NEW ISSUE
BOOK-ENTRY-ONLY

PRELIMINARY OFFICIAL STATEMENT

$10,000,000*
CITY OF PIGEON FORGE, TENNESSEE
General Obligation Bonds, Series 2026
(Bank Qualified)

OFFERED FOR SALE NOT SOONER THAN

Monday, November 16, 2026 at 11:15 A.M. E.S.T.
Through the Facilities of ***PARITY***®



SINCE 1931

CUMBERLAND SECURITIES
INDEPENDENT FINANCIAL ADVISOR

November 10, 2026

* Preliminary, subject to change.

This *Preliminary Official Statement* and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the *Official Statement* is delivered in final form. Under no circumstances shall this *Preliminary Official Statement* constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 10, 2026

NEW ISSUE
BOOK-ENTRY-ONLY

Rating: S&P – "AA"
(See "MISCELLANEOUS-Rating" herein)

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Under existing law and subject to certain exceptions, the Bonds and the income therefrom will be exempt from state, county and municipal taxation in the State of Tennessee. See "LEGAL MATTERS - Tax Matters" herein.

$10,000,000*
CITY OF PIGEON FORGE, TENNESSEE
General Obligation Bonds, Series 2026

Dated: Date of delivery (assume December 11, 2026). Due: June 1, as shown below.

The $10,000,000* General Obligation Bonds, Series 2026 (the "Bonds") issued by the City of Pigeon Forge, Tennessee (the "City") are issuable in fully registered form in denominations of $5,000 and authorized integral multiples thereof. The Bonds will be issued in book-entry-only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as the nominee for DTC, principal, and interest with respect to the Bonds shall be payable to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Bonds. Individual purchases of the Bonds will be made in book-entry-only form, in denominations of $5,000 or integral multiples thereof and will bear interest at the annual rates as shown below. Interest on the Bonds is payable semi-annually from the date thereof commencing on June 1, 2027 and thereafter on each June 1 and December 1 by check or draft mailed to the owners thereof as shown on the books and records of Regions Bank, Nashville, Tennessee, the registration and paying agent (the "Registration Agent"). In the event of discontinuation of the book-entry-only system, principal of and interest on the Bonds are payable at the designated trust office of the Registration Agent.

The Bonds are payable from unlimited *ad valorem* taxes to be levied on all taxable property within the corporate limits of the City. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the City are irrevocably pledged. See section entitled "SECURITIES OFFERED – Security".

The Bonds maturing June 1, 2037 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2036.

Due (June 1)	Amount*	Interest Rate	Yield	CUSIP**	Due (June 1)	Amount*	Interest Rate	Yield	CUSIP**
2028	$360,000				2042	$355,000			
2029	360,000				2043	355,000			
2030	360,000				2044	355,000			
2031	360,000				2045	355,000			
2032	360,000				2046	355,000			
2033	360,000				2047	355,000			
2034	360,000				2048	355,000			
2035	360,000				2049	355,000			
2036	360,000				2050	355,000			
2037	360,000				2051	355,000			
2038	360,000				2052	355,000			
2039	360,000				2053	355,000			
2040	355,000				2054	355,000			
2041	355,000				2055	355,000			

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire *Preliminary Official Statement* to obtain information essential to make an informed investment decision.

The Bonds are offered when, as and if issued by the City, subject to the approval of the legality thereof by Bass, Berry & Sims PLC, Knoxville, Tennessee, bond counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon from Nathan Rowell, Esq., City Attorney, counsel to the City. It is expected that the Bonds will be available for delivery through the facilities of DTC, New York, New York, on or about December 11, 2026.

Cumberland Securities Company, Inc.
Municipal Advisor

November 10, 2026

* Preliminary, subject to change.

This *Preliminary Official Statement* speaks only as of its date, and the information contained herein is subject to change.

This *Preliminary Official Statement* may contain forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this *Preliminary Official Statement*, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this *Preliminary Official Statement.* The Issuer disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This *Preliminary Official Statement* and the Appendices hereto contain brief descriptions of, among other matters, the Issuer, the Bonds, the Resolution, the Disclosure Certificate, and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions and statutes, the Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Bonds are qualified in their entirety to the forms thereof included in the Bond Resolution.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts. This *Preliminary Official Statement* does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the Issuer, the Municipal Advisor or the Underwriter to give any information or to make any representations other than those contained in this *Preliminary Official Statement*, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Issuer, the Municipal Advisor or the Underwriter. Except where otherwise indicated, all information contained in this *Preliminary Official Statement* has been provided by the Issuer. The information set forth herein has been obtained by the Issuer from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Municipal Advisor or the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this *Preliminary Official Statement* nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

**Copyright, American Bankers Association (the “ABA”). CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Issuer makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

CITY OF PIGEON FORGE, TENNESSEE

BOARD OF COMMISSIONERS

Kevin J. McClure, Mayor
Jay Ogle, Vice Mayor
Tony Watts, Commissioner
Keith Whaley, Commissioner
Dennis Adams, Commissioner

CITY OFFICIALS

David Wear
City Manager

Dennis Clabo
Finance Director/City Recorder

Nathan Rowell, Esq.
City Attorney

BOND REGISTRATION AND PAYING AGENT

Regions Bank
Nashville, Tennessee

BOND COUNSEL

Bass, Berry & Sims PLC
Knoxville, Tennessee

MUNICIPAL ADVISOR

Cumberland Securities Company, Inc.

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SUMMARY STATEMENT

The information set forth below is provided for convenient reference and does not purport to be complete and is qualified in its entirety by the information and financial statements appearing elsewhere in this *Preliminary Official Statement*. This Summary Statement shall not be reproduced, distributed, or otherwise used except in conjunction with the remainder of this *Preliminary Official Statement*.

The Issuer	City of Pigeon Forge, Tennessee (the "City" or "Issuer"). See APPENDIX B contained herein.
Securities Offered	$10,000,000* General Obligation Bonds, Series 2026 (the "Bonds") of the City, dated the date of issuance (assume December 11, 2026). The Bonds mature each June 1 beginning June 1, 2028 through June 1, 2055, inclusive. See the section entitled "SECURITIES OFFERED" herein for additional information.
Security	The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the City. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the City are irrevocably pledged.
Purpose	The Bonds are being issued for the purpose of financing in whole or in part, (i) constructing, improving, repairing, renovating and equipping of public buildings including city hall facilities and other public buildings; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to all of the foregoing (collectively, the "Projects"); (iii) reimbursement to the appropriate fund of the Municipality for prior expenditures for the foregoing costs, if applicable; and (iv) payment of costs incident to the issuance and sale of the Bonds.
Optional Redemption	The Bonds maturing June 1, 2037 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2036.
Tax Matters	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, as hereafter defined, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, as more fully described under the heading "LEGAL MATTERS-Tax Matters" herein. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "LEGAL MATTERS – Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "LEGAL MATTERS -Tax Matters" herein.)
Bank Qualification	The Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended. See the section entitled "LEGAL MATTERS - Tax Matters" for additional information.
Rating	S&P: "AA". See the section entitled "MISCELLANEOUS - Rating" for more information.
Municipal Advisor	Cumberland Securities Company, Inc., See the section entitled "MISCELLANEOUS-Municipal Advisor; Related parties; Other" herein.
Underwriter	_____.
Bond Counsel	Bass, Berry & Sims PLC, Knoxville, Tennessee.
Book-Entry-Only	The Bonds will be issued under the Book-Entry-Only System except as otherwise described herein. For additional information, see the section entitled "BASIC DOCUMENTATION - Book-Entry-Only System".

* Preliminary, subject to change.

Registration Agent.....Regions Bank, Nashville, Tennessee.

General.....The Bonds are being issued in full compliance with applicable provisions of Title 9, Chapter 21, *Tennessee Code Annotated*, as supplemented and revised. See "SECURITIES OFFERED" herein. The Bonds will be issued with CUSIP numbers and delivered through the facilities of The Depository Trust Company, New York, New York.

Disclosure.....In accordance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as amended, the City will provide the Municipal Securities Rulemaking Board (the "MSRB") through the operation of the Electronic Municipal Market Access system ("EMMA") and the State Information Depository ("SID"), if any, annual financial statements and other pertinent credit or event information, including Annual Comprehensive Financial Reports, see the section entitled "MISCELLANEOUS-Continuing Disclosure."

Other Information.....The information in this *Preliminary Official Statement* is deemed "final" within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as of the date which appears on the cover hereof except for the omissions of certain pricing information allowed to be omitted pursuant to such Rule 15c2-12. For more information concerning the City or this *Preliminary Official Statement,* contact Mr. Dennis Clabo, Finance Director, 3221 Rena Street, Pigeon Forge, Tennessee 37868-1350 (865) 453-9061; or the City's Municipal Advisor, Cumberland Securities Company, Inc., Telephone: (865) 988-2663. Additional information regarding BiDCOMP™/PARITY® may be obtained from PARITY®, 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: 800-850-7422.

GENERAL FUND BALANCES
Summary of Changes In Fund Balances
(Fiscal Years Ending June 30)

	2021	**2022**	**2023**	**2024**	**2025**
Beginning Fund Balance	$75,373,486	$98,798,887	$133,385,698	$158,497,668	$180,829,448
Revenues	79,592,274	92,007,666	95,591,843	102,666,585	103,988,436
Expenditures	54,878,180	55,503,691	68,426,727	80,117,837	99,261,560
Other Financing Sources:					
Transfers In	677,332	812,849	1,999,680	744,490	1,170,519
Transfers Out	(1,966,151)	(2,732,710)	(4,052,826)	(3,961,128)	(4,065,393)
Debt Issuance	-	34,936,588	-	-	-
Premium on Debt Issuance	-	6,762,376	-	-	1,602,653
Payments on Refunding	-	(41,698,964)	-	-	-
Sale of Assets	-	-	-	2,999,670	-
Bond Proceeds	-	-	-	-	37,080,000
Excess of Revenues Over (Under) Expenditures	23,425,275	34,584,114	25,111,970	22,331,780	40,514,655
Adjustments	126	2,697	-	-	-
Ending Fund Balance	**$98,798,887**	**$133,385,698**	**$158,497,668**	**$180,829,448**	**$221,344,103**

Source: Annual Comprehensive Financial Reports of the City of Pigeon Forge, Tennessee.

SUMMARY NOTICE OF SALE
$10,000,000*

CITY OF PIGEON FORGE, TENNESSEE
General Obligation Bonds, Series 2026

NOTICE IS HEREBY GIVEN that the Mayor of the City of Pigeon Forge, Tennessee (the "City") will receive electronic or written bids until **11:15 a.m. E.S.T.** on **Monday, November 16, 2026,** for the purchase of all, but not less than all, of the City's $10,000,000* General Obligation Bonds, Series 2026 (the "Bonds"). Electronic bids must be submitted through ***PARITY***® as described in the "Detailed Notice of Sale". In case of written bids, bids will be received by the City's Municipal Advisor, Cumberland Securities Company, Inc., via facsimile at 865-988-1863. Prior to accepting bids, the City reserves the right to adjust the principal amount and maturity amounts of the Bonds being offered as set forth in the Detailed Notice of Sale, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the ***PARITY***® System not later than 10:45 a.m., Eastern Standard Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours' notice via Bloomberg News Service and/or the ***PARITY***® System.

Electronic bids must be submitted through ***PARITY***® via the BiDComp Competitive Bidding Service as described in the Detailed Notice of Sale, and no other provider of electronic bidding services will be accepted. For the purposes of the bidding process, both written and electronic, the time maintained by ***PARITY***® shall constitute the official time with respect to all bids. To the extent any instructions or directions set forth in ***PARITY***® conflict with the terms of the Detailed Notice of Sale and this Summary Notice of Sale, the Detailed Notice of Sale and this Summary Notice of Sale shall prevail.

The Bonds will be issued in book-entry-only form (except as otherwise described in the Detailed Notice of Sale) and dated the date of issuance (assume December 11, 2026). The Bonds will mature on June 1 in the years 2028 through 2055, inclusive, with term bonds optional, with interest payable on June 1 and December 1 of each year, commencing June 1, 2027, and will be subject to optional redemption prior to maturity on or after June 1, 2036. Bidders must bid not less than one hundred percent (100.00%) of par or more than one hundred and twenty-five percent (125%) of par for the Bonds. The approving opinion for the Bonds will be furnished at the expense of the City by Bass, Berry & Sims PLC, Bond Counsel, Knoxville, Tennessee. **No rate or rates bid for the Bonds shall be less than four percent (4.00%) or exceed five and one-half percent (5.50%) per annum. Additionally, each maturity must have a minimum reoffering price of at least ninety-eight percent (98.0%) of par.** Unless bids are rejected, the Bonds will be awarded by the Mayor of the City on the sale date to the bidder whose bid results in the lowest true interest rate on the Bonds and complies with all of the bid parameters outlined in this Summary Notice of Sale and the Detailed Notice of Sale.

In the event that the competitive sale requirements of applicable Treasury Regulations are not met, the City will require bidders to comply with the "hold-the-offering-price rule" or the "10% Test" for purposes of determining the issue price of the Bonds as described in the Detailed Notice of Sale. Bids will not be subject to cancellation in the event that the competitive sale requirements of applicable Treasury Regulations are not satisfied.

Additional information, including the *Preliminary Official Statement* in near final form and the Detailed Notice of Sale, may be obtained through www.prospectushub.com or from the City's Municipal Advisor, Cumberland Securities Company, Inc., (865) 988-2663. Further information regarding ***PARITY***® may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone: 212-849-5000.

/s/ Kevin J. McClure
Mayor

* Preliminary, subject to change.

DETAILED NOTICE OF SALE
$10,000,000*
CITY OF PIGEON FORGE, TENNESSEE
General Obligation Bonds, Series 2026

NOTICE IS HEREBY GIVEN that the Mayor of City of Pigeon Forge, Tennessee (the "City") will receive electronic or written bids until **11:15 a.m. E.S.T.** on **Monday, November 16, 2026,** for the purchase of all, but not less than all, of the City's $10,000,000* General Obligation Bonds, Series 2026 (the "Bonds"). Electronic bids must be submitted through *PARITY*® as described in this "Detailed Notice of Sale." In case of written bids, bids will be received by the City's Municipal Advisor, Cumberland Securities Company, Inc., via facsimile at 865-988-1863. Prior to accepting bids, the City reserves the right to adjust the principal amount and maturity amounts of the Bonds being offered as set forth herein, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the ***PARITY***® System not later than 10:45 a.m., Eastern Standard Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours' notice via Bloomberg News Service and/or the ***PARITY***® System.

Description of the Bonds. The Bonds will be issued in fully registered book-entry-only form (except as otherwise described herein) without coupons, be dated the date of issuance (assume December 11, 2026), bear interest payable each June 1 and December 1, commencing June 1, 2027 be issued, or reissued upon transfer, in $5,000 denominations or multiples thereof, as shall be requested by the purchaser or registered owner thereof, as applicable, and will mature and be payable as follows:

YEAR (JUNE 1)	AMOUNT*	YEAR (JUNE 1)	AMOUNT*
2028	$360,000	2042	$355,000
2029	360,000	2043	355,000
2030	360,000	2044	355,000
2031	360,000	2045	355,000
2032	360,000	2046	355,000
2033	360,000	2047	355,000
2034	360,000	2048	355,000
2035	360,000	2049	355,000
2036	360,000	2050	355,000
2037	360,000	2051	355,000
2038	360,000	2052	355,000
2039	360,000	2053	355,000
2040	355,000	2054	355,000
2041	355,000	2055	355,000

Bank Qualification. The Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.

Registration and Depository Participation. The Bonds, when issued, will be registered in the name of Cede & Co., DTC's partnership nominee. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry-only system maintained by DTC (the "Book-Entry-Only System"). One fully-registered bond certificate will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC. The Book-Entry-Only System will evidence beneficial ownership interests of the Bonds in the principal amount of $5,000 for the Bonds and any integral multiple of $5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The

* Preliminary, subject to change.

successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. The Bonds will be payable, at maturity or upon earlier redemption to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments (as applicable) to beneficial owners of the Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The City will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Notwithstanding the foregoing, if the successful bidder for the Bonds certifies that it intends to hold the Bonds for its own account and has no present intent to re-offer the Bonds, the use of the Book-Entry-Only System is not required.

In the event that the Book-Entry-Only System for the Bonds is discontinued and a successor securities depository is not appointed by the City, Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of $5,000 for the Bonds or integral multiples thereof. The ownership of Bonds so delivered shall be registered in registration books to be kept by the Registration Agent (named herein) and the City and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Resolution authorizing the Bonds.

Security Pledged. The Bonds are payable from unlimited *ad valorem* taxes to be levied on all taxable property within the corporate limits of the City. For the prompt payment of principal of, premium, if any, and interest on the Bonds, the full faith and credit of the City are irrevocably pledged.

Municipal Bond Insurance. The City has provided information to prospective bond insurance companies in order to qualify the Bonds under their respective optional bidding programs. If the successful bidder or bidders for the Bonds desires to purchase a municipal bond insurance policy insuring payment of all or a portion of the debt service payable on the Bonds, the successful bidder or bidders does so at its own risk and expense and the obligation of the successful bidder to pay for such series Bonds shall not be conditioned on the issuance of a municipal bond insurance policy. The City will cooperate with the successful bidder(s) in obtaining such insurance, but the City will not enter into any additional agreements with a bond insurer. Without limiting the generality of the foregoing, the successful bidder(s) will be responsible for all costs, expenses and charges associated with the issuance of such insurance, including but not limited to the premium for the insurance policy, and excluding only the fees of S&P's that will be paid by the City.

Purpose. The Bonds are being issued for the purpose of financing in whole or in part, (i) constructing, improving, repairing, renovating and equipping of public buildings including city hall facilities and other public buildings; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to all of the foregoing (collectively, the "Projects"); (iii) reimbursement to the appropriate fund of the Municipality for prior expenditures for the foregoing costs, if applicable; and (iv) payment of the costs incident to the issuance and sale of the Bonds.

Optional Redemption. The Bonds maturing on June 1, 2037 and thereafter are subject to optional redemption prior to maturity at the option of the City on or after June 1, 2036, at any time at the redemption price of par plus accrued interest.

Term Bond Option; Mandatory Redemption. Bidders shall have the option to designate certain consecutive serial maturities of the Bonds as one or more term bonds ("Term Bonds") bearing a single interest rate. If a successful bidder for the Bonds designates certain consecutive serial maturities of such Bonds to be combined as one or more Term Bonds as allowed herein, then each Term Bond shall be subject to mandatory sinking fund redemption by the City at a redemption price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the bid of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed herein for such principal payment date.

Bidding Instructions. The City will receive electronic or written bids for the purchase of all, but not less than all, of the Bonds. **Bidders for each series of the Bonds are requested to name the interest rate or rates the Bonds are to bear in multiples of one-eighth of one percent and/or one-hundredth of one percent (.01%) or one (1) basis point, but no rate specified shall be less than four percent (4.00%) or be in excess of five and one-half percent (5.50%) per annum. There will be no limitation on the number of rates of interest that may be specified in a single bid for the Bonds but a single rate shall apply to each single maturity of the Bonds. Bidders must bid not less than one hundred percent (100.00%) of par or no more than one hundred and twenty-five percent (125%) of par. Additionally, each maturity must have a minimum reoffering price of at least ninety-eight percent (98.0%) of par.**

Electronic bids must be submitted through ***PARITY***® via BiDCOMP Competitive Bidding System and no other provider of electronic bidding services will be accepted. Subscription to the i-Deal LLC Dalcomp Division's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid. The City will not confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. For the purposes of the bidding process, the time as maintained by ***PARITY***® shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in ***PARITY***® conflict with the terms of this Detailed Notice of Sale, this Notice shall prevail. An electronic bid made through the facilities of ***PARITY***® shall be deemed an offer to purchase in response to this Detailed Notice of Sale and shall be binding upon the bidder as if made by a signed, written bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by ***PARITY***®. The use of ***PARITY***® facilities are at the sole risk of the prospective bidders.

For further information regarding ***PARITY***®, potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, NY, 10018, Telephone: 212-849-5000.

In the event of a system malfunction in the electronic bidding process bidders may submit bids prior to the established date and time by FACSIMILE transmission sent to the City's Municipal Advisor, Cumberland Securities Company, Inc. at 865-988-1863. Any facsimile submission is made at the sole risk of the prospective bidder. The City and the Municipal Advisor shall not be responsible for confirming receipt of any facsimile bid or for any malfunction relating to the transmission and receipt of such bids.

Any written bids should be submitted by facsimile to the City's Municipal Advisor at 865-988-1863. Written bids must be submitted on the Bid Forms included with the *Preliminary Official Statement.*

The City reserves the right to reject all bids for the Bonds and to waive any informalities in the bids accepted.

Unless all bids for the Bonds are rejected, the Bonds will be awarded by the Mayor to the bidder whose bid complies with this Detailed Notice of Sale and results in the lowest true interest rate on the Bonds to be calculated as that rate that, when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the date of the Bonds), produces an amount equal to the purchase price of the Bonds. For purposes of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part of the Term Bond shall be treated as a serial maturity in such year. In the event that two or more bidders offer to purchase the Bonds at the same lowest true interest rate, the Mayor shall determine in his sole discretion which of the bidders shall be awarded the Bonds.

After receipt of the bids, the City reserves the right to make adjustments and/or revisions to the Bonds, as described below.

Bidder Certification Regarding Non-Engagement in a Boycott of Israel. By submitting a bid, each bidder shall be deemed to have certified to the Issuer that, to the extent that the award of the Bonds would constitute a "contract with a company to acquire or dispose of service", as described by Tenn. Code Ann. Section 12-4-119, neither the bidder, nor any of its wholly owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates, are currently engaged in nor will they engage in a boycott of Israel through the issue date of the Bonds, as described by Section 12-4-119. For purposes of Section 12-4-119, "boycott of Israel" shall mean engaging in refusals to deal, terminating business activities, or other commercial actions

that are intended to limit commercial relations with Israel, or companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do business, or persons or entities doing business in Israel, when such actions are taken (i) in compliance with, or adherence to, calls for a boycott of Israel, or (ii) in a manner that discriminates on the basis of nationality, national origin, religion, or other unreasonable basis, and is not based on a valid business reason. The winning bidder shall be required to include a written certification to such effect as a condition to the issuance of the Bonds. The provisions of this paragraph shall not apply, and a bidder shall not be required to provide a written certification as provided above, if the bidder's compensation as a result of the purchase of a series of the Bonds is less than $250,000.

Bidder Certification Regarding Compliance with Iran Divestment Act. Pursuant to Tennessee Code Annotated Section 12-12-111 and to the extent applicable to the activities contemplated herein, by submission of a bid for the Bonds, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to Tennessee Code Annotated Section 12-12-106 (the "Iran Divestment Act List"). Such Iran Divestment Act List (i) provides a listing of persons determined to be engaging in investment activities in Iran, as described in Tennessee Code Section 12-12-105, and (ii) can be found online on the State's website: https://www.tn.gov/content/dam/tn/generalservices/documents/cpo/library/2026/List_of_persons_pursuant_to_Tenn._Code_Ann._12-12-106_Iran_Divestment_Act.pdf.

Tennessee Code Annotated Section 12-12-105 provides that "a person engages in investment activities in Iran if: (1) [t]he person provides goods or services of twenty million dollars ($20,000,000) or more in the energy sector of Iran, including a person that provides oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran; or (2) [t]he person is a financial institution that extends twenty million dollars ($20,000,000) or more in credit to another person, for forty-five (45) days or more, if that person will use the credit to provide goods or services in the energy sector in Iran and is identified on a list, created pursuant to Tennessee Code Annotated Section 12-12-106, as a person engaging in investment activities in Iran as described in this section."

If in any case the bidder cannot make the foregoing certification, in accordance with Tennessee Code Annotated Section 12-12-111 and to the extent applicable to the activities herein, the bidder shall so state and shall furnish with the bid a signed statement which sets forth in detail the reasons therefor. The City may award the bid to a bidder who cannot make the certification above, on a case-by-case basis, if: (1) the investment activities in Iran were made before July 1, 2016, the investment activities in Iran have not been expanded or renewed on or after July 1, 2016, and the person has adopted, publicized, and is implementing a formal plan to cease the investment activities in Iran and to refrain from engaging in any new investments in Iran; or (2) the City makes a determination that the goods or services are necessary for the City to perform its functions and that, absent such an exemption, the City would be unable to obtain the goods or services for which the contract is offered. Such determination shall be made in writing and shall be a public document.

Adjustment and/or Revision. While it is the City's intention to sell and issue the approximate par amounts of the Bonds as offered herein, there is no guarantee that adjustment and/or revision may not be necessary in order to properly size the Bonds. Accordingly, the Mayor reserves the right, in his sole discretion, to adjust down the original par amount of the Bonds by up to twenty-five percent (25%). The principal factor to be considered in making any adjustments is the amount of premium bid for particular maturities. Among other factors the Mayor may (but shall be under no obligation to) consider in sizing the par amounts and individual maturities of the Bonds is the size of individual maturities or sinking fund installments and/or other preferences of the City. Additionally, the Mayor reserves the right to change the dated date of the Bonds.

In the event of any such adjustment and/or revision with respect to the Bonds, no rebidding will be permitted, and the portion of such premium or discount (as may have been bid for the Bonds) shall be adjusted in the same proportion as the amount of such revision in par amount of the Bonds bears to the original par amount of such Bonds offered for sale.

The successful bidder for the Bonds will be tentatively notified by not later than 5:00 p.m. (Eastern Standard Time), on the sale date of the exact revisions and/or adjustments required, if any.

Good Faith Deposit. No good faith check will be required to accompany any bid submitted. The successful bidder shall be required to deliver to the City's Municipal Advisor (by wire transfer) the amount of up to two percent (2%) of the aggregate principal amount of the Bonds offered for sale which will secure the faithful performance of the terms of the bid. A wire transfer must be received by the City's Municipal Advisor no later than the close of business on the day following the competitive sale. The wire instructions will be sent to the winning bidder after all bids are received.

The good faith deposit shall be applied (without interest) to the purchase price of the Bonds. If the successful bidder should fail to accept or pay for the Bonds when tendered for delivery and payment, the good faith deposit will be retained by the City as liquidated damages.

In the event of the failure of the City to deliver the Bonds to the purchaser in accordance with the terms of this Notice within forty-five (45) days after the date of the sale, the good-faith deposit will be promptly returned to the purchaser unless the purchaser directs otherwise.

Undertakings of the Successful Bidder. The successful bidder for the Bonds shall make a bona fide public offering of the Bonds and shall, within 30 minutes after being notified of the award of the Bonds, advise the City in writing (via facsimile transmission or electronic mail) of the initial public offering prices of the Bonds (the "Initial Reoffering Prices"). The successful bidder must, by facsimile transmission or delivery received by the City within 24 hours after award, furnish the following information to the City to complete the *Official Statement* in final form, as described below:

A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields at which the successful bidder advised the City that the Bonds were initially offered to the public).
B. The identity of the other underwriters if the successful bidder is part of a group or syndicate.
C. Any other material information that the City determines is necessary to complete the *Official Statement* in final form.

After the award of the Bonds, the City will prepare copies of the final *Official Statement* and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that the City will not include in the final *Official Statement* a "NRO" ("not reoffered") designation with respect to any maturity of the Bonds. The successful bidder will be responsible to the City in all aspects for the accuracy and completeness of information provided by such successful bidders with respect to such reoffering.

The City expects the successful bidder to deliver copies of such *Official Statement* in final form (the "Final Official Statement") to persons to whom such bidder initially sells the Bonds and the Municipal Securities Rulemaking Board ("MSRB") via the MSRB's Electronic Municipal Market Access System ("EMMA"). The successful bidder will be required to acknowledge receipt of the Final Official Statement, to certify that each has made delivery of the Final Official Statement to the MSRB, to acknowledge that the City expects the successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells the Bonds and to certify that the Bonds will only be offered pursuant to the Final Official Statement and only in states where the offer is legal.

Establishment of Issue Price

a. The successful bidder shall assist the City in establishing the issue price of the Bonds as more fully described herein. All actions to be taken by the City under this Detailed Notice of Bond Sale to establish the issue price of the Bonds may be taken on behalf of the City by the Municipal Advisor, and any notice or report to be provided to the City may be provided to the Municipal Advisor.

b. The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "Competitive Sale Requirements") because:

    1. the City shall disseminate this Detailed Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

2. all bidders shall have an equal opportunity to bid;

3. the City expects to receive bids for the Bonds from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

4. the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Detailed Notice of Bond Sale.

Any bid submitted pursuant to this Detailed Notice of Bond Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

c. In the event that the Competitive Sale Requirements are not satisfied as to the Bonds, the City shall so advise the successful bidder. In such event, the City intends to treat (i) the first price at which 10% of a maturity of the Bonds (the "10% Test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "Hold-the-Offering-Price Rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the City promptly after the award of the Bonds if any maturities of the Bonds satisfy the 10% Test as of the date and time of the award of the Bonds. The Hold-the-Offering-Price Rule shall apply to all maturities that do not satisfy the 10% Test as of the sale date. Bids will not be subject to cancellation in the event that the City determines to apply the Hold-the-Offering-Price Rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Bonds.

d. By submitting a bid, in the event of application of the Hold-the-Offering-Price Rule, the successful bidder for the Bonds shall be deemed to have (i) confirmed that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "Initial Offering Price"), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following:

1. the close of the fifth (5th) business day after the sale date; or

2. the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public.

In the event of application of the Hold-the-Offering-Price Rule to any maturity of the Bonds, any successful bidder will advise the City promptly after the close of the fifth (5^{th}) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public.

e. By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (1) to report the prices at which it sells to the public any unsold Bonds of each maturity allocated to it to which the Hold-the-Offering-Price Rule applies until the close of the fifth (5^{th}) business day after the sale date and (2) comply with the Hold-the-Offering-

Price Rule, if applicable, if and for so long as directed by the successful bidder and as set forth in the related pricing wires,

(B) to promptly notify the successful bidder of the Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public, and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the successful bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity to which the Hold-the-Offering-Price Rule applies allocated to it until the close of the fifth (5^{th}) business day after the sale date and (B) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the successful bidder or the underwriter and as set forth in the related pricing wires.

f. The City acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with requirements for establishing issue price of the Bonds, including but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds.

g. Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public shall not constitute sales to the public for purposes of this Detailed Notice of Bond Sale. Further, for purposes of this Detailed Notice of Bond Sale:

1. "public" means any person other than an underwriter or a related party;

2. "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

3. a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common

ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

4. "sale date" means the date that the Bonds are awarded by the City to the successful bidder.

Issue Price Certificate. The winning bidder will be required to provide the City, at closing, with an issue price certificate consistent with the foregoing and meeting the requirements of bond counsel. The form of the issue price certificate is attached to this Detailed Notice of Sale as Exhibit A if the Competitive Sale Requirements are met, and the form of the issue price certificate is attached to this Detailed Notice of Sale as Exhibit B if the Competitive Sale Requirements are not met.

Legal Opinion. The approving opinion of Bass, Berry & Sims PLC, Knoxville, Tennessee, Bond Counsel along with other certificates including, but not limited to, a tax certificate and a continuing disclosure certificate dated as of the date of delivery of the Bonds will be furnished to the purchaser at the expense of the City. As set forth in the *Preliminary Official Statement*, Bond Counsel's opinion with respect to the Bonds will state that interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal law alternative minimum tax imposed on individuals. As set forth in the *Preliminary Official Statement*, the owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. Reference is hereby made to the *Preliminary Official Statement* and the form of the opinion contained in Appendix A.

Continuing Disclosure. At the time the Bonds are delivered, the City will execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information relating to the City by not later than twelve months after each of the City's fiscal years (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through the operation of the Electronic Municipal Market Access system (the "EMMA") and any State Information Depository established in the State of Tennessee (the "SID"). If the City is unable to provide the Annual Report to the MSRB and the SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The notices of material events will be filed by the City either with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report or the notices of events are summarized in the *Preliminary Official Statement*.

Delivery of Bonds. Delivery of the Bonds is expected within forty-five (45) days. At least five (5) days' notice will be given to the successful bidder of such delivery. Delivery will be made in book-entry-only form through the facilities of The Depository Trust Company, New York, New York. Payment for the Bonds must be made in *Federal Funds* or other immediately available funds.

CUSIP Numbers. CUSIP numbers will be assigned to the Bonds at the expense of the City. The City will assume no obligation for assignment of such numbers or the correctness of such numbers and neither failure to record such numbers on Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and make payment for the Bonds.

Official Statements; Other. The City has deemed the *Preliminary Official Statement* to be final as of its date within the meaning of Rule 15c2-12 of the U.S. Securities and Exchange Commission (the "SEC") except for the omission of certain pricing and other information. The City will furnish the successful bidder at the expense of the City a reasonable number of copies of the *Official Statement* in final form, containing the pricing and other information to be supplied by the successful bidder and to be dated the date of the sale, to be delivered by the successful bidder to the persons to whom each such bidder and members of its bidding group initially sell the Bonds within seven (7) business days. Acceptance of a bid of the Bonds will constitute a contract between the City and the successful bidder for the provision of such copies within seven business days of the sale date.

Further Information. Additional information, including the *Preliminary Official Statement*, this Detailed Notice of Sale and the Official Bid Form, may be obtained from the City's Municipal Advisor, Cumberland Securities Company, Inc., Telephone: 865-988-2663. Further information regarding ***PARITY®*** may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York, 10018, Telephone: 212-849-5000.

/s/ Kevin J. McClure, Mayor

EXHIBIT A

CITY OF PIGEON FORGE, TENNESSEE
[$_____ GENERAL OBLIGATION BONDS, SERIES 2026]

ISSUE PRICE CERTIFICATE
(if Competitive Sale Requirements are met)

The undersigned, on behalf of [NAME OF UNDERWRITER] ("[SHORT NAME OF UNDERWRITER]"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds") of the City of Pigeon Forge, Tennessee (the "Issuer").

1. ***Reasonably Expected Initial Offering Price***.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms***.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(c) *Related party* means an entity that shares with another entity (1) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (2) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (3) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interest by one entity of the other).

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is Monday, November 16, 2026.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass, Berry & Sims PLC in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: _____

[NAME OF UNDERWRITER]

By: _____

Name: _____

Title: _____

EXHIBIT B

CITY OF PIGEON FORGE, TENNESSEE
[$_____ GENERAL OBLIGATION BONDS, SERIES 2026]

ISSUE PRICE CERTIFICATE
(if Competitive Sale Requirements are not met)

The undersigned, on behalf of [NAME OF UNDERWRITER] ("[SHORT NAME OF UNDERWRITER]") [and the other members of the underwriting syndicate (together, the "Underwriting Group")], hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds") of the City of Pigeon Forge, Tennessee (the "Issuer").

1. ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

   (a) [SHORT NAME OF UNDERWRITER] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

   (b) As set forth in the [Detailed Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER] agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "Hold-the-Offering-Price Rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the Hold-the-Offering-Price Rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

   (a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

   (b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

   (c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which [SHORT NAME OF UNDERWRITER] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

   (d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

   (e) *Public* means any person (including an individual, trust, estate, partnership, association,

company, or corporation) other than an Underwriter or a related party to an Underwriter.

(f) *Related party* means an entity that shares with another entity (1) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (2) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (3) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interest by one entity of the other).

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is Monday, November 16, 2026.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass, Berry & Sims PLC connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated:_____

[NAME OF UNDERWRITER]

By:_____

BID FORM

Honorable Kevin J. McClure, Mayor
P.O. Box 1350
Pigeon Forge, Tennessee 37868-1350

November 16, 2026

Dear Mayor McClure:

For your legally issued, properly executed $10,000,000* General Obligation Bonds, Series 2026 (the "Bonds") of the City of Pigeon Forge, Tennessee, in all respects as more fully outlined in your Detailed Notice of Sale, which by reference are made a part hereof, we will pay you a sum of _____ ($_____).

The Bonds shall be dated the date of issuance (assume December 11, 2026) and shall be callable in accordance with the Detailed Notice of Sale. The Bonds shall mature on June 1 and bear interest at the following rates:

Maturity (June 1)	Amount*	Rate	Maturity (June 1)	Amount*	Rate
2028	$360,000	___	2042	$355,000	___
2029	360,000	___	2043	355,000	___
2030	360,000	___	2044	355,000	___
2031	360,000	___	2045	355,000	___
2032	360,000	___	2046	355,000	___
2033	360,000	___	2047	355,000	___
2034	360,000	___	2048	355,000	___
2035	360,000	___	2049	355,000	___
2036	360,000	___	2050	355,000	___
2037	360,000	___	2051	355,000	___
2038	360,000	___	2052	355,000	___
2039	360,000	___	2053	355,000	___
2040	355,000	___	2054	355,000	___
2041	355,000	___	2055	355,000	___

We have elected the option to designate two or more consecutive serial maturities as term bond maturities as indicated:

Term Bond 1: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.
Term Bond 2: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.
Term Bond 3: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.
Term Bond 4: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.

