

# **CITY OF BARTLETT TENNESSEE**

## **Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2011**

Prepared by the City of Bartlett Finance Department

**CITY OF BARTLETT, TENNESSEE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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# City of Bartlett

*A. Keith McDonald, Mayor*

December 27, 2011

To the Mayor, Board of Aldermen and Citizens of Bartlett:

The Comprehensive Annual Financial Report (CAFR) of the City of Bartlett, Tennessee (The City) for the fiscal year ended June 30, 2011 is hereby submitted in accordance with the Bartlett City Charter requirement for an independent audit by a certified public accounting firm. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Board (GASB) and have been audited in accordance with generally accepted auditing standards.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Watkins Uiberall, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements: assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2011 are fairly presented in conformity with GAAP.

The independent auditor's report is presented as the first component of the financial section of this report. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The City of Bartlett, incorporated in 1866, is located in Shelby County in the southwestern part of the state. The City currently occupies a land area of 27.10 square miles and serves a population of 54,613. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Board of Mayor and Aldermen.

The City of Bartlett operates under a private act charter approved by the state legislature in 1993. Policy-making and legislative authority are vested in a Board of Mayor and Aldermen consisting of the Mayor and six Aldermen. The Board, among other things, is responsible for passing ordinances, adopting the budget and appointing committees. The Mayor is responsible for carrying out the policies and ordinances of the Board, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The Board of Mayor and (Six) Aldermen are elected to four-year terms by popular vote. One-half of the Board is elected every two years.

The City provides a full range of municipal services including ambulance, police and fire services, streets and drainage construction and maintenance, solid waste collection, cultural and recreational programs, library services, planning and zoning, and administrative services. In addition, the City operates a water and sewer utility system.

The Shelby County School Board of Education provides educational services to students within the jurisdiction of the City of Bartlett. The County school system is part of the Government of Shelby County. The Memphis Light, Gas and Water Division of the City of Memphis provides electrical and natural gas distribution to the Bartlett service area. The City of Memphis provides treatment of sewage collected by most of the City of Bartlett's sewage system. The Memphis Area Transit Authority provides scheduled bus service throughout the City. These entities do not meet the established criteria for inclusion in the reporting entity and are not included in this report.

The City administration annually prepares a plan of services for the upcoming fiscal year and the estimated cost of providing those services. This plan is reviewed by the Board of Mayor and Aldermen and is formally adopted by the passage of a budget ordinance. The ordinance is adopted by fund, function (e.g. public safety) and department (e.g. police). Department heads may make transfers of appropriations within their department. Transfers

of appropriations between departments require the approval of an amendment by the Board. Strict budgetary compliance is maintained by the automated accounting system to assure effective fiscal management and accountability. All requests for purchases are checked by the budgetary control system to assure that funds are available. Purchase orders and contracts are encumbered prior to release to vendors. The system controls are maintained within cost center levels and are basically set up within the Personnel, Operations, and Capital categories. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated budget has been adopted.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

**Local economy.** During the fiscal year the City of Bartlett experienced overall growth in the local economy but like the state and national economy the pace of growth has not returned to past levels. The City currently has an estimated population of over 54,000 and projections show the City is expected to grow to over 62,000 by 2020.

The Saint Francis Bartlett Hospital and professional medical office building opened in the spring of 2004 and continues to grow with a current expansion underway. The City continues to place special emphasis on the re-development of Bartlett Station, a 258-acre area of commercial, light industrial and residential development in the oldest part of Bartlett. The Bartlett Station Commission has been active in planning and promoting Bartlett's historic area for future growth.

Retail sales in the fiscal year and the current year show modest growth as the economy struggles to regain lost ground. New housing starts and commercial permits continue to remain low compared to previous years; however, the median family income in Bartlett is in excess of \$70,000 and we expect Bartlett to continue to be the retail center of north Shelby County.

The regional economy continues to show weakness in the housing market and retail sales. At the state level budget cuts are easing somewhat and use of reserve funds is not anticipated this fiscal year. State officials cautiously estimate some replenishment of reserve funds used after the recession.

**Long term financial planning.** The Board of Mayor and Aldermen adopts a Capital Improvements Program (CIP) that is a five year plan for capital expenditures to replace and expand the City's infrastructure and equipment. The program is reviewed and updated

annually to revise project cost estimates and available revenue sources. Most of the funding for the projects in the CIP is from general obligation and revenue bonds.

Highlights of the CIP for 2012-2016 are:

- Road and Street improvement projects to improve access and traffic flow in the City.
- Neighborhood Park improvements.
- Public safety vehicles and equipment including police cars, ambulances and fire trucks.

**Relevant financial policies.** The City's fund balance policy states that fund balances will be used prudently and conservatively to fund one time expenditures and stabilize the property tax rate. The fiscal year 2011 budget included a budgeted use of fund balance in the general fund, special revenues funds and the utility fund. The City ended the year well within the general fund balance policy of 20% of expenditures plus \$1,000,000 for emergencies.

**Major initiatives.** During the year ended June 30, 2011, major road improvements were made to Yale Rd, Appling Rd, St Elmo and Sycamore View which included the addition of bike trails in several locations. The City is continuing an 8 million dollar four year city wide street paving program and we anticipate spending 4.9 million dollars over the remaining three fiscal years in street improvements.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bartlett for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2010. This was the 22<sup>nd</sup> consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City publishes an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA Distinguished Budget Presentation Award for the 9<sup>th</sup> straight year for its annual budget document for the fiscal year beginning July 1, 2010. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.



The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. I would like to express my appreciation to all of the members of the department who assisted and contributed to this report. Credit also must be given to the Mayor and Board of Aldermen for their support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in blue ink that reads "John W. McCullough". The signature is written in a cursive style with a long, sweeping tail on the "h".

John W. McCullough  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bartlett  
Tennessee

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Davison*

President

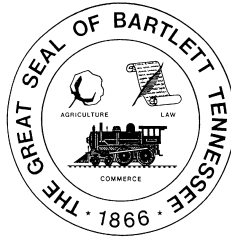
*Jeffrey R. Enev*

Executive Director

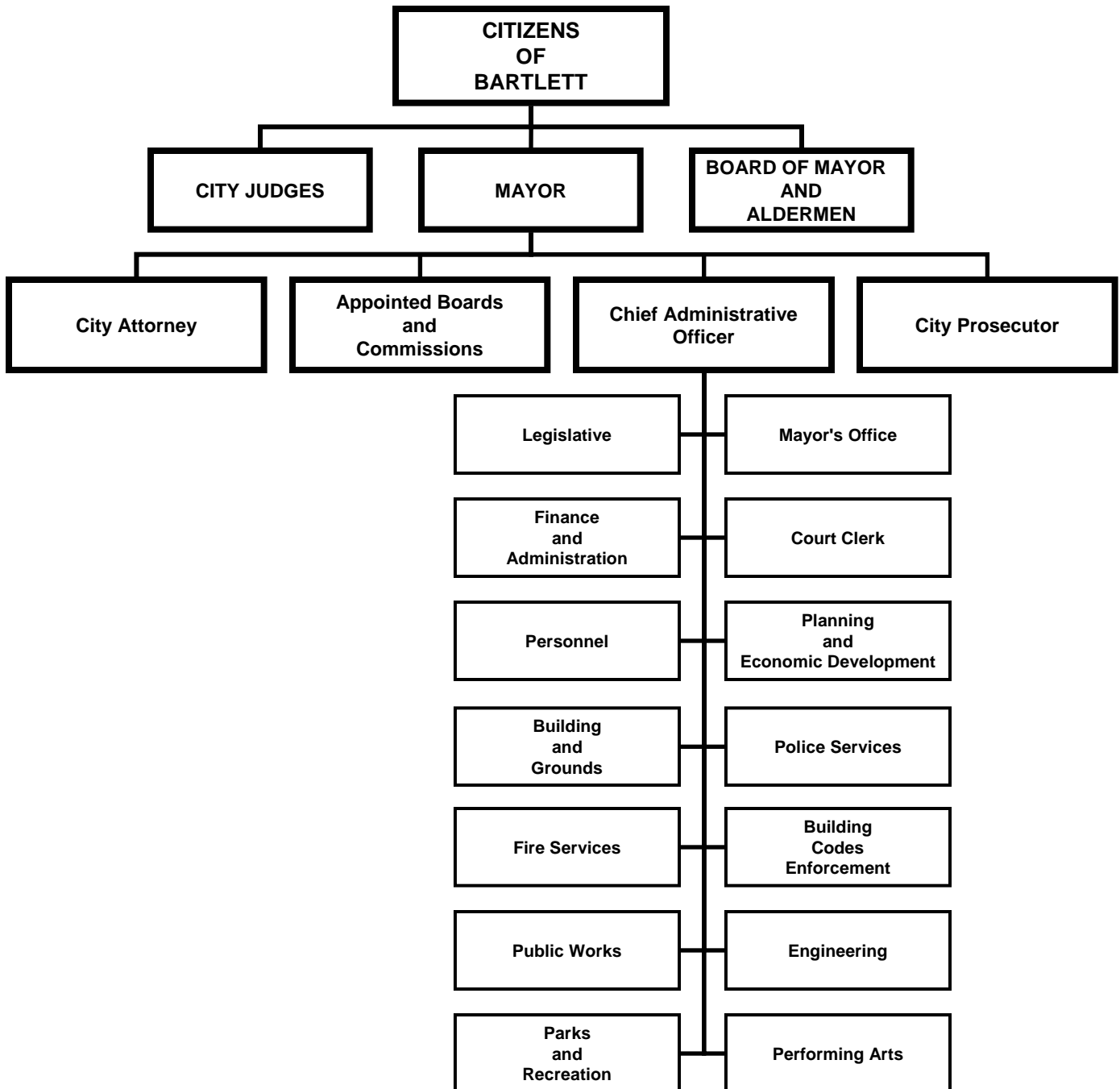
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bartlett for its comprehensive annual financial report for the fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.



# CITY OF BARTLETT ORGANIZATION CHART JUNE 30, 2011



**CITY OF BARTLETT, TENNESSEE  
CITY OFFICIALS  
JUNE 30, 2011**

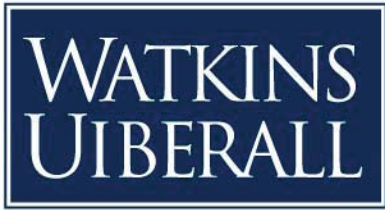
**MAYOR**

A. Keith McDonald

**ALDERMEN**

Jack Young, Vice Mayor  
Bobby Simmons, Register  
David Parsons  
Emily Elliott  
W.C. (Bubba) Pleasant  
John Barzano

Chief Administrative Officer	Mark S. Brown
City Attorney	Edward McKinney Jr.
Director of Finance	John McCullough
Director of Personnel	Peter Voss
Director of Planning and Economic Development	Terry Emerick
Director of Police Services	Gary Rikard
Director of Fire Services	Terry Wiggins
Director of Code Enforcement	Jim Brown
Director of Public Works	Bill Yearwood
Director of Engineering / City Engineer	Rick McClanahan
Director of Parks and Recreation	David Thompson
Director of the Performing Arts Center	Ron Jewell



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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Board of Aldermen of the  
City of Bartlett, Tennessee:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the statement of budgetary comparison for the general fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee, (the "City") as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test, basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, and the budgetary comparison for the general fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2011, 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 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 internal control over financial reporting or on compliance. That report is

an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual fund statements and schedules, supplementary schedules, and statistical information section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual fund financial statements and schedules, supplementary schedules, and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respected in relation to the financial statements as a whole. The introductory and statistical information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in black ink that reads "Watkins Wierall, PLLC". The signature is written in a cursive, flowing style.

Memphis, Tennessee  
December 27, 2011

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Bartlett, 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, 2011. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal and notes to the financial statements.

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$174,327,975 (net assets). Of this amount, \$17,360,509 (unrestricted net assets) may be used to meet the government's ongoing obligation to citizens and creditors.
- The City's total net assets decreased by \$5,478,635, due primarily to a reduction in investment in capital assets, net of related debt.
- At June 30, 2011, the City's governmental funds reported combined ending fund balances of \$30,235,639, an increase of \$2,481,470 in comparison with the prior year. Approximately 72.3% of this amount is available for spending at the government's discretion (committed, assigned or unassigned fund balance).
- At June 30, 2011 unassigned fund balance for the general fund was \$15,684,006, or 42.4% of total general fund expenditures.
- The City's total debt increased by \$1,892,150 (4.78%) during the current fiscal year. Key factors in this increase were the issuance of \$475,000 in capital outlay notes for equipment and vehicles and \$7,925,000 in general obligation refunding and improvement bonds and \$3,115,000 water and sewer revenue and tax refunding bonds in FY 2011.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Bartlett's basic financial statements. The City's basic financial statements consist 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 themselves.

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

The government-wide financial statements are:

- **Statement of Net Assets** -- presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

- **Statement of Activities** -- presents information showing how the City's net assets changed during the most recent fiscal year. All current year revenues and expenses are taken into account 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 (e.g., uncollected taxes and earned but unused leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, parks and recreation, performing arts center, and recreation center. The business-type activities of the City include the operations of the water and sewer facilities.

The government-wide financial statements can be found on pages 24-26 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. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund both of which are considered to be major funds. Data for the other funds is combined into a single column with individual fund data for each of these nonmajor governmental funds provided in the form of combining and individual fund statements elsewhere in this report.

The City of Bartlett adopts an annual appropriation budget for its general, special revenue, and debt service fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.



The basic governmental fund financial statements can be found on pages 27-30 of this report.

**Proprietary funds** -- Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. The City maintains two different types of proprietary funds: enterprise funds and internal service funds.

- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, but provide more detail and additional information, such as cash flow analysis. The City uses enterprise funds to account for its Water and Sewer activities.
- Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its health insurance and worker's compensation services. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The business-type activity related to the Water and Sewer Fund is presented in a single column of the proprietary fund financial statements.

The governmental activities of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the report.

The basic proprietary fund financial statements can be found on page 38-40 of this report.

**Fiduciary funds** -- Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 41-42 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 43-65 of this report.

**Combining and Individual Fund Statements and Schedules:** Combining schedules provide detail in connection with non-major governmental and internal service funds referred to earlier. Individual fund statements provide greater detail for the general fund. Combining and individual fund statements and schedules can be found on pages 67-80 of this report.

## Government-wide Financial Analysis

**Net Assets:** Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$174,327,975 at the close of the most recent fiscal year, a decrease of \$5,478,635, or 3.0 percent, from last year.

The largest portion of the City's net assets (88.5%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less 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 reported 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.

### Condensed Statement of Net Assets

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 54,785,997	\$ 51,207,337	\$ 8,174,107	\$ 8,793,377	\$ 62,960,104	\$ 60,000,714
Capital assets	119,352,771	121,656,228	70,428,954	71,315,955	189,781,725	192,972,183
<b>Total assets</b>	<b>174,138,768</b>	<b>172,863,565</b>	<b>78,603,061</b>	<b>80,109,332</b>	<b>252,741,829</b>	<b>252,972,897</b>
Long-term liabilities outstanding	42,226,436	37,714,451	14,428,589	15,154,327	56,655,025	52,868,778
Other liabilities	21,220,869	19,534,176	537,960	763,333	21,758,829	20,297,509
<b>Total liabilities</b>	<b>63,447,305</b>	<b>57,248,627</b>	<b>14,966,549</b>	<b>15,917,660</b>	<b>78,413,854</b>	<b>73,166,287</b>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	96,147,333	97,005,354	58,277,810	57,110,451	154,425,143	154,115,805
Restricted	2,542,323	2,456,867	-	-	2,542,323	2,456,867
Unrestricted	12,001,807	16,152,717	5,358,702	7,081,221	17,360,509	23,233,938
<b>Total net assets</b>	<b>\$110,691,463</b>	<b>\$115,614,938</b>	<b>\$63,636,512</b>	<b>\$64,191,672</b>	<b>\$174,327,975</b>	<b>\$179,806,610</b>

An additional portion of the City's net assets (1.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$28,458,952) may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2011, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The government's net assets decreased by \$5,478,635 during the current fiscal year, largely due to depreciation expense of capital assets.

**Changes in Net Assets:** Governmental activities decreased the City's net assets by \$4,923,475, thereby accounting for 89.9% of total decrease in the net assets of the City. Key elements of this decrease are as follows:

- General increase in operating expenses due to depreciation of capital assets.
- Increase in net pension obligation and other post-employment benefits.

### Condensed Statement of Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 13,413,622	\$ 14,234,878	\$ 6,294,620	\$ 6,039,052	\$ 19,708,242	\$ 20,273,930
Operating grants and contributions	3,070,185	1,193,165	233,559	195,843	3,303,744	1,389,008
Capital grants and contributions	337,368	168,069	462,965	-	800,333	168,069
<b>General Revenues:</b>						
Local taxes	28,403,176	28,324,840	-	-	28,403,176	28,324,840
Intergovernmental	4,072,733	5,246,434	-	-	4,072,733	5,246,434
Interest on investments	108,663	83,058	32,995	45,045	141,658	128,103
Other	422,661	480,894	-	2,913	422,661	483,807
<b>Total revenues</b>	<u>49,828,408</u>	<u>49,731,338</u>	<u>7,024,139</u>	<u>6,282,853</u>	<u>56,852,547</u>	<u>56,014,191</u>
<b>Expenses</b>						
General government	7,016,910	7,711,577	-	-	7,016,910	7,711,577
Public safety	24,532,698	26,256,730	-	-	24,532,698	26,256,730
Public works	15,767,322	14,432,134	-	-	15,767,322	14,432,134
Parks and recreation	4,319,311	4,246,207	-	-	4,319,311	4,246,207
Performing arts center	773,715	630,035	-	-	773,715	630,035
Recreation center	1,718,237	1,820,873	-	-	1,718,237	1,820,873
Interest on long-term debt	927,525	976,084	-	-	927,525	976,084
Water and sewer	-	-	7,275,464	7,875,448	7,275,464	7,875,448
<b>Total expenses</b>	<u>55,055,718</u>	<u>56,073,640</u>	<u>7,275,464</u>	<u>7,875,448</u>	<u>62,331,182</u>	<u>63,949,088</u>
Changes in net assets before transfers	<u>(5,227,310)</u>	<u>(6,342,302)</u>	<u>(251,325)</u>	<u>(1,592,595)</u>	<u>(5,478,635)</u>	<u>(7,934,897)</u>
Transfers	303,835	300,184	(303,835)	(300,184)	-	-
Changes in net assets	<u>(4,923,475)</u>	<u>(6,042,118)</u>	<u>(555,160)</u>	<u>(1,892,779)</u>	<u>(5,478,635)</u>	<u>(7,934,897)</u>
Net assets - beginning, as previously reported	115,614,938	124,903,716	64,191,672	66,084,451	179,806,610	190,988,167
Prior period adjustments	-	(3,246,660)	-	-	-	(3,246,660)
Net assets, beginning, as restated	<u>115,614,938</u>	<u>121,657,056</u>	<u>64,191,672</u>	<u>66,084,451</u>	<u>179,806,610</u>	<u>187,741,507</u>
<b>Net assets - June 30</b>	<u>\$110,691,463</u>	<u>\$115,614,938</u>	<u>\$63,636,512</u>	<u>\$64,191,672</u>	<u>\$174,327,975</u>	<u>\$179,806,610</u>

**Governmental Activities:** Current fiscal year revenues and transfers for the City's governmental activities were \$50,132,243 compared to \$50,031,633 last year. Expenses for the same period were \$55,055,718 compared to \$56,073,640 last year, a 1.8% decrease.

General revenue experienced a mixture of increases and decreases for the year; most notable of which are discussed below.

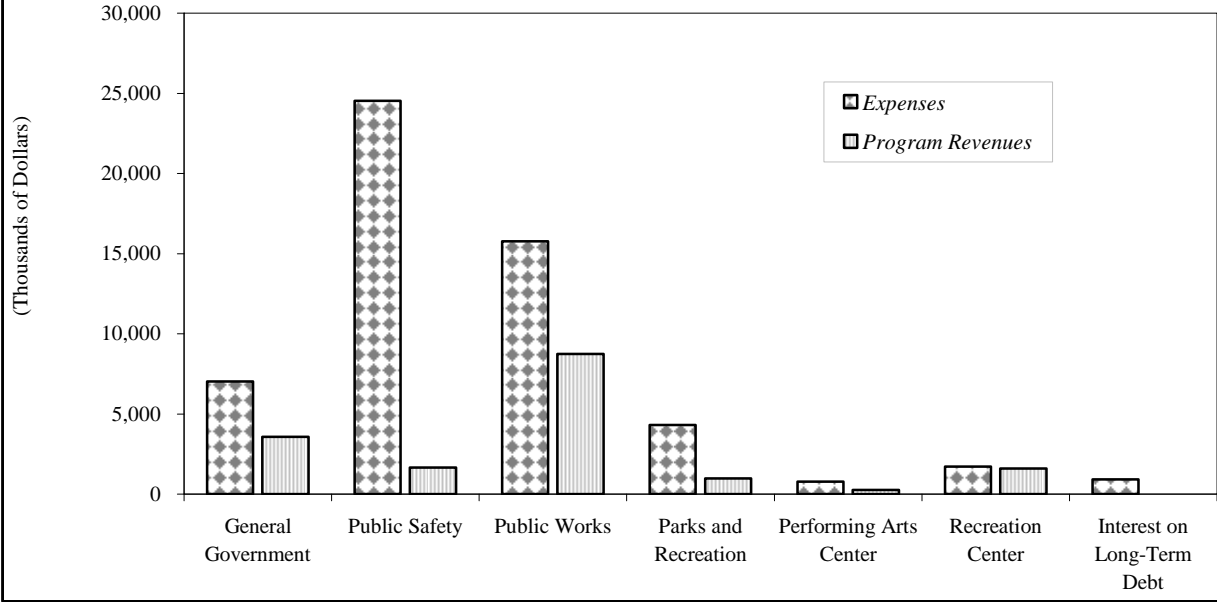
- The single largest source of governmental activity revenue, property taxes, decreased by \$264,734, or 1.5 percent, resulting from slightly lower assessments.
- Local sales taxes, the next largest contributor of revenues, were up \$343,070, or 3.4 percent.
- Program revenues increased \$1,225,063, or 7.8 percent, from the prior year. Charges for services declined slightly; however operating and capital grants increased by \$2,046,319.
- The City's portion of state income taxes increased by \$108,823, or 55.8 percent, resulting from stronger than expected increases in dividend and money market returns for taxpayers.
- Other state allocated taxes increased \$173,740, or 4.7 percent, signaling a slow recovery for state and local revenues from pre-2008 levels.
- Investment income increased by \$25,605, or 30.8 percent. The City is still experiencing historically low interest rates for authorized investments.

Each area of program revenues is discussed below.

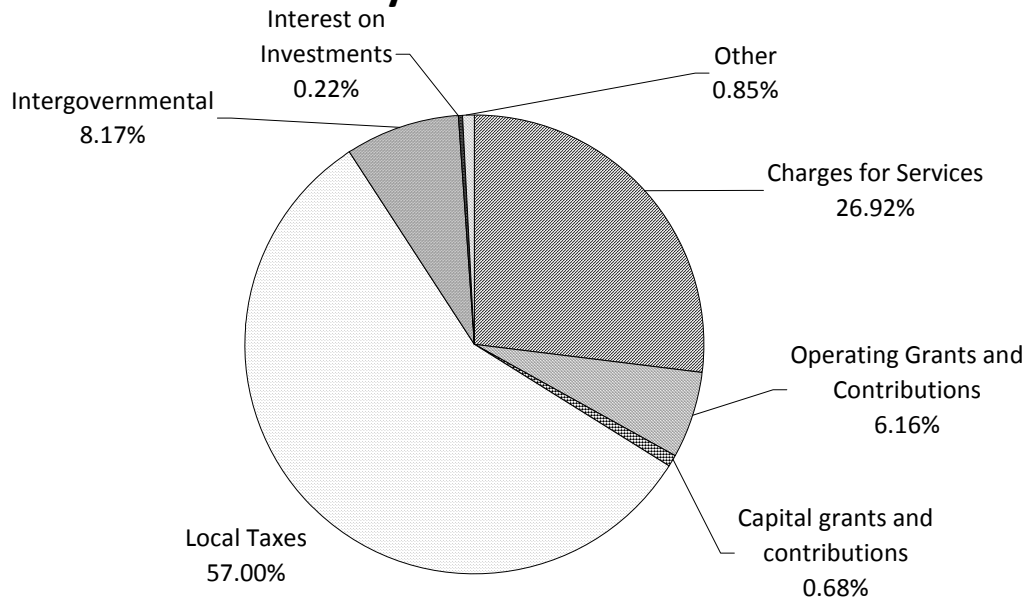
- Charges for services decreased \$821,256, or 5.7 percent from the previous year due primarily to reductions in fines.
- Operating grants and contributions increased \$1,877,020, or 14.0 percent from the previous year, led by an increase in grants for both general government and public works activities.
- Capital grants and contributions increased \$169,299, or 100.7 percent over the previous year, primarily due to an increase in grants for public works activities.

