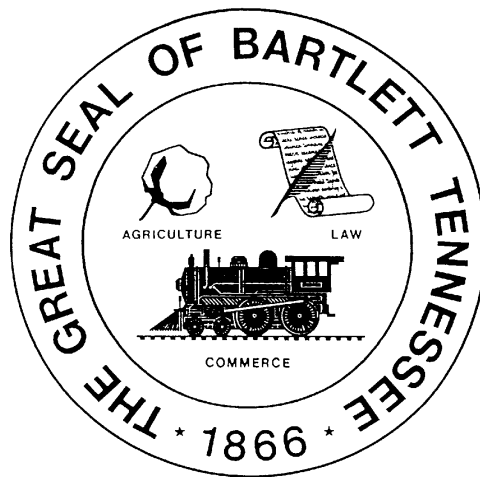


CITY OF BARTLETT **TENNESSEE**



A. Keith McDonald, Mayor

Comprehensive Annual Financial Report **For The Fiscal Year Ended** **June 30, 2018**

Prepared by the City of Bartlett Finance Department

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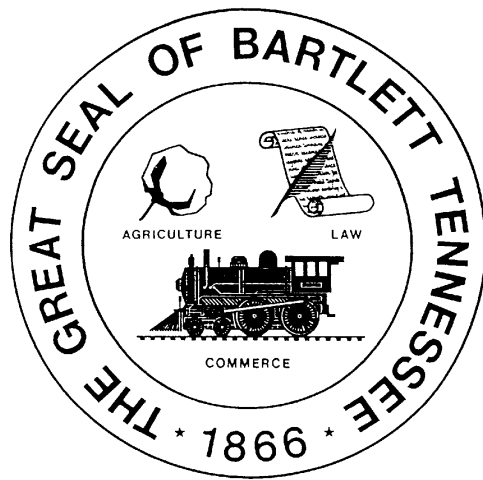
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INTRODUCTORY SECTION



City of Bartlett

A. Keith McDonald, Mayor

December 21, 2018

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

The Comprehensive Annual Financial Report, (CAFR) of the City of Bartlett, Tennessee (The City) for the fiscal year ended June 30, 2018, is hereby submitted as required by state statutes. These statutes require that all general purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) as set forth by the Government Accounting Standards Board (GASB) and have been audited by a firm of certified public accountants in accordance with the generally accepted government auditing standards.

This report consists of management's representations concerning the finances of the City of Bartlett. 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 of Bartlett's financial statements in conformity with GAAP. Additionally, the City has adopted written Internal Control Manual as required by the State of Tennessee. Because the cost of internal controls should not outweigh their benefits, the City of Bartlett'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, 2018 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 has issued an unmodified ("clean") opinion on the City of Bartlett's financial statements for the fiscal year ended June 30, 2018. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Bartlett was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the compliance report section of the CAFR.

GAAP requires 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 of Bartlett's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Bartlett, incorporated on December 13, 1866, is located in Shelby County in the southwestern part of the state and celebrated its 150 year Sesquicentennial during the 2016 calendar year and 2017 fiscal year. The City currently

occupies a land area of 32.30 square miles and serves an estimated population of 59,102. The City is empowered by state statutes 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, either by resolution for annexation by referendum or resolution by referendum by owners consent.

The City of Bartlett operates under a private act charter approved by the state legislature in 1993 and is authorized by charter and state law to operate a municipal school district. Policy-making and legislative authority are vested in a Board of Mayor and Aldermen (BMA) 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 with confirmation of the BMA. The Board of Mayor and (Six) Aldermen are elected to four-year terms by popular vote. Three aldermen on the Board are 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 provides water and sewer utility system operating under an Enterprise Fund concept with user charges established by the BMA to ensure adequate coverage of operating expenses and retirement of outstanding debt.

The Bartlett City Board of Education provides K-12 education to students within the jurisdiction of the City of Bartlett. The city school system is part of the Government of Bartlett, Tennessee and is reported as a blended component unit and special revenue fund in the City's Comprehensive Annual Financial Report. The Bartlett City Board of Education was created via state statute and local public referendum in the fall of 2013. School enrollment is made up of students residing within the corporate limits of the City. The first full year of instruction began in August 2014. Bartlett city municipal school system has the highest enrollment of students of all the municipal schools systems in Shelby County. Bartlett high school also has the largest grades 9-12 enrollment of any high school in the state of Tennessee. Our superintendent recently received the "Superintendent of the Year Award" and the school system is judged a Tennessee Department of Education Exemplary District. The Bartlett City Board of Education developed plans in FY17 to build a new high school. The City's Board of Mayor and Aldermen approved this effort and issued \$44 million in general obligation bonds in October 2017 to help finance the project.

The Memphis Light, Gas and Water Division of the City of Memphis provide electric 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. All department heads of the City of Bartlett are required to submit requests for appropriation to the Finance Director. Initial requests are reviewed by the Mayor, Chief Administrative Officer, and finance staff. The resulting plan is then reviewed by the Board of Mayor and Aldermen and is formally adopted by the passage of a budget ordinance on three separate readings. 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 a budget amendment by the BMA. 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 appropriation 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 and has made steady growth in housing permits and commercial improvements. The City currently has a state certified population of 56,488, making it the tenth largest city in Tennessee. Projections show the City is expected to grow to over 62,000 by 2020. Current population estimates show Bartlett with 59,102 residents.

Olympus, which provides innovative solutions for medical and surgical procedures, has completed construction of a state-of-the-art \$12 million dollar facility in Bartlett. This expansion employs over 280 employees and supports one of the largest concentrations of medical device growth in the country. 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. LA Fitness, a national chain facility for personal fitness opened in early 2018. The City has also been able to recruit a Krispy Kreme franchise in the Stage Road/Bartlett Boulevard area and a Chick-fil-A restaurant at Stage Road and Kirby Whitten which opened in early 2018.

The Greater Memphis Medical Device Council assisted in working with the State of Tennessee to bring a 48,000 square foot campus of the Tennessee College of Applied Technology (TCAT) to Bartlett. The facility will be built at the northwest corner of Appling Road and Brother Boulevard. Construction will begin in the spring of 2019. The local medical device industry is the second-largest concentration of orthopedic and spinal devices in the United States. The new TCAT facility will offer local training programs for workforce development in the Bartlett and Shelby County area.

Retail sales in the fiscal year and the current year show continued growth as the economy has improved. As a measure of the state economy the state sales tax distribution to Bartlett has risen by over 12.5% in the last three years and 27.5% in the last five years. Local sales tax collections were up almost 12.5% during the same five-year time period. During the fiscal year 2018 the City issued 125 permits for new single family residence structures with a value of \$31.4 million for an average of slightly over \$251,000 per residence. The City also issued 132 permits for commercial construction valued at \$79.2 million, up over 143% from the previous year. The median household income in Bartlett is in excess of \$62,000 and the city is expected to continue to be the retail center of north Shelby County. Emphasis is being made on bringing more retail establishments into the City.

Brimhall Snack Foods has begun a \$6 million expansion at its location in the Bartlett Corporate Park which will add 21 additional jobs; Titan Medical Manufacturing has announced a \$1.8 million expansion of its operations with an additional 53 positions by 2021. Bartlett is also the location of property listed by the Tennessee Department of Economic Development as an "Economic Development Certified Site", which is an attractive site for prospective companies. The City feels it is well-positioned for future corporate and retail growth.

After a 12.5% growth in local sales tax over the prior five years, local sales tax growth was flat in FY18. The City projects another nominal growth period in FY19. Collections from the City's additional ½ cent local sales tax, historically designated for school related expenditures, were \$4.35 million in FY2017 \$4.28 million for FY2018. The Board of Mayor and Aldermen has used this revenue source to provide local funding for the operation of the Bartlett Municipal School System, school crossing guards in the police department, maintenance of school property, and 50% salary for a health and safety officer for the city and schools. Projections for FY19 also show nominal growth in this revenue source. Property taxes remain a significant portion of the City's revenue source bringing in 47.2% of total revenue for the general fund. Collections remain strong with approximately 98.36% of property tax levy collected during the fiscal year just ended.

Long term capital improvements 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 improve the City's infrastructure and equipment. The program is reviewed and updated annually to revise project cost estimates and available revenue sources. Funding for capital improvement projects in the CIP is generally provided through issuance of general obligation and revenue bonds. The City issued \$44.93 million in general obligation bonds in FY2018 for the City's FY2018 CIP projects, the construction of a new high school for the Bartlett City Board of Education, and refunding Series 2007 and Series 2009 G.O. bonds of the city. CIP projects in the

water and sewer fund were funded through reserves in that fund for FY2018. Highlights of the program for 2018-2022 were:

- Road, Street, and Drainage improvement projects totaling \$36.6 million to improve access and traffic flow in the City. \$22 million of this amount will be for the widening and construction of Old Brownsville West highway while \$10 million will be devoted to city wide paving projects.
- Water and Sewer improvements and upgrades totaling \$5.7 million which includes water line extensions for Old Brownsville Road and Kirby Whitten, a new water tank, and sewer lines in annexed territory.
- Public safety buildings, parks improvements, vehicles and equipment including police cars, ambulances and fire trucks totaling \$12.3 million. Major projects in this category include city hall and justice center renovations, a new city shop for \$4.0 million and \$3.9 million in improvements to W.J. Freeman Park.
- \$38.31 million of G.O. bonds were issued to partially fund the construction of a new high school in Bartlett. The city reimburses the school system as invoices are presented for construction expenditures.

The City of Bartlett has adopted a comprehensive fund balance policy and debt management policy. Components of these policies provide a useful guide to financial operations and debt issuance. The City has utilized the municipal bond market almost exclusively for its capital funding needs while recognizing the opportunities to obtain lower interest capital note funding through the Tennessee Municipal Bond Fund. All the debt issued is within the parameters of the adopted debt limits as specified in the Board of Mayor and Aldermen's debt management policy.

Relevant financial policies

The City's fund balance policy provides that fund balances will be used prudently and conservatively to fund one time expenditures and stabilize the property tax rate. The fiscal year 2019 budget includes a budgeted use of \$1.48 million in fund balances in its special revenue funds and \$2.43 million in the utility fund. The City ended the 2018 fiscal year with over \$29.3 million in General Fund balance. The FY2019 General Fund budget does not require the use of fund balance.

Temporarily idle cash during the year was deposited in the State of Tennessee Local Government Investment Pool (LGIP). LGIP is operated by the State of Tennessee for the benefit of local government entities and provides fully collateralized deposits at competitive interest rates.

Major initiatives

During the year ended June 30, 2018, the City made \$9.4 million in capital improvement expenditures including \$1.6 million in city wide overlay and paving projects, \$1.75 million on W.J. Freeman Park, TCAT land acquisition of \$814,000, \$454,000 for removal of the Ellis Road hill for traffic safety, city hall renovations of \$233,800, and \$312,500 for land acquisition for a new city shop. The City has plans to relocate and install new 16 inch water lines in conjunction with the Old Brownsville Road West project in FY2018 and purchase of land for a new water plant in FY2020. City hall renovations are expected to continue with plans to spend up to \$500,000 over the next three years.

There have been issues in workforce reliability and skills level in the medical device industry over the past 20 years. As described earlier in this letter, Bartlett can today claim to be the epicenter of the Memphis medical device industry, which has the second largest concentration of orthopedic manufacturers in the nation. Bartlett city schools has recognized the need to offer diverse career paths to its students and is developing a very ambitious program that encourages students to pursue training in Computer Numeric Control (CNC) machining, which complements the medical device industry's need for skilled workers. Bartlett High School currently has a dual enrollment program with the Tennessee College of Applied Technology (TCAT) for CNC training. As part of this partnership, TCAT is building a \$20 million training facility in Bartlett that will focus advanced manufacturing as part of the medical device industry.

A major initiative for the City of Bartlett and Bartlett Municipal Schools is the construction of a new high school. Construction continued in 2018 with completion scheduled for the summer of 2020. Funding for this initiative was provided by the issuance of General Obligation bonds as noted above. Additional funding for fixtures and equipment will be provided by the Bartlett Municipal School Board. In total, the expected cost of the new high school will exceed \$52 million and will be a significant addition to Bartlett's infrastructure and promote excellent education opportunities for area students.

Long term financial planning

The City's bond ratings were affirmed as Aa1 by Moody's and AAA by Standard & Poor's rating agencies in September 2018. On October 18, 2018 the City issued \$5,295,000 in general obligation improvement bonds to fund the various capital improvement projects including the FY2019 budget. The City's CIP program calls for issuance of \$24.6 million in G.O. Bonds over the next 4 years. The City will use short-term capital outlay notes to fund \$4.5 million in equipment needs of the same period.

Awards and Acknowledgements

Awards: 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 (CAFR) for the fiscal year ended June 30, 2017. This was the 29th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit publishes an easily readable and efficiently organized comprehensive annual financial report (CAFR). This report 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 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 17th straight year for its annual budget document for the fiscal year beginning July 1, 2018. 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 annual budget document dated July 1, 2019 has been submitted to the GFOA for review and it is anticipated that it will also receive this award.

Acknowledgement: The preparation of this CAFR could not have been accomplished without the efforts and dedicated services of the entire staff of the finance department throughout the fiscal year. I would like to express my appreciation to all of the members of the department who assisted and contributed to this report, in addition to the City's independent certified public accountants, Watkins Uiberall, PLLC. 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,



Dick Phebus
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Bartlett
Tennessee**

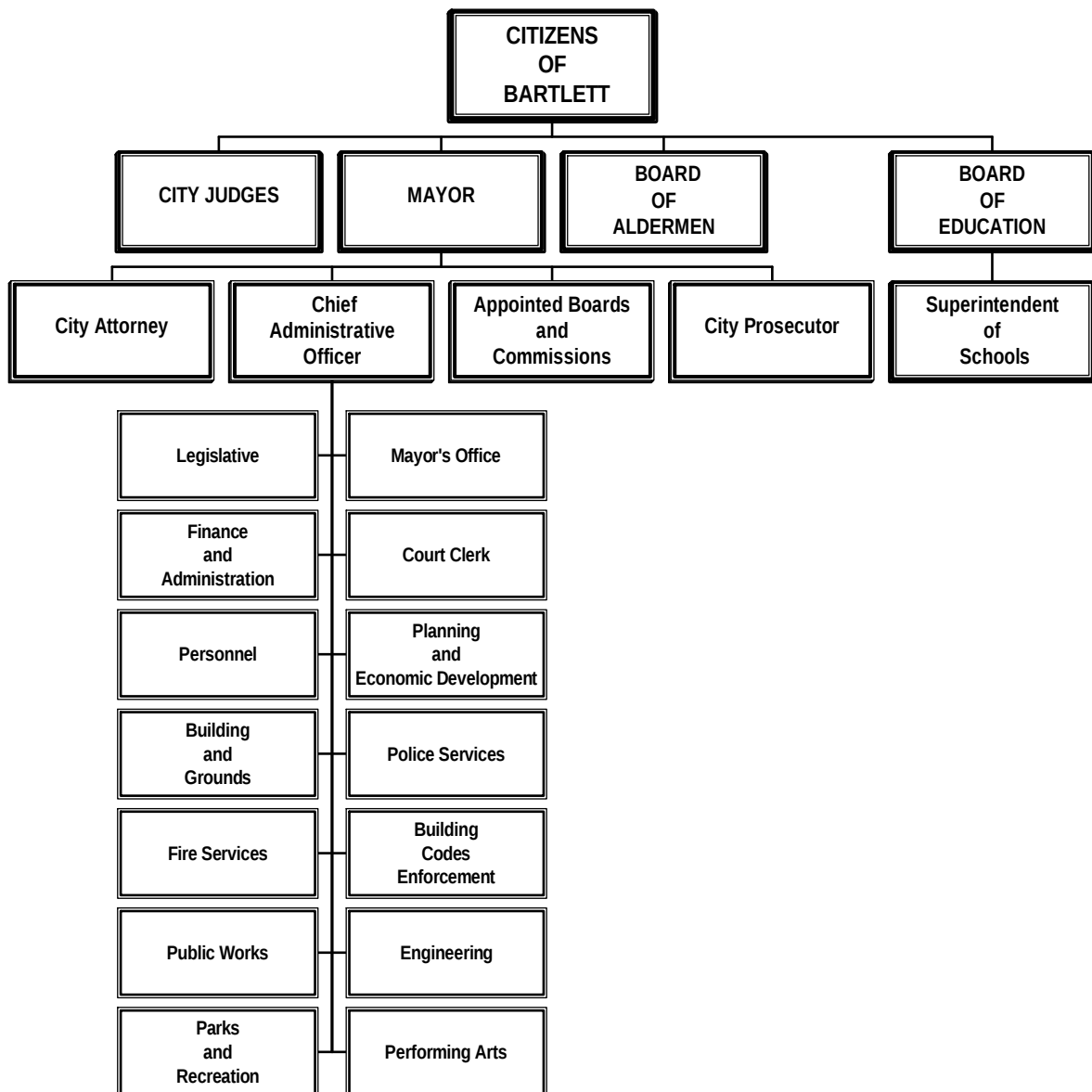
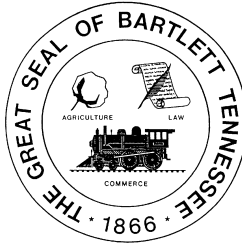
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrell

Executive Director/CEO

CITY OF BARTLETT, TENNESSEE
ORGANIZATION CHART
June 30, 2018



CITY OF BARTLETT, TENNESSEE
CITY AND BOARD OF EDUCATION OFFICIALS
June 30, 2018

MAYOR

A. Keith McDonald (2018*)

ALDERMEN

Jack Young, Vice Mayor (2020*)
W.C. (Bubba) Pleasant, Register (2018*)
David Parsons (2018*)
Emily Elliott (2018*)
Bobby Simmons (2020*)
Paula Sedgwick (2020*)

CITY OFFICIALS

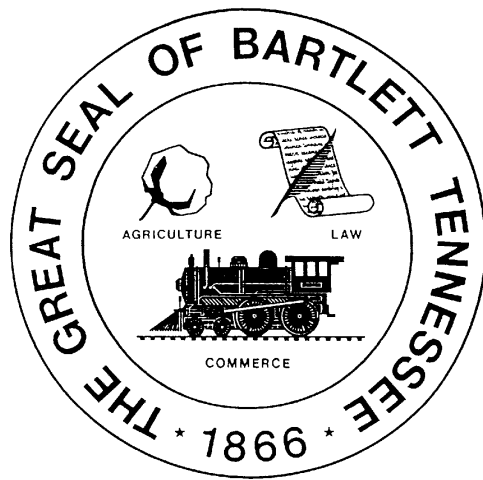
Chief Administrative Officer Mark S. Brown
City Attorney Edward McKenney Jr.
Director of Finance..... Dick Phebus**
Director of Personnel Ted Archdeacon
Director of Planning and Economic Development Kim Taylor
Director of Police Services..... Gary Rikard
Director of Fire Services Terry Wiggins
Director of Code Enforcement Jim Brown
Director of Public Works Bill Yearwood
Director of Engineering / City Engineer Rick McClanahan
Director of Parks and Recreation..... Shan Criswell
Director of the Performing Arts Center Michael Bollinger
Director of Community Relations Debbie Gelineau
Court Clerk Bill Lloyd

BOARD OF EDUCATION OFFICIALS

Superintendent..... David Stephens
Chairman Jeff Norris
Vice-Chairman Bryan Woodruff
Board Member Erin Berry
Board Member David Cook
Board Member Shirley Jackson

* Date elected term expires

** Designated CMFO



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the statements of budgetary comparison for the general fund and general purpose school fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee, (the "City") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, the statements of budgetary comparison for the general fund and general purpose school fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The City of Bartlett, Tennessee has adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the fiscal year ended June 30, 2018. Our opinion is not modified with respect to this matter.

Emphasis of a Matter

We draw attention to Note 1E to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position by \$23,799,233 and the beginning Business-Type Activities net position by \$108,166 on the Government-wide Statement of Activities. This restatement was necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bartlett's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supporting schedules, and statistical information section, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards and state financial assistance, as presented in the government auditing standards section, is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, supporting schedules, and statistical section 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of the City of Bartlett's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bartlett's internal control over financial reporting and compliance.

Watkins Mikusall, PLLC

Memphis, Tennessee
December 21, 2018

CITY OF BARTLETT, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2018

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, 2018. 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 and deferred outflows at the close of the most recent fiscal year by \$334,134,671 (net position). Of this amount, \$21,265,245 (unrestricted net position) may be used to meet the government's ongoing obligation to citizens and creditors.
- The City's total net position decreased by \$14,819,294. While capital assets increased by \$62,935,856 due to bond proceeds and general purpose school cash increases, total liabilities increased \$72,401,825 due to long-term debt increases and a \$28,241,427 increase in net OPEB liability. Net position decreased for governmental activities by \$14,878,928 and increased for proprietary activities by \$59,634.
- At June 30, 2018, the City's governmental funds reported combined ending fund balances of \$118,373,563, an increase of \$51,518,520 in comparison with the prior year. Approximately 56.9% of this amount is available for spending at the government's discretion (committed, assigned or unassigned fund balance). At June 30, 2018 unassigned fund balance for the General Fund was \$17,203,993, or 37.1% of General Fund expenditures.
- The City's total debt increased by \$50,450,142 (124.9%) during the current fiscal year. The City issued \$44,930,000 in G.O. debt; \$1,969,150 in Capital Outlay Notes; and \$5,031,856 in capital lease obligations during the year. The City paid down \$6,415,000 in existing general obligation bonds and water revenue bonds plus \$645,500 in capital notes and \$1,380,677 in capital lease obligations in FY 2018.

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

The government-wide financial statements are:

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

CITY OF BARTLETT, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2018

the City include general government, public safety, public works, parks and recreation, performing arts center, recreation center, and education. The business-type activities of the City include the operations of the water and sewer facilities.

The government-wide financial statements also include the operations of the Bartlett City Schools which are not considered legally separate for reporting purposes.

The government-wide financial statements can be found on pages 24-25 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 sixteen 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, the School General Purpose Fund, and the Capital Projects Fund, all three of which are considered to be major funds. Data for the other thirteen funds is combined into a single column with individual fund data for each of these non-major 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 funds. A budgetary comparison statement has been provided for the General Fund, General Purpose School Fund, and Capital Projects Fund (all major funds) to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 26-29 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.

CITY OF BARTLETT, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2018

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 47-49 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 50-51 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 52-88 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. The required supplementary information (RSI) provides additional information regarding the City's other post-employment benefits (OPEB), the employee retirement system funding progress, the employee retirement system employer contributions, and bonds of principal officials.

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 113-128 of this report.

Statistical Information: The statistical section, found on pages 144-165, presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the City's overall financial health.

Government-wide Financial Analysis

Net Position: Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities and deferred outflows by \$334,134,671 at the close of the most recent fiscal year, a decrease of \$14,819,294, or 4.2 percent, from last year.

The largest portion of the City's net position (92.6%) reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF BARTLETT, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2018

Condensed Statement of Net Position

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$160,479,567	\$105,003,408	\$ 13,614,054	\$15,121,389	\$174,093,621	\$120,124,797
Capital assets	306,858,939	298,577,481	67,249,134	66,563,560	374,108,073	365,141,041
Total assets	467,338,506	403,580,889	80,863,188	81,684,949	548,201,694	485,265,838
Deferred outflows of resources	27,445,111	23,595,155	869,158	365,731	28,314,269	23,960,886
Long-term liabilities outstanding	175,673,416	103,762,184	12,969,791	13,954,482	188,643,207	117,716,666
Other liabilities	11,799,053	10,313,090	688,036	698,715	12,487,089	11,011,805
Total liabilities	187,472,469	114,075,274	13,657,827	14,653,197	201,130,296	128,728,471
Deferred inflows of resources	40,594,817	31,505,511	656,179	38,777	41,250,996	31,544,288
Total deferred inflows	40,594,817	31,505,511	656,179	38,777	41,250,996	31,544,288
Net position:						
Net Investment in Capital Assets	250,600,800	268,541,209	58,717,586	57,820,422	309,318,386	326,361,631
Restricted	3,551,040	2,573,592	-	-	3,551,040	2,573,592
Unrestricted	12,564,491	10,480,458	8,700,754	9,538,284	21,265,245	20,018,742
Total net position	\$266,716,331	\$281,595,259	\$ 67,418,340	\$67,358,706	\$334,134,671	\$348,953,965

An additional portion of the City's net position (1.06%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$21,265,245) may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2018, the City is able to report positive balances in all three categories of net position for the government as a whole. Governmental activities reflected positive unrestricted amount of \$12,564,491 as a component of net position while business-type activities reflected a positive component of \$8,700,754. The City maintains a practice of providing adequate reserves for payment of debt service and capital projects while funding current operations with current revenue sources.

Changes in Net Position: Governmental activities decreased the City's net position by \$14,878,928 while Business-type activities increased the City's net position by \$59,634 resulting in a net decrease of \$14,819,294. Key elements of this decrease are as follows:

- Reductions to net position resulted from an increase in cash and investments of \$55,476,159, and increases in capital assets of \$8,281,458. These were offset by increases in liabilities and deferred outflows of resources of \$82,486,501.
- Increases in liabilities were caused primarily by increases to long-term debt, pension and OPEB liabilities of \$70,906,738 and increases to deferred inflows of \$9,089,306 from property taxes and pension and OPEB changes. Increase in net position for business-type activities was mostly due from a reduction of long-term debt of \$995,370.

CITY OF BARTLETT, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2018

- A change in accounting principle resulted in a decrease in net position of \$23,907,399. This change was necessary due to the City implementing GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, required for fiscal periods beginning after June 15, 2017. The effect of this adjustment decreased net position for governmental activities and business-related activities by \$23,799,233 and \$108,166 respectively.
- Depreciation expense of \$11,558,349 in governmental activities and \$2,345,774 in business-type activities was also a factor in the overall change in net position. Of the \$11,558,349 depreciation in governmental activities, \$4,468,043 was from education activities.

