TENNESSEE CITY MANAGEMENT ASSOCIATION

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2026 AND 2025

BELLENFANT
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

TENNESSEE CITY MANAGEMENT ASSOCIATION

TABLE OF CONTENTS

Independent Auditor's Report	3
Audited Financial Statements:	
Statements of Financial Position	6
Statements of Activities	7
Statement of Functional Expenses - 2026	8
Statement of Functional Expenses - 2025	9
Statements of Cash Flows	10
Notes to Financial Statements	11
Supplemental Information:	
Schedule of Budget Compared to Actual - 2026	17
Schedule of Budget Compared to Actual - 2025	19

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tennessee City Management Association
Brentwood, Tennessee

Opinion

We have audited the accompanying financial statements of Tennessee City Management Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2026 and 2025 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tennessee City Management Association as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tennessee City Management Association 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 opinion.

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 Tennessee City Management Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tennessee City Management Association's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tennessee City Management Association's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Budget Compared to Actual is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Bellenfant, PLLC

Nashville, Tennessee
October 20, 2026

TENNESSEE CITY MANAGEMENT ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2026 AND 2025

ASSETS

CURRENT ASSETS	2026	2025
Cash and Cash Equivalents	$ 76,833	$ 76,982
Certificates of Deposit	462,874	462,366
Accrued Interest Receivable	5,816	-
Prepaid Expenses	1,793	-
Total Current Assets	547,316	539,348
Total Assets	$ 547,316	$ 539,348

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current Liabilities	$ 1,503	$ -
Total Current Liabilities	1,503	-
NET ASSETS		
Net Assets Without Donor Restrictions	545,813	539,348
Total Net Assets	545,813	539,348
Total Liabilities and Net Assets	$ 547,316	$ 539,348

The independent auditor's report and accompanying notes are an integral part of these statements.

TENNESSEE CITY MANAGEMENT ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenues	**2026**	**2025**
Association and Conference Sponsorships	$ 110,938	$ 89,000
Registration Fees	51,500	55,928
Membership Dues	48,392	48,242
Social Events	6,500	16,146
Donations	1,945	2,162
Interest	18,333	21,642
Total Revenues	237,608	233,120
Expenses		
Program Services	210,049	179,742
Management and General	21,094	20,671
Total Expenses	231,143	200,413
Change in Net Assets	6,465	32,707
Net Assets, beginning of year	539,348	506,641
Net Assets, end of year	$ 545,813	$ 539,348

The independent auditor's report and accompanying notes are an integral part of these statements.

TENNESSEE CITY MANAGEMENT ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2026

	Program Services	Management and General	Total
Membership Expenses			
Executive Director Compensation	$ 60,523	$ 6,725	$ 67,248
Payroll Taxes	4,724	525	5,249
Executive Director Travel	757	84	841
Liability Insurance	2,776	308	3,084
City Manager Plan Support	10,000	-	10,000
Legal and Professional Services	-	10,070	10,070
Accounting Service	-	2,395	2,395
Website	3,740	416	4,156
Processing Fees	4,423	491	4,914
PA Scholarship	2,500	-	2,500
ICMA Partnership Agreement	1,000	-	1,000
ICMA Conference	3,019	-	3,019
Awards	131	-	131
Printing and Postage	325	28	353
Office Supplies	193	21	214
Interest Paid	3	-	3
Other	280	31	311
Conference Expense			
Meeting Room/Hotel Rental	13,198	-	13,198
Meals	62,021	-	62,021
Social Events	19,952	-	19,952
Speakers and Audio	200	-	200
Audio Visual	13,547	-	13,547
Conference Refund	350	-	350
Supplies/Services	6,387	-	6,387
Total Expenses	$ 210,049	$ 21,094	$ 231,143

The independent auditor's report and accompanying notes are an integral part of these statements.