It is our understanding that the Bonds are offered for sale as "qualified tax-exempt obligations" subject to the final approving opinion of Bass, Berry & Sims PLC, Bond Counsel, Knoxville, Tennessee, whose opinion together with the executed Bonds, will be furnished by the City without cost to us.

If our bid is accepted, we agree to provide a good faith deposit for up to 2% of the Bonds on which we have bid by the close of business on the date following the competitive public sale as outlined in the *Detailed Notice of Sale*. Should for any reason we fail to comply with the terms of this bid, this good faith deposit shall be forfeited by us as full liquidated damages. Otherwise, this good faith deposit shall be applied to the purchase price of the Bonds on which we have bid.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. [If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]

Accepted for and on behalf of the
City of Pigeon Forge, Tennessee, this
16th day of November, 2026.

_____
Kevin J. McClure, Mayor

Respectfully submitted,

_____

Total interest cost from
December 11, 2026 to final maturity $_____
Less: Premium /plus discount, if any $_____
Net Interest Cost $_____
True Interest Rate..... _____%

The computations of net interest cost and true interest rate are for comparison purposes only and are not to be considered as part of this proposal.

* Preliminary, subject to change.

$10,000,000*
CITY OF PIGEON FORGE, TENNESSEE

General Obligation Bonds, Series 2026

SECURITIES OFFERED

AUTHORITY AND PURPOSE

This *Preliminary Official Statement* which includes the Summary Statement hereof and appendices hereto, is furnished in connection with the offering by the City of Pigeon Forge, Tennessee (the "City") of $10,000,000* General Obligation Bonds, Series 2026 (the "Bonds").

The Bonds are authorized to be issued pursuant to the provisions of Sections 9-21-101 et. seq., *Tennessee Code Annotated,* and other applicable provisions of law and pursuant to a resolution duly adopted by the City Commission on March 9, 2026 (the "Resolution").

The Bonds are being issued for the purpose of financing in whole or in part, (i) constructing, improving, repairing, renovating and equipping of public buildings including city hall facilities and other public buildings; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to all of the foregoing (collectively, the "Projects"); (iii) reimbursement to the appropriate fund of the Municipality for prior expenditures for the foregoing costs, if applicable; and (iv) payment of the costs incident to the issuance and sale of the Bonds.

DESCRIPTION OF THE BONDS

The Bonds will be dated and bear interest from their date of issuance and delivery (assume December 11, 2026). Interest on the Bonds will be payable semi-annually on June 1 and December 1, commencing June 1, 2027. The Bonds are issuable in book-entry-only form in $5,000 denominations or integral multiples thereof as shall be requested by each respective registered owner.

The Bonds shall be signed by the Mayor and shall be attested by the City Recorder. No Bond shall be valid until it has been authorized by the manual signature of an authorized officer or employee of the Registration Agent and the date of the authentication noted thereon.

SECURITY

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the City. For the prompt payment of principal of, premium, if any, and interest on the Bonds, the full faith and credit of the City are irrevocably pledged.

The City, through its governing body, shall annually levy and collect a tax on all taxable property within the City, in addition to all other taxes authorized by law, sufficient to pay the principal of and interest on the Bonds when due. Principal and interest on the Bonds falling due at any time when there are insufficient funds from such tax shall be paid from the current funds of the City and reimbursement therefore shall be made out of taxes provided by the Resolution when the same shall

* Preliminary, subject to change.

have been collected. The taxes may be reduced to the extent of direct appropriations from the General Fund of the City to the payment of debt service on the Bonds.

The Bonds are not obligations of the State of Tennessee (the "State") or any political subdivision thereof other than the City.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Under the Internal Revenue Code of 1986, as amended (the "Code"), in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations," as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the City as to the Bonds, Bond Counsel has determined that the Bonds upon issuance will be "qualified tax-exempt obligations" within the meaning of the Code.

OPTIONAL REDEMPTION OF THE BONDS

Bonds maturing June 1, 2037, and thereafter, shall be subject to optional redemption prior to maturity at the option of the City on June 1, 2036 and thereafter, as a whole or in part, at any time, at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the City Commission, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry-Only System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry-Only System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

MANDATORY REDEMPTION

The bidders have the option of creating term bonds pursuant to the Detailed Notice of Sale. If term bonds are created, then the following provisions will apply. Subject to the credit hereinafter provided, the City shall redeem Bonds maturing June 1, 20__, and June 1, 20__ on the redemption dates set forth below opposite the maturity date, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. The Bonds to be so redeemed within a maturity shall be selected in the manner described above relating to optional redemption.

The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Maturity	Redemption Date	Principal Amount of Bonds Redeemed

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45) day next preceding any such redemption date, the City may (i) deliver to the Registration Agent for cancellation Bonds of the maturity to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this section) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the City on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation shall be accordingly reduced. The City shall on or before the forty-fifth (45) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) described above are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

NOTICE OF REDEMPTION

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the City not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the City nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the City pursuant to written instructions from an authorized representative of the City (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the City to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give

immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

PAYMENT OF BONDS

The Bonds will bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, on the dates provided herein, such interest being computed upon the basis of a 360-day year of twelve 30-day months. Interest on each Bond shall be paid by check or draft of the Registration Agent to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the designated principal trust office of the Registration Agent.

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REGISTRATION AGENT

The Registration Agent, Regions Bank, Nashville, Tennessee, its successor or the City will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent, except as follows. However, if the winning bidder certifies to the City that it intends to hold the Bonds for its own account and has no present intent to reoffer the Bonds, then the use of the Book-Entry-Only System is not required.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. For additional information, see the following section.

BOOK-ENTRY-ONLY SYSTEM

The Registration Agent, its successor or the Issuer will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at its address shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Issuer in respect of such Bonds to the extent of the payments so made, except as described above. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

The Bonds, when issued, will be registered in the name of Cede & Co., DTC's partnership nominee, except as described above. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry-only system maintained by DTC (the "Book-Entry-Only System"). One fully registered bond certificate will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC.

DTC and its Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in

deposited securities, through electronic computerized Book-Entry-Only transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of Ownership Interests. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the Book-Entry-Only System for the Bonds is discontinued.

Payments of Principal and Interest. Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Registration Agent on the payable date in accordance with their respective holdings shown on DTC's records, unless DTC has reason to believe it will not receive payment on such date. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with municipal securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Issuer or the Registration Agent subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, tender price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds f or their benefit has agreed to obtain and transmit notices to Beneficial

Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NONE OF THE ISSUER, THE UNDERWRITER, THE BOND COUNSEL, THE MUNICIPAL ADVISOR OR THE REGISTRATION AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENT TO, OR THE PROVIDING OF NOTICE FOR, SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES.

Transfers of Bonds. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

None of the Issuer, the Bond Counsel, the Registration Agent, the Municipal Advisor or the Underwriter will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any Bond on the registration books of the Registration Agent.

DISCONTINUANCE OF BOOK-ENTRY-ONLY SYSTEM

In the event that (i) DTC determines not to continue to act as securities depository for the Bonds or (ii) to the extent permitted by the rules of DTC, the City determines to discontinue the Book-Entry-Only System, the Book-Entry-Only System shall be discontinued. Upon the occurrence of the event described above, the City will attempt to locate another qualified securities depository, and if no qualified securities depository is available, Bond certificates will be printed and delivered to Beneficial Owners.

No Assurance Regarding DTC Practices. The foregoing information in this section concerning DTC and DTC's Book-Entry-Only System has been obtained from sources that the City believes to be reliable, but the City, the Bond Counsel, the Registration Agent and the Municipal Advisor do not take any responsibility for the accuracy thereof. So long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, references herein to the holders or registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds. None of the City, the Bond Counsel, the Registration Agent or the Municipal Advisor will have any responsibility or obligation to the Participants, DTC or the persons for

whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the Beneficial Owners or (iii) any other action taken by DTC or its partnership nominee as owner of the Bonds.

For more information on the duties of the Registration Agent, please refer to the Resolution. Also, please see the section entitled "SECURITIES OFFERED – Redemption."

DISPOSITION OF BOND PROCEEDS

The proceeds of the sale of the Bonds shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar federal agency in a special fund known as the 2026 Project Fund (the "Project Fund"), or such other designation as shall be determined by the Mayor to be kept separate and apart from all other funds of the City. The City shall disburse funds in the Project Fund to pay costs of issuance of the Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds. Notwithstanding the foregoing, costs of issuance of the Bonds may be withheld from the good faith deposit or purchase price of the Bonds and paid to the Municipal Advisor to be used to pay costs of issuance of the Bonds. The remaining funds in the Project Fund shall be disbursed solely to pay the costs of the Projects and to reimburse the City for any funds previously expended for costs of the Projects. Money in the Project Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in said Project Fund. Money in the Project Fund shall be invested in such investments as shall be permitted by applicable law to the extent permitted by applicable law.

DISCHARGE AND SATISFACTION OF BONDS

If the City shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways:

1. By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

2. By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or

3. By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the City shall also pay or cause to be paid all other sums payable hereunder by the City with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the City to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the City shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise described below, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the City as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the City, as received by the Registration Agent. For the purposes described above, Defeasance Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

REMEDIES OF BONDHOLDERS

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

(1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the City, including, but not limited to, the right to require the City to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the City to carry out any other covenants and agreements, or

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder.

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LEGAL MATTERS

LITIGATION

There are no suits threatened or pending challenging the legality or validity of the Bonds or the right of the City to sell or issue the Bonds.

TAX MATTERS

Federal

General. Bass, Berry & Sims PLC, Knoxville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the City and assuming compliance by the City with certain covenants, is that interest on the Bonds:

- is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and
- is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

The Code imposes requirements on the Bonds that the City must continue to meet after the Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the City does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The City has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the

Bonds or affect the market price of the Bonds. See also section "CHANGES IN FEDERAL AND STATE TAX LAW" below.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with bond premium, even though the Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Qualified Tax-Exempt Obligations. Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the City as to the Bonds, Bond Counsel has determined that the Bonds, upon issuance, will be "qualified tax-exempt obligations" within the meaning of the Code.

Original Issue Discount. A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder's federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts

withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

State Taxes

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

CHANGES IN FEDERAL AND STATE TAX LAW

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the City will execute in a form satisfactory to Bond Counsel, certain closing certificates including the following: (i) a certificate as to the *Official Statement*, in final form, signed by the Mayor acting in his official capacity to the effect that to the best of his knowledge and belief, and after reasonable investigation, (a) neither the *Official Statement*, in final form, nor any amendment or supplement thereto, contains any untrue statements of material fact or omits to state any material fact necessary to make statements therein, in light of the circumstances in which they are made, misleading, (b) since the date of the *Official Statement*, in final form, no event has occurred which should have been set forth in such a memo or supplement, (c) there has been no material adverse change in the operation or the affairs of the City since the date of the

Official Statement, in final form, and having attached thereto a copy of the *Official Statement*, in final form, and (d) there is no litigation of any nature pending or threatened seeking to restrain the issuance, sale, execution and delivery of the Bonds, or contesting the validity of the Bonds or any proceeding taken pursuant to which the Bonds were authorized; (ii) certificates as to the delivery and payment, signed by the Mayor acting in his official capacity, evidencing delivery of and payment for the Bonds; (iii) a signature identification and incumbency certificate, signed by the Mayor and City Recorder acting in their official capacities certifying as to the due execution of the Bonds; and, (iv) a Continuing Disclosure Certificate regarding certain covenants of the City concerning the preparation and distribution of certain annual financial information and notification of certain material events, if any.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters relating to the authorization and the validity of the Bonds are subject to the approval of Bass, Berry & Sims PLC, Knoxville, Tennessee, Bond Counsel. Bond Counsel has not prepared the *Preliminary Official Statement* or the *Official Statement*, in final form, or verified their accuracy, completeness or fairness. Accordingly, Bond Counsel expresses no opinion of any kind concerning the *Preliminary Official Statement* or *Official Statement*, in final form, except for the information in the section entitled "LEGAL MATTERS - Tax Matters." The opinion of Bond Counsel will be limited to matters relating to authorization and validity of the Bonds and to the tax-exemption of interest on the Bonds under present federal income tax laws, both as described above. The legal opinion will be delivered with the Bonds and the form of the opinion is included in APPENDIX A. For additional information, see the section entitled "MISCELLANEOUS – "Competitive Public Sale", "Additional Information" and "Continuing Disclosure."

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MISCELLANEOUS

RATING

S&P Global Ratings ("S&P") has given the Bonds the rating of "AA"

There is no assurance that such rating will continue for any given period of time or that the rating may not be suspended, lowered or withdrawn entirely by S&P, if circumstances so warrant. Due to the ongoing uncertainty regarding the economy and debt of the United States of America, including, without limitation, the general economic conditions in the country, and other political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the Bonds, could be subject to a rating downgrade. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for, and ratings, liquidity, and market value of outstanding bond obligations, including the Bonds. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds.

The rating reflects only the views of S&P and any explanation of the significance of such rating should be obtained from S&P.

COMPETITIVE PUBLIC SALE

The Bonds will be offered for sale at competitive public bidding on November 16, 2026. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that is dated November 10, 2026.

The successful bidder for the Bonds was an account led by _____, _____, _____ (the "Underwriters") who contracted with the City, subject to the conditions set forth in the Official Notice of Sale and Bid Form to purchase the Bonds at a purchase price of $_____ (consisting of the par amount of the Bonds, less an underwriter's discount of $_____ and less an original issue discount of $_____) or ____% of par.

MUNICIPAL ADVISOR; RELATED PARTIES; OTHER

Municipal Advisor. Cumberland Securities Company, Inc., has served as Municipal Advisor (the "Municipal Advisor") to the City for purposes of assisting with the development and implementation of a bond structure in connection with the issuance of the Bonds. The Municipal Advisor has not been engaged by the City to compile, create, or interpret any information in the *Preliminary Official Statement* and *Official Statement* relating to the City, including without limitation any of the City's financial and operating data, whether historical or projected. Any information contained in the *Preliminary Official Statement* and *Official Statement* concerning the City, any of its affiliates or contractors and any outside parties has not been independently verified by the Municipal Advisor, and inclusion of such information is not, and should not be construed as, a representation by the Municipal Advisor as to its accuracy or completeness or otherwise. The Municipal Advisor is not a public accounting firm and has not been engaged by the City to review or audit any information in the *Preliminary Official Statement* and *Official Statement* in accordance

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

Regions Bank. Regions Bank (the "Bank") is a wholly-owned subsidiary of Regions Financial Corporation. The Bank provides, among other services, commercial banking, investments and corporate trust services to private parties and to State and local jurisdictions, including serving as registration, paying agent or filing agent related to debt offerings. The Bank will receive compensation for its role in serving as Registration and Paying Agent for the Bonds. In instances where the Bank serves the City in other normal commercial banking capacities, it will be compensated separately for such services.

Official Statement. Certain information relative to the location, economy and finances of the Issuer is found in the *Preliminary Official Statement*, in final form and the *Official Statement*, in final form. Except where otherwise indicated, all information contained in this *Preliminary Official Statement* has been provided by the Issuer. The information set forth herein has been obtained by the Issuer from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Municipal Advisor or the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this *Preliminary Official Statement* nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

Cumberland Securities Company, Inc. distributed the *Preliminary Official Statement,* in final form, and the *Official Statement*, in final form on behalf of the City and will be compensated and/or reimbursed for such distribution and other such services.

Bond Counsel. From time to time, Bass, Berry & Sims PLC has represented the Bank on legal matters unrelated to the City and may do so again in the future. Bond Counsel's fee for services rendered to the City with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds.

Other. Among other services, Cumberland Securities Company, Inc. and the Bank may also assist local jurisdictions in the investment of idle funds and may serve in various other capacities, including Cumberland Securities Company's role as serving as the City's Dissemination Agent. If the City chooses to use one or more of these other services provided by Cumberland Securities Company, Inc., including Dissemination Agent and/or the Bank, then Cumberland Securities Company, Inc. and/or the Bank may be entitled to separate compensation for the performance of such services.

ADDITIONAL DEBT

Following the issuance of the Bonds, $35,000,000 of the $45,000,000 of general obligation bonds authorized by the Resolution will remain authorized but unissued. The City currently expects to issue the remaining amount in calendar year 2027 to complete the financing of the City Hall facilities. The City also has ongoing capital needs that may or may not require additional debt issuance. Additionally, the City may also authorize the issuance of additional refundings of outstanding bonds as savings opportunities arise.

DEBT LIMITATIONS

Pursuant to Title 9, Chapter 21, *Tennessee Code Annotated*, as amended, there is no limit on the amount of bonds that may be issued when the City uses the statutory authority granted therein to issue bonds. (see "DEBT STRUCTURE - Indebtedness and Debt Ratios" for additional information.)

DEBT RECORD

There is no record of a default on principal and interest payments by the City from information available. Additionally, no agreements or legal proceedings of the City relating to securities have been declared invalid or unenforceable.

CONTINUING DISCLOSURE

The City will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information relating to the City by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2026 (the "Annual Report"), and to provide notice of the occurrence of certain significant events not later than ten business days after the occurrence of the events and notice of failure to provide any required financial information of the City. The City, or dissemination agent, will provide notice in a timely manner to the MSRB of a failure by the City to provide the annual financial information on or before the date specified in the continuing disclosure agreement. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the City with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriters in complying with Securities Exchange Act Rule 15c2-12(b), as it may be amended from time to time (the "Rule 15c2-12").

Five-Year History of Filing. For the past five years, the City is unaware of any instances in which it has not complied in all material respects with its existing continuing disclosure agreements in accordance with Rule 15c2-12.

Content of Annual Report. The City's Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the City for the fiscal year, prepared in accordance with generally accepted auditing standards, provided, however, if the City's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available. The Annual Report shall also include in a similar format the following information included in APPENDIX B entitled "SUPPLEMENTAL INFORMATION STATEMENT."

1. Summary of Bonded Indebtedness as of the end of such fiscal year;

2. The Indebtedness and Debt Ratios as of the end of such fiscal year, together with information about the property tax base;

3. Information about the Bonded Debt Service Requirements – General Fund (Excludes Revenue Supported Debt) as of the end of such fiscal year;

4. Information about Bonded Debt Service Requirements – Water & Sewer System (Revenue and Tax) as of the end of such fiscal year;

5. Information about Bonded Debt Service Requirements – Tourism Development Zone as of the end of such fiscal year;

6. The Fund Balances, Net Assets and Retained Earnings for the fiscal year;

7. Five Year Summary of Revenues, Expenditures and Changes in Fund Balances - General Fund for the fiscal year;

8. Five Year Summary of Revenues, Expenditures and Changes in Fund Balances – Water and Sewer Fund for the fiscal year;

9. The estimated Assessed Valuations of property in the City for the tax year ending in such fiscal year and the total estimated actual value of all taxable property for such year;

10. Property Tax Rates and Collections of the City for the tax year ending in such fiscal year as well as the uncollected balance for such fiscal year; and

11. The Ten Largest Taxpayers.

Any or all of the items above may be incorporated by reference from other documents, including Official Statements in final form for debt issues of the City or related public entities, which have been submitted to the MSRB or the U.S. Securities and Exchange Commission. If the document incorporated by reference is a final Official Statement, in final form, it will be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events. The City will file notice regarding material events with the MSRB and the SID, if any, as follows:

1. Upon the occurrence of a Listed Event (as defined in (3) below), the City shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB and SID, if any.

2. For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the City shall determine the materiality of such event as soon as possible after learning of its occurrence.

3. The following are the Listed Events:

    a. Principal and interest payment delinquencies;

    b. Non-payment related defaults, if material;

c. Unscheduled draws on debt service reserves reflecting financial difficulties;

d. Unscheduled draws on credit enhancements reflecting financial difficulties;

e. Substitution of credit or liquidity providers, or their failure to perform;

f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

g. Modifications to rights of Bondholders, if material;

h. Bond calls, if material, and tender offers;

i. Defeasances;

j. Release, substitution, or sale of property securing repayment of the securities, if material;

k. Rating changes;

l. Bankruptcy, insolvency, receivership or similar event of the obligated person;

m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

n. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

o. Incurrence of a financial obligation (which includes a debt obligation, or a derivative instrument entered into connection with, or pledged as security or as a source of payment for, an existing or planned debt obligation, or a guarantee of debt obligation or derivative instrument) of the City, if material, or agreement as to covenants, events of default, remedies, priority rights, or other similar terms as of a financial obligation of the City, any of which affect security holders, if material; and

p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation (as described above) of the City, any of which reflect financial difficulties.

Termination of Reporting Obligation. The City's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the City may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Default. In the event of a failure of the City to comply with any provision of the Disclosure Certificate, any Bondholder or any beneficial owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the City to comply with the Disclosure Certificate shall be an action to compel performance.

BONDHOLDER RISK

GENERAL. The purchase of the Bonds is subject to a number of investment considerations. The following is a discussion of certain investment considerations, which, among others, could affect the ability of the City to pay the principal of and interest and premium, if any, on the Bonds and which could also affect the marketability of, or the market price for, the Bonds. Such discussion is not, and is not intended to be, a comprehensive compilation of all possible investment considerations nor a substitute for an independent evaluation of the information presented in the *Preliminary Official Statement* and the *Official Statement*, including the Appendices attached hereto. Each prospective purchaser of any Bond should read the *Preliminary Official Statement* and the *Official Statement*, including the Appendices attached hereto, in its entirety and consult such prospective

purchaser's own investment or legal advisor for a more complete explanation of the matters that should be considered when purchasing an investment such as the Bonds.

CLIMATE CHANGE AND ADVERSE WEATHER EVENTS. Planning for climate change in the State and its impact on the City's operations is an unknown challenge. The State's climate is exceedingly variable and projections of future conditions range significantly. While projections in the State indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts of climate change include changes in the length, intensity, and frequency of droughts and floods. Additionally, severe weather and natural disasters, generally, including tornadoes and other storm events, can affect the City and its residents in a number of ways, including by damaging City property, causing the temporary or permanent displacement of City residents and interrupting City services. The City cannot predict the impact of climate change or the timing, extent or severity of any adverse weather event or natural disaster and any potential effect on the City's operations or finances.

CYBER-SECURITY. Computer networks and data transmission and collection are vital to the efficient operations of the City. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in operations and the services provided by the City, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties and the services provided, and cause a loss of confidence in the City's operations, which could materially affect the City and its operations.

To mitigate against such risks, the City has instituted various policies and procedures to protect its respective information technology infrastructures, including cybersecurity training requirements for City employees. The City also maintains insurance against cybersecurity incidents. Despite the City's measures to safeguard network infrastructure, there are no guarantees that such measures will be successful in preventing or mitigating the damage of a cyber-security event.

FUTURE LEGISLATION. From time to time, the Tennessee General Assembly considers bills purporting to limit the amount by which Tennessee local governments may increase ad valorem tax levies for purposes other than the payment of general obligation debt service without first obtaining voter approval by referendum. If enacted into law, such bills would have no impact on the security for the payment of the Bonds. However, such laws could impact the City's ability to raise revenue for other governmental operating and capital requirements. See also "LEGAL MATTERS – Tax Matters – Changes in Federal and State Tax Law" for the potential impact of changes in tax law on the Bonds.

ENFORCEABILITY OF REMEDIES. The remedies available to the holders or beneficial owners of the Bonds upon any event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay.

The enforceability of remedies or rights with respect to the Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

Under existing law, municipalities must obtain the consent of state governments in order to avail themselves of federal bankruptcy protection under Title 11 of the United States Code. There is currently no law in the State granting such consent. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, moratorium, or other similar laws affecting the rights of creditors generally or as to the availability of any particular remedy.

SECONDARY MARKET PRICES. No assurance can be given that a secondary market for any of the Bonds will be available and no assurance can be given that the initial offering prices for the Bonds will continue for any period of time.

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event a holder or beneficial owner thereof determines to solicit purchasers of the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current holder or beneficial owner of the Bonds, depending on existing market conditions and other factors.

FORWARD LOOKING STATEMENTS

The statements contained in the *Preliminary Official Statement* and *Official Statement*, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in the *Preliminary Official Statement* and *Official Statement* are based on information available on the date hereof, and assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in the *Preliminary Official Statement* and *Official Statement* would prove to be accurate.

ADDITIONAL INFORMATION

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

Any statements made in this *Preliminary Official Statement* involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this *Preliminary Official Statement* nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

The references, excerpts and summaries contained herein of certain provisions of the laws of the State of Tennessee, and any documents referred to herein, do not purport to be complete statements of the provisions of such laws or documents, and reference should be made to the complete provisions thereof for a full and complete statement of all matters of fact relating to the Bonds, the security for the payment of the Bonds, and the rights of the holders thereof.

The *Preliminary Official Statement* and *Official Statement*, in final form, and any advertisement of the Bonds, is not to be construed as a contract or agreement between the City and the purchasers of any of the Bonds. Any statements or information printed in the *Preliminary Official Statement* or the *Official Statement*, in final form, involving matters of opinions or of estimates, whether or not expressly so identified, is intended merely as such and not as representation of fact.

The City has deemed this *Preliminary Official Statement* as "final" as of its date within the meaning of Rule 15c2-12 except for the omission of certain pricing information allowed to be omitted pursuant to Rule 15c2-12.

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CERTIFICATION OF THE CITY

On behalf of the City, we hereby certify that to the best of our knowledge and belief, the information contained herein as of this date is true and correct in all material respects, and does not contain an untrue statement of material fact or omit to state a material fact required to be stated where necessary to make the statement made, in light of the circumstance under which they were made, not misleading.

/s/_____
Mayor

ATTEST:

/s/_____
City Recorder

APPENDIX A

LEGAL OPINION

LAW OFFICES OF
BASS, BERRY & SIMS PLC
900 SOUTH GAY STREET, SUITE 1700
KNOXVILLE, TENNESSEE 37902

Ladies and Gentlemen:

We have acted as bond counsel to the City of Pigeon Forge, Tennessee (the "Issuer") in connection with the issuance of $_____ General Obligation Bonds, Series 2026 (the "Bonds") dated _____, 2026. We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding obligations of the Issuer.

2. The resolution of the City Commission of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer.

3. The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Issuer. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the Issuer have been irrevocably pledged.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. Failure to comply with certain of such requirements could cause interest on the Bonds to be so includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

6. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

The rights of the owners of the Bonds and the enforceability of the Bonds and the resolutions authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equity principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds. Further, we express no opinion herein regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

52511030.1

APPENDIX B

SUPPLEMENTAL INFORMATION STATEMENT

GENERAL INFORMATION

LOCATION

The City of Pigeon Forge (the "City") is located in Sevier County, Tennessee at the foothills of the Great Smoky Mountains. Sevier County (the "County") is bordered to the north by Jefferson County and to the east by Cocke County. The state of North Carolina provides the County's southern border. Blount and Knox Counties make up the County's western border. Pigeon Forge is approximately 30 miles southeast of Knoxville and directly adjacent to Sevierville, the County seat. Incorporated towns within Sevier County include Gatlinburg, the principal resort town for the Great Smoky Mountains National Park area, Sevierville, Pigeon Forge and Pittman Center. The City is within a day's drive of two-thirds of the population of the United States.

GENERAL

The approximate land area of the County is 385,920 acres.

The 2020 Census reported that Sevier County's population was 98,380 and the City of Sevierville was 17,889. The 2020 Census reported that the City of Pigeon Forge population was 6,343. As of July 1, 2025, the U.S. Census Bureau estimated the population of Sevier County at 101,342, the City of Sevierville at 19,010 and the City of Pigeon Forge at 6,598. Sevierville was designated a Micropolitan Statistical Area (the "mSA"). An mSA is defined by the U.S. Census Bureau as a non-urban community that is anchored by a town of no more than 50,000 residents.

The County is also part of the Knoxville-Sevierville-Harriman Combined Statistical Area (the "CSA"). The CSA includes Roane, Anderson, Blount, Knox, Loudon, Union, Grainger, Hamblen, Jefferson, Campbell, Cocke and Sevier Counties. The City of Knoxville is the largest city in the CSA with a population of 190,740 according to the 2020 Census (an estimated 202,021 as of July 1, 2025).

Sevier County and the City of Sevierville were named for one of the leading figures in the history of Tennessee, John Sevier. Sevier was a frontiersman, American Revolution war hero and the first Governor of Tennessee. After six terms as Governor, he then served in both the State Senate and in the U.S. House of Representatives. His political career was often shadowed by a growing rivalry with Andrew Jackson that almost escalated into a duel in the early 1800's. Sevier died in Georgia during a boundary negotiation with the Creek Indians in 1815.

TRANSPORTATION

The County is served by U.S. Highways 411 and 441, and links the City to Interstates 40, 75, and 81 as well as state highways 35, 66, 71 and 321.

The County has a trolley system that originated in 1980 with only six trolleys, but the fleet has grown to 20-plus trolleys servicing approximately 50 miles of trolley routes and is managed by the City of Pigeon Forge and the City of Gatlinburg.

The Gatlinburg-Pigeon Forge Airport is located in Sevierville ten miles from Gatlinburg and provides facilities for private planes. The airport has parking spaces for 125 aircraft, 50 hangars and a 5,500-foot runway. Construction of a new $1.6 million terminal and a new $2 million aircraft parking ramp was completed in 2009. The McGhee Tyson Airport, operated by the Metropolitan Knoxville Airport Authority, is located 35 miles away in nearby Alcoa and provides complete passenger and air freight services.

The Douglas Dam is about eight miles from Sevierville and part of the Tennessee River System. The Douglas Reservoir covers about 4,000 acres in the County. Channelization of the Tennessee River to a 9-foot minimum navigable depth from its junction with the Ohio River at Paducah, Kentucky to Knoxville, Tennessee gives the County the benefits of year round, low cost water transportation on the nation's 10,000 mile-inland waterway system. This system formed largely by the Mississippi River and its tributaries, effectively links the County with the Great Lakes to the north and the Gulf of Mexico to the south.

EDUCATION

The *Sevier County School System,* which serves all the cities in the County, is quite extensive serving its citizens with thirty-one schools. Five private/parochial schools and a vocational school also serve the County.

Source: Tennessee Department of Education.

East Tennessee State University (the "ETSU") Sevierville Center. The Sevierville Center is a small campus on Highway 416 that offers fourteen undergraduate degrees and four graduate degrees. ETSU was founded in 1911 in the northeast corner of Tennessee. ETSU's main campus is situated on a more than 350-acre campus located in nearby Johnson City. The main campus is adjacent to the 31-acre Veterans Administration facility that is home to the James H. Quillen College of Medicine. The Johnson City Medical Center Hospital (Ballad Health) is located nearby. ETSU offers approximately 74 majors of study in its undergraduate program, 30 degree fields in its master's programs and doctorates in education, education administration, and biomedical sciences. In addition, the Quillen College of Medicine offers eight Doctor of Medicine degrees. Extended regional campuses are located in Kingsport, Elizabethton and Greeneville.

Source: East Tennessee State University and TN Higher Education Commission.

Walters State Community College Sevier County Campus. The 67-acre Sevier County Campus in Sevierville consists of three buildings that provide academic credit classes during the day and evening and non-credit classes/training. Culinary Arts, Hospitality Management and Professional Entertainment courses are provided to address the special educational/training needs of the community.

Walters State Community College, a public two-year higher education institution founded in 1970, is located in Morristown, Tennessee. The college offers programs of study that lead to the Associate of Science, Associate of Arts, and Associate of Applied Science degrees. There are four principal campuses in Hamblen, Sevier, Greene, and Claiborne counties. Walters State serves ten predominantly rural East Tennessee counties in the mountains and foothills of the Great Smoky Mountains and the Clinch Mountains. The primary service area includes the counties of Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Sevier, and Union.

Source: Walters State Community College and Tennessee Higher Education Commission.

Tennessee College of Applied Technology at Morristown Sevierville Campus (the "TCAT-MS"). The TCAT-MS is part of a statewide system of vocational-technical schools that meets a Tennessee mandate that no resident is more than 50 miles from a vocational-technical school. The institution's primary purpose is to meet the occupational and technical training needs of the citizens including employees of existing and prospective businesses and industries in the region. The TCAT-MS serves the northeast region of the state including Greene, Cocke, Jefferson, Hancock, Hawkins, Claiborne, Grainger, Sevier and Hamblen Counties. The TCAT-MS main campus is located in Hamblen County. There are three satellite campuses for Morristown: Tazewell, Claiborne County; Greeneville, Greene County; and Sevierville, Sevier County.

Source: Tennessee College of Applied Technology at Morristown and Tennessee Higher Education Commission.

HEALTHCARE

LeConte Medical Center, a 79-bed acute care hospital, opened in 2010 to replace an older facility. It is affiliated with Covenant Health. The facility offers imaging services, 24-hour emergency care, family-centered maternity care, surgical services, and convenient physical therapy clinics, as well as a host of other services to the residents of Sevier County. LeConte Medical Center anchors a campus that includes the Dolly Parton Center for Women's Services, Dr. Robert F. Thomas Professional Building and Thompson Cancer Survival Center for a combined investment of $115 million. The hospital includes features such as private patient rooms with mountain views, a new 10-bed intensive care step-down unit, a dedicated surgical suite and a sleep center. It also has an expanded emergency department capable of handling more than 50,000 patients a year as well as an on-site heliport.

In 2022, LeConte Medical Center was named as a top rural hospital in the inaugural "148 Best Hospitals in America" by Money magazine and the LeapFrog Group. It was the only rural hospital and one of just three in Tennessee to be named to the magazine's list, which is designed to help consumers make educated decisions about hospitals that provide the best monetary value.

Covenant Health, headquartered in nearby Knoxville, has several acute-care hospitals plus inpatient and outpatient cancer care, behavioral and rehabilitation centers, home health, outpatient surgery and diagnostic centers, physician offices and more. More than 10,000 people are employed by Covenant Health and its member organizations, with nearly 1,500 affiliated physicians. Covenant Health is a comprehensive health system established in 1996.

Source: Knoxville News Sentinel.

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SOCIAL AND DEMOGRAPHIC DATA

The population of the County more than tripled since 1970. According to the 2020 Census, Sevier County's population had grown by 47,337 since 1990. This growth ranked the County as one of the fastest growing counties in Tennessee. This growth is depicted in the chart below:

1970..... 28,141 persons
1980..... 41,418 persons
1990..... 51,043 persons
2000..... 71,170 persons
2010..... 89,889 persons
2020..... 98,380 persons

Social and Economic Characteristics

	National	Tennessee	Sevier County	Pigeon Forge	Sevierville
Median Value Owner Occupied Housing	$332,700	$286,700	$299,000	$291,800	$289,600
% High School Graduates or Higher Persons 25 Years Old and Older	89.60%	90.00%	88.6%	75.6%	87.4%
% Persons with Income Below Poverty Level	10.20%	13.50%	13.2%	21.0%	15.4%
Median Household Income	$80,734	$69,595	$62,581	$53,261	$52,421

Source: U.S. Census Bureau State & County QuickFacts - 2024.

POWER PRODUCTION

Douglas Dam. Douglas Dam is a hydroelectric dam on the French Broad River in Sevier County. The dam is operated by the Tennessee Valley Authority ("TVA"), which built the dam in world record time in the early 1940s to meet emergency energy demands at the height of World War II. Douglas Dam is a straight reinforced concrete gravity-type dam 1705 feet (520 m) long and 202 feet (62 m) high, impounding the 28,420-acre (11,500 ha) Douglas Lake. The water used to generate power at Douglas is used again and again at the nine TVA hydroelectric plants located along the Tennessee River from Knoxville to Paducah, Kentucky. The generating capacity of Douglas's four units combined is 165,600 kilowatts of electricity. The dam was named for Douglas Bluff, a cliff overlooking the dam site prior to construction.

Source: Tennessee Valley Authority.

TOURISM

Sevier County has enjoyed a booming tourist industry. Tourism is the largest contributor to Sevier County's economy. According to the 2024 Economic Impact of Travel on Tennessee Counties report, visitors spent approximately $3.93 billion in Sevier County in 2024, ranking the

County third among Tennessee's 95 counties, behind Davidson and Shelby Counties. Without the State and local taxes generated by tourism, each Sevier County household would pay $11,191 more in State and local taxes.

Source: 2024 Economic Impact of Travel on Tennessee Counties Report.