While revenues were up by \$97,070 from the previous year, expenses for governmental activities decreased by \$1,017,922 or 1.8 percent. Categories of general government and public safety were down \$2,418,699 collectively while public works, parks and recreation, and performing arts center all experienced increases due to increased operating expense.

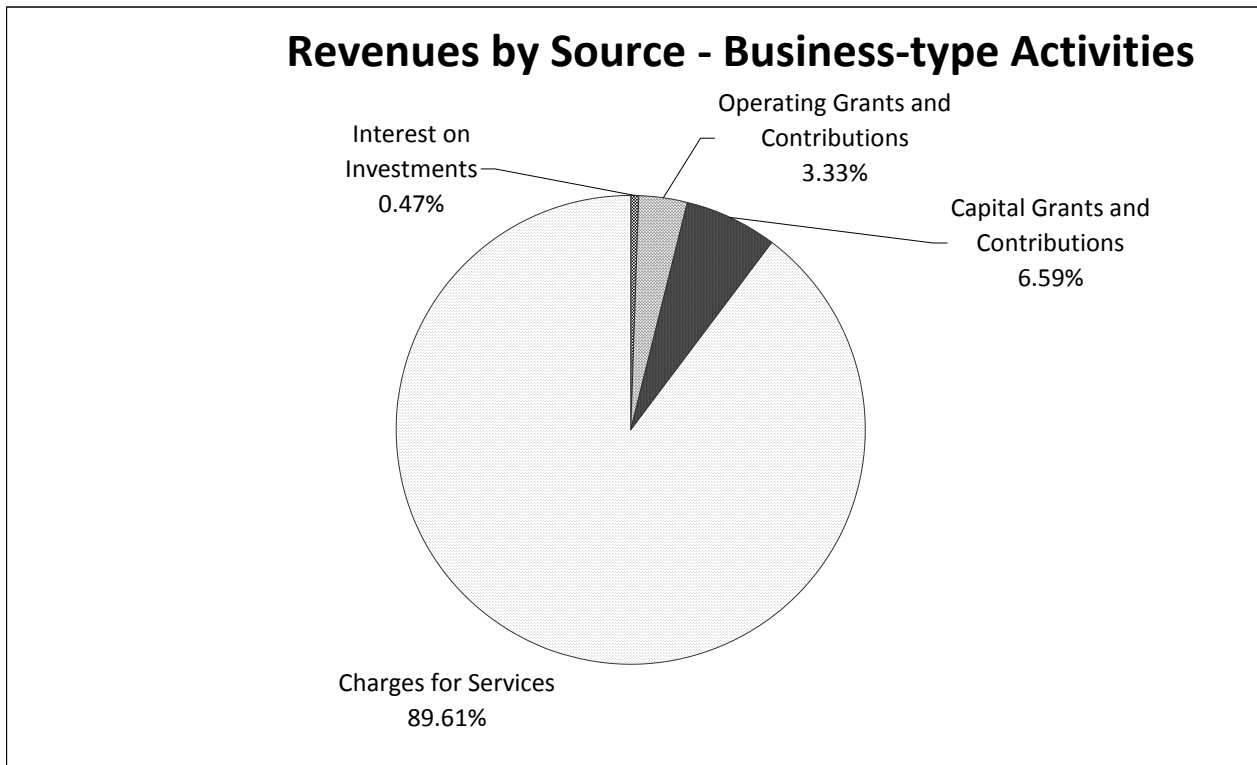
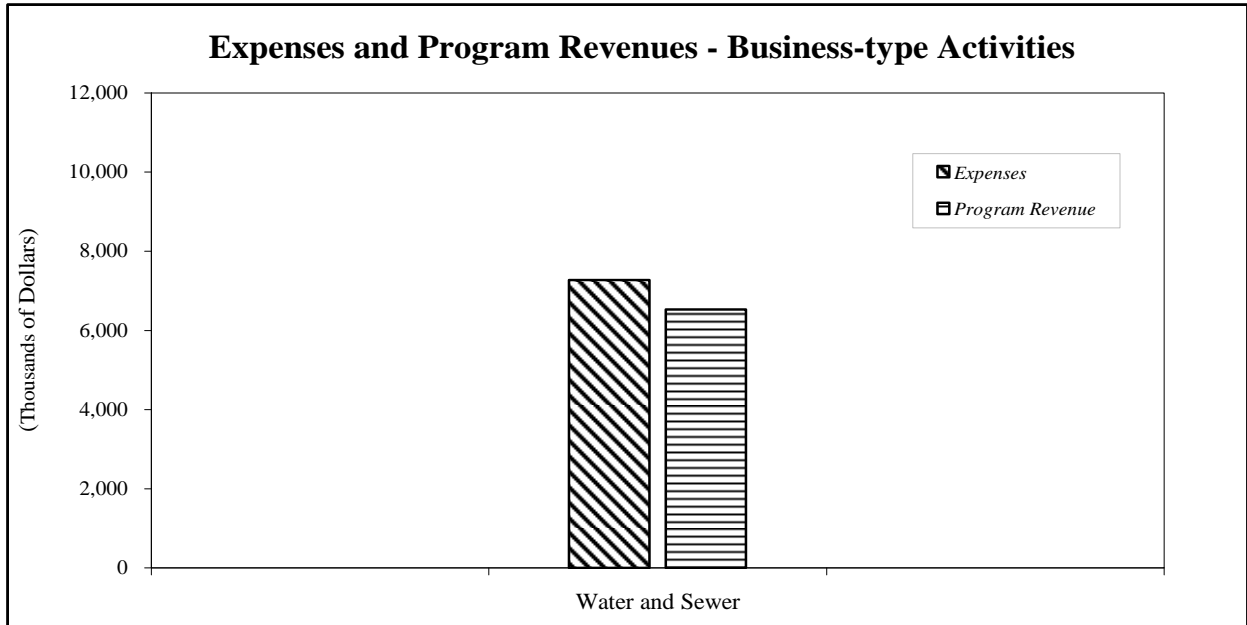
### Expenses and Program Revenues - Governmental Activities



### Revenues by Source - Governmental Activities



**Business-type activities:** Business-type activities decreased the City's net assets by \$555,160 accounting for 10.1% of the total decrease in the government's net assets. This was a significant improvement over the previous year's decrease of net assets for business-type activities of \$1,892,779. Increases of 8.1 percent in user fees for the Water/Sewer Fund along with an increase in operating grants and \$599,984 in expense reductions helped improve overall operations.



## Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to help control and manage money for particular purposes or to ensure and demonstrate compliance with finance-related legal requirements. The following provides a more detailed analysis of the City's funds.

**Governmental funds:** Governmental funds focus on providing information on near-term inflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$30,235,639, an increase of \$2,481,470, in comparison with the prior year. Approximately 51.8% of this total amount (\$15,662,503) constitutes unassigned fund balance, which is available for spending at the government's discretion. All of the governmental funds, except for one, reported a positive ending fund balance. The grants fund, used to account for miscellaneous grants and expenditures, showed a negative \$21,503 unassigned fund balance at year end.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$15,684,006, while total fund balance reached \$17,675,233. Other categories of fund balance for the general fund were nonspendable (\$213,718) and assigned (\$1,777,509). As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 42.4% of total general fund expenditures, while total fund balance represents 47.8% of that same amount.

The fund balance of the City's general fund increased by \$1,189,245, or 7.2%, to \$17,675,233 during the current fiscal year. Key factors are as follows:

- Revenues from property and other taxes were up slightly by \$213,026 over the previous year. Local sales tax collections accounted for approximately half of that amount with gross receipts tax and interest and penalties on business taxes accounting for most of the remainder. Intergovernmental revenues were up by \$262,563 over the previous year. These are revenues received from the State of Tennessee for sales, income, and other state imposed taxes and distributed back to cities on a prorated basis. Revenues from licenses and permits were down \$144,093 as were charges for certain services such as recreation fees, ambulance fees, animal shelter, and library fees. Total revenues, transfers in and other financing sources were \$38,254,366 for the fiscal year.
- Expenditures for current activity in the general fund increased by \$722,687 with public safety expenditures increasing \$844,822 and public works expenditures increasing \$277,914. Other activities saw a net decrease of \$400,049 with general government activities providing most of the annual savings of \$472,068. Other financing sources and uses played a pivotal role in the increase in the fund balance of the general fund with a net increase of \$695,390 compared to a net use of \$33,606 in the previous year. The largest factor in this increase

was the decision by the City to not transfer out over \$400,000 to other governmental funds. Total expenditures and uses of funds were \$37,065,121.

**Capital Projects Fund:** This fund focuses on project-to-date costs for many projects within the City. At the end of the year, the fund reported \$8,105,044 in fund balance, of which \$7,380,107 is restricted for completion of capital projects. The City has assigned \$724,937 of the total fund balance for other purposes. Fund balance for this fund fluctuates from year to year based on debt issued and expenditures for capital projects; new debt increases fund balance while construction decreases it. For fiscal year 2011, there was a \$1,328,868 increase in fund balance. Analysis of project income and expenditures follows:

- Project inflows for the year of \$5,324,527 includes \$5,186,730 in general obligation debt proceeds and premiums, and \$293,232 in interest, transfers in from other funds and miscellaneous revenues.
- Current year expenditures and transfers of \$4,151,094 include \$3,746,887 in capital expenditures on projects, \$39,690 for bond issuance costs and \$364,517 in transfers to other funds.

**Proprietary funds:** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As the City completed the fiscal year its proprietary funds, which include both an enterprise fund and an internal service fund, had combined net assets of \$65,593,436.

Unrestricted net assets of the Water and Sewer fund at the end of the year amounted to \$6,451,501. The total decrease in net assets for the Water and Sewer fund was \$555,160. Other factors concerning the finances have already been addressed in the discussion of the City's business-type activities.

### **Major Governmental Funds Budgetary Highlights**

Differences between the original budget and the final amended budget in the general fund can be briefly summarized as follows:

- The police budget was increased \$106,000 for personnel costs due to state funded training and operations.
- The community relations budget was increased \$37,000 for professional services, additional printing costs and rental fees.
- Overall the general fund budget was amended for a 0.8 percent increase over original appropriations.

The capital projects fund budget appropriations are on a per project basis. During the year several of the projects exceeded original budget amounts. Additionally, the City added five projects that were not originally budgeted. Budget amounts increased \$4,963,700 over original appropriations for this reason; however not all projects were begun or completed during the year.



## Capital Asset and Debt Administration

**Capital assets:** The City's investment in capital assets for its governmental and business type activities as of June 30, 2011, amounts to \$189,781,725 (net of accumulated depreciation). This investment in capital assets includes land, building, improvements, equipment, roads, highways, and other infrastructure. The total decrease in City's investment in capital assets for the current fiscal year was 1.65% (a 1.89% decrease for governmental activities and a 1.24% decrease for business-type activities).

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

- Replacement of major capital equipment including police and fire vehicles, recreation equipment and justice center improvements.
- Construction of water and sewer line improvements and purchase of equipment in the water fund.

### Condensed Statement of Capital Assets (Net of Depreciation)

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 7,733,595	\$ 7,730,795	\$ 1,097,590	\$ 1,055,251	\$ 8,831,185	\$ 8,786,046
Buildings	26,969,585	27,676,337	73,666	77,636	27,043,251	27,753,973
Improvements other than bldgs.	2,236,908	2,448,252	68,074,185	69,212,843	70,311,093	71,661,095
Equipment	1,019,860	1,268,509	850,402	730,928	1,870,262	1,999,437
Vehicles	3,104,182	3,766,160	-	-	3,104,182	3,766,160
Infrastructure	75,643,260	77,834,090	-	-	75,643,260	77,834,090
Construction in progress	2,645,381	932,085	333,111	239,297	2,978,492	1,171,382
<b>Total</b>	<b>\$ 119,352,771</b>	<b>\$ 121,656,228</b>	<b>\$ 70,428,954</b>	<b>\$ 71,315,955</b>	<b>\$ 189,781,725</b>	<b>\$ 192,972,183</b>

Additional information on the City's capital assets can be found in note 4(D) on pages 53-54 of this report.

**Long-term debt:** At the end of the current fiscal year, the City had total debt outstanding of \$41,494,637. Of this amount \$27,834,386 comprises debt backed by the full faith and credit of the government and capital outlay notes and \$13,660,251 represents bond secured primarily by a specified revenue source with a full faith and credit pledge.

**Condensed Statement of Outstanding Debt  
General Obligation and Revenue Bonds**

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 25,750,000	\$ 23,015,000	\$ -	\$ -	\$ 25,750,000	\$ 23,015,000
Capital Outlay note	1,176,330	1,076,180	-	-	1,176,330	1,076,180
General Obligation note	908,056	953,056	-	-	908,056	953,056
Revenue bonds	-	-	13,490,000	14,355,000	13,490,000	14,355,000
Revenue note	-	-	170,251	203,251	170,251	203,251
<b>Total</b>	<u>\$ 27,834,386</u>	<u>\$ 25,044,236</u>	<u>\$ 13,660,251</u>	<u>\$ 14,558,251</u>	<u>\$ 41,494,637</u>	<u>\$ 39,602,487</u>

The City's total debt increased \$1,892,150 or 4.8 percent during the current fiscal year. The key factor in this increase was the issuance of \$7,925,000 in general obligation refunding and improvement bonds and \$3,115,000 in water and sewer revenue and tax refunding bonds.

The City maintains an "AAA" rating from Standard & Poor's and an "Aa1" rating from Moody's for general obligation debt and water and sewer revenue debt.

Additional information on the City's long-term debt can be found at note 4(G) of the notes to the financial statements of this report.

**Economic Factors and Next Year's Budgets and Rates**

Factors considered in preparing the City's budget for the 2012 fiscal year are discussed fully in the budget document and include:

- The City uses conservative forecasts for budgeting purposes. The primary source of funds remains property taxes. The continued impact of a declining economy in the area has been taken into consideration in projecting resources.
- Sales tax and other state shared revenue should increase due to an increase in certified population figures from the U.S. Census Bureau. While inflationary trends in the region compare favorably to national indices, the City has proposed FY12 appropriations which represent a slight decrease from FY11 levels.
- Current service levels have been maintained in the general fund in FY12 by assigning a portion of the general fund balance. This use of fund balance amounts to 4.4 percent of total appropriations.

- Water and sewer rates will be increased by approximately 45% in order to comply with state laws.

At June 30, 2011, the unassigned fund balance in the general fund was \$15,684,006. The City has approved a general fund operating budget of \$39,774,794 for FY12 with a \$1,777,509 planned use of general fund balance.

### **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 the Finance Director, 6400 Stage Road, Bartlett, Tennessee 38134.

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF NET ASSETS**

June 30, 2011

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activity</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 23,300,260	\$ 3,836,566	\$ 27,136,826
Investments - unrestricted	8,208,772	2,977,243	11,186,015
Investments - restricted	838,090	-	838,090
Receivables (net of allowance for uncollectibles):			
Taxes	18,284,193	-	18,284,193
Accounts receivable	-	1,302,209	1,302,209
Other	3,477,895	104,285	3,582,180
Internal balances	53,189	(53,189)	-
Inventories	181,592	-	181,592
Prepaid items	442,006	6,993	448,999
Capital assets, not being depreciated	10,378,976	1,430,701	11,809,677
Capital assets, being depreciated, net	108,973,795	68,998,253	177,972,048
Total assets	<u>174,138,768</u>	<u>78,603,061</u>	<u>252,741,829</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	1,840,434	274,194	2,114,628
Accrued interest payable	250,851	136,830	387,681
Unearned revenue	17,220,283	51,840	17,272,123
Other accrued payables	7,859	-	7,859
Accrued payroll and vacation	1,901,442	75,096	1,976,538
Noncurrent liabilities:			
Due within one year	2,146,572	1,100,000	3,246,572
Due in more than one year	40,079,864	13,328,589	53,408,453
Total liabilities	<u>63,447,305</u>	<u>14,966,549</u>	<u>78,413,854</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	96,147,333	58,277,810	154,425,143
Restricted for:			
Debt service	580,372	-	580,372
Streets	570,891	-	570,891
Park improvements	706,523	-	706,523
Drug enforcement	449,086	-	449,086
Other purposes	235,451	-	235,451
Unrestricted	12,001,807	5,358,702	17,360,509
Total net assets	<u>\$ 110,691,463</u>	<u>\$ 63,636,512</u>	<u>\$ 174,327,975</u>

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

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2011

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b><u>Functions/Programs</u></b>				
<b>Primary government:</b>				
Governmental Activities:				
General government	\$ 7,016,910	\$ 2,987,511	\$ 592,845	\$ -
Public safety	24,532,698	1,660,752	-	2,300
Public works	15,767,322	5,942,888	2,464,114	335,068
Parks and recreation	4,319,311	966,105	13,226	-
Performing arts center	773,715	267,997	-	-
Recreation center	1,718,237	1,588,369	-	-
Interest on long-term debt	927,525	-	-	-
Total governmental activities	<u>55,055,718</u>	<u>13,413,622</u>	<u>3,070,185</u>	<u>337,368</u>
Business-type activity:				
Water and sewer	<u>7,275,464</u>	<u>6,294,620</u>	<u>233,559</u>	<u>462,965</u>
Total primary government	<u>\$ 62,331,182</u>	<u>\$ 19,708,242</u>	<u>\$ 3,303,744</u>	<u>\$ 800,333</u>
General revenues:				
Property taxes				
Local sales taxes				
State sales taxes				
Income and excise taxes				
Beer taxes				
Liquor taxes				
Bank excise taxes				
Receipts in lieu of tax - TVA				
Reimbursements				
Interest on investments				
Other				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets - beginning				
Net assets - ending				

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

**Net (Expense) Revenue and  
Changes in Net Assets**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (3,436,554)	\$ -	\$ (3,436,554)
(22,869,646)	-	(22,869,646)
(7,025,252)	-	(7,025,252)
(3,339,980)	-	(3,339,980)
(505,718)	-	(505,718)
(129,868)	-	(129,868)
(927,525)	-	(927,525)
(38,234,543)	-	(38,234,543)
-	(284,320)	(284,320)
(38,234,543)	(284,320)	(38,518,863)
17,819,265	-	17,819,265
10,583,911	-	10,583,911
3,156,088	-	3,156,088
303,795	-	303,795
24,496	-	24,496
49,097	-	49,097
10,845	-	10,845
528,412	-	528,412
83,523	-	83,523
108,663	32,995	141,658
339,138	-	339,138
303,835	(303,835)	-
33,311,068	(270,840)	33,040,228
(4,923,475)	(555,160)	(5,478,635)
115,614,938	64,191,672	179,806,610
\$ 110,691,463	\$ 63,636,512	\$ 174,327,975

**CITY OF BARTLETT, TENNESSEE**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

June 30, 2011

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,343,572	\$ 9,139,472	\$ 4,235,131	\$ 21,718,175
Investments - unrestricted	8,208,772	-	-	8,208,772
Investments - restricted	-	838,090	-	838,090
Receivables				
Taxes	18,069,671	-	723,757	18,793,428
Other	3,544,585	94,961	336,635	3,976,181
Less allowance for doubtful accounts	(1,007,521)	-	-	(1,007,521)
Due from other funds	1,167,804	-	340,000	1,507,804
Inventory	181,592	-	-	181,592
Prepaid Items	32,126	-	3,500	35,626
	<u>\$ 38,540,601</u>	<u>\$ 10,072,523</u>	<u>\$ 5,639,023</u>	<u>\$ 54,252,147</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 665,497	\$ 667,364	\$ 476,032	\$ 1,808,893
Deferred revenue - taxes	17,492,099	-	-	17,492,099
Deferred revenue - rec. center	243,249	-	-	243,249
Deferred revenue - court fines	335,244	-	-	335,244
Deferred revenue - developers	290,931	-	-	290,931
Deferred revenue - business licenses	2,623	-	-	2,623
Deferred revenue - grants	42,460	94,961	285,693	423,114
Deferred revenue - BPAC	3,250	-	-	3,250
Other accrued payables	7,859	-	-	7,859
Due to other funds	-	1,205,154	302,650	1,507,804
Accrued payroll and vacation	1,782,156	-	119,286	1,901,442
Total liabilities	<u>20,865,368</u>	<u>1,967,479</u>	<u>1,183,661</u>	<u>24,016,508</u>
Fund balances:				
Nonspendable	213,718	-	3,500	217,218
Restricted	-	7,380,107	762,850	8,142,957
Committed	-	-	1,072,950	1,072,950
Assigned	1,777,509	724,937	2,637,565	5,140,011
Unassigned	15,684,006	-	(21,503)	15,662,503
Total fund balances	<u>17,675,233</u>	<u>8,105,044</u>	<u>4,455,362</u>	<u>30,235,639</u>
	<u>\$ 38,540,601</u>	<u>\$ 10,072,523</u>	<u>\$ 5,639,023</u>	<u>\$ 54,252,147</u>
Total liabilities and fund balances				

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

CITY OF BARTLETT, TENNESSEE

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

June 30, 2011

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

Total governmental fund balances	\$ 30,235,639
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	119,352,771
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,570,227
Internal service funds are used by management to charge the costs of health insurance, workers' compensation, and retiree health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	2,010,113
Long-term liabilities, including bonds payable, capital outlay notes, net pension obligation, and OPEB are not due and payable in the current period and therefore are not reported in the funds.	<u>(42,477,287)</u>
Net assets of governmental activities	<u><u>\$ 110,691,463</u></u>

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



**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2011

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 17,976,858	\$ -	\$ -	\$ 17,976,858
Local sales taxes	7,793,768	-	2,697,575	10,491,343
Intergovernmental	4,156,256	-	1,394,198	5,550,454
Licenses and permits	1,512,694	-	-	1,512,694
Charges for services	3,989,998	-	5,509,174	9,499,172
Fines, forfeitures, and penalties	1,793,934	-	33,874	1,827,808
Federal and state grants	169,731	-	1,881,693	2,051,424
Donations	13,226	-	-	13,226
Interest on investments	15,469	89,615	1,849	106,933
Other	37,042	65,820	236,276	339,138
Total revenues	<u>37,458,976</u>	<u>155,435</u>	<u>11,754,639</u>	<u>49,369,050</u>
<b>EXPENDITURES</b>				
Current				
General government	5,608,785	-	312,314	5,921,099
Public safety	21,363,857	-	141,020	21,504,877
Public works	4,709,384	-	7,532,694	12,242,078
Parks and recreation	3,272,061	-	282,765	3,554,826
Performing arts center	562,989	-	-	562,989
Recreation center	1,448,045	-	-	1,448,045
Debt Service				
Principal	-	-	2,394,850	2,394,850
Interest	-	-	910,148	910,148
Bond issuance costs	-	39,690	63,514	103,204
Capital outlays	-	3,746,887	-	3,746,887
Total expenditures	<u>36,965,121</u>	<u>3,786,577</u>	<u>11,637,305</u>	<u>52,389,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>493,855</u>	<u>(3,631,142)</u>	<u>117,334</u>	<u>(3,019,953)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	5,085,000	-	5,085,000
Issuance of refunding bonds	-	-	3,315,000	3,315,000
Premium on bonds issued	-	101,730	14,241	115,971
Payment to refunding bond escrow agent	-	-	(3,329,241)	(3,329,241)
Sale of capital assets	10,858	-	-	10,858
Transfers in	784,532	137,797	840,000	1,762,329
Transfers out	(100,000)	(364,517)	(993,977)	(1,458,494)
Total other financing sources and uses	<u>695,390</u>	<u>4,960,010</u>	<u>(153,977)</u>	<u>5,501,423</u>
Net change in fund balances	1,189,245	1,328,868	(36,643)	2,481,470
Fund balances - beginning	16,485,988	6,776,176	4,492,005	27,754,169
Fund balances - ending	<u>\$ 17,675,233</u>	<u>\$ 8,105,044</u>	<u>\$ 4,455,362</u>	<u>\$ 30,235,639</u>