Condensed Statement of Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues:						
Charges for Services	\$ 19,495,448	\$ 19,371,379	\$ 8,309,887	\$ 8,416,266	\$ 27,805,335	\$ 27,787,645
Operating grants and contributions	54,494,403	51,833,703	-	-	54,494,403	51,833,703
Capital grants and contributions	4,303,482	1,415,217	530,163	1,108,091	4,833,645	2,523,308
General Revenues:						
Local taxes	77,370,179	70,063,285	-	-	77,370,179	70,063,285
Intergovernmental	6,233,732	6,142,286	-	-	6,233,732	6,142,286
Interest on investments	559,590	64,163	42,409	19,950	601,999	84,113
Other	555,670	261,327	61,070	5,340	616,740	266,667
Total revenues	<u>163,012,504</u>	<u>149,151,360</u>	<u>8,943,529</u>	<u>9,549,647</u>	<u>171,956,033</u>	<u>158,701,007</u>
Expenses						
General government	8,145,735	8,175,577	-	-	8,145,735	8,175,577
Public safety	30,569,645	29,948,247	-	-	30,569,645	29,948,247
Public works	20,016,316	16,123,280	-	-	20,016,316	16,123,280
Parks and recreation	5,019,903	4,668,957	-	-	5,019,903	4,668,957
Performing arts center	809,318	725,909	-	-	809,318	725,909
Recreation center	1,680,269	1,680,898	-	-	1,680,269	1,680,898
Education	85,294,993	76,913,672	-	-	85,294,993	76,913,672
Interest on long-term debt	2,556,020	1,227,153	-	-	2,556,020	1,227,153
Water and sewer	-	-	8,775,729	8,415,143	8,775,729	8,415,143
Total expenses	<u>154,092,199</u>	<u>139,463,693</u>	<u>8,775,729</u>	<u>8,415,143</u>	<u>162,867,928</u>	<u>147,878,836</u>
Changes in net position before transfers	<u>8,920,305</u>	<u>9,687,667</u>	<u>167,800</u>	<u>1,134,504</u>	<u>9,088,105</u>	<u>10,822,171</u>
Transfers	-	562,842	-	(562,842)	-	-
Change in net position	<u>8,920,305</u>	<u>10,250,509</u>	<u>167,800</u>	<u>571,662</u>	<u>9,088,105</u>	<u>10,822,171</u>
Net position - July 1, 2017, as previously reported	281,595,259	271,344,750	67,358,706	66,787,044	348,953,965	338,131,794
Effect of change in accounting principle	(23,799,233)	-	(108,166)	-	(23,907,399)	-
Prior period adjustments	-	-	-	-	-	-
Net position, July 1, 2017 as restated	<u>257,796,026</u>	<u>271,344,750</u>	<u>67,250,540</u>	<u>66,787,044</u>	<u>325,046,566</u>	<u>338,131,794</u>
Net position - June 30, 2018	<u>\$266,716,331</u>	<u>\$281,595,259</u>	<u>\$67,418,340</u>	<u>\$67,358,706</u>	<u>\$334,134,671</u>	<u>\$348,953,965</u>

Governmental Activities: Current fiscal year revenues and transfers for the City's governmental activities were \$163,012,504 compared to \$149,151,360 last year. Expenses for the same period were \$154,092,199 compared to \$139,463,693 last year.

CITY OF BARTLETT, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2018

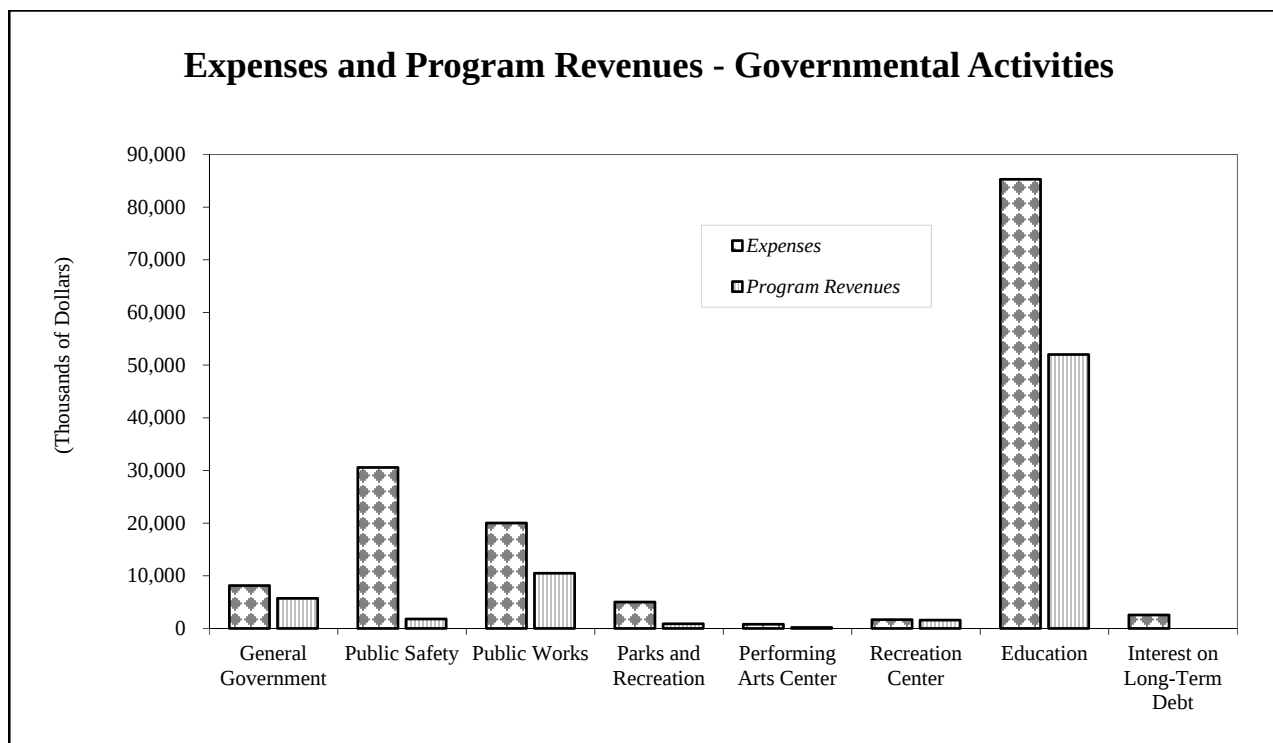
General and program revenue experienced a mixture of increases and decreases for the year; most notable of which are discussed below.

- The single largest source of governmental activity revenue in the prior year, operating grants and contributions, increased \$2,660,700 to \$54,494,403 in FY 2018. Education operating grants and contributions amounted to \$51,712,981 of this amount.
- Capital grants and contributions was \$4,303,482 in FY2018 with education activities receiving 65.7% of this amount.
- Property taxes increased \$6,724,388 during the year partly due to an increase in City of Bartlett property tax to support the Bartlett City School system and enhanced city services.
- Local and state shared sales taxes, the next largest contributor of revenues, were up \$582,506 over FY2017 from increased economic activity locally and state-wide.
- The City's portion of state intergovernmental revenue increased by \$91,446, reflecting continued revenue growth at the state level. Investment income increased \$495,427. The interest rates for authorized investments has increased marginally from previous years.

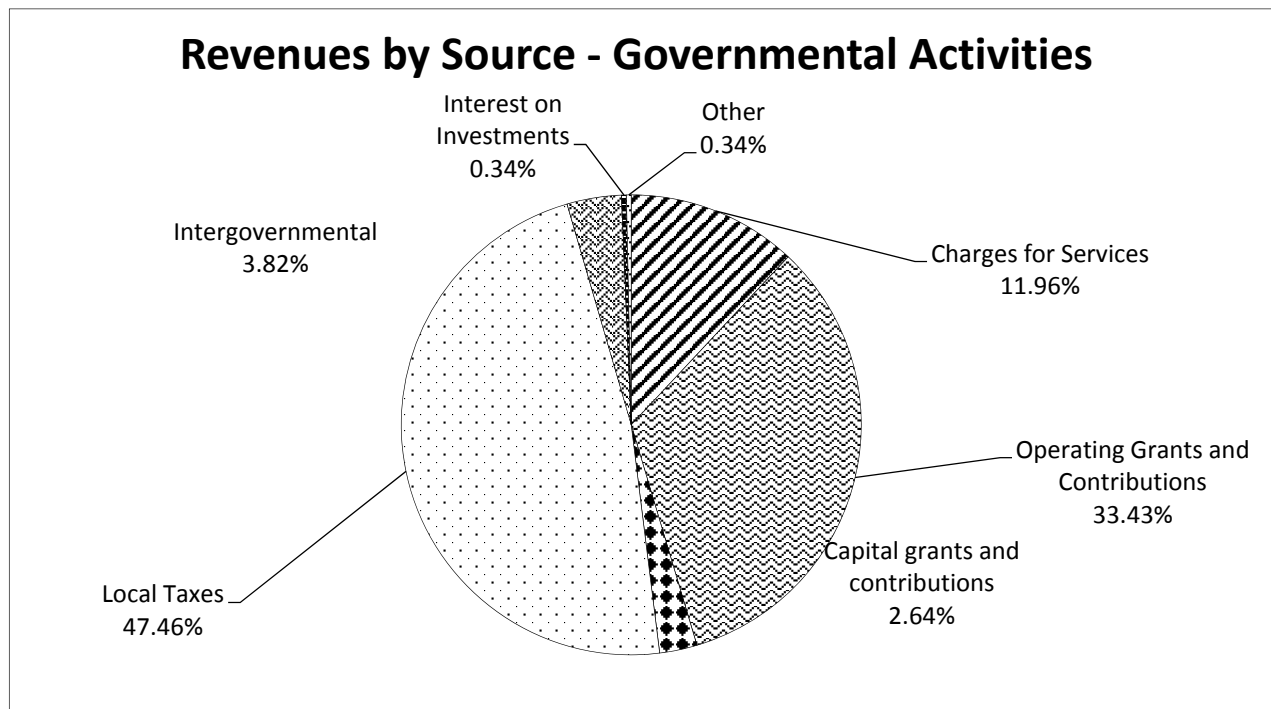
Each area of program revenues is discussed below.

- Charges for services increased \$124,069 from the previous year due primarily to increases in public works and education activities.
- Operating grants and contributions increased \$2,660,700, primarily due to an increase in education operating grants from the State of Tennessee for operating revenues for the Bartlett City School system.
- Capital grants and contributions increased \$2,888,265 over the previous year, due from an increase of \$1,430,179 for public safety and public works grants and \$1,458,086 in education grants from Shelby County.

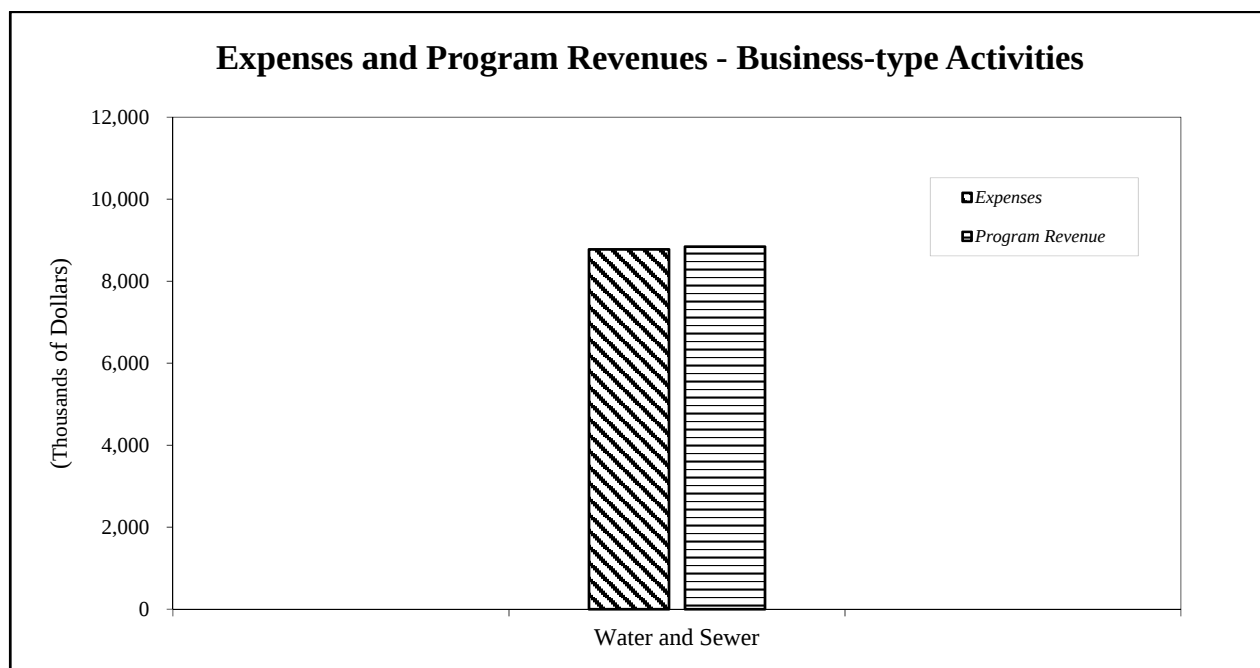
Expenses in governmental activities increased \$14,628,506 from the prior year. Increases in education expenses of \$8,381,321 coupled with increases in public safety and public works of \$4,517,434 combined provided most of the increase. Interest on long-term debt increased \$1,328,867 over the prior year due to interest on general obligation bonds, new capital lease and capital outlay notes issued during the year.



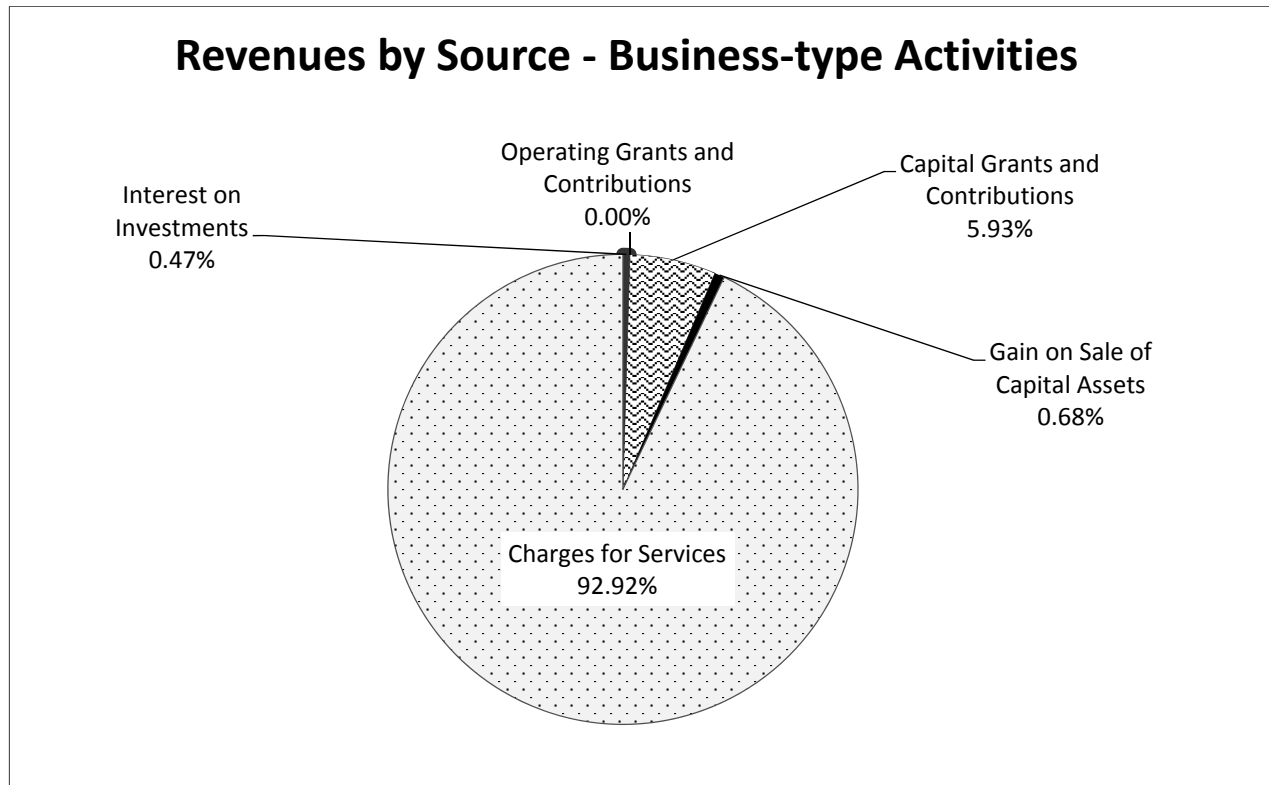
CITY OF BARTLETT, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2018



Business-type activities: Business-type activities increased the City's net position by \$167,800. Charges for services decreased slightly from prior year by \$106,379; however expenses were \$325,971 more than the previous year. Other revenue was \$534,354 less than the previous year, mostly from a reduction in capital grants and contributions.



CITY OF BARTLETT, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2018



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, outflows, 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 \$118,373,563, an increase of \$51,518,520, in comparison with the prior year. Approximately 42.8% of this amount (\$50,630,001) constitutes restricted fund balance due to capital project fund restrictions while 13.4% (\$15,863,668) constitutes unassigned fund balance, which is available for spending at the government's discretion. Committed fund balance at June 30, 2018 was \$15,184,005 which includes a stabilization amount of \$10,852,220 for the General Fund equal to 20% of next fiscal year budgeted expenditures and \$3,331,785 for debt service fund expenditures. Governmental funds all reported positive ending fund balances with the exception of the Education Capital Project Fund of (\$1,340,325).

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 \$17,203,993, while total fund balance reached \$29,382,270. Other categories of fund balance for the General Fund were non-spendable (\$232,020), restricted (\$22,640), committed (\$11,852,220) and assigned (\$71,397). Non-spendable includes inventories and prepaid items; restricted includes amounts constrained for a specific purpose; committed includes amounts designated by the governing body for emergencies and contingencies described

CITY OF BARTLETT, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2018

above; and assigned includes the use of General Fund reserves to satisfy current year encumbrances. 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 32.2% of total General Fund expenditures, while total fund balance represents 54.9% of that same amount.

The fund balance of the City's General Fund increased \$874,670 to \$29,382,270 during the current fiscal year. Key factors are as follows:

- Total revenues from taxes and other sources were up by \$6,189,441 over the previous year. Property tax revenue accounted for 93.6% of this increase. The city Board of Mayor and Aldermen enacted a 35 cent increase in the property tax rate to support the construction of a new high school and provide enhanced services in public safety programs. Local sales tax revenues were down slightly from the prior year while charges for services increased by \$247,159. Intergovernmental revenues were up by \$91,446 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 interest on investments increased \$67,865; fines and forfeitures increased \$211,004 while licenses and permits accounted for a decrease of \$86,637. Total revenues, transfers in and other financing sources were \$54,371,849 for the fiscal year, an increase of \$5,651,921 over the previous year.
- Expenditures for current activity in the General Fund increased by \$2,387,955 with general government and public safety expenditures accounting for 77.7% of this increase. Recreation center and performing arts activities accounted for marginal increases in expenditures while public works and parks combined for a net increase of \$379,067. Transfers out to other funds played a pivotal role in the change in the fund balance of the General Fund with a net financing use of \$7,078,856 compared to a net financing use of \$5,045,590 in the prior year. The net financing use of funds included transfers to the City municipal school district of \$2,346,019; transfers to the Debt Service Fund of \$4,005,000; \$100,000 to the Drainage Fund; and \$600,000 to the Capital Projects Fund of the city. Total expenditures and uses of funds were \$53,497,179.

The general purpose school fund focuses on providing educational instruction for students enrolled in the City's municipal school system. At June 30, 2018 the fund had a fund balance of \$31,995,263 which is restricted for educational expenditures. During the year, the fund had revenues of \$80,286,638 from three major categories; Shelby County property taxes (\$24,658,053); local sales taxes (\$10,184,542); and intergovernmental revenue (\$43,682,329), which represents state of Tennessee education funding and Shelby County, Tennessee property and other tax allocations. The fund had expenditures of \$77,170,658. Educational instruction accounted for \$75,134,556 while debt service principal and interest on capital lease amounted to \$2,036,102. Other financing sources and uses were comprised of issuance of capital lease for computers (\$5,031,856), transfers in from the City of Bartlett General Fund (\$2,346,019), and transfers from schools federal projects and grant funds (\$583,747).

The capital projects fund focuses on revenues and expenditures for the acquisition, construction, and improvements of capital assets and infrastructure within the city. Revenues for the fund in FY2018 consisted of interest on investments and miscellaneous receipts of \$470,497. Other finances resources consisted of \$44,589,150 debt issuance, \$7,004,472 premium on bonds issued, and \$1,978,640 transfers in from the City General Fund, Grants Fund, Solid Waste Fund, and Parks Improvement Fund as detailed on page 63 of this report. Expenditures on capital outlay projects totaled \$10,524,743, consisting of city wide overlay projects, greenway projects, and parks and recreation projects. The results of activity in the capital projects fund was a decrease of \$701,649 in fund balance to \$8,428,872 at June 30, 2018.

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 a water/sewer enterprise fund and an internal service fund, had a combined net position of \$67,418,340.

Unrestricted net position for the Water and Sewer fund at the end of the year amounted to \$9,073,881. The total increase in net position for the Water and Sewer fund was \$264,662. Other factors concerning the finances have already been addressed in the discussion of the City's business-type activities.

CITY OF BARTLETT, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2018

General Fund Budgetary Highlights

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

- The difference between the original and final budget for revenues increased by \$715,800. This was due to receipt of \$115,800 in state grants for certified police and firemen and a planned use of fund balance of \$600,000 for fire equipment. The difference between the original and final budget for expenditures increased by \$280,378. General government budget was decreased slightly by \$18,902 mostly from professional services; public safety budget was increased by \$121,083 due to salary supplements received from the state of Tennessee and miscellaneous charges in the fire department; public works increased by \$112,405 for grounds maintenance and animal control equipment; parks increased by \$40,792 mostly for capital outlay; performing arts center increased \$19,000 and recreation center increased \$6,000. Transfers out to the City's capital projects fund was increased by \$600,000 for purchase of a fire truck/pumper for the fire department.
- The General Fund revenues were \$346,786 less than budgeted. The variance was mostly due to not requiring the use of \$600,000 in budgeted fund balance. Property tax revenue exceeded the budget by \$206,844 while local tax collections were \$530,231 less than projected. Intergovernmental revenue collections from the state of Tennessee exceeded the budget by \$154,232. Building permits and other licenses were \$116,222 more than budgeted. Charges for services were \$185,174 more than budgeted projections while fines and penalties from the City's court system came in at \$213,488 more than expected. Federal grants, donations, and interest on investments more \$106,020 more than budgeted while other resources fell short of the budget amounts by \$31,398. The city had estimated a planned use of fund balance of \$600,000; however, as noted above, \$0 of fund balance was used.
- General Fund expenditures were less than budgeted by \$1,043,891. City department heads strive to control costs within the respective departments. The largest positive variance was in General Government of \$491,715 while Public Works had a positive variance of \$210,267. Parks and Recreation had a positive variance of \$171,021. Positive variances were also achieved in Public Safety of \$156,422, Performing Arts Center of \$11,201, and Recreation Center of \$3,265. The City's final budget projected a net decrease in fund balance of \$164,578. Actual operations resulted in positive increase in fund balance of \$874,670, a budget to actual variance of positive \$1,039,248.

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, 2018 amounts to \$374,108,073 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, roads, highways, construction in progress, and other infrastructure. The total increase in City's investment in capital assets for the current fiscal year was \$8,967,031. Depreciation expense for the year was \$13,464,154; \$9,541,028 from buildings, improvements and infrastructure and \$3,923,126 from equipment and vehicles.

CITY OF BARTLETT, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2018

Condensed Statement of Capital Assets
(Net of Depreciation)

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 13,363,531	\$ 12,707,862	\$ 1,438,944	\$ 1,376,444	\$ 14,802,475	\$ 14,084,306
Buildings	191,129,005	190,795,351	82,147	86,601	191,211,152	190,881,952
Improvements other than bldgs.	3,315,306	4,063,233	62,361,178	62,144,848	65,676,484	66,208,081
Equipment	14,827,540	11,410,235	1,143,694	1,296,006	15,971,234	12,706,241
Vehicles	6,789,214	6,090,499	-	-	6,789,214	6,090,499
Infrastructure	67,521,017	68,680,556	-	-	67,521,017	68,680,556
Contruction in progress	9,913,326	4,829,745	2,223,171	1,659,661	12,136,497	6,489,406
Total	\$ 306,858,939	\$ 298,577,481	\$ 67,249,134	\$ 66,563,560	\$ 374,108,073	\$ 365,141,041

Governmental activities saw an increase of \$38,955,204 in acquisition of land, buildings, equipment, vehicles, and infrastructure during FY2018 with \$9,509,207 in retirements. Business-type activities saw an increase of \$4,864,517 in capital asset acquisitions with \$1,879,329 in retirements. Additional information can be found in note 6 on pages 65-66 of this report.

Long-term debt: At the end of the current fiscal year, the City had total debt outstanding of \$99,623,416. Of this amount \$90,846,335 comprises debt backed by the full faith and credit of the government and capital outlay notes and capital leases and \$8,777,061 represents bonds 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	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 77,675,563	\$ 32,045,250	\$ -	\$ -	\$ 77,675,563	\$ 32,045,250
Capital Outlay note	5,072,150	3,842,500	-	-	5,072,150	3,842,500
General Obligation note	885,000	946,000	-	-	885,000	946,000
Capital Lease	7,213,622	3,562,443	-	-	7,213,622	3,562,443
Revenue bonds	-	-	8,121,081	9,170,077	8,121,081	9,170,077
Revenue note	-	-	656,000	701,000	656,000	701,000
Total	\$ 90,846,335	\$ 40,396,193	\$ 8,777,081	\$ 9,871,077	\$ 99,623,416	\$ 50,267,270

The City's total debt increased \$49,356,146 or 98.2 percent during the current fiscal year. The City issued \$44,930,000 in general obligation bonds during the year to fund the FY18 Capital Projects Program, including \$38,310,000 in bonds for construction of a new high school. The remaining \$6,620,000 in bonds issued were for other capital improvement projects in FY18 plus \$2,005,000 in refunding bonds originally issued in 2007 and 2009. The City also issued \$1,969,150 in seven-year capital outlay notes during the year to purchase vehicles and equipment. There were no new issues of

CITY OF BARTLETT, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2018

water and sewer revenue bonds or capital outlay notes for business-type activities. The City retired \$7,260,500 in debt through retirement of general obligation bonds, capital outlay notes, and revenue bond payments.

