

**CITY OF BELLE MEADE, TENNESSEE**

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2025**

CITY OF BELLE MEADE, TENNESSEE

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## **INTRODUCTORY SECTION**

# CITY OF BELLE MEADE, TENNESSEE

## INTRODUCTION

The City of Belle Meade (the “City”) is pleased to present its financial statements for the fiscal year ended June 30, 2025.

### **Responsibility and Controls**

The City is responsible for both the accuracy of the data presented in the financial statements and related reports as well as the completeness and fairness of the presentation, including all disclosures. A system of internal accounting controls is maintained to provide reasonable assurance that assets are safeguarded and that the financial records reflect only authorized transactions. Although limitations exist in any organization, management believes the system of internal accounting controls is designed with the intent to limit the risk of material weaknesses or irregularities.

The City’s commissioners, management and staff evaluate the system of internal accounting controls on an ongoing basis. Crosslin, PLLC, the City’s independent auditors, also consider certain elements of the internal control in order to determine their auditing procedures for the purpose of expressing an opinion on the financial statements.

Management believes that its policies and procedures provide guidance and reasonable assurance that the City’s operations are conducted according to the commissioners’ intentions and to a high standard of government ethics as expected by the citizens of Belle Meade. In management’s opinion, the financial statements present fairly, in all material respects, the City’s financial position and results of operations as measured by the financial activity of its various funds in conformity with accounting principles generally accepted in the United States of America. Management believes that all disclosures necessary to enable the reader to gain a maximum understanding of the City’s financial affairs have been included.

### **Audit Assurance**

The unmodified opinion of our independent auditors, Crosslin, PLLC, is included in this report.

CITY OF BELLE MEADE, TENNESSEE  
SCHEDULE OF CITY OFFICIALS

Elected Officials:

Rusty Moore	- Mayor/Commissioner
Haley Dale	- Vice-Mayor/Commissioner
Louise Bryan	- Commissioner
Neal Clayton	- Commissioner
Tom Starkey	- Commissioner

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City Officials:

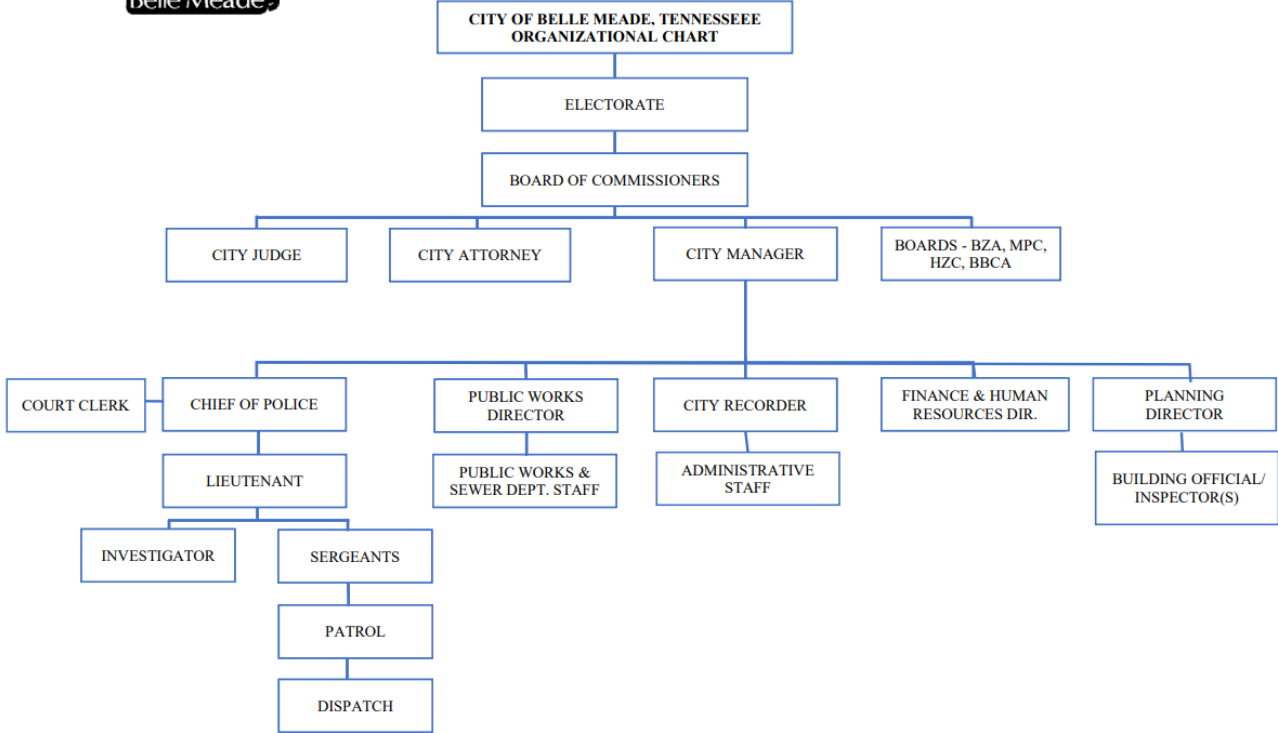
Jennifer Ward Moody	- City Manager
Leigh Mills	- Finance/HR Director, CMFO
Rusty Terry	- City Recorder
Charles Williams	- Chief of Police
Mary Samaniego	- Planning Director
Nathan McVay	- Public Works Director
Mark Beveridge	- City Judge
Miller & Martin PLLC Douglas Berry	- City Attorney

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Budget and Finance Committee (Appointed by the Mayor):

Blair Wilson	- Chairman
Tom Curtis	- Member
Julie Frist	- Member
Eric Helman	- Member
Larry Wieck	- Member

CITY OF BELLE MEADE, TENNESSEE  
 ORGANIZATIONAL CHART  
 JUNE 30, 2025



## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Commissioners  
City of Belle Meade, 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, each major fund, and the aggregate remaining fund information of the City of Belle Meade, Tennessee (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Belle Meade, Tennessee as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the general fund 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 GAAS 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 controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence that judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 judgement, 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, amount 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 8-18, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios, the Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS, and the Schedule of Changes in Total Other Post Employment Benefits Liability and Related Ratios - Local Government Group Insurance Plan on pages 60-62 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 of Belle Meade's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules on pages 63-69 and pages 73-74 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare 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 fund statements and schedules on pages 63-69 and pages 73-74 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 Section on pages 1 - 3, the Schedule of Property Tax Rates and Assessments - Last Ten Fiscal Years on page 70 and the Schedule Utility Rate Structure and Number of Customers on page 71 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.

### **Report on Prior Year Summarized Comparative Information**

The financial statements of the City of Belle Meade as of June 30, 2024 were audited by other auditors whose report dated December 18, 2024, expressed an unmodified opinion on those statements.

### **Other Reporting Required By Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2026 on our consideration of the City of Belle Meade'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 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 of Belle Meade's internal control over financial reporting and compliance.

*Crosslin, PLLC*

Nashville, Tennessee  
March 24, 2026

## **CITY OF BELLE MEADE, TENNESSEE MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the City of Belle Meade's annual financial report presents our narrative overview and analysis of financial performance during the fiscal years ended June 30, 2025. Please read it in conjunction with the introductory section of this report and the City's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

Fiscal year 2025:

- The combined revenues for 2025 totaled \$8,148,458 (including charges for services and operating grants and contributions, on the Statement of Activities), which is a 11.16% increase from the previous year.
- The combined fund expenses for 2025 totaled \$7,244,434 on the Statement of Activities with \$6,171,666 for governmental funds and \$1,072,768 for proprietary funds.
- Total net position for 2025 is \$28,921,019 of which \$8,757,547 was invested in capital assets. Total fund balance for all governmental funds on June 30, 2025, was \$18,602,970. Total net position for all proprietary funds on June 30, 2025, was \$3,327,736. Detail of the governmental fund classifications can be found on page 33 of this report and further explanation in the Notes to Financial Statements section of the report.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the notes to the financial statements, and supplementary information.

The financial statements provide both long-term and short-term information about the City of Belle Meade's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The City of Belle Meade's basic financial statements are comprised of: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements and notes.

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 government-wide statements help answer the question, "Is the City as a whole better off or worse off as a result of fiscal year 2025's activities?"

The statement of net position presents information on all of the City of Belle Meade's assets, deferred outflows or resources, liabilities and deferred inflows of resources, with net position reported as the difference between assets plus deferred outflows of resources and liabilities plus 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 deteriorating.

**CITY OF BELLE MEADE, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued**

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

Both of the 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 of Belle Meade include general government, public safety, highways and streets, building inspection, waste collection, boulevards and horticulture supplies and services. The business-type activities of the City include its sewer operations.

Fund financial statements. The fund financial statements provide more detail than the government-wide 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 and other legal requirements.

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 the 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 and operational requirements. These funds are reported under the modified accrual basis of accounting which generally measures cash and all financial assets that can be readily converted to cash. Capital assets and other long-term assets and liabilities are presented in the government-wide financial statements.

The City maintains a total of four individual governmental funds:

- General Fund (1)
- Special Revenue Funds (3)
  - Beautification Fund
  - State Street Aid Fund
  - Stormwater Fund

General Fund information is presented separately in two basic financial reports: (1) the governmental fund balance sheet and (2) the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The General Fund also encompasses waste collection (sanitation) and is the City's major governmental fund. Data from the other governmental funds are combined into a single, aggregated presentation for non-major governmental funds. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. Information for waste

**CITY OF BELLE MEADE, TENNESSEE**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS - Continued**

collection (sanitation) is presented separately in the budget to actual comparison section as required by the State of Tennessee but is not presented as a separate special revenue fund of the City as it does not meet the criteria of a special revenue fund under GASB Statement No. 54.

Proprietary fund. The City of Belle Meade maintains only one type of proprietary fund. An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for activities in its sewer fund.

The proprietary fund provides the same type of information as the government-wide financial statements, only in more detail.

Notes to the financial statements. The notes provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the financial section of this report immediately following the financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that adds to and supports the information provided in the financial statements and in the notes. Additional statistical information may be found following the financial statements and the notes.

**Government-wide Financial Analysis**

**Summary Statement of Net Position**

Category	2025			2024			Change %
	Governmental Activities	Business-Type activities	Total	Governmental Activities	Business-Type Activities	Total	
Current assets	\$ 22,732,048	\$ 2,322,351	\$ 25,054,399	\$ 21,918,618	\$ 2,131,280	\$ 24,049,898	
Non-current assets	7,666,963	1,090,584	8,757,547	7,702,927	990,213	8,693,140	
Total assets	30,399,011	3,412,935	33,811,946	29,621,545	3,121,493	32,743,038	3.26%
Deferred outflows of resources	631,064	-	631,064	969,987	-	969,987	-34.94%
Current liabilities	757,354	77,865	835,219	765,649	4,092	769,741	
Non-current liabilities	1,045,714	7,334	1,053,048	1,266,328	6,969	1,273,297	
Total liabilities	1,803,068	85,199	1,888,267	2,031,977	11,061	2,043,038	-7.58%
Deferred inflows of resources	3,633,724	-	3,633,724	3,652,992	-	3,652,992	-0.53%
Net Position							
Invested in capital assets	7,666,963	1,090,584	8,757,547	7,702,927	990,213	8,693,140	
Restricted	664,543	-	664,543	496,330	-	496,330	
Unrestricted	17,261,777	2,237,152	19,498,929	16,707,306	2,120,219	18,827,525	
<b>Total Net Position</b>	<b>\$ 25,593,283</b>	<b>\$ 3,327,736</b>	<b>\$ 28,921,019</b>	<b>\$ 24,906,563</b>	<b>\$ 3,110,432</b>	<b>\$ 28,016,995</b>	<b>3.23%</b>

**CITY OF BELLE MEADE, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued**

**Summary Statement of Activities**

	2025			2024			Change %
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total	
<b>Revenues:</b>							
General revenues	\$ 5,225,761	\$ 90,039	\$ 5,315,800	\$ 5,053,984	\$ 92,701	\$ 5,146,685	3.29%
<b>Expenses:</b>							
Operating expenses	\$ 6,171,666	\$ 1,072,768	\$ 7,244,434	\$ 5,389,125	\$ 432,658	\$ 5,821,783	0.00%
Less: Charges for services and operating/capital grants and co	(1,632,625)	(1,200,033)	(2,832,658)	(1,540,954)	(642,914)	(2,183,868)	0.00%
Net operating expenses	4,539,041	(127,265)	4,411,776	3,848,171	(210,256)	3,637,915	21.27%
Change in net position	686,720	217,304	904,024	1,205,813	302,957	1,508,770	-40.08%
Total net position, beginning of year	24,906,563	3,110,432	28,016,995	23,700,750	2,807,475	26,508,225	5.69%
Total net position, end of year	\$ 25,593,283	\$ 3,327,736	\$ 28,921,019	\$ 24,906,563	\$ 3,110,432	\$ 28,016,995	3.23%