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

CITY OF BARTLETT, TENNESSEE

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, 2011

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

Net change in fund balance - total governmental funds \$ 2,481,470

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (2,303,457)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (700,701)

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. This adjustment is for compensated absences, net pension obligation and other post employment benefits. (1,765,680)

The issuance of long-term debt (e.g. bonds) 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (2,706,053)

Internal service funds are used by management to charge the costs of health insurance, workmen's compensation, and retiree health insurance to individual funds. The net expenditure of certain activities of internal service funds is reported with governmental activities. 70,946

Change in net assets of governmental funds \$ (4,923,475)

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

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND**

For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
<b>TAXES</b>				
Property tax	\$ 16,422,000	\$ 16,422,000	\$ 16,419,203	\$ (2,797)
Property tax - prior year	250,000	250,000	485,458	235,458
Payments in lieu of taxes	935,000	935,000	909,861	(25,139)
Property tax interest and penalties	95,000	95,000	162,336	67,336
Local sales tax	5,385,051	5,385,051	5,395,150	10,099
Wholesale beer tax	681,550	681,550	715,690	34,140
Wholesale liquor tax	165,000	165,000	184,571	19,571
Gross receipts tax	750,000	750,000	925,851	175,851
Business tax	25,000	25,000	3,880	(21,120)
Interest, penalties, and collection fees on business tax	18,110	18,110	101,681	83,571
Hotel tax	175,000	175,000	179,159	4,159
CATV franchise tax	360,000	360,000	287,786	(72,214)
<b>Total taxes</b>	<b>25,261,711</b>	<b>25,261,711</b>	<b>25,770,626</b>	<b>508,915</b>
<b>INTERGOVERNMENTAL/UNRESTRICTED</b>				
State of Tennessee shared taxes				
Sales	2,940,000	2,940,000	3,156,088	216,088
Income taxes	100,000	100,000	303,795	203,795
Beer tax	25,000	25,000	24,496	(504)
Liquor tax	45,000	45,000	49,097	4,097
Bank excise tax	15,000	15,000	10,845	(4,155)
Receipts in lieu of tax - TVA	520,000	520,000	528,412	8,412
Reimbursements	-	-	83,523	83,523
<b>Total state taxes</b>	<b>3,645,000</b>	<b>3,645,000</b>	<b>4,156,256</b>	<b>511,256</b>
<b>LICENSES AND PERMITS</b>				
Automobile stickers	1,085,000	1,085,000	1,108,458	23,458
Beer and liquor licenses	15,000	15,000	14,220	(780)
Building and related permits	258,200	258,200	390,016	131,816
<b>Total licenses and permits</b>	<b>1,358,200</b>	<b>1,358,200</b>	<b>1,512,694</b>	<b>154,494</b>

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

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)**

For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>CHARGES FOR SERVICES</b>				
Police and fire charges	15,500	15,500	18,520	3,020
Publication fees	1,000	1,000	400	(600)
Trash removal and weed cutting fees	100,000	100,000	114,565	14,565
Parks and recreation charges	2,624,280	2,624,280	2,492,349	(131,931)
Performing arts center	245,000	245,000	253,191	8,191
City service fee	1,500	1,500	4,595	3,095
Ambulance fees	700,000	700,000	715,286	15,286
Animal Shelter fees	140,500	140,500	130,617	(9,883)
911 fees	18,240	18,240	11,822	(6,418)
Rental fees	145,000	145,000	152,663	7,663
Library fees	103,000	103,000	95,990	(7,010)
 Total charge for services	 <u>4,094,020</u>	 <u>4,094,020</u>	 <u>3,989,998</u>	 <u>(104,022)</u>
 <b>FINES, FORFEITURES, AND PENALTIES</b>	 <u>2,015,000</u>	 <u>2,015,000</u>	 <u>1,793,934</u>	 <u>(221,066)</u>
 <b>FEDERAL AND STATE GRANTS</b>	 <u>25,000</u>	 <u>136,600</u>	 <u>169,731</u>	 <u>33,131</u>
 <b>DONATIONS</b>	 <u>14,000</u>	 <u>14,000</u>	 <u>13,226</u>	 <u>(774)</u>
 <b>INTEREST ON INVESTMENTS</b>	 <u>40,000</u>	 <u>40,000</u>	 <u>15,469</u>	 <u>(24,531)</u>
 <b>OTHER</b>	 <u>54,000</u>	 <u>54,000</u>	 <u>37,042</u>	 <u>(16,958)</u>
 Total revenues	 <u>36,506,931</u>	 <u>36,618,531</u>	 <u>37,458,976</u>	 <u>840,445</u>

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

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)**

For the Year Ended June 30, 2011

EXPENDITURES: GENERAL GOVERNMENT	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Legislative				
Personnel	164,705	164,705	145,275	19,430
Operations	379,357	373,907	253,074	120,833
	<u>544,062</u>	<u>538,612</u>	<u>398,349</u>	<u>140,263</u>
Mayor's office				
Personnel	544,712	546,212	545,560	652
Operations	108,829	107,329	92,900	14,429
	<u>653,541</u>	<u>653,541</u>	<u>638,460</u>	<u>15,081</u>
Community relations				
Personnel	83,089	83,289	83,151	138
Operations	134,388	171,145	117,015	54,130
	<u>217,477</u>	<u>254,434</u>	<u>200,166</u>	<u>54,268</u>
Finance and accounting				
Personnel	1,090,804	1,090,804	879,212	211,592
Operations	160,296	159,946	155,892	4,054
Equipment	340	690	655	35
	<u>1,251,440</u>	<u>1,251,440</u>	<u>1,035,759</u>	<u>215,681</u>
City Court				
Personnel	686,425	686,425	641,362	45,063
Operations	51,489	51,489	46,129	5,360
	<u>737,914</u>	<u>737,914</u>	<u>687,491</u>	<u>50,423</u>
Building and grounds				
Personnel	125,269	125,269	122,221	3,048
Operations	212,619	212,619	150,878	61,741
	<u>337,888</u>	<u>337,888</u>	<u>273,099</u>	<u>64,789</u>
Personnel				
Personnel	383,418	383,418	320,174	63,244
Operations	25,426	25,426	17,938	7,488
	<u>408,844</u>	<u>408,844</u>	<u>338,112</u>	<u>70,732</u>
Planning and economic development				
Personnel	274,109	276,609	276,443	166
Operations	12,919	12,919	10,482	2,437
Equipment	-	350	310	40
	<u>287,028</u>	<u>289,878</u>	<u>287,235</u>	<u>2,643</u>
Library				
Operations	1,130,699	1,130,699	1,064,995	65,704
Equipment	2,000	2,000	-	2,000
	<u>1,132,699</u>	<u>1,132,699</u>	<u>1,064,995</u>	<u>67,704</u>

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

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)**

For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Services				
Personnel	244,217	244,217	239,407	4,810
Operations	7,730	7,730	4,805	2,925
Equipment	500	500	262	238
	<u>252,447</u>	<u>252,447</u>	<u>244,474</u>	<u>7,973</u>
 Bartlett Station Commission				
Operations	235,000	235,000	24,505	210,495
 Bartlett Station Municipal Center				
Personnel	282,273	282,273	271,095	11,178
Operations	135,982	135,732	134,841	891
Equipment	10,000	10,250	10,204	46
	<u>428,255</u>	<u>428,255</u>	<u>416,140</u>	<u>12,115</u>
 Total general government	<u>6,484,595</u>	<u>6,518,952</u>	<u>5,608,785</u>	<u>910,167</u>
 <b>PUBLIC SAFETY</b>				
Police services				
Personnel	10,983,475	11,028,111	11,020,973	7,138
Operations	1,111,184	1,173,119	1,123,567	49,552
Equipment	22,350	22,350	16,526	5,824
	<u>12,117,009</u>	<u>12,223,580</u>	<u>12,161,066</u>	<u>62,514</u>
Fire services				
Personnel	6,047,451	6,047,451	5,961,422	86,029
Operations	431,909	469,835	392,762	77,073
Equipment	137,000	139,070	112,854	26,216
	<u>6,616,360</u>	<u>6,656,356</u>	<u>6,467,038</u>	<u>189,318</u>
Ambulance and medical services				
Personnel	1,811,375	1,811,375	1,786,377	24,998
Operations	200,806	211,606	184,175	27,431
Equipment	68,000	68,000	66,830	1,170
	<u>2,080,181</u>	<u>2,090,981</u>	<u>2,037,382</u>	<u>53,599</u>
Building codes enforcement				
Personnel	671,642	671,642	650,839	20,803
Operations	56,030	56,030	46,573	9,457
Equipment	1,000	1,000	959	41
	<u>728,672</u>	<u>728,672</u>	<u>698,371</u>	<u>30,301</u>
 Total public safety	<u>21,542,222</u>	<u>21,699,589</u>	<u>21,363,857</u>	<u>335,732</u>

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

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)**

For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>PUBLIC WORKS</b>				
Administrative				
Personnel	392,123	392,123	387,636	4,487
Operations	210,369	210,369	208,064	2,305
Equipment	200	766	617	149
	<u>602,692</u>	<u>603,258</u>	<u>596,317</u>	<u>6,941</u>
Engineering				
Personnel	296,729	296,729	295,847	882
Operations	40,248	40,248	34,196	6,052
Equipment	800	800	-	800
	<u>337,777</u>	<u>337,777</u>	<u>330,043</u>	<u>7,734</u>
Inspection				
Personnel	531,364	531,364	529,644	1,720
Operations	35,449	35,529	28,273	7,256
	<u>566,813</u>	<u>566,893</u>	<u>557,917</u>	<u>8,976</u>
City shop				
Personnel	727,470	727,470	709,517	17,953
Operations	55,742	55,042	53,047	1,995
Equipment	3,300	4,000	3,916	84
Shop allocations	(325,325)	(325,325)	(331,475)	6,150
	<u>461,187</u>	<u>461,187</u>	<u>435,005</u>	<u>26,182</u>
General maintenance of roads and drainage				
Personnel	876,257	886,757	886,188	569
Operations	268,319	259,602	227,499	32,103
Equipment	2,000	2,000	1,551	449
	<u>1,146,576</u>	<u>1,148,359</u>	<u>1,115,238</u>	<u>33,121</u>
Grounds maintenance				
Personnel	873,077	873,077	819,955	53,122
Operations	289,169	286,669	214,884	71,785
Equipment	1,150	3,650	3,179	471
	<u>1,163,396</u>	<u>1,163,396</u>	<u>1,038,018</u>	<u>125,378</u>
Animal control				
Personnel	467,480	467,480	461,429	6,051
Operations	183,744	183,744	175,417	8,327
Equipment	1,350	1,350	-	1,350
	<u>652,574</u>	<u>652,574</u>	<u>636,846</u>	<u>15,728</u>
 Total public works	 <u>4,931,015</u>	 <u>4,933,444</u>	 <u>4,709,384</u>	 <u>224,060</u>

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

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)**

For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>PARKS AND RECREATION</b>				
Community center				
Personnel	703,235	703,235	656,421	46,814
Operations	175,946	177,106	154,355	22,751
Equipment	10,000	21,632	17,938	3,694
	<u>889,181</u>	<u>901,973</u>	<u>828,714</u>	<u>73,259</u>
Parks and recreation				
Personnel	237,657	239,257	239,146	111
Operations	25,176	26,176	26,072	104
	<u>262,833</u>	<u>265,433</u>	<u>265,218</u>	<u>215</u>
Senior citizens center				
Personnel	239,978	239,978	232,814	7,164
Operations	89,929	89,929	87,800	2,129
Equipment	10,000	15,724	13,903	1,821
	<u>339,907</u>	<u>345,631</u>	<u>334,517</u>	<u>11,114</u>
Athletics				
Personnel	471,572	471,572	443,410	28,162
Operations	219,874	219,874	200,155	19,719
	<u>691,446</u>	<u>691,446</u>	<u>643,565</u>	<u>47,881</u>
Parks maintenance				
Personnel	945,498	945,498	931,639	13,859
Operations	328,278	336,278	268,408	67,870
	<u>1,273,776</u>	<u>1,281,776</u>	<u>1,200,047</u>	<u>81,729</u>
Total parks and recreation	<u>3,457,143</u>	<u>3,486,259</u>	<u>3,272,061</u>	<u>214,198</u>
<b>PERFORMING ARTS CENTER</b>				
Personnel	416,925	504,250	392,170	112,080
Operations	182,041	185,113	164,221	20,892
Equipment	3,000	6,767	6,598	169
	<u>601,966</u>	<u>696,130</u>	<u>562,989</u>	<u>133,141</u>
<b>RECREATION CENTER</b>				
Personnel	1,139,376	1,139,376	1,096,243	43,133
Operations	407,830	408,297	350,399	57,898
Equipment	-	1,500	1,403	97
	<u>1,547,206</u>	<u>1,549,173</u>	<u>1,448,045</u>	<u>101,128</u>
Total recreation center	<u>1,547,206</u>	<u>1,549,173</u>	<u>1,448,045</u>	<u>101,128</u>
Total expenditures	<u>38,564,147</u>	<u>38,883,547</u>	<u>36,965,121</u>	<u>1,918,426</u>

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



**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)**

For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,057,216)</u>	<u>(2,265,016)</u>	<u>493,855</u>	<u>2,758,871</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	20,000	20,000	10,858	(9,142)
Transfers in	985,000	1,010,000	784,532	(225,468)
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(100,000)</u>	<u>400,000</u>
Total other financing sources (uses)	<u>505,000</u>	<u>530,000</u>	<u>695,390</u>	<u>165,390</u>
Net change in fund balances	(1,552,216)	(1,735,016)	1,189,245	2,924,261
Fund balances - beginning	<u>16,485,988</u>	<u>16,485,988</u>	<u>16,485,988</u>	<u>-</u>
Fund balances - ending	<u>\$ 14,933,772</u>	<u>\$ 14,750,972</u>	<u>\$ 17,675,233</u>	<u>\$ 2,924,261</u>

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

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS**

June 30, 2011

	<b>Business-type Activity - Enterprise Fund Water and Sewer Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,836,566	\$ 1,582,085
Investments (unrestricted)	2,977,243	-
Receivables		
Customers	1,318,693	-
Other	104,285	-
Less allowance for doubtful accounts	(16,484)	-
Prepaid expenses	6,993	406,380
Total current assets	<u>8,227,296</u>	<u>1,988,465</u>
Noncurrent assets:		
Capital assets, not being depreciated	1,430,701	-
Capital assets, being depreciated, net	68,998,253	-
Total capital assets (net of accumulated depreciation)	<u>70,428,954</u>	<u>-</u>
Total noncurrent assets	<u>70,428,954</u>	<u>-</u>
Total assets	<u>78,656,250</u>	<u>1,988,465</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	274,194	31,541
Accrued bond interest	136,830	-
Accrued compensated absences	2,447	-
Deferred revenue	51,840	-
Current portion of bonds and notes payable	1,100,000	-
Total current liabilities	<u>1,565,311</u>	<u>31,541</u>
Noncurrent liabilities:		
Bonds and notes payable, net of current portion and issuance costs	12,143,943	-
Payable to pension fund	97,557	-
Accrued compensated absences	72,649	-
Other post employment benefits payable	1,087,089	-
Total noncurrent liabilities	<u>13,401,238</u>	<u>-</u>
Total liabilities	<u>14,966,549</u>	<u>31,541</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	57,185,011	-
Unrestricted	6,504,690	1,956,924
Total net assets	<u>63,689,701</u>	<u>\$ 1,956,924</u>
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(53,189)	
Net assets of the business-type activity	<u>\$ 63,636,512</u>	

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

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUND**

For the Year Ended June 30, 2011

	<b>Business-type Activity - Enterprise Fund Water and Sewer Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
Operating revenues:		
Metered water sales	\$ 3,110,751	\$ -
Sewer service fee	2,557,844	-
Service connections fees	57,990	-
Forfeited discounts	204,274	-
Charges for services	32,100	1,380,460
Contributions	-	4,748,220
Tower lease charges	331,661	-
Federal grant	212,284	-
Other	21,275	-
Total operating revenues	<u>6,528,179</u>	<u>6,128,680</u>
Operating expenses:		
Administrative and general	1,674,843	6,043,184
Pumping and filtering	1,327,740	-
Distribution system	1,224,295	-
Sewer lagoon	554,841	-
Depreciation	2,015,127	-
Total operating expenses	<u>6,796,846</u>	<u>6,043,184</u>
Operating income (loss)	<u>(268,667)</u>	<u>85,496</u>
Nonoperating revenues (expenses):		
Interest	32,995	1,730
Bond interest and fiscal charges	<u>(494,898)</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>(461,903)</u>	<u>1,730</u>
Income (loss) before contributions and transfers	<u>(730,570)</u>	<u>87,226</u>
Capital contributions - water taps	9,400	-
Capital contributions - sewer taps	29,563	-
Capital contributions - development	424,002	-
Transfers out	<u>(303,835)</u>	<u>-</u>
Change in net assets	<u>(571,440)</u>	<u>87,226</u>
Total net assets - beginning	<u>64,261,141</u>	<u>1,869,698</u>
Total net assets - ending	<u>\$ 63,689,701</u>	<u>\$ 1,956,924</u>
Change in net assets	\$ (571,440)	
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	<u>16,280</u>	
Change in net assets of the business-type activity	<u>\$ (555,160)</u>	

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

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended June 30, 2011

	<b>Business-type Activity - Enterprise Fund Water and Sewer Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 6,456,247	\$ -
Receipts from interfund services provided	-	6,128,680
Payments to suppliers	(2,595,331)	(6,444,095)
Payments to employees	(2,156,528)	-
Payments for interfunds services used	50,118	-
Other receipts	36,841	-
Net cash provided by (used for) operating activities	<u>1,791,347</u>	<u>(315,415)</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer to other fund	<u>(303,835)</u>	-
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from issuance of capital debt	3,004,006	-
Capital contributions	462,965	-
Purchases of capital assets	(1,128,120)	-
Principal paid on capital debt	(4,013,000)	-
Interest paid on capital debt	(500,254)	-
Net cash used by capital and related financing activities	<u>(2,174,403)</u>	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	493,196	-
Interest income	32,995	1,730
Net cash provided by investing activities	<u>526,191</u>	<u>1,730</u>
Net decrease in cash and cash equivalents	(160,700)	(313,685)
Cash and cash equivalents - beginning of the year	<u>3,997,266</u>	<u>1,895,770</u>
Cash and cash equivalents - end of the year	<u>\$ 3,836,566</u>	<u>\$ 1,582,085</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>		
Operating income	\$ (268,667)	\$ 85,496
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	2,015,127	-
Change in assets and liabilities		
Receivables	(18,119)	-
Prepaid expenses	(227)	(406,380)
Accounts payable	(33,630)	5,469
Accrued compensated absences	96,863	-
Net cash provided by (used for) operating activities	<u>\$ 1,791,347</u>	<u>\$ (315,415)</u>
<b>Noncash investing, capital, and financing activities:</b>		
Bond issue costs paid from proceeds	<u>\$ 110,994</u>	<u>\$ -</u>

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

**CITY OF BARTLETT, TENNESSEE**  
**STATEMENT OF FIDUCIARY NET ASSETS**

June 30, 2011

	<b>Employee Retirement Plan</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,600,996	\$ 75,020
Interest receivable	171,677	-
Investments, at fair value:		
Mutual funds	40,137,921	
Mortgage backed securities	999,171	-
Common stock	144,174	-
Total investments	41,281,266	-
Total assets	45,053,939	\$ 75,020
<b>LIABILITIES</b>		
Accounts payable	17,625	\$ -
Family assistance payable	-	40,628
Bail bonds payable	-	34,392
Total liabilities	17,625	\$ 75,020
<b>NET ASSETS</b>		
Held in trust for pension benefits and other purposes	\$ 45,036,314	

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

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**

For the Year Ended June 30, 2011

	<b>Employee Retirement Plan</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 3,028,128
Plan members	865,182
Total contributions	<u>3,893,310</u>
Investment earnings (losses):	
Interest and dividends	1,206,024
Net depreciation in fair value of investments	<u>5,818,804</u>
Total investment earnings (loss)	7,024,828
Less investment expense	<u>(138,668)</u>
Net investment earnings (loss)	<u>6,886,160</u>
Total additions (reductions)	<u>10,779,470</u>
 <b>DEDUCTIONS</b>	
Benefits	2,299,187
Administrative expense	<u>42,399</u>
Total deductions	<u>2,341,586</u>
Change in net assets	8,437,884
Net assets - beginning of the year	<u>36,598,430</u>
Net assets - end of the year	<u><u>\$ 45,036,314</u></u>

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

**CITY OF BARTLETT, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Bartlett, Tennessee (the City) operates under a Board of Mayor and Aldermen form of government and is organized into the following departments: Administration, Mayor, Finance and Accounting, Police, Fire, Parks and Recreation, Public Works, Planning and Development, Code Enforcement, and Utilities.

Governmental Accounting Standards Board (GASB) statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments was implemented in the year ended June 30, 2003. The City retroactively reported infrastructure (assets acquired since 1980) at July 1, 2006.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. However, currently there are no component units.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statements of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds do not use the economic resources measurement focus. 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.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except for investment earnings) are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The general fund is the primary operating fund of the City and accounts for all financial resources of the general government not specifically provided for in other funds. Most of the essential governmental services such as police and fire protection, community services, and general administration are reported in the general fund.

The capital projects fund accounts for the financing of major governmental fund capital asset purchases.

The City reports the following major proprietary funds:

The water and sewer fund is the City's only major proprietary fund. It accounts for water and sewer fees in connection with the operation of the City's water and sewer system. The proceeds of several bond issues and loans have been used specifically for the construction or acquisition of water and sewer facilities. Since it is the intention of the City to repay these bonds and loans through water and sewer fund operations, these obligations are reported in this fund.



Additionally, the City reports the following fund types:

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Internal service funds account for health insurance and workers' compensation services provided to other departments or agencies of the government on a cost reimbursement basis.

The employee retirement plan, a pension trust fund, is used to account for the accumulation of resources to be used to provide defined retirement benefits to all qualified employees upon retirement.

The bail bond fund, an agency fund, is used to account for bail funds by persons awaiting trial in City Court. The family assistance fund, an agency fund, is used to provide families with financial hardship with monies to pay their utility bills. These funds are purely custodial and thus do not involve measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government – wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

## **D - Assets, liabilities and fund equity**

### *1. Deposits and investments*

The City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents.

Investments are reported at fair value. The state investment pool operates in accordance with the appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. Cash equivalents held by the trustee of the pension fund are included in cash and cash equivalents.

### *2. Interfund receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property taxes receivable are shown net of an allowance for uncollectibles.

Property taxes are levied as of June 1 (lien date) on property values assessed as of January 1. Taxes are due December 1 and are considered delinquent after February 28, at which time penalties and interest are assessed.

### *3. Inventories and prepaid items*

Inventories are valued at cost (first-in, first-out). Inventory in all funds consists of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

### *4. Restricted assets*

Restricted assets in governmental funds represent investments held for state street aid purposes.

## 5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at estimated fair market value at the date received.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items put in place since 1980. The government was able to estimate the historical cost for the initial reporting of these assets through review of historical records, including subdivision bond summaries, contract documents, and capital project summaries. As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported values exclude normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the government values these capital assets at the estimated fair value of the item at the date of its donation.

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

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

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Buildings	25-50 years
Improvements	10-60 years
Infrastructure	20-50 years
Machinery and equipment	3-15 years

## 6. Compensated absences

Compensated absences for accumulated unpaid vacation are accrued when incurred in all funds. Vacation days earned, not to exceed 30 days, may be carried forward. In the event of termination, an employee is reimbursed for accumulated vacation days. That amount is provided for in current liabilities of the appropriate funds, as it does not exceed a normal year's accumulation. Compensated absences are paid out of the general fund, solid waste control fund, drainage control fund, and the proprietary fund.