The City maintains a "AAA" rating from Standard & Poor's and a "Aa1" rating from Moody's for general obligation debt and water and sewer revenue debt. The City maintains a good relationship with bond rating agencies and major investment institutions through disclosure of financial data with the Municipal Securities Rulemaking Board (MSRB) and its affiliated service Electronic Municipal Market Access (EMMA) site. The City has adopted a comprehensive debt management policy and continues to follow conservative and prudent fiscal policies and procedures.

Additional information on the City's long-term debt can be found at note 7 of the notes to the financial statements on pages 67-71 of this report.

Economic Factors and Next Year's Budgets and Rates

Factors considered in preparing the City's budget for the 2019 fiscal year are discussed fully in the budget document and include:

- The City uses conservative revenue forecasts for budgeting purposes. The primary source of funds remains property taxes. The potential impact of economic conditions in the area has been taken into consideration in projecting resources.
- Property tax revenues were projected to increase approximately 2.4% due to an increase in the property tax rate plus overall growth in the tax base. The property tax rate for FY2019 is set at \$1.83 per hundred of assessed valuation. The housing market in Bartlett has rebounded 170% since 2010, providing a measure of stability in the property tax base. Continued growth in commercial construction and renovation projects has added to the base as well.
- Sales tax and other state shared revenue are projected to increase as economic growth improves. While inflationary trends in the region compare favorably to national indices, the City has proposed FY2019 increases in sales tax revenues from FY2018 levels.
- Current service levels have been maintained in the General Fund in FY2019 by matching revenues and other financing sources to total expenditures. Additional full-time and part-time codes inspectors, six new police officers, and six new paramedics will be used to increase needed services in public safety activities.
- The City is continuing to monitor operations of its Water/Sewer Fund to determine if increased user fees or cost containment measures should be initiated in the near term.
- Bartlett City schools have been in operation for four full years. A new high school is now under construction, using part of the FY17 bond issue to finance the project. A portion of the property tax revenues will be designated for the repayment of bond principal and interest on the debt. Bartlett Municipal Schools provides \$1,000,000 annually for this debt.
- The adopted budget for the Bartlett Municipal School System is \$77.5 million in FY2019. The system operates 11 schools with projected enrollment of 8,300 students.
- The City adopted a General Fund operating budget of \$54.2 million for FY2019 which is a \$780,478 increase from the FY2018 General Fund budget of \$53.4 million. There is no scheduled use of unassigned fund balance in FY2019.

At June 30, 2018 the unassigned fund balance in the General Fund was \$17,203,993.

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. The Comprehensive Annual Financial Report June 30, 2018, Fiscal Year 2018 and 2019 Budget Reports and other information about the City may be found on the City's website at www.cityofbartlett.org, as part of the City's commitment to transparency and our continuing usage of advancing technology and e-commerce.

CITY OF BARTLETT
TENNESSEE

BASIC FINANCIAL STATEMENTS

CITY OF BARTLETT, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activity	Total
ASSETS			
Cash and cash equivalents	\$ 119,298,780	\$ 13,123,232	\$ 132,422,012
Receivables			
Taxes	25,502,666	-	25,502,666
Accounts receivable	4,537,338	886,281	5,423,619
Other	440,836	-	440,836
Less allowance for doubtful accounts	(3,212,295)	(31,750)	(3,244,045)
Due from other governments	12,297,559	-	12,297,559
Internal balances	373,127	(373,127)	-
Inventories	261,439	-	261,439
Prepaid items	144,711	9,418	154,129
Capital assets, not being depreciated	23,276,857	3,662,115	26,938,972
Capital assets, being depreciated, net	283,582,082	63,587,019	347,169,101
Net pension asset	835,406	-	835,406
Total assets	467,338,506	80,863,188	548,201,694
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	16,767,617	169,403	16,937,020
Related to OPEB	10,451,759	570,857	11,022,616
Deferred charge on refunding	225,735	128,898	354,633
Total deferred outflows of resources	27,445,111	869,158	28,314,269
LIABILITIES			
Accounts payable and accrued liabilities	6,158,433	469,664	6,628,097
Accrued interest payable	1,048,568	66,212	1,114,780
Accrued payroll	3,757,695	-	3,757,695
Unearned revenue	834,357	152,160	986,517
Noncurrent liabilities:			
Due within one year	8,964,724	1,106,505	10,071,229
Due in more than one year	90,331,519	7,809,583	98,141,102
Net pension liability	25,689,500	1,651,409	27,340,909
Net OPEB liability	50,687,673	2,402,294	53,089,967
Total liabilities	187,472,469	13,657,827	201,130,296
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	23,774,749	-	23,774,749
Related to pension	8,128,464	70,913	8,199,377
Related to OPEB	8,691,604	585,266	9,276,870
Total deferred inflows of resources	40,594,817	656,179	41,250,996
NET POSITION			
Net investment in capital assets	250,600,800	58,717,586	309,318,386
Restricted for:			
Net pension asset	835,406	-	835,406
Streets	370,073	-	370,073
Solid waste	1,086,301	-	1,086,301
Drug enforcement	760,682	-	760,682
Public safety programs	22,640	-	22,640
Education	475,938	-	475,938
Unrestricted	12,564,491	8,700,754	21,265,245
Total net position	\$ 266,716,331	\$ 67,418,340	\$ 334,134,671

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 8,145,735	\$ 5,611,778	\$ 43,990	\$ -	\$ (2,489,967)	\$ -	\$ (2,489,967)
Public safety	30,569,645	1,519,032	123,850	983,593	(27,943,170)	-	(27,943,170)
Public works	20,016,316	6,860,716	2,217,925	492,903	(10,444,772)	-	(10,444,772)
Parks and recreation	5,019,903	876,015	395,657	-	(3,748,231)	-	(3,748,231)
Performing arts center	809,318	256,352	-	-	(552,966)	-	(552,966)
Recreation center	1,680,269	1,657,507	-	-	(22,762)	-	(22,762)
Education	85,294,993	2,714,048	51,712,981	2,826,986	(28,040,978)	-	(28,040,978)
Interest on long-term debt	2,556,020	-	-	-	(2,556,020)	-	(2,556,020)
Total governmental activities	154,092,199	19,495,448	54,494,403	4,303,482	(75,798,866)	-	(75,798,866)
Business-type activity:							
Water and sewer	8,775,729	8,309,887	-	530,163	-	64,321	64,321
Total primary government	<u>\$ 162,867,928</u>	<u>\$ 27,805,335</u>	<u>\$ 54,494,403</u>	<u>\$ 4,833,645</u>	(75,798,866)	64,321	(75,734,545)
General revenues:							
Property taxes					50,313,613	-	50,313,613
Local option sales tax					24,049,487	-	24,049,487
Other taxes							
Wholesale liquor and beer taxes					1,170,997	-	1,170,997
Local gross receipts tax					1,008,054	-	1,008,054
Business, cable tv, and hotel-motel taxes					828,028	-	828,028
Intergovernmental revenues:							
State sales tax					4,814,166	-	4,814,166
State income tax					436,662	-	436,662
Other state revenue					982,904	-	982,904
Other revenue					496,291	52,815	549,106
Interest on investments					559,590	42,409	601,999
Gain on sale of capital assets					59,379	8,255	67,634
Transfers					-	-	-
Total general revenues and transfers					84,719,171	103,479	84,822,650
Change in net position					8,920,305	167,800	9,088,105
Net position - beginning, as originally reported					281,595,259	67,358,706	348,953,965
Effect of change in accounting principle					(23,799,233)	(108,166)	(23,907,399)
Net position - beginning, as restated					257,796,026	67,250,540	325,046,566
Net position - ending					<u>\$ 266,716,331</u>	<u>\$ 67,418,340</u>	<u>\$ 334,134,671</u>

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	General Fund	General Purpose School Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 26,073,315	\$ 31,818,861	\$ 50,471,945	\$ 9,082,630	\$ 117,446,751
Receivables					
Taxes	24,949,648	-	-	553,018	25,502,666
Customer	3,801,905	-	-	735,433	4,537,338
Other	366,521	62,147	1,573	10,595	440,836
Less allowance for doubtful accounts	(3,192,187)	-	-	(20,108)	(3,212,295)
Due from other governments	3,298,396	5,231,962	-	3,767,201	12,297,559
Due from other funds	694,820	532,521	543,505	-	1,770,846
Inventory	207,145	-	-	54,294	261,439
Prepaid Items	24,875	-	-	119,836	144,711
Total assets	<u>\$ 56,224,438</u>	<u>\$ 37,645,491</u>	<u>\$ 51,017,023</u>	<u>\$ 14,302,899</u>	<u>\$ 159,189,851</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 814,819	\$ 243,900	\$ 805,516	\$ 3,983,915	\$ 5,848,150
Accrued payroll	-	3,502,974	-	228,043	3,731,017
Due to other funds	15,621	9,841	-	1,745,384	1,770,846
Unearned revenue					
Recreation center	199,906	-	-	-	199,906
Developers	537,847	-	-	-	537,847
Property maintenance	94,104	-	-	-	94,104
BPAC	2,500	-	-	-	2,500
Total liabilities	<u>1,664,797</u>	<u>3,756,715</u>	<u>805,516</u>	<u>5,957,342</u>	<u>12,184,370</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue					
Taxes	24,280,478	1,893,513	-	36,754	26,210,745
Court fines	737,165	-	-	-	737,165
Ambulance	159,728	-	-	-	159,728
Grants	-	-	-	1,452,439	1,452,439
Other	-	-	1,573	70,268	71,841
Total deferred inflows of resources	<u>25,177,371</u>	<u>1,893,513</u>	<u>1,573</u>	<u>1,559,461</u>	<u>28,631,918</u>
FUND BALANCES					
Nonspendable	232,020	-	-	174,130	406,150
Restricted	22,640	42,202	47,914,367	2,650,792	50,630,001
Committed	11,852,220	-	-	3,331,785	15,184,005
Assigned	71,397	31,953,061	2,295,567	1,969,714	36,289,739
Unassigned	17,203,993	-	-	(1,340,325)	15,863,668
Total fund balances	<u>29,382,270</u>	<u>31,995,263</u>	<u>50,209,934</u>	<u>6,786,096</u>	<u>118,373,563</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 56,224,438</u>	<u>\$ 37,645,491</u>	<u>\$ 51,017,023</u>	<u>\$ 14,302,899</u>	<u>\$ 159,189,851</u>

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF
NET POSITION
June 30, 2018

Total fund balances, governmental funds		\$ 118,373,563
Amounts reported for governmental activities in the statement of net position are different because:		
(1) Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		306,858,939
(2) Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned or unavailable in the funds.		4,857,169
(3) Long-term debt is not due and payable in the current period and, therefore is not reported in the funds.		
Less: bonds payable	(69,820,000)	
Less: capital notes payable	(5,957,150)	
Less: settlement obligation	(4,865,544)	
Less: capital leases payable	(7,213,622)	
Less: unamortized premiums and discounts on debt	(7,855,563)	
Add: deferred amount on refunding	225,735	(95,486,144)
(4) Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Less: accrued interest payable	(1,048,568)	
Less: compensated absences payable	(3,584,364)	(4,632,932)
(5) Pension assets (liabilities) and other post-employment benefit (OPEB) liabilities result from the excess (deficiency) of trust assets over (under) total pension and OPEB liabilities. The amounts are not available for use in the current period; therefore, are not reported in the funds.		
Add: net pension asset	835,406	
Less: net pension liability	(25,689,500)	
Less: net other postemployment liability	(50,687,673)	(75,541,767)
(6) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	16,767,617	
Less: deferred inflows of resources related to pensions	(8,128,464)	
Add: deferred outflows of resources related to OPEB	10,451,759	
Less: deferred inflows of resources related to OPEB	(8,691,604)	10,399,308
(7) Internal service funds are used by management to charge the cost 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 position.		1,888,195
Net position of governmental activities		<u>\$ 266,716,331</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, 2018

	General Fund	General Purpose School Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 25,476,447	\$ 24,658,053	\$ -	\$ -	\$ 50,134,500
Local sales taxes	13,689,098	10,184,542	-	3,202,743	27,076,383
Intergovernmental					
State sales, income, and other tax	6,233,732	43,682,329	-	1,374,547	51,290,608
State gas tax	-	-	-	1,894,273	1,894,273
Licenses and permits	1,755,785	-	-	-	1,755,785
Charges for services	4,429,958	1,435,268	-	8,018,341	13,883,567
Fines, forfeitures, and penalties	1,983,488	-	-	169,691	2,153,179
Federal, state and other grants	115,800	-	-	9,742,601	9,858,401
Donations	43,990	-	-	-	43,990
Interest on investments	110,530	-	448,207	853	559,590
Other	112,340	326,446	22,290	35,215	496,291
Total revenues	53,951,168	80,286,638	470,497	24,438,264	159,146,567
EXPENDITURES					
Current					
General government	7,498,620	-	-	-	7,498,620
Public safety	26,794,991	-	-	249,078	27,044,069
Public works	5,705,165	-	-	8,455,985	14,161,150
Parks and recreation	4,055,658	-	-	-	4,055,658
Performing arts center	694,405	-	-	-	694,405
Recreation center	1,669,484	-	-	-	1,669,484
Education	-	75,134,556	-	8,581,493	83,716,049
Debt Service					
Principal	-	1,870,385	-	3,885,500	5,755,885
Interest	-	165,717	-	1,720,067	1,885,784
Bond issuance costs	-	-	135,499	186,892	322,391
Capital outlays	-	-	9,277,620	8,253,692	17,531,312
Total expenditures	46,418,323	77,170,658	9,413,119	31,332,707	164,334,807
Excess (deficiency) of revenues over (under) expenditures	7,532,845	3,115,980	(8,942,622)	(6,894,443)	(5,188,240)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	5,031,856	44,589,150	-	49,621,006
Refunding bonds	-	-	-	2,310,000	2,310,000
Premium on bonds issued	-	-	7,004,472	14,416	7,018,888
Payment to escrow agent	-	-	-	(2,324,413)	(2,324,413)
Sale of capital assets	81,279	-	-	-	81,279
Transfers in	339,402	2,929,766	1,978,640	10,207,676	15,455,484
Transfers out	(7,078,856)	(3,122,677)	(2,848,578)	(2,405,373)	(15,455,484)
Total other financing sources and uses	(6,658,175)	4,838,945	50,723,684	7,802,306	56,706,760
Net change in fund balances	874,670	7,954,925	41,781,062	907,863	51,518,520
Fund balances - beginning	28,507,600	24,040,338	8,428,872	5,878,233	66,855,043
Fund balances - ending	\$ 29,382,270	\$ 31,995,263	\$ 50,209,934	\$ 6,786,096	\$ 118,373,563

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, 2018

Net change in fund balance - total governmental funds		\$ 51,518,520
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Amounts reported for governmental activities in the statement of activities are different because:

(1) Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays capitalize	21,413,794	
Depreciation expense	(11,558,355)	
Loss from the disposition of capital assets	<u>(1,573,981)</u>	8,281,458
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,691,207
(3) The issuance of long-term debt (e.g. bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on long-term debt	5,874,370	
Add: principal amount of bonds refunded	2,310,000	
Less: proceeds from debt issuance	(51,931,006)	
Less: premium on current year issuance	<u>(7,018,888)</u>	(50,765,524)
(4) 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.		
Amortization of premiums and discounts	312,148	
Amortization of deferred amount on refunding debt	(44,802)	
Change in accrued interest payable	(719,263)	
Change in compensated absences	<u>(128,599)</u>	(580,516)
(7) Payments of contributions to the pension plans and OPEB plan are recorded as expenditures in the governmental funds. Pension expense and OPEB expense are recorded on an actuarially determined basis in the statement of activities.		
Difference between actual contributions and pension expense	1,018,380	
Difference between actual contributions and OPEB expense	<u>(2,546,068)</u>	(1,527,688)
(5) 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 revenue (expense) of certain activities of internal service funds is reported with governmental activities.		<u>302,848</u>
Change in net position of governmental activities		<u><u>\$ 8,920,305</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 - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
PROPERTY TAXES				
Property tax	\$ 23,365,000	\$ 23,365,000	\$ 23,546,934	\$ 181,934
Property tax - prior year	250,000	250,000	357,650	107,650
Payments in lieu of taxes	1,554,603	1,554,603	1,515,858	(38,745)
Property tax interest and penalties	100,000	100,000	56,005	(43,995)
Total property taxes	25,269,603	25,269,603	25,476,447	206,844
LOCAL TAXES				
Local sales tax	11,306,829	11,306,829	10,684,832	(621,997)
Wholesale beer and liquor tax	1,159,500	1,159,500	1,170,997	11,497
Gross receipts tax	900,000	900,000	1,008,054	108,054
Business tax	83,000	83,000	111,014	28,014
CATV franchise tax	590,000	590,000	539,726	(50,274)
Hotel tax	180,000	180,000	174,475	(5,525)
Total local taxes	14,219,329	14,219,329	13,689,098	(530,231)
INTERGOVERNMENTAL				
State of Tennessee shared taxes				
Sales	4,825,500	4,825,500	4,814,166	(11,334)
Income taxes	280,000	280,000	436,662	156,662
Beer tax	28,000	28,000	26,352	(1,648)
Liquor tax	85,000	85,000	89,054	4,054
Bank excise tax	7,000	7,000	11,531	4,531
Receipts in lieu of tax - TVA	680,000	680,000	668,381	(11,619)
Reimbursements	60,000	60,000	73,770	13,770
State road maintenance	114,000	114,000	113,816	(184)
Total state shared taxes	6,079,500	6,079,500	6,233,732	154,232
LICENSES AND PERMITS				
Automobile stickers	1,230,000	1,230,000	1,205,712	(24,288)
Beer and liquor licenses	-	-	-	-
Building and related permits	576,700	576,700	550,073	(26,627)
Total licenses and permits	1,806,700	1,806,700	1,755,785	(50,915)

(CONTINUED ON NEXT PAGE)

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
CHARGES FOR SERVICES				
Publication fees	\$ 1,000	\$ 1,000	\$ 600	\$ (400)
Library fees	69,500	69,500	53,770	(15,730)
BSMC rental fees	161,500	161,500	146,894	(14,606)
Police and fire charges	27,000	27,000	34,136	7,136
911 fees	-	-	1,284	1,284
Ambulance fees	1,200,000	1,200,000	1,291,604	91,604
City service fee	4,000	4,000	-	(4,000)
Animal Shelter fees	113,900	113,900	94,938	(18,962)
Trash removal and weed cutting fees	125,000	125,000	30,858	(94,142)
Parks and recreation charges	874,300	874,300	862,015	(12,285)
Performing arts center	207,700	207,700	256,352	48,652
Recreation center	1,460,884	1,460,884	1,657,507	196,623
Total charge for services	4,244,784	4,244,784	4,429,958	185,174
FINES, FORFEITURES, AND PENALTIES	1,770,000	1,770,000	1,983,488	213,488
FEDERAL, STATE, AND OTHER GRANTS	-	115,800	115,800	-
DONATIONS	23,500	23,500	43,990	20,490
INTEREST ON INVESTMENTS	25,000	25,000	110,530	85,530
OTHER	143,738	143,738	112,340	(31,398)
PLANNED USE OF FUND BALANCE	-	600,000	-	(600,000)
Total Revenues	53,582,154	54,297,954	53,951,168	(346,786)

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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, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative				
Salaries	\$ 216,267	\$ 216,267	\$ 192,122	\$ 24,145
Benefits	88,780	88,780	81,293	7,487
Contractual services	151,000	105,000	90,922	14,078
Maintenance and equipment rental	-	-	12	(12)
Materials and supplies	3,000	3,000	1,389	1,611
Insurance	83,000	83,000	83,026	(26)
Other charges	460,200	445,200	352,700	92,500
	1,002,247	941,247	801,464	139,783
Mayor's office				
Salaries	426,583	426,583	434,775	(8,192)
Benefits	154,119	180,119	170,955	9,164
Contractual services	76,000	76,000	57,913	18,087
Maintenance and equipment rental	4,200	4,200	3,093	1,107
Materials and supplies	14,350	14,350	12,128	2,222
Insurance	2,100	2,100	1,781	319
Other charges	53,700	53,700	46,952	6,748
Capital outlay	500	1,598	1,098	500
	731,552	758,650	728,695	29,955
Community relations				
Salaries	74,649	74,649	77,893	(3,244)
Benefits	28,415	35,415	32,154	3,261
Contractual services	55,000	48,000	38,515	9,485
Maintenance and equipment rental	29,200	29,200	14,909	14,291
Materials and supplies	52,600	52,600	63,976	(11,376)
Insurance	900	900	892	8
Other charges	54,348	54,348	32,267	22,081
	295,112	295,112	260,606	34,506
Finance and accounting				
Salaries	1,023,231	1,023,231	979,976	43,255
Benefits	370,344	370,344	377,356	(7,012)
Contractual services	90,250	89,250	84,363	4,887
Maintenance and equipment rental	2,200	2,200	1,331	869
Materials and supplies	13,600	13,600	15,162	(1,562)
Insurance	7,752	7,752	6,635	1,117
Other charges	47,350	47,350	45,812	1,538
Capital outlay	400	1,400	220	1,180
	1,555,127	1,555,127	1,510,855	44,272

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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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
City Court				
Salaries	\$ 738,038	\$ 738,038	\$ 691,330	\$ 46,708
Benefits	273,738	273,738	272,520	1,218
Contractual services	49,000	49,000	40,271	8,729
Maintenance and equipment rental	3,000	3,000	1,889	1,111
Materials and supplies	6,700	6,700	5,960	740
Insurance	2,362	2,362	2,578	(216)
Other charges	10,220	10,220	9,686	534
	<u>1,083,058</u>	<u>1,083,058</u>	<u>1,024,234</u>	<u>58,824</u>
Personnel				
Salaries	298,198	298,198	297,596	602
Benefits	157,793	157,793	157,475	318
Contractual services	21,900	21,900	11,117	10,783
Maintenance and equipment rental	3,000	3,000	1,942	1,058
Materials and supplies	7,300	7,300	6,049	1,251
Insurance	1,300	1,300	1,290	10
Other charges	8,336	8,336	7,021	1,315
Capital outlay	2,500	2,500	857	1,643
	<u>500,327</u>	<u>500,327</u>	<u>483,347</u>	<u>16,980</u>
Planning and economic development				
Salaries	318,621	318,621	283,548	35,073
Benefits	129,546	129,546	115,987	13,559
Contractual services	3,000	2,000	561	1,439
Maintenance and equipment rental	2,350	2,350	1,277	1,073
Materials and supplies	4,200	4,200	3,077	1,123
Insurance	1,130	1,130	1,233	(103)
Other charges	4,700	4,700	4,490	210
Capital outlay	-	1,000	183	817
	<u>463,547</u>	<u>463,547</u>	<u>410,356</u>	<u>53,191</u>
Building and grounds				
Salaries	77,678	86,678	84,444	2,234
Benefits	40,479	40,479	41,862	(1,383)
Contractual services	500	500	-	500
Maintenance and equipment rental	49,500	49,500	44,317	5,183
Materials and supplies	22,500	22,500	15,176	7,324
Insurance	9,950	9,950	10,544	(594)
Other charges	104,933	95,933	96,662	(729)
	<u>305,540</u>	<u>305,540</u>	<u>293,005</u>	<u>12,535</u>

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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, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Bartlett Station				
Salaries	\$ 209,518	\$ 209,518	\$ 201,239	\$ 8,279
Benefits	67,384	76,384	83,838	(7,454)
Contractual services	1,240	1,240	1,080	160
Maintenance and equipment rental	24,000	24,000	34,946	(10,946)
Materials and supplies	15,550	15,550	9,936	5,614
Insurance	8,856	8,856	9,250	(394)
Other charges	67,000	67,000	57,417	9,583
	<u>393,548</u>	<u>402,548</u>	<u>397,706</u>	<u>4,842</u>
Library				
Contractual services	1,094,000	1,094,000	1,103,319	(9,319)
Maintenance and equipment rental	9,000	9,000	6,091	2,909
Materials and supplies	5,000	5,000	5,616	(616)
Insurance	10,007	10,007	10,437	(430)
Other charges	48,300	48,300	40,312	7,988
Capital outlay	13,000	13,000	8,375	4,625
	<u>1,179,307</u>	<u>1,179,307</u>	<u>1,174,150</u>	<u>5,157</u>
General services				
Salaries	227,583	227,583	225,967	1,616
Benefits	99,139	105,139	106,302	(1,163)
Contractual services	2,250	2,250	52	2,198
Maintenance and equipment rental	4,000	4,000	2,605	1,395
Materials and supplies	13,600	13,600	14,106	(506)
Insurance	1,800	1,800	2,049	(249)
Other charges	1,800	1,800	2,236	(436)
Capital outlay	700	700	469	231
	<u>350,872</u>	<u>356,872</u>	<u>353,786</u>	<u>3,086</u>
Bartlett Station committee				
Contractual services	20,000	20,000	20,912	(912)
Incentives and improvements	110,000	110,000	38,619	71,381
Other charges	19,000	19,000	885	18,115
	<u>149,000</u>	<u>149,000</u>	<u>60,416</u>	<u>88,584</u>
Total general government	<u>8,009,237</u>	<u>7,990,335</u>	<u>7,498,620</u>	<u>491,715</u>