**Major Revenues by Source**  
**(From the Statement of Activities)**

	2025			2024			Change %
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total	
<b>Program revenues:</b>							
Charges for services	\$ 850,252	\$ 674,112	\$ 1,524,364	\$ 737,398	\$ 642,914	\$ 1,380,312	
Operating grants & contributions	243,125	-	243,125	313,995	-	313,995	
Capital grants & contributions	539,248	525,921	1,065,169	489,561	-	489,561	
Total program revenues	1,632,625	1,200,033	2,832,658	1,540,954	642,914	2,183,868	29.71%
<b>General revenues:</b>							
Taxes	3,970,635	-	3,970,635	3,913,124	-	3,913,124	
Other	1,217,501	90,039	1,307,540	1,132,059	92,701	1,224,760	
Loss on disposition of capital ass	37,625	-	37,625	8,801	-	8,801	
Total general revenues	5,225,761	90,039	5,315,800	5,053,984	92,701	5,146,685	3.29%
Total revenues	\$ 6,858,386	\$ 1,290,072	\$ 8,148,458	\$ 6,594,938	\$ 735,615	\$ 7,330,553	11.16%

**Detail of Operating Expenses**  
**(From the Statement of Activities)**

Department	2025	2024	Change %
General government	\$ 1,082,250	\$ 1,034,199	4.65%
Public safety	2,922,514	2,543,166	14.92%
Highways and streets	847,037	582,493	45.42%
Building inspection	216,989	198,129	9.52%
Stormwater	185,500	185,704	-0.11%
Waste collection	652,494	621,413	5.00%
Boulevards	162,299	142,501	13.89%
Beautification supplies & services	102,583	81,520	25.84%
Total expenses	\$ 6,171,666	\$ 5,389,125	14.52%
<b>Business-Type Activities</b>	<b>2025</b>	<b>2024</b>	<b>Change %</b>
Sewer fund	\$ 1,072,768	\$ 432,658	147.95%

**CITY OF BELLE MEADE, TENNESSEE**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS - Continued**

**Financial Analysis of the City as a Whole**

The change in total net position between fiscal years 2025 and 2024 as shown on the Summary Statement of Net Position was 3.23%. Over time, net assets may serve as a useful indicator of financial position. At the close of the fiscal year, the sum of assets plus deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$28,921,019. Unrestricted net position of \$19,498,929, an increase of \$671,404 from 2024, represents the current net position available to support future operations and other expenditure items as funded by the Board of Commissioners.

Total assets increased by 3.26%, mainly resulting from an increase in investments from interest earnings. Deferred outflows of resources decreased by 34.94% in relation to TCRS pension contributions and other deferred charges related to pensions and other post-employment benefits. Total liabilities decreased by 7.58% due to timing of accounts payable payments.

The Summary Statement of Activities compares 2025 and 2024 revenues and expenses on a full accrual basis. 2025 general revenues increased by 3.29%, this is due to an increase in the interest earnings rate and the recognition of spending of the ARPA (American Rescue Plan Act) grant on capital projects.

**Capital Assets**

*Fiscal year 2025 as compared to fiscal year 2024:*

At the end of fiscal year 2025, the City of Belle Meade invested \$8,757,547 in land, buildings, infrastructure, equipment, and construction in progress, up from \$8,693,140 on June 30, 2024. Net capital assets increased by \$64,407 in 2025. The table below summarizes the City’s investment in capital assets.

Significant capital asset events during fiscal year 2025 included the following:

Police cars & equipment (net)	\$202,289
Master plan	56,819
Public Works garage door & equipment	5,325
VSS cameras	73,575
Computer equipment	10,577

**CITY OF BELLE MEADE, TENNESSEE**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS - Continued**

**Capital Assets**

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 27,600	\$ -	\$ 27,600	\$ 27,600	\$ -	\$ 27,600
Construction in progress	274,444	-	274,444	257,768	-	257,768
Infrastructure	6,413,329	-	6,413,329	6,242,279	-	6,242,279
Buildings	2,626,572	555,598	3,182,170	2,622,972	555,598	3,178,570
Improvements other than buildings	2,511,850	-	2,511,850	2,452,836	-	2,452,836
Equipment	2,503,650	7,615,553	10,119,203	2,210,747	7,356,821	9,567,568
Subtotal	14,357,445	8,171,151	22,528,596	13,814,202	7,912,419	21,726,621
Less: accumulated depreciation	(6,690,482)	(7,080,567)	(13,771,049)	(6,111,275)	(6,922,206)	(13,033,481)
Net capital assets	\$ 7,666,963	\$ 1,090,584	\$ 8,757,547	\$ 7,702,927	\$ 990,213	\$ 8,693,140

**Financial Analysis of the Government’s Funds**

The City of Belle Meade, Tennessee uses fund accounting to ensure and demonstrate compliance with legal requirements.

Governmental funds. The focus of Belle Meade, Tennessee’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such fund information is useful in assessing Belle Meade, Tennessee’s financing requirements. In particular, the unreserved general fund balance may serve as a useful measure of a government’s net resources available for spending and available for contingencies at the end of the fiscal year.

**CITY OF BELLE MEADE, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued**

**(From the Balance Sheet)**

	2025	2024	Change %
<u>Assets</u>			
Cash	\$ 1,581,548	\$ 720,984	119.36%
Investments	17,469,666	17,597,826	-0.73%
Property taxes receivable	3,371,724	3,386,751	-0.44%
Accounts receivable	61,955	34,615	78.98%
Due from other funds	26,179	42,272	-38.07%
Due from other governments	223,060	136,341	63.60%
Prepaid expenses	20,965	17,563	19.37%
<b>Total Assets</b>	<b>22,755,097</b>	<b>21,936,352</b>	<b>3.73%</b>
<u>Liabilities</u>			
Accounts payable	118,657	56,186	111.19%
Accrued liabilities	50,124	43,936	14.08%
Due from other funds	23,049	17,734	29.97%
Due to other governments	29,109	18,423	58.00%
Deferred revenue - unexpended grant funds	559,464	647,104	-13.54%
<b>Total Liabilities</b>	<b>780,403</b>	<b>783,383</b>	<b>-0.38%</b>
<u>Deferred inflows of resources</u>			
Deferred inflows - unavailable property taxes	3,371,724	3,386,751	-0.44%
<u>Fund Balance</u>			
Unspendable	20,965	17,563	19.37%
Restricted	664,543	496,330	33.89%
Committed	-	-	0.00%
Assigned	11,990,867	9,951,185	20.50%
Unassigned	5,926,595	7,301,140	-18.83%
<b>Total Fund Balance</b>	<b>\$ 18,602,970</b>	<b>\$ 17,766,218</b>	<b>4.71%</b>
Unassigned fund balance as percent of total fund balances	31.86%	41.10%	

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$5,926,595. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents 96.03% of total fiscal year 2025 general fund expenditures.

**CITY OF BELLE MEADE, TENNESSEE**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS - Continued**

**Governmental Fund Balance Classifications**

Fund Balance Designation	2025	2024
Nonspendable	\$ 20,965	\$ 17,563
Restricted	664,543	496,330
Committed	-	-
Assigned	11,990,867	9,951,185
Unassigned	5,926,595	7,301,140
<b>Total Fund Balance</b>	<b>\$ 18,602,970</b>	<b>\$ 17,766,218</b>

In accordance with GASB Statement 54, the City is required to report fund balance within five specific classifications, so that reporting will be more consistent and comparable between similar governmental entities. The definition of each classification can be found in the Notes to Financial Statements section of this report. The Restricted fund balance of \$664,543 includes State Street Aid, Stormwater and Beautification Funds. The Assigned classification is made up of commissioner-designated amounts for one-year’s operating expenses, replacement of equipment and vehicles, upgrades to infrastructure and an allowance for other capital improvements.

The following table shows an increase in the General Fund’s fund balance of \$697,841 before transfers. The General Fund is the chief operating fund of the City. Most of this increase can be attributed to the increase in investment earnings and grant revenues.

**CITY OF BELLE MEADE, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued**

**Governmental Funds**  
**(From the Statement of Revenues, Expenditures, and Changes in Fund Balances)**

	2025			2024		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
<b>Revenues:</b>						
Taxes	\$ 3,399,857	\$ -	\$ 3,399,857	\$ 3,361,533	\$ -	\$ 3,361,533
Licenses and permits	398,493	-	398,493	322,635	-	322,635
Fines and forfeitures	284,522	-	284,522	238,039	-	238,039
Charges for services	137,794	313,965	451,759	414,763	-	414,763
Intergovernmental	1,147,244	101,487	1,248,731	1,159,286	101,456	1,260,742
Investment earnings	845,293	4,706	849,999	870,168	3,981	874,149
Other local revenues	120,605	104,420	225,025	28,672	94,405	123,077
<b>Total revenues</b>	<b>6,333,808</b>	<b>524,578</b>	<b>6,858,386</b>	<b>6,395,096</b>	<b>199,842</b>	<b>6,594,938</b>
<b>Expenditures:</b>						
General government	967,653	-	967,653	927,600	-	927,600
Public safety	2,876,054	-	2,876,054	2,519,241	-	2,519,241
Highways and streets	735,322	72,831	808,153	865,465	92,619	958,084
Building inspection	242,145	-	242,145	188,556	-	188,556
Stormwater	-	210,253	210,253	247,668	-	247,668
Waste collection	652,494	-	652,494	621,413	-	621,413
Boulevards	162,299	-	162,299	142,501	-	142,501
Other improvements	-	-	-	-	-	-
Beautification	-	102,583	102,583	-	81,520	81,520
<b>Total expenditures</b>	<b>5,635,967</b>	<b>385,667</b>	<b>6,021,634</b>	<b>5,512,444</b>	<b>174,139</b>	<b>5,686,583</b>
<b>Excess (deficiency)</b>	<b>697,841</b>	<b>138,911</b>	<b>836,752</b>	<b>882,652</b>	<b>25,703</b>	<b>908,355</b>
<b>Other Sources (Uses):</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Change in Fund Balance</b>	<b>697,841</b>	<b>138,911</b>	<b>836,752</b>	<b>882,652</b>	<b>25,703</b>	<b>908,355</b>
<b>Beginning Fund Balance</b>	<b>17,289,888</b>	<b>476,330</b>	<b>17,766,218</b>	<b>16,407,236</b>	<b>450,627</b>	<b>16,857,863</b>
<b>Ending Fund Balance</b>	<b>\$ 17,987,729</b>	<b>\$ 615,241</b>	<b>\$ 18,602,970</b>	<b>\$ 17,289,888</b>	<b>\$ 476,330</b>	<b>\$ 17,766,218</b>

Business-type activities. The focus of Belle Meade, Tennessee's business-type activity distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and products and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's sewer enterprise fund are charges to customers for services. Operating expenses for the enterprise fund include salaries and benefits, repairs and maintenance, operating supplies, insurance, depreciation and other operating expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**CITY OF BELLE MEADE, TENNESSEE**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS - Continued**

**Proprietary Funds**  
**(From Statement of Net Position)**

	2025	2024	Change %
Cash	\$ 192,829	\$ 195,378	-1.30%
Investments	1,554,327	1,904,288	-18.38%
Receivables	569,212	44,159	1189.01%
Inventories	8,010	11,069	-27.64%
Other current assets	1,103	924	19.37%
Current assets	2,325,481	2,155,818	7.87%
Capital assets, net	1,090,584	990,213	10.14%
Total assets	\$ 3,416,065	\$ 3,146,031	8.58%
Current liabilities	\$ 88,329	\$ 35,599	148.12%
Investment in capital assets	1,090,584	990,213	10.14%
Unrestricted net position	2,237,152	2,120,219	5.52%
Total Net Pension	\$ 3,327,736	\$ 3,110,432	6.99%

At the end of its sixth eighth year as a stand-alone fund, total net position increased by 6.99%. This is mostly a result of an increase in receivables.

**Budgetary Information**

Budgetary comparison schedules for the General fund can be found in the Basic Financial Statements section. Schedules for other special revenue funds and the waste collection (sanitation) component of the General Fund are found in the Supplementary Information section of this Report. There are several line items that may have significant variations between original and amended budget amounts and the actual revenue or expenditure totals, as shown on the Statement of Revenue, Expenditures, and changes in Fund Balances-Budget to Actual-General Fund, found in the Basic Financial Statements. The Commissioners revise the budget mid-year and near fiscal year-end with approval of a Budget Amendment Ordinance. Most amendments result from unexpected changes in revenues and unforeseen or emergency-type expenditures. Those who are familiar with the budget process in non-government organizations may find it unusual for the City’s budget to be amended several times during a fiscal year. The budget is passed by the Commissioners by ordinance, therefore establishing it as law for the current fiscal year. Under that ordinance, staff cannot spend more than what was approved by the Commissioners. When changes in revenue or expenditures do occur, they must first be approved by amending the original ordinance, so that the staff has the legal authorization to make changes in revenue collections or expense disbursements.