Employees are generally reimbursed for accumulated unused sick leave, not to exceed 60 days, only upon retirement, and only for those employees employed prior to January 1, 1992. Sick leave is not accrued except at the governmental-wide presentation.

### *7. Long-term obligations*

In the governmental-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### *8. Fund balance*

Governmental funds utilize a fund balance representation for fund equity. Fund balance is categorized as non-spendable, restricted, committed, assigned or unassigned. A description of each category is provided below.

**Non-Spendable Fund Balance** – amounts that cannot be spent because they are either in a (a) non-spendable form, including items not expected to be converted to cash (i.e. inventories, prepaid amounts, long-term portion of loans and notes receivable), or (b) legally or contractually required to be maintained intact (i.e. the principal of a permanent fund).

**Restricted Fund Balance** – amounts constrained to be used for a specific purpose as per external parties, constitutional provision, or enabling legislation.

**Committed Fund Balance** – amounts constrained to be used for specific purposes by formal action by ordinance adopted by the Board of Mayor and Aldermen. Amounts classified as committed are not subject to legal enforceability like restricted resources; however, they cannot be used for any other purpose unless the Board removes or changes the commitment by taking the same action it employed to impose the commitment.

**Assigned Fund Balance** – amounts intended to be used by the City for a specific purpose, but are neither restricted nor committed. The intent shall be expressed by the Board of Mayor and Aldermen or an official delegated the authority to assign amounts. This is a residual classification for all governmental funds other than the general fund. The Mayor or his designee has been granted the ability to assign amounts to a specific purpose. The nature of the actions

necessary to remove or modify an assignment is not as rigid as required under a committed fund balance classification.

**Unassigned Fund Balance** – represents the residual balance available for any purpose in the general fund or deficit balances in other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the City to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable and net pension obligation, are not due and payable in the current period and therefore are not reported in the funds."

The details of this \$42,477,287 difference are as follows:

Bonds and capital outlay notes payable	\$ 27,834,386
Add: Deferred amount for issuance premiums	112,312
Less: Deferred amount for issuance cost	(569,675)
Accrued interest payable	250,851
Net pension obligation	2,455,782
Other postemployment benefits liability	11,753,879
Compensated absences	<u>639,752</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental funds	<u><u>\$ 42,477,287</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and

changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of the (\$2,303,457) difference are as follows:

Capital outlays	\$ 2,703,712
Depreciation expense	<u>(5,007,169)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (2,303,457)</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debts consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

The details of this (\$2,706,053) difference are as follows:

Debt issued or incurred:	
Issuance of bonds and capital notes	\$ (8,400,000)
Add: issuance cost	10,581
Less: premium	(115,971)
Decrease in accrued interest payable	40,252
Amortization of issuance costs, and premiums	56,156
Principal repayment on general obligation debt	2,394,850
Payment to escrow agent for refunding	<u>3,329,241</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (2,706,053)</u>

### NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Budgetary information

The Board of Mayor and Aldermen annually approves the operating budgets of the general, special revenue, capital projects, debt service, and enterprise funds of the City. The capital projects plan is multi-year. Budgets are amended by resolution of the Board of Mayor and Aldermen to authorize expenditures of various grants received and to adjust the individual fund budgets as required. While no supplemental appropriations were required during the year, the accompanying budgetary data

has been revised for amendments authorized by resolution during the year. The basis of accounting applied to budgetary data presented is consistent with the appropriate basis of accounting for each fund type.

Fund appropriations comprise legal spending limits for governmental funds. The Mayor may approve transfers between line items within a department. Other transfers or requests for additional funds must be approved by the Board.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported in the unassigned fund balance category and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**B. Excess of expenditures over appropriations**

For the year ended June 30, 2011, the grants fund’s expenditures exceeded appropriations by \$1,436,522.

**C. Deficit fund equity**

As of June 30, 2011, the grants fund had a deficit fund equity of \$21,503.

**NOTE 4 - DETAILED NOTES ON ALL FUNDS**

**A. Deposits and investments**

As of June 30, 2011, the City had the following investments in its Pension Trust Fund:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Duration (in Years)</u>
Corporate & Mortgage Backed Bonds	\$ 999,171	10.87
Portfolio Weighted Average Modified Duration		10.87

Interest Rate Risk – As a means of limiting its exposure to interest rate risk, the City diversifies its investments in the Pension Trust Fund by security type and institution, and limits holdings in any one type of investment with any one issuer to no more than 5%. The Pension Trust Fund’s Investment Policy has been formally adopted by the City’s Board of Mayor and Aldermen.

Credit Risk – Based on the Pension Trust Fund’s formally adopted Investment Policy, investment managers are limited to purchasing only investment rated Domestic Fixed Income and Commercial Paper.

Credit quality distribution for fixed income investments, with credit exposure as a percentage of total investments (total investments for the Pension Trust Fund include equity securities, mutual funds, and money market funds, which are not represented in this or the above tables), are approximately as follows at year end:

<u>Investment Type</u>	<u>S&amp;P Rating</u>	<u>Percentage</u>	<u>Moody's Rating</u>	<u>Percentage</u>
Corporate Bonds	BBB	2.2174%	BA2	0.8079%
	Not Rated	0.0002%	Baa1	0.3840%
			Baa2	1.0254%
			Not Rated	0.0002%

As of June 30, 2011, the Pension Trust Fund held two fixed income investments totaling \$65 or 0.0001% of the Pension Trust Fund assets for which no investment rating was available. These investments are reflected in the 'Not Rated' category in the above table. The remainder of 'Not Rated' investments results from the fact that there was only one rating agency which rate those investments.

In compliance with the Tennessee State statutes, all cash, cash equivalents and unrestricted investments held by the Primary Government funds of the City are entirely covered by federal depository insurance, collateral held by the City's agent in the City's name, or by the State of Tennessee's Local Government Investment Pool (LGIP). State legislation TCA 9.4.7 authorizes investments in the LGIP for local governments and other political subdivisions.

## B. Receivables

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

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental</u>	<u>Water and Sewer</u>	<u>Total</u>
Receivables:					
Taxes	\$ 18,069,671	\$ -	\$ 723,757	\$ -	\$ 18,793,428
Accounts receivable	-	-	-	1,318,693	1,318,693
Other	3,544,585	94,961	336,635	104,285	4,080,466
Gross receivables	21,614,256	94,961	1,060,392	1,422,978	24,192,587
Less: allowance for doubtful accounts	(1,007,521)	-	-	(16,484)	(1,024,005)
Net total receivables	<u>\$ 20,606,735</u>	<u>\$ 94,961</u>	<u>\$ 1,060,392</u>	<u>\$ 1,406,494</u>	<u>\$ 23,168,582</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, deferred revenue principally represents: (1) amounts relating to property taxes as described above and (2) amounts received for various capital projects upon which revenues will not be recognized until such projects have started.



### C. Property Taxes

The City levies property taxes annually based upon assessed valuations provided by the Shelby County Tax Assessor. The various types of property are assessed at a percentage of estimated appraised value on January 1 of each year as follows:

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

Tax bills are mailed in November and taxes are due and levied on December 1 and delinquent after February 28 and available for tax lien on March 1.

Current tax collections for the year ended June 30, 2011, were 92.3% of the tax levy. The property tax levy is without legal limit. The rate, as permitted by Tennessee State Law and City Charter, is set annually by the Board of Mayor and Aldermen and collected by the City Clerk.

The property tax rate for the year ended June 30, 2011, was \$1.49 per \$100 of assessed value as of January 1, 2010.

### D. Capital assets

Capital asset activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 7,730,795	\$ 2,800	\$ -	\$ 7,733,595
Construction in progress	932,085	1,760,859	(47,563)	2,645,381
Total capital assets, not being depreciated	<u>8,662,880</u>	<u>1,763,659</u>	<u>(47,563)</u>	<u>10,378,976</u>
Capital assets, being depreciated:				
Buildings	36,041,059	12,736	-	36,053,795
Improvements	5,159,361	108,486	-	5,267,847
Equipment	6,626,791	203,935	(26,997)	6,803,729
Vehicles	13,808,166	342,788	(568,609)	13,582,345
Infrastructure	107,080,195	335,068	-	107,415,263
Total capital assets, being depreciated	<u>168,715,572</u>	<u>1,003,013</u>	<u>(595,606)</u>	<u>169,122,979</u>
Less accumulated depreciation for:				
Buildings	(8,364,722)	(719,488)	-	(9,084,210)
Improvements	(2,711,109)	(319,830)	-	(3,030,939)
Equipment	(5,358,282)	(452,584)	26,997	(5,783,869)
Vehicles	(10,042,006)	(989,369)	553,212	(10,478,163)
Infrastructure	(29,246,105)	(2,525,898)	-	(31,772,003)
Total accumulated depreciation	<u>(55,722,224)</u>	<u>(5,007,169)</u>	<u>580,209</u>	<u>(60,149,184)</u>
Total capital assets, being depreciated, net	<u>112,993,348</u>	<u>(4,004,156)</u>	<u>(15,397)</u>	<u>108,973,795</u>
Governmental activities capital assets, net	<u>\$ 121,656,228</u>	<u>\$ (2,240,497)</u>	<u>\$ (62,960)</u>	<u>\$ 119,352,771</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activity:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,055,251	\$ 42,339	\$ -	\$ 1,097,590
Construction in progress	239,297	210,021	(116,207)	333,111
Total capital assets, not being depreciated	<u>1,294,548</u>	<u>252,360</u>	<u>(116,207)</u>	<u>1,430,701</u>
Capital assets, being depreciated:				
Buildings	98,914	-	-	98,914
Improvements	95,206,176	757,181	-	95,963,357
Equipment	1,958,656	251,337	(37,931)	2,172,062
Total capital assets, being depreciated	<u>97,263,746</u>	<u>1,008,518</u>	<u>(37,931)</u>	<u>98,234,333</u>
Less accumulated depreciation for:				
Buildings	(21,278)	(3,970)	-	(25,248)
Improvements	(25,993,333)	(1,895,839)	-	(27,889,172)
Equipment	(1,227,728)	(115,318)	21,386	(1,321,660)
Total accumulated depreciation	<u>(27,242,339)</u>	<u>(2,015,127)</u>	<u>21,386</u>	<u>(29,236,080)</u>
Total capital assets, being depreciated, net	<u>70,021,407</u>	<u>(1,006,609)</u>	<u>(16,545)</u>	<u>68,998,253</u>
Business-type activity capital assets, net	<u>\$ 71,315,955</u>	<u>\$ (754,249)</u>	<u>\$ (132,752)</u>	<u>\$ 70,428,954</u>

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

Governmental activities:	
General government	\$ 359,493
Public safety	915,946
Public works	3,119,755
Parks and recreation	537,413
Performing arts center	74,562
Total depreciation expense - governmental activities	<u>\$ 5,007,169</u>

### Construction commitments

The government has active construction projects as of June 30, 2011. At year-end the government's commitments with contractors are as follows:

<u>Function/Activity</u>	<u>Commitment</u>
Major roads	\$ 2,361,730
General government	57,566
	<u>\$ 2,419,296</u>

### E. Interfund receivables, payables, and transfers

At June 30, 2011, amounts to be received or paid with current available resources are reported as receivable and payable to other funds. The amount payable to the general fund and

nongovernmental funds results from the time lag between dates that the interfund service are provided or reimbursable expenditures occur, and when transactions are recorded. The composition of interfund balances as of June 30, 2011, is as follows:

Due to:	Due from:		
	Capital Projects	Nonmajor Governmental	Total
General fund	\$ 865,154	\$ 302,650	\$ 1,167,804
Nonmajor governmental	340,000	-	340,000
	<u>\$ 1,205,154</u>	<u>\$ 302,650</u>	<u>\$ 1,507,804</u>

Interfund transfers represent subsidies and contributions provided to operating funds and capital project funds with no corresponding debt or promise to repay. Transfers out of the major funds, nonmajor governmental funds and enterprise funds generally represent debt service, cost allocation, capital project funding, and payments in lieu of taxes. Interfund transfers occurring between individual major funds and nonmajor governmental, enterprise, and internal service funds for the City during the year ended June 30, 2011, are as follows:

Transfer out:	Transfer In:			
	General Fund	Capital Projects	Nonmajor Governmental	Total
General fund	\$ -	\$ 100,000	\$ -	\$ 100,000
Nonmajor governmental funds	456,180	37,797	500,000	993,977
Capital projects fund	24,517	-	340,000	364,517
Water and sewer	303,835	-	-	303,835
Total transfers out	<u>\$ 784,532</u>	<u>\$ 137,797</u>	<u>\$ 840,000</u>	<u>\$ 1,762,329</u>

## F. Leases

### Operating Leases

The City leases various city-owned property to corporations for cellular towers. The leases range from 5 to 10 years. The minimum lease payments the City will receive for the years ending June 30 is as follows:

2012	\$ 336,560
2013	328,336
2014	185,617
2015	198,118
2016	42,084
Thereafter	3,185
Total	<u>\$ 1,093,900</u>

## **G. Long Term Debt**

### *General obligation bonds*

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. During the year, general obligation and revenue bonds totaling \$11,040,000 were issued to refund both general obligation and revenue bonds and provide additional funding for major capital asset additions.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 20-year serial bonds. There are no specific allocations of property tax or other revenue sources for debt service.

### *General obligation notes payable*

On December 23, 2008, the City entered into a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee through the Tennessee Municipal League for \$1,350,000 and \$1,000,000 for governmental and business-type activities, respectively. As of June 30, 2011, \$996,056 for governmental activities and \$235,251 for business-type activities of the total available note was drawn. The principal on this loan is paid annually while the interest is paid monthly based on a variable interest rate determined monthly by the remarketing agent. At June 30, 2011, the interest rate on this loan was 3.24%.

### *Revenue bonds*

The City also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service.

## Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 23,015,000	\$ 7,925,000	\$ (5,190,000)	\$ 25,750,000	\$ 1,525,000
Less deferred amounts:					
For issuance premiums	(20,157)	115,971	16,498	112,312	-
For issuance cost	(393,361)	(215,972)	39,658	(569,675)	-
Total bonds payable	22,601,482	7,824,999	(5,133,844)	25,292,637	1,525,000
Capital outlay notes	1,076,180	475,000	(374,850)	1,176,330	540,330
Note payable	953,056	-	(45,000)	908,056	47,000
Net pension obligation	1,797,963	657,819	-	2,455,782	-
Other postemployment benefits	10,643,230	1,110,649	-	11,753,879	-
Compensated absences	642,540	-	(2,788)	639,752	34,242
Governmental-type activity long-term liabilities	<u>\$ 37,714,451</u>	<u>\$ 10,068,467</u>	<u>\$ (5,556,482)</u>	<u>\$ 42,226,436</u>	<u>\$ 2,146,572</u>
<b>Business-type activities:</b>					
Bonds payable:					
Revenue bonds	\$ 14,355,000	\$ 3,115,000	\$ (3,980,000)	\$ 13,490,000	\$ 1,065,000
Less deferred amounts:					
For issuance costs	(352,748)	(110,994)	47,434	(416,308)	-
Total bonds payable	14,002,252	3,004,006	(3,932,566)	13,073,692	1,065,000
Note payable	203,251	-	(33,000)	170,251	35,000
Net pension obligation	64,411	33,146	-	97,557	-
Other postemployment benefits	948,824	138,265	-	1,087,089	-
Business-type activity long-term liabilities	<u>\$ 15,218,738</u>	<u>\$ 3,175,417</u>	<u>\$ (3,965,566)</u>	<u>\$ 14,428,589</u>	<u>\$ 1,100,000</u>

For governmental activities, net pension obligation, other postemployment benefits, and compensated absences are generally liquidated by the general fund.

For the governmental activities and business-type activities, \$4,171,585 and \$1,092,799, respectively, of bond proceeds were not spent as of June 30, 2011. As such, these proceeds were not included in the calculation of invested in capital assets, net of related debt.

Bonds and similar debt payable at June 30, 2011, are comprised of the following individual issues:

	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Balance Outstanding at Year End</u>
<b>Governmental activities:</b>			
Bonds payable:			
2001A Serial Bonds	2.6-4.9	\$ 3,270,000	\$ 95,000
2003 Serial Bonds	3.0-4.3	3,275,000	2,155,000
2004 Serial Bonds	2.0-4.3	1,790,000	1,370,000
2005 Serial Bonds	3.0-4.1	8,195,000	7,185,000
2006 Serial Bonds	4.0	2,655,000	2,240,000
2007 Serial Bonds	4.0-4.05	2,955,000	2,645,000
2009 Serial Bonds	2.0-4.1	2,220,000	2,135,000
2010 Serial Bonds	2.0-3.5	7,925,000	7,925,000
		<u>32,285,000</u>	<u>25,750,000</u>
2008 Note payable	3.24	996,056	908,056
2005 Capital Outlay note	3.67	1,507,500	239,330
2009 Capital Outlay note	3.14	740,500	462,000
2011 Capital Outlay note	2.4	475,000	475,000
		<u>\$ 36,004,056</u>	<u>27,834,386</u>
	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Balance Outstanding at Year End</u>
<b>Business-type activities:</b>			
Bonds payable:			
2001 Revenue Bonds	2.6 - 4.95	\$ 3,000,000	\$ 140,000
2003 Revenue Bonds	3.0 - 4.3	6,520,000	4,795,000
2004 Revenue Bonds	2.0-4.3	1,355,000	1,035,000
2005 Revenue Bonds	3.0-4.1	1,530,000	1,260,000
2006 Revenue Bonds	3.5-4.0	1,550,000	1,310,000
2007 Revenue Bonds	4.0-4.05	1,015,000	910,000
2009 Revenue Bonds	2.0-4.1	960,000	925,000
2010 Revenue Bonds	2.0-2.65	3,115,000	3,115,000
		<u>19,045,000</u>	<u>13,490,000</u>
2008 Note payable	3.24	235,251	170,251
		<u>\$ 19,280,251</u>	<u>13,660,251</u>
			<u>\$ 41,494,637</u>

Annual debt service requirements to maturity are as follows:

Years Ending June 30	Government Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2012	\$ 2,112,330	\$ 872,873	\$ 1,100,000	\$ 483,075
2013	2,338,000	806,629	1,141,000	449,195
2014	2,413,000	736,395	1,163,000	412,044
2015	2,154,000	667,693	1,205,000	373,257
2016	2,216,000	600,911	1,211,251	332,291
2017-2021	9,541,000	2,061,584	4,680,000	984,936
2022-2026	5,715,056	797,495	2,770,000	302,509
2027-2031	1,345,000	95,706	390,000	26,306
	<u>\$ 27,834,386</u>	<u>\$ 6,639,286</u>	<u>\$ 13,660,251</u>	<u>\$ 3,363,613</u>

The City is not subject to any state or other law that limits the amount of net bonded debt a City may have outstanding; therefore, there is no legal debt margin or computation thereof. The City's full faith, credit and unlimited taxing power are pledged to the repayment of all general obligation bond principal and interest and the City is contingently liable for the repayment of revenue bond principal and interest.

#### H. Restricted Assets

The balance in the restricted investments account relates to money held by the City that is restricted to State Street Aid purposes.

### NOTE 5 - EMPLOYEE RETIREMENT SYSTEM

#### A. Plan Description

The City is the administrator of a single-employer public employee retirement system (PERS) established and administered by the City to provide pension benefits for its employees. The plan, as amended on March 29, 2001, is a defined benefit plan and was created on July 1, 1989 with the transfer of assets from a defined contribution money purchase plan discontinued on June 30, 1989. The PERS is considered to be part of the City of Bartlett's financial reporting entity and is included in the City's financial reports as a pension trust fund. The City of Bartlett separately issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to City of Bartlett, P.O. Box 341148, Bartlett, TN 38134-1148.

The City provides all employee retirement benefits through a single employer, contributory, defined benefit plan. Under the plan, all full-time employees are eligible at date of employment as a condition of such employment. Employees are 100% vested only after five years of service. The retirement benefit is calculated at 2.5% of average compensation during the highest consecutive three years of service multiplied by years of credit service not in excess of 25 plus 1% of average

compensation multiplied by years of service greater than 25 but less than 35, with a maximum benefit of 72.5% of average compensation.

At July 1, 2011 (the date of the latest actuarial valuation), PERS membership consisted of:

Retirees and beneficiaries currently receiving benefits	116
Terminated employees entitled to benefits but not yet receiving them	20
Active employees:	
Vested	347
Nonvested	<u>113</u>
Total	<u>596</u>

## **B. Funding Policy**

Covered employees contribute 4% of earnings to the retirement plan. The City is required to contribute amounts necessary to finance the coverage for its employees (16.7% for the current period). Benefits and contributions are established by the City and may be amended only by the Board of Mayor and Aldermen.

## **C. Basis of Accounting**

PERS financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The government's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance in the terms of the plan. Expenses of the plan are recognized when incurred.

## **D. Plan Expenses**

Expenses of the plans, such as investment fees, trustee fees, and audit fees, are paid by the plan. However, certain administrative functions are performed by employees of the City and are not reimbursed by the plan.

## **E. Method Used to Value Investments**

PERS investments, other than contracts, are reported at fair value. Contracts are stated at cost plus interest accrued at contract rates. Investment income is recognized as earned. Plan assets do not include any securities of the City of Bartlett nor has the Plan made any loans to the City.

## **F. Annual Pension Cost**

For the year ended June 30, 2011, the City's annual pension cost of \$3,719,093 was more than the annual required contribution. The annual required contribution totaled \$3,579,847. The required contribution was determined as part of the July 1, 2010, annual actuarial valuation using the Frozen Initial Liability Cost Method. Significant actuarial assumptions used in the computation included (a)



a 7.5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4% per year. Both (a) and (b) included an inflation component of 2.5%. The actuarial value of the assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments.

Total payroll for the year ended June 30, 2011, was \$25,061,136. Payroll for employees covered by this plan was \$21,569,182.

The change in the net pension obligation for the year is as follows:

Annual required contribution	\$ 3,579,847
Interest on net pension obligation	139,246
Adjustment to annual required contribution	-
Annual pension cost	<u>3,719,093</u>
Contributions made	<u>3,028,128</u>
Increase (decrease) in net pension obligation	690,965
Net pension obligation - beginning of year	<u>1,862,374</u>
Net pension obligation - end of year	<u><u>\$ 2,553,339</u></u>

## G. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. A six-year summary of funding progress has been presented in the City's Comprehensive Annual Financial Report's supplemental section. Following is a summary of the three-year trend for the years ended June 30:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual pension cost	\$ 3,719,093	\$ 4,024,609	\$ 2,889,590
Percentage of APC contributed	81%	75%	107%
Net pension obligation	\$ 2,553,339	\$ 1,862,374	\$ 862,441

Six-year historical trend information (five years presented), designed to provide information about the Retirement System's progress made in accumulating sufficient assets to pay benefits when due is as follows:

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability - FIL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2007	\$ 39,613,864	\$52,411,522	\$ 12,797,658	75.58%	\$ 19,130,652	67%
7/1/2008	\$ 39,090,640	\$56,859,576	\$ 17,768,936	68.75%	\$ 20,682,097	86%
7/1/2009	\$ 35,635,995	\$52,870,665	\$ 17,234,670	67.40%	\$ 20,923,074	82%
7/1/2010	\$ 43,930,071	\$61,800,856	\$ 17,870,785	71.08%	\$ 21,398,047	84%
7/1/2011	\$ 46,749,452	\$63,984,119	\$ 17,234,667	73.06%	\$ 21,569,182	80%

## H. Fund Balances by Purpose

Following is more detailed information on the governmental fund balances:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable for:				
Inventory	\$ 181,592	\$ -	\$ -	\$ 181,592
Prepaid expenses	32,126	-	3,500	35,626
Restricted for:				
Capital projects	-	7,380,107	-	7,380,107
State street aid	-	-	78,313	78,313
Drug enforcement	-	-	449,086	449,086
DEA task force	-	-	235,451	235,451
Committed for:				
State street aid	-	-	492,578	492,578
Debt service	-	-	580,372	580,372
Assigned to:				
Capital projects	-	724,937	-	724,937
Solid waste	-	-	1,122,956	1,122,956
General improvement	-	-	537,098	537,098
Drainage control	-	-	270,988	270,988
Parks improvement	-	-	706,523	706,523
FY12 budget	1,777,509	-	-	1,777,509
Unassigned	<u>15,684,006</u>	<u>-</u>	<u>(21,503)</u>	<u>15,662,503</u>
Total fund balances	<u>\$ 17,675,233</u>	<u>\$ 8,105,044</u>	<u>\$ 4,455,362</u>	<u>\$ 30,235,639</u>

## NOTE 6 - COMMITMENTS AND CONTINGENCIES

The City has entered into various lease arrangements. The terms of these leases are variable and require only normal token payments, if any. Annual lease payments are not material.