The following is a breakdown of the activities of the average visitor to the County:

1. Shopping (87%)
2. Scenic Drives (80%)
3. Eating at Unique Restaurants (71%)
4. Smoky Mountains (69%)
5. Historic Sites (57%)
6. Live Music (41%)
7. Dollywood (35%)
8. Antique Shopping (30%)
9. Hiking / Biking (28%)
10. Art Galleries (26%)

The main tourist attraction in the area is the Great Smoky Mountains National Park, which is the most visited national park in the United States. According to the National Park Service, visitor spending in communities near the Park in 2024 was more than $2 billion. Visitors in 2025 reached over 11.5 million. In 2021, the Park had a record number of visitors at over 14.1 million visitors, breaking the previous record by 1.5 million people.

Source: National Park Service.

While the National Park has long been a major attraction to the region, there are a number of tourism attractions in Sevier County to entertain visitors. Family-oriented attractions include museums, an aquarium, water parks, numerous music theaters, go-cart tracks, miniature golf, etc. In addition, more than 200 outlet stores in six malls have greatly expanded the economy, and reduced the seasonality that often affects other tourist destinations.

Tennessee Whiskey Trail. The Tennessee Whiskey Trail was launched in 2017 and is more than 800 miles to distilleries throughout the state, including the Jack Daniel Distillery in Middle Tennessee. Tennessee has been a leader in spirits distillation throughout the nation's history, including the time before, during and after Prohibition. Sevier County has ten distilleries on the Trail.

According to the Department of Tourist Development's 2018 Economic Impact report, more than 6.3 million visitors crisscrossed the state to experience the distilleries on the Trail. Since Tennessee state law changed in 2009 to allow more distilleries, more than 30 distilleries in Tennessee are now on the Tennessee Whiskey Trail. The distilleries on the Trail house millions of barrels of whiskey valued at billions of dollars and account for nearly 100 percent of all distilled spirits produced in Tennessee. More than $260 million has been invested in Trail distilleries over the past 10 years, adding more than 500 jobs throughout the state.

Sevier County

Tax Structure

State Sales Tax: 7.00%
Local Option Sales Tax: 2.75%
Lodging Tax: 3.00%

The 407: Gateway to Adventure in the Smoky Gap District. In 2023, ground was broken on a new entertainment district of 200 acres on the interchange of Highway 66 and Interstate 40 at exit 407, the primary exit for the Great Smoky Mountains National Park. Phase One consists of Buc-ee's travel center, Marriott Courtyard hotel, Smoky Gap entertainment district, a Sports Illustrated Resort, and a "living streetscape" to create a one-of-a-kind experience that will change throughout the year. There are also 100 acres next to the nearby Smokies Stadium for future development.

Douglas Reservoir. The Douglas Reservoir extends 43 miles upriver from the Douglas Dam through the foothills of the Great Smoky Mountains. It covers over 4,000 acres of the County before it travels through Jefferson, Sevier, Cocke and Hamblen Counties. It is located mostly in the north-eastern part of the County near Sevierville. Douglas and other TVA reservoirs built during World War II made a historic contribution, providing hydropower to drive the war effort. Under normal conditions, Douglas stores spring rainwater for release during the dry summer and fall months to maintain adequate depth for navigation on the Tennessee River and to generate electricity. Set against the backdrop of the lush, green Smoky Mountain foothills, Douglas attracts two million recreation visitors a year. Picnicking, camping, boating, and fishing are all popular activities at the Reservoir.

Source: Tennessee Valley Authority.

Tennessee Whiskey Trail. More stops on the Tennessee Whiskey Trail are at the Junction 35 Spirits, Old Tennessee Distilling Company, and the Tennessee Legend Distillery. Tennessee Legend Distillery has two locations in Sevierville (also in Nashville and Putnam County) and produces whiskey, unaged spirits and sipping creams.

Winterfest. A strategy for conquering the seasonality of the area has been the implementation of the annual Winterfest promotional. A combination of various special entertainment events and businesses extending their seasons, this festival was created by the cities of Sevierville, Gatlinburg and Pigeon Forge to increase tourist activity in the County from November through March. Winterfest puts on an elaborate winter lights display. All three Cities have switched all the incandescent lights to light-emitting diodes, or LEDS. The switch saved over 75 percent on the power bill from the last year only incandescent lights were used (in 2005).

Source: Knoxville News Sentinel.

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Gatlinburg

Tax Structure
State Sales Tax: 7.00%
Local Option Sales Tax: 2.75%
Amusement Tax: 2.00%
Lodging Tax: 3.00%
Restaurant Tax: 1.50%
Gross Receipts Tax: 1.25%

Gatlinburg tourism is a major contributor to Sevier County's economy, even though it only has a population of less than 4,000. Overnight accommodations range from rustic cabins and chalets to modern motels and motor inns, high-rise hotels, bed & breakfast inns and campgrounds.

Gatlinburg offers over 14,000 sleeping rooms including full-service and limited-service hotels and motels, condominiums, chalets, cabins and campgrounds. These accommodations are available in a variety of locations from downtown overlooking the Little Pigeon River to a mountaintop overlooking the Smoky Mountains to secluded natural surroundings.

Anakeesta. Anakeesta is an outdoor family theme park that is located on 70 acres at the summit of Anakeesta Mountain in Gatlinburg. The theme park includes scenic rides from downtown Gatlinburg to the summit of Anakeesta Mountain via the Chondola ride and Ridge Rambler adventure trucks. The park features the Children's Treehouse Village Adventure, BearVenture play area, Dueling Ziplines, Rail Runner Mountain coaster and the Treetop Skywalk. At more than 800' long the Treetop Skywalk is the longest tree-based bridge in North America with a spectacular series of suspension bridges hanging 50-60 feet in the air between trees. At the top are scenic views of Mt. LeConte, casual dining with a full-service bar and outdoor seating, and several other attractions. There is also a whimsical Treehouse Village Adventure and a Memorial Forest Walk about the November 2016 fire. The park includes an interactive Vista Gardens botanical walk that features 1,700 feet of walking trails.

Since Anakeesta opened in 2017, it has won many awards: the 2018 Tennessee Hospitality and Tourism Association Best Attraction of the Year Award; Best New Attraction in 2018; Blue Ridge Country's "Best of the Mountains"; the 2018 Sevier County Hospitality and Tourism Association New Attraction of the Year; and has received the Trip Advisor Award of Excellence. Anakeesta is a Cherokee Indian word and is most often associated with a massive rock layer known as the Anakeesta Formation that encompasses many of the peaks in the Smoky Mountains.
Source: Anakeesta.com.

Appalachian National Scenic Trail (the "AT"). The Appalachian Trail is a 2,175-mile long footpath stretching through 14 eastern states from Maine to Georgia. It can be accessed in Sevier County through the Great Smoky Mountain National Park. Conceived in 1921 and first completed in 1937, it traverses the wild, scenic, wooded, pastoral, and culturally significant lands of the Appalachian Mountains. The AT is enjoyed by an estimated 4 million people each year.
Source: National Park Service.

Ole Smoky Moonshine Holler. The Mellow Mushroom restaurant moved into Ole Smoky Moonshine Holler mall in 2011. Also located in the Plaza is The Ole Smoky Distillery, which sells legal moonshine and opened for business in 2010. Ole Smoky now has two facilities in Sevier County and distributes its moonshine to 49 states, Canada, Latin America and the Caribbean.

Gatlinburg Convention Center and W.L. Mills Auditorium. Built in 1989, the Gatlinburg Convention Center offers over 148,000 square feet of flexible meeting and exhibit space. The Great Hall provides 67,000 square feet of exhibit space, 50,400 square feet of which is free-span with a ceiling height of 30 feet. It can accommodate 6,000 people, 350 booths or be divided into three separate halls for smaller events. The Tennessee Ballroom provides 17,064 square feet with a ceiling height of 27 feet. The ballroom can accommodate 2,100 people in theater seating, 1,200 people in banquet round seating and can be divided into four separate sections for smaller events. The Gatlinburg Boardroom area is 38,200 square feet, including 16 meeting rooms, pre-function space, two private parlors and a special VIP/media suite. The W.L. Mills Auditorium adjoining the Convention Center provides 8,800 square feet with a ceiling height of 22 feet. It can accommodate 1,100 people in theater seating and 580 people in banquet round seating. The auditorium comes with a 925-square-foot built-in stage.

Source: The City of Gatlinburg.

Great Smoky Mountains National Park (the "Park"). The Great Smoky Mountains National Park straddles the border between North Carolina and Tennessee in Blount and Sevier Counties and the southern part of Cocke County. The City of Gatlinburg in Sevier County is the gateway city to the Park. Over 500,000 acres were set aside in 1934 to form the Park. The Park includes 244,000 acres in Tennessee and 276,000 acres in North Carolina and covers a total 800 square miles. It includes 97 historic and 342 modern structures that are maintained by the Park. The Park is a hiker's paradise with over 800 miles of maintained trails, including the Appalachian Trail. The Smoky Mountains have the most biological diversity of any area in the world's temperate zone. The Park is a sanctuary for a magnificent array of animal and plant life, all of which is protected for future generations to enjoy.

Located in the center of the eastern half of the United States, the Park is readily accessible to 70% of the country's population. Each year it draws the largest attendance of any of the National Parks in the United States.

In 2011, construction was completed on the $3 million, 7,000 square-foot Oconoluftee Visitor Center near Cherokee, N.C. In 2008, construction was completed to build a $4.5 million Twin Creeks Science and Education Center near Gatlinburg. These are the first new major buildings to be built in the Park since the Sugarlands Visitor Center opened in 1964 at the Gatlinburg entrance.

Source: National Park Service.

Nantahala Outdoor Center Great Outpost. The former Open Hearth Restaurant in Gatlinburg was redeveloped into the Nantahala Outdoor Center Great Outpost, a multimillion-dollar, 18,000-square-foot development. Completed in the spring of 2010, the former mountain lodge-style building became one of the largest stores in Gatlinburg and the only LEED-certified retail location in the Smokies. The Great Outpost has been registered for LEED certification from

the U.S. Green Building Council, which rates buildings on cost-efficient and energy-saving building design and construction.

The new store is described as experiential in nature with strong educational components as well as outdoor activities within the store, such as a 25-foot climbing wall. The Great Outpost offers outdoor activities in the national park including whitewater rafting, flatwater kayaking, fly-fishing, guided hiking, mountain biking, outdoor education programs and nature tours. Nantahala Outdoor Center, based in Bryson City, N.C., is a privately held, employee-owned company and one of the largest employers in Western North Carolina.

Ober Mountain Ski Resort and Amusement Park. Ober Mountain Ski Resort has 8 trails for skiing and snowboarding with rental equipment provided. The Snow Tubing Park opened in 2008 and features nine 400' lanes and a 50' vertical drop. There is an indoor ice arena for year-round skating. The Alpine Slide is a summer slide on one of two 1,800' tracks through woods and ski trails. The Amusement Park has many games, arcades and water rides to provide entertainment year-round.

The Aerial Tramway provides transportation to Ober Mountain at the top of Mt. Harrison in the Smoky Mountains. In 2007, a $1 million project replaced the original cable cars Tramway that were originally built in 1973. The Tramway is the safer and more comfortable way to reach the Ski Resort than driving up the mountain road. The tramway has transported over 18 million passengers since opening, with service from downtown Gatlinburg available approximately every 20 minutes and the ride covering a distance of 2.1 miles to the resort. Along the way, riders of all ages enjoy a magnificent panorama of Gatlinburg and the Smokies, taking in the changing seasons and splendor of the mountains.

Source: Ober Mountain Ski Resort and Amusement Park.

Park Vista Hotel. The Park Vista, a DoubleTree by Hilton Hotel located in Gatlinburg, is the largest hotel in Sevier County. The hotel has been a landmark in Gatlinburg since it was opened in 1976. The 16-story, 300-room hotel has a circular high-rise design overlooking the Smoky Mountains, two restaurants featuring indoor and outdoor dining and over 25,000 square feet of meeting and conference space. The hotel also includes a fitness center and an indoor pool.

Ripley's Aquarium of the Smokies. Since opening in 2000, the 1.4-million-gallon aquarium is home to more than 11,000 sea animals (over 350 species) and has had more than 10 million visitors. One highlight of the aquarium is a 345-foot–long underwater tunnel at the bottom of the shark tank for visitors to walk through.

Source: The Knoxville Sentinel.

SkyLift Park. The SkyLift Park, which has been operating since 1954, opened in 2019. The SkyBridge is the longest pedestrian suspension bridge in North America that also has sections of glass panels on the floor of the bridge. The SkyBridge is 700 feet long and is about 150 feet off the ground. The park features a chairlift ride, the notable SkyBridge, the SkyDeck observation area with room for concerts and weddings, and the SkyCenter with a gift shop, café and restaurant.

Tennessee Whiskey Trail. Two more stops on the Tennessee Whiskey Trail are at the D&S Distilling Company and the Tennessee Legend Distillery. Tennessee Legend Distillery has two

locations Sevierville (also in Nashville and Putnam County) and produces whiskey, unaged spirits and sipping creams.

Westgate Smoky Mountain Resort & Spa. The mountain resort, Westgate Smoky Mountain Resort & Spa, offers over 1,000 dwelling units in 100 buildings with accommodations ranging from studios to five-bedroom villas. Wild Bear Falls Water Park encompasses 60,000 square feet, has a retractable roof, waterslides, a lazy river, and treehouses with surprise splashes of water. There are also heated indoor / outdoor pools and spa tubs, Serenity Spa facilities, the 50,000-square-foot indoor Flying Bear Zipline, a grocery store, deli and ice cream shop, a fitness center, playground, three restaurants, and a miniature golf course.

The wildfires of November 28, 2016 heavily damaged the Westgate Smoky Mountain Resort & Spa. The reopening included an expansion with the reconstruction of the resort. The $150 million construction (which was fully covered by insurance) rebuilt 800 lost units plus added another 100 dwelling units.

Pigeon Forge

Tax Structure
State Sales Tax: 7.00%
Local Option Sales Tax: 2.75%
Amusement Tax: 2.50%
Lodging Tax: 2.50%
Restaurant Tax: 1.00%
Gross Receipts Tax: 1.00%

The major portion of the commercial activity in Pigeon Forge is devoted to the tourism industry. Pigeon Forge has a 2020 U.S. Census population of 6,343 (an estimated 6,598 as of July 1, 2025), yet visitors can boost the daily population to upwards of 50,000. The temporary population gain is the result of approximately 10,000 lodging units inside the city limits-hotels, motels, condominiums, cabins, log homes and campgrounds. The City is visited by more than 11,000,000 tourists a year. In 2025, gross receipts in the City were $2,288,406,200, the fifth consecutive year in excess of $2 billion.

Source: Pigeon Forge Development.

Dollywood Entertainment Park. Dolly Parton's Dollywood theme park is the most popular private attraction in Tennessee. Dollywood sits on 125 acres in Pigeon Forge and is Sevier County, Tennessee's largest seasonal employer with over 2,500 employees in the peak season from June through August. Dollywood's Splash Country Water Park has both relaxing water rides and Tennessee's first water coaster. The Dollywood Company also owns The Stampede and Pirates Voyage Dinner and Show.

In 2023, Dollywood won its first Golden Ticket award for best park in the world, beating long time winner Europa-Park in Rust, Germany. The award is decided through industry journalists, ride manufacturers, and amusement park fans.

Dollywood Attractions and Expansions. Since 2010, The Dollywood Company has invested more than $220 million into its properties. Previous expansions included Dollywood's DreamMore Resort and Spa, roller coasters Lightning Rod and Fire Chaser Express, the $37 million Dollywood addition called Wildwood Grove and TailSpin Racer at Dollywood's Splash Country.

Originally, Dollywood planned to invest $300 million to include new attractions and resorts from 2014 to 2024. That plan has been expanded to 2032 to add more than 2,000 jobs and $500 million more in investments for the facility from 2022-2032. Dollywood's president stated in September 2026 that investment plans now extend to 2036. The new investments will include several new resorts, a campground, a possible new entrance to their hospitality area, a new roller coaster in the Wildwood Grove area, among other plans. It's estimated that the new Dollywood investments will add $150 million annually to the local economy. Additionally, more than $7 million in state and local taxes will be generated by the company's 10-year investments. Approximately 2,000 jobs are expected to be created due to the addition of the resort, primarily in the hospitality and construction industries. Personnel were added when the resort, HeartSong Lodge & Resort, opened in late 2023.

First constructed as part of the expansion was the $15 million family rollercoaster The Fire Chaser Express, which opened in March of 2014.

Next was DreamMore, which is a 306-room resort that opened in the summer of 2015. It was built on 100 acres near the existing Splash Country. DreamMore was ranked the best amusement park hotel in America by USA Today in 2021. The resort has a variety of room sizes and suites available, along with more than 8,000 square feet of indoor meeting space with state-of-the-art technology. Outdoors, the property can accommodate groups as large as 500. The resort also includes a full-service farmhouse restaurant with indoor and outdoor seating, an indoor and outdoor pool, and an amphitheater for outdoor entertainment. Guests are also able to enjoy fire pits and hammocks and a full-service spa.

The $22 million Lightning Rod roller coaster opened in the summer of 2016 and is the fastest wooden roller coaster in the world. The ride propels guests to top speeds of more than 70 miles an hour and was labeled as one of the most anticipated thrill rides of 2016 by USA Today.

Dollywood's Splash Country opened a water slide, the $2.5 million TailSpin in the summer of 2017. The Drop Line, a 200-foot tall free fall ride and Whistle Punk Chaser, a children's roller coaster, also opened in 2017, along with 250 other smaller renovations throughout the Park. The Backstage Restaurant has been transformed into the Front Porch Café. The Blown Glass Shop was renovated and upgraded from its original 1980's construction. The total cost of the 2017 renovations and additions was $8.5-$9 million.

In May of 2019, Dollywood opened the $37 million expansion called Wildwood Grove. The area was a previously undeveloped five-acre area of the park that has now been built to include eleven themed attractions, with a restaurant, enclosed family roller coaster, a pendulum-style ride and an indoor play area. It was the park's largest expansion in its 33-year history.

In 2023, the park opened the longest roller coaster in the attraction's history. Big Bear Mountain is a $25 million, 3,990-foot-long roller coaster. The roller coaster is an expansion to the Wildwood Grove area of the park. The ride was designed with families in mind. Big Bear Mountain, being built by ride manufacturer Vekoma, also marks the first attraction at the park that features on-board audio that provides sound to enhance the ride's movements. The ride features the character, Ned Oakley, Wildwood Grove's resident wilderness explorer, and is located near Grove's Hidden Hollow. The seats are fashioned to look like specially outfitted, four-wheel drive SUVs.

HeartSong Lodge and Resort was completed in 2023. The resort is a five-story, 302-room resort with a range of accommodations and amenities. The new lodge is adjacent to DreamMore, which opened in 2015, allowing easy access to Dollywood and Dollywood's Splash Country. The resort houses both indoor and outdoor pools for all seasons, and the picturesque outdoor cove includes family gathering spaces, a communal fire pit and a screened-in porch. With 26,000 square feet of flexible indoor and outdoor meeting space, the resort can accommodate gatherings for several hundred guests at the two-story HeartSong Event Center, outdoor meeting spaces and event lawn.

Dollywood Festivals. Each season has an attraction sponsored by local corporations to keep visitors returning to the park. Spring has the Flower and Food Festival presented by Covenant Health that features plant sculptures, hundreds of thousands of flowers and garden-fresh foods inspired by spring in the Smokies. Summer has the Smoky Mountain Summer Celebration presented by Bush's Beans that has new water features to beat the heat of the day and Sweet Summer Nights that features fireworks and drone shows after dark. Fall has the Harvest Festival and Great Pumpkin LumiNights, presented by Humana and Covenant Health, that features gigantic glowing pumpkins sculptures and thousands of carved pumpkins. Smoky Mountain Christmas, presented by Humana, features award-winning shows, five million lights, and a 50-foot Christmas tree.

Dollywood Housing. Dollywood also built a new workforce housing complex to house its workforce, local and foreign. The first phase constructed a 750-bed dorm in 2021. The Southern Hospitality Internship Program is an initiative to bring interns (local students and foreign workers with visas) to work hospitality at local businesses. The dorm is available to Dollywood interns as well as other local businesses. The second phase is another dorm that adds 340 beds, with 85 set aside for workers at other area businesses. The third phase of the project includes apartments with studios and multi-bedroom apartments that allow families to come here to find work and possibly remain in the community. A public, access road to the workforce housing facility was also constructed.

Dollywood is now also working to utilize H2B visas for temporary foreign workers, which are usually for people who aren't in school. The H2B visas are typically active for nine months - long enough to help the park through its busy season. Those workers could also stay in the dorms. In the past, foreign workers could only get a 3-month visa.

Greenway. The Greenway is a series of connected, meandering hiking and biking trails, some running through heavily populated areas and others wandering into the countryside. The

first phase of the Pigeon Forge Greenway was completed in 2006. A 75-acre park with $2 million in trails and a pavilion is also being donated by a developer to the city to connect to the greenways.

Hollywood Wax Museum. Formerly located in the Ole Smoky Moonshine Holler in Gatlinburg, the Museum opened on the Parkway in Pigeon Forge in 2012. The 22,000-square-foot facility includes two floors of celebrity displays and a facade with a 40-foot-tall replica of King Kong and a Hollywood-style version of Mount Rushmore. The Museum is also located next to other attractions owned by the same company, the Castle of Chaos and Hannah's Maze of Mirrors.

The Island in Pigeon Forge. The 22-acre development, the Island in Pigeon Forge, is a retail and entertainment center that opened Phase One in 2013. It contains the 200-foot Great Smoky Mountain Wheel, the largest observation wheel in Tennessee, and a $45 million event center containing numerous restaurants and shops. $5 million was provided by the City of Pigeon Forge for infrastructure improvements, including a road connecting the Parkway.

Phase Two was opened late 2014 with 80 percent of the entire facility leased, a $2.7 million show fountain, and a 132-room four-star hotel. Ole Smoky Moonshine opened a second location featuring a 6,000-square-foot still, tasting bar and retail store in The Island in 2014. Also opened in 2014 was Jimmy Buffett's Margaritaville restaurant and a 132-room hotel.

In 2015, Paula Deen's Family Kitchen and Paula Deen's The Bag Lady opened at the Island. The Family Kitchen is a full-service restaurant with seating for 300 and has a 4,000-square-foot retail store. The Bag Lady restaurant offers sandwiches, salads and sweets.

LeConte Convention Center. The LeConte Center, a $45 million, 232,000-square-foot multipurpose facility, opened in October of 2013. It is designed to attract trade shows, competitive events and assemblies such as church-organized youth rallies. It is located next to a 1,600-space parking lot and the Pigeon Forge Riverwalk, the City's greenway along the Little Pigeon River.

Source: Pigeon Forge Convention Center.

Music Road Entertainment Park. This Pigeon Forge-sponsored development is based upon the concept of an industrial park but is specifically designed for Pigeon Forge's industry: tourism and entertainment. The park currently is home to the Hard Rock Cafe, WonderWorks, and the Hatfield and McCoy Dinner Show. More than $40 million of private investment has been attracted to the park since its creation in 1994, and the businesses within the park generate hundreds of thousands of dollars in tax revenues annually.

Ripken Experience Pigeon Forge Youth Baseball Complex. Opened in 2016 and named for the Hall of Fame shortstop Cal Ripken, Jr., the Ripken Experience features six fields that borrow designs from well-known professional ballparks. The 2,749 square-foot facility cost $22.5 million to build, and is a tournament spot for 12-and-under baseball and amateur fast-pitch softball. A two-level clubhouse with more than 14,000 square feet offers spectacular views of the Great Smoky Mountains while overlooking each of the six fields on the complex.

Tennessee Whiskey Trail. There are two distilleries on the Trail in Pigeon Forge: Junction 35 Spirits and Old Forge Distillery. Junction 35 Spirits produce many different spirits and premium liquors. Old Forge Distillery produces small-batch spirits, to include moonshines, cream

liqueurs, bourbon, vodka, barrel aged gin and rum, using stone-ground grains from the Old Mill, one of the oldest continually operated gristmills in America.

Titanic Museum. The $25 million dollar, 30,000 square-foot Titanic Museum is located on the Parkway. This is a second location for a Titanic Museum, the first being in Branson, Missouri. The museum opened in the Spring of 2010.

WonderWorks. WonderWorks in Pigeon Forge is Tennessee's only upside-down attraction and is an amusement park for the mind. This unique attraction that opened in the Summer of 2006 features over 100 interactive hands-on exhibits that is part science museum and part entertainment venue. Wonder Works is located on the Parkway in the former Music Mansion Theater. There are different theme zones, a "far-out gallery" of hands-on items, futuristic art, and two mini-theaters showing 3-D films. The Hoot N Holler dinner show, which seats about 300, is also located inside and was written by a Disney senior writer.

Sevierville

Tax Structure
State Sales Tax: 7.00%
Local Option Sales Tax: 2.75%
Amusement Tax: 2.00%
Lodging Tax: 3.00%
Restaurant Tax: 2.00%

Comfort Suites Interstate, Hampton Inn Interstate, LaQuinta Inn, Wilderness of the Smokies, Fairfield Inn & Suites by Marriott and Holiday Inn Express are some of the major hotel brands within the City. Sevierville has a 2020 U.S. Census population of 17,889 (an estimated 19,010 as of July 1, 2025), yet 13 million visitors come every year. The City is small with only 22 square miles, yet it has almost 2,000 businesses.

Dig'N Zone. Dig'N Zone is a construction-based theme park in Sevierville that opened in 2024. Kids and adults can ride, drive, and operate real construction equipment. It is North America's largest construction-based theme park and has over 70 machines ready to be driven in over 30 game zones around the property. Other amenities include a café, gift shop, and an arcade. The facility also has a private room and an outdoor event space for rent.

Greenways and Blueway Landings. There are 10 miles of greenways and walking trails in Sevierville. Three blueway landings built in 2024 provide more access to the Little Pigeon River in Sevierville. This means easier access for kayakers, anglers, and small boat users. A "blueway" typically refers to a water-trail or water-based recreational corridor designated for water-related activities.

Sevierville Convention Center. The $59 million, 247,000-square-foot Sevierville Convention Center opened in 2007. The state-of-the-art Convention Center offers a 108,000 square foot Exhibit Hall, 19,000 square foot Ball Room, pre-function space and show office, plus expansive outdoor areas for boat, car, RV, and equipment shows. The Convention Center is next door to two 18-hole golf courses and a 264-room hotel.

Source: Sevierville Convention Center.

Soaky Mountain Waterpark. Across the street from its sister park, Wilderness in the Smokies, the Soaky Mountain Waterpark is a 50-acre waterpark that opened in 2020. The park includes rides for every member of the family with a 35,000 square foot wave pool and the world's first water coaster of its kind - Avalaunch, a ride that launches guests through a winding tube and into a 60-foot wall that makes it feel like riders are freefalling.

The project cost about $90 million and employs nearly 500 full and part-time workers. The park is a major contributor to the Sevier County economy, estimating 100,000 new visitors and an increase of overnight stays and generates about $400,000 annually in Tourism Development Zone Tax. Wilderness Resorts and Waterparks also owns and operates Wilderness Resort, Glacier Canyon Lodge, Soaky Mountain Waterpark and Wilderness on the Lake in Wisconsin Dells. Wilderness Resorts and Waterparks owns and operates Soaky Mountain and six other properties across the country.

Source: Knox News Sentinel.

Tanger Outlets. A seasonal Toys 'R' Us store opened for the 2025 holiday season in the Sevierville Tanger Outlets. After the 2017 bankruptcy that resulted in mass store closures, the toy company is now opening several stores on a seasonal basis. Opened in 2006, Tanger Outlets in Sevierville covers an area of over 300,000 square feet, making it one of the largest shopping centers in Tennessee. Nike, Gap, Victoria's Secret, and Coach are among many other brand-name and designer stores.

Tennessee Whiskey Trail. More stops on the Tennessee Whiskey Trail are at the Junction 35 Spirits, Old Tennessee Distilling Company, and the Tennessee Legend Distillery. Tennessee Legend Distillery has two locations in Sevierville (also in Nashville and Putnam County) and produces whiskey, unaged spirits and sipping creams.

Wilderness at the Smokies. Wilderness at the Smokies is an upscale waterpark resort including condos, hotels and nearby event center and golf course. The water park was completed in the summer of 2009 and was expanded in 2013 and 2017, covering fourteen acres.

The project includes an indoor waterpark, the first of its kind in the East Tennessee area, a children's play attraction, VIP climate-controlled cabanas, a bar with snack shack, a "dry park" featuring a ropes course, laser tag, bowling and a black-light mini-golf course.

The resort has also built a hotel that will serve the Sevierville Convention Center. The Convention Center hotel has 234 rooms and 468 rooms at the River Lodge.

Wilderness also built a 4-story, 160 condominium residence properties with views of golf courses, water park and the Smoky Mountains. Perks of ownership of a residence include indoor and outdoor waterpark admission and the option of using them as rental units. Prices ranged from $100,000 to $500,000, and on the first day the units went up for sale over 70 percent of the condos were sold at almost $41 million dollars.

The Wilderness at the Smokies is the second-largest tourist investor in Sevier County, behind Dollywood. Wilderness Resorts and Waterparks also owns and operates Wilderness Resort,

Glacier Canyon Lodge, Soaky Mountain Waterpark and Wilderness on the Lake in Wisconsin Dells.

Source: Wilderness Dells.

MANUFACTURING AND COMMERCE

Although tourism is a vital component of the local economy in Sevier County, the industrial sector continues to grow and diversify. There are several industrial parks available to the City and County. *John L. Marshall Industrial Park* is located just 12 miles from Interstate 40 and contains 144 acres with 30 acres left for future development. Full utilities are on site. The County also has access to the *Hodsden-Hicks Industrial Park* within the Sevierville city limits, having 41 acres occupied with industries and the remaining 25 acres available. Full utilities are on site as well. The *Smith Thomas Industrial Park* within the Kodak city limits has over 40 acres available for new industries. Full utilities are on site as well. The *Interstate 40 Industrial Park*, located in Kodak, was completed in late 2014. The 115 acres are available to subdivide. Full utilities are on site.

In 2006 the City of Pigeon Forge created a Tourism Development Zone (the "TDZ") to fund $180 million in projects. Under state law, a TDZ is an area where a city builds an event center and can use special bonds to pay for improvements. The law allows cities to repay the bonds by collecting an increased portion of sales tax revenues in the district. The City is using the TDZ to fund the Events Center and surrounding infrastructure, improvements to City parking, the Jake Thomas Road Connector and more.

In 2004 the City of Sevierville created a Central Business Improvement District (the "CBID") to fund $202 million in projects. Under state law, CBIDs are areas where a city builds an event center and can use special bonds to pay for improvements. The law allows cities to repay the bonds by collecting an increased portion of sales tax revenues in the district. The City is using the CBID to fund the Events Center and surrounding infrastructure, improvements to the city golf course, extension of the Veterans Boulevard and more. Every project proposed is either complete or under construction except for a parking garage, which is still under consideration. Please see the "RECENT DEVELOPMENTS" for more information.

Tennessee Downtowns. The City of Sevierville has a historically significant downtown that it has improved through the Tennessee Downtowns program. Tennessee Downtowns is an affiliated program of Tennessee Main Street designed to help rural communities to revitalize their downtown areas. The Tennessee Downtowns program helps local communities revitalize traditional commercial districts, enhance community livability, spur job creation and maintain the historic character of downtown districts. The two-year program coaches selected communities and their steering committees through the steps of launching effective renewal efforts. Tennessee Downtowns includes community training in the Main Street America program and a grant for a downtown improvement project. As of April 2024, Tennessee Department of Economic and Community Development (the "TNECD") provides the Tennessee Downtowns program to 90 communities that want to pursue the Main Street America approach to downtown revitalization.

The selected communities all have downtown commercial districts established at least 50 years ago and have demonstrated their readiness to organize efforts for downtown revitalization

according to Main Street America principles. The highly competitive selection process was based on historic commercial resources, economic and physical need, demonstrated local effort, overall presentation and probability of success. Grants are awarded to organizations that illustrated the need for improvements and the ability to execute an effective design plan for building facades, wayfinding signage, gateways and streetscapes. As part of the program, each new grant recipient will be required to match 25-percent of the funding received.

Tennessee Downtown communities that complete the program are eligible for additional Downtown Improvement Grants as well as Main Street designation. As of July 2026, there are approximately 50 designated Main Street communities in Tennessee.

Source: Tennessee Department of Economic and Community Development.

Tennessee Main Street Program. The City of Sevierville has a historically significant downtown that it has improved through accreditation with the Tennessee Main Street Program. As of July 2026, there are approximately 50 communities that are designated through the state program Tennessee Main Street Accreditation and a program of the national Trust for Historic Preservation (called Main Street America). The Main Street Program provides training, support and grant opportunities to assist in downtown revitalization efforts to focus on historic preservation, community events and economic revitalization. The Tennessee Main Street Program requires communities to illustrate a commitment from local government and other local organizations, an adequate organizational budget, a strong historic preservation ethic, a collection of historic commercial buildings and a walkable district.

Source: Tennessee Department of Economic and Community Development.

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The following is a list of the major employers in the County:

Major Employers in Sevier County

Company	Product	Employees
Dollywood[1]	Amusement Park	4,500
Sevier County Schools	School System	2,572
Tanger Five Oaks Outlet	Retail	800
Charles Blalock & Sons4	Asphalt & Concrete	800
Wyndham Vacation[2]	Collections	771
Collier Foods	Restaurant	720
Wilderness at the Smokies	Hotel and Water Park	718
Ole Smoky Moonshine	Distillery	700
Sevier County	Government	650
LeConte Medical Center	Hospital	594
Walmart	Retail	527
Dolly Parton's Stampede	Dinner Theater	523
Fee Hedrick Family Entertainment	Entertainment	511
Westgate Resorts	Hotels	500
Family Inns of America	Hotels	475
Israel Enterprises	Restaurants	450
Swaggerty's Farms	Food Service	425
Stokely Hospitality	Restaurants, Catering & Resorts	400
City of Pigeon Forge	Government	400
Johnson Family of Restaurants	Restaurants	366
City of Gatlinburg	Government	356
Buc-ee's	Retail	350
Great Smoky Mtns National Park	National Park	340
Bass Pro Shop	Retail	336
Ripley's Aquarium	Aquarium	336
City of Sevierville	Government	332
Kennedy Concepts	Restaurants	322
Ober Mountain	Ski Resort & Amusement Park	307
Tenneco (Federal-Mogul)	Manufacturer	263

[1] Employment figure is based on Operating season; it drops to around 300 during the off-season.
[2] Includes employment from both Knox and Sevier County locations.
Source: Knoxville Chamber of Commerce, TN Department of Economic & Community Development, City of Sevierville Audit.

ECONOMIC DATA

Per Capita Personal Income

	2020	2021	2022	2023	2024
National	$59,151	$64,692	$66,298	$70,002	$73,204
Tennessee	$51,977	$57,715	$59,107	$63,479	$66,504
Sevier County	**$45,255**	**$51,785**	**$54,323**	**$60,508**	**$63,846**
Index vs. National	77	80	82	86	87
Index vs. State	87	90	92	95	96

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

RECENT DEVELOPMENTS

Sevier County

Marriott Courtyard. The Marriott Courtyard hotel opened in late 2024 at the 407: Gateway to Adventure project. The 125-room hotel features two meeting spaces with an outdoor space that features an outdoor pool.

Sevierville

BJ's Wholesale Club. The wholesale store that sells a wide range of items in grocery, household, seasonal, electronics, as well as services in automotive, travel, and optical care to club members opened in Sevierville in 2025. The 100,000-square-foot store employs approximately 100 people. This is the fifth location in Tennessee.

Panda Express. In 2025, a new Panda Express restaurant opened in Sevierville. The 2,621-square-foot facility filled one of two lots at a new shopping center. The other lot is occupied by the City's first Target store, that opened in early 2024. The shopping center also includes a Bath and Body Works, Skechers, and America's Best Contacts and Eyeglasses.

Pigeon Forge

City Hall. The City has approved a guaranteed maximum price of up to $43.6 million with Horner Construction for construction of a new City Hall, with move-in targeted for July 2028. A portion of the project is being financed with the Bonds.

LeConte Center Expansion. In 2026, the City approved a contract of up to $31.4 million with Citadel Construction for an expansion of the LeConte Center.

NightFlight Expedition. Dollywood's NightFlight Expedition attraction opened to the public on August 19, 2026.

Source: Knoxville News Sentinel, The Mountain Press, Dollywood and the City of Pigeon Forge.