**Currently Known Factors Effecting Future Years**

The City of Belle Meade is a small community, 3 square miles in area, consisting of all residential property. The City’s main revenue source is property tax and its growth relies upon growth in a property’s assessed value either due to market conditions or improvement via additions to taxable square footage. The potential for this type of growth is limited by the fact

**CITY OF BELLE MEADE, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued**

that the City cannot annex more property into its limits, which are fixed by the terms of its City Charter, and further limited by the lack of undeveloped acreage remaining within the city limits. However, the real estate market in this community is competitive, and the age of many homes will mean that the City will continue to see some redevelopment of residential housing stock and demand for interior and exterior renovations, ultimately resulting in additional taxable value. City management anticipates adjustments in the property tax rate will be necessary in the years ahead to offset increasing costs of city operations. Currently, year-over-year growth in revenues is significantly less than inflation, but the City's General Fund has been supplemented with better-than-anticipated gains in investment earnings. As interest rates are dropping so are forecasts for future investment earnings, further creating the need for the City Commission to consider options for increasing revenues for services and programs to maintain current levels of funding.

There are two major services provided by the City that have the greatest potential for possible increases to the costs of operations in the years ahead: 1) sewer collections and 2) solid waste collections. The City of Belle Meade is a customer of the Metro-Nashville system for transport and treatment of sewage collected within the city and currently operates under a 10-year agreement expiring October 1, 2034. The wholesale rate charged by Metro to Belle Meade significantly exceeded historical trends and increased by an average of 3.5% over the last five years. Also significant is that the City conducted an independent rate study of its own in 2025 in part to update the assumptions which are the underlying basis for establishing the sewer user fees that the City charges to its customers to maintain the sewage collection system. For the previous four years, the City has adopted incremental, 2% per year, adjustments to its user fees. As a result of the new study's recommendations, the City intends to follow its recommendations for annual 4% increases for each year 2026 to 2030. Adjusting the sewer user fee should mitigate the impact of increased costs being passed on from Metro-Water. Additionally, projections show that following the recommended schedule for user fee adjustments should generate sufficient revenue for repairs that are presumed increasingly more likely now that much of the City's system of sewer lines/pipes are 45 years old (initially installed in 1980).

Second, regarding the cost of solid waste collection, the City competitively bids out this service every three years but has very limited ability to mitigate the potential for rising operational costs. Extended periods of high fuel costs have resulted in operational cost increases in the past few years. Further and more significantly, the City is concerned that operational costs for solid waste disposal could increase due to the Nashville-Metro area's explosive population growth and the limited remaining space at the landfills closest to our community. Currently, there are only four active Class I landfills (for household waste) in the 20-county region. If collections/hauling contractors must travel further to dump or experience higher costs per ton for dumping, it will result in increasing the costs of these contracts with the City. According to an article in the Tennessee Lookout from May 24, 2021, "Nashville has increased, rather than decreased its reliance on landfills. In 2020, the city was sending 901,000 metric tons to landfills - or 1.29 per person. In 2011, city residents were generating 569,000 tons, or about 0.9 per person, according to state data." This regional landfill and disposal issue is an important one for the City of Belle Meade to consider as its residents do not currently pay directly for these services. Instead, the City pays the contractor for these services from its general fund, which is primarily property tax revenue supported. It is likely that a large increase in the costs of these

**CITY OF BELLE MEADE, TENNESSEE**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS - Continued**

services will occur in the future and would create a need for an increase in the property tax rate in the near future.

Over the next few years, the City anticipates it will continue to receive significant financial support for capital projects from three federally sourced grant programs: 1) American Rescue Plan Act (ARPA); 2) TDOT Multimodal Access Grant; and 3) Tennessee Department of Environment and Conservation (TDEC) Non-Competitive American Rescue Plan Grant. The City has received \$848,007 of the ARPA funds it was qualified to receive directly from U.S. Treasury as part of a stimulus bill passed during the Covid-19 pandemic. At the end of FY 2025, all of the funding was obligated (under contract to be completed) and \$595,404 remains to be expensed. The remaining funds are obligated to a traffic signal upgrade and intersection improvements project, at Harding Place and Belle Meade Boulevard, in partnership with Metro-Nashville Department of Transportation, which is anticipated for construction in FY 2026. The City has also completed the first of four project phases and, in FY 2025, actual expenses totaled \$15,809 of which \$13,428 was reimbursed by the grant. The total grant award of \$781,208 is from TDOT’s (Tennessee Department of Transportation) Multimodal Access Grant program for the Harding Pike sidewalk project and the project is not anticipated to complete the design phase and begin construction until 2027. Belle Meade’s TDEC grant award totals \$666,588, with required co-funding at 35%, or \$233,306. This grant is being used to develop a Sewer System Asset Management Plan that meets state guidelines and includes mapping all existing infrastructure assets, upgrading from a legacy system and paper-based work order history to a new web-based work order management system, and developing a long-range capital plan for the utility. In FY 2025, the project was initiated and nearly completed, resulting in \$825,601 in actual expenses of which \$525,920 was reimbursed by the grant. In total, the combined revenue from all three grant programs was \$626,989 in FY 2025.

The City anticipates using unappropriated fund balance to support capital projects recommended in the community’s master plan, known as the Belle Meade Together Plan. The top priority is for traffic calming improvements throughout the community to reduce speeding and improve safety for both motorists and pedestrians. During the fiscal year 2025, project engineers designed traffic calming islands for West Tyne Boulevard and Lynwood Blvd, expected construction in FY 2026. Additionally, the City continues to develop design plans for resurfacing with a new pavement marking plan for Belle Meade Boulevard. The expenses for engineering design will be ongoing through FY 2025 and FY 2026 and the City intends for construction/road resurfacing work to be completed in FY 2027 with a budget estimated cost of \$1 million.

**Contacting the City of Belle Meade’s Finance Director**

This financial report is designed to provide Belle Meade citizens and other interested parties with a general overview of the City of Belle Meade’s finances and to demonstrate the City’s accountability for the revenue it receives. If you have questions about this report or need additional financial information, contact the City of Belle Meade, 4705 Harding Road, Nashville, Tennessee 37205.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF BELLE MEADE, TENNESSEE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	2025		
	Governmental Activities	Business-Type Activities	Total Primary Government
<b>ASSETS:</b>			
Cash	\$ 1,581,548	\$ 192,829	\$ 1,774,377
Investments, at Fair Value	17,469,666	1,554,327	19,023,993
Property Taxes Receivable, Net of Allowance	3,371,724	-	3,371,724
Accounts Receivable, Net of Allowance	61,955	-	61,955
Grant Receivable	-	525,921	525,921
Due From Other Funds	3,130	(3,130)	-
Due from other governments	223,060	43,291	266,351
Prepaid Expenses and Other Assets	20,965	1,103	22,068
Inventories	-	8,010	8,010
Capital Assets:			
Land	27,600	-	27,600
Construction in progress	274,444	-	274,444
Infrastructure	6,413,329	-	6,413,329
Buildings and Equipment	7,642,072	8,171,151	15,813,223
Accumulated depreciation	(6,690,482)	(7,080,567)	(13,771,049)
<b>Total Assets</b>	<u>30,399,011</u>	<u>3,412,935</u>	<u>33,811,946</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows relating to pensions	505,133	-	505,133
Deferred outflows relating to other post employment benefits	125,931	-	125,931
<b>Total Deferred Outflows of Resources</b>	<u>631,064</u>	<u>-</u>	<u>631,064</u>
<b>LIABILITIES</b>			
Accounts Payable	118,657	76,430	195,087
Accrued Liabilities	50,124	1,435	51,559
Due to other governments	29,109	-	29,109
Unearned Grant Revenue	559,464	-	559,464
Long term Liabilities:			
Compensated Absences Payable	288,163	7,334	295,497
Net Pension Liability	298,991	-	298,991
Accrued Post-Retirement Plan (OPEB) Liability	458,560	-	458,560
<b>Total Liabilities</b>	<u>1,803,068</u>	<u>85,199</u>	<u>1,888,267</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Assessed and unlevied property taxes	3,371,724	-	3,371,724
Deferred Pension Inflows	178,131	-	178,131
Deferred inflows related to other post employment benefits	83,869	-	83,869
<b>Total Deferred Inflows of Resources</b>	<u>3,633,724</u>	<u>-</u>	<u>3,633,724</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	7,666,963	1,090,584	8,757,547
Restricted for:			
Street repairs	216,381	-	216,381
Beautification	295,148	-	295,148
Stormwater	103,712	-	103,712
Other purposes	49,302	-	49,302
Unrestricted: assigned for operations and capital assets	11,990,867	-	11,990,867
Unrestricted	5,270,910	2,237,152	7,508,062
<b>Total Net Position</b>	<u>\$ 25,593,283</u>	<u>\$ 3,327,736</u>	<u>\$ 28,921,019</u>

The accompanying notes are an integral part of these financial statements.

**2024**

Governmental Activities	Business-Type Activities	Total Primary Government
\$ 720,984	\$ 195,378	\$ 916,362
17,597,826	1,904,288	19,502,114
3,386,751	-	3,386,751
34,615	-	34,615
24,538	(24,538)	-
136,341	44,159	180,500
17,563	924	18,487
	11,069	11,069
27,600		27,600
257,768		257,768
6,242,279		6,242,279
7,286,555	7,912,419	15,198,974
(6,111,275)	(6,922,206)	(13,033,481)
<u>29,621,545</u>	<u>3,121,493</u>	<u>32,743,038</u>
821,356	-	821,356
148,631	-	148,631
<u>969,987</u>	<u>-</u>	<u>969,987</u>
56,186	2,953	59,139
43,936	1,139	45,075
18,423	-	18,423
647,104	-	647,104
346,950	6,969	353,919
481,075	-	481,075
438,303	-	438,303
<u>2,031,977</u>	<u>11,061</u>	<u>2,043,038</u>
3,386,751	-	3,386,751
163,263	-	163,263
102,978	-	102,978
<u>3,652,992</u>	<u>-</u>	<u>3,652,992</u>
7,702,927	990,213	8,693,140
187,725	-	187,725
288,605	-	288,605
20,000	-	20,000
9,951,185	-	9,951,185
6,756,121	2,120,219	8,876,340
<u>\$ 24,906,563</u>	<u>\$ 3,110,432</u>	<u>\$ 28,016,995</u>

**CITY OF BELLE MEADE, TENNESSEE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position			2024
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Total Primary Government
<b>Primary Government:</b>								
General Government	\$ 1,082,250		\$ -		\$ (1,082,250)	\$ -	\$ (1,082,250)	\$ (1,032,700)
Public Safety	2,922,514	137,794	31,921		(2,752,799)	-	(2,752,799)	(2,315,852)
Highways and streets	847,037		106,784	375,406	(364,847)	-	(364,847)	(86,742)
Building inspection	216,989	398,493			181,504	-	181,504	124,506
Stormwater	185,500	313,965		163,842	292,307	-	292,307	213,646
Waste Collection	652,494				(652,494)	-	(652,494)	(621,413)
Boulevards	162,299				(162,299)	-	(162,299)	(142,501)
Beautification supplies and services	102,583		104,420		1,837	-	1,837	12,885
<b>Total Primary Governmental Activities</b>	<b>6,171,666</b>	<b>850,252</b>	<b>243,125</b>	<b>539,248</b>	<b>(4,539,041)</b>	<b>-</b>	<b>(4,539,041)</b>	<b>(3,848,171)</b>
<b>Business-Type Activities</b>								
Sewer Fund	1,072,768	674,112	-	525,921	-	127,265	127,265	210,256
<b>General Revenues</b>								
Property Taxes					3,391,005	-	3,391,005	3,352,988
Payment in lieu of taxes					8,852	-	8,852	8,545
Mixed drink tax					83,832	-	83,832	68,696
TVA in lieu of tax					35,244	-	35,244	35,552
Sales tax					366,384	-	366,384	356,598
Franchise tax					76,244	-	76,244	82,343
Other state shared revenues					9,074	-	9,074	8,402
Fines and Forfeitures					284,522	-	284,522	238,039
Gain(loss) on disposal of capital assets					37,625	-	37,625	8,801
Unrestricted investment earnings					849,999	90,039	940,038	966,850
Other local revenue					82,980	-	82,980	19,871
<b>Total General Revenues</b>					<b>5,225,761</b>	<b>90,039</b>	<b>5,315,800</b>	<b>5,146,685</b>
<b>Change in Net Position</b>					<b>686,720</b>	<b>217,304</b>	<b>904,024</b>	<b>1,508,770</b>
<b>Net Position, Beginning of Year</b>					<b>24,906,563</b>	<b>3,110,432</b>	<b>28,016,995</b>	<b>26,508,225</b>
<b>Net Position, End of Year</b>					<b>\$ 25,593,283</b>	<b>\$ 3,327,736</b>	<b>\$ 28,921,019</b>	<b>\$ 28,016,995</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF BELLE MEADE, TENNESSEE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	<b>2025</b>			<b>2024</b>
	<b>General Fund</b>	<b>Non Major Funds</b>	<b>Total Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash	\$ 964,124	\$ 617,424	\$ 1,581,548	\$ 720,984
Investments	17,469,666	-	17,469,666	17,597,826
Receivables:				
Property tax	3,371,724	-	3,371,724	3,386,751
Accounts	61,955	-	61,955	34,615
Due from other governments	223,060	-	223,060	136,341
Due from other funds	8,704	17,475	26,179	42,272
Prepaid expenses	20,965	-	20,965	17,563
<b>Total Assets</b>	<b>\$ 22,120,198</b>	<b>\$ 634,899</b>	<b>\$ 22,755,097</b>	<b>\$ 21,936,352</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 104,573	\$ 14,084	\$ 118,657	\$ 56,186
Accrued liabilities	50,124	-	50,124	43,936
Due to other funds	17,475	5,574	23,049	17,734
Due to other governments	29,109	-	29,109	18,423
Unearned grant revenues	559,464	-	559,464	647,104
<b>Total Liabilities</b>	<b>760,745</b>	<b>19,658</b>	<b>780,403</b>	<b>783,383</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property taxes	3,371,724	-	3,371,724	3,386,751
<b>Total Deferred Inflows of Resources</b>	<b>3,371,724</b>	<b>-</b>	<b>3,371,724</b>	<b>3,386,751</b>
<b>FUND BALANCES</b>				
Fund balance:				
Nonspendable	20,965	-	20,965	17,563
Restricted for street repairs	-	216,381	216,381	187,725
Restricted for beautification	-	295,148	295,148	288,605
Restricted for stormwater	-	103,712	103,712	-
Restricted for police	49,302	-	49,302	20,000
Assigned for operations and capital assets	11,990,867	-	11,990,867	9,951,185
Unassigned	5,926,595	-	5,926,595	7,301,140
<b>Total Fund Balances</b>	<b>17,987,729</b>	<b>615,241</b>	<b>18,602,970</b>	<b>17,766,218</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 22,120,198</b>	<b>\$ 634,899</b>	<b>\$ 22,755,097</b>	<b>\$ 21,936,352</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF BELLE MEADE, TENNESSEE**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	2025	2024
Total Fund Balances for Governmental Funds	\$ 18,602,970	\$ 17,766,218
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet	7,666,963	7,702,927
Net pension asset (liability) in the governmental activities is not a financial resource (current liability) and therefore is not reported in the governmental funds balance sheet.	(298,991)	(481,075)
Employer pension and other post retirement benefits contributions made since the measurement date have been expenses in the governmental funds balance sheet but shown as deferred outflows of resources in the governmental activities, additionally other pension and other post employment benefit related	631,064	969,987
Deferred inflows of resources related to pensions and other post employment benefits are not financial liabilities and therefore are not reported in the governmental funds balance sheet	(262,000)	(266,241)
Net other post employment benefits obligation in governmental activities is not a current liability and is therefore not reported in the governmental funds balance sheet	(458,560)	(438,303)
Long-term liabilities for compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet	(288,163)	(346,950)
Net Position of Governmental Activities	\$ 25,593,283	\$ 24,906,563