The City has entered into a contract with the City of Memphis for sewer service charges provided within the Bartlett Water Service Area. Based on the agreement, the City will pay a sewer charge that is based on Bartlett's portion of the cost of treatment and the fee will be recalculated every two years.

Several lawsuits against the City are ongoing. The ultimate outcome of the actions is not determinable; however, City officials believe that the outcome of these proceedings, either singularly or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

## NOTE 7 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City has not incurred any losses in excess of commercial insurance coverage for the past three fiscal years.

### *Worker's Compensation*

The City maintains an internal service fund for its employee workers' compensation claims. The City contributes a yearly 'premium' as a percent of budgeted payroll to the fund and purchases insurance with a \$5,000 deductible from the Tennessee Municipal League Insurance Pool. Changes in the balances of claims liabilities during the years are as follows:

	2011	2010
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Claims incurred during the year	96,743	75,790
Claims payments	(96,743)	(75,790)
Unpaid claims, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>

### *Property, Plant and Equipment*

The City has replacement cost insurance, including earthquake coverage, on all buildings and on mobile equipment and vehicles costing more than \$25,000 each.

### *Liability Coverage*

The state of Tennessee provides statutory limits to municipal liability. The City is insured up to these maximum limits through the Tennessee Municipal League Insurance Pool.

## NOTE 8 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

In addition to the pension benefits described in Note 5, the City provides post-retirement health care benefits to all employees who retire from the City under the provisions of the PERS. Benefit provisions and contribution obligations have been established by the City in conjunction with the PERS. Currently, 71 employees are eligible for post-retirement benefits. The City pays 70% of the premium for health care benefits for retirees and their dependents.

### **Plan Description**

The City is the administrator of a single-employer Other Post Employment Benefit plan (OPEB). The plan provides for healthcare and dental benefits for retirees through the City's health insurance plans, which covers active and retired participants. The plan does not issue a stand-alone financial report.

## Funding Policy

The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has engaged an actuary to calculate the ARC and related information per the provision of GASB Statement 45 for employers in plans with more than 100 hundred total plan members. The ARC represents a funding level that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The amortization method used is a level dollar, closed approach which amortizes the initial unfunded actuarial liability over thirty years, actuarial gains/losses over ten years, and plan amendments over fifteen years. For fiscal year 2011, the City made no contributions and instead elected to continue funding on a *pay-as-you-go* basis, which amounted to \$459,098 for 2011. These costs are recognized as an expense when claims or premiums are paid.

## Annual OPEB Cost and Net OPEB Obligation

For the current fiscal year, the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the City's net OPEB obligation were as follows:

Annual required contribution	\$ 2,558,147
Interest on net OPEB obligation	579,603
Adjustment to annual required contribution	<u>(1,429,737)</u>
Annual OPEB cost	1,708,013
Contributions or payments made	<u>(459,098)</u>
Increase in net OPEB obligation	1,248,915
Net OPEB obligation, beginning of year	<u>11,592,054</u>
Net OPEB obligation, end of year	<u><u>\$ 12,840,969</u></u>

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Following is a summary of the three-year trend for the years ended June 30:

Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	\$ 6,096,247	6.9%	\$ 5,676,308
6/30/2010	\$ 6,380,062	7.6%	\$ 11,592,054
6/30/2011	\$ 1,708,013	26.9%	\$ 12,840,969

## Actuarial Methods and Assumptions

Actual valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of potential occurrences of certain events in the future. Examples include assumptions about future employment, mortality, healthcare costs trends, inflation, etc. Amounts determined regarding the funded status of the plan and the annual required contributions

of the City are subject to constant changes and modifications as actual results are compared with past expectations and new estimates and assumptions are formed regarding the future. Projections of retiree benefits for financial reporting purposes are based on current plan activities and it is handled by the City and the benefits are received by the eligible 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 City and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The annual required contribution for the current year was determined as part of the July 1, 2010, actuarial valuation using the Projected Unit Credit actuarial cost method. The actuarial assumptions include a 5% a year rate of investment return, a 2.5% inflation rate, and a base payroll growth rate of 5%. Per the actuarial study the post-retirement rates ranges from 9% in the short-term to 5% in the long-term for health care related costs.

#### **NOTE 9 – SUBSEQUENT EVENT**

Subsequent to June 30, 2011, the City issued \$4,545,000 in General Obligation Refunding and Public Improvement and \$4,305,000 in Water and Sewer Revenue and Tax Refunding Bonds. The purpose of the General Obligation Bonds is to provide funds for the construction and improvements of various capital projects within the City and pay the cost related to their issuance and sale. The purpose of the Water and Sewer Bonds is to provide for the refinancing of certain outstanding debt of the City and to pay the costs related to their issuance and sale.

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF OTHER POST EMPLOYMENT BENEFITS FUNDING PROGRESS

For the Year Ended June 30, 2011

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Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability - PUC	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2008	\$ 631,851	\$ 64,231,073	\$ 63,599,222	1.0%	\$ 20,682,097	308%
7/1/2009	\$ 624,167	\$ 68,971,215	\$ 68,347,048	0.9%	\$ 20,923,074	327%
7/1/2010	\$ 566,339	\$ 17,867,243	\$ 17,300,904	3.2%	\$ 21,398,047	81%
7/1/2011	\$ 623,056	\$ 19,266,337	\$ 18,643,281	3.2%	\$ 21,536,382	87%

CITY OF BARTLETT, TENNESSEE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

June 30, 2011

	Special Revenue Funds										Total Nonmajor Governmental Funds	
	State Street Aid Fund	Solid Waste Control Fund	Drug Enforcement Fund	General Improvement Fund	Drainage Control Fund	Parks Improvement Fund	DEA Task Force Fund	Grants Fund	Debt Service Fund			
<b>ASSETS</b>												
Cash and cash equivalents	\$ 422,608	\$ 1,368,812	\$ 634,085	\$ 581,891	\$ 276,699	\$ 706,523	\$ 244,043	\$ 270	\$ 200	\$ 4,235,131		
Receivables, net	258,519	-	-	-	-	-	-	-	465,238	723,757		
Taxes	-	257,452	-	-	-	-	-	79,183	-	336,635		
Other	-	-	-	3,500	-	-	-	-	-	3,500		
Prepaid expenses	-	-	-	-	-	-	-	-	-	-		
Due from other funds	-	-	-	-	-	-	-	-	340,000	340,000		
<b>Total assets</b>	<b>\$ 681,127</b>	<b>\$ 1,626,264</b>	<b>\$ 634,085</b>	<b>\$ 585,391</b>	<b>\$ 276,699</b>	<b>\$ 706,523</b>	<b>\$ 244,043</b>	<b>\$ 79,453</b>	<b>\$ 805,438</b>	<b>\$ 5,639,023</b>		
<b>LIABILITIES AND FUND BALANCES</b>												
Liabilities:												
Accounts payable	\$ 107,568	\$ 132,282	\$ 184,999	\$ 44,793	\$ -	\$ -	\$ 502	\$ 5,888	\$ -	\$ 476,032		
Accrued payroll and vacation	-	113,575	-	-	5,711	-	-	-	-	119,286		
Deferred revenue	2,668	257,451	-	-	-	-	-	25,574	-	285,693		
Due to other funds	-	-	-	-	-	-	8,090	69,494	225,066	302,650		
Total liabilities	110,236	503,308	184,999	44,793	5,711	-	8,592	100,956	225,066	1,183,661		
Fund balances:												
Nonspendable	-	-	-	3,500	-	-	-	-	-	3,500		
Restricted	78,313	-	449,086	-	-	-	235,451	-	-	762,850		
Committed	492,578	-	-	-	-	-	-	-	580,372	1,072,950		
Assigned	-	1,122,956	-	537,098	270,988	706,523	-	-	-	2,637,565		
Unassigned	-	-	-	-	-	-	-	(21,503)	-	(21,503)		
<b>Total fund balance</b>	<b>570,891</b>	<b>1,122,956</b>	<b>449,086</b>	<b>540,598</b>	<b>270,988</b>	<b>706,523</b>	<b>235,451</b>	<b>(21,503)</b>	<b>580,372</b>	<b>4,455,362</b>		
Total liabilities and fund balances	\$ 681,127	\$ 1,626,264	\$ 634,085	\$ 585,391	\$ 276,699	\$ 706,523	\$ 244,043	\$ 79,453	\$ 805,438	\$ 5,639,023		

**CITY OF BARTLETT, TENNESSEE**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2011

	Special Revenue Funds				
	State Street Aid Fund	Solid Waste Control Fund	Drug Enforcement Fund	General Improvement Fund	Drainage Control Fund
<b>REVENUES</b>					
Taxes:					
Local sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental - state gas tax	1,394,198	-	-	-	-
Charges for services	105,844	4,802,394	-	596,186	4,750
Fines, forfeitures, and penalties	-	-	33,874	-	-
Federal and state grants	-	48,134	-	-	-
Interest on investments	-	-	-	-	1,334
Other	-	4,099	172,175	4,701	-
Total revenues	<u>1,500,042</u>	<u>4,854,627</u>	<u>206,049</u>	<u>600,887</u>	<u>6,084</u>
<b>EXPENDITURES</b>					
Street paving and repair	175,475	-	-	2,107	-
Solid waste control	-	4,168,761	-	-	-
Drug enforcement	-	-	77,750	-	-
Drainage control	-	-	-	-	86,062
Parks improvement	-	-	-	-	-
Miscellaneous	-	-	-	154,781	-
Street lighting	1,246,254	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Debt issuance costs	-	-	-	-	-
Capital outlays	-	62,682	11,847	155,426	3,966
Total expenditures	<u>1,421,729</u>	<u>4,231,443</u>	<u>89,597</u>	<u>312,314</u>	<u>90,028</u>
Excess (deficiency) of revenues over expenditures	78,313	623,184	116,452	288,573	(83,944)
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	(500,000)	-	(450,000)	-
Net change in fund balances	78,313	123,184	116,452	(161,427)	(83,944)
Fund balances - beginning	<u>492,578</u>	<u>999,772</u>	<u>332,634</u>	<u>702,025</u>	<u>354,932</u>
Fund balances - ending	<u>\$ 570,891</u>	<u>\$ 1,122,956</u>	<u>\$ 449,086</u>	<u>\$ 540,598</u>	<u>\$ 270,988</u>



<u>Parks Improvement Fund</u>	<u>DEA Task Force Fund</u>	<u>Grants Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 2,697,575	\$ 2,697,575
-	-	-	-	1,394,198
-	-	-	-	5,509,174
-	-	-	-	33,874
-	-	1,833,559	-	1,881,693
-	515	-	-	1,849
-	55,301	-	-	236,276
<u>-</u>	<u>55,816</u>	<u>1,833,559</u>	<u>2,697,575</u>	<u>11,754,639</u>
-	-	-	-	177,582
-	-	-	-	4,168,761
-	-	-	-	77,750
-	-	-	-	86,062
282,765	-	-	-	282,765
-	4,815	20,715	-	180,311
-	-	-	-	1,246,254
-	-	-	2,394,850	2,394,850
-	-	-	910,148	910,148
-	-	-	63,514	63,514
-	46,608	1,768,779	-	2,049,308
<u>282,765</u>	<u>51,423</u>	<u>1,789,494</u>	<u>3,368,512</u>	<u>11,637,305</u>
(282,765)	4,393	44,065	(670,937)	117,334
-	-	-	3,315,000	3,315,000
-	-	-	14,241	14,241
-	-	-	(3,329,241)	(3,329,241)
-	-	-	840,000	840,000
-	-	(43,977)	-	(993,977)
(282,765)	4,393	88	169,063	(36,643)
989,288	231,058	(21,591)	411,309	4,492,005
<u>\$ 706,523</u>	<u>\$ 235,451</u>	<u>\$ (21,503)</u>	<u>\$ 580,372</u>	<u>\$ 4,455,362</u>

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>STATE STREET AID FUND</b>				
Revenues:				
Intergovernmental/unrestricted - state gas tax	\$ 1,353,945	\$ 1,353,945	\$ 1,394,198	\$ 40,253
Charges for services	125,000	125,000	105,844	(19,156)
Other	10,000	10,000	-	(10,000)
Total revenues	<u>1,488,945</u>	<u>1,488,945</u>	<u>1,500,042</u>	<u>11,097</u>
Expenditures:				
Street paving and repair	455,000	511,020	175,475	335,545
Street lighting	1,350,000	1,357,475	1,246,254	111,221
Total expenditures	<u>1,805,000</u>	<u>1,868,495</u>	<u>1,421,729</u>	<u>446,766</u>
Excess (deficiency) of revenues over expenditures	(316,055)	(379,550)	78,313	457,863
Other financing sources (uses):				
Transfers in	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>(400,000)</u>
Net change in fund balance	83,945	20,450	78,313	57,863
Fund balance - beginning	<u>492,578</u>	<u>492,578</u>	<u>492,578</u>	<u>-</u>
Fund balance - ending	<u>\$ 576,523</u>	<u>\$ 513,028</u>	<u>\$ 570,891</u>	<u>\$ 57,863</u>
<b>SOLID WASTE CONTROL FUND</b>				
Revenues:				
Charges for services	\$ 4,801,000	\$ 4,801,000	\$ 4,802,394	\$ 1,394
Federal grants	-	-	42,371	42,371
State grant	-	-	5,763	5,763
Interest income	2,000	2,000	-	(2,000)
Other income	13,500	13,500	4,099	(9,401)
Total revenues	<u>4,816,500</u>	<u>4,816,500</u>	<u>4,854,627</u>	<u>38,127</u>
Expenditures:				
Personnel	2,465,790	2,418,790	2,411,652	7,138
Operations	1,710,625	1,757,625	1,757,109	516
Capital outlays	67,200	67,200	62,682	4,518
Total expenditures	<u>4,243,615</u>	<u>4,243,615</u>	<u>4,231,443</u>	<u>12,172</u>
Excess (deficiency) of revenues over expenditures	572,885	572,885	623,184	50,299
Other financing sources (uses):				
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Net change in fund balance	72,885	72,885	123,184	50,299
Fund balance - beginning	<u>999,772</u>	<u>999,772</u>	<u>999,772</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,072,657</u>	<u>\$ 1,072,657</u>	<u>\$ 1,122,956</u>	<u>\$ 50,299</u>

(continued)

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>DRUG ENFORCEMENT FUND</b>				
Revenues:				
Collection of fines and forfeitures	\$ 28,500	\$ 28,500	\$ 33,874	\$ 5,374
Interest on investments	1,500	1,500	-	(1,500)
Other	136,000	136,000	172,175	36,175
Total revenues	<u>166,000</u>	<u>166,000</u>	<u>206,049</u>	<u>40,049</u>
Expenditures:				
Personnel	43,000	43,000	27,201	15,799
Operations	149,800	149,800	50,549	99,251
Capital outlays	35,500	73,163	11,847	61,316
Total expenditures	<u>228,300</u>	<u>265,963</u>	<u>89,597</u>	<u>176,366</u>
Net change in fund balance	(62,300)	(99,963)	116,452	216,415
Fund balance - beginning	<u>332,634</u>	<u>332,634</u>	<u>332,634</u>	<u>-</u>
Fund balance - ending	<u>\$ 270,334</u>	<u>\$ 232,671</u>	<u>\$ 449,086</u>	<u>\$ 216,415</u>
<b>GENERAL IMPROVEMENT FUND</b>				
Revenues:				
City service fees	\$ 585,000	\$ 585,000	\$ 596,186	\$ 11,186
Other	-	-	4,701	4,701
Total revenues	<u>585,000</u>	<u>585,000</u>	<u>600,887</u>	<u>15,887</u>
Expenditures:				
Street paving and repairs	10,000	10,000	2,107	7,893
Capital outlays	175,000	277,016	155,426	121,590
Miscellaneous	216,000	216,200	154,781	61,419
Total expenditures	<u>401,000</u>	<u>503,216</u>	<u>312,314</u>	<u>190,902</u>
Excess (deficiency) of revenues over expenditures	184,000	81,784	288,573	206,789
Other financing sources (uses):				
Transfers out	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>
Net change in fund balance	(266,000)	(368,216)	(161,427)	206,789
Fund balance - beginning	<u>702,025</u>	<u>702,025</u>	<u>702,025</u>	<u>-</u>
Fund balance - ending	<u>\$ 436,025</u>	<u>\$ 333,809</u>	<u>\$ 540,598</u>	<u>\$ 206,789</u>

(continued)

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive – (Negative)
	Original	Final		
<b>DRAINAGE CONTROL FUND</b>				
Revenues:				
Drainage control fees	\$ -	\$ -	\$ 4,750	\$ 4,750
Interest on investments	3,500	3,500	1,334	(2,166)
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>6,084</u>	<u>2,584</u>
Expenditures:				
Personnel	100,245	100,245	80,232	20,013
Operations	17,100	17,100	5,830	11,270
Capital outlays	4,000	4,000	3,966	34
Total expenditures	<u>121,345</u>	<u>121,345</u>	<u>90,028</u>	<u>31,317</u>
Net change in fund balance	(117,845)	(117,845)	(83,944)	33,901
Fund balance - beginning	<u>354,932</u>	<u>354,932</u>	<u>354,932</u>	<u>-</u>
Fund balance - ending	<u>\$ 237,087</u>	<u>\$ 237,087</u>	<u>\$ 270,988</u>	<u>\$ 33,901</u>
<b>PARKS IMPROVEMENT FUND</b>				
Expenditures:				
Parks improvement	\$ 320,000	\$ 325,347	\$ 282,765	\$ 42,582
Net change in fund balance	(320,000)	(325,347)	(282,765)	42,582
Fund balance - beginning	<u>989,288</u>	<u>989,288</u>	<u>989,288</u>	<u>-</u>
Fund balance - ending	<u>\$ 669,288</u>	<u>\$ 663,941</u>	<u>\$ 706,523</u>	<u>\$ 42,582</u>
<b>DEA TASK FORCE FUND</b>				
Revenues:				
Program income	\$ 50,000	\$ 50,000	\$ 55,301	\$ 5,301
Interest	250	250	515	265
Total revenues	<u>50,250</u>	<u>50,250</u>	<u>55,816</u>	<u>5,566</u>
Expenditures:				
Miscellaneous	17,400	17,400	4,815	12,585
Capital outlays	78,000	78,000	46,608	31,392
Total expenditures	<u>95,400</u>	<u>95,400</u>	<u>51,423</u>	<u>43,977</u>
Net change in fund balance	(45,150)	(45,150)	4,393	49,543
Fund balance - beginning	<u>231,058</u>	<u>231,058</u>	<u>231,058</u>	<u>-</u>
Fund balance - ending	<u>\$ 185,908</u>	<u>\$ 185,908</u>	<u>\$ 235,451</u>	<u>\$ 49,543</u>

(continued)

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>GRANTS FUND</b>				
Revenues:				
Federal and state grants	\$ -	\$ 1,176,765	\$ 1,833,559	\$ 656,794
Total revenues	-	1,176,765	1,833,559	656,794
Expenditures:				
Operating	-	8,610	20,715	(12,105)
Capital outlays	-	344,362	1,768,779	(1,424,417)
Total expenditures	-	352,972	1,789,494	(1,436,522)
Excess (deficiency) of revenues over expenditures	-	823,793	44,065	(779,728)
Other financing sources (uses):				
Transfers out	-	(1,056,060)	(43,977)	1,012,083
Net change in fund balance	-	(232,267)	88	232,355
Fund balance - beginning	(21,591)	(21,591)	(21,591)	-
Fund balance - ending	\$ (21,591)	\$ (253,858)	\$ (21,503)	\$ 232,355
<b>DEBT SERVICE FUND</b>				
Revenues:				
Local sales taxes	\$ 2,692,526	\$ 2,692,526	\$ 2,697,575	\$ 5,049
Interest on investments	500	500	-	(500)
Total revenues	2,693,026	2,693,026	2,697,575	4,549
Expenditures:				
Principal	2,394,850	2,394,850	2,394,850	-
Interest	1,023,555	1,023,555	910,148	113,407
Bond issuance costs	36,000	36,000	63,514	(27,514)
Total expenditures	3,454,405	3,454,405	3,368,512	85,893
Excess (deficiency) of revenues over expenditures	(761,379)	(761,379)	(670,937)	90,442
Other financing sources (uses):				
Refunding bonds issued	-	-	3,315,000	(3,315,000)
Premium on bonds issued	-	-	14,241	(14,241)
Payment to refunding bond escrow agent	-	-	(3,329,241)	3,329,241
Transfers in	840,000	840,000	840,000	-
Total other financing sources (uses)	840,000	840,000	840,000	-
Net change in fund balances	78,621	78,621	169,063	90,442
Fund balance - beginning	411,309	411,309	411,309	-
Fund balances - ending	\$ 489,930	\$ 489,930	\$ 580,372	\$ 90,442

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND**

For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest on investments	\$ -	\$ -	\$ 89,615	\$ 89,615
Other	-	-	65,820	65,820
Total revenues	-	-	155,435	155,435
<b>EXPENDITURES</b>				
Bond issue costs	-	-	39,690	(39,690)
<u>CIP Projects</u>				
Administrative Vehicles 2011	28,000	24,994	-	24,994
Building/Infrastructure Improvements	500,000	500,000	242,796	257,204
City Hall Improvements	150,000	150,000	7,875	142,125
Police Vehicles And Equipment 2011	215,000	215,000	198,779	16,221
ADS Alert Remote System	-	76,157	5,731	70,426
Fire Pumper 2011	450,000	450,000	-	450,000
Fire Vehicles 2010	25,000	25,000	24,219	781
Fire Sirens	60,000	60,000	4,392	55,609
Public Works Vehicles & Equipment 2011	70,000	70,000	63,863	6,137
Kirby Whitten Street Improvements	200,000	1,881,000	712,701	1,168,299
Engineering Vehicles 2009	20,500	20,012	-	20,012
Engineering Vehicles 2011	21,500	24,994	-	24,994
Old Brownsville West	150,000	290,000	8,699	281,301
Bartlett Road Bridge	30,000	110,250	21,629	88,621
Egypt Central/Kirby Whitten Si	10,000	180,000	38,055	141,945
Stage Road Improvements	100,000	-	-	-
Brunswick Road Improvements	30,000	380,000	2,800	377,200
O. Brownsville/Frank Crk Brdg	30,000	170,000	-	170,000
Appling Road Shoulder Improvements	-	1,195,000	177,263	1,017,737
City Wide Overlay	3,200,000	2,942,235	2,071,730	870,505
Yale Road Paving	-	1,288,825	54,241	1,234,584
Sycamore View Road Paving	-	-	574	(574)
St. Elmo Road Paving	-	-	620	(620)
Parks Vehicles & Equipment 2011	65,000	65,000	20,214	44,786
Recreation Center Equipment 2009	75,000	125,286	55,651	69,635
Recreation Center Equipment 2011	75,000	75,000	-	75,000
Burloe Walking Bridge	-	50,000	22,354	27,646
Fletcher Creek Greenway	-	100,000	12,700	87,300
Total CIP projects expenditures	5,505,000	10,468,753	3,746,887	6,721,866
Total expenditures	5,505,000	10,468,753	3,786,577	6,682,176

