\$ 2,996</u>



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.

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY TRUST FUNDS (Thousands of Dollars)
 June 30, 2022

CITY OF MEMPHIS, TENNESSEE
 Exhibit E-1

	Pension Trust			City OPEB Fund	Memphis Light, Gas and Water OPEB Trust	Total Pension and OPEB Trust Funds
	City Retirement System	Library Retirement System	Memphis Light, Gas and Water Retirement System			
ASSETS						
Cash and cash equivalents	\$ 15,033	\$ -	\$ 36,297	\$ 1	\$ 9,558	\$ 60,889
Investments, at fair value:						
U.S. government securities - long-term	153,826	-	11,896	-	-	165,722
Common stock - domestic	681,011	-	735,593	-	181,822	1,598,426
Common stock - foreign	152,291	-	190,294	-	90,707	433,292
Corporate bonds - domestic	287,969	-	49,917	-	-	337,886
Corporate bonds - foreign	113,112	-	37,607	-	-	150,719
Mutual funds and money market funds	23,102	50,354	5,267	3,754	91,289	173,766
Government bonds - domestic	-	-	7,728	-	-	7,728
Government bonds - international	-	-	48,264	-	-	48,264
Global bond - international	-	-	59,067	-	38,409	97,476
Emerging market bonds ETF	-	-	8,283	-	-	8,283
Corporate bond mutual funds - domestic	-	-	-	-	51,204	51,204
Convertible bond mutual fund - domestic	-	-	826	-	16,894	17,720
Collateralized mortgage obligations	1,604	-	-	-	-	1,604
Asset-backed pooled securities	-	-	4,584	-	-	4,584
Mortgage-backed pooled securities	3,838	-	26,745	-	-	30,583
Securitized asset fund	-	-	39,983	-	-	39,983
Investments in index funds	149,032	-	-	-	-	149,032
Investments in limited partnerships	277,997	-	-	-	-	277,997
Investments in real estate	201,889	-	251,552	-	76,543	529,984
Multi-asset - domestic	-	-	16,040	-	-	16,040
Private debt funds - domestic	-	-	-	-	2,309	2,309
Private equity - domestic	-	-	107,199	-	66,588	173,787
Private equity - international	-	-	14,681	-	8,789	23,470
Investments in international equity fund	416,439	-	-	-	-	416,439
Hedge funds	-	-	-	-	11,386	11,386
Distressed debt funds - domestic	-	-	44,585	-	16,482	61,067
Distressed debt funds - international	-	-	65,480	-	24,665	90,145
Life Settlement fund	-	-	80,564	-	17,503	98,067
Investments in short sales & written options	(35,566)	-	-	-	-	(35,566)
Total investments	2,426,544	50,354	1,806,155	3,754	694,590	4,981,397
Equity in cash and investment pool	4,350	-	-	3,433	-	7,783
Interest and dividend receivables	6,702	39	3,212	3	1,060	11,016
Receivable for securities sold	348,362	-	11,851	-	4,594	364,807
Employer and employee contributions receivable	2,879	-	810	-	914	4,603
Other Receivables	339	-	-	-	-	339
Collateral held in trust for securities on loan	87,875	-	74,913	-	486	163,274
Total assets	2,892,084	50,393	1,933,238	7,191	711,202	5,594,108
LIABILITIES						
Accounts payable and other	406,056	185	2,011	663	914	409,829
Payable for securities purchased	-	-	12,414	-	5,454	17,868
Collateral subject to return to borrowers	87,875	-	74,913	-	486	163,274
Total liabilities	493,931	185	89,338	663	6,854	590,971
NET POSITION						
Restricted for pension benefits, pool participants and OPEB	\$ 2,398,153	\$ 50,208	\$ 1,843,900	\$ 6,528	\$ 704,348	\$ 5,003,137

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY TRUST FUNDS (Thousands of Dollars)
 For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
 Exhibit E-2

	Pension Trust					
	City Retirement System	Library Retirement System	Memphis Light, Gas and Water Retirement System	City OPEB Fund	Memphis Light, Gas and Water OPEB Trust	Total Pension and OPEB Trust Funds
ADDITIONS						
Contributions:						
Employer	\$ 54,458	\$ 118	\$ 24,200	\$ 14,569	\$ 37,561	\$ 130,906
Plan members	20,014	118	14,216	3,668	-	38,016
Total contributions	74,472	236	38,416	18,237	37,561	168,922
Transfer from other fund	2,769	1,536	-	6,959	-	11,264
Pharmacy rebate	-	-	-	1,492	-	1,492
Investment income:						
Interest and dividend income	46,685	1,392	16,764	78	5,445	70,364
Securities lending income	285	-	193	-	19	497
Other investment income	208	-	87	-	9	304
Gain on real estate investments	16,212	-	4,695	-	1,132	22,039
Net appreciation in the fair value of	(315,767)	(11,465)	236,242	(646)	99,906	8,270
Less investment expenses	(19,001)	-	(5,385)	-	-	(24,386)
Net investment income	(271,378)	(10,073)	252,596	(568)	106,511	77,088
Total additions	(194,137)	(8,301)	291,012	26,120	144,072	258,766
DEDUCTIONS						
Benefits	183,312	4,543	115,058	15,823	32,445	351,181
Administrative expenses	6,090	78	868	7,623	823	15,482
Refunds of contributions	17,350	-	6,722	-	-	24,072
Total deductions	206,752	4,621	122,648	23,446	33,268	390,735
Net increase / decrease	(400,889)	(12,922)	168,364	2,674	110,804	(131,969)
Net position - beginning of year	2,799,042	63,130	1,675,536	3,854	593,544	5,135,106
Net position - end of year	\$ 2,398,153	\$ 50,208	\$ 1,843,900	\$ 6,528	\$ 704,348	\$ 5,003,137

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY AGENCY FUND
 (Thousands of Dollars)
 For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
 EXHIBIT E-3

	<u>Sold Property Tax Receivable Fiduciary Fund</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
ASSETS				
Equity in cash and investment pool	\$ 5,606	\$ 11,631	\$ 10,798	\$ 6,439
Property tax receivable - current	5,918	11,883	14,305	3,495
Property tax receivable - delinquent	3,367	-	3	3,364
Total Assets	<u>\$ 14,891</u>	<u>\$ 23,514</u>	<u>\$ 25,106</u>	<u>\$ 13,298</u>
LIABILITIES				
Accounts payable & other liabilities	\$ 14,891	\$ 30,350	\$ 29,502	\$ 15,738
Total Liabilities	<u>\$ 14,891</u>	<u>\$ 30,350</u>	<u>\$ 29,502</u>	<u>\$ 15,738</u>
NET POSITION	<u>\$ -</u>	<u>\$ (6,836)</u>	<u>\$ (4,396)</u>	<u>\$ (2,440)</u>



FINANCIAL SECTION

CITY OF MEMPHIS

T E N N E S S E E

SUPPLEMENTARY SCHEDULES

SUPPLEMENTARY
SCHEDULES

ALL FUNDS
 COMBINED SCHEDULE OF DELINQUENT
 PROPERTY TAXES RECEIVABLE
 (Thousands of Dollars)
 June 30, 2022

CITY OF MEMPHIS, TENNESSEE
 Exhibit F-1

Tax Year	General	Debt Service	Capital Projects	Education	Pre-K	Community Catalyst	Affordable Housing	Total
2012	965	302	1	-	-	-	-	1,268
2013	1,150	420	2	-	-	-	-	1,572
2014	1,147	520	2	-	-	-	-	1,669
2015	1,402	634	2	-	-	-	-	2,038
2016	1,510	682	2	-	-	-	-	2,194
2017	1,721	784	2	-	-	-	-	2,507
2018	2,088	960	3	-	8	-	-	3,059
2019	2,886	1,309	12	-	12	12	12	4,243
2020	4,569	2,075	20	-	22	-	-	6,686
2021	5,582	2,537	24	77	16	-	-	8,236
Total delinquent property taxes receivable	23,020	10,223	70	77	59	12	12	33,473
Allowance for uncollectibles	998	398	(68)	-	3	1	1	1,333
Net delinquent property taxes receivable	\$ 22,022	9,825	138	77	56	11	11	32,140
Special assessment tax, net of allowance								(3)
Total tax, net of allowance								\$ 32,137

(1) During fiscal year 2022, \$6,395 of delinquent taxes and late fees incurred were submitted to Chancery Court for further collections

CITY OF MEMPHIS, TENNESSEE
Exhibit F-2

SCHEDULE OF REVENUE DEBT BY ISSUE
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

Description	Interest Rates	Date of Issue	Date of Final Maturity	Original Issue	Redemptions	Principal Amount Outstanding June 30, 2022	Interest to Maturity as of June 30, 2022
REVENUE BONDS PAYABLE (Business-Type Activities)							
Sanitary Sewerage System Revenue Refunding Bonds, Series 2011	3.00-5.00	Jun. 29, 2011	Oct. 01, 2021	\$ 15,165	15,165	-	-
Sanitary Sewerage System Revenue Refunding Bonds, Series 2014	3.00-4.00	Jul. 01, 2014	Jul. 01, 2025	18,930	10,495	8,435	526
Sanitary Sewerage System Revenue Refunding Bonds, Series 2018	4.00-5.00	Nov. 01, 2018	Oct. 01, 2043	69,480	7,030	62,450	27,024
Sanitary Sewerage System Revenue Refunding Bonds, Series 2020B	5.00	Oct. 15, 2020	Oct. 15, 2045	123,535	4,505	119,030	78,490
Storm Water Revenue Bond, Series 2019	5.00	Nov. 13, 2019	Oct. 01, 2044	35,830	1,515	34,315	23,428
Total Revenue Bonds Payable (Business-Type Activities)				262,940	38,710	224,230	129,468
SEWER STATE LOANS (Business-Type Activities)							
TN Sewer State Loan SRF 06-195	2.59	Jul. 19, 2013	Jul. 20, 2033	3,989	1,528	2,461	373
TN Sewer State Loan SRF 13-309	0.75	Mar. 20, 2018	Feb. 20, 2038	11,602	2,248	9,354	623
TN Sewer State Loan SRF 13-311	0.75	Mar. 20, 2020	Feb. 20, 2040	100,000	10,395	89,605	6,746
TN Sewer State Loan SRF 15-355	0.75	Dec. 20, 2015	Mar. 20, 2041	25,000	1,455	23,545	1,883
TN Sewer State Loan SRF 18-409	0.81	Nov. 19, 2020	Nov. 20, 2040	11,000	722	10,278	867
TN Sewer State Loan SRF 19-421	1.20	Oct. 20, 2020	Oct. 20, 2040	6,500	475	6,025	736
TN Sewer State Loan SRF 19-434	0.47	Jun. 20, 2018	Jun. 20, 2038	32,072	-	32,072	3,202
TN Sewer State Loan SRF 19-451	0.61	Jun. 20, 2022	Jul. 20, 2022	2,859	-	2,859	375
Federal WIFIA Sewer Loan, Series 2020A	1.39	Jan. 01, 2021	Apr. 01, 2056	41,173	-	41,173	15,305
Total Sewer State Loans (Business-Type Activities)				234,195	16,823	217,372	30,110
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	41,355	28,645	5,915
Electric System Revenue Bonds, Series 2016	3.00-5.00	Sep. 01, 2016	Dec. 01, 2036	40,000	6,865	33,135	12,633
Electric System Revenue Bonds, Series 2017	3.00-5.00	Sep. 01, 2017	Dec. 01, 2037	90,000	12,075	77,925	28,627
Electric System Revenue Bonds, Series 2020A	3.00-5.00	Sep. 22, 2020	Dec. 01, 2050	148,000	2,500	145,500	98,641
Electric System Revenue Bonds, Series 2020B	0.43-1.97	Sep. 22, 2020	Sep. 01, 2034	29,000	445	28,555	5,221
Gas System Revenue Bonds, Series 2016	3.00-5.00	Sep. 01, 2016	Dec. 01, 2036	40,000	6,865	33,135	12,633
Gas System Revenue Bonds, Series 2017	3.00-5.00	Sep. 28, 2017	Dec. 01, 2037	40,000	5,290	34,710	14,528
Gas System Revenue Bonds, Series 2020	3.00-5.00	Sep. 22, 2020	Dec. 01, 2050	63,000	1,065	61,935	41,990
Water System Revenue Bonds, Series 2014	2.00-5.00	June 3, 2014	Dec. 01, 2034	15,000	4,165	10,835	3,137
Water System Revenue Bonds, Series 2016	2.00-4.00	Sep. 01, 2016	Dec. 01, 2036	30,000	5,920	24,080	6,614
Water System Revenue Bonds, Series 2017	2.00-5.00	Sep. 28, 2017	Dec. 01, 2037	25,000	3,630	21,370	7,550
Water System Revenue Bonds, Series 2020	3.00-5.00	Sep. 22, 2020	Dec. 01, 2050	68,000	1,160	66,840	43,061
Total Revenue Bonds Payable (Memphis Light Gas & Water)				658,000	91,335	566,665	280,550
Total Revenue Debt Payable				\$ 1,155,135	146,868	1,008,267	440,128

(1) All Memphis Light Gas Water bonds reflect amounts outstanding at December 31, 2021.