The accompanying notes are an integral part of these financial statements.

**CITY OF BELLE MEADE, TENNESSEE**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	<b>2025</b>			<b>2024</b>
	General Fund	Non Major Funds	Total Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 3,399,857	\$ -	\$ 3,399,857	\$ 3,361,533
Licenses and Permits	398,493	-	398,493	322,635
Fines, Forfeitures and Penalties	284,522	-	284,522	238,039
Charges for Services	137,794	313,965	451,759	414,763
Intergovernmental	1,147,244	101,487	1,248,731	1,260,742
Use of Money and Property	845,293	4,706	849,999	874,149
Other	120,605	104,420	225,025	123,077
<b>Total Revenues</b>	<u>6,333,808</u>	<u>524,578</u>	<u>6,858,386</u>	<u>6,594,938</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
General Government	967,653	-	967,653	927,600
Public Safety	2,876,054	-	2,876,054	2,519,241
Highways and streets	735,322	72,831	808,153	958,084
Building inspection	242,145	-	242,145	188,556
Stormwater	-	210,253	210,253	247,668
Waste Collection	652,494	-	652,494	621,413
Boulevards	162,299	-	162,299	142,501
Beautification supplies and services	-	102,583	102,583	81,520
<b>Total Expenditures</b>	<u>5,635,967</u>	<u>385,667</u>	<u>6,021,634</u>	<u>5,686,583</u>
<b>NET CHANGE IN FUND BALANCE</b>	697,841	138,911	836,752	908,355
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>17,289,888</u>	<u>476,330</u>	<u>17,766,218</u>	<u>16,857,863</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 17,987,729</u>	<u>\$ 615,241</u>	<u>\$ 18,602,970</u>	<u>\$ 17,766,218</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF BELLE MEADE, TENNESSEE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	2025	2024
Net change in fund balance - total governmental funds	\$ 836,752	\$ 908,355
<p>Amounts reported for governmental activities in the statement of activities are different from the amounts reported for governmental funds in the statement of revenues, expenditures and changes in the fund balance because:</p> <p>Governmental funds report capital outlays as expenditures. However, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense for governmental activities:</p>		
Acquisition of capital assets	737,184	1,197,316
Depreciation expense	(773,148)	(690,806)
<p>Payments to the pension and other post employment benefit plans after the measurement date are treated as deferred outflow of resources in the statement of net assets, whereas in the governmental funds, expenses are reported when due</p>		
	107,597	82,917
<p>Expenses reported for governmental activities do not require the use of current financial resources and are not reported as expenditure in the governmental funds</p> <p>The current year increase in the liability for compensated absences does not require the use of current financial resources and therefore is not reported in the governmental funds:</p>		
Change in accrual compensation absences	58,787	(22,371)
Actuarially determined pension benefits (expense)	(233,885)	(233,381)
Actuarially determined other post employment benefits (expense)	(46,567)	(36,217)
Change in Net Position of Governmental Activities	\$ 686,720	\$ 1,205,813

The accompanying notes are an integral part of these financial statements.



**CITY OF BELLE MEADE, TENNESSEE**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS - SEWER FUNDS**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	2025	2024
<b>ASSETS</b>		
Cash and cash equivalents	\$ 192,829	\$ 195,378
Investments	1,554,327	1,904,288
Receivables:		
Grant receivable	525,921	-
Due from other governments	43,291	44,159
Prepaid expense	1,103	924
Inventories	8,010	11,069
	2,325,481	2,155,818
Total Current Assets		
Capital assets, net	1,090,584	990,213
	3,416,065	3,146,031
<b>LIABILITIES</b>		
Accounts payable	76,430	2,953
Accrued liabilities	1,435	1,139
Due to other funds	3,130	24,538
Accrued compensated absences	7,334	6,969
	88,329	35,599
Total Current Liabilities		
<b>NET POSITION</b>		
Investment in capital assets	1,090,584	990,213
Unrestricted	2,237,152	2,120,219
	\$ 3,327,736	\$ 3,110,432
Total Net Position		

The accompanying notes are an integral part of these financial statements.

**CITY OF BELLE MEADE, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION**  
**PROPRIETARY FUNDS - SEWER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	2025	2024
<b>OPERATING REVENUES</b>		
Charges for services	\$ 674,112	\$ 642,914
<b>Total Operating Revenues</b>	674,112	642,914
<b>OPERATING EXPENSES</b>		
Salaries and benefits	87,658	78,115
Repairs and maintenance	762,039	67,932
Operating supplies	49,325	115,218
Insurance	7,120	7,865
Depreciation	158,362	156,541
Other operating expenses	8,264	6,987
<b>Total Operating Expenses</b>	1,072,768	432,658
<b>OPERATING (LOSS) INCOME</b>	(398,656)	210,256
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income	90,039	92,701
Grants	525,921	-
<b>Total Non-Operating Revenues</b>	615,960	92,701
<b>CHANGE IN NET POSITION</b>	217,304	302,957
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	3,110,432	2,807,475
<b>NET POSITION, END OF YEAR</b>	\$ 3,327,736	\$ 3,110,432

The accompanying notes are an integral part of these financial statements.

**CITY OF BELLE MEADE, TENNESSEE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS - SEWER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Charges for services	674,980	\$ 642,809
Payment to employees	(86,997)	(77,877)
Payments to Suppliers	(750,392)	(224,057)
<b>Net Cash (Used In) Provided by Operating Activities</b>	<b>(162,409)</b>	<b>340,875</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
(Repayment to) advances from other funds	(21,408)	23,517
<b>Net Cash (Used In) Provided by Noncapital Financing Activities</b>	<b>(21,408)</b>	<b>23,517</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(258,732)	(96,306)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(258,732)</b>	<b>(96,306)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Transfers from (to) local government investment pool	440,000	(300,000)
<b>Net Cash Provided by (Used In) Investing Activities</b>	<b>440,000</b>	<b>(300,000)</b>
<b>NET CHANGE IN CASH</b>	(2,549)	(31,914)
<b>CASH - BEGINNING OF YEAR</b>	195,378	227,292
<b>CASH - END OF YEAR</b>	<b>\$ 192,829</b>	<b>\$ 195,378</b>
<b>RECONCILIATION OF OPERATING INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating (Loss) Income	\$ (398,656)	\$ 210,256
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation & Amortization	158,362	156,541
Changes in operating assets and liabilities		
Due from other governments	868	819
Inventories	3,059	2,370
Prepaid expenses	(180)	(924)
Accounts payable	73,477	(26,958)
Accrued liabilities	296	(1,467)
Accrued post retirement benefits	365	238
<b>Total Adjustments</b>	<b>236,247</b>	<b>130,619</b>
<b>Net Cash (Used In) Provided by Operating Activities</b>	<b>\$ (162,409)</b>	<b>340,875</b>

The accompanying notes are an integral part of these financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Belle Meade, Tennessee, (the “City”) was incorporated in October 1938. The City operates under a Commissioner-Manager form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, sanitation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City of Belle Meade, Tennessee, conform to accounting principles generally accepted in the United States of America (“GAAP”) applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (“GASB”). The following is a summary of the more significant policies:

Government-wide Financial Statements

The government-wide financial statements include a statement of net position and a statement of activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants (including fines and fees) 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 capital or operational requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

These statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying statement of net position. Net position is reported in three categories.

**Investment in capital assets** consists of capital assets, net of accumulated depreciation, and reduced by any outstanding debt (if applicable) that is attributable to the acquisition, construction, and improvement of those assets. The City had no outstanding debt as of June 30, 2025 or 2024.

**Restricted net position** results from restrictions placed on net assets by external sources such as creditors, grantors and contributors, or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net position** consists of net position which do not meet the definition of the two preceding categories.

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus, Basis of Accounting and Basis of Presentation

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Fund financial statements report detailed information about the City. The focus of the fund financial statements is on major funds rather than fund type. Each major fund is presented in a separate column and all nonmajor funds are aggregated and presented in a single column.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary fund. Revenues are recorded when earned and expenses are recorded when 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 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. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. 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 government considers revenues available if they are collected within 60 days of the end of the current fiscal period. Current liabilities are assigned to the fund from which they will be paid.

The following is the City's major governmental fund:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The City reports the following proprietary fund:

Sewer Fund - The Sewer Fund was created July 1, 2016 and reports the activities and accounts of sewer activity within the City. All activities necessary to provide these services are accounted for in such a manner to show a profit or loss similar to comparable private enterprises.

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Additionally, the City utilizes the following other fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions are those charges between various functions whose elimination would distort the direct costs and program revenues reported for the various functions concerned.

During the current fiscal year, the Stormwater Fund, which was previously reported within the General Fund, is now reported as a separate nonmajor special revenue fund to better reflect restricted revenue sources and related expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, expenditures related to compensated absences and other post-employment benefits are recorded only when a payment is due.

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgets and Budgetary Accounting

The City is required by State statute to adopt annual budgets. All budgets are prepared on the basis where current available funds must be sufficient to meet current expenditures. Expenditures should not exceed appropriations authorized by the City Commission and any authorized revisions. Final budgetary amounts presented in the financial statements represent amended amounts as authorized by the City Commission and any unencumbered appropriations lapse at the end of each year.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 30, the City Manager and Finance Committee submit to the City Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at City Hall to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Commissioners.
5. Formal budgetary integration is employed as a management control device during the year for all budgets.

The City Commission approves the operating budget for the fiscal year commencing on July 1. Total expenditures for each department are not permitted to exceed the total amount appropriated in the budget ordinance. The accompanying budgetary data also includes revisions for amendments authorized during the year. Departmental appropriations comprise a legal spending limit for governmental funds. All unencumbered annual appropriations lapse at year-end.

The Annual Budget serves from July 1 to the following June 30 and is a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustments of the City's performance. Furthermore, through the budget, the City Commission sets the direction of the City, allocates its resources and establishes its priorities. The Annual Budget assures the efficient use of the City's economic resources, as well as establishing that the highest priority objectives are accomplished.

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by program or department and are distributed monthly to the City Commission. Individual budgets are reviewed and analyzed for budgetary compliance and for unusual deviations from their expected normal expenditure pattern. Revenues are reviewed monthly and compared to expected rates of collections, and unusual revenue patterns are analyzed for changes in trends or possible unfavorable variances from budgeted amounts.