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND (CONTINUED)**

For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(5,505,000)	(10,468,753)	(3,631,142)	6,837,611
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	4,864,500	4,864,500	5,085,000	220,500
Premium on bonds issued	-	-	101,730	101,730
Transfers in	100,000	100,000	137,797	37,797
Transfers out	-	-	(364,517)	(364,517)
Total other financing sources (uses)	<u>4,964,500</u>	<u>4,964,500</u>	<u>4,960,010</u>	<u>(4,490)</u>
Net change in fund balance	(540,500)	(5,504,253)	1,328,868	6,833,121
Fund balance - beginning	<u>6,776,176</u>	<u>6,776,176</u>	<u>6,776,176</u>	<u>-</u>
Fund balance - ending	<u>\$ 6,235,676</u>	<u>\$ 1,271,923</u>	<u>\$ 8,105,044</u>	<u>\$ 6,833,121</u>

**CITY OF BARTLETT, TENNESSEE**

**COMBINING STATEMENT OF NET ASSETS – INTERNAL SERVICE FUNDS**

June 30, 2011

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	<u>Health and Welfare Fund</u>	<u>Workmen's Compensation Fund</u>	<u>Retirees' Health Insurance Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 535,348	\$ 423,680	\$ 623,057	\$ 1,582,085
Prepaid insurance	<u>406,380</u>	<u>-</u>	<u>-</u>	<u>406,380</u>
Total current assets	<u>941,728</u>	<u>423,680</u>	<u>623,057</u>	<u>1,988,465</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	<u>17,708</u>	<u>13,740</u>	<u>93</u>	<u>31,541</u>
<b>NET ASSETS</b>				
Unrestricted	<u>\$ 924,020</u>	<u>\$ 409,940</u>	<u>\$ 622,964</u>	<u>\$ 1,956,924</u>



**CITY OF BARTLETT, TENNESSEE**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND  
NET ASSETS – INTERNAL SERVICE FUNDS**

For the Year Ended June 30, 2011

	<u>Health and Welfare Fund</u>	<u>Workmen's Compensation Fund</u>	<u>Retirees' Health Insurance Fund</u>	<u>Totals</u>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 820,961	\$ 559,499	\$ -	\$ 1,380,460
City contributions	4,207,444	-	540,776	4,748,220
Total operating revenues	5,028,405	559,499	540,776	6,128,680
<b>OPERATING EXPENSES:</b>				
Workers' compensation claims	-	96,743	-	96,743
Insurance premiums	5,017,105	445,111	459,097	5,921,313
Accounting and actuary services	-	-	25,128	25,128
Total operating expenses	5,017,105	541,854	484,225	6,043,184
Operating income (loss)	11,300	17,645	56,551	85,496
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Intergovernmental revenue	1,660	-	-	1,660
Interest income	-	-	70	70
Total nonoperating revenues (expenses)	1,660	-	70	1,730
Change in net assets	12,960	17,645	56,621	87,226
Net assets - beginning	911,060	392,295	566,343	1,869,698
Net assets - ending	\$ 924,020	\$ 409,940	\$ 622,964	\$ 1,956,924

**CITY OF BARTLETT, TENNESSEE**

**COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS**

For the Year Ended June 30, 2011

	<u>Health and Welfare Fund</u>	<u>Workmen's Compensation Fund</u>	<u>Retirees' Health Insurance Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from interfund services provided	\$ 5,028,405	\$ 559,499	\$ 540,776	\$ 6,128,680
Payments to suppliers	<u>(5,421,882)</u>	<u>(538,085)</u>	<u>(484,128)</u>	<u>(6,444,095)</u>
Net cash provided by (used for) operating activities	(393,477)	21,414	56,648	(315,415)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Intergovernmental revenue	1,660	-	-	1,660
Interest income	<u>-</u>	<u>-</u>	<u>70</u>	<u>70</u>
Net increase (decrease) in cash and cash equivalents	(391,817)	21,414	56,718	(313,685)
Cash and cash equivalents - beginning	<u>927,165</u>	<u>402,266</u>	<u>566,339</u>	<u>1,895,770</u>
Cash and cash equivalents - ending	<u><u>\$ 535,348</u></u>	<u><u>\$ 423,680</u></u>	<u><u>\$ 623,057</u></u>	<u><u>\$ 1,582,085</u></u>
<b>Reconciliation of operating income to net cash provided (used by) operating activities:</b>				
Operating income (loss)	\$ 11,300	\$ 17,645	\$ 56,551	\$ 85,496
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Increase in prepaid insurance	(406,380)	-	-	(406,380)
Increase in accounts payable	<u>1,603</u>	<u>3,769</u>	<u>97</u>	<u>5,469</u>
Net cash provided by (used for) operating activities	<u><u>\$ (393,477)</u></u>	<u><u>\$ 21,414</u></u>	<u><u>\$ 56,648</u></u>	<u><u>\$ (315,415)</u></u>

**CITY OF BARTLETT, TENNESSEE**  
**COMBINING BALANCE SHEET – AGENCY FUNDS**

June 30, 2011

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	<b>Family Assistance Fund</b>	<b>Bail Bond Fund</b>	<b>Total Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 40,628	\$ 34,392	\$ 75,020
Total assets	\$ 40,628	\$ 34,392	\$ 75,020
<b>LIABILITIES</b>			
Family assistance payable	\$ 40,628	\$ -	\$ 40,628
Bail bonds payable	-	34,392	34,392
Total liabilities	\$ 40,628	\$ 34,392	\$ 75,020

**CITY OF BARTLETT, TENNESSEE**

**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS**

For the Year Ended June 30, 2011

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Assets</b>				
<b>Family Assistance Fund</b>				
Cash and cash equivalents	\$ 38,011	\$ 21,628	\$ (19,011)	\$ 40,628
<b>Bail Bond Fund</b>				
Cash and cash equivalents	<u>51,430</u>	<u>364,087</u>	<u>(381,125)</u>	<u>34,392</u>
	<u>\$ 89,441</u>	<u>\$ 385,715</u>	<u>\$ (400,136)</u>	<u>\$ 75,020</u>
<b>Liabilities</b>				
<b>Family Assistance Fund</b>				
Family assistance payable	\$ 38,011	\$ 21,628	\$ (19,011)	\$ 40,628
<b>Bail Bond Fund</b>				
Bail bonds payable	<u>51,430</u>	<u>364,087</u>	<u>(381,125)</u>	<u>34,392</u>
	<u>\$ 89,441</u>	<u>\$ 385,715</u>	<u>\$ (400,136)</u>	<u>\$ 75,020</u>

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF BONDS AND NOTES PAYABLE – FUTURE MATURITIES  
(INCLUDING INTEREST) – GOVERNMENTAL ACTIVITIES

June 30, 2011

Fiscal Year	Series 2010 Bonds		Series 2009 Bonds		Series 2007 Bonds		Series 2006 Bonds		Series 2005 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 530,000	\$ 166,813	\$ 90,000	\$ 66,128	\$ 110,000	\$ 106,325	\$ 110,000	\$ 89,600	\$ 220,000	\$ 261,928
2013	635,000	155,163	90,000	64,328	115,000	101,825	110,000	85,200	635,000	246,965
2014	650,000	142,313	90,000	62,528	120,000	97,125	125,000	80,800	655,000	224,390
2015	660,000	129,213	95,000	60,678	125,000	92,225	125,000	75,800	680,000	201,028
2016	670,000	115,913	95,000	58,754	130,000	87,125	130,000	70,800	705,000	176,614
2017	685,000	102,363	95,000	56,687	135,000	81,825	135,000	65,600	730,000	150,778
2018	705,000	88,463	100,000	54,345	140,000	76,325	140,000	60,200	760,000	123,395
2019	720,000	74,213	100,000	51,745	145,000	70,625	150,000	54,600	785,000	94,616
2020	735,000	59,203	105,000	48,820	155,000	64,586	155,000	48,600	255,000	75,053
2021	745,000	42,547	110,000	45,512	160,000	58,168	160,000	42,400	265,000	65,106
2022	390,000	28,825	110,000	41,965	165,000	51,505	165,000	36,000	275,000	54,642
2023	245,000	20,734	115,000	38,166	170,000	44,595	175,000	29,400	285,000	43,580
2024	60,000	16,694	120,000	34,052	180,000	37,332	180,000	22,400	300,000	31,880
2025	65,000	14,894	125,000	29,641	185,000	29,712	185,000	15,200	310,000	19,602
2026	65,000	12,944	130,000	24,922	195,000	21,733	195,000	7,800	325,000	6,662
2027	70,000	10,875	130,000	19,982	205,000	13,281	-	-	-	-
2028	70,000	8,688	140,000	14,715	210,000	4,463	-	-	-	-
2029	75,000	6,375	145,000	9,050	-	-	-	-	-	-
2030	75,000	3,891	150,000	3,075	-	-	-	-	-	-
2031	75,000	1,313	-	-	-	-	-	-	-	-
	<u>\$ 7,925,000</u>	<u>\$ 1,201,431</u>	<u>\$ 2,135,000</u>	<u>\$ 785,093</u>	<u>\$ 2,645,000</u>	<u>\$ 1,038,775</u>	<u>\$ 2,240,000</u>	<u>\$ 784,400</u>	<u>\$ 7,185,000</u>	<u>\$ 1,776,239</u>

\*-As of June 30, 2011, \$996,055 of the \$1,350,000 loan was drawn. The full amount is expected to be drawn by December 31, 2011.

\*\* - This is a variable rate loan. Interest rate assumed is 3.24% which was the rate for June 2011.

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF BONDS AND NOTES PAYABLE – FUTURE MATURITIES  
(INCLUDING INTEREST) – GOVERNMENTAL ACTIVITIES (CONTINUED)

June 30, 2011

Fiscal Year	Series 2004 Bonds		Series 2003 Bonds		Series 2001 Bonds		2008 Note Payable		Capital Outlay Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal*	Interest**	Principal	Interest	Principal	Interest
2012	\$ 75,000	\$ 50,821	\$ 295,000	\$ 73,731	\$ 95,000	\$ 1,971	\$ 47,000	\$ 29,421	\$ 540,330	\$ 26,135	\$ 2,112,330	\$ 872,873
2013	80,000	48,340	310,000	63,668	-	-	49,000	27,898	314,000	13,242	2,338,000	806,629
2014	80,000	45,680	320,000	52,797	-	-	51,000	26,311	322,000	4,452	2,413,000	736,395
2015	85,000	42,833	330,000	41,258	-	-	54,000	24,658	-	-	2,154,000	667,693
2016	90,000	39,770	340,000	29,027	-	-	56,000	22,909	-	-	2,216,000	600,911
2017	90,000	36,575	130,000	20,268	-	-	59,000	21,094	-	-	2,059,000	535,190
2018	95,000	33,197	55,000	16,725	-	-	61,000	19,183	-	-	2,056,000	471,832
2019	100,000	29,540	55,000	14,553	-	-	64,000	17,206	-	-	2,119,000	407,098
2020	100,000	25,715	60,000	12,223	-	-	67,000	15,133	-	-	1,632,000	349,333
2021	105,000	21,690	60,000	9,747	-	-	70,000	12,962	-	-	1,675,000	298,132
2022	110,000	17,390	65,000	7,137	-	-	73,000	10,694	-	-	1,353,000	248,158
2023	115,000	12,832	65,000	4,391	-	-	76,000	8,329	-	-	1,246,000	202,027
2024	120,000	7,925	70,000	1,505	-	-	80,000	5,866	-	-	1,110,000	157,654
2025	125,000	2,688	-	-	-	-	83,000	3,274	-	-	1,078,000	115,011
2026	-	-	-	-	-	-	18,056	585	-	-	928,056	74,646
2027	-	-	-	-	-	-	-	-	-	-	405,000	44,138
2028	-	-	-	-	-	-	-	-	-	-	420,000	27,866
2029	-	-	-	-	-	-	-	-	-	-	220,000	15,425
2030	-	-	-	-	-	-	-	-	-	-	225,000	6,966
2031	-	-	-	-	-	-	-	-	-	-	75,000	1,313
	<b>\$ 1,370,000</b>	<b>\$ 414,996</b>	<b>\$ 2,155,000</b>	<b>\$ 347,030</b>	<b>\$ 95,000</b>	<b>\$ 1,971</b>	<b>\$ 908,056</b>	<b>\$ 245,522</b>	<b>\$ 1,176,330</b>	<b>\$ 43,829</b>	<b>\$ 27,834,386</b>	<b>\$ 6,639,286</b>

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF BONDS AND NOTES PAYABLE – FUTURE MATURITIES  
(INCLUDING INTEREST) – BUSINESS TYPE ACTIVITY

June 30, 2011

Fiscal Year	Series 2010 Bonds		Series 2009 Bonds		Series 2007 Bonds		Series 2006 Bonds		Series 2005 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 120,000	\$ 64,869	\$ 40,000	\$ 28,613	\$ 40,000	\$ 36,732	\$ 65,000	\$ 51,701	\$ 125,000	\$ 43,530
2013	265,000	61,019	40,000	27,813	40,000	35,133	70,000	49,345	130,000	39,068
2014	265,000	55,719	40,000	27,013	40,000	33,532	70,000	46,790	135,000	34,430
2015	280,000	50,269	40,000	26,213	45,000	31,833	75,000	44,200	135,000	29,705
2016	275,000	44,719	40,000	25,402	45,000	30,032	75,000	41,200	140,000	24,858
2017	285,000	39,119	40,000	24,532	45,000	28,233	80,000	38,200	150,000	19,635
2018	295,000	33,319	45,000	23,510	50,000	26,333	85,000	35,000	155,000	14,030
2019	295,000	27,419	45,000	22,340	50,000	24,320	85,000	31,600	155,000	8,256
2020	305,000	21,228	45,000	21,057	50,000	22,270	90,000	28,200	15,000	5,065
2021	310,000	14,306	45,000	19,674	55,000	20,091	95,000	24,600	20,000	4,395
2022	320,000	6,625	50,000	18,140	55,000	17,809	95,000	20,800	20,000	3,620
2023	100,000	1,315	50,000	16,452	60,000	15,422	100,000	17,000	20,000	2,830
2024	-	-	50,000	14,702	60,000	12,932	105,000	13,000	20,000	2,030
2025	-	-	55,000	12,811	65,000	10,306	110,000	8,800	20,000	1,225
2026	-	-	55,000	10,776	65,000	7,544	110,000	4,400	20,000	410
2027	-	-	60,000	8,590	70,000	4,675	-	-	-	-
2028	-	-	60,000	6,250	75,000	1,594	-	-	-	-
2029	-	-	60,000	3,865	-	-	-	-	-	-
2030	-	-	65,000	1,332	-	-	-	-	-	-
	<b>\$ 3,115,000</b>	<b>\$ 419,926</b>	<b>\$ 925,000</b>	<b>\$ 339,085</b>	<b>\$ 910,000</b>	<b>\$ 358,791</b>	<b>\$ 1,310,000</b>	<b>\$ 454,836</b>	<b>\$ 1,260,000</b>	<b>\$ 233,087</b>

\*-As of June 30, 2011, \$235,251 of the \$1,000,000 loan had been drawn. The full \$1M is expected to be drawn by December 31, 2011.

\*\* - This is a variable rate loan. Interest rate assumed is 3.24% which was the rate for June 2011.

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF BONDS AND NOTES PAYABLE – FUTURE MATURITIES  
(INCLUDING INTEREST) – BUSINESS TYPE ACTIVITY (CONTINUED)

June 30, 2011

Fiscal Year	Series 2004 Bonds		Series 2003 Bonds		Series 2001 Bonds		2008 Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest**	Principal*	Interest**	Principal	Interest
2012	\$ 60,000	\$ 38,328	\$ 475,000	\$ 172,646	\$ 140,000	\$ 5,516	35,000	41,140	\$ 1,100,000	\$ 483,075
2013	60,000	36,408	500,000	156,427	-	4,382	36,000	39,600	1,141,000	449,195
2014	60,000	34,413	515,000	138,915	-	3,216	38,000	38,016	1,163,000	412,044
2015	65,000	32,255	525,000	120,453	-	1,985	40,000	36,344	1,205,000	373,257
2016	65,000	29,980	550,000	100,827	-	689	21,251	34,584	1,211,251	332,291
2017	70,000	27,582	485,000	81,437	-	-	-	-	1,155,000	258,738
2018	70,000	25,027	220,000	67,932	-	-	-	-	920,000	225,151
2019	75,000	22,307	230,000	59,043	-	-	-	-	935,000	195,285
2020	75,000	19,439	240,000	49,523	-	-	-	-	820,000	166,782
2021	80,000	16,395	245,000	39,519	-	-	-	-	850,000	138,980
2022	85,000	13,095	260,000	28,975	-	-	-	-	885,000	109,064
2023	85,000	9,652	270,000	17,778	-	-	-	-	685,000	80,449
2024	90,000	5,997	280,000	6,020	-	-	-	-	605,000	54,681
2025	95,000	2,043	-	-	-	-	-	-	345,000	35,185
2026	-	-	-	-	-	-	-	-	250,000	23,130
2027	-	-	-	-	-	-	-	-	130,000	13,265
2028	-	-	-	-	-	-	-	-	135,000	7,844
2029	-	-	-	-	-	-	-	-	60,000	3,865
2030	-	-	-	-	-	-	-	-	65,000	1,332
	<b>\$ 1,035,000</b>	<b>\$ 312,921</b>	<b>\$ 4,795,000</b>	<b>\$ 1,039,495</b>	<b>\$ 140,000</b>	<b>\$ 15,788</b>	<b>\$ 170,251</b>	<b>\$ 189,684</b>	<b>\$ 13,660,251</b>	<b>\$ 3,363,613</b>



CITY OF BARTLETT, TENNESSEE

SCHEDULE OF PROPERTY TAXES RECEIVABLE – GENERAL FUND

June 30, 2011

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<u>Year of Levy</u>	
2011	\$ 17,016,533
2010	543,053
2009	241,211
2008	109,140
2007	48,396
2006	25,721
2005	26,398
2004	17,071
2003	16,517
2002	17,190
2001	8,441
Total property tax receivable	<u>\$ 18,069,671</u>

The City collects their own property taxes. All delinquent customers are given notice of overdue accounts and the balance is added to their next bill plus interest and penalties. As per the City Charter, before March of the second year following the due date, the City takes action against delinquent property taxes. The City turns all delinquent accounts over to Shelby County for collection.

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE – GENERAL FUND

For the Year Ended June 30, 2011

	Total	Current Year	Prior Years									
		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Property taxes receivable - beginning of year</b>	\$ 18,077,553	\$ -	\$ 16,959,601	\$ 666,838	\$ 247,246	\$ 72,913	\$ 34,251	\$ 30,688	\$ 19,100	\$ 18,118	\$ 18,179	\$ 10,619
<b>ADD:</b>												
Tax levied:	-	17,016,533	-	-	-	-	-	-	-	-	-	-
Adjustments	573,347	-	576,050	(483)	(3,513)	604	-	(70)	(4)	-	-	762
Total Additions	17,589,879	17,016,533	576,050	(483)	(3,513)	604	-	(70)	(4)	-	-	762
<b>DEDUCT:</b>												
Collections - Net of Refunds	(17,580,008)	-	(16,992,598)	(421,552)	(134,158)	(22,403)	(6,134)	(2,232)	(619)	(131)	(56)	(125)
Releases	(17,753)	-	-	(3,592)	(435)	(2,718)	(2,396)	(1,988)	(1,406)	(1,470)	(933)	(2,815)
Total Deductions	(17,597,761)	-	(16,992,598)	(425,144)	(134,593)	(25,121)	(8,530)	(4,220)	(2,025)	(1,601)	(989)	(2,940)
<b>Property taxes receivable - end of year</b>	18,069,671	17,016,533	543,053	241,211	109,140	48,396	25,721	26,398	17,071	16,517	17,190	8,441
Less: Allowance for uncollectibles	(509,235)	(336,303)	(48,142)	(33,828)	(15,245)	(15,209)	(12,685)	(17,713)	(6,539)	(6,531)	(8,873)	(8,167)
<b>Property taxes receivable, net</b>	\$ 17,560,436	\$ 16,680,230	\$ 494,911	\$ 207,383	\$ 93,895	\$ 33,187	\$ 13,036	\$ 8,685	\$ 10,532	\$ 9,986	\$ 8,317	\$ 274

**CITY OF BARTLETT , TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**

For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
<u>Federal Awards</u>						
<u>U.S. Department of Agriculture/Tennessee Dept. of Agriculture</u>						
Cooperative Forestry Assistance	10.664	4373	\$ 505	\$ 505	-	\$ -
Cooperative Forestry Assistance	10.664	6030	3,686	3,731	45	-
Cooperative Forestry Assistance	10.664	13939	-	-	3,481	3,481
Total Program 10.664			<u>4,191</u>	<u>4,236</u>	<u>3,526</u>	<u>3,481</u>
<u>U.S. Department of HUD/Shelby County, Tennessee</u>						
Community Development Block Grant/Entitlement Grant	14.218	97607	75,201	199,927	212,284	87,558
<u>U.S. Department of Justice</u>						
Bulletproof Vest Partnership Program	16.607	2009BUBX08043862	615	615	855	855
Bulletproof Vest Partnership Program	16.607	2009BUBX09047514	-	-	3,360	3,360
Total Program 16.607			<u>615</u>	<u>615</u>	<u>4,215</u>	<u>4,215</u>
<u>U.S. Department of Justice/Shelby County, Tennessee</u>						
Edward Byrne Memorial Justice Assistance Grant	16.738	2009-DJ-BX-0421	(1,725)	-	1,725	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-DJ-BX-0242	-	-	13,230	13,230
Total Program 16.738			<u>(1,725)</u>	<u>-</u>	<u>14,955</u>	<u>13,230</u>
<u>U.S. Department of Justice/Shelby County, Tennessee</u>						
Edward Byrne Memorial Justice Assistance Grant	ARRA 16.804	2009-SB-B9-2466	(49,333)	-	46,946	(2,387)

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (CONTINUED)

For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
<u>U.S. Department of Transportation/TN Dept of Transportation</u>						
Highway Planning and Construction	ARRA 20.205	79PLMF0083	1,867	1,084,062	1,082,195	-
Highway Planning and Construction	ARRA 20.205	79PLMF0102	8,124	8,315	191	-
Highway Planning and Construction	ARRA 20.205	79PLMF0084	12,626	12,885	259	-
Highway Planning and Construction	ARRA 20.205	79PLMF0108	8,149	361,282	355,099	1,966
Highway Planning and Construction	ARRA 20.205	79PLM-F3-101	11,747	-	618	12,365
Highway Planning and Construction	20.205	090163	6,412	-	17,303	23,715
Highway Planning and Construction	20.205	79LPLM-F0-061	-	643	43,393	42,750
Highway Planning and Construction	20.205	090171	26,397	-	10,160	36,557
Highway Planning and Construction	20.205	090172	3,509	-	17,883	21,392
Highway Planning and Construction	20.205	79PLMF0106	-	-	460	460
Highway Planning and Construction	20.205	79LPLM-F0-061	-	-	496	496
Highway Planning and Construction	20.205	79PLM-F3-103&107	6,744	-	-	6,744
Total Program 20.205			85,575	1,467,187	1,528,057	146,445
<u>U.S. Department of Transportation/TN Dept of Transportation</u>						
Alcohol Open Container Requirements	20.607	Z11GHS289	-	6,180	7,289	1,109
<u>U.S. Department of Energy</u>						
Energy Efficiency and Conservation Block Grant	ARRA 81.128	DE-EE0002140	-	161,976	167,639	5,663
<u>U.S. Department of Homeland Security</u>						
Disaster Grants - Public Assistance	97.036	FEMA-1851-DR-TN	623,654	448,367	-	175,287
Disaster Grants - Public Assistance	97.036	FEMA-1909-DR-TN	106,334	63,461	1,328	44,201
Total Program 97.036			729,988	511,828	1,328	219,488
<u>U.S. Department of Homeland Security</u>						
Disaster Grants - Public Assistance/Shelby County, Tennessee	97.008	08UAS+BART	-	102,103	102,103	-
Total Federal Awards			844,512	2,454,052	2,088,342	478,802

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (CONTINUED)**

For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
<u>State Financial Assistance</u>						
Tennessee Arts Commission	N/A	3-G/08	(153)	-	-	(153)
Tennessee Emergency Management Agency	N/A	Z-364101-2125	117,084	-	-	117,084
Tennessee Emergency Management Agency	N/A		5,907	-	74	5,981
Total State Financial Assistance			122,838	-	74	122,912
Total Federal Awards and State Financial Assistance			\$ 967,350	\$ 2,454,052	\$ 2,088,416	\$ 601,714

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the City of Bartlett and is presented on the accrual basis of accounting. The information presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**NOTE 2 - RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE TO THE FINANCIAL STATEMENTS**

The following is a reconciliation of expenditures per the schedule of expenditures of federal and state awards to the revenue balances in the City's financial statements:

Total grant revenue per governmental funds financial statements	\$ 2,051,424
Add: Grant revenue per proprietary fund	212,284
Less: Deferred revenue at the fund level	<u>(175,292)</u>
Total federal award and state financial assistance	<u>\$ 2,088,416</u>

**CITY OF BARTLETT, TENNESSEE**  
**STATISTICAL INFORMATION SECTION**

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This part of the City of Bartlett's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>91</b>
<p>These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.</p>	
<b>Revenue Capacity</b>	<b>97</b>
<p>These scheduled contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.</p>	
<b>Debt Capacity</b>	<b>104</b>
<p>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</p>	
<b>Demographic and Economic Information</b>	<b>108</b>
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place, to help make comparisons over time and with other governments.</p>	
<b>Operating Information</b>	<b>110</b>
<p>These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.</p>	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; scheduled presenting government-wide information beginning in that year.