TENNESSEE CITY MANAGEMENT ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services	Management and General	Total
Membership Expenses			
Executive Director Compensation	$ 56,743	$ 6,305	$ 63,048
Payroll Taxes	4,385	487	4,872
Executive Director Travel	960	107	1,067
Liability Insurance	2,445	272	2,717
Legal and Professional Services	-	9,145	9,145
Accounting Service	-	2,303	2,303
Website	9,336	1,038	10,374
Processing Fees	5,113	568	5,681
PA Scholarship	2,500	-	2,500
ICMA Partnership Agreement	1,000	-	1,000
ICMA Conference	6,017	-	6,017
Awards	482	-	482
Printing and Postage	-	-	-
Office Supplies	246	27	273
Other	3,747	419	4,166
Conference Expense			
Meeting Room/Hotel Rental	37,884	-	37,884
Meals	27,523	-	27,523
Social Events	17,492	-	17,492
Speakers and Audio	765	-	765
Supplies/Services	3,104	-	3,104
Total Expenses	$ 179,742	$ 20,671	$ 200,413

The independent auditor's report and accompanying notes are an integral part of these statements.

TENNESSEE CITY MANAGEMENT ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ 6,465	$ 32,707
Adjustments to reconcile change in net assets to net cash provided (used) by operations:		
(Increase) Decrease in Accrued Interest Receivable	(5,816)	-
(Increase) Decrease in Prepaid Expenses	(1,793)	-
Increase (Decrease) in Payroll Taxes Payable	1,503	(1,760)
Net Cash Provided (Used) by Operating Activities	359	30,947
CASH FLOWS FROM INVESTING ACTIVITIES:		
Redemption of Certificates of Deposit	462,366	-
Purchase of Certificates of Deposit	(462,874)	(462,366)
Net Cash Provided (Used) by Operating Activities	(508)	(462,366)
Cash and Cash Equivalents, beginning of year	76,982	508,401
Cash and Cash Equivalents, end of year	$ 76,833	$ 76,982

The independent auditor's report and accompanying notes are an integral part of these statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Organization and Purpose

The Tennessee City Management Association ("the Association") was chartered as a nonprofit corporation under the laws of the State of Tennessee on March 18, 1998. Its purpose is to serve and increase the proficiency of city managers and other local administrators, and to strengthen the quality of local government through professional management.

Basis of Accounting

Tennessee City Management Association prepares its financial statements and maintains its financial and accounting records on the accrual basis of accounting. Revenues are generally recognized when earned and expenses are generally recorded when incurred.

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, the Association is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - These are net assets that are not subject to donor-imposed stipulations. The Association had $545,813 and $539,348 of net assets without donor restrictions as of June 30, 2026 and 2025, respectively.

Net assets with donor restrictions - These are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Association and/or the passage of time. This classification also includes net assets subject to donor-imposed stipulations that may be maintained permanently by the Association. Generally, donors of these assets permit the Association to use all or part of the income earned for general or specific purposes. The Association had no net assets with donor restrictions as of June 30, 2026 and 2025, respectively.

Prepaid Expenses

Prepaid expenses consists of future conference related expenses which are paid in advance.

Cash and Cash Equivalents

The Association considers all highly liquid investments with a maturity of ninety days or fewer to be cash equivalents. There were no cash equivalents as of June 30, 2026 and 2025.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Certificates of Deposit

Certificates of deposit are held with financial institutions, have original maturities of nine to twelve months, and are not held for trading purposes. They are carried at cost; accrued interest is reported separately. Interest income is recognized when earned and is included in investment return in the statement of activities. Early withdrawal penalties are not expected to be significant.

Revenue and Revenue Recognition

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Association's revenue consists of membership dues, sponsorships, social events and registration fees. Revenue recognition policies for the Association's primary revenue sources are summarized as follows:

Membership Dues The Association offers memberships for a one-year term based upon the calendar year. The Association satisfies its performance obligation and recognizes revenue evenly over the membership term as its members simultaneously receive and consume the benefits over that timeframe.

Sponsorships The Association offers annual and conference sponsorships. The annual sponsorships are recognized over the term of the sponsorship and the conference sponsorships are recognized at a point in time when the conference occurs.

Social Events The Association recognizes income for various social events under a contract with each individual. Revenue is recognized at a point in time, being when the event takes place.