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CITY OF PIGEON FORGE, TENNESSEE

SUMMARY OF BONDED INDEBTEDNESS

Purpose	Due Date	Interest Mode	General Fund	TDZ/ General Fund[2]	TDZ/ Water/Sewer[3]	Water/Sewer[4]	Outstanding[1] As of June 30, 2026
$29,700,000 Loan Agreement, Series VII-K-1	June 2034	Variable	$ -	$ 10,080,000	$ -	$ -	$ 10,080,000
$9,605,000 G.O. Refunding & Improvement Bonds, Series 2017	June 2028	Fixed	$ 620,000	$ -	$ 970,000	$ -	$ 1,590,000
$33,000,000 G.O. Bonds, Series 2018	June 2035	Fixed	$ -	$ 20,140,000	$ -	$ -	$ 20,140,000
$28,620,000 G.O. Refunding Bonds, Series 2021A	June 2037	Fixed	$ 17,700,000	$ -	$ -	$ 1,460,000	$ 19,160,000
$65,585,000 G.O. Refunding Bonds, Series 2021B	June 2037	Fixed	$ -	$ 35,390,000	$ 8,150,000	$ -	$ 43,540,000
$9,575,000 G.O. Bonds, Series 2023	June 2043	Fixed	$ -	$ -	$ -	$ 8,555,000	$ 8,555,000
$37,080,000 General Obligation Bonds, Series 2025A	June 2055	Fixed	$ 34,655,000	$ -	$ -	$ -	$ 34,655,000
$31,415,000 General Obligation Bonds, Series 2025B	June 2045	Fixed	$ -	$ -	$ -	$ 30,310,000	$ 30,310,000
$30,000,000 Local Government Public Improvement Bonds, Series VII-R-1	June 2036	Variable	$ -	$ 27,890,000	$ -	$ -	$ 27,890,000
TOTAL BONDED DEBT			$ 52,975,000	$ 93,500,000	$ 9,120,000	$ 40,325,000	$ 195,920,000
ISSUED POST JUNE 30, 2026							
Plus: $10,000,000 G.O. Bonds, Series 2026	June 2055	Fixed	$ 10,000,000	$ -	$ -	$ -	$ 10,000,000
Less: Revenue Supported Debt			$ -	$ (93,500,000)	$ (9,120,000)	$ (40,325,000)	$ (142,945,000)
NET BONDED DEBT			$ 62,975,000	$ -	$ -	$ -	$ 62,975,000

NOTES:

[1] The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the ACFR.

[2] Secured by the full faith and credit of the City. Additionally payable from tax revenues of the Tourism Development Zone ("TDZ").

[3] Secured by the full faith and credit of the City. Additionally payable from tax revenues of the Tourism Development Zone ("TDZ") and the revenues of the Water and Sewer Department.

[4] Secured by the full faith and credit of the City. Additionally payable from the revenues of the Water and Sewer Department.

[5] The Series VII-K-1 & VII-R-1 Bonds are held by Truist Bank at a rate determined monthly at a fixed percentage of the SIFMA index plus a fixed credit spread. Truist Bank has the option of tendering the Series VII-K-1 & VII-R-1 Bonds on June 1, 2030. If the Series VII-K-1 & VII-R-1 Bonds are optionally tendered, then the Series VII-K-1 & VII-R-1 Bonds would have to be remarketed or paid by the City. The City budgets to account for interest rate risk.

CITY OF PIGEON FORGE, TENNESSEE

Indebtedness and Debt Ratios

INTRODUCTION

The indebtedness information set forth in the following table is based upon information derived in part from the ACFR and the table should be read in conjunction with those statements. The table does not include future funding plans whether disclosed or not in this document.

	For Fiscal Year Ended June 30				Unaudited	After Issuance
INDEBTEDNESS	**2022**	**2023**	**2024**	**2025**	**2026**	**2026**
TAX SUPPORTED						
General Obligation Bonds & Notes	$ 25,810,000	$ 23,985,000	$ 22,110,000	$ 55,800,000	$ 52,975,000	$ 62,975,000
TOTAL TAX SUPPORTED	$ 25,810,000	$ 23,985,000	$ 22,110,000	$ 55,800,000	$ 52,975,000	$ 62,975,000
REVENUE SUPPORTED						
Water & Sewer System	$ 29,495,000	$ 28,010,000	$ 36,060,000	$ 42,510,000	$ 40,325,000	$ 40,325,000
Tourism Development Zone	109,745,000	102,220,000	94,455,000	112,685,000	102,620,000	102,620,000
TOTAL REVENUE SUPPORTED	$ 139,240,000	$ 130,230,000	$ 130,515,000	$ 155,195,000	$ 142,945,000	$ 142,945,000
TOTAL DEBT	$ 165,050,000	$ 154,215,000	$ 152,625,000	$ 210,995,000	$ 195,920,000	$ 205,920,000
Less: Revenue Supported Debt	$ (139,240,000)	$ (130,230,000)	$ (130,515,000)	$ (155,195,000)	$ (142,945,000)	$ (142,945,000)
Less: Debt Service Fund	-	-	-	-	-	-
NET DIRECT DEBT	$ 25,810,000	$ 23,985,000	$ 22,110,000	$ 55,800,000	$ 52,975,000	$ 62,975,000
PROPERTY TAX BASE						
Estimated Actual Value	$ 2,731,833,256	$ 2,825,479,062	$ 5,196,056,704	$ 5,505,765,278	$ 5,702,442,841	$ 5,702,442,841
Appraised Value	2,731,833,256	2,825,479,062	2,786,125,605	2,952,191,342	3,091,864,508	3,091,864,508
Assessed Value	908,273,073	939,379,089	1,014,348,235	1,090,380,571	1,148,849,247	1,148,849,247

DEBT RATIOS	For Fiscal Year Ended June 30 2022	2023	2024	2025	Unaudited 2026	After Issuance 2026
TOTAL DEBT to Estimated Actual Value	6.04%	5.46%	2.94%	3.83%	3.44%	3.61%
TOTAL DEBT to Appraised Value	6.04%	5.46%	5.48%	7.15%	6.34%	6.66%
TOTAL DEBT to Assessed Value	18.17%	16.42%	15.05%	19.35%	17.05%	17.92%
NET DIRECT DEBT to Estimated Actual Value	0.94%	0.85%	0.43%	1.01%	0.93%	1.10%
NET DIRECT DEBT to Appraised Value	0.94%	0.85%	0.79%	1.89%	1.71%	2.04%
NET DIRECT DEBT to Assessed Value	2.84%	2.55%	2.18%	5.12%	4.61%	5.48%
PER CAPITA RATIOS						
POPULATION (1)	6,356	6,228	6,407	6,520	6,598	6,598
PER CAPITA PERSONAL INCOME (2)	$54,323	$60,508	$63,846	$63,846	$63,846	$63,846
Estimated Actual Value to POPULATION	429,804	453,674	810,997	844,443	864,268	864,268
Assessed Value to POPULATION	142,900	150,832	158,319	167,236	174,121	174,121
Total Debt to POPULATION	25,968	24,762	23,822	32,361	29,694	31,209
Net Direct Debt to POPULATION	4,061	3,851	3,451	8,558	8,029	9,545
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	47.80%	40.92%	37.31%	50.69%	46.51%	48.88%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	7.48%	6.36%	5.41%	13.40%	12.58%	14.95%

(1) Per capita computations are based upon POPULATION data according to the U.S. Census and the Government of Pigeon Forge.

(2) PER CAPITA PERSONAL INCOME is based upon the most current data available from the U.S. Department of Commerce.

CITY OF PIGEON FORGE, TENNESSEE

BONDED DEBT SERVICE REQUIREMENTS - General Fund

(Excludes Revenue Supported Debt)

FY Ended	Existing General Obligation Debt [1]			Plus: General Obligation Bonds, Series 2026			% 2026 Principal	Total Bonded Debt Service Requirements			% All Principal
6/30	Principal	Interest[2]	TOTAL	Principal	Interest[3]	TOTAL	Repaid	Principal (1)	Interest (2)	TOTAL	Repaid
2027	2,830,000	2,235,781	5,065,781	-	225,000	225,000	0.00%	2,830,000	2,460,781	5,290,781	4.49%
2028	2,800,000	2,111,331	4,911,331	360,000	450,000	810,000	3.60%	3,160,000	2,561,331	5,721,331	9.51%
2029	2,800,000	1,971,331	4,771,331	360,000	433,800	793,800	7.20%	3,160,000	2,405,131	5,565,131	14.53%
2030	2,725,000	1,831,331	4,556,331	360,000	417,600	777,600	10.80%	3,085,000	2,248,931	5,333,931	19.43%
2031	2,675,000	1,695,081	4,370,081	360,000	401,400	761,400	14.40%	3,035,000	2,096,481	5,131,481	24.25%
2032	2,650,000	1,561,331	4,211,331	360,000	385,200	745,200	18.00%	3,010,000	1,946,531	4,956,531	29.03%
2033	2,525,000	1,463,331	3,988,331	360,000	369,000	729,000	21.60%	2,885,000	1,832,331	4,717,331	33.61%
2034	2,460,000	1,369,081	3,829,081	360,000	352,800	712,800	25.20%	2,820,000	1,721,881	4,541,881	38.09%
2035	2,450,000	1,276,781	3,726,781	360,000	336,600	696,600	28.80%	2,810,000	1,613,381	4,423,381	42.55%
2036	2,395,000	1,184,281	3,579,281	360,000	320,400	680,400	32.40%	2,755,000	1,504,681	4,259,681	46.92%
2037	2,245,000	1,093,531	3,338,531	360,000	304,200	664,200	36.00%	2,605,000	1,397,731	4,002,731	51.06%
2038	1,360,000	1,007,381	2,367,381	360,000	288,000	648,000	39.60%	1,720,000	1,295,381	3,015,381	53.79%
2039	1,360,000	939,381	2,299,381	360,000	271,800	631,800	43.20%	1,720,000	1,211,181	2,931,181	56.52%
2040	1,360,000	871,381	2,231,381	355,000	255,600	610,600	46.75%	1,715,000	1,126,981	2,841,981	59.25%
2041	1,360,000	816,981	2,176,981	355,000	239,625	594,625	50.30%	1,715,000	1,056,606	2,771,606	61.97%
2042	1,360,000	762,581	2,122,581	355,000	223,650	578,650	53.85%	1,715,000	986,231	2,701,231	64.69%
2043	1,360,000	708,181	2,068,181	355,000	207,675	562,675	57.40%	1,715,000	915,856	2,630,856	67.42%
2044	1,360,000	653,781	2,013,781	355,000	191,700	546,700	60.95%	1,715,000	845,481	2,560,481	70.14%
2045	1,355,000	599,381	1,954,381	355,000	175,725	530,725	64.50%	1,710,000	775,106	2,485,106	72.85%
2046	1,355,000	545,181	1,900,181	355,000	159,750	514,750	68.05%	1,710,000	704,931	2,414,931	75.57%
2047	1,355,000	490,981	1,845,981	355,000	143,775	498,775	71.60%	1,710,000	634,756	2,344,756	78.29%
2048	1,355,000	436,781	1,791,781	355,000	127,800	482,800	75.15%	1,710,000	564,581	2,274,581	81.00%
2049	1,355,000	382,581	1,737,581	355,000	111,825	466,825	78.70%	1,710,000	494,406	2,204,406	83.72%
2050	1,355,000	328,381	1,683,381	355,000	95,850	450,850	82.25%	1,710,000	424,231	2,134,231	86.43%
2051	1,355,000	274,181	1,629,181	355,000	79,875	434,875	85.80%	1,710,000	354,056	2,064,056	89.15%
2052	1,355,000	219,981	1,574,981	355,000	63,900	418,900	89.35%	1,710,000	283,881	1,993,881	91.86%
2053	1,355,000	165,781	1,520,781	355,000	47,925	402,925	92.90%	1,710,000	213,706	1,923,706	94.58%
2054	1,355,000	111,581	1,466,581	355,000	31,950	386,950	96.45%	1,710,000	143,531	1,853,531	97.29%
2055	1,350,000	55,688	1,405,688	355,000	15,975	370,975	100.00%	1,705,000	71,663	1,776,663	100.00%
	$ 52,975,000	$ 27,163,363	$ 80,138,363	$ 10,000,000	$ 6,728,400	$ 16,728,400		$ 62,975,000	$ 33,891,763	$ 96,866,763	

NOTES:

[1] The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the ACFR.

[2] The City budgets to account for interest rate risk.

[3] Estimated at an interest rate of 4.50%.

CITY OF PIGEON FORGE, TENNESSEE

BONDED DEBT SERVICE REQUIREMENTS

Water and Sewer System (Revenue and Tax)

Total Bonded Debt Service Requirements

FY Ended June 30	Principal	Net Interest[2]	TOTAL	% Principal Repaid
2027	$ 2,465,000	$ 1,899,175	$ 4,364,175	6.11%
2028	2,560,000	1,775,925	4,335,925	12.46%
2029	2,605,000	1,647,925	4,252,925	18.92%
2030	2,635,000	1,517,675	4,152,675	25.46%
2031	2,595,000	1,385,925	3,980,925	31.89%
2032	2,650,000	1,256,175	3,906,175	38.46%
2033	2,670,000	1,123,675	3,793,675	45.08%
2034	2,650,000	990,175	3,640,175	51.66%
2035	2,630,000	857,675	3,487,675	58.18%
2036	2,605,000	726,175	3,331,175	64.64%
2037	2,575,000	600,925	3,175,925	71.02%
2038	2,545,000	477,175	3,022,175	77.33%
2039	2,495,000	375,375	2,870,375	83.52%
2040	2,445,000	274,950	2,719,950	89.58%
2041	1,040,000	176,525	1,216,525	92.16%
2042	1,040,000	133,625	1,173,625	94.74%
2043	1,040,000	90,100	1,130,100	97.32%
2044	540,000	45,900	585,900	98.66%
2045	540,000	22,950	562,950	100.00%
	$ 40,325,000	$ 15,378,025	$ 55,703,025	

NOTES:

[1] The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the ACFR.

[2] The City budgets to account for interest rate risk.

CITY OF PIGEON FORGE, TENNESSEE

BONDED DEBT SERVICE REQUIREMENTS

Tourism Development Zone

FY Ended	**Total Bonded Debt Service Requirements**			
6/30	Principal	Interest[2]	TOTAL	% Principal Repaid
2027	$ 10,320,000	$ 4,452,950	$ 14,772,950	10.06%
2028	10,640,000	3,950,288	14,590,288	20.42%
2029	11,110,000	3,450,663	14,560,663	31.25%
2030	10,895,000	2,937,263	13,832,263	41.87%
2031	10,290,000	2,435,913	12,725,913	51.90%
2032	10,530,000	1,963,319	12,493,319	62.16%
2033	10,630,000	1,525,606	12,155,606	72.52%
2034	10,895,000	1,079,850	11,974,850	83.13%
2035	10,645,000	666,325	11,311,325	93.51%
2036	6,665,000	268,750	6,933,750	100.00%
	$ 102,620,000	$ 22,730,925	$ 125,350,925	

NOTES:

[1] The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the ACFR.

[2] The City budgets to account for interest rate risk.

FINANCIAL OPERATIONS

INTRODUCTION

As required by the City Charter and generally accepted accounting principles (GAAP), all City funds and account groups are organized according to standards established by the Government Accounting Standards Board (GASB). The City's financial reporting system is designed to provide timely, accurate feedback on the City's overall financial position and includes, at a minimum, quarterly reports to the Board of Commissioners. All City financial statements are audited annually by independent certified public accountants.

BASIS OF ACCOUNTING AND PRESENTATION

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as a net current asset. Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general ruling include: (1) sick pay which is not accrued, and (2) principal and interest on general long-term debt which is recognized when due.

Proprietary funds are accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred. The reserve method is used to estimate the allowance for doubtful accounts for water and sewer service receivables.

BUDGETARY PROCESS

On or before May 15th of each year, the City Manager is required to submit to the Board of Commissioners a proposed operating budget for the fiscal year which begins on the following July 1. Public hearings are conducted by the Board of Commissioners to obtain citizen comments on the budget. Prior to June 30th of each year, the budget is legally enacted through passage of a budget ordinance. Annual appropriated budgets for the general, special revenue and debt service funds are adopted on a basis consistent with GAAP. Total expenditures for these funds may not exceed total appropriations during the succeeding fiscal year. All annual appropriations lapse at the end of the fiscal year. Project length financial plans are adopted for the capital projects fund. All appropriations are as originally adopted, or as amended by the Board of Commissioners.

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FUND BALANCES, NET ASSETS AND RETAINED EARNINGS

The City maintains fund balances, net assets or retained earnings in most major operating funds. Additionally, several reserves have been established to address specific needs of the City.

The following table depicts fund balances and retained earnings for the last five fiscal years ending on June 30:

	For the Fiscal Year Ended June 30,				
Fund Type	**2021**	**2022**	**2023**	**2024**	**2025**
Governmental Funds:					
General	$ 98,798,887	$133,385,698	$158,497,668	$180,829,448	$221,344,103
Tourism Devl. Zone	44,406,934	52,798,452	70,935,594	88,338,882	97,014,280
Other Governmental	3,101,768	3,452,786	4,475,297	5,213,497	5,790,045
TOTAL	**$146,307,589**	**$189,636,936**	**$233,908,559**	**$274,381,827**	**$324,148,428**
Proprietary Net Assets:					
Water and Sewer	$ 70,222,830	$ 79,115,631	$ 87,013,259	$ 98,456,976	$110,256,098
Events Center	3,743,726	4,788,847	6,395,592	7,754,318	8,254,687
Sports Facility	28,395,109	28,971,538	29,705,928	30,172,602	30,786,574
TOTAL	**$102,361,665**	**$112,876,016**	**$123,114,779**	**$136,383,896**	**$149,297,359**

Source: Annual Comprehensive Financial Reports and Auditors Reports.

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CITY OF PIGEON FORGE, TENNESSEE

Five Year Summary of Revenues, Expenditures and
Changes In Fund Balances - General Fund
For the Fiscal Year Ended June 30

	2021	2022	2023	2024	2025
Revenues:					
Taxes	$ 62,818,839	$ 75,075,910	$ 79,114,478	$ 78,037,345	$ 79,597,027
Licenses, Permits, Fines	1,254,122	1,622,359	1,836,832	1,508,443	1,394,523
Intergovernmental Rev.	12,875,524	12,512,509	9,288,605	12,522,774	11,404,849
Charges for Services	1,694,972	1,865,494	2,450,394	2,742,575	2,126,057
Fines and Costs	292,383	417,284	544,825	516,849	669,095
Interest	304,153	190,821	2,160,816	5,351,874	7,505,480
Other Revenue	352,281	323,289	195,893	1,986,725	1,291,405
Total Revenues	$ 79,592,274	$ 92,007,666	$ 95,591,843	$ 102,666,585	$ 103,988,436
Expenditures:					
General Government	$ 15,551,884	$ 14,698,494	$ 18,263,221	$ 23,079,506	$ 36,506,648
City Garage	785,440	771,234	931,661	979,464	1,218,092
Department of Tourism	14,050,717	13,659,128	14,448,882	15,258,130	15,754,374
Public Safety	12,096,700	13,340,740	16,713,698	20,418,079	19,982,743
Highways and Streets	2,561,635	4,530,526	5,705,086	6,098,342	9,090,597
Library Administration	458,047	522,399	615,098	651,455	728,648
Parks, Recreation & Events	3,673,786	1,589,929	5,089,998	6,818,633	6,324,657
Public Transportation	2,767,861	3,504,984	3,812,833	3,992,278	4,425,631
Debt Service	2,932,110	2,886,257	2,846,250	2,821,950	5,230,170
Total Expenditures	$ 54,878,180	$ 55,503,691	$ 68,426,727	$ 80,117,837	$ 99,261,560
Excess of Revenues Over (Under) Expenditures	$ 24,714,094	$ 36,503,975	$ 27,165,116	$ 22,548,748	$ 4,726,876
Other Financing Sources (Uses):					
Transfers In	$ 677,332	$ 812,849	$ 1,999,680	$ 744,490	$ 1,170,519
Transfers Out	(1,966,151)	(2,732,710)	(4,052,826)	(3,961,128)	(4,065,393)
Insurance Recoveries	-	-	-	-	-
Debt Issuance	-	34,936,588	-	-	-
Premium on Debt Issuance	-	6,762,376	-	-	1,602,653
Payments on Debt Refunding	-	(41,698,964)	-	-	-
Sale of Assets	-	-	-	2,999,670	-
Bond Proceeds	-	-	-	-	37,080,000
Total	$ (1,288,819)	$ (1,919,861)	$ (2,053,146)	$ (216,968)	$ 35,787,779
Excess of Revenues Over (Under) Expenditures & Other Uses	$ 23,425,275	$ 34,584,114	$ 25,111,970	$ 22,331,780	$ 40,514,655
Fund Balance July 1	$ 75,373,486	$ 98,798,887	$ 133,385,698	$ 158,497,668	$ 180,829,448
Adjustments	126	2,697	-	-	-
Fund Balance June 30	**$ 98,798,887**	**$ 133,385,698**	**$ 158,497,668**	**$ 180,829,448**	**$ 221,344,103**

Source: Annual Comprehensive Financial Report for City of Pigeon Forge, Tennessee.

CITY OF PIGEON FORGE, TENNESSEE

Five Year Summary of Revenues, Expenditures and
Changes In Fund Balances - Water and Sewer Fund
For the Fiscal Year Ended June 30

	2021	2022	2023	2024	2025
Operating Revenues:					
Fees & Charges for Services	$ 16,822,996	$ 17,115,628	$ 16,852,516	$ 17,628,477	$ 18,525,803
Fines & Penalties	143,619	107,075	112,901	93,062	106,521
Other Revenues	373,887	242,320	302,569	318,503	279,539
Tap Fees	524,135	489,690	671,181	643,569	350,220
Total Operating Revenues	$ 17,864,637	$ 17,954,713	$ 17,939,167	$ 18,683,611	$ 19,262,083
Operating Expenses:					
Purification	$ 1,465,648	$ 2,081,791	$ 2,056,574	$ 2,216,747	$ 3,024,443
Transmission & Distribution	1,297,275	1,687,087	1,878,862	1,789,033	1,772,015
Sewer System	405,178	472,659	741,175	610,903	588,218
Sewer Treatment & Disposal	2,909,049	3,104,041	4,013,758	3,582,120	3,596,094
Customer Accounting & Collections	280,155	311,544	352,672	428,976	512,281
Administrative & General	847,671	924,082	998,120	1,570,138	1,574,715
Depreciation	2,113,974	2,195,804	2,169,024	2,182,388	2,333,110
Amortization	-	-	-	-	-
Total Operating Expenses	$ 9,318,950	$ 10,777,008	$ 12,210,185	$ 12,380,305	$ 13,400,876
Operating Income	$ 8,545,687	$ 7,177,705	$ 5,728,982	$ 6,303,306	$ 5,861,207
Nonoperating Revenues Expenses):					
Interest & Dividends	$ 244,406	$ 94,985	$ 559,562	$ 1,266,074	$ 1,730,116
Contributions in Aid of Construction	-	-	-	-	1,454,161
Investments Fees	(26,938)	(253,654)	(79,157)	2,022,055	(442,985)
Interest Expense	(2,420,202)	(2,208,605)	(1,936,460)	(2,039,706)	(2,364,152)
Change in Fair Value of Invesetments	(165,101)	(322,265)	(472)	849,683	408,830
Write-down Plant Costs Recovered	-	-	-	-	(1,454,161)
Change in Fair Value of Derivatives	686,962	729,580	211,583	(151,203)	-
Total Nonoperating Expenses	$ (1,680,873)	$ (1,959,959)	$ (1,244,944)	$ 1,946,903	$ (668,191)
Income Before Contributions & Transfers	$ 6,864,814	$ 5,217,746	$ 4,484,038	$ 8,250,209	$ 5,193,016
Capital Contributions	-	-	-	-	-
Transfers	1,552,162	3,675,055	3,413,590	3,193,508	6,677,478
Changes in Net Assets	$ 8,416,976	$ 8,892,801	$ 7,897,628	$ 11,443,717	$ 11,870,494
Net Assets, Beginning of Year	$ 61,805,854	$ 70,222,830	$ 79,115,631	$ 87,013,259	$ 98,456,976
Adjustments	-	-	-	-	(71,372)
Fund Balance June 30	**$ 70,222,830**	**$ 79,115,631**	**$ 87,013,259**	**$ 98,456,976**	**$ 110,256,098**

Source: Annual Comprehensive Financial Report for City of Pigeon Forge, Tennessee.

INVESTMENT AND CASH MANAGEMENT PRACTICES

Investment of idle City operating funds is controlled by State statute and local policies. Generally, such policies limit investment instruments to direct U. S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. As required by prevailing statutes, all demand deposits or Certificates of Deposit are secured by similar grade collateral pledged at 110% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. Deposits with savings and loan associations must be collateralized as outlined above, by an irrevocable letter of credit issued by the Federal Home Loan Bank or by providing notes secured by the first mortgages or first deeds for trust upon residential property in the state equal to at least 150 percent of the amount of uninsured deposits. All collateral must be held in a third party escrow account for the benefit of the City. For reporting purposes, all investments are stated at cost which approximates market value.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

State Taxation of Property; Classifications of Taxable Property; Assessment Rates

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the "General Assembly") exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as provided under Tennessee law.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four sub classifications and assessed at the rates as follows:

(a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;
(b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;
(c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and
(d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three sub classifications and assessed at the rates as follows:

(a) Public Utility Property, to be assessed at 55% of its value;
(b) Industrial and Commercial Property, to be assessed at 30% of its value; and
(c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of $7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into sub classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

County Taxation of Property

The Constitution of the State of Tennessee empowers the General Assembly to authorize the several counties and incorporated towns in the State of Tennessee to impose taxes for county and municipal purposes in the manner prescribed by law. Under the *Tennessee Code Annotated,* the General Assembly has authorized the counties in Tennessee to levy an *ad valorem* tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the county legislative body of each county based upon tax rates to be established on the first Monday of July of each year or as soon thereafter as practicable.

All property is required to be taxed according to its value upon the principles established in regard to State taxation as described above, including equality and uniformity. All counties, which levy and collect taxes to pay off any bonded indebtedness, are empowered, through the respective county legislative bodies, to place all funds levied and collected into a special fund of the respective counties and to appropriate and use the money for the purpose of discharging any bonded indebtedness of the respective counties.

Assessment of Property

County Assessments; County Board of Equalization. The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own such property on January I for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessment records are open to public inspection at the assessor's office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the county board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local board of equalization begins its annual session.

The county board of equalization is required (among other things) to carefully examine, compare and equalize the county assessments; assure that all taxable properties are included on the assessments lists and that exempt properties are eliminated from the assessment lists; hear and act upon taxpayer complaints; and correct errors and assure conformity to State law and regulations.

State Assessments of Public Utility Property; State Board of Equalization. The State Comptroller of the Treasury is authorized and directed under Tennessee law to assess for taxation, for State, county and municipal purposes, all public utility properties of every description, tangible and intangible, within the State. Such assessment is required to be made annually as of the same day as other properties are assessed by law (as described above) and takes into account such factors as are prescribed by Tennessee law.

On or before the first Monday in August of each year, the assessments are required to be completed and the State Comptroller of the Treasury is required to send a notice of assessment to each company assessable under Tennessee law. Within ten days after the first Monday in August of each year, any owner or user of property so assessed may file an exception to such assessment together with supporting evidence to the State Comptroller of the Treasury, who may change or affirm the valuation. On or before the first Monday in September of each year, the State Comptroller of the Treasury is required to file with the State Board of Equalization assessments so made. The State Board of Equalization is required to examine such assessments and is authorized to increase or diminish the valuation placed upon any property valued by the State Comptroller of the Treasury.

The State Board of Equalization has jurisdiction over the valuation, classification and assessment of all properties in the State. The State Board of Equalization is authorized to create an assessment appeals commission to hear and act upon taxpayer complaints. The action of the State Board of Equalization is final and conclusive as to all matters passed upon by the Board, subject to judicial review consisting of a new hearing in chancery court.

Periodic Reappraisal and Equalization

Tennessee law requires reappraisal in each county by a continuous six-year cycle comprised of an on-site review of each parcel of real property over a five-year period, or, upon approval of the State Board of Equalization, by a continuous four-year cycle comprised of an one-site review of each parcel of real property over a three-year period, followed by revaluation of all such property in the year following completion of the review period. Alternatively, if approved by the assessor and adopted by a majority vote of the county legislative body, the reappraisal program may be completed by a continuous five-year cycle comprised of an on-site review of each parcel of real property over a four-year period followed by revaluation of all such property in the year following completion of the review period.

After a reappraisal program has been completed and approved by the Director of Property Assessments, the value so determined must be used as the basis of assessments and taxation for property that has been reappraised. The State Board of Equalization is responsible to determine whether or not property within each county of the State has been valued and assessed in accordance with the Constitution and laws of the State of Tennessee.

Valuation for Property Tax Purposes

County Valuation of Property. The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State Board of Equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

State Valuation of Public Utility Property. The State Comptroller of the Treasury determines the value of public utility property based upon the appraisal of the property as a whole without geographical or functional division of the whole *(i.e.,* the unit rule of appraisal) and on other factors provided by Tennessee law. In applying the unit rule of appraisal, the State Comptroller of the Treasury is required to determine the State's share of the unit or system value based upon factors that relate to the portion of the system relating to the State of Tennessee.

Certified Tax Rate

Upon a general reappraisal of property as determined by the State Board of Equalization, the county assessor of property is required to (1) certify to the governing bodies of the county and each municipality within the county the total assessed value of taxable property within the jurisdiction of each governing body and (2) furnish to each governing body an estimate of the total assessed value of all new construction and improvements not included on the previous assessment roll and the assessed value of deletions from the previous assessment roll. Exclusive of such new construction, improvements and deletions, each governing body is required to determine and certify a tax rate (herein referred to as the *"Certified Tax Rate")* which will provide the same *ad valorem* revenue for that jurisdiction as was levied during the previous year. The governing body

of a county or municipality may adjust the Certified Tax Rate to reflect extraordinary assessment changes or to recapture excessive adjustments.

Tennessee law provides that no tax rate in excess of the Certified Tax Rate may be levied by the governing body of any county or of any municipality until a resolution or ordinance has been adopted by the governing body after publication of a notice of the governing body's intent to exceed the Certified Tax Rate in a newspaper of general circulation and the holding of a public hearing.

The Tennessee Local Government Public Obligations Act of 1986 provides that a tax sufficient to pay when due the principal of and interest on general obligation bonds (such as the Bonds) shall be levied annually and assessed, collected and paid, in like manner with the other taxes of the local government as described above and shall be in addition to all other taxes authorized or limited by law. Bonds issued pursuant to the Local Government Public Obligations Act of 1986 may be issued without regard to any limit on indebtedness provided by law.

Tax Freeze for the Elderly Homeowners

The Tennessee Constitution was amended by the voters in November 2006 to authorize the Tennessee General Assembly to enact legislation providing property tax relief for homeowners age 65 and older. The General Assembly subsequently adopted the Property Tax Freeze Act permitting (but not requiring) local governments to implement a program for "freezing" the property taxes of eligible taxpayers at an amount equal to the taxes for the year the taxpayer becomes eligible. For example, if a taxpayer's property tax bill is $500 for the year in which he becomes eligible, his property taxes will remain at $500 even if property tax rates or appraisals increase so long as he continues to meet the program's ownership and income requirements.

Tax Collection and Tax Lien

Property taxes are payable the first Monday in October of each year. The county trustee of each county acts as the collector of all county property taxes and of all municipal property taxes when the municipality does not collect its own taxes.

The taxes assessed by the State of Tennessee, a county, a municipality, a taxing district or other local governmental entity, upon any property of whatever kind, and all penalties, interest and costs accruing thereon become and remain a first lien on such property from January 1 of the year for which such taxes are assessed. In addition, property taxes are a personal debt of the property owner as of January and, when delinquent, may be collected by suit as any other personal debt. Tennessee law prescribes the procedures to be followed to foreclose tax liens and to pursue legal proceedings against property owners whose property taxes are delinquent.

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Assessed Valuations. According to the Tax Aggregate Report, property in the City reflected a ratio of appraised value to true market value of 0.5422. The following table shows pertinent data for tax year 2025[1].

Class	Estimated Assessed Valuation	Assessment Rate	Estimated Appraised Value
Public Utilities	$ 1,989,825	55%	$ 4,558,591
Commercial and Industrial	949,030,000	40%	4,375,830,003
Personal Tangible Property	66,050,222	30%	349,872,743
Residential and Farm	131,779,200	25%	972,181,504
TOTAL	**$1,148,849,247**		**$5,702,442,841**

Source: 2025 Tax Aggregate Report for Tennessee and the City.

[1] The tax year coincides with the calendar year, therefore, tax year 2025 is actually fiscal year 2025-2026.

The estimated assessed value of property in the City for the fiscal year ending June 30, 2026 (tax year 2025) is $1,148,849,247 compared to $1,090,380,571 for the fiscal year ending June 30, 2025 (tax year 2024). The estimated actual value of all taxable property for tax year 2025 is $5,702,442,841 compared to $5,505,765,278 for tax year 2024.

Property Tax Rates and Collections. The following table shows the property tax rates and collections of the City for tax years 2022 through 2026 as well as the aggregate uncollected balances for each fiscal year ending June 30, 2026.

PROPERTY TAX RATES AND COLLECTIONS				Fiscal Yr Collections		Aggregate Uncollected Balance	
Tax Year[2]	Assessed Valuation	Tax Rates	Taxes Levied	Amount	Pct	As of June 30, 2026 Amount	Pct
2022	$ 939,379,089	$0.1652	$1,552,478	$1,496,204	96.4%	$ 5,934	0.4%
2023	1,014,348,235	0.1652	1,672,036	1,594,674	95.4%	15,486	0.9%
2024	1,090,380,571	0.1652	1,801,100	1,705,140	94.7%	32,068	1.8%
2025	1,148,849,247	0.1652	1,898,606	1,775,496	93.5%	123,102	6.5%
2026	1,874,699,249*	0.1041	1,951,810	**IN PROCESS**			

Source: Tax Aggregate Reports for Tennessee and Annual Comprehensive Financial Reports of the City.

[2] The tax year coincides with the calendar year, therefore, tax year 2026 is actually fiscal year 2026-2027.

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Ten Largest Taxpayers. For the fiscal year ending June 30, 2026 (tax year 2025), the ten largest taxpayers in the City are as follows:

	Taxpayer	Product/Service	Assessment	Levied
1.	Dollywood	Theme Park/Hotels	267,901,177	135,740
2.	Shular Tn. Holdings	Hotels	57,351,400	36,189
3.	LeConte Village	Shops/Restaurants	35,645,600	23,367
4.	Laurel Crest Resort	Condominiums	29,534,200	19,520
5.	Forge Hotel Partners	Hotel/Restaurants	23,540,500	15,555
6.	CHFP Hotel Partners	Hotel	23,904,400	14,379
7.	K & E Investments	Shops/Restaurants	21,711,100	13,956
8.	EPR Lodging	Hotel/RV Park	20,640,900	13,481
9.	Collier Development	Hotel/Shops	18,879,800	12,451
10.	Sunrise Ridge Resort	Condominiums	18,313,800	12,093
	TOTAL		**517,422,877**	**296,731**

Source: The City of Pigeon Forge.

LOCAL OPTION SALES TAX

Pursuant to applicable provision of Title 67, Chapter 6, Part 7 of Tennessee Code Annotated as amended, (the "Act"), Sevier County levies a county-wide local option sales tax. Under the act, counties and incorporated cities may levy a sales tax on the same privileges on which the State levies its sales tax. The rate of any sales tax levied by a county or city was previously limited to one-half of the State sales tax rate of five and one-half percent (5 1/2%). The current State sales tax rate is seven (7%) percent. However, the maximum sales tax that can be levied by any county or city was capped at an additional two and three-fourths percent (2 3/4%).

Pursuant to the Act, the levy of a sales tax by a county precludes any city from within the county from levying a sales tax, but a city may levy a sales tax in addition to the county's sales tax a rate not exceeding the difference between the county sales tax rate and the maximum local option sales tax rate of two and three-fourths percent (2-3/4%). If a city is located in more than one county, each portion of the city that is located in a separate county is treated as a separate city for purposes of determining the maximum sales tax rate.

Effective July 1, 2009 the sales tax was increased from 2.50% to 2.75% after the residents of the County voted to approve the increase. The new rate will apply to all taxable sales of tangible personal property and taxable services made on or after July 1, 2009 by sellers located in all areas of Sevier County, including the cities of Sevierville, Gatlinburg, Pigeon Forge and Pittman Center.