**CITY OF BARTLETT, TENNESSEE**  
**NET ASSET BY COMPONENT**  
**LAST NINE FISCAL YEARS**  
**(accrual basis of accounting)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Government activities</b>									
Invested in capital assets, net of related debt	\$ 8,823,263	\$ 8,150,594	\$ 18,091,187	\$ 95,636,824	\$ 98,573,298	\$ 100,172,375	\$ 99,381,535	\$ 97,005,354	\$ 96,147,333
Restricted for:									
Debt Service	1,225,150	1,340,507	1,165,229	843,967	787,628	1,287,085	490,192	411,309	580,372
Streets	1,168,845	1,548,633	1,257,925	2,700,432	2,740,016	3,054,670	2,197,575	2,045,558	570,891
Park improvements									706,523
Drug enforcement									449,086
Other purposes									235,451
Unrestricted	14,399,403	17,163,598	14,188,254	19,212,342	21,676,916	22,062,263	22,834,414	16,152,717	12,001,807
<b>Total government activities net assets</b>	<b>\$ 25,616,661</b>	<b>\$ 28,203,332</b>	<b>\$ 34,702,595</b>	<b>\$ 118,393,565</b>	<b>\$ 123,777,858</b>	<b>\$ 126,576,393</b>	<b>\$ 124,903,716</b>	<b>\$ 115,614,938</b>	<b>\$ 110,691,463</b>
<b>Business-type activities</b>									
Invested in capital assets, net of related debt	\$ 15,525,049	\$ 14,745,986	\$ 18,045,906	\$ 54,249,248	\$ 55,858,400	\$ 57,258,511	\$ 57,703,738	\$ 57,110,451	\$ 58,277,810
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	3,273,390	6,781,584	5,592,576	7,533,721	9,799,498	9,534,033	8,380,713	7,081,221	5,358,702
<b>Total business-type activities net assets</b>	<b>\$ 18,798,439</b>	<b>\$ 21,527,570</b>	<b>\$ 23,638,482</b>	<b>\$ 61,782,969</b>	<b>\$ 65,657,898</b>	<b>\$ 66,792,544</b>	<b>\$ 66,084,451</b>	<b>\$ 64,191,672</b>	<b>\$ 63,636,512</b>
<b>Primary government</b>									
Invested in capital assets, net of related debt	\$ 24,348,312	\$ 22,896,580	\$ 36,137,093	\$ 149,886,072	\$ 154,431,698	\$ 157,430,886	\$ 157,085,273	\$ 154,115,805	\$ 154,425,143
Restricted for:									
Debt Service	1,225,150	1,340,507	1,165,229	843,967	787,628	1,287,085	490,192	411,309	580,372
Streets/Public works	1,168,845	1,548,633	1,257,925	2,700,432	2,740,016	3,054,670	2,197,575	2,045,558	570,891
Park improvements									706,523
Drug enforcement									449,086
Other purposes									235,451
Unrestricted	17,672,793	23,945,182	19,780,830	26,746,063	31,476,414	31,596,296	31,215,127	23,233,938	17,360,509
<b>Total primary government net assets</b>	<b>\$ 44,415,100</b>	<b>\$ 49,730,902</b>	<b>\$ 58,341,077</b>	<b>\$ 180,176,534</b>	<b>\$ 189,435,756</b>	<b>\$ 193,368,937</b>	<b>\$ 190,988,167</b>	<b>\$ 179,806,610</b>	<b>\$ 174,327,975</b>

**Note:** The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

**CITY OF BARTLETT, TENNESSEE**  
**CHANGES IN NET ASSETS**  
**LAST NINE FISCAL YEARS**  
**(accrual basis of accounting)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
Governmental activities:									
General government	\$ 3,688,033	\$ 3,817,612	\$ 4,905,983	\$ 5,632,745	\$ 6,072,578	\$ 6,146,033	\$ 6,881,987	\$ 7,711,577	\$ 7,016,910
Public safety	14,211,312	15,229,635	16,227,428	17,516,545	18,764,451	19,489,332	22,891,377	26,256,730	24,532,698
Public works	8,760,116	9,643,881	10,283,522	10,771,605	10,898,616	14,018,688	14,742,339	14,432,134	15,767,322
Parks and recreation	2,750,070	3,212,272	3,117,719	3,406,312	3,628,496	3,813,114	4,091,798	4,246,207	4,319,311
Performing arts center	636,030	528,693	576,954	548,560	531,287	554,099	543,258	630,035	773,715
Recreation center	1,213,373	1,404,541	1,460,706	1,386,275	1,449,420	1,395,700	1,740,618	1,820,873	1,718,237
Interest on long-term debt	1,006,953	874,918	856,067	956,263	1,011,629	1,073,576	1,012,600	976,084	927,525
Total government activities expenses	<u>32,265,887</u>	<u>34,711,552</u>	<u>37,428,379</u>	<u>40,218,305</u>	<u>42,356,477</u>	<u>46,490,543</u>	<u>51,903,977</u>	<u>56,073,640</u>	<u>55,055,718</u>
Business-type activities:									
Water and sewer	4,913,261	5,020,670	5,505,561	5,542,130	6,681,378	6,861,747	7,217,654	7,875,448	7,275,464
<b>Total primary government expenses</b>	<u>\$ 37,179,148</u>	<u>\$ 39,732,222</u>	<u>\$ 42,933,940</u>	<u>\$ 45,760,435</u>	<u>\$ 49,037,855</u>	<u>\$ 53,352,290</u>	<u>\$ 59,121,631</u>	<u>\$ 63,949,088</u>	<u>\$ 62,331,182</u>
<b>Program Revenues</b>									
Governmental activities:									
General government	\$ 2,751,185	\$ 2,659,176	\$ 2,619,322	\$ 2,754,193	\$ 2,888,013	\$ 2,897,835	\$ 3,695,591	\$ 3,719,823	\$ 2,997,511
Public safety	1,089,423	1,720,564	1,567,093	2,248,281	1,978,286	1,763,428	1,568,950	1,689,385	1,660,752
Public works	4,454,625	4,585,727	4,725,358	5,926,718	5,509,626	5,912,018	6,130,611	5,942,462	5,942,888
Parks and recreation	680,720	789,016	1,066,426	951,827	905,401	999,875	993,003	935,433	966,105
Performing arts center	218,317	227,429	247,643	267,082	265,246	270,559	250,636	278,161	267,997
Recreation center	1,668,669	1,714,171	1,714,793	1,920,813	1,920,327	1,920,572	1,827,796	1,669,614	1,588,369
Operating grants and contributions	134,576	618,159	694,803	919,185	674,122	561,296	1,941,514	1,193,165	3,070,185
Capital grants and contributions	-	-	-	-	-	-	870,185	168,069	337,368
Total government activities revenues	<u>10,997,515</u>	<u>12,314,242</u>	<u>12,635,438</u>	<u>14,988,099</u>	<u>14,141,021</u>	<u>14,325,583</u>	<u>17,278,286</u>	<u>15,596,112</u>	<u>16,821,175</u>
Business-type activities:									
Water and sewer	5,174,831	5,753,889	6,147,670	6,406,480	9,223,712	7,612,974	6,141,851	6,039,052	6,294,620
Operating grants and contributions	1,519,467	1,956,709	1,388,163	3,139,940	1,260,413	429,088	590,610	195,843	233,559
Capital grants and contributions	-	-	-	-	-	-	-	-	462,965
Total business-type activities revenues	<u>6,694,298</u>	<u>7,710,598</u>	<u>7,535,833</u>	<u>9,546,420</u>	<u>10,484,125</u>	<u>8,042,062</u>	<u>6,732,461</u>	<u>6,234,895</u>	<u>6,991,144</u>
<b>Total primary government program revenues</b>	<u>\$ 17,691,813</u>	<u>\$ 20,024,840</u>	<u>\$ 20,171,271</u>	<u>\$ 24,534,519</u>	<u>\$ 24,625,146</u>	<u>\$ 22,367,645</u>	<u>\$ 24,010,747</u>	<u>\$ 21,831,007</u>	<u>\$ 23,812,319</u>

(Continued)



CITY OF BARTLETT, TENNESSEE

CHANGES IN NET ASSETS

LAST NINE FISCAL YEARS (CONTINUED)  
(accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Net (expense)/revenue</b>									
Governmental activities	\$ (21,268,372)	\$ (22,397,310)	\$ (24,792,941)	\$ (25,230,206)	\$ (28,215,456)	\$ (32,164,960)	\$ (34,625,691)	\$ (40,477,528)	\$ (38,234,543)
Business-type activities	1,781,037	2,689,928	2,030,272	4,004,290	3,802,747	1,180,315	(485,193)	(1,640,553)	(284,320)
<b>Total primary government net expense</b>	<b>\$ (19,487,335)</b>	<b>\$ (19,707,382)</b>	<b>\$ (22,762,669)</b>	<b>\$ (21,225,916)</b>	<b>\$ (24,412,709)</b>	<b>\$ (30,984,645)</b>	<b>\$ (35,110,884)</b>	<b>\$ (42,118,081)</b>	<b>\$ (38,518,863)</b>
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Property taxes	\$ 9,495,854	\$ 11,127,476	\$ 11,454,910	\$ 13,137,495	\$ 15,189,418	\$ 14,823,724	\$ 17,570,811	\$ 18,083,999	\$ 17,819,265
Local sales taxes	9,298,548	9,148,392	9,880,716	10,446,702	11,346,090	11,447,876	10,362,031	10,240,841	10,583,911
Intergovernmental/unrestricted	4,153,052	4,139,479	4,180,051	4,807,677	5,472,144	5,910,366	4,050,633	5,246,434	4,072,733
Interest on investments	145,109	148,739	309,598	676,342	1,000,014	801,765	229,974	83,058	108,663
Gain (Loss) on sale of assets	-	-	-	-	8,083	52,947	22,051	18,301	-
Other	234,234	419,895	5,466,929	892,827	334,463	276,917	396,481	462,593	422,661
Transfers	-	-	-	242,022	249,537	311,553	321,033	300,184	303,835
<b>Total government activities</b>	<b>23,326,797</b>	<b>24,983,981</b>	<b>31,292,204</b>	<b>30,203,065</b>	<b>33,599,749</b>	<b>33,625,148</b>	<b>32,953,014</b>	<b>34,435,410</b>	<b>33,311,068</b>
Business-type activities:									
Interest on investments	58,955	39,203	80,640	141,883	321,719	265,884	97,117	45,045	32,995
Other	-	-	-	-	-	-	1,016	2,913	-
Transfers	-	-	-	(242,022)	(249,537)	(311,553)	(321,033)	(300,184)	(303,835)
<b>Total primary government</b>	<b>\$ 23,385,752</b>	<b>\$ 25,023,184</b>	<b>\$ 31,372,844</b>	<b>\$ 30,102,926</b>	<b>\$ 33,671,931</b>	<b>\$ 33,579,479</b>	<b>\$ 32,730,114</b>	<b>\$ 34,183,184</b>	<b>\$ 33,040,228</b>
<b>Change in Net Assets</b>									
Governmental activities	2,058,425	2,586,671	6,499,263	4,972,859	5,384,293	1,460,188	(1,672,677)	(6,042,118)	(4,923,475)
Business-type activities	1,839,992	2,729,131	2,110,912	3,904,151	3,874,929	1,134,646	(708,093)	(1,892,779)	(555,160)
<b>Total primary government</b>	<b>\$ 3,898,417</b>	<b>\$ 5,315,802</b>	<b>\$ 8,610,175</b>	<b>\$ 8,877,010</b>	<b>\$ 9,259,222</b>	<b>\$ 2,594,834</b>	<b>\$ (2,380,770)</b>	<b>\$ (7,934,897)</b>	<b>\$ (5,478,635)</b>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

**CITY OF BARTLETT, TENNESSEE**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General fund</b>										
Reserved	\$ 466,397	\$ 275,383	\$ 651,888	\$ 399,177	\$ 385,617	\$ 509,527	\$ 412,714	\$ 463,388	\$ 403,937	\$ -
Unreserved	7,356,993	7,395,176	7,941,065	8,418,234	9,922,141	11,987,145	14,752,382	14,993,801	16,082,051	-
Nonspendable	-	-	-	-	-	-	-	-	-	213,718
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	1,777,509
Unassigned	-	-	-	-	-	-	-	-	-	15,684,006
<b>Total General Fund</b>	<b>\$7,823,390</b>	<b>\$7,670,559</b>	<b>\$8,592,953</b>	<b>\$8,817,411</b>	<b>\$10,307,758</b>	<b>\$12,496,672</b>	<b>\$15,165,096</b>	<b>\$15,457,189</b>	<b>\$16,485,988</b>	<b>\$17,675,233</b>
<b>All other governmental funds</b>										
Reserved	\$4,070,322	\$1,863,515	\$2,384,978	\$3,410,580	\$5,261,180	\$5,197,034	\$3,538,529	\$4,462,446	\$3,208,614	\$-
Unreserved, reported in:										
Special revenue funds	2,026,729	1,777,529	1,756,786	1,916,840	1,989,091	2,196,379	2,624,208	2,432,421	1,981,071	-
Solid waste fund	-	-	-	-	-	-	-	549,162	999,772	-
Capital projects fund	1,302,519	4,271,461	4,278,177	2,217,444	3,854,413	2,717,766	4,581,609	2,553,729	5,078,724	-
Nonspendable	-	-	-	-	-	-	-	-	-	3,500
Restricted	-	-	-	-	-	-	-	-	-	8,142,957
Committed	-	-	-	-	-	-	-	-	-	1,072,950
Assigned	-	-	-	-	-	-	-	-	-	3,362,502
Unassigned	-	-	-	-	-	-	-	-	-	(21,503)
<b>Total all other governmental funds</b>	<b>\$7,399,570</b>	<b>\$7,912,505</b>	<b>\$8,419,941</b>	<b>\$7,544,864</b>	<b>\$11,104,684</b>	<b>\$10,111,179</b>	<b>\$10,744,346</b>	<b>\$9,997,758</b>	<b>\$11,268,181</b>	<b>\$12,560,406</b>
<b>Total governmental funds</b>	<b>15,222,960</b>	<b>15,583,064</b>	<b>17,012,894</b>	<b>16,362,275</b>	<b>21,412,442</b>	<b>22,607,851</b>	<b>25,909,442</b>	<b>25,454,947</b>	<b>27,754,169</b>	<b>30,235,639</b>

**Note:** The City implemented GASB Statement 54 in fiscal year 2011.

CITY OF BARTLETT, TENNESSEE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Taxes										
Property taxes	\$ 9,439,426	\$ 9,495,854	\$ 11,045,723	\$ 11,423,316	\$ 12,438,854	\$ 13,982,802	\$ 17,076,772	\$ 17,214,579	\$ 17,963,040	\$ 17,976,858
Local sales taxes	8,885,495	9,229,507	9,205,960	9,880,716	10,446,702	11,346,090	11,447,876	10,362,031	10,240,841	10,491,343
Intergovernmental	4,323,583	4,153,052	4,139,479	4,180,051	4,807,677	5,472,144	5,910,366	5,389,404	5,246,434	5,550,454
Licenses and permits	1,511,074	1,733,853	1,862,786	1,720,629	2,284,121	2,022,104	1,649,327	1,425,783	1,479,812	1,512,694
Charges for services	5,996,394	6,894,915	7,594,545	8,015,731	9,497,796	9,001,671	9,719,205	9,912,159	9,636,103	9,499,172
Fines, forfeitures and penalties	1,689,208	1,786,840	1,685,042	1,601,748	1,622,260	1,688,409	1,623,563	2,057,354	1,987,336	1,827,808
Federal and state grants	706,063	123,505	601,628	674,746	494,011	485,233	381,503	224,465	777,551	2,051,424
Donations	5,400	11,071	16,531	20,057	20,302	90,889	30,656	21,528	15,715	13,226
Interest on investments	216,985	137,188	143,259	288,620	625,466	931,673	750,659	220,482	82,278	106,933
Other	230,272	234,234	455,087	569,729	378,760	334,463	276,917	396,481	462,593	339,138
<b>Total revenues</b>	<b>33,003,900</b>	<b>33,800,019</b>	<b>36,750,040</b>	<b>38,375,343</b>	<b>42,615,949</b>	<b>45,355,478</b>	<b>48,866,844</b>	<b>47,224,266</b>	<b>47,891,703</b>	<b>49,369,050</b>
<b>Expenditures</b>										
General government	2,966,017	3,295,134	3,555,531	4,482,552	5,243,741	5,749,891	5,967,027	5,992,322	6,314,723	5,921,099
Public safety	12,185,560	13,659,989	14,353,954	15,115,945	16,245,518	17,827,289	19,150,132	20,399,914	21,050,533	21,504,877
Public works	7,728,646	8,691,690	9,199,577	9,414,698	10,049,074	10,953,524	11,894,956	11,501,238	10,481,199	12,242,078
Parks and recreation	2,477,666	2,653,990	2,919,742	2,766,305	2,965,994	3,174,928	3,356,605	3,834,751	3,298,906	3,554,826
Performing arts center	382,623	426,932	434,248	503,680	534,299	525,744	549,875	539,899	579,361	562,989
Recreation center	1,052,202	1,112,031	1,177,520	1,236,549	1,291,924	1,353,908	1,431,086	1,437,412	1,425,701	1,448,045
Debt Service										
Principal	2,272,711	2,230,000	2,480,000	2,275,000	2,327,790	2,294,860	2,367,190	2,520,800	2,562,180	2,394,850
Interest	1,044,702	983,558	847,013	853,142	874,978	927,552	982,739	972,113	931,908	910,148
Bond issuance cost	32,552	75,661	47,997	42,664	82,796	40,631	53,141	13,851	59,866	103,204
Capital Outlay	2,359,419	3,420,529	1,358,402	5,758,501	3,416,761	4,998,447	4,469,523	1,576,513	2,403,481	3,746,887
<b>Total expenditures</b>	<b>32,502,098</b>	<b>36,549,514</b>	<b>36,373,984</b>	<b>42,449,036</b>	<b>43,032,875</b>	<b>47,846,774</b>	<b>50,222,274</b>	<b>48,788,813</b>	<b>49,107,858</b>	<b>52,389,003</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>501,802</b>	<b>(2,749,495)</b>	<b>376,056</b>	<b>(4,073,693)</b>	<b>(416,926)</b>	<b>(2,491,296)</b>	<b>(1,355,430)</b>	<b>(1,564,547)</b>	<b>(1,216,155)</b>	<b>(3,019,953)</b>

CITY OF BARTLETT, TENNESSEE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS (CONTINUED)  
(modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Other financing sources (uses)</b>										
Transfers in	2,973,767	2,615,000	2,504,904	2,790,907	2,370,505	1,949,007	3,453,333	2,104,194	2,241,196	1,762,329
Transfers out	(2,936,451)	(2,615,000)	(2,504,904)	(2,660,907)	(2,128,483)	(1,699,470)	(3,141,780)	(1,783,161)	(1,941,012)	(1,458,494)
Debt Proceeds-General Obligation	2,000,000	2,939,482	1,053,774	3,297,500	4,693,464	3,408,000	2,955,001	766,968	3,189,588	5,085,000
Refunding bond issued	1,270,000	4,035,312	2,221,226	-	3,501,536	-	-	-	-	3,315,000
Premium (Discount) on bond issued	-	-	17,756	(4,426)	(10,914)	12,726	(827)	-	7,304	115,971
Payment to refunded bond escrow agent	(1,270,000)	(3,865,195)	(2,238,982)	-	(3,501,536)	-	-	-	-	(3,329,241)
Capital leases	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	542,521	16,442	52,947	22,051	18,301	10,858
<b>Total other financing sources (uses)</b>	<u>2,037,316</u>	<u>3,109,599</u>	<u>1,053,774</u>	<u>3,423,074</u>	<u>5,467,093</u>	<u>3,686,705</u>	<u>3,318,674</u>	<u>1,110,052</u>	<u>3,515,377</u>	<u>5,501,423</u>
<b>Net change in fund balances</b>	\$ 2,539,118	\$ 360,104	\$ 1,429,830	\$ (650,619)	\$ 5,050,167	\$ 1,195,409	\$ 1,963,244	\$ (454,495)	\$ 2,299,222	\$ 2,481,470
<b>Debt Service as a percentage of noncapital expenditures</b>	<b>11.0%</b>	<b>9.7%</b>	<b>9.5%</b>	<b>8.5%</b>	<b>8.1%</b>	<b>7.5%</b>	<b>7.3%</b>	<b>7.6%</b>	<b>7.6%</b>	<b>6.7%</b>

CITY OF BARTLETT, TENNESSEE

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

	Real Property			Commercial Personal Property	Total Taxable Assessed Value	Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Farm Property	Commercial Property					
2002	493,129,125	1,677,325	198,838,536	37,718,830	740,663,458	1.23	2,621,148,770	28.26%
2003	503,398,450	1,381,325	209,396,141	39,482,970	762,060,098	1.23	2,691,447,031	28.31%
2004	517,285,550	1,280,225	210,884,485	35,394,680	773,441,431	1.38	2,737,164,384	28.26%
2005	537,048,350	1,263,100	215,355,155	33,957,950	796,373,253	1.38	2,822,607,920	28.21%
2006	618,439,825	3,018,275	250,902,900	42,506,320	923,947,530	1.31	3,273,422,973	28.23%
2007	729,515,750	2,949,150	240,391,810	42,698,020	1,030,659,103	1.31	3,703,507,696	27.83%
2008	757,507,150	2,658,500	244,269,130	38,901,240	1,056,522,348	1.54	3,808,483,242	27.74%
2009	777,311,375	2,467,500	248,946,505	42,776,070	1,084,590,618	1.54	3,912,651,861	27.72%
2010	817,642,200	2,419,225	284,892,370	41,036,030	1,160,302,747	1.49	4,158,669,295	27.90%
2011	816,594,875	2,553,900	270,612,325	39,753,910	1,143,030,184	1.49	4,113,660,743	27.79%

**Source:** Shelby County Assessor's office before adjustment from County Board of Equalization.

**Note:** Property in Shelby County is reassessed every four year. Tax rates are applied at \$100 of assessed value. Residential and farm property are assessed at 25%, commercial real property at 40%, commercial personal property at 30% and public utilities at 55%.

**CITY OF BARTLETT, TENNESSEE**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**

Fiscal Year	(Per \$100 of Assessed Valuation)						Total Direct & Overlapping Rates
	City	County					
	Direct Rate	General Fund	Education	Debt Service	Rural School Bonds		
2002	1.23	1.25	2.03	0.51	-	5.02	
2003	1.23	1.43	2.03	0.58	0.05	5.32	
2004	1.38	1.31	2.03	0.70	0.05	5.47	
2005	1.38	1.22	2.02	0.80	0.05	5.47	
2006	1.31	1.22	2.02	0.80	0.05	5.40	
2007	1.31	1.22	2.02	0.80	0.05	5.40	
2008	1.54	1.22	2.02	0.80	0.05	5.63	
2009	1.54	1.23	1.98	0.81	0.04	5.60	
2010	1.49	1.33	1.90	0.79	0.04	5.55	
2011	1.49	1.36	1.91	0.75	0.04	5.55	

**Notes:**

All property in Shelby County was reappraised for the 1997, 2001, 2005 and 2009 tax years.  
There is no allocation for City property tax rate.