Excess of Expenditures Over Budget In Individual Funds

There were no funds that expenditures exceeded budgeted levels.

Purchasing Laws - City Departments

Purchasing for all City departments is governed by the Powers Under City Manager-Commission Charter, Section 6-19-104, T.C.A. and the Municipal Purchasing Law of 1983, Section 6-56-302 through 6-56-306, T.C.A. Section 6-19-104 delegates all purchasing authority to the City Manager. The City Manager is required to obtain competitive pricing for all purchases of \$1,000 or greater. Furthermore, if the purchase exceeds \$25,000, it must be awarded by majority vote by the Board of Commissioners after it is bid upon publicly.

Property Taxes Receivable

Property taxes receivable and the related revenues are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date.

In the governmental fund financial statements, revenues from property taxes are recognized in the period for which the taxes are levied, which is October 1 of the ensuing fiscal year. Property taxes receivable are presented on the balance sheet of governmental activities with offsetting deferred inflows of resources to reflect amounts not available as of June 30. Taxes become delinquent and begin accumulating interest and penalty the following March 1.

CITY OF BELLE MEADE, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investments

Investments consist of certificates of deposit at amortized cost and pooled funds in the State of Tennessee Local Government Investment Pool (“LGIP” or “Pool”), which is maintained and operated by the State of Tennessee in accordance with applicable State laws and regulations. Because the Pool is considered a qualified external investment pool, participants are guaranteed consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

Inventories

Inventories are valued at the lower of cost or net realizable value on a first-in, first-out basis. Inventories are made up of repair and replacement parts for equipment. In the proprietary fund statements, inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual cost is not available. Contributed capital assets are recorded at their estimated fair value on the date contributed. Capital assets include infrastructure capital assets consisting of the sewer system and its improvements, drainage and drainage improvements and road and road improvements. The City defines capital assets as assets with an initial, individual cost of more than the established amount, as listed below, and an estimated useful life in excess of one year.

Land	\$ 500
Buildings	10,000
Improvements other than buildings	5,000
Infrastructure - Sewer system	5,000
Infrastructure	10,000
Equipment	5,000

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	30 years
Improvements other than buildings	10 - 20 years
Infrastructure	12 - 40 years
Equipment	3 - 10 years

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives, with an individual cost of more than \$5,000 are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts, and any gain or loss is included in the results of operations.

Construction in progress is stated at cost. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into use.

Long-term Agreements

The City was required to adopt GASB Statement No. 87, Leases, for its fiscal year ending June 30, 2022. The City does not have any material lease commitments and therefore no right-to-use asset or related lease liability is recorded in the entity-wide financial statements. The City was required to adopt GASB Statement No. 96, Subscription-Based Information Technology Arrangements, effective for its fiscal year ending June 30, 2023. The City does not have any material subscription-based information technology arrangements in excess of twelve months and therefore no right-to-use subscription asset, intangible asset, or corresponding subscription liability is recorded in the entity-wide financial statements.

Net Pension Asset/Liability

For purposes of measuring the net pension asset/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's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System ("TCRS"), and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value. Current period expense for pension contributions is recorded in the individual fund where the employees' salary is recorded. For purposes of recording the net pension asset/liability and related pension deferred inflows and outflows on the entity-wide financial statements, all activity is recorded in governmental activities, as all eligible employees are included in the general fund.

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Other Post Employment Benefits (“OPEB”)

The City provides post-employment health insurance benefits to eligible retirees between the ages of 55 and 65. The City pays a portion of eligible retiree current year premiums based on length of service but does not fund the plan for future retirements. The balance shown as a liability for OPEB represents the actuarially determined total liability representing the present value of projected benefit payments to be provided to current, active and inactive employees past periods of service. For purposes of recording OPEB liabilities at year-end, all employees are included in governmental activities.

Deferred Inflows and Outflows of Resources

Deferred inflows of resources arise when assets are recognized before revenue recognition criteria have been satisfied. Deferred outflows of resources arise when resources used pertain to future reporting periods. Deferred outflows of resources at June 30, 2025 and 2024 relate to contributions made into the pension and OPEB plans after the measurement date, changes in assumptions and the difference between projected and actual earnings on plan investments.

Compensated Absences

It is the policy of the City to permit employees to accumulate amounts of earned but unused sick pay benefits, which will be paid or credited to the employee’s retirement fund upon separation from service. In the governmental fund financial statements, the cost of sick pay benefits is not recognized until payments are made to employees. In the government-wide and proprietary fund statements, a liability for compensated absences (vacation and sick pay) has been recorded representing the City’s commitment to fund such costs with future financial resources.

Fund Balance

In accordance with applicable standards, the governmental funds report fund balances in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories of fund balance are as follows:

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

*Restricted* - Fund balance is reported as restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed* - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners level of decision-making authority, through City ordinance, are reported as committed fund balance. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The Board of Commissioners remove or change the commitment by taking the same action it employed to impose the commitment.

*Assigned* - Amounts that are constrained by the City's intent as determined by the Commission or City Manager to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In governmental funds, if expenditures incurred for specific purposes have exceeded the amounts restricted, committed, or assigned to those purposes, those amounts are reported as a negative unassigned fund balance.

The City's policy is to expend any available restricted, committed or assigned resources, in that order, prior to expending unassigned resources.

Use of Estimates

The preparation of the City's financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

B. CASH AND CAH EQUIVALENTS

Deposits

The City’s deposit policy is governed by the laws of the State of Tennessee. Deposits in financial institutions are required by State statute to be secured and collateralized by such institutions. The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. The City’s financial institutions participate in the State of Tennessee Bank Collateral Pool. Banks participating in the Collateral Pool determine the aggregate balance of their public fund accounts and the required collateral for the City. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the State Treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

During fiscal 2025 and 2024, the City’s deposit balances were fully collateralized by the State of Tennessee Bank Collateral Pool and the Federal Depository Insurance Corporation (“FDIC”). At June 30, the carrying amount and corresponding bank balances of deposits were as follows:

	<u>2025</u>		<u>2024</u>	
	Deposits	Carrying	Deposits	Carrying
	Per Bank	Amount	Per Bank	Amount
	Per Bank	Per Bank	Per Bank	Per Bank
Cash and cash equivalents	<u>\$1,803,518</u>	<u>\$1,774,377</u>	<u>\$1,350,799</u>	<u>\$916,362</u>

The difference between the deposits per bank and the carrying amount of cash per the books is due primarily to checks outstanding at June 30, 2025.

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

B. CASH AND CAH EQUIVALENTS - Continued

Investments

The City is authorized by statute to make direct investments in bonds, notes or treasury bills of the U.S. Government and obligations guaranteed by the U.S. Government or any of its agencies. These investments may not have a maturity greater than two years. The City may make investments with longer maturities if various restrictions set out in State law are followed. The City is also authorized to make investments in the LGIP and in repurchase agreements. The Pool is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a-7 of the Investment Company Act of 1940. Accordingly, the Pool qualifies as a 2a-7 like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. There are no limitations on withdrawals or maximum transaction amounts on funds held in the Pool. Securities purchased under a repurchase agreement must be obligations of the U.S. Government or obligations guaranteed by the U.S. Government or any of its agencies.

Investments consist of amounts invested in LGIP and Certificates of Deposits. LGIP is an interest-bearing account insured and regulated by the State. The fair value of the City’s position in LGIP is the same as the value of the pool shares. The pool contains investments in collateralized C.D.’s, U.S. Treasury Securities and Repurchase Agreements backed by U.S. Treasury Securities. None of the investments in the pool belong solely to any one participant in the investment pool.

Credit risk is the risk of loss due to the failure of the investment issuer or backer; interest rate risk is the risk that the market value of investments in the portfolio will fall due to changes in market interest rates. The City does not have formal policies for these risks but mitigates the risk by using various financial institutions and invests only in the LGIP fund with fixed net asset values.

For purposes of disclosing interest rate risk on the deposits held by LGIP, interest rate risk is based on the dollar-weighted days to maturity of the pool’s investments, which was 48 days at June 30, 2025. The Pool does not have a credit rating.

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

C. CAPITAL ASSETS

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

	2025				
	Balance	Additions	Disposals	Transfers	Balance
	July 1, 2024				June 30, 2025
<b>Governmental Activities:</b>					
Capital Assets not depreciated:					
Land	\$ 27,600	\$ -	\$ -	\$ -	\$ 27,600
Construction in progress	257,768	16,676	-	-	274,444
Total Capital Assets, Not Depreciated	<u>285,368</u>	<u>16,676</u>	<u>-</u>	<u>-</u>	<u>302,044</u>
Capital Assets, Being Depreciated:					
Buildings and Improvements	2,622,972	3,600	-	-	2,626,572
Improvements other than building	2,452,836	59,014	-	-	2,511,850
Equipment	2,210,747	486,844	(193,941)	-	2,503,650
Infrastructure					
Drainage and drainage improvements	1,085,754	-	-	-	1,085,754
Road and road improvements	5,156,525	171,050	-	-	5,327,575
Total Capital Assets, Being Depreciated	<u>13,528,834</u>	<u>720,508</u>	<u>(193,941)</u>	<u>-</u>	<u>14,055,401</u>
Less Accumulated Depreciation for:					
Improvements other than building	(1,612,489)	(79,307)	-	4,598	(1,687,198)
Buildings and Improvements	(1,559,991)	(85,593)	-	-	(1,645,584)
Equipment, Furniture, and Fixtures	(1,356,509)	(244,495)	193,941	-	(1,407,063)
Infrastructure					
Drainage and drainage improvements	(314,561)	(27,144)	-	61,439	(280,266)
Road and road improvements	(1,267,725)	(336,609)	-	(66,037)	(1,670,371)
Total Accumulated Depreciation	<u>(6,111,275)</u>	<u>(773,148)</u>	<u>193,941</u>	<u>-</u>	<u>(6,690,482)</u>
Total Capital Assets Being Depreciated, Net	<u>7,417,559</u>	<u>(52,640)</u>	<u>-</u>	<u>-</u>	<u>7,364,919</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,702,927</u>	<u>\$ (35,964)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,666,963</u>
2024					
	Balance	Additions	Disposals	Transfers	Balance
	July 1, 2023				June 30, 2024
<b>Governmental Activities:</b>					
Capital Assets not depreciated:					
Land	\$ 27,600	\$ -	\$ -	\$ -	\$ 27,600
Construction in progress	143,303	114,465	-	-	257,768
Total Capital Assets, Not Depreciated	<u>170,903</u>	<u>114,465</u>	<u>-</u>	<u>-</u>	<u>285,368</u>
Capital Assets, Being Depreciated:					
Buildings and Improvements	2,617,216	5,756	-	-	2,622,972
Improvements other than building	2,673,295	-	-	(220,459)	2,452,836
Equipment	2,000,394	336,586	(126,233)	-	2,210,747
Infrastructure					
Drainage and drainage improvements	997,179	88,575	-	-	1,085,754
Road and road improvements	4,284,132	651,934	-	220,459	5,156,525
Total Capital Assets, Being Depreciated	<u>12,572,216</u>	<u>1,082,851</u>	<u>(126,233)</u>	<u>-</u>	<u>13,528,834</u>
Less Accumulated Depreciation for:					
Improvements other than building	(1,549,296)	(77,077)	-	13,884	(1,612,489)
Buildings and Improvements	(1,474,506)	(85,485)	-	-	(1,559,991)
Equipment, Furniture, and Fixtures	(1,294,846)	(187,896)	126,233	-	(1,356,509)
Infrastructure					
Drainage and drainage improvements	(287,362)	(27,199)	-	-	(314,561)
Road and road improvements	(940,692)	(313,149)	-	(13,884)	(1,267,725)
Total Accumulated Depreciation	<u>(5,546,702)</u>	<u>(690,806)</u>	<u>126,233</u>	<u>-</u>	<u>(6,111,275)</u>
Total Capital Assets, Being Depreciated, Net	<u>7,025,514</u>	<u>392,045</u>	<u>-</u>	<u>-</u>	<u>7,417,559</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,196,417</u>	<u>\$ 506,510</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,702,927</u>

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

C. CAPITAL ASSETS – Continued

Capital asset activity for business-type activities for the year ended June 30, 2025 and 2024 was as follows:

	2025				Balance June 30, 2025
	Balance July 1, 2024	Additions	Disposals	Transfers	
<b>Business-Type Activities:</b>					
Capital Assets, Being Depreciated:					
Buildings	\$ 555,598	\$ -	\$ -	\$ -	\$ 555,598
Equipment	7,356,821	258,732	-	-	7,615,553
Total Capital Assets, Being Depreciated	<u>7,912,419</u>	<u>258,732</u>	<u>-</u>	<u>-</u>	<u>8,171,151</u>
Less Accumulated Depreciation for:					
Buildings	(281,716)	(15,955)	-	-	(297,671)
Equipment	(6,640,490)	(142,406)	-	-	(6,782,896)
Total Accumulated Depreciation	<u>(6,922,206)</u>	<u>(158,361)</u>	<u>-</u>	<u>-</u>	<u>(7,080,567)</u>
Total Capital Assets, Being Depreciated, Net	<u>990,213</u>	<u>100,371</u>	<u>-</u>	<u>-</u>	<u>1,090,584</u>
Business-Type Activities Capital Assets, Net	<u>\$ 990,213</u>	<u>\$ 100,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,090,584</u>
2024					
	Balance July 1, 2023	Increases	Decreases	Transfers	Balance June 30, 2024
<b>Business-Type Activities:</b>					
Capital Assets, Being Depreciated:					
Buildings	\$ 555,598	\$ -	\$ -	\$ -	\$ 555,598
Equipment	7,260,515	96,306	-	-	7,356,821
Total Capital Assets, Being Depreciated	<u>7,816,113</u>	<u>96,306</u>	<u>-</u>	<u>-</u>	<u>7,912,419</u>
Less Accumulated Depreciation for:					
Buildings	(265,761)	(15,955)	-	-	(281,716)
Equipment	(6,499,904)	(140,586)	-	-	(6,640,490)
Total Accumulated Depreciation	<u>(6,765,665)</u>	<u>(156,541)</u>	<u>-</u>	<u>-</u>	<u>(6,922,206)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,050,448</u>	<u>(60,235)</u>	<u>-</u>	<u>-</u>	<u>990,213</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,050,448</u>	<u>\$ (60,235)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 990,213</u>

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

C. CAPITAL ASSETS - Continued

Depreciation expense related to governmental activities was charged to the following functions:

	<u>2025</u>	<u>2024</u>
General government	\$123,475	\$110,325
Public safety	188,707	168,609
Highways and streets	431,183	385,261
Stormwater	<u>29,783</u>	<u>26,611</u>
	<u>\$773,148</u>	<u>\$690,806</u>

Construction in progress for governmental activities includes costs associated with the Hillwood Bridge project and sidewalk improvements.