SCHEDULE OF GENERAL OBLIGATION DEBT PAYABLE BY ISSUE
 (Thousands of Dollars)
 For the fiscal year ended June 30, 2022

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, 2022	Interest to Maturity as of June 30, 2022
GENERAL OBLIGATION							
General Improvement Bonds, Series 2021A	2.460-4.000	Jul. 01, 2021	Apr. 01, 2046 \$	163,772	-	163,772	6,468
General Improvement Bonds, Series 2021	4.000- 5.000	Aug. 05, 2021	May. 01, 2046	165,680	-	165,680	92,012
General Improvement Bonds, Series 2020A	5.000	Nov. 18, 2020	Dec. 01, 2030	24,470	1,935	22,535	5,445
General Improvement Refunding Bonds, Series 2020	4.000- 5.000	Apr. 29, 2020	May 1, 2045	214,675	32,345	182,330	76,108
General Improvement Bonds, Series 2018	3.450- 5.000	May. 01, 2018	Jul. 01, 2048	309,255	22,335	286,920	170,626
General Improvement Refunding Bonds, Series 2016	2.500- 5.000	Jun. 30, 2016	May 01, 2041	69,885	11,490	58,395	22,028
General Improvement Refunding Bonds, Series 2015C	5.000	May 19, 2015	Apr. 01, 2045	67,845	-	67,845	49,124
General Improvement Refunding Bonds, Series 2015B (Taxable)	2.698- 2.948	May 19, 2015	Apr. 01, 2025	54,390	-	54,390	3,816
General Improvement Refunding Bonds, Series 2015A	5.000	May 19, 2015	Apr. 01, 2026	76,820	-	76,820	14,168
General Improvement Refunding Bonds, Series 2014B	5.000	Mar. 25, 2014	Apr. 01, 2044	208,230	31,465	176,765	111,924
General Improvement Refunding Bonds, Series 2014A	5.000	Mar. 25, 2014	Nov. 01, 2025	103,955	50,545	53,410	4,301
General Improvement and Refunding Bonds, Series 2012B	3.350- 3.700	Mar. 29, 2012	Apr. 01, 2024	5,145	4,390	755	41
General Improvement and Refunding Bonds, Series 2012A	3.250 - 4.125	Mar. 29, 2012	Apr. 01, 2042	93,595	74,395	19,200	5,431
General Improvement Bonds, Series 2010F (RZEDB)	6.042	Jun. 29, 2010	Jul. 01, 2034	11,160	-	11,160	8,097
General Improvement Bonds, Series 2010C (BABs)	4.706 - 5.942	Jun. 29, 2010	Jul. 01, 2032	62,550	11,065	51,485	17,247
General Improvement Bonds, Series 2010B (BABs)	5.415 - 6.145	May 04, 2010	May 01, 2030	39,950	3,460	36,490	10,183
Total General Obligation Bonds Payable				<u>1,671,377</u>	<u>243,425</u>	<u>1,427,952</u>	<u>597,019</u>
COMMERCIAL PAPER							
Commercial Paper	variable	Aug. 05, 2021	May. 01, 2046	150,000	75,000	75,000	-
Total Commercial Paper				<u>150,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
SETTLEMENT OBLIGATION							
Settlement Obligation	-	Jan. 30, 2015	Feb. 15, 2031	20,000	9,333	10,667	-
Total Settlement Obligation				<u>20,000</u>	<u>9,333</u>	<u>10,667</u>	<u>-</u>
Total General Obligation Debt Payable				<u>\$ 1,841,377</u>	<u>327,758</u>	<u>1,513,619</u>	<u>597,019</u>

SCHEDULE OF GENERAL OBLIGATION DEBT - BY USE
 (Thousands of Dollars)
 For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
 Exhibit F-4

Use	Balance Outstanding At Year End
GENERAL OBLIGATION BONDS	
General Improvement	\$ 1,427,952
Bond Premiums	<u>74,601</u>
Total general obligation bonds	1,502,553
TOTAL GENERAL OBLIGATION DEBT	\$ <u><u>1,502,553</u></u>

SCHEDULE OF CAPITAL LEASES PAYABLE BY ISSUE
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit F-5

Description	Interest Rates	Date of Issue	Date of Final Maturity	Original Issue	Redemptions	Principal Amount Outstanding June 30, 2022	Interest to Maturity as of June 30, 2022
CAPITAL LEASES							
Solid Waste 2018	2.8240%-3.5979%	Jun. 07, 2018	May 1, 2023	4,400	3,473	927	20
NovaTech Inc Contract #34644	0.2177%	Jul. 01, 2021	Jun. 30, 2023	200	109	91	-
Sports Facility Revenue Bonds, Series 2014A	2.000% - 5.000%	Mar. 28, 2014	Feb. 01, 2029	17,925	6,820	11,105	2,093
Sports Facility Revenue Bonds, Series 2014B	1.900% - 4.970%	Mar. 28, 2014	Feb. 01, 2030	5,720	2,990	2,730	586
Solid Waste 2019	2.1730%	Aug. 23, 2019	Aug. 23, 2024	8,000	3,892	4,108	135
Fire Lease 2019	2.6500%	Apr. 18, 2019	Oct. 18, 2024	1,184	509	675	27
119 South Main Street	0.3147%	Jul. 01, 2021	Jun. 30, 2025	1,243	394	849	3
2129 Troyer Street Bldg 249	0.5773%	Sep. 01, 2021	Jun. 30, 2027	222	37	185	2
2714 Union Ave - Suite #100	0.3147%	Jul. 01, 2021	Jun. 30, 2024	136	54	82	-
2714 Union Ave - Suite #600, #610, #700, #625	0.3147%	Jul. 01, 2021	Jun. 30, 2024	562	236	326	1
2714 Union Extended Building - Suite #400	0.2177%	Jul. 05, 2021	Jun. 30, 2024	289	132	157	-
2715 Union Extended Building - Suite #500	0.2177%	Jul. 01, 2021	Jun. 30, 2023	344	172	172	-
2801 Applying Center Cove	0.1850%	Jul. 01, 2021	Jun. 30, 2023	126	101	25	-
3657 Old Gatewell Road	0.8333%	Jul. 01, 2021	Jun. 30, 2029	3,367	408	2,959	81
600 Jefferson Avenue	0.2177%	Jul. 01, 2021	Jun. 30, 2023	295	168	127	-
Farrisview Industrial Park	0.2177%	Jul. 01, 2021	Jun. 30, 2024	101	43	58	-
Memphis Depot Business Park	0.3147%	Jul. 01, 2021	Jun. 30, 2024	456	180	276	1
Pidgeon Industrial Park	1.4270%	Jul. 01, 2021	Jun. 30, 2037	1,217	76	1,141	135
Universal Life Building	0.9670%	Jul. 01, 2021	Jun. 30, 2029	820	94	726	25
Total Capital Leases Payable				46,607	19,888	26,719	3,109

SCHEDULE OF GUARANTEE OBLIGATIONS PAYABLE BY ISSUE
 (Thousands of Dollars)
 For the fiscal year ended June 30, 2022

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, 2022	Interest to Maturity as of June 30, 2022
GUARANTEE OBLIGATIONS							
For General Purposes:							
Qualified Energy Conservation Bonds, Series 2015A	0.037	Feb. 28, 2015	Jan. 05, 2025	8,316	5,821	2,495	186
Qualified Energy Conservation Bonds, Series 2015B	0.039	Apr. 29, 2015	Jan. 05, 2025	2,015	1,612	403	24
Qualified Energy Conservation Bonds, Series 2015C	0.039	Apr. 29, 2015	Jan. 05, 2025	340	272	68	4
Economic Development Growth Engine Bonds, Series 2017B	0.050	Jun. 01, 2017	Nov. 01, 2030	87,725	-	87,725	25,670
Economic Development Growth Engine Bonds, Series 2017C	2.358%-2.931	Jun. 01, 2017	Nov. 01, 2024	34,300	8,565	25,735	903
				132,696	16,270	116,426	26,786

LONG TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS
REVENUE DEBT PAYABLE
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

Year Ending June 30	Revenue Bonds		Revenue Bonds		Revenue Bonds		Revenue Bonds		Sewer State Loans		Sewer Federal Loans		Total
	Principal	Interest	Storm Water Fund	Memphis Light Gas Water (L)	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2022					19,265	22,555							41,820
2023	10,035	8,786	815	1,695	20,075	21,744	20,075	7,509	1,406			544	72,609
2024	10,515	8,303	860	1,654	21,025	20,791	21,025	7,571	1,339			572	72,630
2025	10,990	7,808	900	1,610	22,000	19,815	19,815	7,634	1,270			572	72,599
2026	9,510	7,339	945	1,563	23,040	18,769	18,769	7,697	1,202			572	70,637
2027	6,970	6,931	7,670	995	24,120	17,694	17,694	7,760	1,132			572	68,389
2028	8,060	6,538	1,045	1,464	25,250	16,568	16,568	7,824	1,062			572	66,383
2029	7,030	6,161	1,100	1,410	26,420	15,396	15,396	7,889	991			572	66,969
2030	7,390	5,800	1,155	1,354	27,645	14,171	14,171	7,955	919			572	66,961
2031	6,280	5,459	1,215	1,295	28,825	12,990	12,990	8,021	847			572	65,504
2032	5,605	5,171	1,280	1,232	29,920	11,900	11,900	8,087	774			572	64,542
2033	5,875	4,904	1,345	1,167	31,070	10,754	10,754	8,154	701			572	64,408
2034	6,155	4,623	1,415	1,098	32,235	9,582	9,582	8,092	636			572	57,815
2035	6,450	4,329	1,485	1,025	27,120	8,360	8,360	7,919	555			572	49,770
2036	6,755	4,021	1,560	949	28,065	7,417	7,417	8,088	492			572	57,919
2037	7,080	3,698	1,640	869	20,880	6,457	6,457	8,151	423			572	38,012
2038	7,420	3,360	1,725	785	10,025	5,769	5,769	8,003	353			572	38,012
2039	7,775	3,005	1,815	696	10,320	5,467	5,467	7,641	287			572	37,578
2040	8,145	2,633	1,910	603	10,635	5,157	5,157	5,893	223			572	35,771
2041	8,535	2,242	2,005	505	11,275	4,840	4,840	1,380	193			572	33,543
2042	8,940	1,834	2,110	403	11,620	4,510	4,510	34,931	-	2,316		540	66,891
2043	9,375	1,405	2,215	294	11,620	4,171	4,171	-	-	2,348		508	31,968
2044	9,820	2,330	2,330	181	12,060	3,735	3,735	-	-	2,413		475	31,969
2045	7,070	549	2,450	61	12,510	3,282	3,282	-	-	2,447		407	28,810
2046	7,435	186	-	-	12,980	2,812	2,812	-	-	2,481		373	26,301
2047	-	-	-	-	13,500	2,292	2,292	-	-	2,515		302	18,680
2048	-	-	-	-	14,040	1,754	1,754	-	-	2,551		338	18,683
2049	-	-	-	-	14,605	1,191	1,191	-	-	2,586		266	18,684
2050	-	-	-	-	15,185	607	607	-	-	2,622		202	18,680
2051	-	-	-	-	-	-	-	-	-	2,658		230	2,888
2052	-	-	-	-	-	-	-	-	-	2,695		193	2,888
2053	-	-	-	-	-	-	-	-	-	2,733		156	2,889
2054	-	-	-	-	-	-	-	-	-	2,771		117	2,888
2055	-	-	-	-	-	-	-	-	-	2,809		79	2,888
2056	-	-	-	-	-	-	-	-	-	2,848		40	2,888
	\$ 189,915	\$ 106,040	\$ 34,315	\$ 23,428	\$ 566,665	\$ 280,550	\$ 176,899	\$ 14,805	\$ 41,173	\$ 15,305	\$ 1,448,395		

(1) All Memphis Light Gas Water bonds reflect amounts outstanding at December 31, 2021.

**LONG TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS
GOVERNMENTAL DEBT PAYABLE
(Thousands of Dollars)
For the fiscal year ended June 30, 2022**

**CITY OF MEMPHIS, TENNESSEE
Exhibit F-8**

Year Ending June 30	General Obligation Bonds		Settlement Obligation		Total
	Principal	Interest	Principal	Interest	
2023	90,160	55,981	1,333	-	147,474
2024	95,615	51,458	1,333	-	148,406
2025	100,125	47,408	1,333	-	148,866
2026	99,375	43,076	1,333	-	143,784
2027	48,942	40,416	1,333	-	90,691
2028	51,141	37,982	1,333	-	90,456
2029	53,401	35,447	1,333	-	90,181
2030	55,799	32,792	1,336	-	89,927
2031	52,764	30,136	-	-	82,900
2032	51,871	27,774	-	-	79,645
2033	53,444	25,830	-	-	79,274
2034	54,712	23,838	-	-	78,550
2035	56,275	21,858	-	-	78,133
2036	51,986	20,012	-	-	71,998
2037	48,864	18,264	-	-	67,128
2038	50,212	16,627	-	-	66,839
2039	51,697	14,916	-	-	66,613
2040	53,244	13,124	-	-	66,368
2041	54,922	11,243	-	-	66,165
2042	52,462	9,234	-	-	61,696
2043	53,403	7,293	-	-	60,696
2044	51,722	5,301	-	-	57,023
2045	40,333	3,360	-	-	43,693
2046	27,553	1,962	-	-	29,515
2047	13,690	1,117	-	-	14,807
2048	14,240	570	-	-	14,810
	\$ 1,427,952	\$ 597,019	\$ 10,667	\$ -	\$ 2,035,638

SCHEDULE OF INTERFUND BALANCES
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit F-9

	<u>Primary Government</u>		
	<u>Governmental Fund Types</u>		
	<u>General Fund</u>	<u>Debt Service</u>	<u>Total Payables - Reporting Entity</u>
GOVERNMENTAL FUND TYPES			
Special Revenue:			
State Street Aid	3,888	295	4,183
Solid Waste Management	6,750	-	6,750
	<u>10,638</u>	<u>295</u>	<u>10,933</u>
Total receivables - primary government	<u>10,638</u>	<u>295</u>	<u>10,933</u>
Total receivables - reporting entity	<u>\$ 10,638</u>	<u>\$ 295</u>	<u>\$ 10,933</u>

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.