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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, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
PUBLIC SAFETY				
Police services				
Salaries	\$ 9,709,488	\$ 9,709,488	\$ 9,567,635	\$ 141,853
Benefits	3,964,757	4,082,757	4,223,816	(141,059)
Contractual services	110,500	110,500	95,090	15,410
Maintenance and equipment rental	240,000	240,000	240,408	(408)
Materials and supplies	529,500	416,576	462,394	(45,818)
Insurance	155,000	155,000	145,308	9,692
Other charges	272,000	339,200	299,496	39,704
Capital outlay	23,000	44,654	37,771	6,883
	<u>15,004,245</u>	<u>15,098,175</u>	<u>15,071,918</u>	<u>26,257</u>
Fire services				
Salaries	4,801,409	4,801,409	4,633,927	167,482
Benefits	2,010,407	2,010,407	2,116,176	(105,769)
Contractual services	35,000	35,000	23,487	11,513
Maintenance and equipment rental	131,500	131,500	143,814	(12,314)
Materials and supplies	152,800	154,500	161,564	(7,064)
Insurance	57,400	57,400	52,341	5,059
Other charges	95,700	131,700	113,423	18,277
Capital outlay	100,000	133,782	120,826	12,956
	<u>7,384,216</u>	<u>7,455,698</u>	<u>7,365,558</u>	<u>90,140</u>
Ambulance and medical services				
Salaries	2,110,767	2,018,767	1,994,589	24,178
Benefits	916,024	916,024	918,235	(2,211)
Contractual services	89,900	124,900	111,462	13,438
Maintenance and equipment rental	87,100	87,100	91,115	(4,015)
Materials and supplies	196,420	196,420	190,064	6,356
Insurance	17,000	17,000	14,065	2,935
Other charges	12,200	24,800	42,640	(17,840)
Capital outlay	62,000	62,000	58,694	3,306
	<u>3,491,411</u>	<u>3,447,011</u>	<u>3,420,864</u>	<u>26,147</u>
Codes enforcement				
Salaries	633,877	633,877	610,582	23,295
Benefits	249,132	249,132	264,242	(15,110)
Contractual services	4,800	4,800	4,538	262
Maintenance and equipment rental	10,700	10,700	9,963	737
Materials and supplies	21,350	21,421	18,142	3,279
Insurance	4,386	4,386	4,881	(495)
Other charges	24,963	18,963	17,139	1,824
Capital outlay	1,250	7,250	7,164	86
	<u>950,458</u>	<u>950,529</u>	<u>936,651</u>	<u>13,878</u>
Total public safety	<u>26,830,330</u>	<u>26,951,413</u>	<u>26,794,991</u>	<u>156,422</u>

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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, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
PUBLIC WORKS				
Administrative				
Salaries	\$ 331,991	\$ 402,991	\$ 388,781	\$ 14,210
Benefits	125,457	125,457	139,627	(14,170)
Contractual services	1,400	1,400	1,485	(85)
Maintenance and equipment rental	101,885	101,885	100,942	943
Materials and supplies	5,400	7,400	8,972	(1,572)
Insurance	4,565	4,565	3,264	1,301
Other charges	21,100	21,100	20,863	237
Capital outlay	200	200	-	200
	<u>591,998</u>	<u>664,998</u>	<u>663,934</u>	<u>1,064</u>
Engineering				
Salaries	266,852	266,852	251,818	15,034
Benefits	93,812	93,812	96,221	(2,409)
Contractual services	7,800	7,800	633	7,167
Maintenance and equipment rental	9,590	9,590	4,331	5,259
Materials and supplies	11,050	11,050	9,829	1,221
Insurance	3,300	3,300	1,769	1,531
Other charges	8,600	8,600	8,046	554
	<u>401,004</u>	<u>401,004</u>	<u>372,647</u>	<u>28,357</u>
Inspection				
Salaries	349,089	349,089	321,208	27,881
Benefits	138,172	138,172	141,191	(3,019)
Contractual services	5,200	5,200	1,269	3,931
Maintenance and equipment rental	9,000	9,000	6,252	2,748
Materials and supplies	5,300	5,300	3,841	1,459
Insurance	4,950	4,950	6,007	(1,057)
Other charges	8,000	8,000	10,298	(2,298)
	<u>519,711</u>	<u>519,711</u>	<u>490,066</u>	<u>29,645</u>
City shop				
Salaries	653,718	596,218	607,533	(11,315)
Benefits	286,712	286,712	272,801	13,911
Contractual services	2,000	2,000	578	1,422
Maintenance and equipment rental	17,300	17,300	17,174	126
Materials and supplies	34,800	34,800	36,222	(1,422)
Insurance	7,200	7,200	6,775	425
Other charges	23,918	35,918	36,101	(183)
Shop allocations	(325,325)	(325,325)	(333,640)	8,315
Capital outlay	500	1,000	542	458
	<u>700,823</u>	<u>655,823</u>	<u>644,086</u>	<u>11,737</u>

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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, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
General maintenance of roads and drainage				
Salaries	\$ 699,041	\$ 699,041	\$ 726,564	\$ (27,523)
Benefits	394,385	440,385	412,096	28,289
Contractual services	8,050	8,050	11,006	(2,956)
Maintenance and equipment rental	69,700	69,700	73,419	(3,719)
Materials and supplies	260,850	214,850	191,688	23,162
Insurance	13,000	13,000	13,108	(108)
Other charges	37,100	37,100	46,160	(9,060)
Capital outlay	1,100	1,100	-	1,100
	<u>1,483,226</u>	<u>1,483,226</u>	<u>1,474,041</u>	<u>9,185</u>
Grounds maintenance				
Salaries	824,395	824,395	795,649	28,746
Benefits	299,740	299,740	309,635	(9,895)
Contractual services	1,000	1,000	570	430
Maintenance and equipment rental	174,720	231,720	145,811	85,909
Materials and supplies	60,000	60,000	70,422	(10,422)
Insurance	10,565	10,565	10,480	85
Other charges	9,653	9,653	9,898	(245)
	<u>1,380,073</u>	<u>1,437,073</u>	<u>1,342,465</u>	<u>94,608</u>
Animal control				
Salaries	383,776	383,776	361,800	21,976
Benefits	176,535	176,535	185,608	(9,073)
Contractual services	32,550	32,550	26,061	6,489
Maintenance and equipment rental	12,275	12,275	9,911	2,364
Materials and supplies	90,400	84,400	83,490	910
Insurance	6,056	6,056	4,921	1,135
Other charges	21,400	21,400	15,376	6,024
Capital outlay	3,200	36,605	30,759	5,846
	<u>726,192</u>	<u>753,597</u>	<u>717,926</u>	<u>35,671</u>
Total public works	<u>5,803,027</u>	<u>5,915,432</u>	<u>5,705,165</u>	<u>210,267</u>
PARKS AND RECREATION				
Parks and recreation				
Salaries	242,625	233,625	201,502	32,123
Benefits	88,737	88,737	78,739	9,998
Contractual services	1,600	1,600	1,695	(95)
Maintenance and equipment rental	1,300	1,300	1,527	(227)
Materials and supplies	5,200	9,200	9,129	71
Insurance	8,296	8,296	7,160	1,136
Other charges	4,288	4,288	5,058	(770)
	<u>352,046</u>	<u>347,046</u>	<u>304,810</u>	<u>42,236</u>

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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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
Community center				
Salaries	\$ 600,393	\$ 600,393	\$ 593,742	\$ 6,651
Benefits	139,252	139,252	141,950	(2,698)
Contractual services	5,800	5,800	2,416	3,384
Maintenance and equipment rental	29,000	29,000	21,041	7,959
Materials and supplies	57,500	57,009	43,321	13,688
Insurance	9,400	9,400	8,419	981
Other charges	76,450	76,450	65,162	11,288
Capital outlay	-	44,203	31,151	13,052
	<u>917,795</u>	<u>961,507</u>	<u>907,202</u>	<u>54,305</u>
Athletics				
Salaries	402,154	386,154	380,880	5,274
Benefits	103,763	103,763	108,109	(4,346)
Contractual services	7,200	7,200	2,655	4,545
Maintenance and equipment rental	59,100	44,680	31,481	13,199
Materials and supplies	124,700	125,200	120,814	4,386
Insurance	11,500	11,500	12,138	(638)
Other charges	65,938	65,938	87,354	(21,416)
Capital outlay	8,100	40,100	33,193	6,907
	<u>782,455</u>	<u>784,535</u>	<u>776,624</u>	<u>7,911</u>
Parks maintenance				
Salaries	788,840	788,840	792,207	(3,367)
Benefits	331,472	331,472	317,990	13,482
Contractual services	1,000	1,000	3,797	(2,797)
Maintenance and equipment rental	234,220	232,220	223,498	8,722
Materials and supplies	126,100	126,100	119,177	6,923
Insurance	10,866	10,866	10,943	(77)
Other charges	11,882	11,882	9,817	2,065
Capital outlay	-	2,000	1,179	821
	<u>1,504,380</u>	<u>1,504,380</u>	<u>1,478,608</u>	<u>25,772</u>
School ground maintenance				
Salaries	112,778	112,778	111,389	1,389
Benefits	29,033	29,033	30,135	(1,102)
Contractual services	100	100	-	100
Maintenance and equipment rental	45,000	49,000	49,947	(947)
Materials and supplies	8,600	8,600	9,645	(1,045)
Insurance	649	649	1,215	(566)
Other charges	4,149	4,149	1,372	2,777
Capital outlay	40,000	36,000	12,200	23,800
	<u>240,309</u>	<u>240,309</u>	<u>215,903</u>	<u>24,406</u>

(CONTINUED ON NEXT PAGE)

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, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Senior center				
Salaries	\$ 211,616	\$ 211,616	\$ 198,941	\$ 12,675
Benefits	93,526	93,526	104,594	(11,068)
Contractual services	13,000	12,000	10,041	1,959
Maintenance and equipment rental	7,040	7,040	6,798	242
Materials and supplies	17,800	17,800	16,829	971
Insurance	3,520	3,520	3,938	(418)
Other charges	39,400	39,400	27,645	11,755
Capital outlay	3,000	4,000	3,725	275
	<u>388,902</u>	<u>388,902</u>	<u>372,511</u>	<u>16,391</u>
 Total parks and recreation	 <u>4,185,887</u>	 <u>4,226,679</u>	 <u>4,055,658</u>	 <u>171,021</u>
 PERFORMING ARTS CENTER				
Salaries	409,734	416,734	436,789	(20,055)
Benefits	68,326	68,326	47,825	20,501
Contractual services	16,000	16,000	16,526	(526)
Maintenance and equipment rental	27,600	20,600	20,095	505
Materials and supplies	18,600	18,600	10,336	8,264
Insurance	9,946	9,946	10,422	(476)
Other charges	115,900	115,900	121,032	(5,132)
Capital outlay	20,500	39,500	31,380	8,120
Total performing arts center	<u>686,606</u>	<u>705,606</u>	<u>694,405</u>	<u>11,201</u>
 RECREATION CENTER				
Salaries	1,010,270	994,270	977,366	16,904
Benefits	230,888	230,888	247,185	(16,297)
Contractual services	12,000	12,000	11,215	785
Maintenance and equipment rental	97,500	97,500	100,409	(2,909)
Materials and supplies	124,091	141,091	136,276	4,815
Insurance	19,350	19,350	18,156	1,194
Other charges	172,650	172,650	174,713	(2,063)
Capital outlay	-	5,000	4,164	836
Total recreation center	<u>1,666,749</u>	<u>1,672,749</u>	<u>1,669,484</u>	<u>3,265</u>
 Total Expenditures	 <u>47,181,836</u>	 <u>47,462,214</u>	 <u>46,418,323</u>	 <u>1,043,891</u>

(CONTINUED ON NEXT PAGE)

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 6,400,318	\$ 6,835,740	\$ 7,532,845	\$ 697,105
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	50,000	50,000	81,279	31,279
Transfers in	424,000	424,000	339,402	(84,598)
Transfers out	(6,874,318)	(7,474,318)	(7,078,856)	395,462
Total Other Financing Sources (Uses)	<u>(6,400,318)</u>	<u>(7,000,318)</u>	<u>(6,658,175)</u>	<u>342,143</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (164,578)</u>	874,670	<u>\$ 1,039,248</u>
Fund balances - beginning			<u>28,507,600</u>	
Fund balances - ending			<u>\$ 29,382,270</u>	

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
PROPERTY TAXES				
Property tax	\$ 21,731,553	\$ 21,731,553	\$ 23,782,816	\$ 2,051,263
Property tax - prior year	376,032	376,032	456,724	80,692
Payments in lieu of tax	432,685	432,685	418,513	(14,172)
Total property taxes	22,540,270	22,540,270	24,658,053	2,117,783
LOCAL TAXES				
Sales tax	11,408,518	11,408,518	10,181,729	(1,226,789)
Business tax	3,157	3,157	2,813	(344)
Total local taxes	11,411,675	11,411,675	10,184,542	(1,227,133)
INTERGOVERNMENTAL				
State of Tennessee shared taxes				
Mixed drink taxes	75,000	75,000	89,054	14,054
Basic education program	39,171,500	39,171,500	41,392,965	2,221,465
Career ladder program	183,600	183,600	196,914	13,314
Wheel tax	1,900,000	1,900,000	1,884,187	(15,813)
Other	215,580	215,580	119,209	(96,371)
Total intergovernmental	41,545,680	41,545,680	43,682,329	2,136,649
CHARGES FOR SERVICES	830,250	1,830,250	1,435,268	(394,982)
OTHER	163,000	163,000	326,446	163,446
Total Revenues	76,490,875	77,490,875	80,286,638	2,795,763
EXPENDITURES				
EDUCATION				
Board of education services				
Salaries	183,530	183,530	193,412	(9,882)
Benefits	1,039,706	1,039,706	763,044	276,662
Contractual services	886,949	811,449	647,472	163,977
Materials and supplies	1,500	3,500	45	3,455
Insurance	229,500	229,500	112,930	116,570
Other charges	792,043	715,543	66,787	648,756
	3,133,228	2,983,228	1,783,690	1,199,538
Office of superintendent				
Salaries	271,864	271,864	293,032	(21,168)
Benefits	66,816	66,816	81,107	(14,291)
Contractual services	82,500	82,500	30,592	51,908
Materials and supplies	15,250	8,750	-	8,750
Other charges	44,083	50,583	71,939	(21,356)
	480,513	480,513	476,670	3,843

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The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND**

For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Office of principal				
Salaries	\$ 4,719,141	\$ 4,719,141	\$ 4,411,263	\$ 307,878
Benefits	1,387,150	1,386,593	1,133,506	253,087
Contractual services	10,000	10,000	10,800	(800)
Other charges	70,000	70,557	56,701	13,856
	<u>6,186,291</u>	<u>6,186,291</u>	<u>5,612,270</u>	<u>574,021</u>
Regular instruction				
Salaries	28,815,818	27,804,729	27,965,194	(160,465)
Benefits	7,829,854	7,206,242	7,216,722	(10,480)
Contractual services	125,000	46,924	99,268	(52,344)
Materials and supplies	1,193,619	1,332,018	1,181,752	150,266
Other charges	1,274,503	1,345,103	1,045	1,344,058
	<u>39,238,794</u>	<u>37,735,016</u>	<u>36,463,981</u>	<u>1,271,035</u>
Alternative education				
Salaries	295,641	295,641	293,911	1,730
Benefits	66,027	66,027	73,103	(7,076)
Contractual services	24,000	22,716	28,928	(6,212)
Other charges	-	1,284	1,566	(282)
	<u>385,668</u>	<u>385,668</u>	<u>397,508</u>	<u>(11,840)</u>
Special education				
Salaries	5,011,771	6,022,860	4,321,939	1,700,921
Benefits	1,654,498	2,069,110	1,282,505	786,605
Contractual services	150,000	227,307	3,152	224,155
Materials and supplies	29,283	41,052	44,509	(3,457)
	<u>6,845,552</u>	<u>8,360,329</u>	<u>5,652,105</u>	<u>2,708,224</u>
Technical education				
Salaries	1,037,798	1,037,798	961,209	76,589
Benefits	294,183	294,183	222,406	71,777
Materials and supplies	53,611	53,611	10,957	42,654
	<u>1,385,592</u>	<u>1,385,592</u>	<u>1,194,572</u>	<u>191,020</u>
Other student support				
Salaries	1,292,375	1,292,375	1,189,109	103,266
Benefits	346,572	346,572	325,031	21,541
Contractual services	128,000	128,000	222,362	(94,362)
Materials and supplies	9,600	9,600	1,036	8,564
Other charges	14,450	14,450	1,545	12,905
	<u>1,790,997</u>	<u>1,790,997</u>	<u>1,739,083</u>	<u>51,914</u>
Regular instruction support				
Salaries	1,078,481	1,078,481	1,387,875	(309,394)
Benefits	291,412	281,912	329,874	(47,962)
Contractual services	11,901	9,743	-	9,743
Materials and supplies	59,816	69,316	67,926	1,390
Other charges	89,955	84,613	80,168	4,445
	<u>1,531,565</u>	<u>1,524,065</u>	<u>1,865,843</u>	<u>(341,778)</u>

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The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND**

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Special education support				
Salaries	\$ 886,785	\$ 966,565	\$ 1,041,299	\$ (74,734)
Benefits	176,048	194,404	182,787	11,617
Contractual services	141,099	71,500	63,400	8,100
Materials and supplies	15,000	15,000	21,847	(6,847)
Other charges	63,192	31,155	17,759	13,396
	<u>1,282,124</u>	<u>1,278,624</u>	<u>1,327,092</u>	<u>(48,468)</u>
Technical education support				
Other charges	25,860	25,860	23,196	2,664
	<u>25,860</u>	<u>25,860</u>	<u>23,196</u>	<u>2,664</u>
Technology				
Salaries	780,276	780,276	925,692	(145,416)
Benefits	266,047	266,047	283,181	(17,134)
Contractual services	216,865	216,865	209,340	7,525
Materials and supplies	200,875	229,899	218,870	11,029
Other charges	697,900	5,700,741	5,562,227	138,514
	<u>2,161,963</u>	<u>7,193,828</u>	<u>7,199,310</u>	<u>(5,482)</u>
Fiscal services				
Salaries	308,259	308,259	307,870	389
Benefits	81,070	76,070	70,108	5,962
Contractual services	27,333	29,833	22,404	7,429
Materials and supplies	47,000	64,500	26,377	38,123
Other charges	182,494	182,432	146,103	36,329
	<u>646,156</u>	<u>661,094</u>	<u>572,862</u>	<u>88,232</u>
Human resources				
Salaries	373,733	373,733	347,675	26,058
Benefits	144,466	137,966	163,218	(25,252)
Contractual services	48,000	51,050	49,353	1,697
Materials and supplies	4,500	9,000	5,639	3,361
Other charges	24,300	23,250	17,458	5,792
	<u>594,999</u>	<u>594,999</u>	<u>583,343</u>	<u>11,656</u>
Accountability				
Salaries	57,742	57,742	40,179	17,563
Benefits	31,395	31,395	9,845	21,550
	<u>89,137</u>	<u>89,137</u>	<u>50,024</u>	<u>39,113</u>
Student services				
Salaries	347,234	347,234	350,921	(3,687)
Benefits	85,368	85,368	89,837	(4,469)
Contractual services	23,000	22,092	22,092	-
Materials and supplies	7,000	7,000	5,785	1,215
Other charges	21,800	22,709	24,480	(1,771)
	<u>484,402</u>	<u>484,403</u>	<u>493,115</u>	<u>(8,712)</u>

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The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND**

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Health services				
Salaries	\$ 491,640	\$ 491,640	\$ 753,905	\$ (262,265)
Benefits	168,442	168,442	221,035	(52,593)
Materials and supplies	6,000	6,000	3,539	2,461
Other charges	1,500	1,500	611	889
	<u>667,582</u>	<u>667,582</u>	<u>979,090</u>	<u>(311,508)</u>
Transportation				
Contractual services	2,758,926	2,527,426	2,252,195	275,231
Other charges	363,400	363,400	277,380	86,020
	<u>3,122,326</u>	<u>2,890,826</u>	<u>2,529,575</u>	<u>361,251</u>
Shared services benefits				
Salaries	137,853	137,853	157,691	(19,838)
Benefits	42,175	42,175	34,986	7,189
Other charges	-	62	62	-
	<u>180,028</u>	<u>180,090</u>	<u>192,739</u>	<u>(12,649)</u>
Payroll				
Salaries	155,040	155,040	83,280	71,760
Benefits	100,502	90,502	57,906	32,596
	<u>255,542</u>	<u>245,542</u>	<u>141,186</u>	<u>104,356</u>
Planning				
Salaries	96,237	96,237	96,237	-
Benefits	23,114	21,214	21,000	214
Contractual services	250	250	-	250
Materials and supplies	-	1,900	1,854	46
Other charges	5,515	5,515	1,592	3,923
	<u>125,116</u>	<u>125,116</u>	<u>120,683</u>	<u>4,433</u>
Purchasing				
Salaries	137,853	137,853	137,853	-
Benefits	37,134	32,134	23,600	8,534
	<u>174,987</u>	<u>169,987</u>	<u>161,453</u>	<u>8,534</u>
Shared services technology				
Salaries	174,267	174,267	96,237	78,030
Benefits	43,085	43,085	21,034	22,051
	<u>217,352</u>	<u>217,352</u>	<u>117,271</u>	<u>100,081</u>
Operation of plant				
Salaries	510,173	510,173	578,966	(68,793)
Benefits	159,575	159,575	155,184	4,391
Contractual services	1,587,585	1,587,585	1,455,718	131,867
Materials and supplies	10,000	10,000	84,995	(74,995)
Other charges	1,811,000	1,811,000	1,660,935	150,065
	<u>4,078,333</u>	<u>4,078,333</u>	<u>3,935,798</u>	<u>142,535</u>

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The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Maintenance of plant				
Salaries	\$ 674,587	\$ 752,587	\$ 619,347	\$ 133,240
Benefits	174,663	174,663	154,719	19,944
Contractual services	95,200	70,000	69,579	421
Materials and supplies	417,600	283,500	169,617	113,883
Other charges	10,000	8,000	3,487	4,513
	1,372,050	1,288,750	1,016,749	272,001
Safety				
Salaries	35,700	35,700	39,532	(3,832)
Benefits	11,018	11,018	6,719	4,299
Contractual services	60,000	60,000	57,660	2,340
Materials and supplies	5,000	5,000	3,209	1,791
Other charges	3,000	3,000	-	3,000
	114,718	114,718	107,120	7,598
Athletics				
Contractual services	-	25,200	25,000	200
Materials and supplies	-	56,100	41,329	14,771
Other charges	-	2,000	-	2,000
	-	83,300	66,329	16,971
Regular capital outlay				
Contractual services	-	150,000	110,451	39,549
Materials and supplies	-	231,500	221,448	10,052
	-	381,500	331,899	49,601
Total education	76,570,875	81,602,740	75,134,556	6,468,184
DEBT SERVICE				
Principal	\$ -	\$ -	\$ 1,870,385	\$ (1,870,385)
Interest	-	-	165,717	(165,717)
Total debt service	-	-	2,036,102	(2,036,102)
Total Expenditures	76,570,875	81,602,740	77,170,658	4,432,082
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(80,000)	(4,111,865)	3,115,980	7,227,845
OTHER FINANCING SOURCES (USES)				
Debt issuance	-	5,031,865	5,031,856	(9)
Transfers in	80,000	80,000	2,929,766	2,849,766
Transfers out	-	(1,000,000)	(3,122,677)	(2,122,677)
Total Other Financing Sources (Uses)	80,000	4,111,865	4,838,945	727,080
Net change in fund balances	\$ -	\$ -	7,954,925	\$ 7,954,925
Fund balances - beginning			24,040,338	
Fund balances - ending			\$ 31,995,263	

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018

	Business-type Activity	Governmental Activities
	Enterprise Fund	
	Water and Sewer Fund	Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 13,123,232	\$ 1,852,029
Receivables		
Customers	886,281	-
Less allowance for doubtful accounts	(31,750)	-
Prepaid expenses	9,418	-
Total current assets	<u>13,987,181</u>	<u>1,852,029</u>
Noncurrent assets:		
Capital assets, not being depreciated	3,662,115	-
Capital assets, being depreciated, net	63,587,019	-
Total capital assets (net of accumulated depreciation)	<u>67,249,134</u>	<u>-</u>
Total assets	<u>81,236,315</u>	<u>1,852,029</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to pension	169,403	-
Related to OPEB	570,857	-
Deferred charges on refunding	128,898	-
Total deferred outflows of resources	<u>869,158</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	469,664	310,283
Accrued bond interest	66,212	-
Accrued payroll	-	26,678
Unearned revenue	152,160	-
Current portion of bonds and notes payable	1,087,000	-
Total current liabilities	<u>1,775,036</u>	<u>336,961</u>
Noncurrent liabilities:		
Bonds and notes payable, net of current portion, discounts, and premiums	7,690,081	-
Accrued compensated absences	139,007	-
Net pension liability	1,651,409	-
Net OPEB liability	2,402,294	-
Total noncurrent liabilities	<u>11,882,791</u>	<u>-</u>
Total liabilities	<u>13,657,827</u>	<u>336,961</u>
DEFERRED INFLOWS OF RESOURCES		
Related to pension	70,913	-
Related to OPEB	585,266	-
Total deferred inflows of resources	<u>656,179</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	58,717,586	-
Unrestricted	9,073,881	1,515,068
Total net position	<u>67,791,467</u>	<u>\$ 1,515,068</u>
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(373,127)	
Net position of the business-type activity	<u>\$ 67,418,340</u>	

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2018

	Business-type Activity	Governmental Activities
	Enterprise Fund	
	Water and Sewer Fund	Internal Service Funds
Operating Revenues:		
Metered water sales	\$ 3,949,096	\$ -
Sewer service fee	3,511,027	-
Service connections fees	107,906	-
Forfeited discounts	302,609	-
Charges for services	47,927	2,525,317
Tower lease charges	391,322	-
Contributions	-	5,754,612
Other	52,815	-
Total operating revenues	8,362,702	8,279,929
Operating Expenses:		
Administrative and general	2,275,035	8,074,171
Pumping and filtering	1,502,480	-
Distribution system	1,713,187	-
Sewer lagoon	602,133	-
Depreciation	2,345,774	-
Total operating expenses	8,438,609	8,074,171
Operating income (loss)	(75,907)	205,758
Nonoperating Revenues (Expenses):		
Interest	42,409	228
Bond interest and fiscal charges	(240,258)	-
Gain on sale of capital assets	8,255	-
Total non-operating expenses	(189,594)	228
Income (loss) before contributions and transfers	(265,501)	205,986
Capital contributions - water taps	31,300	-
Capital contributions - sewer taps	41,407	-
Capital contributions - development	457,456	-
Change in net position	264,662	205,986
Total net position - beginning, as originally reported	67,634,971	1,309,082
Effect of change in accounting principle	(108,166)	-
Total net position - beginning, as restated	67,526,805	1,309,082
Total net position - ending	\$ 67,791,467	\$ 1,515,068
Change in net position	\$ 264,662	
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(96,862)	
Change in net position of the business-type activity	\$ 167,800	