Source: Tennessee Department of Revenue

The revenues from the County-wide sales taxes are distributed pursuant to the provisions of the Act and other provisions of the Tennessee Code Annotated. Fifty percent (50%) of the

revenues raised through the county-wide sales taxes are directed to educational purposes and are distributed to all organized school systems in the county in which the taxes are collected based upon the average daily attendance of each school system. The balance of the sales tax collections are divided between the general fund of the county in which the taxes are collected and all incorporated cities or towns in such county based upon the situs of collection. The City's share of the County-wide sales tax for the most recent five fiscal years is as follows:

City's Share of County-Wide Sales Tax Revenues

FY2021	FY 2022	FY 2023	FY 2024	FY 2025
$20,199,111	$23,928,947	$24,060,915	$25,244,363	$25,209,885

This Act authorizes a local jurisdiction, by resolution of its governing body, to pledge proceeds raised by the power and authority granted to the Act to the punctual payment of principal and interest on bonds, notes or other evidence of indebtedness issued for purposes for which such proceeds were intended to be spent. The Board of Commissioners of the City has not pledged any local option sales tax proceeds to bonded indebtedness of the City.

PENSION PLANS

For additional information of the funding status, trend information and actuarial status of the City's retirement programs, please refer to the appropriate Notes to Financial Statements located in the City's Annual Comprehensive Financial Report.

UNFUNDED ACCRUED LIABILITY FOR POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

GASB Statement No. 75 establishes standards for the measurement, recognition, and display of Other Post-Employment Benefits ("OPEB") in the financial reports of state and local government employers. Cash funding of the OPEB liability is not required. For more information, see the Notes to the General Purpose Financial Statements.

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APPENDIX C

GENERAL PURPOSE FINANCIAL STATEMENTS

OF

CITY OF PIGEON FORGE, TENNESSEE

FOR THE FISCAL YEAR ENDED

JUNE 30, 2025

The General Purpose Financial Statements are extracted from the Financial Statements with Report of Certified Public Accountants of the City of Pigeon Forge for the fiscal year ended June 30, 2025 which is available upon request from the City.

CITY OF PIGEON FORGE

Pigeon Forge, Tennessee

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended June 30, 2025

PUGH CPAs

CITY OF PIGEON FORGE

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INTRODUCTORY SECTION

CITY OF PIGEON FORGE

ROSTER OF ELECTED AND MANAGEMENT OFFICIALS

June 30, 2025

David W. Wear	Mayor
Kevin McClure	Vice-Mayor
Tony Watts	Commissioner
Jay Ogle	Commissioner
Keith Whaley	Commissioner
Earlene Teaster	City Manager
Eric Brackins	Assistant City Manager
Dennis Clabo (CMFO Designee)	Finance Director/City Recorder
Nathan Rowell	City Attorney

FINANCIAL SECTION

PUGH & COMPANY, P.C.
315 NORTH CEDAR BLUFF ROAD, SUITE 200
KNOXVILLE, TENNESSEE 37923
Telephone: 865-769-0660
Fax: 865-769-1660

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Commissioners
City of Pigeon Forge
Pigeon Forge, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and tourism development zone fund of the City of Pigeon Forge (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 accompanying 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, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison statements for the general fund and tourism development zone 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 these 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 12 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 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 control. Misstatements are considered material if there is 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages v through xiv and the schedule of changes in total OPEB liability and related ratios on page 39 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information section as listed in the table of contents, including the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally in the United States of America. In our opinion, the other supplementary information section is 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 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
December 8, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Pigeon Forge, Tennessee (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $602,862,287 (net position). Of this amount, $252,507,196 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's current year change in net position was an increase of $62,686,717.
- The governmental funds had a current year excess of revenues and other financing sources over expenditures and other financing uses of $49,766,601. As of the close of the June 30, 2025 fiscal year, the City's governmental funds reported combined ending fund balances of $324,148,428. Approximately 61% of this balance was available for spending at the government's discretion (unrestricted fund balance).
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was $196,524,955, or approximately 196% of total General Fund expenditures.
- The City had an S&P rating of AA on all of the City's outstanding debt at June 30, 2025.

Overview of the Financial Statements

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

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Activities are considered those of the primary government (the government as legally defined).

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, deferred inflow of resources and net position. 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.

The *statement of activities* presents information showing how the government's net position changed during the most recent 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 only result in cash flows in future fiscal periods.

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 include the general government fund, four special revenue funds and two capital project funds. The City's business-type activities include the water and sewer fund, the LeConte center fund and the sports facility fund.

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City uses governmental and proprietary funds.

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

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

The City maintains seven individual governmental funds. Information is presented separately in the governmental funds' balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Tourism Development Zone Fund which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. Budgetary comparison statements have been provided for the General Fund and Tourism Development Zone Fund to demonstrate compliance with the fund's budgets in the basic financial statements section of this report. Budgetary comparisons for the special revenue funds may be found in the other supplementary information section of this report.

The basic governmental fund financial statements can be found on pages 3, 5 and 6 of this report.

***Proprietary Funds*.** The City uses enterprise funds to account for its water and sewer, LeConte Center, and sports facility operations. Enterprise funds are a type of proprietary fund used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Sewer Fund, LeConte Center Fund operations, and Sports Facility Fund operations. The proprietary funds are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 14 through 16 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 38 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented on pages 40 through 41 of this report. Budgetary comparison schedules for the Special Revenue Funds are presented on pages 42 through 44 following the combining financial statements.

Other supplementary schedules are presented on pages 40 through 54.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $602,862,287 at the close of the June 30, 2025 fiscal year.

The largest portion of the City's net position (approximately 42%) reflects its unrestricted net position, or net position that does not meet the definition of "restricted" or "net investment in capital assets" and may be used to meet the government's ongoing obligations to citizens and creditors.

City of Pigeon Forge Condensed Statement of Net Position as of June 30, 2025 and 2024:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Assets						
Current and Other Assets	$ 360,122,059	$ 307,359,257	$ 113,823,878	$ 79,078,492	$ 473,945,937	$ 386,437,749
Capital Assets, Net	214,362,598	182,437,674	167,110,229	161,974,932	381,472,827	344,412,606
Total Assets	574,484,657	489,796,931	280,934,107	241,053,424	855,418,764	730,850,355
Deferred Outflows of Resources	86,788	114,569	238,678	317,210	325,466	431,779
Total Assets and Deferred Outflows of Resources	$ 574,571,445	$ 489,911,500	$ 281,172,785	$ 241,370,634	$ 855,744,230	$ 731,282,134
Liabilities, Deferred Inflows and Net Position						
Liabilities						
Current Liabilities	$ 17,153,006	$ 11,682,437	$ 15,669,684	$ 14,941,584	$ 32,822,690	$ 26,624,021
Noncurrent Liabilities	100,437,127	70,849,699	116,049,061	88,937,587	216,486,188	159,787,286
Total Liabilities	117,590,133	82,532,136	131,718,745	103,879,171	249,308,878	186,411,307
Deferred Inflows of Resources	3,416,384	3,495,904	156,681	1,199,353	3,573,065	4,695,257
Net Position						
Net Investment in Capital Assets	134,877,917	110,795,230	83,597,107	67,077,496	218,475,024	177,872,726
Restricted	131,844,297	119,788,861	35,770	35,770	131,880,067	119,824,631
Unrestricted	186,842,714	173,299,369	65,664,482	69,178,844	252,507,196	242,478,213
Total Net Position	453,564,928	403,883,460	149,297,359	136,292,110	602,862,287	540,175,570
Total Liabilities, Deferred Inflows and Net Position	$ 574,571,445	$ 489,911,500	$ 281,172,785	$ 241,370,634	$ 855,744,230	$ 731,282,134

An additional portion of the City's net position ($218,475,024 or approximately 36%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance, restricted net position of $131,880,067 represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the City is able to report positive balances in both the governmental and the business-type activity categories of net position as a whole.

Current and other assets in the governmental activities increased by approximately $52,763,000. This increase is partially due to revenue collected exceeding cash expenditures, resulting in an increase of cash, cash equivalents and investments. Also included in current and other assets, the net increase in restricted investments and restricted cash and cash equivalents increased approximately $36,494,000 primarily due to the issuance of bond series 2025A for the construction of public safety buildings including the new fire and police stations in the amount of $37,080,000.

Current and other assets in the business type activities increased approximately $34,745,000 primarily due to the issuance of bond series 2025B and VII-R-1. Bond series 2025B provided for the partial refunding of bond series 2010 and bond series VII-K-1 and funds for various water and sewer projects. Bond series VII-R-1 provided funds for the expansion of the LeConte Center.

Capital assets, net in governmental activities increased by approximately $31,925,000 primarily due to construction costs for the new fire and police stations.

Noncurrent liabilities in the governmental activities increased by approximately $29,587,000 primarily due to the issuance of bond series 2025A.

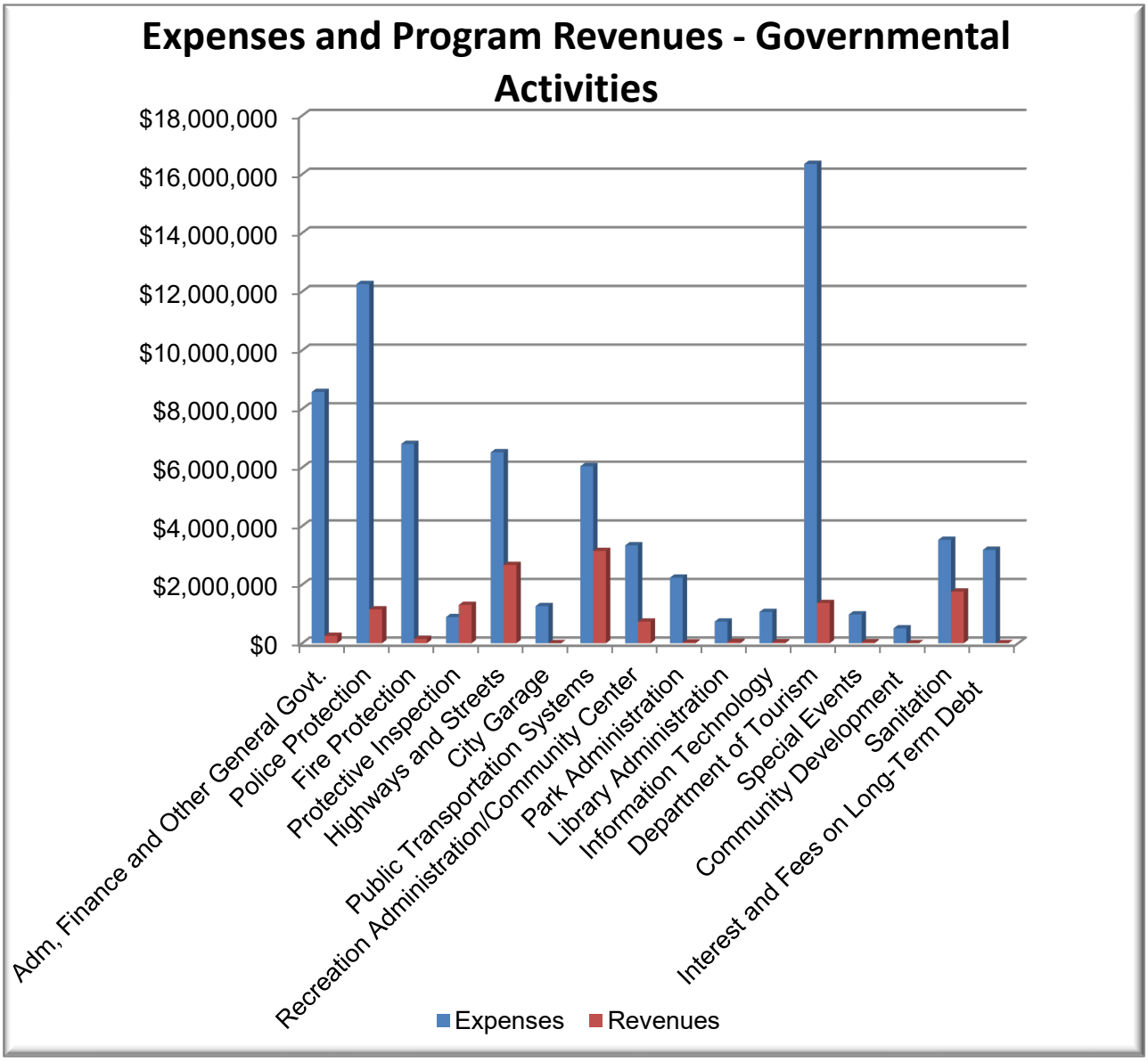
Noncurrent liabilities in the business type activities increased by approximately $27,111,000 primarily due to the issuance of bond series 2025B and VII-R-1.

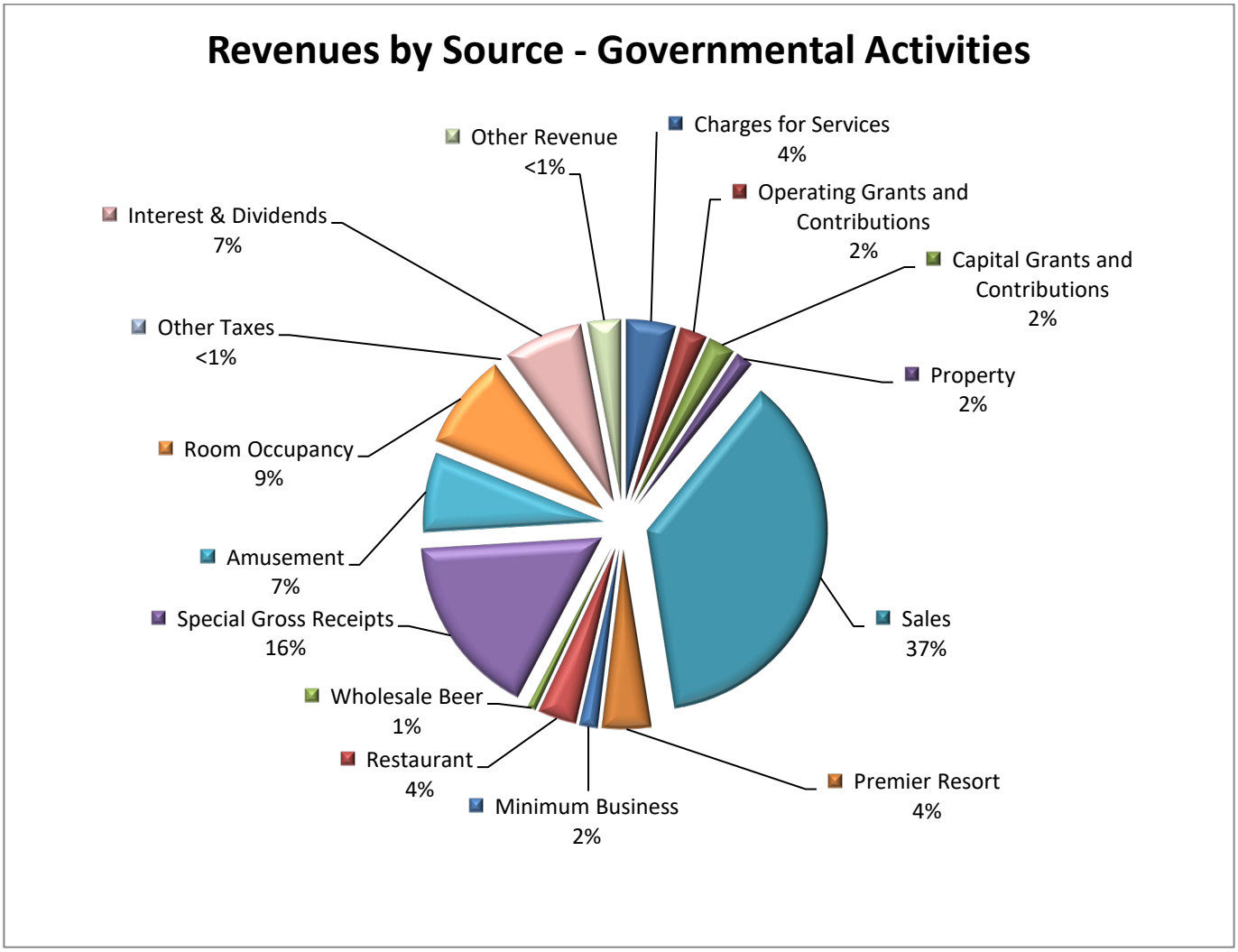
City of Pigeon Forge, Condensed Statement of Activities for the Years Ended June 30, 2025 and 2024:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for Services	$ 6,037,519	$ 6,112,109	$ 29,342,547	$ 28,126,851	$ 35,380,066	$ 34,238,960
Operating Grants and Contributions	2,510,562	2,061,117	0	0	2,510,562	2,061,117
Capital Grants and Contributions	3,312,629	5,276,998	0	2,022,055	3,312,629	7,299,053
General Revenues:						
Taxes:						
Property	2,181,407	2,045,407	0	0	2,181,407	2,045,407
Sales	50,236,964	50,802,348	0	0	50,236,964	50,802,348
Premier Resort	5,923,050	5,974,192	0	0	5,923,050	5,974,192
Minimum Business	2,229,352	2,221,798	0	0	2,229,352	2,221,798
Restaurant	4,726,776	4,451,684	0	0	4,726,776	4,451,684
Wholesale Beer	1,044,365	1,130,434	0	0	1,044,365	1,130,434
Special Gross Receipts	22,361,022	21,975,756	0	0	22,361,022	21,975,756
Amusement	9,723,420	9,028,092	0	0	9,723,420	9,028,092
Room Occupancy	11,883,971	11,756,575	0	0	11,883,971	11,756,575
Other Taxes	220,764	228,052	0	0	220,764	228,052
Other General Revenues	10,190,472	6,763,531	1,738,396	1,274,583	11,928,868	8,038,114
Total Revenues	132,582,273	129,828,093	31,080,943	31,423,489	163,663,216	161,251,582
Expenses						
Administration, Finance and Other General Government	8,578,664	8,063,769	0	0	8,578,664	8,063,769
Police Protection	12,257,730	11,116,568	0	0	12,257,730	11,116,568
Fire Protection	6,803,354	6,590,966	0	0	6,803,354	6,590,966
Protective Inspection	892,552	817,884	0	0	892,552	817,884
Highways and Streets	6,520,745	6,785,875	0	0	6,520,745	6,785,875
City Garage	1,266,339	1,046,039	0	0	1,266,339	1,046,039
Public Transportation Systems	6,043,176	5,230,257	0	0	6,043,176	5,230,257
Recreation Administration / Community Center	3,341,161	3,023,418	0	0	3,341,161	3,023,418
Park Administration	2,238,460	1,739,384	0	0	2,238,460	1,739,384
Library Administration	738,479	702,417	0	0	738,479	702,417
Information Technology	1,066,054	1,002,762	0	0	1,066,054	1,002,762
Department of Tourism	16,350,351	15,818,511	0	0	16,350,351	15,818,511
Special Events	981,571	863,309	0	0	981,571	863,309
Community Development	507,619	498,524	0	0	507,619	498,524
Sanitation	3,529,469	3,360,089	0	0	3,529,469	3,360,089
Interest and Fees on Long-Term Debt	3,185,890	2,284,295	0	0	3,185,890	2,284,295
Water and Sewer	0	0	16,208,013	14,642,586	16,208,013	14,642,586
LeConte Center	0	0	6,267,430	5,398,095	6,267,430	5,398,095
Sports Facility	0	0	8,135,991	7,641,257	8,135,991	7,641,257
(Gain) Loss on Disposition of Capital Assets	(166,976)	(1,589,543)	(1,346)	0	(168,322)	(1,589,543)
Net (Gain) Losses on Investment Portfolio	(3,356,687)	(4,095,515)	(411,540)	(849,683)	(3,768,227)	(4,945,198)
Total Expenses	70,777,951	63,259,009	30,198,548	26,832,255	100,976,499	90,091,264
Transfers	(12,122,854)	(8,586,097)	12,122,854	8,586,097	0	0
Change in Net Position	49,681,468	57,982,987	13,005,249	13,177,331	62,686,717	71,160,318
Net Position - Beginning of Year	403,883,460	345,900,473	136,292,110	123,114,779	540,175,570	469,015,252
Net Position - End of Year	$ 453,564,928	$ 403,883,460	$ 149,297,359	$ 136,292,110	$ 602,862,287	$ 540,175,570

Governmental Activities - Governmental activities increased the City's net position in the current year by $49,681,468 compared to an increase of $57,982,987 in 2024. Key elements of the change in net position are as follows:

- Sales tax revenue decreased approximately $565,000, restaurant tax increased approximately $275,000, gross receipts tax revenue increased approximately $385,000, amusement tax revenue increased approximately $695,000, and room occupancy tax revenue increased approximately $127,000 primarily due to economic conditions resulting in more money being spent in the City.
- Operating grants and contributions increased approximately $449,000 primarily due to more grant funding for operating needs.
- Capital grants and contributions decreased approximately $1,964,000 primarily due to reduced grant funds received in the current year.
- Other general revenues increased approximately $3,427,000 primarily due to additional interest earned on higher cash and cash equivalents, certificates of deposit, and investment balances in the current year.
- Police Protection expenses increased approximately $1,141,000 primarily due to increased personnel and supplies costs.
- Interest and Fees on Long-Term Debt increased approximately $902,000 due to changes in variable rate debt and the long-term debt payment schedules with the issuance of bond series 2025A, 2025B, and VII-R-1.





As noted in the graphs charting expenses and program revenues and revenues by source, the City's largest expense is the promotion of the tourism industry. Accordingly, a large majority of the revenues the City collects is generated by taxes that are either directly or indirectly related to the tourism industry.

Business-Type Activities. The business-type activities (Water and Sewer Fund, LeConte Center Fund, and Sports Facility Fund) increased the City's net position by $13,005,249 in the current year, compared to an increase of $13,177,331 in the prior year. However, the change in net position before transfers increased the City's net position by $882,395. Key elements of the current year increase in net position before transfers related to business-type activities are as follows:

- Total Operating Revenues for the business-type activities increased by approximately $1,216,000 primarily as a result of growth in water and sewer services and increased operating revenues from the operations of the Sports Facility Fund.
- Nonoperating expense increased approximately $2,907,000 primarily due to an increase in debt service fees and interest expense.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $324,148,428, after a current year excess of revenues and other financing sources over expenditures and other financing uses of $49,766,601. Approximately 61% of this ending fund balance, or $196,927,763, constitutes unrestricted fund balance, which is available for spending at the government's discretion. The City has committed approximately $71,000 of the unrestricted fund balance for future advertising programs and assigned approximately $403,000 for various purposes. The remainder of fund balance is nonspendable or restricted primarily for the purposes of the special revenue funds or the funds are invested in material inventories in the General Fund.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unrestricted fund balance of the General Fund was $196,524,955, while total General Fund balance reached $221,344,103. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. The unrestricted General Fund balance represents approximately 198% of total General Fund expenditures, while the total General Fund balance represents approximately 223% of total General Fund expenditures.

The fund balance of the City's General Fund increased by $40,514,655 during the current fiscal year. General Fund revenues in 2025 increased from 2024 by approximately $1,322,000 (see discussion on revenue increases noted above) during the fiscal year and General Fund expenditures increased by approximately $19,144,000. The following expense increases/decreases were noteworthy:

- City Maintenance increased by approximately $766,000 primarily due to the replacement of the cooler tower and main boiler at the Community Center.
- Other General Government increased approximately $12,710,000 primarily due to public safety buildings expansion costs and the furniture and fixtures attached to those projects.
- Highways and Streets increased approximately $2,992,000 primarily due to the rehabilitation of the Old Mill Bridge and the Cole Drive Bridge.
- The Police Department increased approximately $1,866,000 primarily due to the increase in total costs to outfit and purchase new patrol vehicles and the addition of new police officers.

Intergovernmental sales tax in the tourism development zone fund decreased $3,014,005. The amount varies from year to year based upon economic activity and growth in business in the development zone.

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

Unrestricted net position of the Proprietary Funds at the end of the year amounted to $65,664,482. Other factors concerning the financial activity of this fund have already been addressed in the discussion of the business-type activities.

General Fund Budgetary Highlights

The City made certain supplementary budgetary appropriations during the year. Differences between the original budget and the final amended budget amounted to net *increases* of budgeted expenditures and transfers totaling approximately $28,202,000.

The major adjustments are as follows:

- Approximately $20,608,000 in increases to the Other General Government Department budget consisting of $12,400,000 for construction costs for the new fire station and $8,575,000 for the new police station.
- Approximately $3,849,000 in increases to the Fire Department budget resulting from the purchase of one fire engine and one ladder truck for $3,787,500.

Capital Asset and Debt Administration

Capital Assets. The investment in capital assets for the City's governmental and business-type activities as of June 30, 2025, amounts to $381,472,827 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, equipment, vehicles, park facilities, roads, highways, bridges and water/sewer infrastructure.

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

- The City purchased approximately $4,589,000 of new vehicles for various departments.
- The City purchased various pieces of new equipment for approximately $1,149,000 during the year.
- The City spent approximately $12,023,000 on the construction of the new fire station.
- The City spent approximately $8,153,000 on the construction of the new police station.
- The City spent approximately $3,137,000 on the rehabilitation of the Old Mill bridge and the Cole Drive bridge.
- The City has several capital projects in the engineering and construction phases. The construction in progress additions in the current year primarily include the following projects: Old Mill Bridge rehabilitation approximately $2,129,000, Police Station approximately $8,153,000, Fire Station approximately $12,023,000, Westside Connector approximately $4,753,000, Parkway Signalization approximately $1,498,000, Wears Valley Sewer Phase I approximately $2,016,000, and Reuse Water Storage Tank approximately $1,473,000.

Capital assets, net of depreciation, as of June 30, 2025 and 2024 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 57,096,764	$ 57,096,764	$ 29,721,159	$ 29,721,159	$ 86,817,923	$ 86,817,923
Construction in Progress	60,883,079	36,276,277	9,227,604	14,870,694	70,110,683	51,146,971
Buildings	25,353,128	24,969,273	70,284,920	70,200,015	95,638,048	95,169,288
Improvements Other Than Buildings	41,910,283	34,238,523	50,296,375	36,870,227	92,206,658	71,108,750
Machinery and Equipment	15,523,583	15,004,434	6,911,663	6,506,525	22,435,246	21,510,959
Vehicles	28,898,035	25,662,755	2,312,448	1,557,924	31,210,483	27,220,679
Infrastructure	60,950,013	59,941,877	66,048,925	65,170,736	126,998,938	125,112,613
Accumulated Depreciation	(76,252,287)	(70,752,229)	(67,692,865)	(62,922,348)	(143,945,152)	(133,674,577)
	$ 214,362,598	$ 182,437,674	$ 167,110,229	$ 161,974,932	$ 381,472,827	$ 344,412,606

Additional information on the City's capital assets can be found in Note 7 on pages 26 and 27 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total debt outstanding of $229,010,425. All of the debt is backed by the full faith and credit of the City. Additionally, the City has pledged certain revenues to retire some its long-term debt issuances. The City's long-term debt as of June 30, 2025 and 2024 is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	$ 86,381,364	$ 55,089,804	$ 83,353,636	$ 78,415,196	$ 169,735,000	$ 133,505,000
Loans Payable to the Public Building Authority of Sevier County	11,260,000	12,405,000	30,000,000	6,715,000	41,260,000	19,120,000
	97,641,364	67,494,804	113,353,636	85,130,196	210,995,000	152,625,000
Plus Premiums on Issuance	7,011,842	6,022,153	11,003,583	9,927,202	18,015,425	15,949,355
Total	$ 104,653,206	$ 73,516,957	$ 124,357,219	$ 95,057,398	$ 229,010,425	$ 168,574,355

The City's total debt increased by approximately $60,436,000 (36%) during the current fiscal year.

Portions of the long-term debt consist of loans payable to the Public Building Authority of Sevier County (Authority). The loan agreements provide for the Authority to issue variable rate bonds and loan the proceeds to the City on an as needed basis for various capital projects.

Additional information on the City's long-term debt can be found in Note 9 on pages 28 through 30 of this report.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources consist of deferred charges resulting from other post-employment benefits and debt refundings. Deferred inflows of resources consist of deferred property taxes, deferred grants received in advance, deferred other post-employment benefits, deferred gain or debt refunding, and deferred leases. Deferred outflows of resources decreased approximately $106,000 primarily due deferred charges on debt refundings. Deferred inflows decreased approximately $1,112,000 primarily due to a decrease in deferred grants received in advance.

Future Outlook and Next Year's Budget

The General Fund revenue estimates for next year (fiscal year ended June 30, 2026) were projected with a decrease of 3.5%.

The Water and Sewer Fund budget for next year was prepared with no projected increase.

In April of 2006, the State of Tennessee approved the City's application for a Tourism Development Zone (TDZ). The boundaries of the TDZ are within the boundaries of the City's Central Business Improvement District. As part of the TDZ plan, the State approved a list of Qualified Public Use Facilities (QPUFs) that would support tourism and economic development within the zone. These include a civic events center, mass transit facility, amphitheater and festival center, wastewater treatment plant expansion, roadway improvements, and other necessary public infrastructure projects to encourage private development.

Since the commencement of improvements under the TDZ, the City has issued approximately $174 million of TDZ-related debt through June 30, 2025. $30 million of TDZ-related debt to fund the expansion of the LeConte Center during fiscal year 2025. These borrowings are supported by an apportionment of the incremental increase in state and local sales and use taxes generated within the TDZ.

Going forward, the City must obtain approval from the State of Tennessee for any future TDZ-related debt issuance and the structure of such financings. Additional QPUFs previously approved by the State remain eligible for funding under this process, subject to review and authorization by the State Funding Board.

To date, the City has purchased land and completed parking facilities, sewer line improvements, a major wastewater treatment plant expansion, and constructed the LeConte Center, a pedestrian bridge, and a central mass transit facility, all aimed at enhancing the City's long-term tourism capacity and economic base.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of City Manager, City of Pigeon Forge, P.O. Box 1350, Pigeon Forge, Tennessee, 37868.

CITY OF PIGEON FORGE

STATEMENT OF NET POSITION

June 30, 2025

	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	$ 12,369,134	$ 20,338,383	$ 32,707,517
Certificates of Deposit	43,909,828	2,848,854	46,758,682
Investments	131,959,827	39,195,723	171,155,550
Receivables, Net	15,651,764	1,578,728	17,230,492
Sponsorships Receivable	0	142,509	142,509
Inventories	476,443	1,253,936	1,730,379
Prepaid Items	3,967	120,624	124,591
Total Current Assets	204,370,963	65,478,757	269,849,720
NONCURRENT ASSETS			
Restricted Assets:			
Cash and Cash Equivalents	9,743,258	1,595,269	11,338,527
Investments	120,921,079	40,749,330	161,670,409
Receivable - TDZ and Streets	25,086,759	0	25,086,759
Investment in Joint Venture	0	6,000,522	6,000,522
Capital Assets:			
Nondepreciable	117,979,843	38,948,763	156,928,606
Depreciable, Net of Accumulated Depreciation	96,382,755	128,161,466	224,544,221
Total Noncurrent Assets	370,113,694	215,455,350	585,569,044
Total Assets	574,484,657	280,934,107	855,418,764
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Other Post-Employment Benefits	86,788	10,559	97,347
Deferred Charge on Refunding	0	228,119	228,119
Total Deferred Outflows of Resources	86,788	238,678	325,466
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 574,571,445	$ 281,172,785	$ 855,744,230
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable and Accrued Expenses	$ 7,389,178	$ 2,879,258	$ 10,268,436
Internal Balances	(389,446)	389,446	0
Accrued Interest	405,481	224,563	630,044
Retainage Payable	1,460,730	157,179	1,617,909
Taxes Payable	4,719	183,454	188,173
Unearned Revenue	75,184	3,088,246	3,163,430
Other Long-Term Liabilities - Current Portion	1,674,000	205,698	1,879,698
Long-Term Debt - Current Portion	6,533,160	8,541,840	15,075,000
Total Current Liabilities	17,153,006	15,669,684	32,822,690
NONCURRENT LIABILITIES			
Other Long-Term Liabilities	2,317,081	233,682	2,550,763
Long-Term Debt	98,120,046	115,815,379	213,935,425
Total Noncurrent Liabilities	100,437,127	116,049,061	216,486,188
Total Liabilities	117,590,133	131,718,745	249,308,878
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	1,894,404	0	1,894,404
Deferred Grants Received in Advance	176,115	0	176,115
Deferred Other Post-Employment Benefits	194,431	23,329	217,760
Deferred Gain on Refunding	815,766	133,352	949,118
Deferred Leases	335,668	0	335,668
Total Deferred Inflows of Resources	3,416,384	156,681	3,573,065
NET POSITION			
Net Investment in Capital Assets	134,877,917	83,597,107	218,475,024
Restricted	131,844,297	35,770	131,880,067
Unrestricted	186,842,714	65,664,482	252,507,196
Total Net Position	453,564,928	149,297,359	602,862,287
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 574,571,445	$ 281,172,785	$ 855,744,230

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

CITY OF PIGEON FORGE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

FUNCTIONS AND PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Total
Governmental Activities:							
Administration, Finance and Other General Government	$ 8,578,664	$ 167,613	$ 83,875	$ 0	$ (8,327,176)	$ 0	$ (8,327,176)
Police Protection	12,257,730	695,665	458,331	0	(11,103,734)	0	(11,103,734)
Fire Protection	6,803,354	111,250	5,026	29,531	(6,657,547)	0	(6,657,547)
Protective Inspection	892,552	1,308,753	0	0	416,201	0	416,201
Highways and Streets	6,520,745	104,748	346,075	1,396,390	(4,673,532)	0	(4,673,532)
City Garage	1,266,339	0	0	0	(1,266,339)	0	(1,266,339)
Public Transportation Systems	6,043,176	567,369	721,500	1,861,323	(2,892,984)	0	(2,892,984)
Recreation Administration/Community Center	3,341,161	737,635	0	0	(2,603,526)	0	(2,603,526)
Park Administration	2,238,460	0	0	25,385	(2,213,075)	0	(2,213,075)
Library Administration	738,479	41,623	0	0	(696,856)	0	(696,856)
Information Technology	1,066,054	0	32,325	0	(1,033,729)	0	(1,033,729)
Department of Tourism	16,350,351	508,687	863,430	0	(14,978,234)	0	(14,978,234)
Special Events	981,571	32,454	0	0	(949,117)	0	(949,117)
Community Development	507,619	0	0	0	(507,619)	0	(507,619)
Sanitation	3,529,469	1,761,722	0	0	(1,767,747)	0	(1,767,747)
Interest and Fees on Long-Term Debt	3,185,890	0	0	0	(3,185,890)	0	(3,185,890)
Total Governmental Activities	74,301,614	6,037,519	2,510,562	3,312,629	(62,440,904)	0	(62,440,904)
Business-Type Activities:							
Water and Sewer	16,208,013	19,262,083	0	0	0	3,054,070	3,054,070
LeConte Center	6,267,430	1,335,945	0	0	0	(4,931,485)	(4,931,485)
Sports Facility	8,135,991	8,744,519	0	0	0	608,528	608,528
Total Business-Type Activities	30,611,434	29,342,547	0	0	0	(1,268,887)	(1,268,887)
Total Primary Government	$ 104,913,048	$ 35,380,066	$ 2,510,562	$ 3,312,629	(62,440,904)	(1,268,887)	(63,709,791)
General Revenues							
Taxes							
Property					2,181,407	0	2,181,407
Sales					50,236,964	0	50,236,964
Premier Resort					5,923,050	0	5,923,050
Minimum Business					2,229,352	0	2,229,352
Restaurant					4,726,776	0	4,726,776
Wholesale Beer					1,044,365	0	1,044,365
Special Gross Receipts					22,361,022	0	22,361,022
Amusement					9,723,420	0	9,723,420
Room Occupancy					11,883,971	0	11,883,971
Other					220,764	0	220,764
Licenses and Permits					85,770	0	85,770
Interest and Dividends					9,738,870	1,738,396	11,477,266
Other Revenues					365,832	0	365,832
Net Gain on Disposal of Capital Assets					166,976	1,346	168,322
Change in Fair Value of Investments					3,356,687	411,540	3,768,227
Interfund Transfers, Net					(12,122,854)	12,122,854	0
Total General Revenues and Other Items					112,122,372	14,274,136	126,396,508
Change in Net Position					49,681,468	13,005,249	62,686,717
Net Position, Beginning of Year					404,670,958	136,383,896	541,054,854
Restatement of Beginning Net Position - See Note 18					(787,498)	(91,786)	(879,284)
Net Position (Deficit), Beginning of Year - as Restated - See Note 18					403,883,460	136,292,110	540,175,570
Net Position, End of Year					$ 453,564,928	$ 149,297,359	$ 602,862,287