SCHEDULE OF INTERFUND TRANSFERS
(Thousands of Dollars)
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit F-10

	Primary Government												
	Governmental Fund Types					Proprietary Fund Types			Fiduciary Funds				
	General Fund	Debt Service	Capital Projects	HUB Community Impact Fund	Nonmajor Memphis Arena	Special Revenue New	Pre-K Fund	Enterprise Sewer Treatment	Internal Service Healthcare Fund	City Retirement System	Library Retirement System	OPEB Trust Fund	Total Transfers-Out
GOVERNMENTAL FUND TYPES													
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 550	\$ 1,975	\$ -	\$ -	\$ -	\$ -	\$ 1,536	\$ -	\$ 4,061
Debt Service Fund	23	-	994	-	-	-	-	864	-	-	-	-	1,881
Special Revenue:													
State Street Aid	-	1,768	-	-	-	-	-	-	-	-	-	-	1,768
Miscellaneous Grants	-	193	-	-	-	-	-	-	-	-	-	-	193
American Rescue Plan Act	-	-	24,964	-	-	-	-	-	-	-	-	-	24,964
Solid Waste	750	2,644	-	-	-	-	-	-	-	-	-	-	3,394
Hotel/Motel Tax	-	6,633	-	-	-	-	-	-	-	-	-	-	6,633
Metro Alarm	1,600	-	-	-	-	-	-	-	-	-	-	-	1,600
2019 Sales Tax Referendum	12,000	-	-	-	-	-	5,000	-	1,650	2,769	-	6,959	28,378
Total Governmental Fund Types	14,373	11,238	25,958	550	1,975	5,000	864	1,650	2,769	1,536	6,959	72,872	
PROPRIETARY FUND TYPES													
Enterprise:													
Sewer Collection and Treatment	11,254	-	-	-	-	-	-	-	-	-	-	-	11,254
Memphis Light, Gas and Water	59,097	-	-	-	2,500	-	-	-	-	-	-	-	61,597
Storm Water	106	-	-	-	-	-	-	-	-	-	-	-	106
Total Proprietary Fund Types	70,457	-	-	-	2,500	-	-	-	-	-	-	-	72,957
Total Transfers-In	\$ 84,830	\$ 11,238	\$ 25,958	\$ 550	\$ 4,475	\$ 5,000	\$ 864	\$ 1,650	\$ 2,769	\$ 1,536	\$ 6,959	\$ 145,829	

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, 2022

	Governmental Fund Types						Internal Service Funds				Fiduciary Fund Types																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
	Governmental Fund Types						Proprietary Funds				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⁾	\$ 45	\$ 7,486	\$ 78,590	\$ 8,216	\$ 221,015	\$ 58,795	\$ 30,250	\$ 609,509	\$ 1	\$ 1,013,907	\$ 15,033	\$ -	\$ 36,297	\$ 1	\$ 9,558	\$ 60,889	Total deposits	45	7,486	78,590	8,216	221,015	58,795	30,250	609,509	1	1,013,907	15,033	-	36,297	1	9,558	60,889	Investments:																	U.S. government securities - long-term	-	-	-	-	-	20,564	-	-	-	20,564	153,826	-	11,896	-	-	165,722	Common stock - domestic	-	-	-	-	-	-	-	-	-	-	681,011	-	735,593	-	181,822	1,598,426	Common stock - foreign	-	-	-	-	-	-	-	-	-	-	152,291	-	190,294	-	90,707	433,292	Corporate bonds - domestic	-	-	-	-	-	-	-	-	-	-	287,969	-	49,917	-	-	337,886	Corporate bonds - foreign	-	-	-	-	-	-	-	-	-	-	113,112	-	37,607	-	-	150,719	Mutual funds and money market funds	-	-	-	-	-	211	2,527	-	-	2,738	23,102	50,354	5,267	3,754	91,289	173,766	Government bonds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	7,728	-	-	7,728	Government bonds - international	-	-	-	-	-	-	-	-	-	-	-	-	48,264	-	-	48,264	Global government agencies	-	-	-	-	-	-	-	-	-	-	-	-	59,067	-	38,409	97,476	Convertible - international	-	-	-	-	-	-	-	-	-	-	-	-	8,283	-	-	8,283	Collateralized mortgage obligations	-	-	-	-	-	-	-	-	-	-	-	826	-	-	51,204	51,204	Asset-backed pooled securities	-	-	-	-	-	-	-	-	-	1,604	-	-	-	-	16,894	17,720	Mortgage-backed pooled securities	-	-	-	-	-	-	-	-	-	3,838	-	-	4,584	-	-	1,604	Securitized asset fund	-	-	-	-	-	-	-	-	-	-	-	-	26,745	-	-	30,583	Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286
Cash and cash equivalents ⁽¹⁾	\$ 45	\$ 7,486	\$ 78,590	\$ 8,216	\$ 221,015	\$ 58,795	\$ 30,250	\$ 609,509	\$ 1	\$ 1,013,907	\$ 15,033	\$ -	\$ 36,297	\$ 1	\$ 9,558	\$ 60,889																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
Total deposits	45	7,486	78,590	8,216	221,015	58,795	30,250	609,509	1	1,013,907	15,033	-	36,297	1	9,558	60,889																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
Investments:																	U.S. government securities - long-term	-	-	-	-	-	20,564	-	-	-	20,564	153,826	-	11,896	-	-	165,722	Common stock - domestic	-	-	-	-	-	-	-	-	-	-	681,011	-	735,593	-	181,822	1,598,426	Common stock - foreign	-	-	-	-	-	-	-	-	-	-	152,291	-	190,294	-	90,707	433,292	Corporate bonds - domestic	-	-	-	-	-	-	-	-	-	-	287,969	-	49,917	-	-	337,886	Corporate bonds - foreign	-	-	-	-	-	-	-	-	-	-	113,112	-	37,607	-	-	150,719	Mutual funds and money market funds	-	-	-	-	-	211	2,527	-	-	2,738	23,102	50,354	5,267	3,754	91,289	173,766	Government bonds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	7,728	-	-	7,728	Government bonds - international	-	-	-	-	-	-	-	-	-	-	-	-	48,264	-	-	48,264	Global government agencies	-	-	-	-	-	-	-	-	-	-	-	-	59,067	-	38,409	97,476	Convertible - international	-	-	-	-	-	-	-	-	-	-	-	-	8,283	-	-	8,283	Collateralized mortgage obligations	-	-	-	-	-	-	-	-	-	-	-	826	-	-	51,204	51,204	Asset-backed pooled securities	-	-	-	-	-	-	-	-	-	1,604	-	-	-	-	16,894	17,720	Mortgage-backed pooled securities	-	-	-	-	-	-	-	-	-	3,838	-	-	4,584	-	-	1,604	Securitized asset fund	-	-	-	-	-	-	-	-	-	-	-	-	26,745	-	-	30,583	Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																			
U.S. government securities - long-term	-	-	-	-	-	20,564	-	-	-	20,564	153,826	-	11,896	-	-	165,722	Common stock - domestic	-	-	-	-	-	-	-	-	-	-	681,011	-	735,593	-	181,822	1,598,426	Common stock - foreign	-	-	-	-	-	-	-	-	-	-	152,291	-	190,294	-	90,707	433,292	Corporate bonds - domestic	-	-	-	-	-	-	-	-	-	-	287,969	-	49,917	-	-	337,886	Corporate bonds - foreign	-	-	-	-	-	-	-	-	-	-	113,112	-	37,607	-	-	150,719	Mutual funds and money market funds	-	-	-	-	-	211	2,527	-	-	2,738	23,102	50,354	5,267	3,754	91,289	173,766	Government bonds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	7,728	-	-	7,728	Government bonds - international	-	-	-	-	-	-	-	-	-	-	-	-	48,264	-	-	48,264	Global government agencies	-	-	-	-	-	-	-	-	-	-	-	-	59,067	-	38,409	97,476	Convertible - international	-	-	-	-	-	-	-	-	-	-	-	-	8,283	-	-	8,283	Collateralized mortgage obligations	-	-	-	-	-	-	-	-	-	-	-	826	-	-	51,204	51,204	Asset-backed pooled securities	-	-	-	-	-	-	-	-	-	1,604	-	-	-	-	16,894	17,720	Mortgage-backed pooled securities	-	-	-	-	-	-	-	-	-	3,838	-	-	4,584	-	-	1,604	Securitized asset fund	-	-	-	-	-	-	-	-	-	-	-	-	26,745	-	-	30,583	Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																				
Common stock - domestic	-	-	-	-	-	-	-	-	-	-	681,011	-	735,593	-	181,822	1,598,426	Common stock - foreign	-	-	-	-	-	-	-	-	-	-	152,291	-	190,294	-	90,707	433,292	Corporate bonds - domestic	-	-	-	-	-	-	-	-	-	-	287,969	-	49,917	-	-	337,886	Corporate bonds - foreign	-	-	-	-	-	-	-	-	-	-	113,112	-	37,607	-	-	150,719	Mutual funds and money market funds	-	-	-	-	-	211	2,527	-	-	2,738	23,102	50,354	5,267	3,754	91,289	173,766	Government bonds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	7,728	-	-	7,728	Government bonds - international	-	-	-	-	-	-	-	-	-	-	-	-	48,264	-	-	48,264	Global government agencies	-	-	-	-	-	-	-	-	-	-	-	-	59,067	-	38,409	97,476	Convertible - international	-	-	-	-	-	-	-	-	-	-	-	-	8,283	-	-	8,283	Collateralized mortgage obligations	-	-	-	-	-	-	-	-	-	-	-	826	-	-	51,204	51,204	Asset-backed pooled securities	-	-	-	-	-	-	-	-	-	1,604	-	-	-	-	16,894	17,720	Mortgage-backed pooled securities	-	-	-	-	-	-	-	-	-	3,838	-	-	4,584	-	-	1,604	Securitized asset fund	-	-	-	-	-	-	-	-	-	-	-	-	26,745	-	-	30,583	Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																					
Common stock - foreign	-	-	-	-	-	-	-	-	-	-	152,291	-	190,294	-	90,707	433,292	Corporate bonds - domestic	-	-	-	-	-	-	-	-	-	-	287,969	-	49,917	-	-	337,886	Corporate bonds - foreign	-	-	-	-	-	-	-	-	-	-	113,112	-	37,607	-	-	150,719	Mutual funds and money market funds	-	-	-	-	-	211	2,527	-	-	2,738	23,102	50,354	5,267	3,754	91,289	173,766	Government bonds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	7,728	-	-	7,728	Government bonds - international	-	-	-	-	-	-	-	-	-	-	-	-	48,264	-	-	48,264	Global government agencies	-	-	-	-	-	-	-	-	-	-	-	-	59,067	-	38,409	97,476	Convertible - international	-	-	-	-	-	-	-	-	-	-	-	-	8,283	-	-	8,283	Collateralized mortgage obligations	-	-	-	-	-	-	-	-	-	-	-	826	-	-	51,204	51,204	Asset-backed pooled securities	-	-	-	-	-	-	-	-	-	1,604	-	-	-	-	16,894	17,720	Mortgage-backed pooled securities	-	-	-	-	-	-	-	-	-	3,838	-	-	4,584	-	-	1,604	Securitized asset fund	-	-	-	-	-	-	-	-	-	-	-	-	26,745	-	-	30,583	Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																						
Corporate bonds - domestic	-	-	-	-	-	-	-	-	-	-	287,969	-	49,917	-	-	337,886	Corporate bonds - foreign	-	-	-	-	-	-	-	-	-	-	113,112	-	37,607	-	-	150,719	Mutual funds and money market funds	-	-	-	-	-	211	2,527	-	-	2,738	23,102	50,354	5,267	3,754	91,289	173,766	Government bonds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	7,728	-	-	7,728	Government bonds - international	-	-	-	-	-	-	-	-	-	-	-	-	48,264	-	-	48,264	Global government agencies	-	-	-	-	-	-	-	-	-	-	-	-	59,067	-	38,409	97,476	Convertible - international	-	-	-	-	-	-	-	-	-	-	-	-	8,283	-	-	8,283	Collateralized mortgage obligations	-	-	-	-	-	-	-	-	-	-	-	826	-	-	51,204	51,204	Asset-backed pooled securities	-	-	-	-	-	-	-	-	-	1,604	-	-	-	-	16,894	17,720	Mortgage-backed pooled securities	-	-	-	-	-	-	-	-	-	3,838	-	-	4,584	-	-	1,604	Securitized asset fund	-	-	-	-	-	-	-	-	-	-	-	-	26,745	-	-	30,583	Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																							
Corporate bonds - foreign	-	-	-	-	-	-	-	-	-	-	113,112	-	37,607	-	-	150,719	Mutual funds and money market funds	-	-	-	-	-	211	2,527	-	-	2,738	23,102	50,354	5,267	3,754	91,289	173,766	Government bonds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	7,728	-	-	7,728	Government bonds - international	-	-	-	-	-	-	-	-	-	-	-	-	48,264	-	-	48,264	Global government agencies	-	-	-	-	-	-	-	-	-	-	-	-	59,067	-	38,409	97,476	Convertible - international	-	-	-	-	-	-	-	-	-	-	-	-	8,283	-	-	8,283	Collateralized mortgage obligations	-	-	-	-	-	-	-	-	-	-	-	826	-	-	51,204	51,204	Asset-backed pooled securities	-	-	-	-	-	-	-	-	-	1,604	-	-	-	-	16,894	17,720	Mortgage-backed pooled securities	-	-	-	-	-	-	-	-	-	3,838	-	-	4,584	-	-	1,604	Securitized asset fund	-	-	-	-	-	-	-	-	-	-	-	-	26,745	-	-	30,583	Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																								
Mutual funds and money market funds	-	-	-	-	-	211	2,527	-	-	2,738	23,102	50,354	5,267	3,754	91,289	173,766	Government bonds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	7,728	-	-	7,728	Government bonds - international	-	-	-	-	-	-	-	-	-	-	-	-	48,264	-	-	48,264	Global government agencies	-	-	-	-	-	-	-	-	-	-	-	-	59,067	-	38,409	97,476	Convertible - international	-	-	-	-	-	-	-	-	-	-	-	-	8,283	-	-	8,283	Collateralized mortgage obligations	-	-	-	-	-	-	-	-	-	-	-	826	-	-	51,204	51,204	Asset-backed pooled securities	-	-	-	-	-	-	-	-	-	1,604	-	-	-	-	16,894	17,720	Mortgage-backed pooled securities	-	-	-	-	-	-	-	-	-	3,838	-	-	4,584	-	-	1,604	Securitized asset fund	-	-	-	-	-	-	-	-	-	-	-	-	26,745	-	-	30,583	Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																									
Government bonds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	7,728	-	-	7,728	Government bonds - international	-	-	-	-	-	-	-	-	-	-	-	-	48,264	-	-	48,264	Global government agencies	-	-	-	-	-	-	-	-	-	-	-	-	59,067	-	38,409	97,476	Convertible - international	-	-	-	-	-	-	-	-	-	-	-	-	8,283	-	-	8,283	Collateralized mortgage obligations	-	-	-	-	-	-	-	-	-	-	-	826	-	-	51,204	51,204	Asset-backed pooled securities	-	-	-	-	-	-	-	-	-	1,604	-	-	-	-	16,894	17,720	Mortgage-backed pooled securities	-	-	-	-	-	-	-	-	-	3,838	-	-	4,584	-	-	1,604	Securitized asset fund	-	-	-	-	-	-	-	-	-	-	-	-	26,745	-	-	30,583	Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																										
Government bonds - international	-	-	-	-	-	-	-	-	-	-	-	-	48,264	-	-	48,264	Global government agencies	-	-	-	-	-	-	-	-	-	-	-	-	59,067	-	38,409	97,476	Convertible - international	-	-	-	-	-	-	-	-	-	-	-	-	8,283	-	-	8,283	Collateralized mortgage obligations	-	-	-	-	-	-	-	-	-	-	-	826	-	-	51,204	51,204	Asset-backed pooled securities	-	-	-	-	-	-	-	-	-	1,604	-	-	-	-	16,894	17,720	Mortgage-backed pooled securities	-	-	-	-	-	-	-	-	-	3,838	-	-	4,584	-	-	1,604	Securitized asset fund	-	-	-	-	-	-	-	-	-	-	-	-	26,745	-	-	30,583	Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																											
Global government agencies	-	-	-	-	-	-	-	-	-	-	-	-	59,067	-	38,409	97,476	Convertible - international	-	-	-	-	-	-	-	-	-	-	-	-	8,283	-	-	8,283	Collateralized mortgage obligations	-	-	-	-	-	-	-	-	-	-	-	826	-	-	51,204	51,204	Asset-backed pooled securities	-	-	-	-	-	-	-	-	-	1,604	-	-	-	-	16,894	17,720	Mortgage-backed pooled securities	-	-	-	-	-	-	-	-	-	3,838	-	-	4,584	-	-	1,604	Securitized asset fund	-	-	-	-	-	-	-	-	-	-	-	-	26,745	-	-	30,583	Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																												
Convertible - international	-	-	-	-	-	-	-	-	-	-	-	-	8,283	-	-	8,283	Collateralized mortgage obligations	-	-	-	-	-	-	-	-	-	-	-	826	-	-	51,204	51,204	Asset-backed pooled securities	-	-	-	-	-	-	-	-	-	1,604	-	-	-	-	16,894	17,720	Mortgage-backed pooled securities	-	-	-	-	-	-	-	-	-	3,838	-	-	4,584	-	-	1,604	Securitized asset fund	-	-	-	-	-	-	-	-	-	-	-	-	26,745	-	-	30,583	Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																													
Collateralized mortgage obligations	-	-	-	-	-	-	-	-	-	-	-	826	-	-	51,204	51,204	Asset-backed pooled securities	-	-	-	-	-	-	-	-	-	1,604	-	-	-	-	16,894	17,720	Mortgage-backed pooled securities	-	-	-	-	-	-	-	-	-	3,838	-	-	4,584	-	-	1,604	Securitized asset fund	-	-	-	-	-	-	-	-	-	-	-	-	26,745	-	-	30,583	Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																														
Asset-backed pooled securities	-	-	-	-	-	-	-	-	-	1,604	-	-	-	-	16,894	17,720	Mortgage-backed pooled securities	-	-	-	-	-	-	-	-	-	3,838	-	-	4,584	-	-	1,604	Securitized asset fund	-	-	-	-	-	-	-	-	-	-	-	-	26,745	-	-	30,583	Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																															
Mortgage-backed pooled securities	-	-	-	-	-	-	-	-	-	3,838	-	-	4,584	-	-	1,604	Securitized asset fund	-	-	-	-	-	-	-	-	-	-	-	-	26,745	-	-	30,583	Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																
Securitized asset fund	-	-	-	-	-	-	-	-	-	-	-	-	26,745	-	-	30,583	Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																	
Investments in index funds	-	-	-	-	-	-	-	-	-	-	149,032	-	39,983	-	-	39,983	Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																		
Investments in limited partnerships	-	-	-	-	-	-	-	-	-	-	277,997	-	-	-	-	149,032	Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																			
Investments in real estate	-	-	-	-	-	-	-	-	-	-	201,889	-	-	-	-	277,997	Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																																				
Multi-asset - domestic	-	-	-	-	-	-	-	-	-	-	-	-	16,040	-	-	277,997	Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																																																					
Private debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,040	Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																																																																						
Private equity - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																																																																																							
Private equity - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																																																																																																								
Investments in international equity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,309	Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																																																																																																																									
Hedge funds	-	-	-	-	-	-	-	-	-	-	416,439	-	14,681	-	-	66,588	Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																																																																																																																																										
Distressed debt funds - domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,789	Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
Distressed debt funds - international	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470	State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
State of TN Local Gov't Investment Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,439	Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
Commercial paper	-	-	-	-	593	-	-	-	-	-	-	-	-	-	-	-	U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
U.S. Treasuries	-	56	-	-	10,010	-	-	96,100	-	96,693	-	-	-	-	-	-	Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
Federal agency (Fixed Rate) Certificates of Deposit	-	-	-	-	-	-	-	(66,405)	-	10,066	-	-	-	-	-	-	Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
Life Settlement fund	-	-	-	-	-	1,000	-	136,896	-	(66,405)	-	-	-	-	-	-	Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Investment short sales & written options	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937	Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
Total investments	-	56	-	-	10,003	21,775	2,527	166,591	-	201,552	2,426,544	50,354	1,806,155	3,754	694,590	4,981,937																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
Total deposits and investments	\$ 45	\$ 7,542	\$ 78,590	\$ 8,216	\$ 231,018	\$ 80,570	\$ 32,777	\$ 776,100	\$ 1	\$ 1,215,459	\$ 2,441,577	\$ 50,354	\$ 1,842,452	\$ 3,755	\$ 704,148	\$ 5,042,286																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				