D. COMPENSATED ABSENCES

The City adopted GASB Statement No. 101, Compensated Absences during the year ending June 30, 2024. The following is a summary of changes in compensated absences for the year ended June 30:

	<u>Balance July 1, 2024</u>	Net Change in compensated <u>absences</u>	<u>Balance June 30, 2025</u>
Liability for accrued sick pay and annual leave	<u>\$353,919</u>	<u>\$(58,422)</u>	<u>\$295,497</u>

	<u>Balance July 1, 2023</u>	Net Change in compensated <u>absences</u>	<u>Balance June 30, 2024</u>
Liability for accrued sick pay and annual leave	<u>\$331,310</u>	<u>\$22,609</u>	<u>\$353,919</u>

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

E. COMPENSATION PAID TO ELECTED OFFICIALS

No compensation was paid to the Mayor or Commissioners during the years ended June 30, 2025 and 2024.

G. PENSION PLAN

Plan Description

Employees of the City are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related, and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

F. PENSION PLAN - Continued

Employees Covered by Benefit Terms

At the measurement dates, the following employees were covered by the benefit terms:

	<u>June 30,</u> <u>2024</u>	<u>June 30,</u> <u>2023</u>
Inactive employees or beneficiaries currently receiving benefits	26	24
Inactive employees or beneficiaries currently receiving benefits	20	21
Active employees	<u>9</u>	<u>11</u>
	<u>55</u>	<u>56</u>

The plan is currently closed to new entrants. Employees hired after July 1, 2014 are included in the 401(k) plan described later in this note.

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees do not contribute to the plan. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the years ended June 30, 2025 and 2024, employer contributions for the City were \$84,878 and \$64,100 respectively, based on a rate of 8.71 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The City’s net pension liability (asset) was measured as of June 30, 2024, and 2023, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of those dates.

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

F. PENSION PLAN - Continued

Actuarial Assumptions

The total pension liability as of June 30, 2024, and 2023 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent (based on age, including inflation, averaging 4.00 percent)
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation

Mortality rates were based on actual experience including an adjustment for some of the expected improvement.

The actuarial assumptions used in the June 30, 2024 actuarial valuations were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Actuarial Assumptions (continued)

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates 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 of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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NOTES TO FINANCIAL STATEMENTS  
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F. PENSION PLAN - Continued

<u>Asset Class</u>	<u>Long-term Expected real Rate of Return</u>	<u>Target Allocation</u>
US equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
US fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	<u>1%</u>
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent, based on a blending of the factors described above.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments to current active and inactive 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.

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

F. PENSION PLAN - Continued

BALANCE AT JUNE 30, 2022	\$ 5,211,706	\$ 5,232,552	\$ (20,846)
CHANGES FOR THE YEAR:			
Service cost	59,555	-	59,555
Interest	346,725	-	346,725
Differences between expected and actual experience	526,993	-	526,993
Changes in assumptions	-	-	-
Contributions - employer	-	87,960	(87,960)
Contributions - employee	-	-	-
Net investment income	-	345,561	(345,561)
Benefit payments, including refunds of employee contributions	(269,195)	(269,195)	-
Administrative expense	-	(2,169)	2,169
Net changes	<u>664,078</u>	<u>162,157</u>	<u>501,921</u>
BALANCE AT JUNE 30, 2023	<u>\$ 5,875,784</u>	<u>\$ 5,394,709</u>	<u>\$ 481,075</u>
CHANGES FOR THE YEAR:			
Service cost	53,137	-	53,137
Interest	388,277	-	388,277
Differences between expected and actual experience	(49,626)	-	(49,626)
Changes in assumptions	-	-	-
Contributions - employer	-	64,100	(64,100)
Contributions - employee	-	-	-
Net investment income	-	512,404	(512,404)
Benefit payments, including refunds of employee contributions	(353,345)	(353,345)	-
Administrative expense	-	(2,632)	2,632
Net changes	<u>38,443</u>	<u>220,527</u>	<u>(182,084)</u>
BALANCE AT JUNE 30, 2024	<u>\$ 5,914,227</u>	<u>\$ 5,615,236</u>	<u>\$ 298,991</u>

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

F. PENSION PLAN - Continued

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.75 percent) or 1 percentage-point higher (7.75 percent) than the current rate:

	Measurement Date - June 30, 2024		
		Current Discount	
	1% Decrease	(6.75%)	1% Increase
	(5.75%)	(6.75%)	(7.75%)
City's net pension liability (asset)	<u>\$980,484</u>	<u>\$ 298,991</u>	<u>\$( 275,454)</u>
	Measurement Date - June 30, 2023		
		Current Discount	
	1% Decrease	(6.75%)	1% Increase
	(5.75%)	(6.75%)	(7.75%)
City's net pension liability (asset)	<u>\$1,167,946</u>	<u>\$ 481,075</u>	<u>\$( 99,203)</u>

For year ended June 30, 2024 and 2023, the City recognized pension expense of \$233,885 and \$233,374, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources

The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$331,145	\$118,851
Net difference between projected and actual earnings on pension plan investments	-	59,280
Changes in assumptions	89,110	-
Contributions subsequent to the measurement date of June 30, 2024	<u>84,878</u>	<u>-</u>
Total	<u>\$505,133</u>	<u>\$178,131</u>

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

F. PENSION PLAN - Continued

	2024	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$542,032	\$163,263
Net difference between projected and actual earnings on pension plan investments	37,003	-
Changes in assumptions	178,221	-
Contributions subsequent to the measurement date of June 30, 2023	64,100	-
Total	\$821,356	\$163,263

The amount shown above for contributions subsequent to the measurement date of June 30, 2024 and 2023 will be recognized as an increase to net pension liability (asset) in the following measurement period.

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

Year Ended June 30:

2026	\$112,411
2027	205,076
2028	(43,740)
2029	(31,622)
2030	-
Thereafter	-

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Effective July 1, 2014, the City’s participation in the TCRS defined benefit pension plan was closed to new employees. The City adopted a new resolution at this time to become a participating employer in the State of Tennessee defined contribution 401(k) Plan through TCRS, which is held in trust and administered by Empower Retirement. All new employees hired after this date who are 18 years of age or older and render 40 or more hours of service per week as defined in the plan document are enrolled into the 401(k) plan. Every employee must contribute a mandatory 2% of gross wages each pay period, with the City contributing 5% of gross wages. The 5% employer contribution rate is

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
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F. PENSION PLAN - Continued

established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. The City will also match up to 3% of employee's elective contributions. Employees are fully vested after five years (20% after each year of service). During 2024, the City contributed \$98,933 to the 401(k) plan (\$82,241 for 2023).

G. POST EMPLOYMENT HEALTHCARE PLAN

Plan Description

Employees of the City are provided with pre-65 retiree health insurance benefits through the local Government OPEB Plan ("LGOP") administered by the Tennessee Department of Finance and Administration. This plan is considered to be multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGOP.

Benefits Provided

The City offers the LGOP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGOP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health-savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LGOP receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Active employees are required to pay 30% of insurance premiums (the City pays 70%) and pre-65 retirees pay 28 to 43% of insurance premiums (the City pays 72 to 57%), depending on length of service at retirement. Starting January 1, 2022, the City pays 100% of the employee-only premium for active employees. The LGOP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

CITY OF BELLE MEADE, TENNESSEE  
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G. POST EMPLOYMENT HEALTHCARE PLAN - Continued

Employees Covered

At the measurement date, the following employees of the City were covered by the benefit terms of the LGOP:

	June 30, 2024	June 30, 2023
Retirees and beneficiaries	2	2
Inactive, non-retired employees	-	-
Active employees	<u>27</u>	<u>24</u>
	29	26

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGOP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2025, the City paid \$22,719 to the LGOP for OPEB benefits as they came due (\$19,631 during the year ended June 30, 2024).

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 and 2023 actuarial valuations were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.25%
Salary increases:	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent.
Healthcare cost trend rates:	10.68% for pre-65 in 2024 (10.3% in 2023), decreasing annually over an 11 year period to an ultimate rate of 4.50%. 13.44% for post-65 in 2024 (12.4% in 2023), decreasing annually over an 12 year period to an ultimate rate of 4.50%.

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

G. POST EMPLOYMENT HEALTHCARE PLAN - Continued

Retiree's share of benefit-related costs:                      Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this valuation a weighted average has been used with weights derived from the current distribution of members among plans offered.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2024, valuations were the same as those employed in the July 1, 2020 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2021. Post-retirement tables are adjusted with a 19% load for males and a 18% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected to all future years using Scale MP-2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93 percent (3.65 percent in prior year). This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index.

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

G. POST EMPLOYMENT HEALTHCARE PLAN - Continued

Changes in the total OPEB liability for the year ended June 30, 2025 and 2024, measured as of June 30, 2024 and 2023 follows:

	<u>Increase (Decrease) Total OPEB Liability</u>
BALANCE AT JUNE 30, 2023	<u>\$ 326,415</u>
CHANGES FOR THE YEAR:	
Service cost	19,614
Interest	11,934
Changes in benefit terms	-
Differences between expected and actual experience	54,820
Changes in assumptions	43,480
Benefit payments	<u>( 17,960)</u>
Net changes	<u>111,888</u>
BALANCE AT JUNE 30, 2024	<u>\$ 438,303</u>
CHANGES FOR THE YEAR:	
Service cost	25,768
Interest	16,598
Changes in benefit terms	-
Differences between expected and actual experience	( 14,492)
Changes in assumptions	11,200
Benefit payments	<u>( 18,817)</u>
Net changes	<u>20,257</u>
BALANCE AT JUNE 30, 2025	<u>\$ 458,560</u>

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

G. POST EMPLOYMENT HEALTHCARE PLAN - Continued

Changes in Assumptions

The discount rate was changed from 3.65% as of the beginning of the measurement period to 3.93% as of June 30, 2024 (3.54% to 3.65% in prior year). This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates.

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability related to the LGOP, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate.

	Measurement Date - June 30, 2024		
		Current Discount	
	<u>1% Decrease</u> <u>(2.93%)</u>	<u>Rate</u> <u>(3.93%)</u>	<u>1% Increase</u> <u>(4.93%)</u>
City's total OPEB liability	<u>\$494,146</u>	<u>\$ 458,560</u>	<u>\$ 425,616</u>
	Measurement Date - June 30, 2023		
		Current Discount	
	<u>1% Decrease</u> <u>(2.65%)</u>	<u>Rate</u> <u>(3.65%)</u>	<u>1% Increase</u> <u>(4.65%)</u>
City's total OPEB liability	<u>\$470,987</u>	<u>\$438,303</u>	<u>\$407,949</u>

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

G. POST EMPLOYMENT HEALTHCARE PLAN - Continued

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability related to the LGOP, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend that is 1-percentage-point lower (5.60%) or 1-percentage-point higher (7.60%) than the current discount rate.