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

CITY OF PIGEON FORGE

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2025

	General Fund	Tourism Development Zone Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 11,982,612	$ 0	$ 386,522	$ 12,369,134
Certificates of Deposit	43,909,828	0	0	43,909,828
Investments	131,959,827	0	0	131,959,827
Property Taxes Receivables, Net	2,006,358	0	0	2,006,358
Other Tax and Nonexchange Revenue Receivable	13,308,624	0	0	13,308,624
Lease Receivable	336,782	0	0	336,782
Due from Other Funds	13,095	0	444,824	457,919
Inventories	476,443	0	0	476,443
Prepaid Items	3,967	0	0	3,967
Restricted Assets:				
Cash	4,644,954	0	5,098,303	9,743,257
Investments	23,906,799	97,014,280	0	120,921,079
Receivables	0	0	59,681	59,681
TOTAL ASSETS	$ 232,549,289	$ 97,014,280	$ 5,989,330	$ 335,552,899
LIABILITIES				
Accounts Payable and Accrued Expenses	$ 7,198,797	$ 0	$ 190,381	$ 7,389,178
Due to Other Funds	59,569	0	8,904	68,473
Retainage Payable	1,460,730	0	0	1,460,730
Taxes Payable	4,719	0	0	4,719
Unearned Revenue	75,184	0	0	75,184
Total Liabilities	8,798,999	0	199,285	8,998,284
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	1,894,404	0	0	1,894,404
Deferred Grants Received in Advance	176,115	0	0	176,115
Leases	335,668	0	0	335,668
Total Deferred Inflows of Resources	2,406,187	0	0	2,406,187
FUND BALANCES				
Non-Spendable:				
General Fund				
Inventory On Hand	476,443	0	0	476,443
Prepaid Items	3,967	0	0	3,967
Restricted:				
General Fund	24,338,738	0	0	24,338,738
Special Revenue Funds:				
State Street Aid Fund	0	0	1,977,403	1,977,403
Solid Waste Fund	0	0	2,802,409	2,802,409
Drug Fund	0	0	607,425	607,425
TDZ Fund	0	97,014,280	0	97,014,280
Unrestricted:				
Committed	71,375	0	0	71,375
Assigned	0	0	402,808	402,808
Unassigned	196,453,580	0	0	196,453,580
Total Fund Balances	221,344,103	97,014,280	5,790,045	324,148,428
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 232,549,289	$ 97,014,280	$ 5,989,330	$ 335,552,899

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

CITY OF PIGEON FORGE

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2025

Ending Total Fund Balances - Governmental Funds - Balance Sheet (page 3)	$	324,148,428
Amounts reported for governmental activities in the statement of net positions are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		214,362,598
Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		25,027,079
Accrued compensated absences and other post employment benefits, net of deferred other post employment benefits inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(4,098,724)
Long-term debt, net of unamortized premiums and unamortized deferred gains/losses, and accrued interest are not due and payable in the current period and, therefore, are not reported in the funds.		(105,874,453)
Net Position of Governmental Activities - Statement of Net Position (page 1)	$	453,564,928

CITY OF PIGEON FORGE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2025

	General Fund	Tourism Development Zone Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property Tax	$ 1,818,935	$ 0	$ 0	$ 1,818,935
Payments in Lieu of Tax	362,472	0	0	362,472
Local Sales Tax	25,209,885	0	0	25,209,885
Wholesale Beer Tax	1,044,365	0	0	1,044,365
Minimum Business Tax	2,229,352	0	0	2,229,352
Amusement Tax	9,723,420	0	0	9,723,420
Gross Receipts Tax	22,361,022	0	0	22,361,022
Restaurant Tax	4,726,776	0	0	4,726,776
Cable Television Franchise Tax	167,422	0	0	167,422
Room Occupancy Tax	11,883,971	0	0	11,883,971
Other Taxes	69,407	0	0	69,407
Total Taxes	79,597,027	0	0	79,597,027
Intergovernmental:				
Grants	5,467,545	0	0	5,467,545
Sales Tax	0	25,557,985	0	25,557,985
State Premier Resort Tax	5,923,050	0	0	5,923,050
State Gasoline and Motor Fuel Tax	0	0	346,075	346,075
Other	14,254	0	0	14,254
Total Intergovernmental	11,404,849	25,557,985	346,075	37,308,909
Licenses and Permits	1,394,523	0	0	1,394,523
Fees and Charges for Services	2,126,057	0	1,753,284	3,879,341
Fines and Penalties	669,095	0	33,234	702,329
Interest and Dividends	7,505,480	2,227,889	5,501	9,738,870
Net Gain on Investment Portfolio	514,756	2,841,931	0	3,356,687
Rents and Royalties	115,232	0	0	115,232
Other Revenues	661,417	0	43,695	705,112
	12,986,560	5,069,820	1,835,714	19,892,094
Total Revenues	103,988,436	30,627,805	2,181,789	136,798,030
EXPENDITURES				
Current:				
Administration, Finance and Other General Government:				
City Court	31,357	0	0	31,357
City Hall Building Operations	459,071	0	0	459,071
Financial Administration	2,006,090	0	0	2,006,090
Legislative	1,383,705	0	0	1,383,705
Other General Government	24,566,384	0	0	24,566,384
City Maintenance	2,140,413	0	0	2,140,413
Grant Projects	4,704,581	0	0	4,704,581
City Garage	1,218,092	0	0	1,218,092
Department of Tourism	15,754,374	0	0	15,754,374
Drug Prevention	0	0	24,670	24,670
Fire Protection and Control	6,341,824	0	0	6,341,824
Highways and Streets	9,090,597	0	115,518	9,206,115
Information Technology	1,215,047	0	0	1,215,047
Library Administration	728,648	0	0	728,648
Park Administration	1,931,851	0	0	1,931,851
Police	12,708,349	0	0	12,708,349
Protective Inspection	932,570	0	0	932,570
Public Transportation Systems	4,425,631	0	0	4,425,631
Recreation Administration/Community Center	2,936,192	0	0	2,936,192
Solid Waste/Sanitation	0	0	3,211,149	3,211,149
Special Events	962,888	0	0	962,888
Community Development	493,726	0	0	493,726

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

CITY OF PIGEON FORGE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2025

	General Fund	Tourism Development Zone Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
EXPENDITURES (Continued)				
Debt Service:				
Principal Retirement	3,390,000	3,543,440	0	6,933,440
Interest and Fees	1,840,170	1,989,371	0	3,829,541
Capital Outlay	0	4,941,308	504,212	5,445,520
Total Expenditures	99,261,560	10,474,119	3,855,549	113,591,228
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,726,876	20,153,686	(1,673,760)	23,206,802
OTHER FINANCING SOURCES (USES)				
Other Financing Sources:				
Issuance of Bonds	37,080,000	0	0	37,080,000
Premium on Bonds Issuance	1,602,653	0	0	1,602,653
Transfers from Other Funds	1,170,519	0	2,250,308	3,420,827
Other Financing Uses:				
Transfers to Other Funds	(4,065,393)	(11,478,288)	0	(15,543,681)
Total Other Financing Sources (Uses)	35,787,779	(11,478,288)	2,250,308	26,559,799
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	40,514,655	8,675,398	576,548	49,766,601
FUND BALANCES, BEGINNING OF YEAR	180,829,448	88,338,882	5,213,497	274,381,827
FUND BALANCES, END OF YEAR	$ 221,344,103	$ 97,014,280	$ 5,790,045	$ 324,148,428

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

CITY OF PIGEON FORGE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances (page 6)	$	49,766,601
Amounts Reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which depreciation ($6,250,922) was exceeded by capital outlays ($38,201,783) in the current period.		31,950,861
In the Statement of Activities, only the net gain/loss from the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the capital assets which were sold.		(25,938)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(530,956)
The issuance of long-term debt (e.g. bonds, loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net positions. Also, governmental funds report the effect of, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related accounts.		(31,009,068)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Change in Accrued Interest Expense		(96,494)
Change in Compensated Absences Payable and Other Post Employment Benefits net of Deferred Other Post Employment Benefits		(373,538)
Change in Net Position of Governmental Activities - Statement of Activities (page 2)	$	49,681,468

CITY OF PIGEON FORGE

GENERAL FUND
STATEMENT OF GENERAL FUND BUDGETARY COMPARISON

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Local Taxes:				
Current Year Property Taxes	$ 1,591,763	$ 1,591,763	$ 1,801,100	$ 209,337
Payments in Lieu of Tax	362,238	362,238	362,472	234
Property Tax Penalties	8,500	8,500	17,835	9,335
Amusement Tax	9,787,609	9,787,609	9,723,420	(64,189)
Cable Television Franchise Tax	160,000	160,000	167,422	7,422
Room Occupancy Tax	12,314,311	12,314,311	11,883,971	(430,340)
Local Sales Tax	25,917,196	25,917,196	25,209,885	(707,311)
Wholesale Beer Tax	1,225,000	1,225,000	1,044,365	(180,635)
Minimum Business Tax	2,000,000	2,000,000	2,229,352	229,352
Restaurant Tax	4,730,157	4,730,157	4,726,776	(3,381)
Gross Receipts Tax	23,362,878	23,362,878	22,361,022	(1,001,856)
Other Taxes	30,250	30,250	69,407	39,157
Total Taxes	81,489,902	81,489,902	79,597,027	(1,892,875)
Licenses and Permits:				
Beer Licenses	14,300	14,300	46,200	31,900
Building and Related Permits	600,000	600,000	583,383	(16,617)
Liquor Licenses	34,250	34,250	39,570	5,320
Alcoholic Beverage Inspection Fee	800,000	800,000	725,370	(74,630)
Total Licenses and Permits	1,448,550	1,448,550	1,394,523	(54,027)
Intergovernmental:				
Grants	3,127,024	3,127,024	5,467,545	2,340,521
State Premier Resort Tax	5,975,000	5,975,000	5,923,050	(51,950)
Franchise and Income Tax	1,000	1,000	0	(1,000)
Tax Sharing for Streets	11,600	11,600	11,585	(15)
State Beer and Alcohol Tax	2,800	2,800	2,669	(131)
Total Intergovernmental	9,117,424	9,117,424	11,404,849	2,287,425
Fees and Charges for Services:				
Mass Transit Income	508,000	508,000	567,369	59,369
Street Maintenance Contracts	104,748	104,748	104,748	0
Parks & Recreation Charges	605,100	605,100	737,635	132,535
Special Events Revenues	120,438	120,438	32,454	(87,984)
Fire Protection	107,250	107,250	116,276	9,026
Online Advertising Sales	211,000	211,000	108,119	(102,881)
Police Protection	0	0	7,746	7,746
Tourism Income	444,000	444,000	403,445	(40,555)
Miscellaneous Income	29,000	29,000	48,265	19,265
Total Fees and Charges for Services	2,129,536	2,129,536	2,126,057	(3,479)
Fines and Penalties	439,000	439,000	669,095	230,095
Interest and Dividends	4,500,000	4,500,000	7,505,480	3,005,480
Net Gain on Investment Portfolio	0	0	514,756	514,756
Lease Revenue	114,515	114,515	115,232	717
Other Revenues	154,100	154,100	661,417	507,317
Total Revenues	99,393,027	99,393,027	103,988,436	4,595,409

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

CITY OF PIGEON FORGE

GENERAL FUND
STATEMENT OF GENERAL FUND BUDGETARY COMPARISON (Continued)

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
EXPENDITURES				
Administration, Finance, and Other General Government:				
City Court:				
Personnel Costs	31,600	31,600	31,357	243
City Hall Building Operations:				
General Services	110,100	110,100	80,344	29,756
Capital Outlay	360,000	651,602	378,727	272,875
Total City Hall Building Operations	470,100	761,702	459,071	302,631
Financial Administration:				
Personnel Costs	1,690,550	1,732,550	1,712,856	19,694
Supplies	70,620	70,620	15,394	55,226
Maintenance	92,707	98,584	80,205	18,379
General Services	329,291	329,291	156,393	172,898
Capital Outlay	48,500	48,500	41,242	7,258
Total Financial Administration	2,231,668	2,279,545	2,006,090	273,455
Legislative:				
Personnel Costs	125,100	132,500	138,249	(5,749)
General Services	1,048,067	1,253,067	1,245,456	7,611
Total Legislative	1,173,167	1,385,567	1,383,705	1,862
Other General Government:				
Personnel Costs	1,138,120	747,720	179,010	568,710
Supplies	15,000	15,000	2,053	12,947
General Services	2,613,210	2,636,210	2,078,679	557,531
Capital Outlay	8,168,005	29,143,005	22,306,642	6,836,363
Total Other General Government	11,934,335	32,541,935	24,566,384	7,975,551
City Maintenance:				
Personnel Costs	1,009,200	1,009,200	929,792	79,408
Supplies	128,650	128,650	74,273	54,377
Maintenance	388,075	388,075	334,028	54,047
General Services	32,906	32,906	10,586	22,320
Capital Outlay	761,731	840,231	791,734	48,497
Total City Maintenance	2,320,562	2,399,062	2,140,413	258,649
Grant Projects:				
General Services	751,943	751,943	1,410,627	(658,684)
Capital Outlay - Greenway	0	0	111,099	(111,099)
Capital Outlay - Roads	0	0	993,249	(993,249)
Capital Outlay - Mass Transit	2,226,764	4,120,490	2,189,606	1,930,884
Total Grant Projects	2,978,707	4,872,433	4,704,581	167,852
Total Administration, Finance, and Other General Government	21,140,139	44,271,844	35,291,601	8,980,243
City Garage:				
Personnel Costs	1,074,800	1,093,800	1,081,239	12,561
Supplies	75,929	75,929	44,985	30,944
Maintenance	31,410	31,410	36,023	(4,613)
General Services	63,282	63,282	41,543	21,739
Capital Outlay	14,401	14,401	14,302	99
Total City Garage	1,259,822	1,278,822	1,218,092	60,730

CITY OF PIGEON FORGE

GENERAL FUND
STATEMENT OF GENERAL FUND BUDGETARY COMPARISON (Continued)

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
EXPENDITURES (Continued)				
Department of Tourism:				
Personnel Costs	1,405,400	1,405,400	1,084,304	321,096
Supplies	26,800	26,800	19,909	6,891
Maintenance	15,860	17,803	17,636	167
General Services	1,061,786	1,061,786	863,766	198,020
Capital Outlay	40,000	40,000	35,309	4,691
Advertising	13,723,122	13,723,122	13,733,450	(10,328)
Total Department of Tourism	16,272,968	16,274,911	15,754,374	520,537
Fire Protection and Control:				
Personnel Costs	5,623,508	5,623,508	5,046,717	576,791
Supplies	809,700	809,700	622,805	186,895
Maintenance	293,712	316,325	332,446	(16,121)
General Services	280,518	298,182	182,059	116,123
Capital Outlay	378,278	4,187,081	157,797	4,029,284
Total Fire Protection and Control	7,385,716	11,234,796	6,341,824	4,892,972
Highway and Streets:				
Personnel Costs	2,225,250	2,290,250	2,280,095	10,155
Supplies	420,526	420,526	192,324	228,202
Maintenance	342,550	342,550	130,561	211,989
General Services	374,877	374,877	176,446	198,431
Capital Outlay	8,150,914	8,505,438	6,311,171	2,194,267
Total Highway and Streets	11,514,117	11,933,641	9,090,597	2,843,044
Information Technology:				
Personnel Costs	441,600	453,100	451,154	1,946
Supplies	18,133	18,133	19,596	(1,463)
Maintenance	166,120	166,120	212,921	(46,801)
General Services	369,985	424,883	247,645	177,238
Capital Outlay	755,850	825,576	283,731	541,845
Total Information Technology	1,751,688	1,887,812	1,215,047	672,765
Library Administration:				
Personnel Costs	591,300	615,800	612,973	2,827
Supplies	24,150	24,150	16,863	7,287
Maintenance	12,435	14,378	6,135	8,243
General Services	86,975	86,975	77,187	9,788
Capital Outlay	31,000	31,000	15,490	15,510
Total Library Administration	745,860	772,303	728,648	43,655
Park Administration:				
Personnel Costs	1,096,200	1,096,200	1,039,597	56,603
Supplies	148,680	148,680	108,164	40,516
Maintenance	180,655	180,655	126,093	54,562
General Services	841,206	841,206	148,196	693,010
Capital Outlay	874,000	1,055,881	509,801	546,080
Total Park Administration	3,140,741	3,322,622	1,931,851	1,390,771

CITY OF PIGEON FORGE

GENERAL FUND
STATEMENT OF GENERAL FUND BUDGETARY COMPARISON (Continued)

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
EXPENDITURES (Continued)				
Police:				
Personnel Costs	9,890,369	10,074,369	9,836,940	237,429
Supplies	1,159,763	1,174,718	951,607	223,111
Maintenance	692,272	739,708	639,469	100,239
General Services	348,826	348,826	230,025	118,801
Capital Outlay	992,500	1,140,465	1,050,308	90,157
Total Police	13,083,730	13,478,086	12,708,349	769,737
Protective Inspection:				
Personnel Costs	973,665	973,665	838,117	135,548
Supplies	30,365	30,365	21,693	8,672
Maintenance	19,510	21,453	18,501	2,952
General Services	18,466	18,466	8,839	9,627
Capital Outlay	50,000	50,000	45,420	4,580
Total Protective Inspection	1,092,006	1,093,949	932,570	161,379
Public Transportation Systems:				
Personnel Costs	4,431,100	4,431,100	3,583,493	847,607
Supplies	821,650	821,650	475,903	345,747
Maintenance	385,720	386,396	203,594	182,802
General Services	241,099	241,099	162,641	78,458
Capital Outlay	25,000	25,000	0	25,000
Total Public Transportation Systems	5,904,569	5,905,245	4,425,631	1,479,614
Recreation Administration/Community Center:				
Personnel Costs	2,192,190	2,220,190	2,060,139	160,051
Supplies	314,400	314,400	245,469	68,931
Maintenance	86,080	88,798	67,746	21,052
General Services	622,654	622,654	562,838	59,816
Capital Outlay	1,090,000	1,090,000	0	1,090,000
Total Recreation Administration/Community Center	4,305,324	4,336,042	2,936,192	1,399,850
Special Events:				
Personnel Costs	368,500	377,500	352,157	25,343
Supplies	12,600	12,600	3,439	9,161
Maintenance	6,130	6,130	4,220	1,910
General Services	686,300	686,300	603,072	83,228
Total Special Events	1,073,530	1,082,530	962,888	119,642
Community Development:				
Personnel Costs	518,450	518,450	455,490	62,960
Supplies	41,950	41,950	15,641	26,309
Maintenance	7,380	7,380	650	6,730
General Services	34,172	34,172	21,945	12,227
Total Community Development	601,952	601,952	493,726	108,226

CITY OF PIGEON FORGE

GENERAL FUND
STATEMENT OF GENERAL FUND BUDGETARY COMPARISON (Continued)

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
EXPENDITURES (Continued)				
Debt Service:				
Debt Service - Principal	2,915,000	2,915,000	3,390,000	(475,000)
Debt Service - Interest and Fees	1,787,117	1,787,117	1,840,170	(53,053)
Total Debt Service	4,702,117	4,702,117	5,230,170	(528,053)
Total Expenditures	93,974,279	122,176,672	99,261,560	22,915,112
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,418,748	(22,783,645)	4,726,876	27,510,521
Other Financing Sources (Uses):				
Other Financing Sources:				
Issuance of Bonds	0	0	37,080,000	37,080,000
Premium on Bonds Issuance	0	0	1,602,653	1,602,653
Transfers from Other Funds	0	0	1,170,519	1,170,519
Other Financing Uses:				
Transfers to Other Funds	(5,880,479)	(5,880,479)	(4,065,393)	1,815,086
Total Other Financing Sources (Uses)	(5,880,479)	(5,880,479)	35,787,779	41,668,258
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(461,731)	(28,664,124)	40,514,655	69,178,779
FUND BALANCE AT BEGINNING OF YEAR	180,829,448	180,829,448	180,829,448	0
FUND BALANCE AT END OF YEAR	$ 180,367,717	$ 152,165,324	$ 221,344,103	$ 69,178,779

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

CITY OF PIGEON FORGE

SPECIAL REVENUE FUND - TOURISM DEVELOPMENT ZONE FUND
STATEMENT OF TOURISM DEVELOPMENT ZONE FUND BUDGETARY COMPARISON

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
State Sales Tax	$ 28,571,989	$ 28,571,989	$ 25,557,985	$ (3,014,004)
Interest	0	0	2,227,889	2,227,889
Net Gain on Investments	0	0	2,841,931	2,841,931
Total Revenues	28,571,989	28,571,989	30,627,805	2,055,816
EXPENDITURES				
Capital Outlay	0	5,726,500	4,941,308	785,192
Debt Service - Principal	3,543,440	3,543,440	3,543,440	0
Debt Service - Interest	1,901,981	1,901,981	1,989,371	(87,390)
Total Expenditures	5,445,421	11,171,921	10,474,119	697,802
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	23,126,568	17,400,068	20,153,686	2,753,618
OTHER FINANCING SOURCES (USES)				
Transfer to LeConte Center Fund	(3,630,291)	(3,630,291)	(3,630,291)	0
Transfer to General Fund	0	0	(1,170,519)	(1,170,519)
Transfer to Water and Sewer Fund	(2,827,633)	(6,677,633)	(6,677,478)	155
Total Other Financing Sources (Uses)	(6,457,924)	(10,307,924)	(11,478,288)	(1,170,364)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	16,668,644	7,092,144	8,675,398	1,583,254
FUND BALANCE, BEGINNING OF YEAR	88,338,882	88,338,882	88,338,882	0
FUND BALANCE, END OF YEAR	$ 105,007,526	$ 95,431,026	$ 97,014,280	$ 1,583,254

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

CITY OF PIGEON FORGE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

	Water and Sewer Fund	LeConte Center Fund	Sports Facility Fund	Total Proprietary Funds
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$ 9,126,856	$ 4,570,472	$ 6,641,055	$ 20,338,383
Certificates of Deposit	2,848,854	0	0	2,848,854
Investments	39,195,723	0	0	39,195,723
Receivables, Net	1,578,728	0	0	1,578,728
Sponsorships Receivable	0	0	142,509	142,509
Prepaid Items	0	0	120,624	120,624
Inventories	656,540	0	597,396	1,253,936
Total Current Assets	53,406,701	4,570,472	7,501,584	65,478,757
NONCURRENT ASSETS				
Restricted Cash and Cash Equivalents	1,595,269	0	0	1,595,269
Restricted Investments	11,145,620	29,603,710	0	40,749,330
Investment in Joint Venture	6,000,522	0	0	6,000,522
Capital Assets:				
Nondepreciable	23,463,167	3,185,168	12,300,428	38,948,763
Depreciable, Net of Accumulated Depreciation	75,761,166	37,192,986	15,207,314	128,161,466
Total Capital Assets, Net of Accumulated Depreciation	99,224,333	40,378,154	27,507,742	167,110,229
Total Noncurrent Assets	117,965,744	69,981,864	27,507,742	215,455,350
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Other Post-Employment Benefits	8,163	2,396	0	10,559
Deferred Charge on Refunding	228,119	0	0	228,119
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 171,608,727	$ 74,554,732	$ 35,009,326	$ 281,172,785
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable and Accrued Expenses	$ 1,197,097	$ 429,132	$ 1,253,029	$ 2,879,258
Due to Other Funds, Net	389,207	239	0	389,446
Accrued Interest	195,670	28,893	0	224,563
Retainage Payable	157,179	0	0	157,179
Taxes Payable	82,842	366	100,246	183,454
Compensated Absences - Current Portion	167,000	38,698	0	205,698
Unearned Revenue	38,907	179,862	2,869,477	3,088,246
Long-Term Debt - Current Portion	4,025,000	4,516,840	0	8,541,840
Total Current Liabilities	6,252,902	5,194,030	4,222,752	15,669,684
NONCURRENT LIABILITIES				
Compensated Absences	22,027	38,902	0	60,929
Other Post-Employment Benefits	130,233	42,520	0	172,753
Long-Term Debt	54,928,550	60,886,829	0	115,815,379
Total Noncurrent Liabilities	55,080,810	60,968,251	0	116,049,061
Total Liabilities	61,333,712	66,162,281	4,222,752	131,718,745
DEFERRED INFLOWS OF RESOURCES				
Deferred Other Post-Employment Benefits	18,917	4,412	0	23,329
Deferred Gain on Bond Refunding	0	133,352	0	133,352
Total Deferred Inflows of Resources	18,917	137,764	0	156,681
NET POSITION				
Net Investment in Capital Assets	51,644,522	4,444,843	27,507,742	83,597,107
Restricted for Capital Asset Activities	35,770	0	0	35,770
Unrestricted	58,575,806	3,809,844	3,278,832	65,664,482
Total Net Position	110,256,098	8,254,687	30,786,574	149,297,359
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 171,608,727	$ 74,554,732	$ 35,009,326	$ 281,172,785

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

CITY OF PIGEON FORGE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Year Ended June 30, 2025

	Water and Sewer Fund	LeConte Center Fund	Sports Facility Fund	Total Proprietary Funds
OPERATING REVENUES				
Fees and Charges for Services	$ 18,525,803	$ 1,335,897	$ 8,347,665	$ 28,209,365
Fines and Penalties	106,521	0	0	106,521
Other Revenues	279,539	48	0	279,587
Tap Fees	350,220	0	0	350,220
Sponsorships	0	0	396,854	396,854
Total Operating Revenues	19,262,083	1,335,945	8,744,519	29,342,547
OPERATING EXPENSES				
Purification	3,024,443	0	0	3,024,443
Transmission and Distribution	1,772,015	0	0	1,772,015
Sewer System	588,218	0	0	588,218
Sewer Treatment and Disposal	3,596,094	0	0	3,596,094
Customer Accounting and Collections	512,281	0	0	512,281
Administrative and General	1,574,715	0	0	1,574,715
Personnel Costs	0	941,300	932,665	1,873,965
Supplies	0	367,054	11,632	378,686
Maintenance	0	415,998	203,964	619,962
General Services	0	1,949,962	5,873,785	7,823,747
Depreciation	2,333,110	1,369,326	1,113,945	4,816,381
Total Operating Expenses	13,400,876	5,043,640	8,135,991	26,580,507
OPERATING INCOME (LOSS)	5,861,207	(3,707,695)	608,528	2,762,040
NONOPERATING REVENUES (EXPENSES)				
Interest and Dividends	1,730,116	4,182	4,098	1,738,396
Contributions in Aid of Construction	1,454,161	0	0	1,454,161
Debt Service Fees	(442,985)	0	0	(442,985)
Interest Expense	(2,364,152)	(1,223,790)	0	(3,587,942)
Gain on Disposal of Capital Assets	0	0	1,346	1,346
Change in Fair Value of Investments	408,830	2,710	0	411,540
Write-down of Plant for Costs Recovered through Contributions	(1,454,161)	0	0	(1,454,161)
Total Nonoperating Expenses	(668,191)	(1,216,898)	5,444	(1,879,645)
CHANGE IN NET POSITION BEFORE TRANSFERS	5,193,016	(4,924,593)	613,972	882,395
TRANSFERS FROM OTHER FUNDS	6,677,478	5,445,376	0	12,122,854
CHANGE IN NET POSITION	11,870,494	520,783	613,972	13,005,249
NET POSITION, BEGINNING OF YEAR	98,456,976	7,754,318	30,172,602	136,383,896
RESTATEMENT OF BEGINNING NET POSITION - SEE NOTE 18	(71,372)	(20,414)	0	(91,786)
NET POSITION, BEGINNING OF YEAR, AS RESTATED - SEE NOTE 18	98,385,604	7,733,904	30,172,602	136,292,110
NET POSITION, END OF YEAR	$ 110,256,098	$ 8,254,687	$ 30,786,574	$ 149,297,359

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

CITY OF PIGEON FORGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	Water and Sewer Fund	LeConte Center Fund	Sports Facility Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 19,524,958	$ 1,300,827	$ 8,745,502	$ 29,571,287
Cash Paid to or on Behalf of Employees	(2,675,719)	(932,111)	0	(3,607,830)
Cash Paid to Suppliers	(10,414,760)	(2,392,558)	(7,106,754)	(19,914,072)
Net Cash Provided by (Used in) Operating Activities	6,434,479	(2,023,842)	1,638,748	6,049,385
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(10,293,528)	(143,190)	(969,775)	(11,406,493)
Proceeds From Sale of Capital Assets	0	0	2,000	2,000
Proceeds From Issuance of Long Term Debt	8,514,999	30,000,000	0	38,514,999
Cash Received from Developers, Individuals, and Grantors for Capital Purposes	445,769	0	0	445,769
Principal Paid on Debt Maturities	(8,040,000)	(2,251,560)	0	(10,291,560)
Interest Expense	(1,141,113)	(1,777,732)	0	(2,918,845)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(10,513,873)	25,827,518	(967,775)	14,345,870
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Net Transfers from Other Funds	6,677,478	5,445,376	0	12,122,854
Net Cash Provided by (Used in) Noncapital and Related Financing Activities	6,677,478	5,445,376	0	12,122,854
CASH FLOWS FROM INVESTING ACTIVITIES				
Net (Increase) Decrease in Certificates of Deposit	(130,282)	0	0	(130,282)
Purchases of Investments	(47,221,208)	(29,601,000)	0	(76,822,208)
Cash Receipts on Sales of Investments	42,220,000	0	0	42,220,000
Interest and Dividends	1,730,116	4,182	4,098	1,738,396
Net Cash Provided by (Used in) Investing Activities	(3,401,374)	(29,596,818)	4,098	(32,994,094)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(803,290)	(347,766)	675,071	(475,985)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	11,525,415	4,918,238	5,965,984	22,409,637
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 10,722,125	$ 4,570,472	$ 6,641,055	$ 21,933,652
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities				
Operating Income (Loss)	$ 5,861,207	$ (3,707,695)	$ 608,528	$ 2,762,040
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	2,333,110	1,369,326	1,113,945	4,816,381
(Increase) Decrease in Assets:				
Accounts Receivable	278,476	0	(23,802)	254,674
Due From Other Funds	(1,438,026)	239	0	(1,437,787)
Inventories	(152,712)	0	(192,447)	(345,159)
Prepaid Items	0	0	13,144	13,144
Deferred Other Post Employment Benefits Outflows	2,764	622	0	3,386
Increase (Decrease) in Liabilities:				
Accounts Payable and Accrued Expenses	(577,461)	339,851	76,158	(161,452)
Retainage Payable	134,836	0	0	134,836
Taxes Payable	1,381	366	18,437	20,184
Compensated Absences	7,035	8,686	0	15,721
Other Post Employment Benefits	(9,869)	(2,221)	0	(12,090)
Deferred Other Post Employment Benefits Inflows	9,339	2,102	0	11,441
Unearned Revenue	(15,601)	(35,118)	24,785	(25,934)
Total Adjustments	573,272	1,683,853	1,030,220	3,287,345
Net Cash Provided by (Used in) Operating Activities	$ 6,434,479	$ (2,023,842)	$ 1,638,748	$ 6,049,385
Supplemental Disclosure of Noncash Investing and Financing Activities				
Bonds Issued to Refund Previously Issued Bonds	$ 22,900,000	$ 0	$ 0	$ 22,900,000
Debt Issuance Costs on Bonds Issued	$ 424,658	$ 0	$ 0	$ 424,658
Amortization of Deferred Amount of Refunding	$ 75,146	$ 45,721	$ 0	$ 120,867
Amortization of Bond Premium	$ 327,624	$ 505,652	$ 0	$ 833,276
Change in Fair Value of Investments	$ 408,830	$ 0	$ 0	$ 408,830

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

CITY OF PIGEON FORGE

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The City of Pigeon Forge (the City) is a primary government entity governed by an elected five-member board of commissioners from whom the mayor is chosen.

The Industrial Development Board of the City of Pigeon Forge (the Board) is a non-profit corporation formed pursuant to the specific authority granted at Tennessee Code Annotated Section 7-53-101 et seq. The members of the Board are appointed by City Commission. The Board performs public functions on behalf of the City and its purpose is to undertake the financing and development of projects deemed by the Act to promote industry, trade, commerce, tourism and recreation and housing construction. The Board participates in economic development activities by serving as a conduit for financing commerce and tourism projects. The Board accounts for its operations as an enterprise fund. The financial statements of the Board are not material to the overall financial statements of the City.

The accounting and reporting policies of the City relating to the accounts included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). All applicable GASB Statements have been implemented.

Government-Wide Statements - The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The Statement of Net Position presents the City's assets, deferred outflows or resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net Investment in Capital Assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted Net Position - This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - Unrestricted net position consist of net position that does not meet the definition of "restricted" or "net investment in capital assets." These are available for current use by the City.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements - The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The various fund categories and fund types presented in the financial statements are described below.

Description of Funds - In accordance with the City's charter and ordinances, several different types of funds are used to record the City's financial transactions. For financial reporting, they have been grouped and are presented in this report as follows:

Governmental Fund Types

General Fund - To account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - To account for the proceeds of specific revenue sources that are restricted by law to expenditures for specific purposes.

Capital Projects Funds - To account for the financial resources to be used for the construction or renovation of major capital facilities.

Proprietary Fund Type - Enterprise Funds

Water and Sewer System, LeConte Center and Sports Facility - To account for operations (a) that are financed and operated in a manner similar to private business enterprise - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fund Balance Classifications - GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition* (GASB 54) established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications include non-spendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be spent. Also, GASB 54 clarified the definitions of the General Fund and the special revenue, capital projects, and debt service fund types. These classifications are defined as follows:

Non-spendable Fund Balance - 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. These amounts include inventories and prepaid items.

Restricted Fund Balance - includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal ordinance of the City Commission, the City's highest level of decision-making authority. The distinction between restricted and committed fund balances is the source and strength of the constraints placed on them.

Assigned Fund Balance - includes amounts that the City intends to use for a specific purpose, but for which the use is not legislatively mandated. City Commission is the authorized body to make assignments.

Unassigned Fund Balance - the residual classification of 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Government-Wide

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

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized only as they become susceptible to accrual (measurable and available):

A. Revenue considered susceptible to accrual includes: property taxes, shared revenues, licenses, interest revenue and charges for services (collected within sixty days after year-end).

B. Interest and principal on general long-term debt indebtedness are not accrued but are recorded as an expenditure on their due date.

C. Compensated absences are not accrued but are recorded as expenditures.

D. Disbursements for purchase of capital assets providing future benefits are considered expenditures; loan and bond proceeds are reported as other financing sources.

E. Other tax and non-exchange revenue receivable includes local and state taxes, local beer tax, state income tax, special gross receipts tax, amusement tax, room occupancy tax, cable TV franchise tax, and state gasoline and motor fuel taxes. Certain non-exchange transactions related to minimum business tax, city and court fines and costs, and drug related fines are not recognized because they are not measurable. Certain other non-exchange transaction revenue was not recognized due to immateriality or not being susceptible to accrual.

Proprietary Funds

The City's proprietary funds use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

Major Funds

Major Governmental Funds: The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Tourism Development Zone fund is used to account for the taxes generated from activities in a portion of a tourism development zone as designated per Tennessee Code.

Major Proprietary Funds: The Water and Sewer Fund is the operating fund for the City's water and wastewater systems. The LeConte Center Fund is the operating fund for the City's LeConte Center. The Sports Facility Fund is the operating fund for the City's baseball sports complex.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Restrictions - When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is also the City's policy that committed amounts would be reduced first, followed by assigned amounts, then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

Cash Equivalents - Cash equivalents consist of certificates of deposit, money market investment accounts and other temporary investments maturing within 90 days of original purchase, except for cash and cash equivalents held in investment accounts to be used to purchase investments.

Restricted Cash, Cash Equivalents and Investments - Cash, cash equivalents and investments in certain funds are classified as restricted because the restriction is either imposed by enabling legislation or the source of funds restricts their use to specific purposes.

Internal Activity - As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and wastewater utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Sponsorships Receivable - Sponsorships consist of corporate agreements to provide support for events and programs. The sponsor receives no substantial benefit other than the use or acknowledgement of the sponsor's name, logo, or product line. Sponsorships are recognized as receivables at the execution of an agreement and revenue is recognized over the contract term.

Allowance for Doubtful Accounts - The allowance is determined using historical information and current evaluations of accounts receivable.

Investments - Investments are carried at fair value as determined by quoted market prices as of June 30, 2025, and any unrealized gain/loss is recorded in change in fair value of investments.

Inventories - Inventories are valued at the lower of cost (first-in, first-out) or net realizable value and determined by physical count. Inventories consist of parts and supplies held for consumption. The costs are recorded as an expenditure when consumed rather than when purchased. Reported inventories in the General Fund are offset by an equal fund balance amount shown as non-spendable.