⁽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, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit F-12

MEMPHIS LIGHT, GAS AND WATER DIVISION ¹

	Balance January 1, 2021	Additions	Retirements	Transfers	Balance December 31, 2021
Electric Division Accumulated depreciation	\$ 2,033,842	\$ 117,138	\$ (58,061)	\$ -	\$ 2,092,919 (942,892)
Gas Division Accumulated depreciation	783,394	25,835	(13,889)	-	795,340 (394,640)
Water Division Accumulated depreciation	580,479	20,543	(5,251)	-	595,771 (233,565)
Total	\$ 3,397,715	\$ 163,516	\$ (77,201)	\$ -	\$ 1,912,933

SEWER COLLECTION AND TREATMENT FUND ²

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Land and buildings Accumulated depreciation	\$ 119,304	\$ -	\$ (29)	\$ -	\$ 119,275 (93,665)
Improvements other than buildings Accumulated depreciation	658,195	103,171	(410)	-	760,956 (351,455)
Machinery and equipment Accumulated depreciation	44,343	4,106	(507)	97	48,039 (35,343)
Construction work in progress	398,974	128,078	(103,171)	-	423,881
	\$ 1,220,816	\$ 235,355	\$ (104,117)	\$ 97	\$ 871,688

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, 2022

CITY OF MEMPHIS, TENNESSEE
EXHIBIT F-13

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES				
Local taxes	\$ 136,202	\$ 136,202	\$ 140,994	\$ 4,792
State taxes (local share)	9,000	9,000	4,356	(4,644)
Investment income	1,535	1,525	(1,433)	(2,958)
Federal grants	13,561	13,562	2,124	(11,438)
Other	1,317	1,317	248,612	247,295
Total revenues	<u>161,615</u>	<u>161,606</u>	<u>394,653</u>	<u>233,047</u>
EXPENDITURES				
Redemption of serial bonds and notes	106,201	98,036	98,081	(45)
Interest	71,395	68,731	69,529	(798)
Other	1,219	2,033	30,614	(28,581)
Total expenditures	<u>178,815</u>	<u>168,800</u>	<u>198,224</u>	<u>(29,424)</u>
Revenues over (under) expenditures	<u>(17,200)</u>	<u>(7,194)</u>	<u>196,429</u>	<u>203,623</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	11,238	11,238	11,238	-
Transfers out	-	-	(1,881)	(1,881)
Proceeds from refunding debt	-	207,864	-	(207,864)
Proceeds from bond Issuance	-	9,279	-	(9,279)
Retirement of general obligation bonds	-	(207,082)	(207,084)	(2)
Contribution to Fund Balance	-	(17,836)	-	17,836
Total other financing sources and uses	<u>17,200</u>	<u>7,563</u>	<u>(197,727)</u>	<u>(205,290)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 369</u>	<u>\$ (1,299)</u>	<u>\$ (1,667)</u>
Fund balance - beginning of year			65,386	
Fund balance - end of year			<u>\$ 64,087</u>	

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, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit F-14

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local taxes	\$ 465,115	\$ 467,115	\$ 506,571	\$ 39,456
State taxes (local share)	67,135	67,135	76,183	9,048
Licenses and permits	12,953	13,010	13,157	147
Fines and forfeitures	11,547	11,547	11,097	(450)
Charges for services	31,452	38,361	42,283	3,922
Investment income	920	920	(3,068)	(3,988)
Federal grants	5,073	12,416	8,628	(3,788)
State grants	5,000	5,000	5,000	-
Intergovernmental revenues	4,120	4,120	4,575	455
Other	7,278	10,754	12,309	1,555
Total revenues	<u>610,593</u>	<u>630,378</u>	<u>676,735</u>	<u>46,357</u>
EXPENDITURES				
General government	165,027	198,043	172,978	25,065
Public safety	466,402	477,027	485,518	(8,491)
Community services	65,163	70,921	68,249	2,672
Transportation and environment	17,311	24,326	20,067	4,259
Total expenditures	<u>713,903</u>	<u>770,317</u>	<u>746,812</u>	<u>23,505</u>
Revenues over expenditures	<u>(103,310)</u>	<u>(139,939)</u>	<u>(70,077)</u>	<u>69,862</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	43	43
Transfers in	82,904	82,904	84,830	1,926
Transfers out	<u>(2,086)</u>	<u>(2,086)</u>	<u>(4,061)</u>	<u>(1,975)</u>
Total other financing sources and uses	<u>80,818</u>	<u>80,818</u>	<u>80,812</u>	<u>(6)</u>
Net change in fund balances (budgetary basis)	<u>\$ (22,492)</u>	<u>\$ (59,120)</u>	<u>\$ 10,735</u>	<u>\$ 69,856</u>
Adjustment for encumbrances - prior year			(16,567)	
Adjustment for encumbrances - current year			16,202	
Revenues over expenditures (GAAP basis)			<u>\$ 10,370</u>	
Fund balance - beginning			197,553	
Fund balance - ending			<u>\$ 207,923</u>	

See accompanying notes to financial statements.

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.

NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
 EXHIBIT X-1

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investments in capital assets	\$ 203,581	\$ 121,045	\$ 2,611,833	\$ 293,259	\$ 304,799	\$ 340,474	\$ 225,370	\$ 343,085	\$ 244,190	\$ 1,388,684
Restricted for:										
Debt service	36,268	50,603	52,823	61,255	48,798	76,888	77,929	109,086	17,285	17,285
Construction	-	-	26,076	-	-	-	-	-	-	-
Capital acquisitions/ projects	-	-	-	4,381	23,661	191,471	148,359	-	-	-
Solid waste management	17,175	15,222	16,138	15,871	13,001	10,783	6,056	3,648	15,379	14,318
Drug enforcement	9,530	9,676	9,630	10,077	9,980	9,426	9,411	8,889	8,772	9,026
Donor/Statutory restrictions	2,343	15,503	35,085	59,814	67,242	-	-	-	-	-
Other	-	-	10,000	-	-	70,168	72,760	185,665	254,478	491,831
Unrestricted:										
Unrestricted, other	(814,583)	(724,643)	(3,216,914)	(851,833)	(918,811)	(1,031,458)	(809,885)	(1,058,700)	(758,019)	(2,273,486)
Total governmental activities net position	(545,686)	(512,594)	(455,329)	(407,176)	(451,330)	(332,248)	(270,000)	(408,327)	(217,915)	(352,342)
Business-type activities:										
Net investment in capital assets	1,818,916	1,902,835	1,896,485	2,017,891	2,020,550	1,958,252	2,043,389	2,135,366	1,226,768	1,761,334
Restricted for debt service	69,689	41,902	99,797	64,173	108,387	103,345	53,193	65,865	552,470	149,160
Restricted for construction	-	29,119	7,268	8,456	8,775	9,007	10,845	10,845	11,380	-
Unrestricted	350,750	340,416	377,219	320,158	259,192	341,409	(36,333)	(52,383)	507,558	626,416
Total business-type activities net position	2,239,355	2,314,272	2,380,769	2,410,678	2,396,904	2,412,013	2,071,094	2,159,693	2,298,176	2,536,910
Primary government:										
Net investment in capital assets	2,022,497	2,023,880	4,508,318	2,311,150	2,325,349	2,298,726	2,268,759	2,478,451	1,470,958	3,150,018
Restricted for:										
Debt service	105,957	92,505	152,620	125,428	157,185	180,233	131,122	174,951	569,755	166,445
Construction	-	29,119	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	17,175	15,222	16,138	15,871	13,001	10,783	6,056	3,648	15,379	14,318
Drug enforcement	9,530	9,676	9,630	10,077	9,980	9,426	9,411	8,889	8,772	9,026
Donor/Statutory restrictions	2,343	15,503	35,085	59,814	67,242	-	-	-	-	-
Other	-	-	10,000	-	-	70,168	72,760	185,665	254,478	491,831
Unrestricted	(463,833)	(384,227)	(2,839,695)	(531,675)	(659,619)	(690,049)	(846,218)	(1,111,083)	(250,461)	(1,647,070)
Total primary government net position	\$ 1,693,669	\$ 1,801,678	\$ 1,925,440	\$ 2,003,502	\$ 1,945,574	\$ 2,079,765	\$ 1,801,094	\$ 1,751,366	\$ 2,080,261	\$ 2,184,568

FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-3

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Restricted	\$ 2,088	\$ 5,724	\$ 6,246	\$ 7,210	\$ 8,281	\$ 10,768	\$ 12,725	\$ 13,912	\$ 14,635	\$ 17,455
Committed	12,134	-	-	-	-	-	-	-	-	-
Assigned	-	20,384	34,030	43,489	43,759	32,150	31,726	36,866	76,568	81,894
Unassigned	56,149	82,230	91,990	94,674	95,343	98,283	91,541	79,047	106,350	108,574
Total general fund	70,371	108,338	132,266	145,373	147,383	141,201	135,992	129,825	197,553	207,923
All other governmental funds										
Restricted	63,228	59,035	56,130	62,616	46,688	54,815	52,711	147,551	115,147	137,064
Committed	80,109	72,943	53,346	43,083	63,954	261,003	217,353	108,959	89,564	296,047
Unassigned	-	-	-	794	-	-	-	-	-	4,585
Total all other governmental funds	143,337	131,978	109,476	106,493	110,642	315,818	270,064	256,510	204,711	437,696
Total governmental funds	\$ 213,708	\$ 240,316	\$ 241,742	\$ 251,866	\$ 258,025	\$ 457,019	\$ 406,056	\$ 386,335	\$ 402,264	\$ 645,619

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during fiscal year 2012.

- (1) The \$2,820 year-over-year increase is primarily attributable to \$1,601 for photo enforcement.
- (2) The \$5,326 year-over-year increase is primarily attributable to other.
- (3) The \$2,224 year-over-year increase is primarily attributable to an increase of \$4,669 in Mixed Drinks offset by a decrease in State Income Tax of \$2,940.
- (4) The \$21,917 year-over-year increase is primarily attributable to the increase of \$21,079 in 2019 Sales Tax Referendum in FY2022.
- (5) The \$206,483 year-over-year increase is primarily attributable to the increase in Capital Projects which includes \$182,142 for Accelerate Memphis.
- (6) The \$4,585 year-over-year increase is primarily attributable to more revenues over expenses.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-4

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Local taxes	\$ 532,902	\$ 550,660	\$ 568,619	\$ 576,294	\$ 580,750	\$ 609,946	\$ 603,993	\$ 633,194	\$ 694,326	\$ 730,241
State taxes (local share)	89,798	89,767	94,058	103,987	100,397	105,895	102,385	107,136	112,179	103,878
Hotels/motel tax	4,189	4,223	4,612	10,726	15,513	17,176	18,964	13,614	11,369	17,057
Licenses and permits	11,436	20,596	12,694	13,586	14,161	15,300	15,827	14,398	17,080	15,425
Fines and forfeitures	19,119	19,546	19,863	19,863	17,731	17,226	17,835	13,312	12,210	13,277
Charges for services	91,231	87,272	87,058	91,075	90,924	91,618	93,915	101,464	112,541	118,994
Investment income	652	721	769	1,508	1,421	1,574	1,219	8,460	573	(6,625)
Federal grants and entitlements	58,563	49,898	44,287	52,758	45,596	47,474	62,496	70,567	136,717	130,845
State grants	12,422	4,328	5,839	9,571	5,004	4,610	3,113	2,597	13,823	19,555
Intergovernmental revenues	4,136	3,928	3,411	5,996	9,409	8,661	9,966	10,760	10,610	4,575
Operating revenues	-	-	-	4,506	-	-	-	-	-	-
Other	21,328	17,000	22,525	16,661	20,321	38,988	21,080	27,416	23,006	262,584
Total revenues	845,776	840,882	863,418	906,531	901,227	961,468	961,771	1,002,918	1,144,434	1,409,806
Expenditures										
General government	165,735	177,009	176,173	183,995	198,706	219,466	216,804	236,346	259,455	262,529
Public safety	383,181	384,594	400,632	408,809	435,763	445,196	457,908	481,206	481,921	508,638
Community services	79,562	75,407	84,247	77,099	80,562	85,180	83,494	78,915	82,039	104,450
Transportation and environment	70,675	67,310	79,189	68,281	74,196	82,055	91,410	78,248	77,503	93,851
Education	63,720	276	0	154	112	82	59	3,060	4,556	6,010
Capital outlay	123,544	124,566	85,120	97,966	71,108	91,963	138,196	259,451	147,847	178,346
Operating expenditures	-	-	-	6,259	-	-	-	-	-	-
Debt service:										
Redemption of serial bonds and notes	66,812	74,099	86,421	86,733	90,782	92,535	97,366	99,922	98,236	94,370
Lease payments	3,799	2,386	3,294	7,037	6,406	5,608	6,422	4,228	4,442	3,711
Interest	66,390	61,595	67,465	65,403	65,051	59,848	69,319	65,078	66,252	69,555
Bond issuance cost	7	3,303	2,773	895	1,699	2,234	242	1,450	437	31,366
Service charges	616	1,327	1,019	966	1,115	1,202	754	4,920	2,147	959
Total expenditures	1,024,041	971,872	986,333	1,003,597	1,025,500	1,085,369	1,161,974	1,312,824	1,224,835	1,353,785
Excess of revenues over (under) expenditures	(178,265)	(130,990)	(122,915)	(97,066)	(124,273)	(123,901)	(200,203)	(309,906)	(80,401)	56,021
Other financing sources (uses)										
Sale of capital assets	1,481	431	691	-	1,792	60	5,493	19	34	43
Transfers in	152,176	104,545	86,542	99,071	95,190	110,963	115,923	101,290	107,789	132,050
Transfers out	(115,405)	(58,371)	(30,161)	(36,987)	(23,817)	(43,865)	(47,211)	(35,421)	(44,295)	(72,871)
Capital leases	-	23,600	18,716	2,003	3,250	4,400	-	-	-	-
Special items	-	-	-	(6,250)	-	-	-	-	-	-
Issuance of debt	115,000	-	-	-	-	-	-	-	-	-
Issuance of refunding debt	-	430,652	244,055	114,885	233,240	384,254	75,035	339,977	130,407	335,196
Related party loan	-	-	1,585	1,562	-	-	-	-	-	-
Retirement of refunded debt obligation	-	(343,259)	(222,171)	(75,000)	(195,830)	(150,000)	-	(143,436)	(97,605)	(207,085)
Premium on debt issue	-	-	25,084	5,805	17,401	17,764	-	27,756	-	-
Total other financing sources	153,252	157,598	124,341	105,089	131,226	323,576	149,240	290,185	96,330	187,333
Net change in fund balances/(deficit)	(25,013)	\$ 26,608	\$ 1,426	\$ 8,023	\$ 6,953	\$ 199,675	\$ (50,963)	\$ (19,721)	\$ 15,929	\$ 243,354
Debt service as a percentage of noncapital expenditures (1)	15.2%	16.3%	17.4%	17.6%	17.0%	16.1%	21.3%	16.6%	16.5%	14.5%

(1) For fiscal year 2022, the debt ratio includes the government-wide capital outlay of \$178,346. Additionally, prior year's reported activity has been revised to ensure consistent reporting across fiscal years.

GENERAL FUND EXPENDITURES AND OTHER USES BY FUNCTION
 Last Ten Fiscal Years
 (Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
 Exhibit X-5

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Legislative	\$ 1,502	\$ 1,426	\$ 1,501	\$ 1,443	\$ 1,547	\$ 1,932	\$ 2,093	\$ 2,345	\$ 2,443	\$ 2,331
Judicial	588	619	624	643	645	631	858	797	782	754
Court clerk	4,508	4,454	9,160	6,250	6,354	6,098	5,718	5,899	5,500	5,715
Executive	4,835	5,272	7,101	8,413	12,970	18,605	18,220	17,802	26,948	19,958
Finance and administration	4,557	4,649	5,100	7,489	9,278	16,648	16,962	25,838	25,213	12,772
City attorney	11,158	10,793	9,131	10,140	11,892	10,385	12,861	13,280	13,639	10,663
City engineer	5,773	5,030	5,230	6,640	7,776	7,916	8,636	7,793	6,262	4,452
Information technology	14,587	14,510	14,474	15,949	21,378	27,836	19,573	20,879	20,256	21,808
Human resources	5,554	4,638	5,731	7,343	8,090	9,351	8,427	8,070	7,235	7,849
General services	21,156	19,540	20,628	21,701	24,273	20,217	20,396	24,829	21,679	21,829
Special appropriations	42,362	64,627	55,521	53,886	49,837	50,033	54,638	61,371	69,882	67,192
Total general government	116,580	135,558	134,201	139,897	154,040	169,652	168,382	188,903	199,839	175,323
Public Safety										
Police	226,569	227,401	234,108	240,431	256,476	262,684	269,578	279,713	276,726	281,219
Fire	153,423	154,070	163,014	165,273	176,102	178,816	184,589	191,008	199,967	202,426
Total public safety	379,992	381,471	397,122	405,704	432,578	441,500	454,167	470,721	476,693	483,645
Community Services										
Library	-	-	-	-	17,547	18,698	19,800	20,532	19,670	20,884
Parks and recreation	42,706	46,118	49,815	49,709	31,901	35,126	35,796	36,678	34,873	43,136
Public services	-	2	-	373	(2)	1	-	-	-	-
Community development	4,194	3,705	4,726	3,914	4,792	4,457	5,198	5,049	6,466	4,502
Community enhancement	-	36	-	-	5	1	-	-	-	-
Total community services	46,900	49,861	54,541	53,996	54,243	58,283	60,794	62,259	61,009	68,522
Transportation and Environment										
Public works	19,068	12,241	11,847	14,612	14,162	19,433	17,002	13,076	11,940	19,687
Total transportation and environment	19,068	12,241	11,847	14,612	14,162	19,433	17,002	13,076	11,940	19,687
Transfers out	78,732	22,464	19,005	18,775	7,974	23,764	23,287	7,865	4,949	4,061
Special items	-	-	-	6,250	-	-	-	-	-	-
Total	\$ 641,272	\$ 601,595	\$ 616,716	\$ 639,234	\$ 662,997	\$ 712,632	\$ 723,632	\$ 742,824	\$ 754,430	\$ 751,238