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, 2018

	Business-type Activity	Governmental Activities
	Enterprise Fund Water and Sewer Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 8,238,064	\$ -
Receipts from interfund services provided	-	8,279,929
Payments to suppliers	(2,542,619)	(8,014,049)
Payments to employees	(3,418,108)	-
Other receipts	52,815	-
Net cash provided by operating activities	<u>2,330,152</u>	<u>265,880</u>
CASH FLOW USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributions	530,163	-
Purchases of capital assets	(3,031,348)	-
Proceeds from sale of capital assets	8,255	-
Principal paid on capital debt	(1,065,000)	-
Interest paid on capital debt	(249,582)	-
Net cash used for capital and related financing activities	<u>(3,807,512)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>42,409</u>	<u>228</u>
Net increase (decrease) in cash and cash equivalents	(1,434,951)	266,108
Cash and cash equivalents - beginning of the year	<u>14,558,183</u>	<u>1,585,921</u>
Cash and cash equivalents - end of the year	<u><u>\$ 13,123,232</u></u>	<u><u>\$ 1,852,029</u></u>
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ (75,907)	\$ 205,758
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	2,345,774	-
Pension expense in excess of employer contributions	65,336	-
Change in assets and liabilities		
Receivables	(19,983)	-
Prepaid expenses	(4,495)	-
Accounts payable	68,080	64,743
Accrued compensated absences	3,187	(4,621)
Deferred revenue	(51,840)	-
Net cash provided by operating activities	<u><u>\$ 2,330,152</u></u>	<u><u>\$ 265,880</u></u>

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2018

	Pension and OPEB Trust Funds	Combined Agency Funds
ASSETS		
Cash and cash equivalents	\$ 1,218,559	\$ 1,764,189
Accounts receivable	3,283	-
Interest receivable	116,746	-
Inventory	-	30,828
Investments, at fair value:		
Common stock	617,367	-
Mutual funds	83,115,881	-
Private real estate fund	2,559,438	-
Total investments	<u>86,292,686</u>	<u>-</u>
Total assets	87,631,274	<u><u>\$ 1,795,017</u></u>
LIABILITIES		
Accounts payable	77,035	\$ -
Bail bonds payable	-	59,893
Family assistance payable	-	29,336
J. Rainey volunteer fund payable	-	9,693
Due to student general fund	-	872,694
Due to student groups	-	823,401
Total liabilities	<u>77,035</u>	<u><u>\$ 1,795,017</u></u>
NET POSITION		
Restricted for pensions	79,760,557	
Held in trust for OPEB benefits	7,793,682	
Total net position	<u><u>\$ 87,554,239</u></u>	

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2018

	Pension and OPEB Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 5,796,698
Plan members	1,106,019
Total contributions	<u>6,902,717</u>
Investment earnings (losses):	
Interest and dividends	2,203,860
Net appreciation in fair value of investments	4,127,267
Total investment earnings	<u>6,331,127</u>
 Total additions	 13,233,844
DEDUCTIONS	
Benefits	4,482,943
Premiums	708,131
Administrative expense	391,293
Total deductions	<u>5,582,367</u>
 Change in net position	 7,651,477
Net position - beginning of the year	<u>79,902,762</u>
Net position - end of the year	<u><u>\$ 87,554,239</u></u>

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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. The Executive Branch is organized into the following departments: Administration, Mayor, Finance and Accounting, Education, Police, Fire, Parks and Recreation, Public Works, Planning and Economic Development, Code Enforcement, and Utilities.

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. The financial statements of the City include the financial statements of Bartlett City Board of Education ("Board of Education" or "Bartlett Schools"). The Board of Education's general purpose fund, federal projects fund, nutrition fund, and discretionary grants fund are each reported as special revenue funds of the City. The Board of Education's capital projects fund is considered a nonmajor fund of the City. The Board of Education's OPEB trust fund represents a fiduciary fund of the City and the school activity funds are an agency fund of the City.

B. Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. 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. Certain eliminations have been made in regards to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and business type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, those transactions between governmental and business-type activities have not been eliminated.

The statement of net position presents information on all the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources, with the differences presented as net position. Net position is reported as one of three categories: net investment in capital assets, restricted, or unrestricted. Restricted net position is further classified as either net position restricted by enabling legislation or net position that is otherwise restricted.

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.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The activities of the government are organized into funds, each of which are considered to be separate entities. Each fund is accounted for by providing a set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures/expenses. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The City has presented all major funds that met the quantitative or qualitative qualifications to be reported as a major fund as separate columns in the fund financial statements. The City's major governmental funds include the General Fund, the General Purpose School Fund and the Capital Projects Fund. In addition, the City reports the Water and Sewer Fund as a major proprietary fund. Detailed descriptions of these funds are presented below.

1. *Governmental Fund Financial Statements*

Governmental fund financial statements include a balance sheet and statement of revenues, expenditures, and changes in fund balance individually for all major funds and in the aggregate for the remaining nonmajor funds. An accompanying schedule is presented to reconcile and explain the difference in fund balance and changes in fund balances as presented in these statements to net position and changes in net position presented in the government-wide financial statements. The governmental funds of the City are described below:

- a. **General Fund** – 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.
- b. **Special Revenue Funds** – These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted or committed to expenditures for specific purposes. The special revenue funds include the 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, Federal Projects Fund, School Nutrition Fund, and School Discretionary Grants Fund. The special revenue funds also include the General Purpose School Fund which is considered a major fund and described in further detail below:

General Purpose School Fund – The operating fund of the Bartlett City Board of Education and accounts for all general revenues and other receipts that are not allocated by law or contractual agreement to another Bartlett City Board of Education fund, such as property tax revenue from Shelby County, Tennessee, Basic Education Program (BEP) funds, sales tax, etc. General operating expenditures and capital improvement costs that are not paid through other School funds are paid from the General Purpose School Fund.

- c. **Capital Projects Fund** – These funds account for all the financing of major governmental fund capital asset purchases. A fund is maintained for City and the School capital improvement projects i.e. Capital Projects Fund and Education Capital Fund.
- d. **Debt Service Fund** – The fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

2. *Proprietary Fund Financial Statements*

Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows individually for all major enterprise funds and in the aggregate for the remaining nonmajor enterprise funds. A column representing internal service funds is also presented in these statements. However, internal service fund balances and activities are combined with the governmental activities in the government-wide financial statements. The proprietary funds of the City are described below:

- a. **Enterprise Fund** – Account for business-like activities provided to the general public. The activities are financed primarily by user charges and the measurement of the financial activity focuses on net income measurement similar to private sector businesses.

Water and Sewer Fund – 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 systems and 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

- b. **Internal Service Fund** – Used to account for services provided to other departments and agencies of the government on a cost reimbursement basis. The City has two internal service funds: Health and Welfare Fund and Worker's Compensation Fund.

3. *Fiduciary Fund Financial Statements*

Fiduciary fund financial statements include a statement of fiduciary net position and statement of changes in fiduciary net position. Agency funds are fiduciary funds used to account for assets held by the City in a purely custodial capacity. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations.

- a. **Pension (and Other Employee Benefit) Trust Fund** – These funds account for the activities and accumulation of resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans and other postemployment benefit plans. The City maintains two pension trust funds, the Employee Retirement Plan Fund and the Contributory Retirement Plan Fund which are used to account for the accumulation of resources to provide defined benefits to qualified employees upon retirement. In addition, the City and the School each use an Other Postemployment Benefits Fund ("City OPEB" and "School OPEB") to account for activity related to retiree group health and dental benefits.
- b. **Agency Fund** – These funds report resources held by the City in a purely custodial capacity. The Bail Bond Fund accounts for bail funds by persons awaiting trial in City Court. The Family Assistance Fund is used to provide families with financial hardship with monies to pay their utility bills. The Jeanette Rainey Volunteer Fund is used to reward individuals that exhibit exemplary character in a voluntary effort benefitting the City. In addition, the School Activity Funds are used to account for cash and inventory held by the Bartlett City Board of Education on behalf of the school activity fund for the Bartlett City Schools. These funds were audited in a separate report and can be obtained by contacting the Bartlett City Board of Education.

C. **Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the "economic resources" measurement focus. Accordingly, all of the City's assets and liabilities, including capital assets and long-term liabilities, along with deferred inflows and outflows of resources, are included in the accompanying statement of net position. The statement of activities presents changes in net position.

Proprietary funds and fiduciary funds are also accounted for using the "economic resources" measurement focus. Accordingly all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included in the statement of net position. The statement of revenues, expenses, and changes in net position presents revenues (additions) and expenses (deductions) in total net position. Agency funds do not use the economic resources measurement focus.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period. These funds use fund balance as their measure of available resources at the end of the period.

Basis of Accounting

The government-wide financial statements are presented using the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. 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.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available to finance expenditures of the current period. 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 or up to one year for grant revenues. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, other local taxes, and intergovernmental revenues. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are considered to be measurable and available only when cash is received by the City. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 1 year of year-end). 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. The issuance of long-term debt is reported as other financing sources.

D - Assets, Liabilities, Deferred outflows/Inflows of Resources, and Net Position/Fund Balances

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. Cash equivalents held by the trustee of the Employee Pension Plan Fund, the Employee Cash Balance Plan Fund, the City OPEB Fund, and the School OPEB Fund are included in cash and cash equivalents. Cash equivalents also include investments in the Local Government Investment Pool ("LGIP") due to the short-term nature of their maturity.

Investments, including pension and other postemployment benefit investments held in fiduciary funds, are reported at fair value except for those investment in the Local Government Investment Pool ("LGIP"). The LGIP qualifies as a 2a7-like pool and is reported at amortized cost using a Stable Net Asset Value which approximates fair value.

2. Receivables

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

Real and personal property taxes are levied by July 1 for each fiscal year on values assessed as of the prior January 1. The City has an enforceable legal claim as of January 1 (the assessment date). Property taxes are due on December 1 and are considered delinquent after February 28, at which time penalties and interest are assessed and property is available for tax lien. All property taxes are billed and collected by the City.

Property taxes receivable are recognized as of the date the City has an enforceable legal claim. Property taxes are reflected as revenues in the fiscal period for which they are levied, which is the subsequent fiscal year for the current fiscal year's assessment, provided they are received and collected within the current period or within 60 days following the fiscal year end (August 31). Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30. Delinquent taxes estimated to be collected subsequent to August 31 are included in the balance sheet as property taxes receivable and a deferred inflow of resources to reflect amounts that were not available

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

as revenues at June 30, 2018. 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 Finance Department.

Receivables due from other governments are primarily from the United States government, the State of Tennessee, and Shelby County, Tennessee. No allowance for uncollectible amounts has been recognized.

Governmental funds report unavailable 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 as "unearned revenue". At the end of the current fiscal year, unavailable revenue principally represents amounts relating to property taxes.

3. Interfund Transactions

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.

Permanent reallocations of resources between funds of the City are classified as interfund transfers. For the purpose of the statement of activities, all transfers between individual governmental funds have been eliminated.

4. Inventories and prepaid items

Inventories are valued at the lower of cost or market determined using the first-in, first-out (FIFO) method. 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.

The cost of inventory and prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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. Such assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at estimated acquisition value at the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Land and construction in progress are not depreciated. Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	25-50 years
Other improvements	10-60 years
Machinery and equipment	3-15 years
Vehicles	7-10 years
Infrastructure	20-50 years

6. *Deferred outflows of resources*

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has qualifying items for reporting in this category. The unamortized discount on refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Other deferred outflows of resources include those related to pension and OPEB changes and employer contributions to the pension plan after the measurement date.

7. *Compensated absences*

Compensated absences for accumulated unpaid vacation are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Vacation days earned, not to exceed 30 days, may be carried forward. 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 and proprietary fund financial statements.

Under the Bartlett City Board of Education's sick leave policy, both certified and classified employees earn one sick day for each month employed and accumulate for an unlimited number of days. Upon retirement, accumulated sick days convert to service time with the Tennessee Consolidated Retirement System (TCRS). If an employee leaves the school district prior to retirement, the accumulated sick days can be carried to another school district or converted to service credit with TCRS. For vacation, an employee may accumulate up to twenty-five vacation days. Unused vacation is paid out for any employee leaving the school district provided they have completed at least six months of service.

8. *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 position. Bond premiums and discounts 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 expensed when incurred.

In the governmental fund financial statements, bond premiums and discounts, issuance costs are recognized in the current period. The face amount of debt 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9. *Deferred inflows of resources*

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an increase to net position that applies to a future period and is not recognized as an inflow of resources (revenue) until that time. The City has several types of items that qualify for reporting in this category. These items are amounts in the governmental funds that were receivable and measureable at year-end but were not available to finance expenditures for the current year. This includes unavailable revenues from property taxes and other revenues. In addition, deferred inflows of resources include those related to pension and OPEB changes.

10. *Net Position and Fund balance*

In the government-wide financial statements and the proprietary fund in the fund financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Applicable deferred outflows of resources and deferred inflows of resources, if any should be included in the component of net position.

Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislations.

Unrestricted net position – all other net position that does not meet the definition of restricted or net investment in capital assets.

In the fund financial statements, governmental funds report fund balances in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classification consist of the following five components, as applicable:

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

Committed – amounts constrained to be used for specific purposes by formal action by ordinance adopted by the Board of Mayor and Aldermen and the Bartlett City Board of Education. 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 – 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 a designee authorized by the Board of Mayor and Aldermen with authority to assign amounts. The nature of the actions necessary to remove or modify an assignment is not as rigid as required under a committed fund balance classification. The City Finance Director has been authorized to assign amounts in the general fund for a specific purpose in accordance with fund balance policy established by the Board of Mayor and Aldermen. The Bartlett City Board of Education has the authority to assign the fund balance for the School Funds. Amounts in excess of nonspendable, restricted, and committed fund balance in funds other than the general fund are reported as assigned fund balance.

Unassigned – 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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

The Board of Mayor and Aldermen established a financial stabilization account and an emergency account as committed parts of the fund balance for the General Fund. The financial stabilization account is established as 20% of the appropriations for the next fiscal year in order to have a method of dealing with revenue shortages or other unanticipated budgetary needs. The emergency account is established at \$1,000,000 for use in covering catastrophic losses, including natural and man-made disasters. The balances of these accounts at June 30, 2018, are \$10,852,220 and \$1,000,000 respectively.

11. Pensions and Other Postemployment Benefits

The City maintains six defined benefit retirement plans. Two are sponsored by the City and the remaining four are sponsored by the Tennessee Consolidated Retirement System. The City maintains two defined benefit other postemployment benefit plans ("OPEB") sponsored by the City.

For purposes of measuring the net pension and net OPEB asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension and OPEB expense, information about the fiduciary net position, and additions to/deductions from each plan's fiduciary net position have been determined on the same basis as they are reported by the actuaries. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of each plan. Expenses of the plans, such as investment fees, trustee fees, and audit fees, are paid by the plans. However, certain administrative functions are performed by employees of the City and are not reimbursed by the plans. Investments, other than contracts, are reported at fair value. Investment income is recognized as earned. Plan assets do not include any securities of the City nor have any of the plans made any loans to the City.

12. Fair Value Measurements

Assets and liabilities recorded at fair value in the statements of net position are categorized based on the level of judgment associated with the inputs used to measure their value. The three categories of level inputs are as follows: Level 1 inputs include unadjusted quoted prices in active markets for identical assets or liabilities accessible at the measurement date; Level 2 inputs include quoted prices for similar assets or liabilities; quoted prices in inactive markets; or other inputs that can be corroborated by observable market data. Such inputs include market interest rates and volatilities, spreads and yield curves; Level 3 inputs are inputs which are unobservable for the asset or liability and rely on management's own assumptions that market participants would use in pricing the asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In determining fair value, the City utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The methods used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at reporting date.

13. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E – New Governmental Accounting Standards Board (GASB) Pronouncements

The City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, required for fiscal periods beginning after June 15, 2017, in fiscal year 2018. This Statement improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The implementation has been accounted for as a change in accounting principle with a prior year adjustment as determined by an actuary. The effect of this adjustment decreased net position for governmental activities and business-type activities by \$23,799,233 and \$108,166, respectively.

NOTE 2 - 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. The total budgets of these funds constitute legal spending limits, requiring ordinance amendment. Transfers within the funds are accomplished 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 within the total dollar limitations of the budget ordinance. 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 Bartlett City Board of Education annually approves the operating budgets of the general purpose school fund, federal projects, school nutrition, discretionary grants, and education capital fund. Annual budgets are adopted on a basis consistent with Tennessee Code Annotated, which is not materially different than the modified accrual basis of accounting for all governmental funds.

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 assigned fund balance category and do not constitute expenditures or liabilities because the commitments will be appropriated and honored during the subsequent year.

B. Excess of expenditures over appropriations

For the year ended June 30, 2018, expenditures exceeded appropriations in the School Nutrition Fund by \$102,676.

C. Deficit fund equity

As of June 30, 2018, the Education Capital Projects Fund had a deficit balance of \$1,340,325 due to the timing of expenditures and reimbursements of expenditures.

NOTE 3 - DEPOSITS

Legal Provisions – Deposits must be collateralized by federal depository insurance, the Tennessee Bank Collateral Pool, collateral held by the City's agent in the City's name, collateral held by the Federal Reserve Banks acting as third party agents, or a combination of these methods. State statute requires that all uninsured deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

Custodial Risk – Custodial risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for custodial risk is to follow state guidelines. As of June 30, 2018, all bank deposits were entirely insured by federal depository insurance and collateralized by the Bank Collateral Pool of the State of Tennessee.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - INVESTMENTS

Legal Provisions – Investments of the primary government are limited to those authorized by Tennessee State Law. State statutes authorize the City to make direct investments in in bonds, notes or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the Local Government Investment Pool ("LGIP"); bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; and nonconvertible debt securities of certain federal government sponsored enterprises. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. State statutes limit maturities of the above investments to four years from the date of investment unless a greater maturity is approved by the State Director of Finance.

In addition to investments allowed by the City, the fiduciary funds' investment policies authorize investments in mutual funds, common stocks, and other equities. The Pension Trust Fund's Investment Policy has been formally adopted by the City's Board of Mayor and Aldermen.

Custodial Risk –The City's investments in the LGIP are held by the State Treasury, not in the name of the City. The third party bank is also a participant in the State collateral pool.

A. Primary Government Investments

The Tennessee Local Government Investment Pool ("LGIP") represents 100% of the primary government's investments at June 30, 2018. These investments are reported at amortized cost which approximates fair value and are included as cash equivalents.

B. Fiduciary Investments

The City administers four fiduciary funds whose investments are held by a third party trustee bank. Additionally, the City utilizes an advisor to select appropriate investment choices.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2018.

- *Stocks*: Valued at the closing price reported on the active market on which the individual securities are traded.
- *Mutual Funds*: Valued at the net asset value of shares held.
- *Private Real Estate Fund*: Valued using the income approach and the market approach. The income approach estimates an income stream for a property (typically 10 years) and discounts this income plus reversion (presumed sale) into a present value at a risk adjusted rate. Yield rates and growth assumptions utilized in this approach are derived from market transactions as well as other financial and industry data. The cost approach estimates the replacement cost of the building less physical depreciation plus the land value. Generally, this approach provides a check on the value derived using the income approach. The sales comparison approach compares recent transactions to the appraised property. Adjustments are made for dissimilarities which typically provide a range of value.

The following table summarized fair value disclosures and measurements for fiduciary investments at June 30, 2018:

Investments at Fair Value	Level 1	Level 2	Level 3	Total
Fiduciary Activities:				
Common stock	\$ 617,368	\$ -	\$ -	\$ 617,368
Equity mutual funds	51,353,854	-	-	51,353,854
Fixed income mutual funds	31,762,027	-	-	31,762,027
Private real estate fund	-	-	2,559,437	2,559,437
	<u>\$ 83,733,249</u>	<u>\$ -</u>	<u>\$ 2,559,437</u>	<u>\$ 86,292,686</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The table below set forth a summary of changes in the fair value of level 3 assets for the year ended June 30, 2018:

	Level 3
Balance, beginning of year	\$ 2,360,464
Dividends received and reinvested	153,224
Unrealized appreciation in estimated fair value	76,835
Management fees	(31,086)
Balance, end of year	<u>\$ 2,559,437</u>

Interest Rate Risk – The City manages its exposure to declines in fair value by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City invests operating funds primarily in shorter-term securities or the LGIP and limits the average maturity of the portfolio to those established by TCA 6-5-106 for commercial paper and repurchase agreements and four years for investments in securities of the U.S. Treasury, Federal Government sponsored agencies, or certificates of deposit.

Credit Risk – The City has adopted the investment policy established by TCA 6-5-106 for investments other than those held for Pension and OPEB benefits. The City diversifies its investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. The City had no investments that comprised more than 5% of its total investments at June 30, 2018.

NOTE 5 – INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2018, is as follows:

	Interfund Receivable	Interfund Payable
Major Funds		
General Fund		
General Purpose School Fund	\$ 9,841	\$ 15,621
Grants Fund	684,979	-
	<u>694,820</u>	<u>15,621</u>
General Purpose School Fund		
General Fund	15,621	9,841
Schools	516,900	-
	<u>532,521</u>	<u>9,841</u>
Capital Projects Fund		
Grants Fund	543,505	-
Total major	1,770,846	25,462
Nonmajor Funds		
Grants Fund		
General Fund	-	684,979
Capital Projects Fund	-	543,505
Schools Federal Projects Fund		
General Purpose School Fund	-	476,958
Schools Nutrition Fund		
General Purpose School Fund	-	474
Schools Discretionary Grants Fund		
General Purpose School Fund	-	39,468
Total nonmajor	<u>-</u>	<u>1,745,384</u>
	<u>\$ 1,770,846</u>	<u>\$ 1,770,846</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These balances resulted from the time lag between the dates that the interfund goods and services are provided or reimbursable expenditures occur and when payments between funds are made.

The composition of interfund transfers for the year ended June 30, 2018 is as follows:

	Transfers In	Transfers Out
Major Funds		
General Fund		
Grants Fund	\$ 18,986	\$ -
General Improvement Fund	261,000	-
Capital Projects Fund	59,416	600,000
General Purpose School Fund	-	2,346,019
Drug Enforcement Fund	-	27,837
Debt Service Fund	-	4,005,000
Drainage Control Fund	-	100,000
	<u>339,402</u>	<u>7,078,856</u>
General Purpose School Fund		
General Fund	2,346,019	-
Schools Federal Projects Fund	544,028	-
Schools Discretionary Grants Fund	39,719	-
Schools Education Capital Projects Fund	-	2,122,677
Debt Service Fund	-	1,000,000
	<u>2,929,766</u>	<u>3,122,677</u>
Capital Projects Fund		
Solid Waste Fund	62,500	-
General Fund	600,000	59,416
Parks Improvements Fund	55,000	-
Grants Fund	1,261,140	-
Schools Education Capital Projects Fund	-	2,196,046
Debt Service Fund	-	586,209
State Street Aid Fund	-	6,907
	<u>1,978,640</u>	<u>2,848,578</u>
Total major	5,247,808	13,050,111

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

	Transfers In	Transfers Out
Nonmajor Funds		
State Street Aid Fund		
Capital Projects Fund	\$ 6,907	\$ -
Solid Waste Fund		
Debt Service Fund	-	163,000
Capital Projects Fund	-	62,500
General Improvement Fund		
General Fund	-	261,000
Drug Awareness Fund		
General Fund	27,837	-
Drainage Control		
General Fund	100,000	-
Parks Improvement Plan		
Capital Projects Fund	-	55,000
Grants Fund		
General Fund	-	18,986
Capital Projects Fund	-	1,261,140
Schools Federal Projects Fund		
General Purpose School Fund	-	544,028
Schools Discretionary Grants Fund		
General Purpose School Fund	-	39,719
Education Capital Projects Fund		
General Purpose School Fund	2,122,677	-
Capital Projects Fund	2,196,046	-
	<u>4,318,723</u>	<u>-</u>
Debt Service Fund		
General Purpose School Fund	1,000,000	-
General Fund	4,005,000	-
Solid Waste Fund	163,000	-
Capital Projects Fund	586,209	-
	<u>5,754,209</u>	<u>-</u>
Total nonmajor	<u>10,207,676</u>	<u>2,405,373</u>
	<u>\$ 15,455,484</u>	<u>\$ 15,455,484</u>

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 – Capital assets

Capital asset activity for the year ended June 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 12,707,862	\$ 655,669	\$ -	\$ 13,363,531
Construction in progress	4,829,745	12,608,471	(7,524,890)	9,913,326
Total capital assets, not being depreciated	17,537,607	13,264,140	(7,524,890)	23,276,857
Capital assets, being depreciated:				
Buildings and improvements	215,044,512	4,691,242	-	219,735,754
Other improvements	8,775,718	1,252,036	(1,662,176)	8,365,578
Machinery and equipment	19,793,544	6,026,810	(53,938)	25,766,416
Vehicles	19,621,270	2,142,688	(268,203)	21,495,755
Infrastructure	116,086,601	1,578,288	-	117,664,889
Total capital assets, being depreciated	379,321,645	15,691,064	(1,984,317)	393,028,392
Less accumulated depreciation for:				
Buildings and improvements	(24,249,161)	(4,357,588)	-	(28,606,749)
Other improvements	(4,712,485)	(455,020)	117,233	(5,050,272)
Machinery and equipment	(8,383,309)	(2,602,367)	46,800	(10,938,876)
Vehicles	(13,530,771)	(1,422,073)	246,303	(14,706,541)
Infrastructure	(47,406,044)	(2,737,828)	-	(50,143,872)
Total accumulated depreciation	(98,281,770)	(11,574,876)	410,336	(109,446,310)
Total capital assets, being depreciated, net	281,039,875	4,116,188	(1,573,981)	283,582,082
Governmental activities capital assets, net	\$ 298,577,482	\$ 17,380,328	\$ (9,098,871)	\$ 306,858,939
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,376,444	\$ 62,500	\$ -	\$ 1,438,944
Construction in progress	1,659,662	2,396,679	(1,833,170)	2,223,171
Total capital assets, not being depreciated	3,036,106	2,459,179	(1,833,170)	3,662,115
Capital assets, being depreciated:				
Buildings and improvements	124,005	1,310	-	125,315
Other improvements	101,397,786	2,318,390	-	103,716,176
Machinery and equipment	3,151,441	85,638	(46,159)	3,190,920
Total capital assets, being depreciated	104,673,232	2,405,338	(46,159)	107,032,411
Less accumulated depreciation for:				
Buildings and improvements	(37,404)	(5,764)	-	(43,168)
Other improvements	(39,252,937)	(2,102,061)	-	(41,354,998)
Machinery and equipment	(1,855,437)	(237,948)	46,159	(2,047,226)
Total accumulated depreciation	(41,145,778)	(2,345,773)	46,159	(43,445,392)
Total capital assets, being depreciated, net	63,527,454	59,565	-	63,587,019
Business-type activities capital assets, net	\$ 66,563,560	\$ 2,518,744	\$ (1,833,170)	\$ 67,249,134

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Governmental Activities:	
General government	\$ 371,282
Public safety	2,154,341
Public works	3,631,381
Parks and recreation	848,732
Performing arts center	84,570
Education	4,468,043
Total depreciation expense - governmental activities	<u>\$ 11,558,349</u>
Business-type Activities:	<u>\$ 2,345,774</u>

Construction and other significant commitments

The government has active construction projects as of June 30, 2018. At year-end the government's commitments with contractors are as follows:

Function/Activity	Commitment
City construction	
Major roads construction & improvement	\$ 10,563,136
Building improvements	41,067
Vehicles and equipment	1,183,496
Utility construction and improvement	629,746
Education construction	
Building improvements	62,933,446
	<u>\$ 75,350,891</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 – Long-Term Liabilities

1. Long-Term Debt

General obligation and revenue bonds

The City periodically issues general obligation bonds for the acquisition, construction, and improvement of major capital facilities and infrastructure. The bonds are generally issued as 15 to 20-year serial bonds. 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.