Registration Fees The Association recognizes income for their registstration fees for their conference under a contract with each individual. Revenue is recognized at a point in time, being when the conference takes place.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Revenue and Revenue Recognition (Continued)

Contributions are nonreciprocal transactions because the donor does not receive commensurate value in return for the transfer of assets. Contributions, both conditional and unconditional contributions, are governed under ASC 958-605. Conditional contributions include both 1) a barrier to entitlement (such as incurring qualifying costs or raising matching funds) and 2) a right of return or release. For conditional contributions, revenue is recognized only when the condition has been met. On the other hand, unconditional contributions are recognized immediately. If an unconditional contribution includes a time or purpose restriction, the funds are reported in the nonprofit's net assets with donor restrictions until the restriction is fulfilled.

Donated Services

Donated services and goods are recognized if they create or enhance non-financial assets, or the donated service requires specialized skills, was performed by a donor who possesses such skills, and would have been purchased by the Association if not donated. Such services are recognized at fair value as support and expensed in the period the services are performed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Compensated Absences

The Association does not accrue compensated absences for sick pay and personal time. The policy is to recognize these costs when paid.

Functional Allocation of Expenses

Expenses that can be directly attributed to a particular function are charged to that function, Accordingly, certain costs have been categorized based on specific identification of costs incurred or allocated as determined by management.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Functional Allocation of Expenses (Continued)

The expenses that are allocated include the following:

Expense	Method of Allocation
Executive Director Compensation	Time and Effort
Payroll Taxes	Time and Effort
Executive Director Travel	Direct Identification/Purpose
Liability Insurance	Policy Coverage
Website	Direct Identification/Purpose
Processing Fees	Direct Identification/Purpose
Printing and Postage	Direct Identification/Purpose
Office Supplies	Time and Effort
Other	Time and Effort

2. AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Association's financial assets as of June 30, 2026 and 2025, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

	2026	2025
Financial assets, at year-end		
Cash and Cash Equivalents	$ 76,833	$ 76,982
Certificates of Deposit	462,874	462,366
Accrued Interest Receivable	5,816	-
Less: assets unavailable for general expenditures	-	-
Financial assets available to meet cash needs for general expenditures within one year	$ 545,523	$ 539,348

There is an adequate amount of financial assets available as of June 30, 2026 and 2025. The Association effectively manages its liquid available resources to meet cash needs for general expenditures within one year of the balance sheet date.

3. CERTIFICATES OF DEPOSIT

All certificates of deposit mature within one year of the statement of financial position date and are included in financial assets available for general expenditure (see Note 2). Interest earned on certificates of deposit totaled $5,816 for the year ended June 30, 2026.

3. CERTIFICATES OF DEPOSIT (CONTINUED)

Certificates of deposit consisted of the following at June 30 for the following years ended:

2026

Finanical Institution	Maturity Date	Interest Rate	Amount	
Regions Bank	8/26/2026	3.44%	113,454	
Truist	3/24/2027	3.20%	83,731	
Truist	12/11/2026	2.71%	165,689	
Old National Bank	3/24/2027	3.80%	100,000	
			462,874	Total

2025

Finanical Institution	Maturity Date	Interest Rate	Amount	
Regions Bank	12/27/2025	4.00%	150,000	
Truist	10/15/2025	3.75%	56,407	
Truist	12/9/2025	4.00%	162,464	
First Horizon	3/14/2026	3.75%	93,495	
			462,366	Total

4. INCOME TAXES

The Association has qualified for tax-exempt status under Section 501(c)(6) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made.

The Association files a U.S. Federal Form 990-Return of Association Exempt from Income Tax. The Association's returns for the years prior to fiscal year ended 2023 are no longer open for examination.

The Association has evaluated its tax positions in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. The Association believes that it has taken no uncertain tax positions.