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-6

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Tax Year	Fiscal Year	Real Property										Total Assessed to Total Market Value	Total Direct Tax Rate
		Farm and Residential(25%)		Commercial and Industrial(40%)(3)		Commercial and Industrial(30%)(2)		Privately Owned		Utilities and Carriers (55%) (Real and Personal) (1)			
		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		
2012	2013	\$ 5,248,101,650	\$ 20,992,406,600	\$ 4,371,602,915	\$ 11,161,458,700	\$ 1,178,853,370	\$ 3,927,663,000	\$ 922,004,864	\$ 1,676,372,480	\$ 11,720,562,799	\$ 37,757,900,780	31.04%	3.1100
2013	2014	4,731,533,025	18,926,132,100	4,532,007,925	11,566,004,400	1,273,218,610	4,242,350,800	946,724,202	1,721,316,731	11,483,483,762	36,455,804,031	31.50%	3.4000
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	35,955,886,615	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

(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

Tax Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fiscal Year	2013	2014 *	2015	2016	2017	2018	2019	2020	2021	2022	2022
City Direct Rates											
General Fund	\$ 2.2917	\$ 2.4874	\$ 2.3125	\$ 2.3125	\$ 2.3125	\$ 2.2251	\$ 2.1640	\$ 2.1640	\$ 2.1773	\$ 1.8473	
Debt Service	0.7152	0.9093	1.0842	1.0842	1.0842	1.0432	1.0189	0.9989	0.9989	0.8475	
CIP	0.0031	0.0033	0.0033	0.0033	0.0033	0.0032	0.0031	0.0098	0.0098	0.0083	
Education	0.1000	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	0.0000	0.0000	0.0100	0.0100	0.0100	0.0100	
Community Catalyst Fund	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0067	0.0000	0.0000	
Affordable Housing Fund	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0067	0.0000	0.0000	
Total City Direct Rate	3.1100	3.4000	3.4000	3.4000	3.4000	3.2715	3.1960	3.1960	3.1960	2.7130	
County Direct Rates											
General Fund	1.36	1.45	1.45	1.45	1.45	1.43	1.49	1.49	1.47	1.24	
Debt Service	0.75	0.79	0.78	0.78	0.78	0.69	0.62	0.62	0.62	0.57	
Education	1.91	2.14	2.14	2.14	2.14	1.99	1.94	1.94	1.96	1.64	
Total County Direct Rate	4.02	4.38	4.37	4.37	4.37	4.11	4.05	4.05	4.05	3.45	
Total Overlapping Rate	7.1300	7.7800	7.7700	7.7700	7.7700	7.3815	7.2460	7.2460	7.2460	6.1630	
Tax Levies											
(1) City	\$ 369,997,811	\$ 386,414,917	\$ 390,901,305	\$ 389,694,995	\$ 395,497,816	\$ 420,342,211	\$ 413,606,555	\$ 417,014,960	\$ 412,891,338	\$ 428,487,277	
County	750,562,710	775,606,738	778,641,703	780,513,345	787,557,182	823,187,542	821,656,618	821,373,075	832,869,240	864,226,442	
Total Tax Levies	\$ 1,120,560,521	\$ 1,162,021,655	\$ 1,169,543,008	\$ 1,170,208,340	\$ 1,183,054,998	\$ 1,243,529,753	\$ 1,235,263,173	\$ 1,238,388,035	\$ 1,245,760,578	\$ 1,292,713,719	

(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

Name of Taxpayer	Fiscal Year 2022			Fiscal Year 2013		
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Percentage of Total Taxable Assessed Value	
FedEx Corporation	\$ 919,425,436	5.94		\$ 541,192,891	4.62	
Memphis Center City Revenue Finance Corporation	307,783,397	1.99		91,848,406	0.78	
Amazon	90,223,750	0.58		55,867,560	0.48	
Premcor Refining Group	72,191,880	0.47		37,485,210	0.32	
Pool 6 Industrial	60,014,720	0.39		34,642,640	0.30	
BSNF Railway Company	58,827,119	0.38		32,646,840	0.28	
BIG BOX Property OWNER LLC	56,509,040	0.37		22,871,140	0.20	
NIKE TN, INC	48,591,400	0.31		20,901,085	0.18	
AT&T Mobility LLC	48,483,728	0.31		20,664,963	0.18	
Olymbec	47,402,280	0.31		19,993,160	0.17	
Total Assessed Valuation of Top 10 Taxpayers	1,709,452,750	11.04		878,113,895	7.49	
Balance of Assessed Valuation	13,772,421,026	88.96		10,842,448,904	92.51	
	\$ 15,481,873,776	100.00		\$ 11,720,562,799	100.00	

Source: City of Memphis Tax System

PROPERTY TAX LEVIES AND COLLECTIONS
As of June 30 for the last ten fiscal years

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-9

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
2012	2013 (A)	369,997,811	351,568,012	95.02	4,609,428	356,177,440	96.26	37,920,407	10.25
2013	2014 (B)	386,414,817 *	373,811,552 *	96.74	4,475,138 *	378,286,690 *	97.90 *	40,240,356 *	10.41
2014	2015 (C)	390,901,305 *	372,601,741 *	95.32	9,154,932 *	381,756,673 *	97.66 *	37,980,066 *	9.72
2015	2016 (D)	389,694,995	371,180,561	95.25	9,372,759	380,553,320	97.65	38,934,491	9.99
2016	2017 (E)	395,497,816	376,155,872	95.11	5,759,219	381,915,091	96.57	41,089,159	10.39
2017	2018 (F)	420,342,211	400,081,997	95.18	7,091,826	407,173,822	96.87	40,252,452	9.58
2018	2019 (G)	413,606,555	394,872,256	95.47	6,753,713	401,625,969	97.10	38,342,430	9.27
2019	2020 (H)	417,014,960	393,487,960	94.36	3,148,875	396,636,836	95.11	38,212,875	9.16
2020	2021 (I)	412,891,338	399,627,077	96.79	8,364,301	407,991,378	98.81	31,319,387	7.59
2021	2022 (J)	428,487,277	423,878,079	98.92	4,585,098	428,463,177	99.99	25,275,688	5.90

Taxes are normally due on June 1 and delinquent on September 1 each year and may be paid in two installments (June 1 through June 30 and August 1 through August 30). A penalty of 1/2 of 1% accrues the first of each month taxes remain delinquent. Additionally, interest is charged at 12% per annum until paid. Discounts are not allowed. Delinquent taxes may be collected by foreclosure proceedings through court ordered tax sales.

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

(A) In November 2012, the City sold the majority of the 2012 tax year (which funds fiscal year 2013) real property taxes outstanding to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balance of \$17,353,001 for fiscal year 2013, which is reflected in tax collections.

(B) In November 2013, the City sold the majority of the 2013 tax year (which funds fiscal year 2014) real property taxes outstanding to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balance of \$21,413,447 for fiscal year 2014, which is reflected in tax collections.

(C) In December 2014, the City sold the majority of the 2014 tax year (which funds fiscal year 2015) real property taxes outstanding 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.

(D) In April 2016, the City sold a portion of the 2015 tax year (which funds fiscal year 2016) real property taxes outstanding 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."

(E) In March 2017, the City sold a portion of the 2016 tax year (which funds fiscal year 2017) real property taxes outstanding 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.

(F) In May 2018, the City sold a portion of the 2017 tax year (which funds fiscal year 2018) real property taxes outstanding 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. Adjusted Tax Levy increased \$24,844,295 due to tax assessment on January 1, 2017 for fiscal year 2018. This assessment is performed every four years.

(G) In December 2018, the City sold a portion of the 2018 tax year (which funds fiscal year 2019) real property taxes outstanding 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.

(H) In December 2019, the City sold a portion of the 2019 tax year (which funds fiscal year 2020) real property taxes outstanding 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 (which funds fiscal year 2020) real property taxes outstanding to an outside party. The sale generated property tax revenue and reductions of the property tax receivable balance of \$3,382,708.69. Additionally, the City redeemed remaining outstanding 2015 receivables in the amount of \$1,196,751.06. The sale is reflected in total tax collections.

(I) In June 2021, the City sold the majority of the 2020 tax year (which funds fiscal year 2021) real property taxes outstanding to an outside party. The sale generated property tax revenue and a reduction of the property tax receivable balance of \$9,938,683.67 for fiscal year 2021, which is reflected in tax collections.

(J) In June 2022, the City sold a portion of 2021 tax year (which funds fiscal year 2022) real property taxes outstanding to an outside party. The sale generated property tax revenue and a reduction of property tax receivable balance of \$5,874,693.22.

Source: City of Memphis Tax System

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
[Thousands of Dollars]

Fiscal Year	Governmental Activities										Business-Type Activities										
	General Obligation Bonds ⁽¹⁾	Bond Premiums ⁽¹⁾	Bond Notes / Commercial Paper ⁽¹⁾	Anticipation	Guarantee Obligations ⁽¹⁾	Guarantee Obligations Premiums ⁽¹⁾	Settlement Obligation ⁽¹⁾	Capital Leases ⁽¹⁾	Sewer & Storm Water Revenue Bonds ⁽¹⁾	Sewer & Storm Water Revenue Bonds Premiums ⁽¹⁾	Sewer State Loans ⁽¹⁾	Sewer Federal Loans ⁽¹⁾	Electric Revenue Bonds ⁽¹⁾	Electric Revenue Bonds Premiums ⁽¹⁾	Gas Bond Anticipation Notes ⁽¹⁾	Gas Bond Anticipation Premiums ⁽¹⁾	Water Revenue Bonds ⁽¹⁾	Water Revenue Bonds Premiums ⁽¹⁾	Total Primary Government ⁽¹⁾	Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾
2013	1,091,780	-	186,975	-	216,543	-	-	7,487	135,095	-	3,881	-	662,695	-	-	-	-	-	2,304,456	6.05%	3,508
2014	1,221,320	-	50,000	-	216,018	-	30,319	123,245	-	3,847	-	562,995	-	-	-	-	-	-	2,207,744	5.53%	3,381
2015	1,208,825	79,464	20,000	2,370	220,765	2,370	43,062	111,510	3,124	4,749	-	531,230	29,573	-	-	15,000	944	2,290,616	5.64%	3,486	
2016	1,199,950	73,155	-	2,171	213,155	18,666	38,025	100,580	10,000	11,344	-	421,030	20,122	-	-	14,440	869	2,123,507	5.06%	3,252	
2017	1,119,035	60,542	75,000	17,831	186,307	17,831	31,618	89,190	929	47,124	-	341,455	21,016	40,000	7,866	43,870	3,331	2,102,446	4.96%	3,152	
2018	1,347,440	66,452	-	16,394	176,765	16,394	30,410	77,960	461	83,898	-	312,685	27,659	78,725	13,828	67,170	5,679	2,321,525	5.37%	3,561	
2019	1,261,655	52,893	75,000	14,797	165,184	14,797	23,989	115,005	44,237	107,743	-	185,520	23,709	76,160	12,611	64,540	5,180	2,242,888	5.02%	3,445	
2020	1,300,115	67,620	50,000	13,171	153,235	13,171	28,184	105,245	39,155	130,277	-	178,480	21,395	73,500	11,436	61,860	4,693	2,251,688	4.86%	3,459	
2021	1,237,565	56,869	150,000	11,518	141,762	11,518	23,742	242,281	42,343	153,009	-	324,320	42,953	133,735	22,237	127,110	16,514	2,737,958	4.24%	4,325	
2022	1,427,952	74,601	75,000	26,786	116,426	26,786	26,719	224,230	41,170	176,199	41,173	313,760	39,546	129,780	20,453	123,125	15,349	2,882,936	4.46%	4,428	

⁽¹⁾ Sources: City of Memphis and MLG&W 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

For the Fiscal Years Ended June 30

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Estimated population (4)	657,457	653,450	656,861	653,480	666,723	652,236	650,618	651,073	633,104	628,127
Appraised property valuation (3) (5)	\$ 37,757,901	\$ 36,455,804	\$ 35,448,458	\$ 35,955,987	\$ 36,080,187	\$ 39,799,719	\$ 40,029,728	\$ 40,073,124	\$ 39,895,317	\$ 49,085,642
Assessed valuation (3) (5)	11,720,563	11,483,484	11,142,251	11,345,981	11,374,600	12,597,019	12,687,864	12,694,209	12,613,711	15,481,874
General obligation debt (1) (3)	1,163,755	1,271,320	1,228,825	1,199,950	1,119,035	1,347,440	1,261,655	1,300,115	1,237,565	1,427,952
Bond Premiums (3) (6)	-	-	79,464	73,155	60,542	66,452	52,893	67,620	56,869	74,601
Net Debt (2) (3)	1,163,755	1,271,320	1,308,289	1,273,105	1,179,577	1,413,892	1,314,548	1,367,735	1,294,434	1,502,553
Bonded debt per capita - net debt	1,770	1,770	1,946	1,992	1,769	2,168	2,020	2,101	2,045	2,392
Bonded debt to appraised valuation -net debt	3.08%	3.49%	3.69%	3.54%	3.27%	3.55%	3.28%	3.41%	3.24%	3.06%
Bonded debt to assessed valuation -net debt	9.93%	11.07%	11.74%	11.22%	10.37%	11.22%	10.36%	10.77%	10.26%	9.71%

(1) Debt includes City general obligation bonds and bond anticipation notes (2013-2022), with commercial paper (2014-2015). Does not include capital leases, guarantee obligations or state loans.

(2) Debt includes debt issued by City for MSCAA.