**CITY OF BARTLETT, TENNESSEE**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>2011</u>			<u>2002</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Brother International	\$ 31,888,940	1	2.79%	\$ 10,930,000	1	1.48%
Saint Francis Hospital	20,659,520	2	1.81%			
Bartlett Logistics One LLC	11,238,240	3	0.98%			
Bristol Park at Wolfchase GP	9,413,560	4	0.82%			
Bell South Telecommunications	8,462,141	5	0.74%	6,228,308	2	0.84%
WNI/Tennessee LP	7,094,480	6	0.62%	6,109,440	3	0.83%
UHS of Lakeside INC	6,502,160	7	0.57%	5,880,000	4	0.80%
Walmart Real Estate Trust	5,742,640	8	0.50%	5,007,680	7	0.68%
Belvedere Apartments INC	4,830,000	9	0.42%			
Lowe's Home Centers INC	4,390,910	10	0.38%			
The Industrial Dev Brd of Bartlett				5,418,432	5	0.73%
Quail Apartments LP				5,258,600	6	0.71%
Stage Centre Co				3,940,800	8	0.53%
International Technology				3,389,440	9	0.46%
Sam's Real Estate Trust				3,052,240	10	0.41%
<b>Totals</b>	<b><u>\$ 110,222,591</u></b>		<b><u>9.64%</u></b>	<b><u>\$ 55,214,940</u></b>		<b><u>7.47%</u></b>

**Source:** City of Bartlett Tax Department

**CITY OF BARTLETT, TENNESSEE**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Subsequent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Tax Collections to Tax Levy</b>	<b>Outstanding Delinquent Tax</b>
2002	9,085,997	8,956,762	98.58%	112,045	9,068,807	99.81%	17,190
2003	9,376,124	9,230,212	98.44%	129,395	9,359,607	99.82%	16,517
2004	10,699,648	10,218,983	95.51%	463,594	10,682,577	99.84%	17,071
2005	11,100,118	10,795,149	97.25%	278,571	11,073,720	99.76%	26,398
2006	12,103,713	11,455,642	94.65%	622,350	12,077,992	99.79%	25,721
2007	13,303,791	12,963,800	97.44%	291,595	13,255,395	99.64%	48,396
2008	16,828,729	16,297,479	96.84%	422,110	16,719,589	99.35%	109,140
2009	17,259,716	15,935,257	92.33%	1,083,248	17,018,505	98.60%	241,211
2010	17,620,288	16,953,450	96.22%	123,785	17,077,235	96.92%	543,053
2011	17,560,438	16,992,598	96.77%	-	16,992,598	96.77%	567,840

**Note:** The Shelby County Assessor's office assess the value of property within the county. The City levies a tax and is responsible for collections.



**CITY OF BARTLETT, TENNESSEE**  
**TAXABLE SALES BY CATEGORY**  
**LAST TEN CALENDAR YEARS**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Apparel & Accessories	\$ 5,320,018	\$ 5,651,168	\$ 6,309,246	\$ 6,470,629	\$ 6,872,110	\$ 6,185,927	\$ 7,795,639	\$ 7,927,804	\$ 7,236,266	\$ 6,879,114
General Merchandise	148,068,872	162,691,252	169,528,404	174,520,905	177,921,853	180,394,277	188,367,395	187,097,170	186,397,564	182,994,539
Food Stores	74,900,644	83,179,666	87,337,290	87,245,173	85,387,228	84,232,024	91,890,586	93,880,924	92,507,193	90,869,753
Eating & Drinking Places	56,969,674	47,644,071	44,102,474	51,790,882	56,580,753	58,237,164	61,878,927	61,383,105	63,744,573	62,415,304
Furniture Stores	21,432,549	24,801,603	25,943,384	26,482,073	20,588,298	19,890,999	19,079,129	17,663,833	11,738,317	12,756,787
Building Materials	29,550,033	53,070,540	63,150,488	75,945,538	91,178,839	83,988,276	120,249,335	58,115,255	44,961,710	46,657,133
MV Dealers & Serv. Stations	29,241,868	28,726,219	29,677,835	31,742,956	32,826,569	34,627,712	39,862,821	41,202,131	36,835,531	39,178,978
Other Retail	42,248,276	44,578,917	51,064,490	57,662,704	61,479,007	64,440,718	66,467,209	64,731,620	61,146,888	55,660,638
All Other Outlets	116,230,265	140,164,097	84,469,252	91,620,732	114,563,730	106,569,459	119,630,073	120,560,748	119,560,415	120,055,387
<b>Total</b>	<b>\$ 523,962,199</b>	<b>\$ 590,507,533</b>	<b>\$ 561,582,863</b>	<b>\$ 603,481,592</b>	<b>\$ 647,398,387</b>	<b>\$ 638,566,556</b>	<b>\$ 715,221,114</b>	<b>\$ 652,562,590</b>	<b>\$ 624,128,457</b>	<b>\$ 617,467,633</b>

Source: Tennessee Department of Revenue, Research Division

**CITY OF BARTLETT, TENNESSEE**  
**DIRECT AND OVERLAPPING SALES TAX RATES**  
**LAST TEN FISCAL YEARS**

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<b>Year</b>	<b>City Direct Rate</b>	<b>Shelby County</b>	<b>State of Tennessee</b>
2002	1.125%	1.125%	6.00%
2003	1.125%	1.125%	7.00%
2004	1.125%	1.125%	7.00%
2005	1.125%	1.125%	7.00%
2006	1.125%	1.125%	7.00%
2007	1.125%	1.125%	7.00%
2008	1.125%	1.125%	7.00%
2009	1.125%	1.125%	7.00%
2010	1.125%	1.125%	7.00%
2011	1.125%	1.125%	7.00%

**Source:** City of Bartlett Finance Department

**Note:** Local option tax can be changed by referendum up to the maximum allowed by state law.

**CITY OF BARTLETT, TENNESSEE**  
**LOCAL SALES TAX REVENUE BY INDUSTRY**

**FISCAL YEARS 2002 AND 2011**

Sector	Fiscal Year 2002			Fiscal Year 2011			
	Number of Filers	Percentage of Total	Tax Liability	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	435	54.51%	\$ 9,823,561	483	52.33%	\$ 11,235,376	79.97%
Services	215	26.94%	908,566	250	27.09%	1,295,243	9.22%
Manufacturing	42	5.26%	583,917	56	6.07%	163,618	1.16%
Wholesale Trade	60	7.52%	446,985	60	6.50%	1,133,597	8.07%
Construction	17	2.13%	41,879	27	2.93%	41,666	0.30%
Finance Insurance Real Estate	5	0.63%	308	3	0.33%	1,681	0.01%
Transportation and Utilities	7	0.88%	55,689	7	0.76%	69,138	0.49%
Agriculture	5	0.63%	10,848	9	0.98%	28,796	0.20%
Other, Non Classified	12	1.50%	29,450	28	3.03%	79,988	0.57%
<b>Total</b>	<b>798</b>	<b>100.00%</b>	<b>\$ 11,901,203</b>	<b>923</b>	<b>100.00%</b>	<b>\$ 14,049,103</b>	<b>100.00%</b>

**Source:** Tennessee Department of Revenue, Research Division.

**Notes:**

1. Figures subject to revision due to amended taxpayer returns.
2. Figures represent local sales tax collected by merchants during the period, not disbursements from the Department of Revenue.
3. Changes in local telecommunications sourcing rules in 2003 reduced the number of taxpayers reporting in the Transportation and Utilities sector.
4. Does not include Bartlett's share of county clerk or out-of-state taxpayer amounts.

**CITY OF BARTLETT, TENNESSEE**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Government Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	General Obligation Note	Capital Note	Capital Lease	Revenue Bonds	Revenue Note	Revenue Note	Revenue Note			
2002	21,245,000	-	-	-	11,775,000	-	-	-	33,020,000	4.06%	782
2003	22,205,000	-	-	-	12,160,000	-	-	-	34,365,000	3.98%	806
2004	20,990,000	-	-	-	15,350,000	-	-	-	36,340,000	3.84%	833
2005	20,505,000	-	1,507,500	-	15,545,000	-	-	-	37,557,500	3.74%	866
2006	23,155,000	-	1,314,170	-	14,625,000	-	-	-	39,094,170	3.42%	899
2007	23,715,000	-	1,867,850	-	15,165,000	-	-	-	40,747,850	3.28%	868
2008	24,750,000	-	1,420,660	-	15,285,000	-	-	-	41,455,660	3.03%	846
2009	22,695,000	26,468	1,695,360	-	14,405,000	117,452	-	117,452	38,939,280	2.78%	795
2010	23,015,000	953,055	1,076,180	-	14,355,000	203,251	-	203,251	39,602,486	2.76%	808
2011	25,750,000	908,055	1,176,330	-	13,490,000	170,251	-	170,251	41,494,636	2.82%	760

**CITY OF BARTLETT, TENNESSEE**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

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<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Capital Note</b>	<b>Capital Lease</b>	<b>General Obligation Note</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2002	21,245,000	-	-	-	21,245,000	0.81%	503
2003	22,205,000	-	-	-	22,205,000	0.83%	521
2004	20,990,000	-	-	-	20,990,000	0.77%	481
2005	20,505,000	1,507,500	-	-	22,012,500	0.78%	508
2006	23,155,000	1,314,170	-	-	24,469,170	0.75%	563
2007	23,715,000	1,867,850	-	-	25,582,850	0.69%	545
2008	24,750,000	1,420,660	-	-	26,170,660	0.69%	534
2009	22,695,000	1,695,360	-	26,468	24,416,828	0.62%	498
2010	23,015,000	1,076,180	-	953,055	25,044,235	0.60%	511
2011	25,750,000	1,176,330	-	908,055	27,834,385	0.68%	510

**CITY OF BARTLETT, TENNESSEE**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

As of June 30, 2011

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<u>Name of Government Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Bartlett (1)</u>	<u>Overlapping Debt (2)</u>
City Net General Obligation Debt	\$ 27,834,385	100.00%	\$ 27,834,385
Shelby County	<u>1,665,674,209</u>	6.03%	<u>100,512,586</u>
<b>Totals Direct and Overlapping Debt</b>	<b><u>\$ 1,693,508,594</u></b>		<b><u>\$ 128,346,971</u></b>

(1) Determined by the ratio of Assessed Valuation of property subject to taxation in the City of Bartlett to the value of property subject to taxation in Shelby County.

(2) Amount of debt outstanding multiplied by percentage applicable to Bartlett.

(3) Does not include Water and Sewer self supporting debt, includes Capital Note.

The City of Bartlett has no legal debt limit

**CITY OF BARTLETT, TENNESSEE**  
**PLEGDED – REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Utility Service Charges	Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		Total
2002	5,958,023	3,198,385	2,759,638	1,245,000	590,984	1,835,984	1.50
2003	6,753,253	3,500,754	3,252,499	1,420,000	562,568	1,982,568	1.64
2004	7,749,801	3,751,076	3,998,725	1,125,000	544,863	1,669,863	2.39
2005	7,616,473	3,949,404	3,667,069	1,160,000	621,735	1,781,735	2.06
2006	9,688,303	4,071,905	5,616,398	1,255,000	569,220	1,824,220	3.08
2007	8,205,579	4,237,489	3,968,090	1,010,000	573,585	1,583,585	2.51
2008	8,307,946	4,352,229	3,955,717	895,000	593,012	1,488,012	2.66
2009	6,830,594	4,662,988	2,167,606	880,000	581,992	1,461,992	1.48
2010	6,282,853	5,243,944	1,038,909	1,010,000	563,000	1,573,000	0.66
2011	7,024,139	4,781,719	2,242,420	1,013,000	500,254	1,513,254	1.48

(1) Excludes depreciation expense.

(2) Includes revenue from water and sewer development and tap fees as required by GASB Statement No. 33.

**CITY OF BARTLETT, TENNESSEE**  
**DEMOGRAPHICS AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

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<b>Fiscal Year</b>	<b>Population (2)</b>	<b>Personal Income (Thousands of \$)</b>	<b>Per Capita Personal Income (4)</b>	<b>Unemployment Rate (3)</b>	
2002	42,212	813,248	41,963	1.9%	
2003	42,626	862,729	42,804	2.2%	
2004	43,608	945,428	45,103	2.3%	
2005	43,354	1,002,909	46,005	4.6%	
2006	43,500	1,142,755	49,685	4.5%	
2007	46,954 (3)	1,243,614	52,165	3.7%	(5)
2008	49,000	1,366,711	54,778	5.5%	(5)
2009	49,000	1,401,567	57,512	7.4%	(5)
2010	49,000	1,435,413	60,388	8.1%	(5)
2011	54,613	1,470,504	60,991	8.6%	(5)

**Sources:**

- (1) Estimated Unless otherwise noted
- (2) Federal 2010 Census for FY2011; other years certified by Tennessee Department of Economic and Community Development
- (3) Special Local Census
- (4) U.S. Census Bureau
- (5) Tennessee Department of Labor



**CITY OF BARTLETT, TENNESSEE**

**PRINCIPAL EMPLOYERS**

**CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Brother International\Brothetr USA	1,000	1	4.15%	1,000	1	5.71%
Youth Villages	620	2	2.57%			
The City of Bartlett	565	3	2.34%	594	2	3.39%
Lakeside Behavioral Health	440	4	1.82%			
Wal-Mart Supercenter	400	6	1.66%	500	3	2.86%
USDA Cotton Classing Division	400	5	1.66%	450	4	2.57%
Saint Francis Hospital-Bartlett	400	7	1.66%			
United Parcel Service	275	8	1.14%	175	7	1.00%
Gyrus, ENT	228	9	0.95%	154	10	
Kele Inc.	210	10	0.87%			0.00%
The Kroger Company				326	5	1.86%
Garner Automotive Products				200	6	1.14%
Ellendale Electric Company				170	8	0.97%
Schnuck's				165	9	0.94%
<b>Total</b>	<u>4,538</u>		<u>18.82%</u>	<u>3,734</u>		<u>20.46%</u>

**Source:** Bartlett Chamber of Commerce

**CITY OF BARTLETT, TENNESSEE**

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**

**LAST TEN FISCAL YEARS**

<b>Department</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
General Fund										
Legislative Board	3	3	4	4	4	4	3	3	3	3
Mayor's Office	9	10	11	11	12	12	14	15	15	16
Finance	11	11	13	13	14	14	14	14	13	13
City Court	8	9	9	10	10	11	11	13	11	11
Personnel	4	4	4	4	4	5	4	4	4	4
Planning	4	4	4	5	5	5	4	4	3	3
Police										
Officers	84	84	86	90	92	98	105	110	110	110
Civilians	39	37	37	36	33	33	36	38	38	39
Fire Services and Ambulance										
Firefighters & Officers	70	72	73	77	77	93	94	94	94	94
Civilians	1	1	1	1	1	1	1	1	1	1
Codes Enforcement	8	8	9	10	12	12	12	11	11	9
Public Works	43	46	48	49	52	52	53	54	52	53
Engineering	7	9	11	12	11	11	11	12	10	10
Parks & Recreation	79	82	85	85	88	81	80	78	74	74
Performing Arts	3	4	4	4	3	3	4	3	3	3
Special Revenue Funds										
Solid Waste Fund	31	32	32	34	35	37	38	38	38	38
Drainage Control Fund	0	0	0	1	1	1	1	1	1	1
Utility Fund										
Administration	7	6	5	6	9	11	12	11	11	11
Water & Wastewater Services	21	19	19	19	15	15	15	15	15	15
Plant Operations	5	5	5	5	5	5	5	5	5	5
Sewer Lagoon	2	2	3	4	4	4	4	4	4	3
<b>Total</b>	<b>439</b>	<b>448</b>	<b>463</b>	<b>480</b>	<b>487</b>	<b>508</b>	<b>521</b>	<b>528</b>	<b>516</b>	<b>516</b>

**Source:** City of Bartlett Finance Department and Personnel Department.

CITY OF BARTLETT, TENNESSEE

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government										
Residential permits issued	293	373	358	322	291	344	159	75	99	72
Commercial permits issued	131	107	106	93	129	111	94	71	59	88
Fire										
Emergency responses	2,692	2,773	3,114	3,152	3,581	3,663	3,776	3,832	4,178	3,749
Structure fires	88	85	105	107	197	45	57	42	49	69
Inspections	2,173	2,957	1,812	2,589	3,506	3,369	3,449	2,213	2,203	2,277
Refuse collection										
Total refuse collected (tons)	34,389	51,948	35,326	41,357	44,432	44,105	44,824	45,246	56,166	44,606
Refuse taken to landfill	22,824	23,475	24,386	25,330	26,911	26,391	27,015	25,743	25,714	25,161
Library										
Volumes in collections	90,844	89,102	82,257	82,691	83,107	84,666	99,256	102,013	101,158	101,672
Total volumes borrowed	392,571	390,046	359,331	349,977	324,968	302,272	297,581	363,367	359,367	340,156
Water										
New connections	366	491	590	430	412	475	153	81	66	119
Water customers	17,343	17,834	18,424	18,854	19,266	19,741	19,894	19,975	20,041	20,160
Sewer										
Sewer customers	15,810	16,330	16,827	17,271	17,814	18,132	18,444	18,624	18,757	19,098

Source: Indicators provided from internal departmental records.

CITY OF BARTLETT, TENNESSEE

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

LAST TEN YEARS

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police Stations	1	1	1	1	1	1	2	2	2	2
Fire Stations	4	4	4	4	4	5	5	5	5	5
Public Works										
Streets (miles)	188	188	188	238	268	268	277	277	277	277
Parks & Recreation										
Acreage	416	416	416	607	671	671	688	706	706	736
Parks #										
Developed	23	23	23	22	22	24	24	24	24	25
Undeveloped	2	2	2	2	2	2	2	3	3	3
Tennis courts	14	14	14	12	12	14	14	14	14	14
Baseball fields	9	9	9	17	17	17	17	17	17	18
Walking trails(miles)	9	9	9	11	11	11	12	12	12	12
Water										
Water lines (miles)	317	317	317	331	331	331	370	371	371	371
Water connections	17,343	17,834	18,424	18,854	19,266	19,741	19,894	19,975	20,041	20,160
Water plants	3	3	3	4	4	4	4	4	4	4
Storage tanks	8	8	8	9	9	9	9	9	9	9
Wastewater										
Sanitary sewers (miles)	252	252	312	313	313	313	313	316	349	349
Sewer connections	15,810	16,330	16,827	17,271	17,814	18,132	18,444	18,624	18,757	19,098

Source: City of Bartlett Functional Departments

**CITY OF BARTLETT, TENNESSEE**  
**SCHEDULE OF UNACCOUNTED FOR WATER**

For the Year Ended June 30, 2011

*(All amounts in gallons)*

<b>A. Water Treated and Purchased:</b>		
B. Water Pumped (potable)	2,363,943,000	
C. Water Purchased	0	
<b>D. Total Water Treated and Purchased</b>		<b>2,363,943,000</b>
	<b>(Sum Lines B and C)</b>	
<b>E. Accounted for Water:</b>		
F. Water Sold	2,151,617,100	
G. Metered for Consumption (in house usage)	0	
H. Fire Department(s) Usage	57,000	
I. Flushing	5,374,000	
J. Tank Cleaning/Filling	1,525,000	
K. Street Cleaning	45,554,900	
L. Bulk Sales	0	
M. Water Bill Adjustments	1,830,000	
<b>N. Total Accounted for Water</b>		<b>2,205,958,000</b>
	<b>(Sum Lines F thru M)</b>	
<b>O. Unaccounted for Water</b>		<b>157,985,000</b>
	<b>(Line D minus Line N)</b>	
<b>P. Percent Unaccounted for Water</b>		<b>6.68%</b>
<b>Q. Other (explain)</b>	0	

Explain Other:

All amounts included in this schedule are supported by documentation on file at the water system. If no support is on file for a line item or if the line item is not applicable, a "0" is shown.

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF UTILITY RATES**

June 30, 2011

**Water**

**Sewer**

**Residential, city customers (volume charge is 1,000 gal):**

<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>	<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>
First 2,000 gallons	\$ 4.00	\$ -	First 2,000 gallons	\$ 4.27	\$ -
Next 8,000 gallons/1,000 gal.	-	1.240	Over 2,000 gallons/1,000 gal.	-	1.133
Over 10,000 gallons/1,000 gal.	-	1.140	Maximum monthly	22.00	-

**Residential, rural customers (volume charge is 1,000 gal):**

<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>	<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>
First 2,000 gallons	\$ 6.00	\$ -	First 2,000 gallons	\$ 6.27	\$ -
Next 8,000 gallons/1,000 gal.	-	1.860	Over 2,000 gallons/1,000 gal.	-	1.233
Over 10,000 gallons/1,000 gal.	-	1.710	Maximum monthly	27.60	-

**Commercial, city customers (volume charge is 1,000 gal):**

<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>	<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>
First 2,000 gallons	\$ 7.50	\$ -	First 2,000 gallons	\$ 10.27	\$ -
Next 8,000 gallons/1,000 gal.	-	1.450	Over 2,000 gallons/1,000 gal.	-	1.233
Over 10,000 gallons/1,000 gal.	-	1.320			

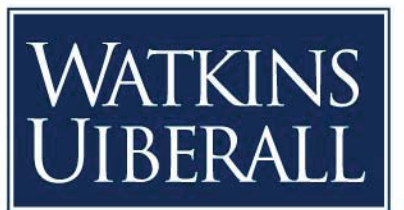
**Commercial, rural customers (volume charge is 1,000 gal):**

<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>	<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>
First 2,000 gallons	\$ 10.75	\$ -	First 2,000 gallons	\$ 15.27	\$ -
Next 8,000 gallons/1,000 gal.	-	2.170	Over 2,000 gallons/1,000 gal.	-	1.333
Over 10,000 gallons/1,000 gal.	-	1.990			

Unaccounted for Water (gallons lost as a percentage of total gallons): 6.68%

Number of Customers at Year-end:

Water	20,160
Sewer	19,098



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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Mayor and Board of Aldermen of the  
City of Bartlett, Tennessee:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the statement of budgetary comparison for the general fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee (the "City") as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 27, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

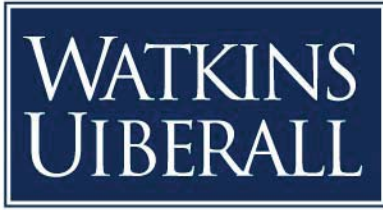
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

This report is intended solely for the information and use of management, the Board of Mayor and Aldermen, the State of Tennessee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Watkins Wilkerson, PLLC". The signature is written in a cursive, flowing style.

Memphis, Tennessee  
December 27, 2011





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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB  
CIRCULAR A-133**

To the Mayor and Board of Aldermen of the  
City of Bartlett, Tennessee:

Compliance

We have audited the City of Bartlett, Tennessee (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2011. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

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 its major federal program for the year ended June 30, 2011.

## Internal Control over Compliance

Management of the City, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Mayor and Aldermen, the State of Tennessee, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Watkins Uihlman, PLLC". The signature is written in a cursive, flowing style.

Memphis, Tennessee  
December 27, 2011

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2011

---

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Bartlett, Tennessee (the "City").
2. No significant deficiencies related to the financial statements of the City were disclosed during the audit.
3. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
4. No significant deficiencies in internal control over major federal awards programs are reported.
5. The auditor's report on compliance for the major federal award program for the City expresses an unqualified opinion on the major program.
6. There were no audit findings required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The program tested as major program was U.S. Department of Transportation (CFDA No. 20.205) Highway Planning and Construction.
8. The threshold for distinguishing between Type A and B programs was \$300,000.
9. The City was not determined to be a low risk auditee.

**B. FINDINGS – FINANCIAL STATEMENTS**

NONE

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT**

NONE