5. SUBESEQUENT EVENTS

Subsequent events have been evaluated through October 20, 2026, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

TENNESSEE CITY MANAGEMENT ASSOCIATION
SCHEDULE OF BUDGET COMPARED TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2026

	Actual	Budget	Variance Favorable (Unfavorable)
Revenues			
Association Sponsorships	$ 110,938	$ 67,000	$ 43,938
Registration Fees	51,500	51,000	500
Membership Dues	48,392	46,000	2,392
Social Events	6,500	16,000	(9,500)
Donations	1,945	1,600	345
Interest	18,333	17,000	1,333
Total Revenues	237,608	198,600	39,008
Membership Expenses			
Executive Director Compensation	67,248	68,672	1,424
Payroll Taxes	5,249	6,000	751
Executive Director Travel	841	1,000	159
Liability Insurance	3,084	2,700	(384)
City Manager Plan Support	10,000	-	(10,000)
Legal and Professional Fees	10,070	10,000	(70)
Accounting Service	2,395	2,000	(395)
Website	4,156	6,300	2,144
Processing Fees	4,914	5,800	886
PA Scholarship	2,500	2,500	-
ICMA Partnership Agreement	-	1,000	1,000
ICMA Conference Reception	3,019	3,400	381
ICMA Fund for Professional Management	1,000	1,000	-
MTAS Public Management Fellow	-	5,000	5,000
Printing and Postage	353	50	(303)
Office Supplies	214	350	136
Other	311	500	189
Awards	131	500	369
Interest Paid	3	-	(3)
Total Membership Expenses	115,488	116,772	1,284

TENNESSEE CITY MANAGEMENT ASSOCIATION
SCHEDULE OF BUDGET COMPARED TO ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2026

	Actual	Budget	Variance Favorable (Unfavorable)
Conference Expenses			
Meeting Room/Hotel Rental	13,198	5,000	(8,198)
Meals	62,021	55,000	(7,021)
Social Events	19,952	15,000	(4,952)
Speakers and Audio	13,747	5,000	(8,747)
Supplies/Services	6,387	1,500	(4,887)
Conference Refund	350	-	(350)
Total Conference Expenses	115,655	81,500	(33,805)
Total Expenses	231,143	198,272	(32,521)
Change in Net Assets	$ 6,465	$ 328	$ 6,137

TENNESSEE CITY MANAGEMENT ASSOCIATION
SCHEDULE OF BUDGET COMPARED TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Actual	Budget	Variance Favorable (Unfavorable)
Revenues			
Association Sponsorships	$ 89,000	$ 70,000	$ 19,000
Registration Fees	55,928	47,000	8,928
Membership Dues	48,242	46,000	2,242
Social Events	16,146	10,000	6,146
Donations	2,162	1,400	762
Interest	21,642	9,600	12,042
Total Revenues	233,120	184,000	49,120
Membership Expenses			
Executive Director Compensation	63,048	63,000	(48)
Payroll Taxes	4,872	4,820	(52)
Executive Director Travel	1,067	1,200	133
Liability Insurance	2,717	2,700	(17)
Legal and Professional Fees	9,145	6,500	(2,645)
Accounting Service	2,303	2,400	97
Website	10,374	6,000	(4,374)
Processing Fees	5,681	4,500	(1,181)
PA Scholarship	2,500	2,500	-
ICMA Partnership Agreement	1,000	1,000	-
ICMA Conference Reception	6,017	5,000	(1,017)
ICMA Fund for Professional Management	-	1,000	1,000
MTAS Public Management Fellow	-	-	-
Printing and Postage	-	500	500
Office Supplies	273	750	477
Other	4,166	1,000	(3,166)
Awards	482	500	18
Bank Charges & Fees	-	-	-
Total Membership Expenses	113,645	103,370	(10,275)

TENNESSEE CITY MANAGEMENT ASSOCIATION
SCHEDULE OF BUDGET COMPARED TO ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

	Actual	Budget	Variance Favorable (Unfavorable)
Conference Expenses			
Meeting Room/Hotel Rental	37,884	18,000	(19,884)
Meals	27,523	23,000	(4,523)
Social Events	17,492	15,000	(2,492)
Speakers and Audio	765	12,000	11,235
Supplies/Services	3,104	2,500	(604)
Total Conference Expenses	86,768	70,500	(16,268)
Total Expenses	200,413	173,870	(26,543)
Change in Net Assets	$ 32,707	$ 10,130	$ 22,577