On October 5, 2017, the City issued \$44,930,000 in General Obligation Refunding and Improvement Bonds, Series 2017, maturing September 1, 2038 with a true interest cost of 2.724%. The proceeds will be used to fund the (i) construction of high school facilities for Bartlett City Board of Education; (ii) construction, repair, improvement and equipping of parks, recreation centers and facilities and other public buildings in the City; (iii) construction, repair and improvement of streets, roads, greenways and bridges, including sidewalks, signage, signalization and drainage improvements; (iv) acquisition of all property and payment of administrative costs incident to the above; (v) refinancing outstanding General Obligation debt of the City; and (vi) payment of costs related to issuance and sale of the Bonds. A portion of the Series 2017 bonds provided funds to advance refund \$2,310,000 in General Obligation Improvement Bonds, Series 2007 and Series 2009 (the Refunded Bonds). On November 6, 2017, these bonds were retired, using \$2,324,412 on deposit in an escrow account with US Bank. By refunding these bonds the City will received an economic gain of \$252,251. The refunding reduced the City's debt service payments on the Series 2007 and Series 2009 debt by \$193,367.

General obligation capital outlay notes and other loans

The City issues capital outlay notes and other loans to provide funds for the acquisition, improvement, and construction of major capital facilities and equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith and credit of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 8 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt.

On July 20, 2017, the City issued a seven-year capital outlay note in the amount of \$1,969,150 through the Tennessee Municipal Bond Fund. The note bears an interest rate of 2.33% with final maturity of August 1, 2024. Proceeds from the note were used to finance certain public works projects, consisting of the acquisition of vehicles and equipment for the police, fire, codes enforcement, public works, engineering, and departments of the City, the acquisition of parks and recreation vehicles and equipment for the parks department of the City, plus recreation equipment, and renovations to parks department facilities, the acquisition of all other property real and personal appurtenant thereto and connected with such work, and to pay all legal, fiscal, administrative, and engineering costs incident thereto.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Debt outstanding as of June 30, 2018 consisted of the following:

	Interest Rates	Maturity Date	Original Issue	Balance Outstanding at Year End
Governmental activities:				
General obligation bonds:				
2010 Serial Bonds	2.0-3.5	2031	\$ 7,925,000	\$ 3,390,000
2011 Serial Bonds	2.0-2.625	2024	4,545,000	1,455,000
2012 Serial Bonds	2.0-3.0	2033	9,865,000	6,555,000
2013 Serial Bonds	3.0-3.625	2034	4,690,000	2,430,000
2015 Serial Bonds	2.0-5.0	2036	5,100,000	4,740,000
2016 Serial Bonds	2.0-3.0	2037	6,550,000	6,320,000
2017 Serial Bonds	5.0-4.0	2038	44,930,000	44,930,000
			<u>83,605,000</u>	<u>69,820,000</u>
2008 TML note*	0.45	2029	1,350,000	885,000
Capital outlay notes				
Capital Note 2013 A	1.78	2020	1,300,000	388,000
Capital Note 2013 B	2.13	2021	770,500	346,000
Capital Note 2014	2.19	2022	1,041,000	615,000
Capital Note 2015	2.03	2023	1,064,000	776,000
Capital Note 2016	1.94	2024	1,127,500	978,000
Capital Note 2017	2.33	2025	1,969,150	1,969,150
			<u>7,272,150</u>	<u>5,072,150</u>
			<u>\$ 92,227,150</u>	<u>\$ 75,777,150</u>
Business-type activities:				
Revenue bonds:				
2007 Serial Bonds	4.0-4.05	2028	\$ 1,015,000	\$ 605,000
2009 Serial Bonds	2.0-4.1	2030	960,000	640,000
2010 Serial Bonds	2.0-2.65	2023	3,115,000	1,330,000
2011 Serial Bonds	2.0-2.75	2024	4,305,000	1,405,000
2012 Serial Bonds	2.0-3.0	2033	3,440,000	2,570,000
2013 Serial Bonds	3.0-3.625	2034	2,005,000	1,290,000
			<u>14,840,000</u>	<u>7,840,000</u>
2008 TML note*	0.94	2029	1,000,000	656,000
			<u>\$ 15,840,000</u>	<u>\$ 8,496,000</u>

*Variable rate Tennessee Municipal Bond Fund loan rate for June 30, 2018 was 1.51%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Annual debt service requirements to maturity for bonds and notes payable are as follows:

Years Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 5,515,150	\$ 2,767,108	\$ 1,087,000	\$ 218,125
2020	5,179,000	2,597,383	980,000	192,466
2021	4,874,000	2,432,809	1,002,000	167,477
2022	4,542,000	2,273,483	1,039,000	140,433
2023	4,079,000	2,122,168	837,000	114,469
2023-2027	17,819,000	8,489,661	2,487,000	323,501
2028-2032	16,704,000	5,004,224	974,000	87,943
2033-2037	17,065,000	1,641,549	90,000	1,631
	<u>\$ 75,777,150</u>	<u>\$ 27,328,385</u>	<u>\$ 8,496,000</u>	<u>\$ 1,246,045</u>

2. Settlement Liability

In January 2014, the City and the School entered into a settlement agreement with the Board of Commissioners of Shelby County, Shelby County, Tennessee, and the Shelby County Board of Education. The School agreed to pay the Shelby County Board of Education twelve annual installments of \$608,193. The School elected to establish the liability incurred through the settlement agreement at its present value with a discount rate of 2.41%. Future payments under the settlement liability are as follows:

Years Ending June 30	Amount
2019	\$ 608,193
2020	608,193
2021	608,193
2022	608,193
2023	608,193
2023-2027	1,824,579
Total payments	4,865,544
Less amount representing interest	(492,942)
	<u>\$ 4,372,602</u>

3. Capital Leases

On May 8, 2018, the Board of Mayor and Aldermen (the Board) authorized a lease purchase agreement for the acquisition of computers for the Bartlett City Board of Education (the School Board) and payments over the term of the lease. The Board further executed an agreement with the School Board for reimbursement of payments of obligations under the lease agreement. On June 1, 2018, the City entered into a 48 month lease agreement in the amount of \$5,031,856. The price, at a discounted rate of 0.90% equates to one annual payment of \$1,277,789 on September 1, 2018 and three additional payments each September 1st thereafter, for a total sum of lease payments of \$5,111,157.

In addition, the City has entered into several other lease agreements on behalf of the Schools for financing the acquisition of computer equipment to be used in the classrooms. The scheduled minimum lease payment under the agreements includes interest ranging from .0897% to 1.64%.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The cumulative amount of assets acquired under all capital leases amounted to \$6,662,901. Capital leases obligations outstanding under the agreements are as follows:

	Interest Rates	Maturity Date	Original Issue	Balance Outstanding at Year End
Governmental activities:				
Capital Lease 2015	1.57	2019	\$ 2,940,000	\$ 620,043
Capital Lease 2017 A	1.64	2020	1,960,000	730,362
Capital Lease 2017 B	0.897	2021	1,060,800	831,361
Capital Lease 2018	0.900	2021	5,031,856	5,031,856
			<u>\$ 10,992,656</u>	<u>\$ 7,213,622</u>

The following is a schedule of the future minimum lease payments at June 30:

Years Ending June 30	Amount
2019	\$ 2,563,829
2020	1,934,077
2021	1,559,915
2022	<u>1,277,789</u>
Total payments	7,335,610
Less amount representing interest	<u>(121,988)</u>
	<u>\$ 7,213,622</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Changes in long-term liabilities

A summary of long-term liability activity, including debt, for the year ended June 30, 2018 is as follows. Additional detailed information is available following the summary.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 30,285,000	\$ 44,930,000	\$ (5,395,000)	\$ 69,820,000	\$ 4,435,000
Capital outlay notes	3,842,500	1,969,150	(739,500)	5,072,150	1,016,150
Note payable	946,000	-	(61,000)	885,000	64,000
Settlement obligation	5,473,737	-	(608,193)	4,865,544	608,193
Capital lease payable	3,562,443	5,031,856	(1,380,677)	7,213,622	2,523,363
Unamortized premiums (discounts), net	1,148,823	7,018,888	(312,148)	7,855,563	-
Total long-term debt	45,258,503	58,949,894	(8,496,518)	95,711,879	8,646,706
Compensated absences	3,455,765	536,990	(408,391)	3,584,364	318,018
Net pension liability*	32,465,699	-	(6,776,199)	25,689,500	-
Net OPEB liability*	22,582,217	28,105,456	-	50,687,673	-
	<u>\$ 103,762,184</u>	<u>\$ 87,592,340</u>	<u>\$ (15,681,108)</u>	<u>\$ 175,673,416</u>	<u>\$ 8,964,724</u>
Business-type activities:					
Revenue bonds	\$ 8,860,000	\$ -	\$ (1,020,000)	\$ 7,840,000	\$ 1,040,000
Note payable	701,000	-	(45,000)	656,000	47,000
Unamortized premiums	310,077	-	(28,996)	281,081	-
Total long-term debt	9,871,077	-	(1,093,996)	8,777,081	1,087,000
Compensated absences	135,820	19,505	(16,318)	139,007	19,505
Net pension liability*	1,701,065	-	(49,656)	1,651,409	-
Net OPEB liability*	2,266,323	135,971	-	2,402,294	-
	<u>\$ 13,974,285</u>	<u>\$ 155,476</u>	<u>\$ (1,159,970)</u>	<u>\$ 12,969,791</u>	<u>\$ 1,106,505</u>

*net increase (decrease) shown

For governmental activities, net pension liability, other postemployment benefits, and compensated absences are generally liquidated by the general fund and general purpose school fund. No interest was capitalized for the year ended June 30, 2018; interest incurred and charged to expense totaled \$1,885,784. For the governmental activities and business-type activities, \$47,943,981 of bond proceeds and capital notes were not spent as of June 30, 2018. As such, these proceeds were not included in the calculation of net investment in capital assets.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 8 – Deferred Loss on Refunding

The unamortized deferred loss on refunding relates to General Obligation Refunding Bonds for governmental activities and Water and Sewer Revenue Refunding Bonds for business-type activities. Deferred loss on refunding reported in the statement of net position at June 30, 2018 consists of the following:

	Governmental Activities	Business-Type Activities	Total
Series 2004	\$ 1,221	\$ -	\$ 1,221
Series 2005	3,550	-	3,550
Series 2007	357	-	357
Series 2010	33,311	40,160	73,471
Series 2011	9,558	25,485	35,043
Series 2012	155,867	62,929	218,796
Series 2013	-	324	324
Series 2016	21,871	-	21,871
	<u>\$ 225,735</u>	<u>\$ 128,898</u>	<u>\$ 354,633</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 – Fund Balances by Purpose

Following is more detailed information on the governmental fund balances:

	General Fund	General Purpose School Fund	Capital Projects Fund	Other Governmental Funds	Total
Nonspendable for:					
Inventory	\$ 207,145	\$ -	\$ -	\$ 54,294	\$ 261,439
Prepaid expenditures	24,875	-	-	119,836	144,711
Total nonspendable fund balance	232,020	-	-	174,130	406,150
Restricted for:					
Capital projects	-	-	47,914,367	-	47,914,367
State street aid	-	-	-	370,073	370,073
Solid Waste	-	-	-	1,086,301	1,086,301
Drug enforcement	-	-	-	422,422	422,422
DEA task force	-	-	-	338,260	338,260
Sexual offender registry program	15,769	-	-	-	15,769
Police Criminal Seizures	6,871	-	-	-	6,871
Education	-	42,202	-	433,736	475,938
Total restricted fund balance	22,640	42,202	47,914,367	2,650,792	50,630,001
Committed for:					
Financial Stabilization	10,852,220	-	-	-	10,852,220
Emergency purposes	1,000,000	-	-	-	1,000,000
Capital projects	-	-	-	-	-
Debt service	-	-	-	3,331,785	3,331,785
Total committed fund balance	11,852,220	-	-	3,331,785	15,184,005
Assigned to:					
Capital projects	-	11,500,000	2,295,567	-	13,795,567
OPEB trust payments	-	2,000,000	-	-	2,000,000
Education	-	18,453,061	-	-	18,453,061
State street aid	-	-	-	851,727	851,727
General improvement	-	-	-	261,236	261,236
Drainage control	-	-	-	194,929	194,929
Parks improvement	-	-	-	661,822	661,822
Encumbrances	71,397	-	-	-	71,397
Total assigned fund balance	71,397	31,953,061	2,295,567	1,969,714	36,289,739
Unassigned	17,203,993	-	-	(1,340,325)	15,863,668
Total fund balances	<u>\$ 29,382,270</u>	<u>\$ 31,995,263</u>	<u>\$ 50,209,934</u>	<u>\$ 6,786,096</u>	<u>\$ 118,373,563</u>

As of June 30, 2018, the general fund assigned fund balance of \$71,397 for encumbrances consisted of outstanding purchase orders to be paid in the subsequent year for furniture and equipment and operations and maintenance items in the amounts of \$36,683 and \$34,714, respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 10 – PENSIONS

The Retirement System of the City of Bartlett is the administrator of the following defined benefit single-employer Public Employee Retirement Plans established by the City to provide pension benefits for its employees:

- I. **Retirement System of the City of Bartlett Defined Benefit Plan (“Employee Pension Plan”)** – Employees of the City originally were eligible to participate in this plan. The plan, as amended on March 29, 2001, was created on July 1, 1989 with the transfer of assets from a defined contribution money purchase plan discontinued on June 30, 1989. Full-time employees hired before July 1, 2014 were eligible at date of employment as a condition of such employment. Effective June 30, 2014, the plan was closed to new employees, but continues to provide benefits to existing members.
- II. **City of Bartlett, Tennessee Retirement Plan (“Employee Cash Balance Plan”)** – Employees hired on or after July 1, 2014 and after are eligible for this plan and shall become a participant on the first day of hire.

Each plan is considered a part of the City’s financial reporting entity and is included in the City’s financial reports as a pension trust fund. The City separately issues a publicly available financial report that includes the financial statements and required supplementary information for the Employee Pension Plan. That report may be obtained by writing to City of Bartlett, P.O. Box 341148, Bartlett, TN 38134-1148. The City does not issue a stand-alone financial report for the Employee Cash Balance Plan. Benefits and contributions are established by the City and may be amended only by the Board of Mayor and Aldermen.

The Bartlett City Board of Education participates in the following defined benefit multiple-employer Public Employee Retirement Plans administered by the Tennessee Consolidated Retirement System (“TCRS”):

- III. **Legacy Public Employee Retirement Plan (“BOE Legacy”)** – Certain administrative employees of the Bartlett City Board of Education with membership in TCRS prior to July 1, 2014 are included in this plan. This plan was closed to new membership on June 30, 2014, but continues to provide benefits to existing members. This is an agent multiple-employer pension plan.
- IV. **Hybrid Public Employee Retirement Plan (“BOE Hybrid”)** – Certain administrative employees of the Bartlett City Board of Education with membership in TCRS beginning on or after July 1, 2014 are included in this plan. This plan is a hybrid plan which features both a defined contribution element and a pension plan element. This is an agent multiple-employer pension plan.
- V. **Teacher Legacy Pension Plan (“Teacher Legacy”)** – Teachers with membership in TCRS prior to July 1, 2014 are included in this plan. The plan was closed to new membership on June 30, 2014, but continues to provide benefits to existing members. The plan is a cost sharing multiple-employer pension plan.
- VI. **Teacher Retirement Plan (“Teacher Hybrid”)** – Teachers with membership in TCRS beginning July 1, 2014 are included in this plan. The plan is a hybrid plan which features both a defined contribution element and a pension plan element. The plan is a cost sharing multiple-employer pension plan.

The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The net pension assets, deferred outflows of resources, net pension liabilities, and deferred inflows of resources related to pensions reported on the statement of net position are summarized as follows:

	Net Pension Asset	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources
Governmental Activities				
Employee Pension Plan	\$ -	\$ 2,640,135	\$ 25,689,500	\$ 1,072,779
Employee Cash Balance Plan	155,340	-	-	63,786
BOE Legacy Plan	162,063	1,316,981	-	347,446
BOE Hybrid Plan	67,016	154,156	-	3,099
Teacher Legacy Plan	320,390	12,436,291	-	6,614,541
Teacher Hybrid Plan	130,597	220,052	-	26,813
Total governmental activities	<u>\$ 835,406</u>	<u>\$ 16,767,615</u>	<u>\$ 25,689,500</u>	<u>\$ 8,128,464</u>
Business-type Activities				
Employee Pension Plan	<u>\$ -</u>	<u>\$ 169,403</u>	<u>\$ 1,651,409</u>	<u>\$ 70,913</u>

A. General Information about the Pension Plan

Benefits Provided

Under the Employee Pension Plan, members are eligible to retire with an unreduced benefit at age 55 with 25 years of service credit or age 65 with 5 years of service credit. A reduced early retirement benefit is available at age 55 with 15 years of service credit. 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. Employees are 100% vested only after five years of service. A variety of death benefits are available under various eligibility criteria.

Under the Employee Cash Balance Plan, eligible employees must contribute 5% of their pay. The City matches the 5% and guarantees a 5% return. Participants are 100% vested in their contributions when they are made. Participants are 100% vested in employer matching contributions after five years of service. The plan is portable and may be taken with the employee after vesting.

Under the BOE Legacy Plan and Teacher Legacy Plan, members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Under the BOE Hybrid Plan and Teacher Hybrid Plan, members are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Plan and Teacher Hybrid Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, under the BOE Hybrid Plan,

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Teacher Legacy Plan, and Teacher Hybrid Plan, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Employees Covered by Benefit Terms

The City Employee Pension Plan and Employee Cash Balance Plan have a measurement date of June 30, 2018 while the School TCRS Plans have a measurement date of **June 30, 2017**. As of the respective plan measurement dates, the following employees were covered by the benefit terms of the agent plans:

	City Pension Plan	City Cash Balance Plan	TCRS School BOE	
			Legacy Plan	Hybrid Plan
Inactive employees or beneficiaries currently receiving benefits	184	-	20	-
Inactive employees entitled to but not yet receiving benefits	35	1	45	13
Active employees	364	159	173	53
	583	160	238	66

Contributions

Under the Employee Pension Plan and Employee Cash Balance Plan, covered employees are required to contribute 4% and 5% of earnings to the retirement plan, respectively. Employer contributions are based on an actuarially determined rate.

Under the TCRS Plans, contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or, for the BOE Hybrid Plan and Teacher Hybrid Plan, by automatic cost controls set by law. Employees contribute 5 percent of salary. The Board of Education makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions are required to be paid. The TCRS may intercept the Board of Education's state shared taxes if required employer contributions are not remitted. The employer rate and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability. Per statutory provisions governing TCRS, the employer contribution rate for the BOE Hybrid Plan and Teacher Hybrid Plan cannot be less than 4 percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees is reached.

Employer contributions to each plan for the year ended June 30, 2018 were as follows:

	City Pension Plan	City Cash Balance Plan	TCRS School BOE		TCRS Teacher	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
Employer contributions	\$ 3,477,162	\$ 299,953	\$ 539,893	\$ 83,885	\$ 3,238,673	\$ 204,005
As a percentage of covered payroll	16.47%	5.75%	9.27%	4.00%	9.08%	4.00%

B. Actuarial Assumptions

City Administered Employee Pension Plan

The total pension liability was determined as part of the June 30, 2018 actuarial valuation using the entry age normal level percent of pay cost method. Significant actuarial assumptions used in the valuation include:

Inflation	2.5%
Salary increases	3.5%, including inflation
Investment rate of return	7.5%, net of investment expense, including inflation
Mortality table	RP-2000 with 2% load for expected mortality improvement

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The actuarial assumptions used in the June 30, 2018 valuation were based on results of an actuarial experience study for the period July 1, 2017 through June 30, 2018.

Investment Policy

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage.

Asset Class	Minimum	Maximum
U.S. equity	24%	54%
International equity	6%	36%
Bonds	20%	55%
Cash equivalents	0%	15%

Discount Rate

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at actuarially determined rates. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods projected benefit payments to determine the total pension liability.

City Administered Employee Cash Balance Plan

The total pension liability was determined as part of the June 30, 2018 actuarial valuation using the entry age normal level percent of pay, actuarial cost method. Significant actuarial assumptions used in the valuation include:

Inflation	2.5%
Salary increases	3.5%, including inflation
Investment rate of return	5.0%, net of investment expense, including inflation
Mortality table	IRS applicable mortality – post-retirement only

Investment Policy

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage.

Asset Class	Minimum	Maximum
U.S. equity	24%	54%
International equity	6%	36%
Bonds	20%	55%
Cash equivalents	0%	15%

Rate of Return

For the year ended June 30, 2018, the annual approximate rate of return on investments was 5.1%. The rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at actuarially determined rates. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

TCRS Administered Pension Plans

The total pension liability as of **June 30, 2017** actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	Graded salary ranges from 8.75% to 3.45% based on age, including inflation, averaging 4.00%
Investment rate of return	7.25%, net of investment expense, including inflation
Cost-of-Living Adjustment	2.25%
Mortality rates	Actual experience including an adjustment for anticipated movement

The actuarial assumptions used in the June 30, 2016 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of Assumptions

In 2017, the following assumptions were changed: decreased inflation rate from 3.00% to 2.50%; decreased the investment rate of return from 7.50% to 7.25%; decreased the cost-of-living adjustment from 2.50% to 2.25%; and decreased salary growth graded ranges from an average of 4.25% to an average of 4.00%. Under the BOE Legacy Plan and Teacher Legacy Plan, mortality assumptions were modified.