(3) In thousands of dollars.

(4) Source-U.S. Census Bureau; the most current data available is for calendar year 2021.

(5) Sources: Shelby County Assessor and State of Tennessee Office of State Assessed Properties.

(6) Bond premiums are related to a change in presentation for 2015.

Refer to Notes to Financial Statements for detail of debt and obligations.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2022
(Thousands of Dollars)

CITY OF MEMPHIS, TENNESSEE
Exhibit X-12

	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt ⁽²⁾
<u>Direct Governmental Indebtedness:</u>			
City of Memphis ⁽⁴⁾	\$ 1,427,952	100.0%	\$ 1,427,952
Bond Premiums	74,601	100.0%	74,601
Capital lease obligations	26,719	100.0%	26,719
Guarantee Obligations	116,426	100.0%	116,426
Guarantee Obligation Premiums	26,786	100.0%	26,786
Settlement Obligation	<u>10,667</u>	100.0%	<u>10,667</u>
Total direct government indebtedness ⁽³⁾	1,683,151		1,683,151
<u>Overlapping bonded indebtedness:</u>			
Shelby County debt	<u>870,930</u>	62.2%	<u>565,408</u>
Total overlapping bonded indebtedness	870,930		565,408
Total direct and overlapping debt ⁽⁴⁾	<u>\$ 2,554,081</u>		<u>\$ 2,248,558</u>

(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 \$46,802 which 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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt capacity limit	\$ 1,406,468	\$ 1,378,018	\$ 1,337,070	\$ 1,361,518	\$ 1,364,952	\$ 1,511,642	\$ 1,522,544	\$ 1,523,305	\$ 1,513,645	\$ 1,857,825
Total net debt applicable to limit	<u>1,163,755</u>	<u>1,271,320</u>	<u>1,308,289</u>	<u>1,273,105</u>	<u>1,179,577</u>	<u>1,413,892</u>	<u>1,314,548</u>	<u>1,367,735</u>	<u>1,294,434</u>	<u>1,427,952</u>
Debt capacity margin balance	\$ <u>242,713</u>	\$ <u>106,698</u>	\$ <u>28,781</u>	\$ <u>88,413</u>	\$ <u>185,375</u>	\$ <u>97,750</u>	\$ <u>207,996</u>	\$ <u>155,570</u>	\$ <u>219,211</u>	\$ <u>429,873</u>
Total net debt applicable to the limit as a percentage of debt limit	82.74%	92.26%	97.85%	93.51%	86.42%	93.53%	86.34%	89.79%	85.52%	76.86%

Debt Margin Calculation for Fiscal Year 2022

Total assessed value (1)	\$ 15,481,874
Debt capacity limit (12% of total assessed value) (2)	1,857,825
Debt applicable to limit:	
Total bonded debt	\$ <u>1,427,952</u>
Total net debt applicable to limit	<u>1,427,952</u>
Debt capacity margin balance	\$ <u>429,873</u>

(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

CITY OF MEMPHIS, TENNESSEE
Exhibit X-14

Last Ten Fiscal Years
(Thousands of Dollars)

Year	Total Income (3)	Operating and Maintenance Expenses	Net Revenue Available for Debt Service	Total Debt Service	Debt Service Coverage
ELECTRIC DIVISION (1)					
2012	1,331,536	1,221,769	109,767	132,217	0.83
2013	1,303,319	1,181,316	122,003	131,990	0.92
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
GAS DIVISION (1)					
2012	226,395	200,483	25,912	-	N/A
2013	284,362	255,229	29,133	-	N/A
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
WATER DIVISION (1)					
2012	85,265	74,395	10,870	1,668	6.52
2013	85,430	69,457	15,973	-	N/A
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
SEWER COLLECTION AND TREATMENT FUND (2) (3)					
2013	106,993	44,546	62,447	16,806	3.72
2014	105,258	43,929	61,329	16,817	3.65
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

(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.

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-15

Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2013	657,457	38,116,646	37,546	33.4	101,696	9.5
2014	653,450	39,896,975	42,409	33.1	149,928	9.3
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

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 thirty 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.

Name of Employer	2022		2013	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Federal Express Corporation	30,000	4.76%	31,000	5.52%
United States Government	14,000	2.22%	15,969	2.84%
Shelby County Schools	13,900	2.21%	13,900	2.48%
Tennessee State Government	13,400	2.13%	13,100	2.33%
Methodist Le Bonheur Health Care	12,781	2.03%	9,250	1.65%
City of Memphis	8,093	1.28%	7,286	1.30%
Baptist Memorial Healthcare Corp	7,965	1.26%	7,152	1.27%
Walmart	7,000	1.11%	6,000	1.07%
The Kroger Co	6,700	1.06%	5,704	1.02%
Naval Support Activity Mid-South	6,500	1.03%	4,076	0.73%
Total	120,339	19.09%	113,437	20.20%

Source - City of Memphis Comprehensive Annual Financial Report FY 2013, Memphis Book of Lists from the Memphis Business Journal and Hoovers by Dun and Bradstreet FY 2022

Function and Activity	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	724	669	640	652	725	983	1,049	1,119	1,131	1,622
Public safety										
Police										
Officers	2,554	2,521	2,299	2,042	2,290	2,283	2,397	2,462	2,674	2,325
Civilians	478	411	397	732	438	453	469	451	452	636
Fire										
Firefighters and officers	1,709	1,616	1,576	1,391	1,576	1,585	1,595	1,595	1,595	1,586
Civilians	122	218	213	398	208	199	178	178	178	196
Highways and streets										
Engineering	120	117	117	116	116	116	116	118	119	45
Maintenance	389	382	391	393	399	399	446	446	447	214
Sanitation										
Culture and recreation	621	619	619	615	515	515	515	515	515	517
Sewer	510	507	508	506	162	208	211	212	218	228
	299	299	305	341	341	341	354	356	356	354

Source - City of Memphis Human Resources & Budget Team Utilization of FY22 Budgeted Complements Adjusted for Approved Increased Service Levels

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

CITY OF MEMPHIS, TENNESSEE
EXHIBIT X-18

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Physical arrests	46,116	89,478	58,247	53,269	65,231	62,707	58,920	49,649	41,175	25,646
Parking violations	87,536	62,595	62,916	48,623	58,181	64,622	72,770	59,908	50,994	2,238
Traffic violations	178,934	179,599	152,773	179,374	111,908	167,936	219,237	175,728	144,139	27,641
Fire										
Number of calls answered	126,789	131,542	118,928	124,320	142,087	144,931	144,282	142,585	150,671	155,119
Inspections	206,881	53,980	51,159	45,240	45,022	15,822	18,919	19,427	17,942	21,026
Highways and streets										
Street resurfacing (miles)	131.60	139.05	113.90	177.80	246.30	102	224.87	63	91	156
Potholes repaired	39,280	47,504	76,482	3,882	75,000	58,871	60,085	39,814	56,894	6,967
Sanitation										
Refuse collected (tons/day)	1,117	1,401	928	920	1,117	1,868	1,898	887	960	1,431
Recyclables collected (tons/day)	407	495	392	489	337	411	1,385	81	24	30
Culture and recreation										
Athletic field permits issued	982	1,445	1,129	1,154	827	702	1,127	594	712	731
Community center admissions	1,929,348	1,899,388	1,818,094	1,318,919	1,676,957	1,328,117	1,116,072	1,101,618	520,971	369,470
Water										
Average daily consumption (thousands of gallons)	112,216	108,564	104,620	100,055	99,957	99,137	99,657	102,215	97,885	99,800
Wastewater										
Average daily sewage treatment (thousands of gallons)	150,000	150,000	146,000	146,000	146,000	149,200	187,901	170,501	149,500	58,254

Source: MLGW and/or Internal Division Operating Reports

Function and Activity	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety:										
Police:										
Stations	9	9	9	10	10	9	9	9	9	9
Community policing offices	14	9	9	9	9	9	9	9	9	9
Patrol units	730	692	741	740	677	715	781	775	773	630
Fire:										
Stations	57	57	56	56	56	57	57	57	56	57
Trucks (ladder)	27	21	21	21	21	21	21	20	20	20
Solid Waste Management:										
Collection trucks	227	227	227	214	212	212	263	299	295	228
Solid waste disposed (tons)	396,309	364,159	343,114	366,483	378,256	485,820	493,423	444,576	248,670	248,670
Streets and Highways:										
Streets (miles)	6,750	6,818	6,818	6,818	6,818	6,818	6,818	6,714	6,714	6,714
Curb & gutter (miles)	3,590	6,306	6,306	6,306	6,060	6,355	6,306	6,306	6,306	6,306
Streetlights	83,750	83,000	83,437	83,800	83,800	83,800	84,499	84,648	85,065	84,385
Traffic signals	771	770	772	770	770	782	787	787	787	788
Roadside ditches	580	512	512	512	512	512	512	512	512	512
Community Services:										
Parks acreage	3,219	3,219	3,219	4,002	4,002	3,219	3,219	3,219	3,219	3,219
Parks	166	166	166	167	167	167	167	167	164	164
Golf courses	8	8	8	8	8	8	8	8	8	7
Community centers	24	24	24	24	24	24	24	24	24	24
Tennis courts	7	7	7	7	7	7	7	7	7	7
Swimming pools	17	17	17	17	17	17	17	17	17	17
Water:										
Water mains (miles)	3,716	3,874	3,877	3,879	3,879	3,881	3,943	3,947	3,949	3,949
Fire hydrants	30,423	30,819	30,937	31,018	31,018	31,159	30,311	30,378	30,404	30,403
Daily storage capacity (millions of gallons)	437.5	437.5	437.5	437.5	438	438	438	438	438	433
Sanitary Sewer and Storm:										
Miles of sewer lines	2,400	2,400	2,400	2,400	2,400	3,133	3,133	3,133	3,171	3,203
Miles of storm drainage	3,900	1,997	1,997	1,936	307	1,424	1,424	2,002	1,672	1,280

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, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit X- 20

	<u>2022</u>
Revenues	
State taxes (local share)	\$ 20,575
Total revenues	<u>20,575</u>
Expenditures	
Traffic engineering	1,731
Street signs and markings	2,903
Mass transit	19,170
Traffic signal maintenance	3,299
Street maintenance	3,764
Grounds maintenance	<u>3,730</u>
Total expenditures	<u>34,597</u>
Excess of expenditures over revenues	<u>\$ 14,022</u>

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

SUPPLEMENTAL SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit Y-1

PROGRAM/CLUSTER NAME	CFDA Number	Contract Number	Passed Through Subrecipients	Expenditures
FEDERAL GRANTOR/PASS-THROUGH GRANTOR Federal Government Awards				
DEPARTMENT OF HOMELAND SECURITY				
Urban Search and Rescue Task Force	97.025	EMW2019CA00070	\$ -	173,119
EMW-2018-CA-00013	97.025	EMW2018CA00013	-	43,891
2020 USAR National Urban	97.025	EMW2020CA00055	-	450,793
2021 US & RR Search and Rescue	97.025	EMW2021CA00041	-	407,821
Total Program 97.025			\$ -	1,075,624
Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program	97.083	EMW2017FH0427	\$ -	201,439
Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program	97.083	EMW2018FH0346	-	1,477,660
Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program	97.083	EMW2020FH0147	-	862,819
Total Program 97.083			\$ -	2,541,918
2019 AFG	97.044	EMW2019FG02763	\$ -	157,331
Total Program 97.044			\$ -	157,331
Port Security Grant	97.056	EMW2018P-U00501	\$ -	55,769
Port Security Grant	97.056	EMW2019P-U00880	-	24,879
Total Program 97.056			\$ -	80,648
TOTAL DEPARTMENT OF HOMELAND SECURITY			\$ -	3,885,521
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Community Development Block Grant	14.218	B15MC470006	\$ 1,356,422	-
Community Development Block Grant	14.218	B16MC470006, B12MC470006, B13MC470006	-	135,143
Community Development Block Grant	14.218	B19MC470006	196,034	-
Community Development Block Grant	14.218	B18MC470006, B17MC470006	103,262	-
Community Development Block Grant	14.218	B20MC470006	193,043	-
Community Development Block Grant	14.218	B20MC470006, B01MC470006	59,947	-
DBG Bass Pro Section 108	14.218	B20MW470006	645,331	-
CARES Act CDBG-CV	14.218	B20MW470006	1,139,680	-
CDBG Section 108 Program Income	14.218	B20MC470006	-	3,700,000
CARES Act 2 (CDBG-CV)	14.218	B20MW470006	613,880	-
CDBG Entitlement	14.218	B21MC470006	857,167	-
Total Program 14.218			\$ 4,511,274	7,959,212
Emergency Shelter FY20	14.231	S19MC470002	\$ 129,038	-
Emergency Shelter Grant (ESG)	14.231	E20MC470002	216,384	-
CARES ACT ESG-CV	14.231	E20MW4700006	966,634	-
ESG FY17	14.231	S16MC470002	40,340	-
Emergency Shelter Grant	14.231	E21MC470002	2,295,683	-
CARES Act 2 (ESG-CV)	14.231	E20MW4700006	3,607,739	-
Total Program 14.231			\$ 5,555,778	319,111
Home FY19	14.239	M18MC470002	\$ 318,594	-
Home FY20	14.239	M19MC470002	79,248	-
Home Entitlement and Program Income	14.239	M18MC470002	59,458	-
HOME Entitlement	14.239	M21MC470002	23,954	-
HOME Program Income	14.239	M21MC470002	17,467	-
Total Program 14.239			\$ 498,664	456,074
Housing Opportunities for Persons with Aids FY15	14.241	TN114F002, TN116F001	\$ -	45,125
Housing Opportunities for Persons with Aids FY19	14.241	TN118F001	7,588	-
Housing Opportunities for Persons with Aids FY20	14.241	TN119F001	335,709	-
Housing Opportunities for Persons with Aids FY20	14.241	TN120F001	769,354	-
Cares Act HOPWA-CV	14.241	TN120HW001	207,519	-
HOPWA FY05	14.241	TN104F001	64,020	19,936
HOPWA FY12	14.241	TN111F001	-	46,219
HOPWA FY13	14.241	TN112F001	51,162	-
HOPWA	14.241	TN121F001	2,207,996	103,145
Total Program 14.241			\$ 3,228,166	329,607
Weatherization Assistance Program	81.042	DREE0007951.20	134,694	163,334
Weatherization Assistance Program (LHEAP)	93.568	G1901TNEIA	73,420	27,266
Low Income Home Energy Assistance Program (LHEAP) FY19	93.568	G1801TNEIA	2,287	14,286
LHEAP 2020	93.568	G2001TNEIA	-	161,767
Lead Hazard control and Healthy Homes	14.905	TN1H040019	656,832	503,114
Choice Neighborhoods implementation Grant	14.889	TN4K001ONG114	101,410	-
Total Program 81.042, 14.267, 93.566, 14.889			\$ 968,643	869,767
Equitable Sharing Forfeitures	16.000	TNMP00000	\$ -	66,224
Total Program 16.000			\$ -	66,224
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ 13,603,886	9,933,771
DEPARTMENT OF JUSTICE			\$ -	-