Capital Assets

Governmental Funds: Capital outlays are recorded as expenditures on the governmental fund financial statements and as assets on the government-wide financial statements.

Proprietary Fund Types: Capital outlays of the proprietary funds are recorded as capital assets on both the fund basis and the government-wide basis.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

All capital assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated acquisition value at the date of donation. Capital assets received in a service concession arrangement are reported at estimated acquisition value.

Capital assets are stated at cost or estimated original cost, net of accumulated depreciation. Depreciation on capital assets has been recorded over the estimated useful lives using the straight-line method. The City's capitalization threshold is $5,000. Repairs and maintenance are charged to expense when incurred. When capital assets are sold or retired, the cost of the assets and the related accumulated depreciation are eliminated and a gain or loss is recognized.

Depreciation rates are as follows:

Buildings and Improvements	15-50 years
Equipment	5-20 years
Automobiles	5-30 years
Infrastructure	10-70 years

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. This consists of deferred charges on debt refundings resulting from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred other post-employment benefits outflows represent outflows for change in assumptions for the OPEB plan.

Long-Term Obligations - The City reports long-term debt and other long-term obligations as liabilities in the government-wide and proprietary fund financial statements. Bond premiums and discounts are amortized proportionately to the amount of principal paid in a given year on the debt. Long-term debt is reported net of the applicable premium or discount.

In governmental fund financial statements debt proceeds and payments, premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as another financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Compensated Absences - Compensated absences consist of unpaid accumulated vacation and sick leave. In accordance with the provisions of GASB Statement No. 101, *Compensated Absences*, compensated absences are recognized as a liability when the obligation is attributable to services already rendered, the payment is probable, and the amount can be reasonably estimated. This includes leave that is expected to be used in future periods and leave that will be paid out upon termination or retirement. The liability is measured using current pay rates as of the financial statement date, including any applicable salary-related costs.

Budgetary Principles - All funds except the capital projects funds of the City operate under annual appropriations budgets. The appropriation ordinance is passed on a departmental level for the general and proprietary funds and on a fund level for the special revenue funds. The budget documents are prepared in accordance with the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America for all funds.

The City's policy is to include debt service fees in the interest budget line.

The City is not required to present a budget for the proprietary funds. The City's policy is to budget a nominal amount in the proprietary fund for depreciation and none for amortization.

Capital projects funds are normally budgeted over the life of the project and not on an annual basis.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The budgets are properly amended by ordinances of the board of commissioners. The budget amounts shown in the financial statements are the original budget and final budget as revised during the year. All annual appropriations lapse at fiscal year-end.

Water and Sewer Fund Revenue and Expenses - Certain revenue and expenses of the water department and sewer department that cannot be directly attributed to the operations of each division are allocated on a pro-rata basis of 60% and 40%, respectively.

Property Taxes - Property taxes are levied as of January 1 on property values assessed on the same date (the lien date). The tax levy is billed on or about October 1 of the same year. Taxes become delinquent on the first day of March and are subject to penalties of 2% per month, not to exceed 24%. Property assessments are provided by the Sevier County Tax Assessor; however, the City bills and collects its own property taxes.

Deferred Inflows of Resources - As noted above, property taxes for 2025 are recognized as an enforceable legal claim on January 1, 2025. However, the revenue net of estimated refunds and estimated uncollectible amounts is recognized in the year in which the levy occurs and therefore is deferred until the following year. Deferred other post-employment benefits inflows represent inflows for change in assumptions for the OPEB plan.

Unearned Revenue - Unearned revenue consists of deposits received in advance for future events booked at the sports facility and sponsorships deferred which will be recognized as revenue over the term of the sponsorship agreement.

Revenues - Exchange and Nonexchange 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 fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The City records revenue as billed to its customers based on a monthly meter reading cycle in the proprietary fund. Any service rendered from the latest billing cycle date to the end of the month is unbilled and is not reflected in the financial statements.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See “Property Taxes” above.) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Tap Fees - In the Water and Sewer Fund, all tap fees are recorded as operating revenue and the related cost of setting taps is expensed. The amount charged does not substantially exceed the cost to connect.

Adoption of New Accounting Standards - The City implemented the provisions of GASB Statement No. 101, *Compensated Absences*, during the 2025 fiscal year. This statement established updated recognition and measurement guidance for liabilities related to compensated absences. Under the statement, liabilities for compensated absences are recognized when leave is attributable to services already rendered, payment is probable, and the amount can be reasonable estimated. This included both accumulated leave expected to be used in future periods and leave payable upon an employee’s separation from service. The liability is measured using current pay rates as of the financial statement date, including any applicable salary-related costs. The Statement’s effect on the financial statements is more fully explained in Note 18.

The City implemented the provisions of GASB Statement No. 102, *Certain Risk Disclosures*, during the 2025 fiscal year. This statement provides users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The pronouncement did not have a significant impact on the City’s financial statements.

Pending Accounting Pronouncements - In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. 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. The pronouncement is effective for fiscal years beginning after June 15, 2025. The City is currently evaluating the impact of the adoption of Statement No. 103 on its financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications - Certain amounts in the financial statements and/or accompanying footnotes related to June 30, 2024 balances may have been reclassified in order to be consistent with their classification for June 30, 2025.

Subsequent Events - Management has evaluated subsequent events through December 8, 2025, which is the date the financial statements were available to be issued, and has determined that there are no subsequent events that required disclosure.

NOTE 2 - CASH AND CERTIFICATES OF DEPOSIT

Custodial Credit Risk - Deposits - In the case of cash and certificates of deposit, this is the risk that in the event of a bank failure, the City's deposits will not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City follows State law regarding collateralization of deposits, which requires collateral to be obtained on any deposits exceeding insurance coverage of the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2025, the book balances of cash, certificates of deposit, and restricted cash totaled $90,804,726 and the bank balances totaled $91,717,341 ($1,257,920 of which was covered by FDIC insurance and $90,459,421 was insured by the Tennessee Bank Collateral Pool Board of the State of Tennessee Treasury Department).

NOTE 3 - INVESTMENTS

Investment Policies

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. Investing is performed in accordance with investment policies which comply with applicable state statutes. The City's Investment Policy allows only investments in the highest-grade securities. As of June 30, 2025, The City's investment holdings were in compliance with state statutes.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City places no limit on the amount it may invest in any one issuer. As of June 30, 2025, 100% of the City's investments are in U.S. Treasuries. All U.S. Treasuries have an Aaa credit rating.

Custodial Credit Risk - Investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment broker at June 30, 2025 provides Securities Investor Protection Corporation (SIPC) and other insurance coverage.

As of June 30, 2025, the City had the following investments:

	Fair Value	Less than 1 Year	1 - 2 Years	2 - 4 Years
Investments				
Primary Government:				
U.S. Treasuries	$ 332,825,959	$ 192,164,794	$ 92,834,350	$ 47,826,815

NOTE 4 - FAIR VALUE OF INVESTMENTS

GASB Statement 72, *Fair Value Measurements and Disclosures* defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GASB 72 also established a fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2025:

U.S. Treasuries - Actively traded individual debt securities are valued at the quoted market prices for identical assets in active markets. Non-actively traded individual debt securities are valued using pricing models that maximize the use of observable inputs for similar securities which includes the yield currently available on comparable securities of issuers with similar maturities and credit ratings.

The following table summarizes the assets of the City for which fair values are determined on a recurring basis as of June 30, 2025:

		Fair Value Measurements Using		
Primary Government Investments:	Carrying Amount in the Balance Sheet	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	$ 332,825,959	$ 332,825,959	$ 0	$ 0

NOTE 5 - OTHER TAX AND NONEXCHANGE REVENUE RECEIVABLE

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

	General Fund	Nonmajor and Other Funds	Total
Other Tax and Nonexchange Revenue Receivable:			
Interest	$ 176,334	$ 0	$ 176,334
Taxes:			
Sales	2,072,599	0	2,072,599
Special Gross Receipts	2,513,860	0	2,513,860
Amusement	1,162,084	0	1,162,084
Restaurant	539,636	0	539,636
Room Occupancy	1,398,177	0	1,398,177
Premier Resort	1,105,619	0	1,105,619
Gasoline (Restricted for Streets and Highways)	0	59,681	59,681
Wholesale Beer	109,131	0	109,131
Minimum Business	91,428	0	91,428
Other	93,682	0	93,682
Intergovernmental	4,046,074	0	4,046,074
Total Other Tax and Nonexchange Revenue Receivable	$ 13,308,624	$ 59,681	$ 13,368,305

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2025 is as follows:

	Due From Other Funds	Due to Other Funds	Total Internal Balances
Governmental Activities:			
General Fund	$ 13,095	$ (59,569)	$ (46,474)
Nonmajor Funds	444,824	(8,904)	435,920
Total Governmental Activities	$ 457,919	$ (68,473)	$ 389,446
Business-Type Activities:			
Water and Sewer	$ 900	$ (390,107)	$ (389,207)
LeConte Center	0	(239)	(239)
Total Business-Type Activities	$ 900	$ (390,346)	$ (389,446)

These balances relate primarily to the reimbursement of expenditures incurred, or income earned, by one fund but paid by, or received by, another fund. All interfund balances are short term and scheduled to be collected/paid in the subsequent year.

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Interfund transfers during the fiscal year were as follows:

	Transfers From:		
	Governmental Activities		
	General Fund	Tourism Development Zone Fund	Total
Transfers To:			
Governmental Activities:			
General Fund	$ 0	$ 1,170,519	$ 1,170,519
Nonmajor Funds	2,250,308	0	2,250,308
Business-Type Activities:			
Water and Sewer Fund	0	6,677,478	6,677,478
LeConte Center Fund	1,815,085	3,630,291	5,445,376
	$ 4,065,393	$ 11,478,288	$ 15,543,681

Transfers at the fund level are used to (1) move revenues or other cash receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

NOTE 7 - CAPITAL ASSETS

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

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 57,096,764	$ 0	$ 0	$ 57,096,764
Construction in Progress	36,276,277	32,848,721	(8,241,919)	60,883,079
Total Capital Assets, Not Being Depreciated	93,373,041	32,848,721	(8,241,919)	117,979,843
Capital Assets, Being Depreciated:				
Buildings	24,969,273	383,855	0	25,353,128
Improvements other than Buildings	34,238,523	7,671,760	0	41,910,283
Equipment	15,004,434	719,501	(200,352)	15,523,583
Automobiles	25,662,755	3,811,731	(576,451)	28,898,035
Infrastructure	59,941,877	1,008,136	0	60,950,013
Total Capital Assets, Being Depreciated	159,816,862	13,594,983	(776,803)	172,635,042
Less accumulated depreciation for:				
Buildings	(11,793,152)	(673,794)	0	(12,466,946)
Improvements other than Buildings	(10,266,899)	(1,421,043)	0	(11,687,942)
Equipment	(7,736,679)	(1,132,415)	200,352	(8,668,742)
Automobiles	(13,468,972)	(1,917,279)	550,512	(14,835,739)
Infrastructure	(27,486,527)	(1,106,391)	0	(28,592,918)
Total Accumulated Depreciation	(70,752,229)	(6,250,922)	750,864	(76,252,287)
Total Capital Assets, Being Depreciated, Net	89,064,633	7,344,061	(25,939)	96,382,755
Governmental Activities Capital Assets, Net	$ 182,437,674	$ 40,192,782	$ (8,267,858)	$ 214,362,598

(Table continued on next page.)

NOTE 7 - CAPITAL ASSETS (Continued)

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land and Land Rights	$ 29,721,159	$ 0	$ 0	$ 29,721,159
Construction in Progress	14,870,694	8,165,638	(13,808,728)	9,227,604
Total Capital Assets, Not Being Depreciated	44,591,853	8,165,638	(13,808,728)	38,948,763
Capital Assets, Being Depreciated:				
Buildings	70,200,015	84,905	0	70,284,920
Water Plant and Improvements other than Buildings	36,870,227	13,426,148	0	50,296,375
Equipment	6,506,525	429,378	(24,240)	6,911,663
Automobiles	1,557,924	776,802	(22,278)	2,312,448
Infrastructure	65,170,736	878,189	0	66,048,925
Total Capital Assets, Being Depreciated	180,305,427	15,595,422	(46,518)	195,854,331
Less Accumulated Depreciation for:				
Buildings	(15,314,537)	(1,595,368)	0	(16,909,905)
Water Plant and Improvements other than Buildings	(12,321,545)	(1,291,323)	0	(13,612,868)
Equipment	(3,553,559)	(279,115)	23,586	(3,809,088)
Automobiles	(937,483)	(115,505)	22,278	(1,030,710)
Infrastructure	(30,795,224)	(1,535,070)	0	(32,330,294)
Total Accumulated Depreciation	(62,922,348)	(4,816,381)	45,864	(67,692,865)
Total Capital Assets, Being Depreciated, Net	117,383,079	10,779,041	(654)	128,161,466
Business-Type Activities Capital Assets, Net	$ 161,974,932	$ 18,944,679	$ (13,809,382)	$ 167,110,229

Depreciation was charged to primary government governmental activities as follows:

Administration, Finance and Other General Government:	
Administration/Finance	$ 126,471
City Maintenance	516,051
Police Protection	574,407
Fire Protection	585,501
Protective Inspection	5,403
Highways and Streets	1,666,834
City Garage	31,548
Public Transportation System	1,205,740
Recreation Administration/Community Center	405,714
Park Administration	767,462
Library Administration	27,006
Department of Tourism	15,351
Special Events	18,990
Community Development	8,182
Sanitation	296,262
Total Governmental Depreciation	$ 6,250,922

At June 30, 2025, the City had significant contractual commitments for construction totaling approximately $82,160,000. Total related expenditures to date were approximately $30,312,000 resulting in a remaining balance of approximately $51,848,000.

NOTE 8 - LEASE RECEIVABLE

The City leases property and facilities to a tenant with a term ending September 28, 2030. Payments included in the measurement of the lease receivable are fixed monthly amounts. During the year ended June 30, 2025, the City recognized the following related to its lessor agreement:

Lease Revenue	$ 64,259
Interest Income Related to Lease	1,540
	$ 65,799

Future payments that are included in the measurement of the lease receivable at June 30, 2025 are presented below for the years ending June 30:

	Principal	Interest
2026	61,424	6,843
2027	61,672	7,417
2028	63,547	5,541
2029	65,480	3,609
2030	67,472	1,617
2031	17,187	86
	$ 336,782	$ 25,113

NOTE 9 - LONG-TERM DEBT

The long-term obligations outstanding and the changes therein for the year ended June 30, 2025 are as follows:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025	Current Portion
Governmental Activities:					
Long-Term Debt:					
General Obligation Bonds	$ 55,089,804	$ 37,080,000	$ 5,788,440	$ 86,381,364	$ 5,353,160
Loans Payable to the Public Building Authority of Sevier County	12,405,000	0	1,145,000	11,260,000	1,180,000
Premium on Issuance	6,022,153	1,602,653	612,964	7,011,842	0
Total Long-Term Debt	$ 73,516,957	$ 38,682,653	$ 7,546,404	$ 104,653,206	$ 6,533,160
Business-Type Activities:					
Long-Term Debt:					
General Obligation Bonds	$ 78,415,196	$ 31,415,000	$ 26,476,560	$ 83,353,636	$ 6,431,840
Loans Payable to the Public Building Authority of Sevier County	6,715,000	30,000,000	6,715,000	30,000,000	2,110,000
Premium on Issuance	9,927,202	1,909,658	833,277	11,003,583	0
Total Long-Term Debt	$ 95,057,398	$ 63,324,658	$ 34,024,837	$ 124,357,219	$ 8,541,840

NOTE 9 - LONG-TERM DEBT (Continued)

General obligation bonds and loans payable currently outstanding are as follows:

	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Balance June 30, 2025
Governmental Activities:					
Loan Payable to the Public Building Authority of Sevier County - Series VII-K-1	5.00%	6/1/2011	6/1/2034	$ 17,235,000	$ 11,260,000
General Obligation Bonds Series 2017	2.00% - 4.00%	4/20/2017	6/1/2027	5,460,000	1,220,000
General Obligation Bonds Series 2018	3.125% - 5.00%	11/1/2018	6/1/2035	32,275,000	21,975,000
General Obligation Refunding Bonds - Series 2021A	3.00% - 5.00%	9/10/2021	6/1/2037	24,130,000	19,000,000
General Obligation Refunding Bonds - Series 2021B	3.00% - 5.00%	9/10/2021	6/30/2036	10,806,588	8,606,364
General Obligation Bonds Series 2025A	4.00% - 5.00%	3/28/2025	6/1/2055	37,080,000	35,580,000
Total Governmental Activities Debt					$ 97,641,364
Business-Type Activities:					
Loan Payable to the Public Building Authority of Sevier County - Series VII-R-1	5.00%	6/30/2025	6/1/2036	$ 30,000,000	$ 30,000,000
General Obligation Refunding Bonds - Series 2017	2.00% - 2.50%	4/20/2017	6/1/2028	4,145,000	1,385,000
General Obligation Refunding Bonds - Series 2021A	3.00% - 5.00%	9/10/2021	6/1/2037	4,490,000	2,030,000
General Obligation Refunding Bonds - Series 2021B	3.00% - 5.00%	9/10/2021	6/30/2036	54,778,412	39,458,636
General Obligation Bonds - Series 2023	4.00% - 5.00%	12/8/2023	6/1/2043	9,575,000	9,065,000
General Obligation Refunding Bonds - Series 2025B	4.00% - 5.00%	5/30/2025	6/1/2045	31,415,000	31,415,000
Total Business-Type Activities Debt					$ 113,353,636

All bonds and loans are backed by the full faith and credit of the City.

On March 28, 2025, the City issued $37,080,000 General Obligation Bonds, Series 2025A, maturing on June 1, 2055, with interest rates ranging from 4.00% to 5.00%. Of the Series 2025A Bonds, the entire amount of the bond as well as the associated premium of $1,602,653 was fully allocated to governmental activities. The Series 2025A Bonds provide funding for the construction of new public safety buildings.

On May 30, 2025, the City issued $31,415,000 General Obligation Refunding Bonds, Series 2025B, maturing on June 1, 2045, with interest rates ranging from 4.00% to 5.00%. Of the Series 2025B Bonds, the entire amount of the bond as well as the associated premium of $1,909,658 was fully allocated to business-type activities. Of the Series 2025B Bonds, $16,200,000 refunded the Series 2010 Bonds, $5,520,000 refunded the Water and Sewer Fund's portion of the Series VII-K-1 Bonds, and $9,695,000 provides funding for various water and sewer projects.

On June 30, 2025, the City issued $30,000,000 in Local Government Public Improvement Bonds – Series VII-R-1, which provides funding for the expansion of the LeConte Center.

NOTE 9 - LONG-TERM DEBT (Continued)

The City has pledged tourism development zone revenue to repay its Series 2018 and Series 2021B long-term debt and portions of its Series VII-K-1, Series 2010 and Series 2017 long-term debt. These debt issues were used primarily to fund public improvement projects. For the year ended June 30, 2025, principal and interest payments on these debt issues were approximately 62% of the pledged revenue. Principal and interest payments remaining to be paid on these debt issues are approximately $140,297,000 of which approximately $50,631,000 will be funded by governmental activities based on market interest rates effective on June 30, 2025.

The City has also pledged future water and sewer operating revenues to repay its water and sewer long-term debt. These debt issues were used to fund water and sewer improvement projects. For the year ended June 30, 2025, principal and interest payments were approximately 48% of the pledged revenue. Principal and net interest payments remaining to be paid on these debt issues are approximately $112,643,000 based on market interest rates effective on June 30, 2025.

Loans payable as of June 30, 2025 consist of loans payable to the Public Building Authority of Sevier County (Authority). The loan agreements provide for the Authority to issue variable rate local government improvement bonds and loan the proceeds to the City on an as needed basis for various capital projects.

During 2011, the City issued $45,000,000 in General Obligation Bonds - Series 2010 (Federally Taxable - Build America Bonds). Interest payments are made semi-annually at a gross interest rate of 7.125%, or at a net rate of 3.58%. The City receives a direct subsidy of up to 45% from the United States Government that reduces its interest costs. The City has no assurance that the United States Government will continue to make the direct subsidy payments or reduce the amount of future subsidies. Interest subsidies received by the City for 2025 totaled $643,085.

Annual debt service requirements to maturity of the primary government for the bonds and loans payable based on contractual requirements as of June 30, 2025 are as follows:

Governmental Activities:

Year Ending June 30,	General Obligation Bonds		Loans Payable to Public Building Authority		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 5,353,160	$ 3,520,841	$ 1,180,000	$ 563,000	$ 6,533,160	$ 4,083,841
2027	5,486,172	3,271,183	1,220,000	504,000	6,706,172	3,775,183
2028	5,578,532	3,013,924	1,270,000	443,000	6,848,532	3,456,924
2029	5,475,180	2,755,247	3,325,000	379,500	8,800,180	3,134,747
2030	5,724,556	2,523,587	2,030,000	213,250	7,754,556	2,736,837
2031-2035	28,982,654	9,168,809	2,235,000	286,250	31,217,654	9,455,059
2036-2040	9,441,110	5,117,589	0	0	9,441,110	5,117,589
2041-2045	6,795,000	3,540,906	0	0	6,795,000	3,540,906
2046-2050	6,775,000	2,183,906	0	0	6,775,000	2,183,906
2051-2055	6,770,000	827,213	0	0	6,770,000	827,213
	$ 86,381,364	$ 35,923,205	$ 11,260,000	$ 2,389,000	$ 97,641,364	$ 38,312,205

Business-Type Activities:

Year Ending June 30,	General Obligation Bonds		Loans Payable to Public Building Authority		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 6,431,840	$ 3,731,503	$ 2,110,000	$ 1,504,167	$ 8,541,840	$ 5,235,670
2027	6,688,828	3,418,224	2,220,000	1,394,500	8,908,828	$ 4,812,724
2028	6,821,468	3,097,120	2,330,000	1,283,500	9,151,468	$ 4,380,620
2029	5,269,820	2,768,171	2,445,000	1,167,000	7,714,820	$ 3,935,171
2030	5,935,444	2,504,680	2,565,000	1,044,750	8,500,444	$ 3,549,430
2031-2035	32,837,346	8,029,183	14,890,000	3,166,000	47,727,346	$ 11,195,183
2036-2040	15,168,890	2,529,717	3,440,000	172,000	18,608,890	$ 2,701,717
2041-2045	4,200,000	469,100	0	0	4,200,000	$ 469,100
	$ 83,353,636	$ 26,547,698	$ 30,000,000	$ 9,731,917	$ 113,353,636	$ 36,279,615

NOTE 10 - OTHER LONG-TERM LIABILITIES

Changes in other long-term liabilities for the year ended June 30, 2025 are as follows:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025	Current Portion
Governmental Activities:					
Compensated Absences	$ 2,323,382	$ 351,092 *	$ 0	$ 2,674,474	$ 1,674,000
Other Postemployment Benefits	1,415,800	139,009	238,202	1,316,607	0
Total Other Long-Term Liabilities Governmental Activities	$ 3,739,182	$ 490,101	$ 238,202	$ 3,991,081	$ 1,674,000
Business-Type Activities:					
Compensated Absences	$ 250,906	$ 15,722 *	$ 0	$ 266,628	$ 205,698
Other Postemployment Benefits	184,843	16,944	29,035	172,752	0
Total Other Long-Term Liabilities Business-Type Activities	$ 435,749	$ 32,666	$ 29,035	$ 439,380	$ 205,698

* The change in Compensated Absences is presented as a net change.

Other long-term liabilities in Governmental Activities are generally liquidated by the General Fund.

NOTE 11 - RETIREMENT PLANS

Deferred Compensation Plan

The City offers its full-time employees a deferred compensation plan. In a deferred compensation plan, benefits depend solely on amounts contributed to the plan plus investment earnings. This plan is administered by Tennessee Pension Administrators. The contribution requirements are established and may be amended by the City. Employees are eligible to participate after six months of service and attaining age 21. Participating employees may contribute up to the maximum amount allowable under IRS code.

For the fiscal year ending June 30, 2025, the amount of employee contributions (net of forfeitures) was $1,776,668. There were no contributions made by the City for the fiscal year ending June 30, 2025.

Defined Contribution Plan

The City provides benefits for its employees through a single-employer defined contribution plan. This plan is administered by Tennessee Pension Administrators. The contribution requirements are established and may be amended by the City. Employees are eligible to participate after six months of service and attaining age 21. In order to receive the City's 5% contribution, participating employees must contribute a minimum of 5% to the above Deferred Compensation Plan. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after seven years of continuous service. The amount forfeited may be used to reduce the City's current period contribution requirement.

For the fiscal year ending June 30, 2025, the amount of the City's contributions (net of forfeitures) was $1,386,291.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

General Information About the OPEB Plan

Plan Description - The City provides certain post-employment benefits to certain retirees (including former commissioners who have obtained 15 years of service with the City). The City will allow the retirees and their dependents to participate in the City's health insurance plan and the City will pay all related premiums. Former employees that have attained the age of 62 and have at least 15 years of consecutive services may obtain health insurance coverage until the earlier of age 65, Medicare eligibility, or covered by another individual health insurance plan. The City will also provide health insurance coverage, for employees and their dependents that are deemed 100% disabled and have at least 15 years of consecutive service, for a period of 18 to 29 months or until such time the employee becomes eligible for Social Security benefits.

Benefits Provided - The City's healthcare plan is insured and serviced by Blue Cross Blue Shield of Tennessee. A premium is paid for medical coverage which is not age related. However, the underlying cost of the medical coverage does vary by age, as medical costs tend to increase with age. As a result, older employees receive a more valuable benefit than younger employees. As the premium paid for retirees is the same as for active employees, a more valuable benefit is received by retirees as compared to younger, active employees. GASB 75 defines this benefit as an implicit rate subsidy and it is to be valued under the standards.

Employees Covered by Benefit Terms - At June 30, 2025, the following employees of the City were covered by the benefit terms of the Plan:

Inactive Employees Currently Receiving Benefit Payments	3
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	0
Active Employees	344
Total Participants	347

The contribution requirements are established and may be amended by the City. The Plan is currently being funded whereby amounts paid to retirees are the only contributions. There are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75. For the fiscal year ended June 30, 2025, the City paid $45,407 to the Plan for OPEB benefits as they came due.

Total OPEB Liability

Actuarial Assumptions - The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Healthcare Cost Trend Rates	4.50% for 2025, remaining stagnant over the course of the next several periods.
Retiree's Share of Benefit-Related Costs	No member contributions are required.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Total OPEB Liability (Continued)

The actuarial demographic assumptions used were based on the results of past experience. 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 Group Annuity 1983 Mortality Table.

Discount Rate - The discount rate used to measure the total OPEB liability as of June 30, 2025 was 5.20% (3.93% as of June 30, 2024). 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's 20-Year Municipal GO index.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances, June 30, 2024	$ 1,600,643
Changes for the Year	
Service Cost	59,541
Interest	65,245
Change in Assumptions	(139,945)
Benefit Payments	(96,125)
Net Changes	(111,284)
Balances, June 30, 2025	$ 1,489,359

Changes in Assumptions - The discount rate was changed from 3.93% as of the beginning of the measurement period to 5.20% as of June 30, 2025. This change in assumption decreased the total OPEB liability.

Sensitivity of Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability related to the Plan, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

Total OPEB Liability	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
2025	$ 1,603,363	$ 1,489,359	$ 1,385,521

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the total OPEB liability related to the Plan, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate.

Total OPEB Liability	1% Decrease (3.50%)	Healthcare Cost Trend Rate (4.50%)	1% Increase (5.50%)
2025	$ 1,334,030	$ 1,489,359	$ 1,670,061

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB Expense - For the fiscal year ended June 30, 2025, the City recognized OPEB expense of $25,182.

Deferred Outflows of Resources and Deferred Inflows of Resources - For the fiscal year ended June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Assumptions	$ 97,347	$ 217,760

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

For the Years ended June 30:	
2026	$ (3,479)
2027	(3,479)
2028	(17,461)
2029	(32,017)
2030	(26,136)
Thereafter	(37,841)
Total	$ (120,413)

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

NOTE 13 - JOINT VENTURES AND OTHER INTERLOCAL GOVERNMENTAL AGREEMENTS

Sevier Solid Waste, Inc.

In 1988, the City entered into a joint venture with the City of Gatlinburg, the City of Sevierville, and Sevier County to create Sevier Solid Waste, Inc. Sevier Solid Waste, Inc. is a non-profit organization created under the laws of the State of Tennessee for the purpose of developing and implementing a comprehensive program for the collection, transportation, disposal, and recycling of solid waste generated within the cities of Gatlinburg, Pigeon Forge, Sevierville, and Sevier County, Tennessee. The Corporation received a pro-rata contribution from each of the governmental units when the management of the operation was assumed from the City of Gatlinburg in July 1990. Sevier Solid Waste, Inc. was formed pursuant to a mutual inter-local cooperation agreement between each of the governmental entities.

Sevier Solid Waste, Inc. is governed by a board of directors, which consists of one representative appointed from each governmental unit. Each director has a 25% vote. The Public Building Authority of Sevier County issued in 1995 the Solid Waste Facility Bonds, Series 1995 in the amount of $12,500,000 to finance the capital needs of Sevier Solid Waste, Inc. In 2005, the remaining balance of these Series 1995 bonds was refinanced through the Public Building Authority of Sevier County with new bonds, Series VI-E-1, with the City's pro-rata portion being 26.19%. In 1999, the Public Building of Sevier County issued Solid Waste Facility Bonds, Series III-E-3 in the amount of $2,500,000 to finance the capital needs of Sevier Solid Waste, Inc., with the City's pro-rata portion being 26.9%. During 2009, these debt issuances were refinanced with each governmental unit issuing debt for their pro-rata share of the outstanding debt. The City of Pigeon Forge issued $1,635,000 in bonds (included in Series 2009 refunding bonds which have since been paid off) for its portion of the outstanding Sevier Solid Waste Facility Bonds. Each governmental unit is assessed for its share of the operational costs of Sevier Solid Waste based on a preset tipping fee multiplied by the total tonnage of solid waste taken to the facility each month by the governmental entity. For the year ended June 30, 2025, the City's portion of solid waste disposal services performed was $1,383,178. Complete financial statements for Sevier Solid Waste, Inc. may be obtained from their administrative office at 1826 Ridge Road, Pigeon Forge, Tennessee 37876.

NOTE 13 - JOINT VENTURES AND OTHER INTERLOCAL GOVERNMENTAL AGREEMENTS (Continued)

Sevier Water Board, Inc.

In 1994, the City entered into a joint venture with the City of Gatlinburg, the City of Sevierville, and Sevier County to create the Sevier Water Board, Inc. Sevier Water Board, Inc. is a non-profit organization created under the laws of the State of Tennessee. The purpose of the joint venture is to secure future sources of raw water for the use and benefit of the participants' citizens. An inter-local cooperation agreement, dated December 14, 1994, was entered into providing for the development of facilities for the intake of raw water from Douglas Lake and transmission of the raw water to treatment facilities servicing the participants' respective distribution systems.

The City of Pigeon Forge, through an inter-local agreement with Sevier County, the City of Gatlinburg, and the City of Sevierville agreed that it was in the best interest of these cooperative governments to jointly construct and operate water intake, pumping, treatment, and transmission facilities for the use and benefit of these entities. To finance the project, an agreement was reached with the PBA of Sevier County to issue Adjustable Rate Local Government Public Improvement Bonds, Series I-A-1. Through a loan agreement between the participating governments dated June 1, 1996, the City of Pigeon Forge's percentage of ownership and liability was determined to be 44%. During 2009, the outstanding bonds were refinanced by each participating entity issuing debt for their pro-rata share of the outstanding debt. The City of Pigeon Forge issued $1,420,000 in bonds (included in Series 2009 refunding bonds which have since been paid off) for the refinancing of the City's share of the debt. Total investment in the Sevier Water Board, Inc. by the City of Pigeon Forge as of June 30, 2025, was $6,000,522 (cost). The joint venture investment and the related debt are recorded in the Water and Sewer Fund. Financial statements of the Sevier Water Board, Inc. are available at the City of Pigeon Forge.

Gatlinburg Airport Authority, Inc.

The City of Pigeon Forge, Tennessee appropriated $448,417 to the Gatlinburg Airport Authority, Inc. (Airport) for the year ended June 30, 2025. The Cities of Gatlinburg and Pigeon Forge have equal representation of two members each on the board of the Airport. The two members representing each City are nominated by the respective City Manager, and the remaining fifth member of the board is a representative of the Sevier County industrial community chosen by consultation between the respective Cities. All members of the Airport's board of commissioners shall be considered for appointment by the City of Gatlinburg's board of commissioners and appointed by a majority vote thereof. Both Cities have agreed to make annual payments to the Airport to be used for operation, maintenance and improvements. Complete financial statements for the Gatlinburg Airport Authority, Inc. can be obtained from the City of Gatlinburg or the Airport's administrative office at 134 Air Museum Way, Sevierville, Tennessee 37862.

Sevier County Economic Development Council, Inc.

The Sevier County Economic Development Council, Inc. (Council) is jointly operated by Sevier County and the cities of Sevierville, Pigeon Forge, and Gatlinburg, and various local private enterprises. The City provides an operating contribution to the Council to assist in its purpose to coordinate the governmental and private sector activities in attracting businesses and industries to the Sevier County area. The Council's board is comprised of 12 members, one of whom represents the City of Pigeon Forge. The City has no financial obligation related to the Council other than its budgeted annual operating contribution.

Pigeon Forge Housing Bureau

During 2013, the City entered into a joint venture with the Pigeon Forge Hospitality Association to create the Pigeon Forge Housing Bureau (PFHB). The purpose of the PFHB is to provide event organizers in Pigeon Forge the ability to offer to its participants lodging within the corporate limits of the City at locations of the event sponsor's choosing, with the ability for event attendees to obtain their lodging through a central location. The City has no financial obligation related to PFHB other than its budgeted annual operating contribution.

NOTE 14 - ECONOMIC DEVELOPMENT

Publix Shopping Center

In 2015, the Board entered into an agreement with PFWV, LLC (the Developer) to facilitate the construction of a Publix grocery store and other retail shopping in the City of Pigeon Forge. The Board also issued Revenue Bond (PFWV Project), Series 2015 in the amount of $2,000,000 to finance construction and land acquisition by the Developer. The land was deeded by the Developer to the Board and then leased by the Board to the Developer for $1 a year, plus payments in lieu of tax (PILOT). The bond, purchased by Smart Bank, is to be repaid by these PILOT payments, from the revenues and receipts derived from the project. Bond and lease payments are structured to offset, with both maturing January 2035. The bond is secured by an assignment of lease payments, a Developer Assignment Agreement and personal guarantees of the developer and other related parties. The bond is considered to be conduit debt and accordingly the debt, payments and related assigned lease are not reported in the Board's financial statements.

The Board also entered into a lease agreement with Publix Tennessee, LLC to assist them in equipping the retail store with machinery, equipment, and other personal property. Rental payments during the term of this equipment lease, which took effect in May 2016, represent PILOT payments and are credited against the PILOT payments on the land lease discussed above. The payments, as with the land lease, are paid to Smart Bank, as the assignee of the Lease and holder of the above Revenue Bond (PFWV Project), Series 2015. Accordingly, this lease and related payments are also not recorded in the Board's financial statements. This lease agreement matures January 27, 2035.

Food City

In September 2018, the Board entered into a PILOT agreement with Hutton Riverwalk, LLC (the Developer) to facilitate the construction of a Food City grocery store and other retail shopping in the City of Pigeon Forge. To encourage the development of the project for the benefit of the public, the Board would provide financial assistance by reimbursing the developer for site and infrastructure improvement costs for a total not to exceed $4,740,000 upon the developer meeting certain construction and occupancy milestones.

The land for the project was deeded by the Developer to the Board and then leased by the Board to the Developer for $1 a year, plus additional PILOT. The Board also agreed to enter into a lease agreement with K-VA-T Food Stores, Inc. upon completion of the project to assist in equipping the retail store with machinery, equipment, and other personal property.

Workforce Housing

In January 2020, the Board entered into a PILOT agreement with Marshall Hill, LLC (the Developer) to facilitate the construction of approximately 222 units of workforce housing and related improvements. The land was deeded by the Developer to the Board and then leased over a 20-year term by the Board to the Developer for $1 a year, plus payments in lieu of tax (PILOT).