	Measurement Date - June 30, 2024		
	Current Healthcare Cost		
	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
	(5.60%	<u>Assumption</u>	(7.60%
	decreasing to `	decreasing to	decreasing to
	<u>3.50% )</u>	<u>4.50% )</u>	<u>5.50% )</u>
City's total OPEB liability	<u>\$412,800</u>	<u>\$458,560</u>	<u>\$512,643</u>

	Measurement Date - June 30, 2023		
	Current Healthcare Cost		
	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
	(9.31%/11.44%	<u>Assumption</u>	(11.31%/13.44%
	decreasing to `	decreasing to	decreasing to
	<u>3.50% )</u>	<u>4.50% )</u>	<u>5.50% )</u>
City's total OPEB liability	<u>\$396,693</u>	<u>\$438,303</u>	<u>\$487,249</u>

For the fiscal year ended June 30, 2025 and 2024, the City recognized OPEB expense of \$46,567 and \$36,217, respectively.

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

G. POST EMPLOYMENT HEALTHCARE PLAN - Continued

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal years ended June, 30, 2024 and 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the LGOP from the following sources:

	2025	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 53,821	\$53,997
Changes in assumptions	49,391	29,872
Employer payments subsequent to the measurement date of June 30, 2024	22,719	-
Total	\$125,931	\$83,869

	2024	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 77,430	\$ 63,444
Changes in assumptions	52,384	39,534
Employer payments subsequent to the measurement date of June 30, 2023	18,817	-
Total	\$148,631	\$102,978

The amount above for employer payments subsequent to the measurement date will be recognized as a reduction on total OPEB liabilities in the following measurement period.

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

Year Ended June 30:

2026	\$(4,478)
2027	(7,865)
2028	9,335
2029	11,739
2030	11,096
Thereafter	(484)

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

G. POST EMPLOYMENT HEALTHCARE PLAN - Continued

In the table above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

H. TRANSFERS

There were no interfund transfers for the year ended June 30, 2025 or 2024.

I. INTERFUND BALANCES

Transactions which constitute reimbursement of expenditures initially made from a fund, which are applicable to another fund, are recorded as expenditures, as appropriate, and the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

For the fiscal year ended June 30, 2025 and 2024, the interfund balance of \$3,130 and \$24,538, respectively, between the General Fund and the Sewer Fund are insurance and the interfund balance of \$17,475 and \$17,734, respectively, between the State Street Aid Fund from the General Fund are state shared revenue.

J. COMMITMENTS AND CONTINGENCIES

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities to form the Tennessee Municipal League (“TML”) Risk Pool, a public entity risk pool currently operating as a common risk management and insurance pool for its members. The City pays an annual premium to the TML Risk Pool for its insurance coverage. For the past three fiscal years, settlements have not exceeded insurance coverage.

K. NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 102 - *Certain Risk Disclosures*, Issued in December 2023. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The adoption of the statement had no impact on the financial statements of the Department.

CITY OF BELLE MEADE, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

J. NEW ACCOUNTING PRONOUNCEMENTS

The following GASB pronouncements have been issued but are not yet effective for the City. The City is currently determining the effect they will have on future reporting.

GASB Statement No. 103 - *Financial Reporting Model Improvements*, Issued in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

Improvements include:

- MD&A changes will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A.
- Separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources.
- Definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from government to government, thereby improving comparability.
- Addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position.
- Presentation of major component unit information will improve comparability.
- Budgetary comparison information to be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BELLE MEADE, TENNESSEE**  
**SCHEDULES OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS-LEGACY PLAN**  
**LAST FISCAL YEAR ENDED JUNE 30,2025**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service cost	\$ 53,137	\$ 59,555	\$ 51,190	\$ 73,819	\$ 70,012	\$ 63,009	\$ 66,945	\$ 74,410	\$ 81,165	\$ 80,926
Interest	388,277	346,725	320,738	331,317	313,498	305,348	291,102	292,997	273,868	275,075
Change in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(49,626)	526,993	270,595	(408,156)	57,454	(72,895)	50,068	(186,833)	96,424	(196,101)
Change in assumptions	-	-	-	445,554	-	-	-	144,803	-	-
Benefit payments, including refunds of member contributions	(353,345)	(269,195)	(262,610)	(213,636)	(184,347)	(195,734)	(219,643)	(199,025)	(180,267)	(172,212)
<b>Net Change in Total Pension Liability</b>	<b>38,443</b>	<b>664,078</b>	<b>379,913</b>	<b>228,898</b>	<b>256,617</b>	<b>99,728</b>	<b>188,472</b>	<b>126,352</b>	<b>271,190</b>	<b>(12,312)</b>
<b>Total Pension Liability - Beginning</b>	<b>5,875,784</b>	<b>5,211,706</b>	<b>4,831,793</b>	<b>4,602,895</b>	<b>4,346,278</b>	<b>4,246,550</b>	<b>4,058,078</b>	<b>3,931,726</b>	<b>3,660,536</b>	<b>3,672,848</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 5,914,227</b>	<b>\$ 5,875,784</b>	<b>\$ 5,211,706</b>	<b>\$ 4,831,793</b>	<b>\$ 4,602,895</b>	<b>\$ 4,346,278</b>	<b>\$ 4,246,550</b>	<b>\$ 4,058,078</b>	<b>\$ 3,931,726</b>	<b>\$ 3,660,536</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	64,100	87,960	82,809	84,699	90,851	84,125	76,584	77,434	90,838	91,490
Contributions - Employee	-	-	-	-	-	-	-	-	-	203
Net Investment Income	512,404	345,561	(211,740)	1,166,923	219,089	313,308	332,381	421,209	98,817	113,900
Benefit Payments, Including Refunds of Member Contributions	(353,345)	(269,195)	(262,610)	(213,636)	(184,347)	(195,734)	(219,643)	(199,025)	(180,267)	(172,212)
Administrative Expenses	(2,632)	(2,169)	(1,204)	(1,328)	(1,460)	(1,513)	(1,681)	(1,650)	(1,873)	(1,360)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>220,527</b>	<b>162,157</b>	<b>(392,745)</b>	<b>1,036,658</b>	<b>124,133</b>	<b>200,186</b>	<b>187,641</b>	<b>297,968</b>	<b>7,515</b>	<b>32,021</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>5,394,709</b>	<b>5,232,552</b>	<b>5,625,297</b>	<b>4,588,639</b>	<b>4,464,506</b>	<b>4,264,320</b>	<b>4,076,679</b>	<b>3,778,711</b>	<b>3,771,196</b>	<b>3,739,175</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 5,615,236</b>	<b>\$ 5,394,709</b>	<b>\$ 5,232,552</b>	<b>\$ 5,625,297</b>	<b>\$ 4,588,639</b>	<b>\$ 4,464,506</b>	<b>\$ 4,264,320</b>	<b>\$ 4,076,679</b>	<b>\$ 3,778,711</b>	<b>\$ 3,771,196</b>
<b>Net Pension Liability/(Asset) - Ending (a-b)</b>	<b>\$ 298,991</b>	<b>\$ 481,075</b>	<b>\$ (20,846)</b>	<b>\$ (793,504)</b>	<b>\$ 14,256</b>	<b>\$ (118,228)</b>	<b>\$ (17,770)</b>	<b>\$ (18,601)</b>	<b>\$ 153,015</b>	<b>\$ (110,660)</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	94.94%	91.81%	100.40%	116.42%	99.69%	102.72%	100.42%	100.46%	96.11%	103.02%
<b>Covered payroll</b>	\$ 735,940	\$ 1,009,870	\$ 949,647	\$ 1,031,652	\$ 1,106,593	\$ 1,051,560	\$ 1,013,008	\$ 1,106,197	\$ 1,297,688	\$ 1,306,994
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	40.63%	47.64%	-2.20%	-76.92%	1.29%	-11.24%	-1.75%	-1.68%	11.79%	-8.47%

Notes: Changes of assumptions - In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements

**CITY OF BELLE MEADE, TENNESSEE**  
**SCHEDULES OF CONTRIBUTIONS**  
**BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS-LEGACY PLAN**  
**LAST FISCAL YEAR ENDED JUNE 30,2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 84,878	\$ 64,100	\$ 87,968	\$ 82,809	\$ 84,699	\$ 90,851	\$ 80,865	\$ 76,584	\$ 77,434	\$ 90,838
Contributions in Relation to the Actuarially Determined Contributions	84,878	64,100	87,968	82,809	84,699	90,851	84,125	76,584	77,434	90,838
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,260)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 974,489	\$ 735,940	\$ 1,009,870	\$ 952,589	\$ 1,031,705	\$ 1,106,593	\$ 1,051,560	\$ 1,013,008	\$ 1,106,197	\$ 1,297,688
Contributions as a Percentage of Covered Payroll	8.71%	8.71%	8.71%	8.69%	8.21%	7.85%	7.85%	16.86%	16.86%	16.86%

Notes to Schedule:

Valuation date: Actuarially determined contribution rates for 2024 were calculated based on the June 30, 2023 actuarial valuation

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level dollar, closed (not to exceed 20 years)
Remaining Amortization Period:	Varies by Year
Asset Valuation:	10-year smoothed within a 20.0% corridor to market value
Inflation	2.25%
Salary Increases:	Graded salary ranges from 8.72% to 3.44% based on age, including inflation averaging 4.00%
Investment Rate of Return	6.75%, net of investment expense, including inflation
Retirement Age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.125%

Changes in assumptions -In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

**CITY OF BELLE MEADE TENNESSEE**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**LAST FISCAL YEAR ENDED JUNE 30**

<b>Total OPEB liability</b>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Service cost	\$ 25,768	\$ 19,614	\$ 24,983	\$ 26,899	\$ 16,333	\$ 10,303	\$ 23,018
Interest on OPEB Liability	16,598	11,934	7,708	7,161	7,970	6,321	12,070
Change in benefit terms					31,984	(39,925)	-
Differences between expected and actual experience	(14,492)	54,820	11,568	13,007	3,886	70,025	(194,712)
Change of assumptions and other inputs	11,200	43,480	(45,185)	(6,960)	27,831	3,406	12,163
Benefit payments	(18,817)	(17,960)	(8,998)	(1,741)	(1,538)	(5,825)	(2,712)
<b>Net change in Total OPEB Liability</b>	<b>20,257</b>	<b>111,888</b>	<b>(9,924)</b>	<b>38,366</b>	<b>86,466</b>	<b>44,305</b>	<b>(150,173)</b>
<b>Total OPEB liability- beginning</b>	<b>438,303</b>	<b>326,415</b>	<b>336,339</b>	<b>297,973</b>	<b>211,507</b>	<b>167,202</b>	<b>317,375</b>
<b>Total OPEB liability - ending</b>	<b>\$ 458,560</b>	<b>\$ 438,303</b>	<b>\$ 326,415</b>	<b>\$ 336,339</b>	<b>\$ 297,973</b>	<b>\$ 211,507</b>	<b>\$ 167,202</b>
<b>Covered payroll</b>	<b>\$ 2,203,291</b>	<b>\$ 2,019,630</b>	<b>\$ 2,107,300</b>	<b>\$ 1,848,541</b>	<b>\$ 1,652,505</b>	<b>\$ 1,541,283</b>	<b>\$ 1,523,153</b>
<b>Total OPEB liability (Asset) as a percentage of covered payroll</b>	<b>20.81%</b>	<b>21.70%</b>	<b>15.49%</b>	<b>18.19%</b>	<b>18.03%</b>	<b>13.72%</b>	<b>10.98%</b>

Note: There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 related to this OPEB plan.