Investment Policy

The long-term expected rate of return on pension plan investments were established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5%. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5% based on a blending of the three factors described above.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the Board of Education will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. Net Pension Liability (Asset)

The net pension liability (asset) for each City administered plan was measured as of June 30, 2018 and each TCRS administered plan was measured as of June 30, 2017. The total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of the respective dates. The components of the net pension liability (asset) as of those dates are as follows:

	Agent Plans				Cost-Sharing Plans	
	City Pension Plan	City Cash Balance Plan	TCRS School BOE Legacy Plan	TCRS School BOE Hybrid Plan	TCRS Teacher Legacy Plan	TCRS Teacher Hybrid Plan
Total Pension Liability						
Service cost	\$ 2,086,834	\$ 536,160	\$ 787,475	\$ 43,360		
Interest	7,507,230	26,318	202,319	7,818		
Changes of benefit items	-	-	-	-		
Differences between expected and actual experience	(564,406)	(31,534)	(64,424)	38,719		
Changes in assumptions	-	-	58,503	5,003		
Benefit payments, including refunds	(4,218,862)	(33,688)	(16,606)	(256)		
Net change in total pension liability	4,810,796	497,256	967,267	94,644		
Total pension liability - beginning	101,162,416	543,191	1,918,413	61,007		
Total pension liability - ending	105,973,212	1,040,447	2,885,680	155,651		
Plan Fiduciary Net Position						
Contributions - employer	\$ 3,477,162	\$ 299,953	\$ 554,835	\$ 70,809		
Contributions - employee	830,520	275,499	299,263	70,809		
Net investment income	5,807,523	52,038	271,868	15,806		
Benefit payments	(4,218,862)	(33,688)	(16,606)	(256)		
Administrative expense	(309,679)	(7,328)	(14,689)	(4,764)		
Other changes	-	-	800	-		
Net change in plan fiduciary net position	5,586,664	586,474	1,095,471	152,404		
Plan fiduciary net position - beginning	73,045,639	609,313	1,952,272	70,263		
Plan fiduciary net position - ending	78,632,303	1,195,787	3,047,743	222,667		
Net pension liability (asset)	\$ 27,340,909	\$ (155,340)	\$ (162,063)	\$ (67,016)		
Proportionate share of net pension liability (asset)					\$ (320,390)	\$ (130,597)
Proportionate share at June 30, 2017 measurement date					0.979236%	0.494995%
Proportionate share at June 30, 2016 measurement date					0.968084%	0.448296%

The School's proportion of the net pension liability (asset) was based on School's share of contributions to each cost-sharing plan relative to the contributions of all participating LEAs. Detailed information about each cost-sharing pension plan's fiduciary net position is available in a separately issued TCRS financial reports.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability (asset) or proportionate share of net pension liability (asset) of the City related to each plan calculated using the current discount rates as well as what the net pension liability (asset) or proportionate share of net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Current Rate	1% Decrease	Current Rate	1% Increase
Net pension liability (asset)				
City Employee Pension Plan	7.50%	\$ 41,233,592	\$ 27,340,909	\$ 15,720,789
City Employee Cash Balance Plan	5.00%	128,951	(155,340)	(366,869)
TCRS School BOE Legacy Plan	7.25%	322,220	(162,063)	(555,381)
TCRS School BOE Hybrid Plan	7.25%	(28,738)	(67,016)	(96,509)
Proportionate share of the net pension asset				
TCRS Teacher Legacy Plan	7.25%	\$ 28,748,087	\$ (320,390)	\$ (24,347,402)
TCRS Teacher Hybrid Plan	7.25%	26,056	(130,597)	(245,504)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the City reported pension expense and deferred outflows of resources and deferred inflows of resources related to each plan from the following sources:

	City Pension Plan	City Cash Balance Plan	TCRS School BOE		TCRS Teacher Plans	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
Pension Expense (Negative Pension Expense)	\$ 4,623,455	\$ 243,996	\$ 602,127	\$ 18,856	\$ 2,065,860	\$ 58,341
Deferred Outflows of Resources						
Differences between expected and actual experience	\$ 1,101,838	\$ -	\$ 726,943	\$ 65,723	\$ 193,154	\$ 4,577
Net difference between projected and actual earnings on plan investments	821,934	-	-	-	48,634	-
Changes in assumptions	885,773	-	50,145	4,548	2,713,514	11,470
Change in proportion of net pension liability (asset)	-	-	-	-	6,242,315	-
Contributions subsequent to the measurement date of June 30, 2017	-	-	539,893	83,885	3,238,673	204,005
	<u>\$ 2,809,545</u>	<u>\$ -</u>	<u>\$ 1,316,981</u>	<u>\$ 154,156</u>	<u>\$ 12,436,290</u>	<u>\$ 220,052</u>
Deferred Inflows of Resources						
Differences between expected and actual experience	\$ 1,143,692	\$ 48,349	\$ 321,651	\$ -	\$ 6,614,541	\$ 9,822
Net difference between projected and actual earnings on plan investments	-	15,437	25,795	3,099	-	7,027
Changes in assumptions	-	-	-	-	-	-
Change in proportion of net pension liability (asset)	-	-	-	-	-	9,964
	<u>\$ 1,143,692</u>	<u>\$ 63,786</u>	<u>\$ 347,446</u>	<u>\$ 3,099</u>	<u>\$ 6,614,541</u>	<u>\$ 26,813</u>

The amounts shown above for "Contributions subsequent to the measurement date of **June 30, 2017**," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the years ending June 30:

	City Pension Plan	City Cash Balance Plan	TCRS School Administrative		TCRS Teacher Plans	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
2019	\$ 1,020,373	\$ (6,493)	\$ 75,013	\$ 6,403	\$ (230,397)	\$ (1,519)
2020	395,887	(6,493)	75,013	6,403	3,047,251	(1,519)
2021	(313,248)	(6,923)	70,810	6,359	1,236,469	(1,922)
2022	3,725	(3,683)	56,994	5,978	(1,470,247)	(3,729)
2023	71,201	(2,039)	75,906	7,061	-	(416)
Thereafter	487,915	(38,155)	75,906	34,968	-	(1,661)

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 11 – DEFINED CONTRIBUTION EMPLOYEE BENEFIT PLAN

School TCRS Hybrid 401k Plans

The Teacher Retirement Plan and the Hybrid Public Employee Retirement Plan (the Hybrid Plans) provide a combination of a defined benefit plan and a defined contribution plan. The defined benefit portion of the Hybrid Plans are managed by TCRS. The defined contribution assets are deposited into the State's 401(k) plan where the employee manages the investments within the 401(k) plan. Participants may, at their option, contribute 2% of their salaries and employers are required to contribute 5% of those salaries to the defined contribution (401(k)) portion of the Hybrid plans. Participants are immediately vested in contributions. Contributions are made on a tax-deferred basis. During 2018, the Board of Education's employer contribution to the Hybrid Plans was \$385,781.

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

The City and Board of Education each administer a single-employer defined benefit other postemployment plan to provide health care benefits to certain employees and elected officials under the provisions of the Retirement System of the City of Bartlett i.e. City of Bartlett, Tennessee Other Postemployment Benefit Plan and Bartlett City Board of Education Other Postemployment Benefit Plan.

- I. **City of Bartlett, Tennessee Other Postemployment Benefit Plan ("City OPEB Plan")** – Certain employees and elected officials who have at least 15 years of service and who have attained the age of 55 and participate in the healthcare plan for a minimum of one year are eligible to participate.
- II. **Bartlett City Board of Education Other Postemployment Benefit Plan ("School OPEB Plan")** – Employees who retire from the School and qualify under TCRS may be eligible for the plan. Eligible employees must complete 15 years of continuous service with the Bartlett City Board of Education. Those who are former employees of Shelby County School District or Memphis City Schools must have 15 years of continuous service with Bartlett City Schools, Shelby County, and/or Memphis City Schools prior to retirement. Non-legacy employees are not eligible for any postemployment health benefits. Eligible employees must be enrolled in the healthcare plan for one year immediately before the retirement date.

The plans are considered part of the City's financial reporting entity and are included in the City's financial reports as an OPEB trust funds. The City does not issue a stand-alone financial report for either plan. Benefit provided including coverage and eligibility and contribution requirements of the City OPEB plan and School OPEB plan are established and may be amended only by the Board of Mayor and Aldermen and Board of Education, respectively, at any time. For any reason.

A. General Information about the OPEB Plan

Benefits Provided

The City OPEB plan provides healthcare and dental benefits for retirees through the City's health insurance plans, which cover active and retired participants. The City pays 70% of the premium for health care benefits for retirees and their dependents, if the employee is retired before January 1, 2012, or if the employee had 25 years of continuous service as of January 1, 2012. The City pays 50% of the premium for health care benefits for non-Medicare eligible retirees and their dependents if the employee retired after January 1, 2012, with less than 25 years of continuous service as of January 1, 2012. The City pays up to \$200 per month for Medigap insurance reimbursement benefit to Medicare eligible retirees and their dependents if the employee retired after January 1, 2012, with less than 25 years of continuous service as of January 1, 2012.

The School OPEB plan provides healthcare for retirees and their dependents. Benefits are provided through a third-party insurer. Legacy retirees may continue to participate in the School's plan options that are available to its active employees for life. Non-legacy retirees may receive a monthly stipend of an undesignated amount. Surviving spouses of legacy retirees are able to stay on the plan at their own expense until eligible for Medicare. The premium charged to retirees is the portion of premiums not covered by the Bartlett Board of Education explicit subsidy.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Employees Covered by Benefit Terms

Plan membership as of January 1, 2018, the date of the City OPEB valuation, and June 30, 2018, the date of the School OPEB valuation, consisted of the following:

	City OPEB Plan	School OPEB Plan
Inactive employees or beneficiaries currently receiving benefits	146	58
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	490	963
	<u>636</u>	<u>1,021</u>

Contributions

The City has no formal funding policy for the City OPEB plan but partially funds the annual required contribution based on an actuarially determined rate. Retired plan members and beneficiaries are required to contribute specified amounts monthly toward the cost of health insurance premiums. The City pays the remainder of the costs of medical coverage. All obligations are liquidated from the City OPEB Trust.

The Board of Education's intent is to partially fund the annual required contribution and pay for the pay-go costs from the general purpose school fund until the Trust balance is sufficient to meet future benefit payments. Employer contributions are based on an actuarially determined rate.

Employer contributions to each plan for the year ended June 30, 2018 were as follows:

	City OPEB Plan	School OPEB Plan
Employer contributions	\$ 1,308,590	\$ 1,061,750
As a percentage of covered payroll	5.19%	2.00%

B. Actuarial Assumptions

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. As such, the actuarial calculations of the OPEB plan reflect a long-term perspective. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimated are made about the future.

City Administered OPEB Plan

The total OPEB liability was determined by an actuarial valuation as of January 1, 2018 using the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

Inflation	2.5%
Salary increases	3.5%
Investment rate of return	7.5%, net of investment expense, including inflation
Mortality table	RP-2000 with 2% load for expected mortality improvement
Health care cost trend rate	8.0% initial rate, 4.0% ultimate rate, 9 year grading period

Changes of Assumptions

In 2018, the discount rate was increased from 5.0% to 7.5%, resulting in a decrease to liabilities.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Investment Policy

The long-term expected rate of return on OPEB plan investments were established by the Retirement Plan Committee by weighted the 10 year expected rate of return by the target asset allocation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	53%	6.40%
Fixed income	37%	2.60%
Short-term securities	10%	2.03%
	100%	

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on investment was 5.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate Information

The discount rate used in valuing OPEB liabilities in funded plans as of the measurement date must be based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that they are sufficient to pay for projected benefit payments and the OPEB plan assets are invested using a strategy that will achieve that return. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) must be used. The final equivalent single discount rate as of June 30, 2018 is 7.5%.

Bartlett City Schools Administered OPEB Plan

Assumptions are based on an actuarial valuation date of June 20, 2018 with no adjustments to the June 30, 2018 measurement date on a "no gain / no loss" basis. Liabilities as of July 1, 2017 are based on an actuarial valuation date of July 1, 2016 projected to July 1, 2017 on a "no gain / no loss" basis.

Inflation	3.0%
Salary increases	Graded salary ranges from 7.5% to 3.7% based on age
Investment rate of return	7.5%, net of investment expense, including inflation
Mortality table	RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017
Health care cost trend rate	Pre-65 - 9.0% initial rate, 5.0% ultimate rate, 9 year grading period Post-65 - 7.0% initial rate, 5.0% ultimate rate, 5 year grading period

Changes of Assumptions

In 2018, the following School OPEB assumptions were changed: modified mortality from SOA RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015 to SOA RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 resulting in a decrease in liabilities; modified payroll growth assumption to follow the salary growth table used for teachers in the 2016 TCRS actuarial valuation resulting in an increase in liabilities; decreased the discount rate from 8.0% to 7.5% to reflect the long-term expected rate of return for the TSBA OPEB Trust resulting in an increase in liabilities; updated the health care trend rates resulting in a decrease in liabilities.

Investment Policy

The Bartlett City Board of Education has placed funds with the Tennessee School Board Association OPEB Trust ("TSBA OPEB Trust") to be used to pre-fund a portion of the OPEB liability. The assets of the TSBA OPEB Trust are commingled with other participant's funds for investment purposes, but are held in an irrevocable trust for each plan participant and may be used only for the payment of benefits to the members of the plan in accordance with the terms of their plan. The TSBA OPEB Trust's policy in regard to allocation of invested assets is established and may be amended by the TSBA OPEB Trust Board of Trustees by a majority vote of its members. The TSBA OPEB Trust obtains an annual audit, which

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

may be obtained from the TSBA at 525 Brick Church Park Drive, Nashville, TN 37207; however, the audit for the year ended June 30, 2018, was not available from other auditors as of the date of this report.

It is the policy of the TSBA OPEB Trust Board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future rates of return are developed for each major asset class. These expected future rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage. The best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2018 is summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	42%	9.36%
Developed market international equity	18%	7.78%
Emerging market international equity	5%	11.40%
Fixed income	35%	4.69%
	100%	7.55%

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on investment was 9.16 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate Information

The discount rate used in valuing OPEB liabilities in funded plans as of the measurement date must be based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that they are sufficient to pay for projected benefit payments and the OPEB plan assets are invested using a strategy that will achieve that return. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) must be used. The final equivalent single discount rate as of June 30, 2018 is 7.5% with the assumption that Bartlett City Board of Education will eventually pay the pay-go costs out of the OPEB Trust at the time the Trust is expected to be sufficient to finance all future benefit payments.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. Net OPEB Liability

The components of the net OPEB liability for each plan at June 30, 2018, were as follows:

	City OPEB Plan	School OPEB Plan
Total OPEB Liability		
Service cost	\$ 637,448	\$ 1,073,698
Interest	1,507,704	1,952,729
Experience	8,323,018	-
Differences between expected and actual experience	-	1,745,907
Changes in assumptions	(8,321,654)	1,762,199
Benefit payments, including refunds	(708,131)	(561,750)
Net change in total OPEB liability	1,438,385	5,972,783
Total OPEB liability - beginning	29,866,371	23,610,886
Total OPEB liability - ending	31,304,756	29,583,669
Plan Fiduciary Net Position		
Contributions - employer	1,308,590	1,061,750
Net investment income	316,640	166,861
Benefit payments	(708,131)	(561,750)
Administrative expense	(45,663)	(20,516)
Net change in plan fiduciary net position	871,436	646,345
Plan fiduciary net position - beginning	4,643,884	1,636,793
Plan fiduciary net position - ending	5,515,320	2,283,138
Net OPEB liability (asset)	\$ 25,789,436	\$ 27,300,531

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

The following presents each plans net OPEB liability (asset) calculated using the current discount rate, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Current Discount Rate	1% Decrease	Current Rate	1% Increase
Net OPEB liability (asset)				
City OPEB Plan	7.50%	\$ 28,565,989	\$ 25,789,436	\$ 22,000,781
School OPEB Plan	7.50%		27,300,531	23,751,298

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate

The following presents the City's net OPEB liability (asset) calculated using the healthcare cost trend rate as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Current Healthcare Cost Trend Rate	1% Decrease	Current Rate	1% Increase
Net OPEB liability (asset)				
City OPEB Plan	8% decreasing to 4%	\$ 23,124,056	\$ 25,789,436	\$ 30,719,475
School OPEB Plan	9% decreasing to 5%	23,594,235	27,300,531	31,912,362

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City and School reported OPEB expense and deferred outflows of resources and deferred inflows of resources related to each OPEB plan from the following sources:

	City OPEB Plan	School OPEB Plan
OPEB Expense	<u>\$ 1,887,858</u>	<u>\$ 3,070,764</u>
Deferred Outflows of Resources		
Differences between expected and actual experience	\$ 7,833,429	\$ 1,587,188
Net difference between projected and actual earnings on plan investments	-	-
Changes in assumptions	-	1,601,999
	<u>\$ 7,833,429</u>	<u>\$ 3,189,187</u>
Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 21,492	\$ 1,209,398
Net difference between projected and actual earnings on plan investments	177,514	36,321
Changes in assumptions	7,832,144	-
	<u>\$ 8,031,150</u>	<u>\$ 1,245,719</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the years ending June 30:

	City OPEB Plan	School OPEB Plan
2019	\$ (57,061)	\$ 173,575
2020	(57,061)	173,575
2021	(57,061)	173,575
2022	(16,755)	181,118
2023	(2,606)	184,541
Thereafter	(7,177)	1,057,084

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Lease Revenues

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:

<u>Years Ending June 30</u>	<u>Amount</u>
2019	\$ 300,099
2020	231,009
2021	135,511
2022	108,929
2023	67,922
Thereafter	-
Total	<u>\$ 843,470</u>

In addition, the City has entered into various other lease arrangements as a lessee. The terms of these leases are variable and require only nominal token payments, if any. Annual lease payments are not material.

Contracts

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.

Legal Contingencies

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 14 - RISK MANAGEMENT

Insurance Other Than Health Insurance

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. The City considers it more economically feasible to participate in a public entity risk pool as opposed to purchasing commercial insurance for certain general liability, workers' compensation, and property and casualty insurance. As such, the City participates in the Tennessee Municipal League Risk Management Pool (TML), which is a public entity risk pool consisting of member political subdivisions of the State of Tennessee. The City pays an annual premium to the TML pool and each political subdivision that has participated in the TML pool is subject to assessment if the funds it paid as premiums are insufficient to meet the obligations of the TML pool. The TML pool may reinsure through the Local Government Reinsurance Fund of Tennessee or a commercial insurance company. The City continues to carry commercial insurance for all other risks of loss, including certain general liability and property and casualty insurance. The City has replacement cost insurance, including earthquake coverage, on all buildings and on mobile equipment and vehicles costing more than \$25,000 each.

The City has not incurred any losses in excess of commercial insurance coverage for the past three fiscal years. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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:

	2018	2017
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Claims incurred during the year	98,997	100,864
Claims payments	(98,997)	(100,864)
Unpaid claims, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>

Health Insurance

The City of Bartlett and the Bartlett City Board of Education participate in the Interlocal Health Benefits Plan Asset Trust in order to reduce costs of benefit plan administration and lower premium rates related to healthcare benefits. The Interlocal Health Plan is accounted for as a public entity risk pool but operates solely as a risk-sharing pool. Benefits and premium requirements are established and may be amended by an insurance committee. Members have the option of choosing between a Health Reimbursement Account (HRA) option, an Exclusive Provider Organization (EPO) option, and a basic option for healthcare benefits. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in term of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The plan has a separately issued Comprehensive Annual Report (CAFR) and can be found on the state's website at http://www.comptroller.tn.gov/RA_MA_Financial/.

The City and the School are only liable for their portion of plan premiums plus any outstanding capital requirements from the Interlocal Health Plan. The liability for any incurred-but-not-reported claims is borne by the Interlocal Health Plan and not by the individual members. During the year ended June 30, 2018, the City of Bartlett and the Bartlett City Board of Education contributed premiums of \$6,843,352 and \$7,101,038, respectively to the Interlocal Health Benefits Plan Asset Trust.

NOTE 15 – SUBSEQUENT EVENTS

On June 26, 2018 the Board of Mayor and Aldermen (The Board) authorized the issuance of \$1,355,000 in capital outlay notes. On July 26, 2018, the City issued a seven-year capital outlay note in the amount of \$1,355,000 through the Tennessee Municipal Bond Fund. The note bears an interest rate of 3.49% with final maturity of August 1, 2025. Proceeds from the note were used to finance certain public works projects, consisting of the acquisition of vehicles and equipment for the police, fire, codes enforcement, public works, engineering, and departments of the City, the acquisition of parks and recreation vehicles and equipment for the parks department of the City, plus recreation equipment, and renovations to parks department facilities, the acquisition of all other property real and personal appurtenant thereto and connected with such work, and to pay all legal, fiscal, administrative, and engineering costs incident thereto.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

On August 28, 2018 the Board of Mayor and Aldermen adopted resolutions authorizing the issuance of general obligation public improvement bonds of the City of Bartlett, Tennessee in the aggregate principal amount of not to exceed \$5,850,000. On October 18, 2018, the City issued \$5,295,000 General Obligation Public Improvement Bonds, Series 2018, maturing September 1, 2038 with a true interest cost of 3.3621%. The proceeds will be used to fund, in whole or in part, the (i) acquisition of land for and construction, repair, renovation, improvement and equipping of public buildings and facilities, including a municipal center, justice center, performing arts and conference center and parks and recreational facilities; (ii) acquisition of public safety vehicles; (iii) design, construction, repair and improvement of streets, roads, greenways and bridges, including sidewalks, signage, signalization, drainage improvements, other streetscape improvements and acquisition of rights-of-ways in connection therewith; (iv) acquisition of all property, real and personal, appurtenant to the foregoing; (v) payment of architectural, engineering, legal, fiscal and administrative costs incident to the foregoing; (vi) reimbursement to the City for funds previously expended for any of the foregoing, and (vii) payment of costs related to issuance and sale of the Bonds.

CITY OF BARTLETT
TENNESSEE

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEE PENSION PLAN
Last Ten Fiscal Years June 30

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Pension Liability										
Service cost	\$ 2,086,834	\$ 2,228,857	\$ 2,263,398	\$ 2,332,699	\$ 2,231,818	\$ 2,364,680	\$ 2,359,896	\$ 2,362,761	\$ 2,326,555	\$ 1,934,653
Interest	7,507,230	7,161,402	6,606,832	6,224,029	5,799,696	5,556,860	5,232,466	4,917,355	4,530,703	4,264,320
Changes of benefit items	-	-	-	-	365,972	-	-	-	-	-
Differences between expected and actual experience	(564,406)	(705,043)	1,038,862	304,733	77,265	(229,653)	(871,985)	(779,458)	439,808	(735,149)
Changes in assumptions	-	-	1,090,182	-	-	(1,789,990)	-	-	-	-
Benefit payments	(4,218,862)	(3,787,480)	(3,387,978)	(3,195,130)	(2,816,982)	(2,664,082)	(2,395,115)	(2,299,188)	(2,141,702)	(1,914,027)
Net change in total pension liability	4,810,796	4,897,736	7,611,296	5,666,331	5,657,769	3,237,815	4,325,262	4,201,470	5,155,364	3,549,797
Total pension liability - beginning	101,162,416	96,264,680	88,653,384	82,987,053	77,329,284	74,091,469	69,766,207	65,564,737	60,409,373	56,859,576
Total pension liability - ending	105,973,212	101,162,416	96,264,680	88,653,384	82,987,053	77,329,284	74,091,469	69,766,207	65,564,737	60,409,373
Plan Fiduciary Net Position										
Contributions - employer	3,477,162	3,326,960	3,127,818	3,205,170	3,395,565	3,085,413	3,052,605	3,063,599	3,024,676	3,083,215
Contributions - employee	830,520	870,940	893,670	915,772	911,954	881,552	872,176	829,711	838,310	841,645
Net investment income	5,807,523	6,566,084	1,317,984	1,584,193	8,017,388	5,067,448	586,516	7,024,828	4,539,174	(8,050,523)
Benefit payments	(4,218,862)	(3,787,480)	(3,387,978)	(3,195,130)	(2,816,982)	(2,664,082)	(2,395,115)	(2,299,188)	(2,141,702)	(1,914,027)
Administrative expense	(309,679)	(283,943)	(260,895)	(279,158)	(220,734)	(200,461)	(195,550)	(173,945)	(182,840)	(209,980)
Net change in plan fiduciary net position	5,586,664	6,692,561	1,690,599	2,230,847	9,287,191	6,169,870	1,920,632	8,445,005	6,077,618	(6,249,670)
Plan fiduciary net position - beginning	73,045,639	66,353,078	64,662,479	62,431,632	53,144,441	46,974,571	45,053,939	36,608,934	30,531,316	36,780,986
Plan fiduciary net position - ending	78,632,303	73,045,639	66,353,078	64,662,479	62,431,632	53,144,441	46,974,571	45,053,939	36,608,934	30,531,316
Net pension liability	<u>\$ 27,340,909</u>	<u>\$ 28,116,777</u>	<u>\$ 29,911,602</u>	<u>\$ 23,990,905</u>	<u>\$ 20,555,421</u>	<u>\$ 24,184,843</u>	<u>\$ 27,116,898</u>	<u>\$ 24,712,268</u>	<u>\$ 28,955,803</u>	<u>\$ 29,878,057</u>
Plan fiduciary net position as a percentage of the total pension liability	74.20%	72.21%	68.93%	72.94%	75.23%	68.72%	63.40%	64.58%	55.84%	50.54%
Covered payroll	\$ 21,107,876	\$ 22,042,673	\$ 22,505,784	\$ 23,205,853	\$ 22,101,474	\$ 21,797,237	\$ 21,569,182	\$ 21,398,047	\$ 20,923,074	\$ 20,682,097
Net pension liability as a percentage of covered payroll	129.53%	127.56%	132.91%	103.38%	93.00%	110.95%	125.72%	115.49%	138.39%	144.46%

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
EMPLOYEE PENSION PLAN
Last Ten Fiscal Years June 30

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 3,477,162	\$ 3,326,960	\$ 3,089,675	\$ 3,042,488	\$ 3,395,590	\$ 3,787,195	\$ 3,581,767	\$ 3,323,279	\$ 3,675,765	\$ 2,889,590
Contributions	<u>3,477,162</u>	<u>3,326,960</u>	<u>3,127,818</u>	<u>3,205,170</u>	<u>3,395,565</u>	<u>3,085,713</u>	<u>3,052,176</u>	<u>3,063,599</u>	<u>3,024,676</u>	<u>3,083,215</u>
Contribution deficiency (surplus)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (38,143)</u>	<u>\$ (162,682)</u>	<u>\$ 25</u>	<u>\$ 701,482</u>	<u>\$ 529,591</u>	<u>\$ 259,680</u>	<u>\$ 651,089</u>	<u>\$ (193,625)</u>
Covered payroll	\$ 21,107,876	\$ 22,042,673	\$ 22,505,784	\$ 23,205,853	\$ 22,101,474	\$ 21,797,237	\$ 21,569,182	\$ 21,398,047	\$ 20,923,074	\$ 20,682,097
Contributions as a percentage of covered payroll	16.47%	15.09%	13.90%	13.81%	15.36%	14.16%	14.15%	14.32%	14.46%	14.91%

NOTE 1 - VALUATION DATE

Actuarially determined contributions are calculated as of January 1st, eighteen months year prior to the fiscal year in which contributions are reported.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed
Remaining amortization period	23 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3.5%, including inflation
Investment rate of return	7.5%, net of plan investment expense, including inflation
Retirement age	62
Mortality	RP-2000 with a 2% load for expected mortality improvement
Withdrawal rates	T-3 Actuaries Pension Handbook
Other Information	Closed to new employees after 6/30/2014

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEE CASH BALANCE PENSION PLAN
Last Ten Fiscal Years June 30