In December 2021, the Board entered into a PILOT agreement with IRH Pigeon Forge, LLC to facilitate the construction of two workforce housing projects. The first project phase consists of approximately 190 rooms of workforce housing and related improvements. The second phase consists of approximately 70 rooms of workforce housing and related improvements. The land was subleased by IRH Pigeon Forge, LLC to the Board and then leased over a 10-year term by the Board to IRH Pigeon Forge, LLC for $1 a year, plus payments in lieu of tax (PILOT).

NOTE 15 - RISK MANAGEMENT

The City of Pigeon Forge purchases commercial insurance and participates in the Public Entity Partners (PEP) pool to handle risks arising from workers' compensation, torts, asset theft, damage or destruction, errors or omissions, or acts of God, whereby these risks are transferred to the pool and/or an insurance company. No significant reductions were made in insurance coverage from the previous year. No insurance settlements exceeded coverage in any of the prior three years.

Coverage through the pool is for payment of damage claims and to defend the City in any damage suit that is included in the coverage, up to the policy's applicable limits, at the pool's expense. This includes any other necessary costs relating to the defense. The City has the responsibility of following any reporting requirements, including timely reporting of any incidents that might result in a damage claim. The City is to do everything necessary to protect the rights of recovery of the pool and enforcement of these rights by complying with all terms of the policy. PEP has the right to apply premium rate changes as necessary.

NOTE 16 - COMMITMENTS AND CONTINGENCIES

The City is involved from time to time in eminent domain condemnation proceedings. The City deposits funds with the Circuit Court for Sevier County, Tennessee, based on the appraised value of the property, to be used for the acquisition of various parcels of land or land rights. The amounts deposited are recorded as land and land easements on the government-wide financials once the order of possession from the Court is awarded. If the Court has not issued an order of possession, the funds are treated as restricted deposits. The parcels are not deeded to the City until the case has been settled. Any difference between the deposited funds and the final balance paid for the condemned property is adjusted in the year that the case is settled.

In April 2006, the State of Tennessee approved the City’s application for a Tourism Development Zone (TDZ). The boundaries of the TDZ are within the boundaries of the City’s Central Business Improvement District. Under the TDZ plan, the City is authorized to borrow to develop new Qualified Public Use Facilities. Since commencement of the improvements under the TDZ, the City has issued debt totaling approximately $174 million through June 30, 2025. These borrowings will be paid through an apportionment of the incremental increase in sales and use taxes generated as a result of the improvements. These planned public use facilities, which are part of the City’s strategy to continue to enhance tourism and economic development in Pigeon Forge and the State of Tennessee, included a civic events center, mass transit facility, amphitheater and festival center. Other planned TDZ projects included a wastewater treatment plant expansion, improvements to roadways and other necessary public infrastructure improvements, all of which should facilitate significant new private development. To date, the City has purchased land and completed a public parking lot, made sewer line improvements, completed the wastewater treatment plant, constructed the LeConte Center, made improvements to roadways, and a mass transit facility.

Various other claims and lawsuits are pending against the City. In the opinion of city management, the potential loss on all claims and lawsuits pending will not be significant to the City's financial statements.

NOTE 17 - TAX ABATEMENTS

The Board is authorized by Tennessee Code Annotated Section 7-53-305, a provision of the Tennessee Industrial Development Corporations Act, and by Ordinance of the City to negotiate payments in lieu of ad valorem taxes in furtherance of the Board's public function to undertake the financing and development of projects to promote industry, trade, commerce, tourism and recreation and housing construction. As such, the Board acts as a conduit organization for property tax abatements through payment in lieu of taxes (PILOT) agreements. The abatements, which may be as much as 100% of the standard property taxes, may be granted to any qualified business relocating or developing property within the boundaries of the City. Consideration is given on a case-by-case basis and includes analysis of economic impact and capital investment.

During the fiscal year ended June 30, 2025, there were four PILOT agreements in force which commenced in January 2015 with PFWV, LLC, September 2018 with Hutton Riverwalk, LLC, January 2020 with Marshall Hill, LLC, and December 2021 with IRH Pigeon Forge LLC (see Note 14). Each entity will remit 0% of the standard tax applicable to property for an abatement period of 20 years. The abatements for the year ended June 30, 2025 for PFWV, LLC, Hutton Riverwalk, LLC, Marshall Hill, LLC and IRH Pigeon Forge, LLC aggregated to $32,717.

The agreements do not include a provision for the recapture of abated taxes in the event the abatement recipient does not fulfill the commitment it makes in return for the tax abatement.

NOTE 18 - RESTATEMENT

Net position as of July 1, 2024, has been restated as follows for the implementation of GASB Statement No. 101, *Compensated Absences*. The following reflects the restatement amounts on the government-wide statement of net position:

	Governmental Activities	Business-Type Activities	Total Primary Government
Net Position at June 30, 2024, as previously reported	$ 404,670,958	$ 136,383,896	$ 541,054,854
Restatement - Implementation of GASB 101, *Compensated Absences*	(787,498)	(91,786)	(879,284)
Net Position at July 1, 2024, as restated	$ 403,883,460	$ 136,292,110	$ 540,175,570

REQUIRED SUPPLEMENTARY INFORMATION SECTION

CITY OF PIGEON FORGE

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Fiscal Year Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	$ 59,541	$ 62,669	$ 50,669	$ 65,434	$ 65,582	$ 51,675	$ 47,099	$ 44,417
Interest	65,245	59,880	55,709	36,850	34,291	47,419	41,660	42,706
Change in Assumptions	(139,945)	(33,371)	(10,594)	(90,368)	9,765	237,683	37,808	(27,434)
Benefit Payments	(96,125)	(66,426)	(40,930)	(44,194)	(55,496)	(57,059)	(66,840)	(63,122)
Net Change in Total OPEB Liability	(111,284)	22,752	54,854	(32,278)	54,142	279,718	59,727	(3,433)
Total OPEB Liability - Beginning	1,600,643	1,577,891	1,523,037	1,555,315	1,501,173	1,221,455	1,161,728	1,165,161
Total OPEB Liability - Ending	$ 1,489,359	$ 1,600,643	$ 1,577,891	$ 1,523,037	$ 1,555,315	$ 1,501,173	$ 1,221,455	$ 1,161,728
Covered Payroll	$ 24,500,096	$ 22,027,494	$ 20,437,339	$ 18,081,053	$ 17,008,268	$ 17,120,446	$ 16,451,753	$ 15,652,619
Total OPEB Liability as a Percentage of Covered Payroll	6.08%	7.27%	7.72%	8.42%	9.14%	8.77%	7.42%	7.42%

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.
This schedule is intended to display ten years of information. Additional years will be displayed as they become available.

OTHER SUPPLEMENTARY INFORMATION SECTION

CITY OF PIGEON FORGE

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2025

	Special Revenue Funds			Capital Project Funds		
	State Street Aid Fund	Solid Waste Fund	Drug Fund	City Buildings Fund	Construction Fund	Total Nonmajor Governmental Funds
ASSETS						
Cash and Cash Equivalents	$ 0	$ 0	$ 0	$ 71,813	$ 314,709	$ 386,522
Due from Other Funds	58,670	386,154	0	0	0	444,824
Restricted Assets:						
Cash	1,866,623	2,605,400	609,994	0	16,286	5,098,303
Receivables	59,681	0	0	0	0	59,681
TOTAL ASSETS	$ 1,984,974	$ 2,991,554	$ 609,994	$ 71,813	$ 330,995	$ 5,989,330
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 7,571	$ 180,241	$ 2,569	$ 0	$ 0	$ 190,381
Due to Other Funds	0	8,904	0	0	0	8,904
Total Liabilities	7,571	189,145	2,569	0	0	199,285
FUND BALANCES						
Restricted	1,977,403	2,802,409	607,425	0	0	5,387,237
Unrestricted:						
Assigned	0	0	0	71,813	330,995	402,808
Total Fund Balances	1,977,403	2,802,409	607,425	71,813	330,995	5,790,045
TOTAL LIABILITIES AND FUND BALANCES	$ 1,984,974	$ 2,991,554	$ 609,994	$ 71,813	$ 330,995	$ 5,989,330

CITY OF PIGEON FORGE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2025

	Special Revenue Funds			Capital Project Funds		Total Nonmajor Governmental Funds
	State Street Aid Fund	Solid Waste Fund	Drug Fund	City Buildings Fund	Construction Fund	
REVENUES:						
State Gasoline and Motor Fuel Tax (Intergovernmental)	$ 346,075	$ 0	$ 0	$ 0	$ 0	$ 346,075
Fees and Charges for Services	0	1,753,284	0	0	0	1,753,284
Fines and Penalties	0	8,438	24,796	0	0	33,234
Other Revenue	0	15,457	28,238	0	0	43,695
Interest	1,764	2,575	594	72	496	5,501
Total Revenues	347,839	1,779,754	53,628	72	496	2,181,789
EXPENDITURES:						
Highways and Streets	115,518	0	0	0	0	115,518
Solid Waste/Sanitation	0	3,211,149	0	0	0	3,211,149
Drug Prevention	0	0	24,670	0	0	24,670
Capital Outlay	0	504,212	0	0	0	504,212
Total Expenditures	115,518	3,715,361	24,670	0	0	3,855,549
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	232,321	(1,935,607)	28,958	72	496	(1,673,760)
OTHER FINANCING SOURCES (USES):						
Transfers from Other Funds	0	2,250,308	0	0	0	2,250,308
Total Other Financing Sources (Uses)	0	2,250,308	0	0	0	2,250,308
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	232,321	314,701	28,958	72	496	576,548
FUND BALANCES, BEGINNING OF YEAR	1,745,082	2,487,708	578,467	71,741	330,499	5,213,497
FUND BALANCES, END OF YEAR	$ 1,977,403	$ 2,802,409	$ 607,425	$ 71,813	$ 330,995	$ 5,790,045

CITY OF PIGEON FORGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

SPECIAL REVENUE FUND - STATE STREET AID FUND

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES:				
State Gasoline and Motor Fuel Tax	$ 340,000	$ 340,000	$ 346,075	$ 6,075
Interest	0	0	1,764	1,764
Total Revenues	340,000	340,000	347,839	7,839
EXPENDITURES:				
Street Lighting Maintenance	98,000	98,000	115,518	(17,518)
Street Repair and Maintenance	242,000	242,000	0	242,000
Total Expenditures	340,000	340,000	115,518	224,482
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	0	0	232,321	232,321
FUND BALANCE, BEGINNING OF YEAR	1,745,082	1,745,082	1,745,082	0
FUND BALANCE, END OF YEAR	$ 1,745,082	$ 1,745,082	$ 1,977,403	$ 232,321

CITY OF PIGEON FORGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

SPECIAL REVENUE FUND - SOLID WASTE FUND

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES:				
Charges for Services	$ 1,714,131	$ 1,714,131	$ 1,753,284	$ 39,153
Fines and Penalties	0	0	8,438	8,438
Other Revenue	0	0	15,457	15,457
Interest	1,500	1,500	2,575	1,075
Total Revenues	1,715,631	1,715,631	1,779,754	64,123
EXPENDITURES:				
Personnel Costs	1,304,325	1,304,325	1,254,843	49,482
Supplies	534,249	534,249	465,281	68,968
Maintenance	125,558	125,558	97,839	27,719
General Services	1,469,248	1,469,248	1,393,186	76,062
Capital Outlay	532,559	532,559	504,212	28,347
Total Expenditures	3,965,939	3,965,939	3,715,361	250,578
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,250,308)	(2,250,308)	(1,935,607)	314,701
OTHER FINANCING SOURCES (USES):				
Transfer from General Fund	2,250,308	2,250,308	2,250,308	0
Total Other Financing Sources (Uses)	2,250,308	2,250,308	2,250,308	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	0	0	314,701	314,701
FUND BALANCE, BEGINNING OF YEAR	2,487,708	2,487,708	2,487,708	0
FUND BALANCE, END OF YEAR	$ 2,487,708	$ 2,487,708	$ 2,802,409	$ 314,701

CITY OF PIGEON FORGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

SPECIAL REVENUE FUND - DRUG FUND

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES:				
Fines and Penalties	$ 35,000	$ 35,000	$ 24,796	$ (10,204)
Other Revenue	0	0	28,238	28,238
Interest	0	0	594	594
Total Revenues	35,000	35,000	53,628	18,628
EXPENDITURES:				
Operating Supplies	16,140	16,140	5,421	10,719
Public Relations	4,500	4,500	1,016	3,484
Informant Payments	5,000	5,000	2,000	3,000
Other	12,000	12,000	5,233	6,767
Capital Outlay	20,000	20,000	11,000	9,000
Total Expenditures	57,640	57,640	24,670	32,970
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(22,640)	(22,640)	28,958	51,598
FUND BALANCES, BEGINNING OF YEAR	578,467	578,467	578,467	0
FUND BALANCES, END OF YEAR	$ 555,827	$ 555,827	$ 607,425	$ 51,598

CITY OF PIGEON FORGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2025

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
Federal Awards				
Office of National Drug Control Policy				
Passed through Laurel County, KY Fiscal Court:				
High Intensity Drug Trafficking Areas Program	95.001	G25AP0001A	$ 0	$ 838
Total Office of National Drug Control Policy			0	838
U.S. Department of Commerce				
U.S. Department of Commerce Direct Assistance:				
Economic Adjustment Assistance	11.307	N/A	0	1,177,744
Total U.S. Department of Commerce			0	1,177,744
U.S. Department of Justice				
U.S. Department of Justice Direct Assistance:				
Bulletproof Vest Partnership Program	16.607	N/A	0	8,436
Total U.S. Department of Justice			0	8,436
U.S. Department of the Treasury				
U.S. Department of the Treasury Direct Assistance:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	1,008,392
Passed-through Tennessee Department of Environment and Conservation:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	32701-04814	0	417,852
Coronavirus State and Local Fiscal Recovery Funds	21.027	32701-05465	0	27,917
Passed-through Tennessee Department of Tourist Development:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	448,743
Total U.S. Department of the Treasury			0	1,902,904
U.S. Department of Transportation				
Passed-through Tennessee Department of Safety & Homeland Security:				
Alcohol Open Container Requirements	20.607	Z25THS239	0	8,000
Passed-through Tennessee Department of Transportation:				
Highway Planning and Construction	20.205	180112	0	17,417
Highway Planning and Construction	20.205	230463	0	7,968
Formula Grants for Rural Areas	20.509	Z-24-5311-14	0	403,509
Formula Grants for Rural Areas	20.509	GG-24-81212	0	765,136
Total U.S. Department of Transportation			0	1,202,030
Total Federal Awards			0	4,291,952
State Financial Assistance				
Tennessee Department of Commerce and Insurance				
Tennessee Law Enforcement Hiring, Training and Recruitment Program		N/A	0	30,000
Total Tennessee Department of Commerce and Insurance			0	30,000
Tennessee Department of Finance and Administration				
Direct Appropriation Grant		N/A	0	83,875
State and Local Cybersecurity Grant Program		N/A	0	32,325
Total Tennessee Department of Finance and Administration			0	116,200
Tennessee Department of Tourist Development				
Marketing and Tourism Promotional Support		N/A	0	133,333
Total Tennessee Department of Tourist Development			0	133,333
Tennessee Department of Transportation				
Special Projects Planning Assistance		N/A	0	500,000
Statewide School Resource Officer Program		N/A	0	300,000
Urban Operating Assistance Program (UROP)		N/A	0	721,500
5311 Rural Transportation Program		N/A	0	375,126
5311 Rural Transportation Program		N/A	0	95,642
5311 Rural Transportation Program		N/A	0	221,910
Total Tennessee Department of Transportation			0	2,214,178
Total State Financial Assistance			0	2,493,711
Total Federal Awards and State Financial Assistance			$ 0	$ 6,785,663

The accompanying notes are an integral part of this schedule.
See Independent Auditor's Report.

CITY OF PIGEON FORGE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2025

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state grant activity of the City of Pigeon Forge (the City) and is presented on the modified accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

Federal Financial Assistance. The Single Audit Act Amendments of 1996 (Public Law 104-156) and Uniform Guidance define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations or other assistance. Federal financial assistance does not include direct federal cash assistance to individuals.

Direct Payments. Assistance received directly from the Federal government is classified as direct payments on the Schedule.

Pass-through Payments. Assistance received in a pass-through relationship from entities other than the Federal government is classified as pass-through payments on the Schedule.

Major Programs. The Single Audit Act Amendments of 1996 and Uniform Guidance establish the criteria to be used in defining major programs. Major programs for the City were defined using a risk-based approach in accordance with Uniform Guidance.

Assistance Listing Number. The Assistance Listing Number is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (Assistance Listing Number), which is reflected in the Schedule.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 - INDIRECT COSTS

The City has elected not to use the ten percent de minimis indirect rate as allowed under Uniform Guidance.

NOTE 4 - CONTINGENCIES

The federal and state awards received by the government are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies as a result of such an audit, the grantor agency could make a claim for reimbursement.

CITY OF PIGEON FORGE

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY DIVISION

PROPRIETARY FUND - WATER AND SEWER

For the Year Ended June 30, 2025

	Water	Sewer	Total
OPERATING REVENUES:			
Fees and Charges for Services	$ 10,819,867	$ 7,705,936	$ 18,525,803
Fines and Penalties	63,913	42,608	106,521
Other Revenues	171,947	107,592	279,539
Tap Fees	228,710	121,510	350,220
Total Operating Revenues	11,284,437	7,977,646	19,262,083
OPERATING EXPENSES:			
Purification	3,024,443	0	3,024,443
Transmission and Distribution	1,772,015	0	1,772,015
Sewer System	0	588,218	588,218
Sewer Treatment and Disposal	0	3,596,094	3,596,094
Customer Accounting and Collections	307,369	204,912	512,281
Administrative and General	1,273,011	301,704	1,574,715
Depreciation	812,618	1,520,492	2,333,110
Total Operating Expenses	7,189,456	6,211,420	13,400,876
OPERATING INCOME	4,094,981	1,766,226	5,861,207
NONOPERATING REVENUES (EXPENSES):			
Interest and Dividends	1,383,593	346,523	1,730,116
Contributions in Aid of Construction	1,454,161	0	1,454,161
Debt Service Fees	(354,388)	(88,597)	(442,985)
Interest Expense	(945,661)	(1,418,491)	(2,364,152)
Change in Fair Value of Investments	204,415	204,415	408,830
Write-down of Plant for Costs Recovered through Contributions	(1,454,161)	0	(1,454,161)
Total Nonoperating Revenues (Expenses)	287,959	(956,150)	(668,191)
CHANGE IN NET POSITION BEFORE TRANSFERS	$ 4,382,940	$ 810,076	5,193,016
TRANSFERS FROM OTHER FUNDS			6,677,478
CHANGE IN NET POSITION			11,870,494
NET POSITION, BEGINNING OF YEAR			98,456,976
RESTATEMENT OF BEGINNING NET POSITION SEE NOTE 18			(71,372)
NET POSITION, BEGINNING OF YEAR, AS RESTATED - SEE NOTE 18			98,385,604
NET POSITION, END OF YEAR			$ 110,256,098

CITY OF PIGEON FORGE

SCHEDULE OF LONG-TERM DEBT, PRINCIPAL AND INTEREST REQUIREMENTS - GOVERNMENTAL ACTIVITIES

As of June 30, 2025

	General Obligation Bonds Series 2017			General Obligation Bonds Series 2018			Loans Payable to Public Building Authority VII-K-1		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	$ 600,000	$ 25,950	$ 625,950	$ 1,835,000	$ 797,163	$ 2,632,163	$ 1,180,000	$ 563,000	$ 1,743,000
2027	620,000	13,950	633,950	1,925,000	705,413	2,630,413	1,220,000	504,000	1,724,000
2028	0	0	0	2,025,000	609,163	2,634,163	1,270,000	443,000	1,713,000
2029	0	0	0	2,105,000	528,162	2,633,162	3,325,000	379,500	3,704,500
2030	0	0	0	2,170,000	465,012	2,635,012	2,030,000	213,250	2,243,250
2031-2035	0	0	0	11,915,000	1,249,212	13,164,212	2,235,000	286,250	2,521,250
	$ 1,220,000	$ 39,900	$ 1,259,900	$ 21,975,000	$ 4,354,125	$ 26,329,125	$ 11,260,000	$ 2,389,000	$ 13,649,000

	General Obligation Refunding Bonds Series 2021A			General Obligation Refunding Bonds Series 2021B			General Obligation Bonds Series 2025A		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	$ 1,300,000	$ 767,700	$ 2,067,700	$ 693,160	$ 364,647	$ 1,057,807	$ 925,000	$ 1,565,381	$ 2,490,381
2027	1,285,000	702,700	1,987,700	731,172	329,989	1,061,161	925,000	1,519,131	2,444,131
2028	1,875,000	638,450	2,513,450	753,532	293,430	1,046,962	925,000	1,472,881	2,397,881
2029	1,875,000	544,700	2,419,700	570,180	255,754	825,934	925,000	1,426,631	2,351,631
2030	1,800,000	450,950	2,250,950	829,556	227,244	1,056,800	925,000	1,380,381	2,305,381
2031-2035	8,110,000	1,157,450	9,267,450	4,307,654	553,991	4,861,645	4,650,000	6,208,156	10,858,156
2036-2040	2,755,000	121,800	2,876,800	721,110	21,633	742,743	5,965,000	4,974,156	10,939,156
2041-2045	0	0	0	0	0	0	6,795,000	3,540,906	10,335,906
2046-2050	0	0	0	0	0	0	6,775,000	2,183,906	8,958,906
2051-2055	0	0	0	0	0	0	6,770,000	827,213	7,597,213
	$ 19,000,000	$ 4,383,750	$ 23,383,750	$ 8,606,364	$ 2,046,688	$ 10,653,052	$ 35,580,000	$ 25,098,742	$ 60,678,742

	Total Long Term Debt		
	Principal	Interest	Total
2026	$ 6,533,160	$ 4,083,841	$ 10,617,001
2027	6,706,172	3,775,183	10,481,355
2028	6,848,532	3,456,924	10,305,456
2029	8,800,180	3,134,747	11,934,927
2030	7,754,556	2,736,837	10,491,393
2031-2035	31,217,654	9,455,059	40,672,713
2036-2040	9,441,110	5,117,589	14,558,699
2041-2045	6,795,000	3,540,906	10,335,906
2046-2050	6,775,000	2,183,906	8,958,906
2051-2055	6,770,000	827,213	7,597,213
	$ 97,641,364	$ 38,312,205	$ 135,953,569

See Independent Auditor's Report.

CITY OF PIGEON FORGE

SCHEDULE OF LONG-TERM DEBT, PRINCIPAL AND INTEREST REQUIREMENTS - BUSINESS-TYPE ACTIVITIES

As of June 30, 2025

	Loans Payable to Public Building Authority Series VII-R-1			General Obligation Refunding Bonds Series 2017			General Obligation Refunding Bonds Series 2021A		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	$ 2,110,000	$ 1,504,167	$ 3,614,167	$ 415,000	$ 31,338	$ 446,338	$ 570,000	$ 101,500	$ 671,500
2027	2,220,000	1,394,500	3,614,500	485,000	23,038	508,038	495,000	73,000	568,000
2028	2,330,000	1,283,500	3,613,500	485,000	12,125	497,125	415,000	48,250	463,250
2029	2,445,000	1,167,000	3,612,000	0	0	0	335,000	27,500	362,500
2030	2,565,000	1,044,750	3,609,750	0	0	0	215,000	10,750	225,750
2031-2035	14,890,000	3,166,000	18,056,000	0	0	0	0	0	0
2036	3,440,000	172,000	3,612,000	0	0	0	0	0	0
	$ 30,000,000	$ 9,731,917	$ 39,731,917	$ 1,385,000	$ 66,501	$ 1,451,501	$ 2,030,000	$ 261,000	$ 2,291,000

	General Obligation Refunding Bonds Series 2021B			General Obligation Refunding Bonds Series 2023			General Obligation Refunding Bonds Series 2025B		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	$ 3,831,840	$ 1,687,603	$ 5,519,443	$ 510,000	$ 417,625	$ 927,625	$ 1,105,000	$ 1,493,437	$ 2,598,437
2027	3,738,828	1,496,011	5,234,839	510,000	392,125	902,125	1,460,000	1,434,050	2,894,050
2028	3,776,468	1,309,070	5,085,538	510,000	366,625	876,625	1,635,000	1,361,050	2,996,050
2029	2,664,820	1,120,246	3,785,066	510,000	341,125	851,125	1,760,000	1,279,300	3,039,300
2030	3,300,444	987,005	4,287,449	505,000	315,625	820,625	1,915,000	1,191,300	3,106,300
2031-2035	19,642,346	2,415,558	22,057,904	2,520,000	1,199,375	3,719,375	10,675,000	4,414,250	15,089,250
2036-2040	2,503,890	75,117	2,579,007	2,500,000	621,250	3,121,250	10,165,000	1,833,350	11,998,350
2041-2045	0	0	0	1,500,000	126,875	1,626,875	2,700,000	342,225	3,042,225
	$ 39,458,636	$ 9,090,610	$ 48,549,246	$ 9,065,000	$ 3,780,625	$ 12,845,625	$ 31,415,000	$ 13,348,962	$ 44,763,962

	Total Long-Term Debt		
	Principal	Interest	Total
2026	$ 8,541,840	$ 5,235,670	$ 13,777,510
2027	8,908,828	4,812,724	13,721,552
2028	9,151,468	4,380,620	13,532,088
2029	7,714,820	3,935,171	11,649,991
2030	8,500,444	3,549,430	12,049,874
2031-2035	47,727,346	11,195,183	58,922,529
2036-2040	18,608,890	2,701,717	21,310,607
2041-2045	4,200,000	469,100	4,669,100
	$ 113,353,636	$ 36,279,615	$ 149,633,251

See Independent Auditor's Report.

CITY OF PIGEON FORGE

SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE

June 30, 2025

	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding July 1, 2024	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2025
Governmental Activities									
Notes Payable									
Payable through Tourism Development Zone Fund									
Public Building Authority of Sevier County: Loan Series VII-K-1	$ 17,235,000	5.00 %	6/1/2011	6/1/2034	$ 12,405,000	$ 0	$ 1,145,000	$ 0	$ 11,260,000
Bonds Payable									
Payable through Tourism Development Zone Fund									
2018 General Obligation	$ 32,275,000	3.125 - 5.000 %	11/1/2018	6/1/2035	23,725,000	0	1,750,000	0	21,975,000
2021B General Obligation Refunding	10,806,588	3.00 - 5.00 %	9/10/2021	6/30/2036	9,254,804	0	648,440	0	8,606,364
Total Bonds Payable through Tourism Development Zone Fund					32,979,804	0	2,398,440	0	30,581,364
Payable through General Fund									
2017 General Obligation	$ 5,460,000	2.00 - 4.00 %	4/20/2017	6/1/2027	1,810,000	0	590,000	0	1,220,000
2021A General Obligation Refunding	24,130,000	3.00 - 5.00 %	9/10/2021	6/1/2037	20,300,000	0	1,300,000	0	19,000,000
2025A General Obligation	37,080,000	4.00 - 5.00 %	3/28/2025	6/1/2055	0	37,080,000	1,500,000	0	35,580,000
Total Bonds Payable through General Fund					22,110,000	37,080,000	3,390,000	0	55,800,000
Total Governmental Activities					$ 67,494,804	$ 37,080,000	$ 6,933,440	$ 0	$ 97,641,364
Business-Type Activities									
Notes Payable									
Payable through Tourism Development Zone Fund									
Public Building Authority of Sevier County: Loan Series VII-R-1	$ 30,000,000	5.00 %	6/30/2025	6/1/2036	$ 0	$ 30,000,000	$ 0	$ 0	$ 30,000,000
Payable through Water and Sewer Fund									
Public Building Authority of Sevier County: Loan Series VII-K-1	$ 12,465,000	5.00 %	6/1/2011	6/1/2030	6,715,000	0	965,000	5,750,000	0
Bonds Payable									
Payable through Tourism Development Zone Fund									
2010 General Obligation	$ 22,610,000	6.875 - 7.125 %	12/29/2010	6/1/2040	3,850,000	0	3,850,000	0	0
2017 General Obligation Refunding	4,145,000	2.00 - 2.50 %	4/20/2017	6/1/2028	1,810,000	0	425,000	0	1,385,000
2021B General Obligation Refunding	54,778,412	3.00 - 5.00 %	9/10/2021	6/30/2035	43,410,196	0	3,951,560	0	39,458,636
Total Bonds Payable through Tourism Development Zone Fund					49,070,196	0	8,226,560	0	40,843,636
Payable through Water and Sewer Fund									
2010 General Obligation	$ 22,390,000	6.875 - 7.125 %	12/29/2010	6/1/2040	17,150,000	0	0	17,150,000	0
2021A General Obligation Refunding	4,490,000	5.00 %	9/10/2021	6/1/2030	2,620,000	0	590,000	0	2,030,000
2023 General Obligation	9,575,000	4.00 - 5.00 %	12/8/2023	6/1/2043	9,575,000	0	510,000	0	9,065,000
2025B General Obligation Refunding	31,415,000	4.00 - 5.00 %	5/30/2025	6/1/2045	0	31,415,000	0	0	31,415,000
Total Bonds Payable through Water and Sewer Fund					29,345,000	31,415,000	1,100,000	17,150,000	42,510,000
Total Business-Type Activities					$ 85,130,196	$ 61,415,000	$ 10,291,560	$ 22,900,000	$ 113,353,636

See Independent Auditor's Report.

CITY OF PIGEON FORGE

SCHEDULE OF INTERNAL RECEIVABLES AND PAYABLES

June 30, 2025

	Due From:				
	General Fund	Solid Waste Fund	Water and Sewer Fund	LeConte Center Fund	Total
Due To:					
General Fund	$ 0	$ 8,904	$ 3,952	$ 239	$ 13,095
State Street Aid Fund	58,669	0	0	0	58,669
Solid Waste Fund	0	0	386,155	0	386,155
Water and Sewer Fund	900	0	0	0	900
	$ 59,569	$ 8,904	$ 390,107	$ 239	$ 458,819

CITY OF PIGEON FORGE

SCHEDULE OF TRANSFERS

For the Year Ended June 30, 2025

	Transfers From:		
	General Fund	Tourism Development Zone Fund	Total
Transfers To:			
General Fund	$ 0	$ 1,170,519	$ 1,170,519
Solid Waste Fund	2,250,308	0	2,250,308
Water and Sewer Fund	0	6,677,478	6,677,478
LeConte Center Fund	1,815,085	3,630,291	5,445,376
	$ 4,065,393	$ 11,478,288	$ 15,543,681

CITY OF PIGEON FORGE

SCHEDULES OF PROPERTY TAX INFORMATION

For the Year Ended June 30, 2025

CHANGES IN TAXES RECEIVABLE

	Current Year	Prior Years	Total
Balance at Beginning of Year	$ 0	$ 125,645	$ 125,645
Add:			
2025 Taxes Levied	1,894,404	0	1,894,404
2024 Taxes Levied	1,801,100	0	1,801,100
	3,695,504	0	3,695,504
Less:			
Collections	1,705,140	80,271	1,785,411
TAXES RECEIVABLE BEFORE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS	1,990,364	45,374	2,035,738
Less:			
Allowance for Uncollectible Accounts	29,380	0	29,380
TAXES RECEIVABLE, NET	$ 1,960,984	$ 45,374	$ 2,006,358

TAX ASSESSMENTS AND UNPAID BALANCES

Tax Year	Assessed Values	Tax Rate Per $100	Total Levy	Adjustments, Collections, Releases and Abatements in Prior Years	Adjustments, Collections, Releases and Abatements in Current Year	Unpaid Balances
2025	$ 1,146,733,656	0.1652%	$ 1,894,404	$ 0	$ 0	$ 1,894,404
2024	1,090,254,237	0.1652%	1,801,100	0	1,705,140	95,960
2023	1,014,249,395	0.1652%	1,675,540	1,594,674	56,239	24,627
2022	939,756,659	0.1652%	1,552,478	1,530,995	13,840	7,643
2021	908,245,763	0.1652%	1,500,422	1,492,989	3,095	4,338
2020	734,450,000	0.2000%	1,468,900	1,466,231	77	2,592
2019	729,965,500	0.2000%	1,459,931	1,451,595	2,162	6,174
2018	707,687,000	0.2000%	1,415,374	1,410,516	4,858	0
2017	704,053,000	0.2000%	1,408,106	1,408,106	0	0
2016	677,141,000	0.2000%	1,354,282	1,354,282	0	0
2015	631,943,000	0.2000%	1,263,886	1,263,886	0	0
						$ 2,035,738

Property taxes unpaid for periods prior to 2014 have been filed with the Sevier County Circuit Court Clerk.

CITY OF PIGEON FORGE

WATER AND SEWER FUND

SCHEDULE OF WATER AND SEWER RATES

June 30, 2025

Within City Limits
Residential and Small Commercial

	Water	Sewer
First 2,000 Gallons	$17.70 (Minimum)	$17.70 (Minimum)
Over 2,000 Gallons	$6.52/1,000 Gallons	$6.52/1,000 Gallons

Outside City Limits
Residential and Small Commercial

	Water
First 2,000 Gallons	$26.53 (Minimum)
Over 2,000 Gallons	$9.44/1,000 Gallons

SCHEDULE OF NUMBER OF CUSTOMERS BY MONTH

For the Year Ended June 30, 2025

July	5,934
August	5,937
September	5,957
October	5,950
November	5,988
December	5,983
January	5,988
February	5,992
March	5,983
April	6,006
May	6,021
June	6,044

COMPLIANCE SECTION

PUGH & COMPANY, P.C.
315 NORTH CEDAR BLUFF ROAD, SUITE 200
KNOXVILLE, TENNESSEE 37923
Telephone: 865-769-0660
Fax: 865-769-1660

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Board of Commissioners
City of Pigeon Forge
Pigeon Forge, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and tourism development zone fund of the City of Pigeon Forge (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 December 8, 2025.

Report on Internal Control Over Financial Reporting

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

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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2025-001.

City of Pigeon Forge's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
December 8, 2025

PUGH & COMPANY, P.C.
315 NORTH CEDAR BLUFF ROAD, SUITE 200
KNOXVILLE, TENNESSEE 37923
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Honorable Mayor and Board of Commissioners
City of Pigeon Forge
Pigeon Forge, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Pigeon Forge's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further discussed in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance with it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for the resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses of significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
December 8, 2025

CITY OF PIGEON FORGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified? ____ Yes __X__ None reported

Noncompliance material to financial statements noted? ____ Yes __X__ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified? ____ Yes __X__ None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) ____ Yes __X__ No

Major federal programs for the City of Pigeon Forge, Tennessee for the fiscal year ended June 30, 2025 are:

Program Name	Assistance Listing #
Economic Adjustment Assistance	11.307
Formula Grants for Rural Areas	20.509
Coronavirus State and Local Fiscal Recovery Funds	21.027

Dollar threshold used to distinguish between Type A & Type B programs: $750,000

Auditee qualified as low-risk auditee? __X__ Yes ____ No

CITY OF PIGEON FORGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2025

Section II - Financial Statement Findings

Current Year Audit Findings: None

Section III - Federal Award Findings

Current Year Audit Findings: None

Section IV - Noncompliance Under *Government Auditing Standards*

Criteria or Specific Requirement - Section 6-56-203, *Tennessee Code Annotated*, states that all money received and expended by a municipality shall be included in a budget ordinance. Therefore, notwithstanding any other provision of law, no municipality may expend moneys regardless of their source, including moneys derived from bond and long-term debt proceeds, federal, state, or private grants or loans, or special assessments, except in accordance with a budget ordinance adopted under this section.

Condition - Actual debt service expenditures in the General Fund exceeded the amounts appropriated in the budget.

Cause and Effect - Actual debt service expenditures exceed approved appropriations in the General Fund. As a result, the City has not complied with Section 6-56-203, *Tennessee Code Annotated*.

Recommendations - We recommend that officials authorize all expenditures either in the original budget, in an amendment, or in a supplemental appropriation.

Management's Response - We concur with the finding and recommendation. Management will continue to perform detailed monitoring of the budget and expenditures to take appropriate action as needed. Principal payments and bond issuance costs were initially budgeted using projections. Management would like to note that bond issuances were properly approved by the Board of Commissioners. We will ensure moving forward that items related to such issuances will also be included in amending budget ordinances.

CITY OF PIGEON FORGE

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2025

There were no findings reported in the prior year.

PIGEON FORGE
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MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2025

2025-001: Expenditures Exceed Appropriations

Contact Person Responsible for Corrective Action: Dennis Clabo, Finance Director

Corrective Action Planned: We concur with the finding and recommendation. Management will continue to perform detailed monitoring of the budget and expenditures to take appropriate action as needed.

Anticipated Completion Date: Management will implement the corrective actions immediately.



Dennis Clabo, Director of Finance