The amount reported for each fiscal year were determined as of the prior fiscal year-end.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

## **SUPPLEMENTARY INFORMATION**

**CITY OF BELLE MEADE, TENNESSEE  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)**

	<u>2025</u>			<u>2024</u>	
	<u>Special Revenue Funds</u>			Total Non Major Governmental Funds	Total Non Major Governmental Funds
	<u>State Street Aid</u>	<u>Beautification</u>	<u>Stormwater</u>		
<b>ASSETS</b>					
Cash	\$ 199,688	\$ 295,148	\$ 122,588	\$ 617,424	\$ 460,116
Due From Other Funds	17,475	-	-	17,475	17,734
<b>TOTAL ASSETS</b>	<u>\$ 217,163</u>	<u>\$ 295,148</u>	<u>\$ 122,588</u>	<u>\$ 634,899</u>	<u>\$ 477,850</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts Payable:	\$ 782	\$ -	\$ 13,302	\$ 14,084	\$ 1,520
Due to other funds	-	-	5,574	5,574	-
<b>TOTAL LIABILITIES</b>	<u>782</u>	<u>-</u>	<u>18,876</u>	<u>19,658</u>	<u>1,520</u>
<b>FUND BALANCE</b>					
Restricted					
Street Repairs	216,381	-	-	216,381	187,725
Beautification	-	295,148	-	295,148	288,605
Stormwater	-	-	103,712	103,712	-
<b>TOTAL FUND BALANCE</b>	<u>216,381</u>	<u>295,148</u>	<u>103,712</u>	<u>615,241</u>	<u>476,330</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 217,163</u>	<u>\$ 295,148</u>	<u>\$ 122,588</u>	<u>\$ 634,899</u>	<u>\$ 477,850</u>

**CITY OF BELLE MEADE, TENNESSEE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	<b>2025</b>			Total Nonmajor Governmental Funds	<b>2024</b>
	<b>Special Revenue Funds</b>				Total Nonmajor Governmental Funds
	State Street Aid	Beautification	Stormwater		Total Nonmajor Governmental Funds
<b>REVENUES</b>					
Contributions	\$ -	\$ 104,420	\$ -	\$ 104,420	\$ 94,405
Charges for services	-	-	313,965	313,965	-
Intergovernmental:					
Gasoline and motor fuel tax	52,053	-	-	52,053	52,051
Gas 2017 tax	26,222	-	-	26,222	24,233
Three cent tax	15,057	-	-	15,057	17,035
Gas 1989 tax	8,155	-	-	8,155	8,137
Interest income	-	4,706	-	4,706	3,981
<b>Total Revenues</b>	<u>101,487</u>	<u>109,126</u>	<u>313,965</u>	<u>524,578</u>	<u>199,842</u>
<b>EXPENDITURES</b>					
Repair and maintenance - roads	72,831	-	-	72,831	92,619
Beautification supplies and services	-	102,583	-	102,583	81,520
Stormwater consultation and repairs	-	-	210,253	210,253	-
<b>Total Expenditures</b>	<u>72,831</u>	<u>102,583</u>	<u>210,253</u>	<u>385,667</u>	<u>174,139</u>
<b>NET CHANGE IN FUND BALANCE</b>	28,656	6,543	103,712	138,911	25,703
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>187,725</u>	<u>288,605</u>	<u>-</u>	<u>476,330</u>	<u>450,627</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 216,381</u>	<u>\$ 295,148</u>	<u>\$ 103,712</u>	<u>\$ 615,241</u>	<u>\$ 476,330</u>

**CITY OF BELLE MEADE, TENNESSEE**  
**STATE STREET AID FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
<b>Intergovernmental:</b>				
Gasoline and motor fuel tax	\$ 101,535	\$ 95,535	\$ 52,053	\$ (43,482)
Gas 2017 tax	-	-	26,222	26,222
Three cent tax	-	-	15,057	15,057
Gas 1989 tax	-	-	8,155	8,155
<b>TOTAL REVENUE</b>	<u>101,535</u>	<u>95,535</u>	<u>101,487</u>	<u>5,952</u>
<b>EXPENDITURES</b>				
Repair and maintenance - roads	<u>81,890</u>	<u>81,890</u>	<u>72,831</u>	<u>9,059</u>
<b>TOTAL EXPENDITURE</b>	<u>81,890</u>	<u>81,890</u>	<u>72,831</u>	<u>9,059</u>
<b>NET CHANGE IN FUND BALANCE</b>	19,645	13,645	28,656	15,011
<b>Fund Balance - Beginning of Year</b>			<u>187,725</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 216,381</u>	

See the independent auditor's report.

**CITY OF BELLE MEADE, TENNESSEE  
 BEAUTIFICATION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Contributions	\$ 75,500	\$ 32,300	\$ 104,420	\$ 72,120
Interest income	2,000	3,000	4,706	1,706
<b>TOTAL REVENUE</b>	<u>77,500</u>	<u>35,300</u>	<u>109,126</u>	<u>73,826</u>
<b>EXPENDITURES</b>				
Repair and maintenance - roads	384,600	165,500	102,583	62,917
<b>TOTAL EXPENDITURE</b>	<u>384,600</u>	<u>165,500</u>	<u>102,583</u>	<u>62,917</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(307,100)</u>	<u>(130,200)</u>	6,543	<u>136,743</u>
<b>Fund Balance - Beginning of Year</b>			<u>288,605</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 295,148</u>	

See the independent auditor's report.

**CITY OF BELLE MEADE, TENNESSEE**  
**STORMWATER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 296,000	\$ 296,000	\$ 313,965	\$ 17,965
<b>TOTAL REVENUE</b>	<u>296,000</u>	<u>296,000</u>	<u>313,965</u>	<u>17,965</u>
<b>EXPENDITURES</b>				
Repair and maintenance - roads	251,200	251,200	210,253	40,947
<b>TOTAL EXPENDITURE</b>	<u>251,200</u>	<u>251,200</u>	<u>210,253</u>	<u>40,947</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>44,800</u>	<u>44,800</u>	103,712	<u>58,912</u>
<b>Fund Balance - Beginning of Year</b>			<u>-</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 103,712</u>	

See the independent auditor's report.

**CITY OF BELLE MEADE, TENNESSEE  
WASTE COLLECTION (SANITATION)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE, 30, 2025**

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Contributions	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Waste collection	635,300	670,300	652,494	17,806
<b>Total Expenditures</b>	<u>635,300</u>	<u>670,300</u>	<u>652,494</u>	<u>17,806</u>
<b>Excess of Revenues Over Expenditures</b>	(635,300)	(670,300)	(652,494)	(17,806)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	635,300	670,300	652,494	17,806
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>635,300</u>	<u>670,300</u>	<u>652,494</u>	<u>17,806</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balance - Beginning of Year</b>			<u>-</u>	
<b>Fund Balance - End of Year</b>			<u><u>\$ -</u></u>	

(1) Under Tennessee Code Annotated (TCA) 68-211-874, the City is required to account for its solid waste removal activities in a separate fund. The City accounts for these activities in a separate Waste Collection Fund which does not qualify as a special revenue fund under generally accepted accounting principles. Accordingly, for fund financial statement reporting, the Waste Collection Fund is included as part of the General Fund. For purposes of this budgetary schedule, the waste collection activities are reported separately.

**CITY OF BELLE MEADE, TENNESSEE**  
**SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE**  
**FOR THE YEAR ENDED JUNE 30, 2025**

<b>TAX YEAR</b>	<i><b>BALANCE</b></i> JUNE 30,2024 <u>BALANCE</u>	<u>LEVY</u>	<u>COLLECTIONS</u>	PENALTIES AND <u>INTEREST</u>	<i><b>BALANCE</b></i> JUNE 30,2025 <u>BALANCE</u>
2024	\$ -	\$ 3,386,751	\$ (3,386,751)	\$ -	\$ -
2023	-	-	-	-	-
2022	-	-	-	-	-
2021	-	-	-	-	-
2020	-	-	-	-	-
2019	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ -</u>	<u>\$ 3,386,751</u>	<u>\$ (3,386,751)</u>	<u>\$ -</u>	<u>\$ -</u>
				Deferred inflow of resources for 2025 levy	<u>3,371,724</u>
					<u>\$ 3,371,724</u>

**CITY OF BELLE MEADE, TENNESSEE**  
**SCHEDULE OF PROPERTY TAX RATES AND ASSESSMENTS**  
**LAST TEN FISCAL YEARS (unaudited)**

<b>Fiscal Year*</b>	<b>Tax rate Per \$100</b>	<b>Appraised Value of Property</b>	<b>Assessed Value of Property</b>
2024 - 2025	\$ 0.5000	\$2,746,397,820	\$ 677,018,719
2023 - 2024	\$ 0.5000	2,717,097,520	669,044,339
2022 - 2023	\$ 0.5000	2,699,340,720	644,823,914
2021 - 2022	\$ 0.5000	2,683,104,820	660,093,866
2020 - 2021	\$ 0.3000	2,100,408,263	518,441,973
2019 - 2020	\$ 0.3000	2,075,434,463	511,347,655
2018 - 2019	\$ 0.2571	2,062,074,954	508,007,778
2017 - 2018	\$ 0.2571	2,055,968,254	506,382,323
2016 - 2017	\$ 0.3000	1,747,737,633	429,821,460
2015 - 2016	\$ 0.2243	1,698,580,503	426,193,655
2014 - 2015	\$ 0.2243	1,692,629,503	425,137,570

\* The fiscal year listed corresponds to the preceding tax year levy (2025 would represent the 2024 tax levy). This represents the period for which the taxes were levied.

**CITY OF BELLE MEADE, TENNESSEE**  
**SCHEDULE OF UTILITY RATE STRUCTURE AND NUMBER OF CUSTOMERS**  
**JUNE,30 2025**  
**SEWER FUND**  
**Established July 1, 2016**  
**(unaudited)**

<u>Fiscal Year</u>	<u>Number of Customers</u>	<u>Rate</u>
2025	1,185	\$3.32 per 100 CCF
2024	1,185	\$3.26 per 100 CCF
2023	1,071	\$3.20 per 100 CCF
2022	1,059	\$3.14 per 100 CCF
2021	1,058	\$2.85 per 100 CCF
2020	974	\$2.85 per 100 CCF
2019	974	\$2.85 per 100 CCF
2018	971	\$2.85 per 100 CCF
2017	972	\$2.85 per 100 CCF

**CITY OF BELLE MEADE, TENNESSEE  
SCHEDULE OF MAJOR FUND EXPENDITURES  
FOR YEAR ENDED JUNE 30, 2025**

GENERAL GOVERNMENT	<u>GENERAL FUND</u>
Salaries	\$ 359,014
Benefits	123,376
Supplies	148,910
Professional services	138,556
Insurance	151,566
Repair and maintenance	41,657
Capital outlay	2,895
Other	1,679
General Government Total	<u>967,653</u>
PUBLIC SAFETY	
Salaries	1,657,290
Benefits	535,737
Supplies	138,254
Travel	44,899
Repair and maintenance	71,184
Capital outlay	375,889
Other	52,801
Public Safety Total	<u>2,876,054</u>
HIGHWAYS AND STREETS	
Salaries	90,930
Benefits	38,667
Supplies	1,455
Travel	2,045
Repair and maintenance	154,577
Capital outlay	447,648
Highways and Streets Total	<u>735,322</u>
BUILDING INSPECTION	
Salaries	156,219
Benefits	59,879
Supplies	1,589
Travel	212
Repair and maintenance	-
Capital outlay	1,188
Other	23,058
Building Inspection Total	<u>242,145</u>
WASTE COLLECTION	
Supplies	269,488
Contractual	383,006
Waste Collection Total	<u>652,494</u>
BOULEVARDS	
Supplies	162,299
Boulevards Total	<u>162,299</u>
TOTAL EXPENDITURES	<u><u>\$ 5,635,967</u></u>

See independent auditor's report.

CITY OF BELLE MEADE, TENNESSEE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2025

Grant Description	ALN #	Grant Number	Grant period	Grant amount	Accrued (Deferred) 7/1/2024	Receipts	Expenditures	Accrued (Deferred) 6/30/2025
<b>Federal Awards</b>								
<b>U.S. Department of Transportation</b>								
Passed through the Tennessee Department of Safety and Homeland Security								
Alcohol Open Container	20.607	Z24THSO19	10/01/23 - 09/30/24	\$ 36,000	\$ -	\$ -	\$ -	\$ -
Alcohol Open Container	20.607	Z25THSO21	10/01/2024 - 09/30/2025	\$ 31,700	-	10,321	13,687	3,366
Total Program					-	10,321	13,687	3,366
Highway Safety Cluster								
Network Coordinator	20.600	Z24THSO20	10/01/23 - 09/30/24	\$ 20,000	2,425	5,192	2,767	-
Network Coordinator	20.600	Z25THSO22	10/01/24 - 09/30/25	\$ 25,000	-	15,468	15,468	-
Total Highway Safety Cluster					2,425	20,660	18,235	-
Total U.S. Department of Safety					2,425	30,981	31,922	3,366
<b>U.S. Department of Treasury</b>								
Passed through the State of Tennessee Dept. of Finance and Administration								
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	04/01/22-12/31/26	\$ 848,007	(647,104)	-	87,640	(559,464)
Wastewater Projects	21.027	32701-04868	03/03/21 - 09/30/26	\$ 666,588	-	-	525,920	525,920
Total Program					(647,104)	-	613,560	(33,544)
Total U.S. Department of Treasury					(647,104)	-	613,560	(33,544)
<b>Total Federal Awards</b>					<b>\$ (644,679)</b>	<b>\$ 30,981</b>	<b>\$ 645,482</b>	<b>\$ (30,178)</b>
<b>State Awards:</b>								
<b>Tennessee Department of Transportation</b>								
Sidewalk Rehabilitation	N/A	19LPLM-S3-197	6/21/22 - 6/20/27	\$ 742,736	\$ 8,831	\$ 41,031	\$ 32,200	\$ -
Total U.S. Department of Treasury					8,831	41,031	32,200	-
<b>Total State Awards</b>					<b>\$ 8,831</b>	<b>\$ 41,031</b>	<b>\$ 32,200</b>	<b>\$ -</b>

## **OTHER REPORTS**



INDEPENDENT AUDITORS' 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 City Commissioners  
City of Belle Meade, 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Belle Meade, Tennessee (the "City") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 24, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Belle Meade's internal control over financial reporting (internal control) as a basis for designing the 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 significant deficiencies or material weaknesses. However, material weaknesses may exist that have not been identified.



### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose Of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

*Crosslin, PLLC*

Nashville, Tennessee  
March 24, 2026

CITY OF BELLE MEADE, TENNESSEE  
SCHEDULE OF PRIOR YEAR FINDINGS  
JUNE 30, 2025

There were no current or prior year findings.