SUPPLEMENTAL SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit Y-1
(Continued)

PROGRAM/CLUSTER NAME	CFDA Number	Contract Number	Passed Through to Subrecipients	Expenditures
<i>Coronavirus Emergency Supplemental Funding Program Cluster:</i>				
COVID-19	16.034	2020DVBX0247	\$ -	\$ 502,287
ORP	16.034	2020MUBX0001	-	243,657
COPS Hiring Program	16.034	2020ULWX0008	-	719,242
HSUS/Mars Petcare	16.034		-	4,895
ICAC CESF FY22	16.034	2020DVBX0393	-	16,282
Total Program 16.034			\$ -	\$ 1,486,363
<i>Project Safe Neighborhoods</i>				
Total Program 16.609	16.609	2018GFBX0075	-	108,013
<i>FY19 Law Enforcement Based Vic</i>				
Memphis FY19 LEMHVA Peer Support	16.582	2019V3GX0137	\$ 24,892	\$ 165,089
Total Program 16.582, 16.710	16.710	2019MHWK0004	\$ 24,024	\$ 18,178
			\$ 48,916	\$ 183,267
<i>JAG Program Cluster:</i>				
MPL After School Programs	16.738	2018DBXW0010	\$ -	\$ 377
Technology Innovation for Public Safety	16.738	2018GG0004	23,569	6,854
Crime Gun Intelligence Center Integration Initiative	16.738		-	151,709
2018 Local Edward Byrne Justice Assistance Program	16.738		-	7,978
2019 Local Edward Byrne Justice Assistance Program	16.738		81,200	43,854
2019 Strategies for Policing	16.738		40,562	194,110
Total Program 16.738			\$ 145,331	\$ 404,882
<i>FY18 National Assault Kit Initiative</i>				
FY17 National Sexual Assault Kit Initiative (SANK)	16.833	2018AKBX0028	\$ 62,604	\$ 73,877
Federal FY19 Sexual Assault	16.833	2017AKBX0014	104,949	59,937
Total Program 16.833		2019AKBX0032	\$ 167,553	\$ 692,230
			\$ -	\$ 736,044
			\$ 361,800	\$ 2,984,793
<i>Highway Planning and Construction Cluster:</i>				
Biomedical Greenway	20.205	PIN 070146.HPMA09(103), PIN 108676	\$ -	\$ 1,398,543
Elvis Presley/Shelby Winchester	20.205	STPMA09(103)113028	-	316,794
Memphis Parks	20.205	STPMA09(96.36)	-	136,978
Holmes Milliard	20.205	PIN10870100.STPMA09(99)	-	29,412
Holmes Road East	20.205	PIN123158	-	29,941
Westmont Street Sidewalk Imp. Project	20.205	PIN123156	-	10,806
TODT Mezon Road Sidewalk Project	20.205	PIN119545	-	27,558
50-Mile Connections - Bike/Ped On-street Connections	20.205	STPMA09(166)	-	6,360
Wolf River Greenway Phase IV	20.205	STPMA09(204) PIN 123310	-	245,657
STP Wolf River Greenway Phase 15	20.205	STPMA09(111) PIN 119539	-	80,738
STP Group 5 Resurfacing	20.205	STPMA09(111) PIN 119541	-	5,534
STP Isolated Traffic Signal Improvements-Grp 1	20.205	79LPLMPL41419 PIN 120588	-	454,491
STP Isolated Traffic Signal Improvements-Grp 2	20.205	STPMAH14156 PIN 119540.00	-	914,303
STP Isolated Traffic Signal	20.205	STPMA09(111) PIN 119541	-	8,299
Repair 14 Bridges on/over Sim Cooper B20.205Ivd	20.205	STPMA09(111) PIN 119542	-	1,734,928
TODT N. Parkway Sidewalk	20.205	PIN 122148	-	1,506,659
TODT/Elvis Presley Blvd.	20.205	STPMA09(111) PIN	-	987
STP Sidewalk Program	20.205	STPMA09(168) PIN 118412.00	-	123,749
Shelby Farms Greenline Bridge	20.205	PIN 119937	-	1,165
Transportation Alternative	20.205	PIN 123157	-	8,105
TODT Plough/Winchester	20.205	PIN 102619	-	22,694
HWY Rail Grade Crossing	20.205	PIN 108673.04	-	81,164
Georgia at Riverside Dr. Intersection Imprv	20.205	PIN 125430	-	9,342
Democrat Road Signal System	20.205	PIN 128215	-	28,792
Overton Park Trail along Poplar Avenue from Morrie Moss Drive	20.205	PIN 128216	-	14,117
Dept of Transp-Cobble	20.205	PIN 119936	-	8,262
Chelea Ave Greenline	20.205	STPMA09(62)	-	9,210
Surface Transportation Block Grant	20.205	PIN 127024.00	-	5,241,075
STBG	20.205	PIN-127040.00	-	51,720
Watkins Presley On Street Project	20.205	PIN 128217	-	209,115
Chelea Hollywood Facilities	20.205	PIN 128214	-	210,003
Covington Pike-Sig	20.205	PIN 130765	-	3,201
Total Program 20.205			-	48,623
<i>Total Highway Planning and Construction Cluster</i>				
Railroad Safety Improvements	20.301	STPR2883(2) PIN 112932	\$ -	\$ 13,185,723
Total Program 20.301			\$ -	\$ 11,105
<i>DUI Laws</i>				
THSO FY22 Network Coord.	20.607	Z22THS188	\$ -	\$ 55,694
THSO FY22 Traffic Ed.	20.607	Z22THS188	-	4,011
Total Program 20.607			\$ -	\$ 19,518
			-	79,233

SUPPLEMENTAL SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 2022

CITY OF MEMPHIS, TENNESSEE
Exhibit Y-1
(Continued)

FEDERAL GRANTOR/PASS-THROUGH GRANTOR	PROGRAM/CLUSTER NAME	CFDA Number	Contract Number	Passed Through to Subrecipients	Expenditures
	Interagency Hist Nat Pub Sec	20.703	693K131940027HIMP	- \$	120,000
	Total Program 20.703			- \$	120,000
TOTAL DEPARTMENT OF TRANSPORTATION	Training Opportunities	45.310		- \$	13,396,051
INSTITUTE OF MUSEUM AND LIBRARY SERVICES	TSLA Metro Grant for Collect Library ARPA Grant	45.310		- \$	6,100
	PT Staff- Bilingual program	45.310		- \$	1,192,500
	2021 National Medal MLS	45.310	AL250460/0LS21	- \$	35,589
				- \$	36,905
				- \$	10,000
				- \$	1,281,094
EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF NATIONAL DRUG CONTROL POLICY	High Intensity Drug Trafficking Areas (HIDTA) Program FY21	95.001	G206G0005A	- \$	18,603
EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF NATIONAL DRUG CONTROL POLICY				- \$	18,603
DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE	Clayborn Temple Preservation	15.904		400,000 \$	-
TOTAL DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE				400,000 \$	-
Pass-through Funding Tennessee Department of Environment and Conservation Direct Funding:	Capitalization Grant for Clean Water State Revolving Fund Water Infrastructure Finance and Innovation Act	66.458 66.958	SRF18-405_SRF19-421_SRF19-434_SRF2015-355 181577N	- \$	22,870,873
ENVIRONMENTAL PROTECTION AGENCY, OFFICE OF WATER				- \$	39,401,100
TOTAL ENVIRONMENTAL PROTECTION AGENCY, OFFICE OF WATER				- \$	62,271,973
U.S. DEPARTMENT OF THE TREASURY	CARES Act Funding	21.019	Subrecipients	200,000 \$	-
	CARES Act Funding	21.019	Contracts awarded less than \$50,000	-	1,763,317
	CARES Act Funding	21.019	Payroll expenditures, aggregate payments	-	3,169,307
	CARES Act Funding	21.019	Materials and supplies	-	456,985
	Coronavirus State and Local Fiscal Recovery Funds	21.037		11,014,535 \$	44,402,994
	Emergency Rental Assistance 2020	21.033		1,162,160 \$	1,162,160
TOTAL U.S. DEPARTMENT OF THE TREASURY				202,014,535 \$	50,886,984
Pass-through Funding Tennessee Department of Health Direct Funding:	ELC-Enhancing Detection Expansion	93.323	34349-60421	659,969 \$	4,959,515
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)				659,969 \$	4,959,515
TOTAL EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)				- \$	860,374
	Community Program to Improve Minority Health	93.137	1_OTIMP2112340100	- \$	860,374
TOTAL FEDERAL GRANTS				36,000,937 \$	150,428,679
STATE FINANCIAL ASSISTANCE	HMGP TEMA		31701-06234	-	163,208
	ICAC FY21			-	7,587
	TN Driving Under Influence Network Coordinator FY21			-	30,721
	Traffic Safety Enforcement Project Diabetes Year 3			-	1,382
	State ICAC			-	46,160
	Healthy Built Environment			-	128,801
	State In Service Training 2020			-	236,048
	In-Service Training 2020			-	4,210
	Levitt Shell 2021			-	1,136,000
	Liberty Park (MSEC)-CIP			1,300,000	1,508,000
TOTAL STATE GRANTS				1,300,000 \$	10,000,000
TOTAL GRANTS				37,300,937 \$	163,690,796

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 presented in, or used in the preparation of 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, \$89,605,168, 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, \$2,461,469, 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, \$9,353,741 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, \$23,544,910, includes proceeds during the year.

The City of Memphis was approved by the Environmental Protection Agency, Office of Water, to receive a loan totaling \$11,000,000 (SRF 18-409) to improve its sewer system. The amount listed for this loan, \$10,277,799, 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, \$6,024,760, 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, \$32,071,787, 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, 2,859,430, 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, \$41,173,178.08, 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.

**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, and the aggregate remaining fund information of the City of Memphis, Tennessee (the (“City”)), as of and for the year ended June 30, 2022, 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 28, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing ~~audit procedures~~ that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are described in the accompanying schedule of findings and questioned costs as items 2022-001

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 28, 2023

Schedule of Findings

Finding #

2022-001

Condition

An employee was overpaid by approximately \$17,000

Criteria

C6017- Standard programmed algorithms perform significant payroll calculations

Cause of Condition

Data entry clerks are allowed to manually enter payroll amounts in the "Retro Pay" element with in the payroll system

Potential Effect of Condition

Employees can be paid for hours not worked

Recommendation

The "Retro Pay" element should be restricted for use only by management level personell

Client Response

The payroll department will work with the IT department to restrict the usage of this element. The element will only be used by management personel. Although the error occurred, management was able to detect the error during managements review of the payrol register. While managements review of the payroll register is an internal control, the control is dective in nature, management believes restricting the usage of this element by position will be more effective as this will be a preventive control.

**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, 2022. 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, 2022.

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 28, 2023



Schedule of Findings and Questioned Costs
For the Year Ended June 30,2022

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	_____	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
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Identification of major programs:

Name of Federal Program

CFDA Number

- 20.205 Highway Planning and Construction
- 16.833 National Sexual Assault Kit Initiative
- 21.023 Emergency Rental Assistance Program
- 21.019 Coronavirus Relief Fund
- 14.289 Home Investment Partnerships Program
- 16.738 Edward Byrne Memorial Justice Assistance Grant Program
- 16.034 Coronavirus Emergency Supplemental Funding Program
- 14.218 Community Development Block Grants/Entitlement Grants
- 66.458 Capitalization Grants for Clean Water State Revolving Fund

Dollar threshold used to distinguish between Type A and Type B Programs: \$3,000,000

Auditee qualified as low-risk auditee	_____	X	Yes	_____	No
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