	2018	2017	2016	2015
Total Pension Liability				
Service cost	\$ 536,160	\$ 336,506	\$ 189,455	\$ 54,492
Interest	26,318	11,062	2,915	-
Changes of benefit items	-	-	-	-
Differences between expected and actual experience	(31,534)	(14,657)	(5,166)	-
Changes in assumptions	-	-	-	-
Benefit payments	(33,688)	(21,897)	(9,519)	-
Net change in total pension liability	497,256	311,014	177,685	54,492
Total pension liability - beginning	543,191	232,177	54,492	-
Total pension liability - ending	1,040,447	543,191	232,177	54,492
Plan Fiduciary Net Position				
Contributions - employer	299,953	180,556	97,392	28,315
Contributions - employee	275,499	180,556	97,392	28,315
Net investment income	52,038	36,579	5,687	1
Benefit payments	(33,688)	(21,897)	(9,519)	-
Administrative expense	(7,328)	(8,827)	(5,237)	-
Net change in plan fiduciary net position	586,474	366,967	185,715	56,631
Plan fiduciary net position - beginning	609,313	242,346	56,631	-
Plan fiduciary net position - ending	1,195,787	609,313	242,346	56,631
Net pension liability (asset)	\$ (155,340)	\$ (66,122)	\$ (10,169)	\$ (2,139)
Plan fiduciary net position as a percentage of the total pension liability	114.93%	112.17%	104.38%	103.93%
Covered payroll	\$ 5,213,226	\$ 3,276,689	\$ 1,841,278	\$ 544,418
Net pension liability as a percentage of covered payroll	-2.98%	-2.02%	-0.55%	-0.39%

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
EMPLOYEE CASH BALANCE PENSION PLAN
Last Ten Fiscal Years June 30

	2018	2017	2016	2015
Actuarially determined contribution	\$ 260,661	\$ 163,835	\$ 92,064	\$ 27,221
Contributions	299,953	180,556	97,392	28,315
Contribution deficiency (surplus)	<u>\$ (39,292)</u>	<u>\$ (16,721)</u>	<u>\$ (5,328)</u>	<u>\$ (1,094)</u>
Covered payroll	\$ 5,213,226	\$ 3,276,689	\$ 1,841,278	\$ 544,418
Contributions as a percentage of covered payroll	5.75%	5.51%	5.29%	5.20%

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

NOTE 1 - VALUATION DATE

Actuarially determined contributions are calculated as of June 30th, as of the fiscal year in which contributions are reported.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	N/A
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3.5%, including inflation
Investment rate of return	5.0%, net of plan investment expense, including inflation
Retirement age	Age 62
Mortality	IRS applicable mortality - post-retirement only
Withdrawal rates	None
Other Information	Plan adopted effective July 1, 2014

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN
EMPLOYEE CASH BALANCE PENSION PLAN
Last Ten Fiscal Years June 30

	Annual Money-Weighted Rate of Return <u>Net of Investment Expenses</u>
2018	5.1%
2017	6.7%
2016	0.3%
2015	0.0%

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LEGACY PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Ten Fiscal Years June 30

	2017	2016	2015
Total Pension Liability			
Service cost	\$ 787,475	\$ 211,152	\$ 1,008,583
Interest	202,319	66,678	75,639
Changes of benefit items	-	-	-
Differences between expected and actual experience	(64,424)	969,248	(399,645)
Changes in assumptions	58,503	-	-
Benefit payments	(16,606)	(13,118)	(124)
Net change in total pension liability	967,267	1,233,960	684,453
Total pension liability - beginning	1,918,413	684,453	-
Total pension liability - ending	2,885,680	1,918,413	684,453
Plan Fiduciary Net Position			
Contributions - employer	554,835	602,127	655,197
Contributions - employee	299,263	324,772	353,386
Net investment income	271,868	40,582	16,348
Benefit payments	(16,606)	(13,118)	(124)
Administrative expense	(14,689)	(14,766)	(12,132)
Other	800	-	-
Net change in plan fiduciary net position	1,095,471	939,597	1,012,675
Plan fiduciary net position - beginning	1,952,272	1,012,675	-
Plan fiduciary net position -ending	3,047,743	1,952,272	1,012,675
Net pension liability (asset)	\$ (162,063)	\$ (33,859)	\$ (328,222)
Plan fiduciary net position as a percentage of the total pension liability	105.62%	101.76%	147.95%
Covered payroll	\$ 5,985,283	\$ 6,501,043	\$ 7,067,925
Net pension liability as a percentage of covered payroll	-2.71%	-0.52%	-4.64%

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

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
LEGACY PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS
Last Ten Fiscal Years June 30

	2018	2017	2016	2015
Actuarially determined contribution	\$ 539,893	\$ 496,778	\$ 602,127	\$ 655,197
Contributions	539,893	554,835	602,127	655,197
Contribution deficiency (surplus)	<u>\$ -</u>	<u>\$ (58,057)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,824,092	\$ 5,985,283	\$ 6,501,043	\$ 7,067,925
Contributions as a percentage of covered payroll	9.27%	9.27%	9.26%	9.27%

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

NOTE 1 - VALUATION DATE

Actuarially determined contributions are calculated as of June 30th, as of the fiscal year in which contributions are reported.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation method	10 year smoothed with a 20% corridor to market value
Inflation	3.0%
Salary increases	Graded salary ranges from 8.97% to 3.71% based on age, including inflation
Investment rate of return	7.5%, net of investment expenses, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.5%

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
HYBRID PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Ten Fiscal Years June 30

	2017	2016	2015
Total Pension Liability			
Service cost	\$ 43,360	\$ 13,325	\$ 8,469
Interest	7,818	1,768	635
Changes of benefit items	-	-	-
Differences between expected and actual experience	38,719	35,669	1,141
Changes in assumptions	5,003	-	-
Benefit payments	(256)	-	-
Net change in total pension liability	94,644	50,762	10,245
Total pension liability - beginning	61,007	10,245	-
Total pension liability - ending	155,651	61,007	10,245
Plan Fiduciary Net Position			
Contributions - employer	70,809	26,795	4,840
Contributions - employee	70,809	33,494	6,049
Net investment income	15,806	1,101	183
Benefit payments	(256)	-	-
Administrative expense	(4,764)	(2,100)	(99)
Net change in plan fiduciary net position	152,404	59,290	10,973
Plan fiduciary net position - beginning	70,263	10,973	-
Plan fiduciary net position - ending	222,667	70,263	10,973
Net pension liability (asset)	\$ (67,016)	\$ (9,256)	\$ (728)
Plan fiduciary net position as a percentage of the total pension liability	143.06%	115.17%	107.11%
Covered payroll	\$ 1,416,170	\$ 669,882	\$ 120,989
Net pension liability as a percentage of covered payroll	-4.73%	-1.38%	-0.60%

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

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
HYBRID PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS
Last Ten Fiscal Years June 30

	2018	2017	2016	2015
Actuarially determined contribution	\$ 35,861	\$ 25,491	\$ 13,397	\$ 2,420
Contributions	83,885	70,809	26,795	4,840
Contribution deficiency (surplus)	<u>\$ (48,024)</u>	<u>\$ (45,318)</u>	<u>\$ (13,398)</u>	<u>\$ (2,420)</u>
Covered payroll	\$ 2,097,126	\$ 1,416,170	\$ 669,882	\$ 120,989
Contributions as a percentage of covered payroll	4.00%	5.00%	4.00%	4.00%

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

NOTE 1 - VALUATION DATE

Actuarially determined contribution rates for fiscal year 2017 were calculated based on the June 30, 2017 actuarial valuation.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation method	10 year smoothed with a 20% corridor to market value
Inflation	3.0%
Salary increases	Graded salary ranges from 8.97% to 3.71% based on age, including inflation
Investment rate of return	7.5%, net of investment expenses, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.5%

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
TEACHER LEGACY PENSION PLAN OF TCRS
Last Ten Fiscal Years June 30

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	0.979236%	0.968084%	0.889434%	0.000000%
Proportionate share of the net pension liability (asset)	\$ (320,390)	\$ 6,049,987	\$ 364,343	\$ -
Covered payroll	<u>\$ 34,615,492</u>	<u>\$ 34,945,891</u>	<u>\$ 33,295,992</u>	<u>\$ -</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.93%	17.31%	1.09%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	100.14%	97.14%	99.81%	100.08%

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
TEACHER LEGACY PENSION PLAN OF TCRS
Last Ten Fiscal Years June 30

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required	\$ 3,238,673	\$ 3,129,243	\$ 3,159,107	\$ 3,009,957
Contribution in relation to the contractually required contribution	<u>3,238,673</u>	<u>3,129,243</u>	<u>3,159,107</u>	<u>3,009,957</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 35,668,774	\$ 34,615,492	\$ 34,945,891	\$ 33,295,992
Contributions as a percentage of covered payroll	9.08%	9.04%	9.04%	9.04%

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
TEACHER RETIREMENT PLAN OF TCRS
Last Ten Fiscal Years June 30

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.494995%	0.448296%	0.267353%
Proportionate share of the net pension liability (asset)	\$ (130,597)	\$ (46,669)	\$ (10,755)
Covered payroll	<u>\$ 3,248,839</u>	<u>\$ 1,972,539</u>	<u>\$ 555,497</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-4.02%	-2.37%	-1.94%
Plan fiduciary net position as a percentage of the total pension liability	126.81%	121.88%	127.46%

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
TEACHER RETIREMENT PLAN OF TCRS
Last Ten Fiscal Years June 30

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required	\$ 204,005	\$ 129,954	\$ 49,377	\$ 13,887
Contribution in relation to the contractually required contribution	<u>204,005</u>	<u>129,954</u>	<u>78,901</u>	<u>22,220</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,524)</u>	<u>\$ (8,333)</u>
Covered payroll	\$ 5,100,109	\$ 3,248,839	\$ 1,972,539	\$ 555,497
Contributions as a percentage of covered payroll	4.00%	4.00%	4.00%	4.00%

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
CITY OTHER POSTEMPLOYMENT BENEFIT PLAN
Last Ten Fiscal Years June 30

	2018	2017
Total OPEB Liability		
Service cost	\$ 637,448	\$ 720,694
Interest	1,507,704	1,439,231
Changes of benefit items	-	-
Differences between expected and actual experience	8,323,018	(26,865)
Changes in assumptions	(8,321,654)	-
Benefit payments	(708,131)	(653,224)
Other changes	-	-
Net change in total OPEB liability	1,438,385	1,479,836
Total OPEB liability - beginning	29,866,371	28,386,535
Total OPEB liability - ending	31,304,756	29,866,371
Plan Fiduciary Net Position		
Contributions - employer	1,308,590	1,260,999
Contributions - employee	-	-
Net investment income	316,640	399,190
Benefit payments	(708,131)	(653,224)
Administrative expense	(45,663)	(31,824)
Net change in plan fiduciary net position	871,436	975,141
Plan fiduciary net position - beginning	4,643,884	3,668,743
Plan fiduciary net position -ending	5,515,320	4,643,884
Net OPEB liability (asset)	\$ 25,789,436	\$ 25,222,487
Plan fiduciary net position as a percentage of the total OPEB liability	17.62%	15.55%
Covered payroll	\$ 25,222,312	\$ 24,384,565
Net OPEB liability as a percentage of covered payroll	102.25%	103.44%

Changes of assumptions. In 2018, amounts reported as changes of assumptions resulted from changes to the investment rate of return.

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
CITY OTHER POSTEMPLOYMENT BENEFIT PLAN
Last Ten Fiscal Years June 30

	2018	2017
Actuarially determined contribution	\$ 4,008,792	\$ 4,008,792
Contributions	1,308,590	1,260,999
Contribution deficiency (surplus)	<u>\$ 2,700,202</u>	<u>\$ 2,747,793</u>
Covered payroll	\$ 25,222,312	\$ 24,384,565
Contributions as a percentage of covered payroll	5.19%	5.17%

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

NOTE 1 - VALUATION DATE

January 1, 2018 with results actuarially rolled forward to June 30, 2018 on a "no loss/no gain" basis.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	Varies by years
Asset valuation method	Market value
Inflation	2.5%
Healthcare cost trend rates	8% initial, decreasing to an ultimate rate of 4%, 9 year grading
Salary increases	3.5%
Investment rate of return	7.5%, net of investment expenses, including inflation
Withdrawal rates	T-5 Actuaries Pension Handbook
Mortality	RP-2000 Mortality Table with 2% load for expected mortality improvement

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN
CITY OTHER POSTEMPLOYMENT BENEFIT PLAN
Last Ten Fiscal Years June 30

	Annual Money-Weighted Rate of Return <u>Net of Investment Expenses</u>
2018	5.56%
2017	9.34%

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
SCHOOL OTHER POSTEMPLOYMENT BENEFIT PLAN
Last Ten Fiscal Years June 30

	2018	2017
Total OPEB Liability		
Service cost	\$ 1,073,698	\$ 1,130,118
Interest	1,952,729	1,790,381
Changes of benefit items	-	-
Differences between expected and actual experience	1,745,907	(1,478,154)
Changes in assumptions	1,762,199	-
Benefit payments	(561,750)	(414,449)
Net change in total OPEB liability	5,972,783	1,027,896
Total OPEB liability - beginning	23,610,886	22,582,990
Total OPEB liability - ending	29,583,669	23,610,886
Plan Fiduciary Net Position		
Contributions - employer	1,061,750	914,449
Contributions - employee	-	-
Net investment income	166,861	137,453
Benefit payments	(561,750)	(414,449)
Administrative expense	(20,516)	(4,058)
Net change in plan fiduciary net position	646,345	633,395
Plan fiduciary net position - beginning	1,636,793	1,003,398
Plan fiduciary net position -ending	2,283,138	1,636,793
Net OPEB liability (asset)	\$ 27,300,531	\$ 21,974,093
Plan fiduciary net position as a percentage of the total OPEB liability	7.72%	6.93%
Covered payroll	\$ 51,989,031	\$ 43,172,629
Net OPEB liability as a percentage of covered payroll	52.51%	50.90%

Changes of assumptions. In 2018, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, payroll growth rate, and mortality tables.

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CONTRIBUTIONS
SCHOOL OTHER POSTEMPLOYMENT BENEFIT PLAN
Last Ten Fiscal Years June 30

	2018	2017
Actuarially determined contribution	\$ 3,128,879	\$ 2,245,129
Contributions	1,061,750	914,449
Contribution deficiency (surplus)	<u>\$ 2,067,129</u>	<u>\$ 1,330,680</u>
Covered payroll	\$ 51,989,031	\$ 43,172,629
Contributions as a percentage of covered payroll	2.04%	2.12%

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

NOTE 1 - VALUATION DATE

July 1, 2017 with results actuarially rolled forward to June 30, 2018 on a "no loss/no gain" basis.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	29 years
Asset valuation method	Market value
Inflation	3.0%
Healthcare cost trend rates	7.5% initial, decreasing to an ultimate rate of 3.7%
Salary increases	Graded salary ranges from 9.0% to 3.7% based on age, including inflation
Investment rate of return	7.5%, net of investment expenses, including inflation
Mortality	SOA RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN
SCHOOL OTHER POSTEMPLOYMENT BENEFIT PLAN
Last Ten Fiscal Years June 30

	Annual Money-Weighted Rate of Return <u>Net of Investment Expenses</u>
2018	9.16%
2017	13.61%

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

FUND STATEMENTS

CITY OF BARTLETT

T E N N E S S E E

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Financial presentation in this section includes those intended to show one or more of the following:

1. Combining statements to support each column in the basic financial statements that aggregates data from more than one fund.
2. Budgetary comparisons not required in connection with the basic financial statements.
3. Greater detail.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

COMBINING NONMAJOR GOVERNMENTAL FUNDS

Certain revenues of the City are required by state law or city ordinance to be accounted for in separate funds to insure the revenues are spent for specific designated purposes. The City has established eight nonmajor governmental funds.

State Street Aid Fund - Used to account for the City's share of state gasoline and fuel taxes and impact fees on new development for street paving and lighting. The City's partial street maintenance program, streetlighting, and minimal street construction as well as traffic signal construction and maintenance are accounted for in this fund. These funds are restricted by state legislation.

Solid Waste Control Fund - The City charges a service fee for the collection and removal of residential and commercial solid waste. These activities are accounted for in this special revenue fund.

Drug Enforcement Fund - All drug related fines and forfeitures collected from activities in the City of Bartlett are accounted for in this fund to be used for drug related law enforcement activities.

General Improvement Fund - The City imposes a \$2.50 service fee on all residential and commercial addresses to fund small capital improvements throughout the City.

Drainage Control Fund - The City imposes a drainage control impact fee on new development for construction and maintenance of storm water drainage control.

Parks Improvement Fund - The City imposes a parks improvement impact fee on all new residential development to provide funds for the acquisition and maintenance of playground equipment.

DEA Task Force Fund - To account for fines and forfeitures taken from persons arrested by the Drug Enforcement Task Force and used for police enforcement activities.

Grants Fund - The Grants Fund is used to account for unrelated federal, state and other grants.

Non-Major School Funds - The City accounts for non-major school activities in the Federal Projects Fund, School Nutrition Fund, and Discretionary Grants Fund.

CITY OF BARTLETT, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018

	Special Revenue Funds						
	State Street Aid Fund	Solid Waste Control Fund	General Improvement Fund	Drug Enforcement Fund	Drainage Control Fund	Parks Improvement Fund	DEA Task Force Fund
ASSETS							
Cash and cash equivalents	\$ 1,010,987	\$ 627,439	\$ 205,250	\$ 474,475	\$ 194,929	\$ 661,822	\$ 338,372
Receivables							
Taxes	-	-	-	-	-	-	-
Customer	-	664,259	71,174	-	-	-	-
Other	-	10,595	-	-	-	-	-
Less allowance for doubtful accounts	-	(18,077)	(2,031)	-	-	-	-
Due from other governments	332,713	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Prepaid items	-	-	119,836	-	-	-	-
Total assets	<u>\$ 1,343,700</u>	<u>\$ 1,284,216</u>	<u>\$ 394,229</u>	<u>\$ 474,475</u>	<u>\$ 194,929</u>	<u>\$ 661,822</u>	<u>\$ 338,372</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ 121,900	\$ 133,340	\$ 7,464	\$ 52,053	\$ -	\$ -	\$ 112
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>121,900</u>	<u>133,340</u>	<u>7,464</u>	<u>52,053</u>	<u>-</u>	<u>-</u>	<u>112</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue							
Taxes	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-
Other	-	64,575	5,693	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>64,575</u>	<u>5,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	119,836	-	-	-	-
Restricted	370,073	1,086,301	-	422,422	-	-	338,260
Committed	-	-	-	-	-	-	-
Assigned	851,727	-	261,236	-	194,929	661,822	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>1,221,800</u>	<u>1,086,301</u>	<u>381,072</u>	<u>422,422</u>	<u>194,929</u>	<u>661,822</u>	<u>338,260</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,343,700</u>	<u>\$ 1,284,216</u>	<u>\$ 394,229</u>	<u>\$ 474,475</u>	<u>\$ 194,929</u>	<u>\$ 661,822</u>	<u>\$ 338,372</u>

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CITY OF BARTLETT, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Grants Fund	Federal Projects Fund	School Nutrition Fund	Discretionary Grants Fund	Education Capital Fund	Debt Service Fund	
ASSETS							
Cash and cash equivalents	\$ -	\$ 55,328	\$ 471,919	\$ 5,348	\$ 2,257,994	\$ 2,778,767	\$ 9,082,630
Receivables							
Taxes	-	-	-	-	-	553,018	553,018
Customer	-	-	-	-	-	-	735,433
Other	-	-	-	-	-	-	10,595
Less allowance for doubtful accounts	-	-	-	-	-	-	(20,108)
Due from other governments	1,265,817	643,509	-	72,723	1,452,439	-	3,767,201
Due from other funds	-	-	-	-	-	-	-
Inventory	-	-	54,294	-	-	-	54,294
Prepaid items	-	-	-	-	-	-	119,836
Total assets	<u>\$ 1,265,817</u>	<u>\$ 698,837</u>	<u>\$ 526,213</u>	<u>\$ 78,071</u>	<u>\$ 3,710,433</u>	<u>\$ 3,331,785</u>	<u>\$ 14,302,899</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ 37,333	\$ 10,335	\$ 955	\$ 22,104	\$ 3,598,319	\$ -	\$ 3,983,915
Accrued payroll	-	211,544	-	16,499	-	-	228,043
Due to other funds	1,228,484	476,958	474	39,468	-	-	1,745,384
Total liabilities	<u>1,265,817</u>	<u>698,837</u>	<u>1,429</u>	<u>78,071</u>	<u>3,598,319</u>	<u>-</u>	<u>5,957,342</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue							
Taxes	-	-	36,754	-	-	-	36,754
Grants	-	-	-	-	1,452,439	-	1,452,439
Other	-	-	-	-	-	-	70,268
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>36,754</u>	<u>-</u>	<u>1,452,439</u>	<u>-</u>	<u>1,559,461</u>
FUND BALANCES							
Nonspendable	-	-	54,294	-	-	-	174,130
Restricted	-	-	433,736	-	-	-	2,650,792
Committed	-	-	-	-	-	3,331,785	3,331,785
Assigned	-	-	-	-	-	-	1,969,714
Unassigned	-	-	-	-	(1,340,325)	-	(1,340,325)
Total fund balances	<u>-</u>	<u>-</u>	<u>488,030</u>	<u>-</u>	<u>(1,340,325)</u>	<u>3,331,785</u>	<u>6,786,096</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,265,817</u>	<u>\$ 698,837</u>	<u>\$ 526,213</u>	<u>\$ 78,071</u>	<u>\$ 3,710,433</u>	<u>\$ 3,331,785</u>	<u>\$ 14,302,899</u>

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	Special Revenue Funds						
	State Street Aid Fund	Solid Waste Control Fund	General Improvement Fund	Drug Enforcement Fund	Drainage Control Fund	Parks Improvement Fund	DEA Task Force Fund
REVENUES							
Local sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental							
Sales, income, and other	-	-	-	-	-	-	-
State gas tax	1,894,273	-	-	-	-	-	-
Charges for services	33,267	6,024,671	660,873	-	6,750	14,000	-
Fines, forfeitures, and penalties	-	-	-	123,185	-	-	46,506
Federal, state and other grants	-	-	-	-	-	-	-
Interest on investments	126	66	27	56	55	84	123
Other	1,450	3,475	-	540	23,750	-	-
Total revenues	1,929,116	6,028,212	660,900	123,781	30,555	14,084	46,629
EXPENDITURES							
Current							
Public safety	-	-	-	219,292	-	-	21,736
Public works	1,524,325	5,962,393	449,170	-	97,321	-	-
Education	-	-	-	-	-	-	-
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-
Total expenditures	1,524,325	5,962,393	449,170	219,292	97,321	-	21,736
Excess (deficiency) of revenues over (under) expenditures	404,791	65,819	211,730	(95,511)	(66,766)	14,084	24,893
OTHER FINANCING SOURCES (USES)							
Refunding bonds	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-
Transfers in	6,907	-	-	27,837	100,000	-	-
Transfers out	-	(225,500)	(261,000)	-	-	(55,000)	-
Total other financing sources and uses	6,907	(225,500)	(261,000)	27,837	100,000	(55,000)	-
Net change in fund balances	411,698	(159,681)	(49,270)	(67,674)	33,234	(40,916)	24,893
Fund balances - beginning	810,102	1,245,982	430,342	490,096	161,695	702,738	313,367
Fund balances - ending	\$ 1,221,800	\$ 1,086,301	\$ 381,072	\$ 422,422	\$ 194,929	\$ 661,822	\$ 338,260

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CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Grants Fund	Federal Projects Fund	School Nutrition Fund	Discretionary Grants Fund	Education Capital Fund	Debt Service Fund	
REVENUES							
Local sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,202,743	\$ 3,202,743
Intergovernmental							
Sales, income, and other	-	-	-	-	1,374,547	-	1,374,547
State gas tax	-	-	-	-	-	-	1,894,273
Charges for services	-	-	1,278,780	-	-	-	8,018,341
Fines, forfeitures, and penalties	-	-	-	-	-	-	169,691
Federal, state and other grants	1,710,952	5,815,269	1,557,085	659,295	-	-	9,742,601
Interest on investments	-	-	-	-	-	316	853
Other	-	-	-	6,000	-	-	35,215
Total revenues	1,710,952	5,815,269	2,835,865	665,295	1,374,547	3,203,059	24,438,264
EXPENDITURES							
Current							
Public safety	8,050	-	-	-	-	-	249,078
Public works	422,776	-	-	-	-	-	8,455,985
Education	-	5,271,241	2,684,676	625,576	-	-	8,581,493
Debt Service							
Principal	-	-	-	-	-	3,885,500	3,885,500
Interest	-	-	-	-	-	1,720,067	1,720,067
Bond issuance costs	-	-	-	-	-	186,892	186,892
Capital outlays	-	-	-	-	8,253,692	-	8,253,692
Total expenditures	430,826	5,271,241	2,684,676	625,576	8,253,692	5,792,459	31,332,707
Excess (deficiency) of revenues over (under) expenditures	1,280,126	544,028	151,189	39,719	(6,879,145)	(2,589,400)	(6,894,443)
OTHER FINANCING SOURCES (USES)							
Refunding bonds	-	-	-	-	-	2,310,000	2,310,000
Premium on bonds issued	-	-	-	-	-	14,416	14,416
Payment to escrow agent	-	-	-	-	-	(2,324,413)	(2,324,413)
Transfers in	-	-	-	-	4,318,723	5,754,209	10,207,676
Transfers out	(1,280,126)	(544,028)	-	(39,719)	-	-	(2,405,373)
Total other financing sources and uses	(1,280,126)	(544,028)	-	(39,719)	4,318,723	5,754,212	7,802,306
Net change in fund balances	-	-	151,189	-	(2,560,422)	3,164,812	907,863
Fund balances - beginning	-	-	336,841	-	1,220,097	166,973	5,878,233
Fund balances - ending	\$ -	\$ -	\$ 488,030	\$ -	\$ (1,340,325)	\$ 3,331,785	\$ 6,786,096

CITY OF BARTLETT, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE STREET AID FUND**

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental - state gas tax				
Gas motor fuel	\$ 1,620,000	\$ 1,620,000	\$ 273,181	\$ (1,346,819)
Gas 1989	-	-	345,140	345,140
Gas 3 cent	-	-	1,275,952	1,275,952
Charges for services	226,000	226,000	33,267	(192,733)
Interest on investments	-	-	126	126
Other income	-	-	1,450	1,450
Total revenues	<u>1,846,000</u>	<u>1,846,000</u>	<u>1,929,116</u>	<u>83,116</u>
EXPENDITURES:				
Public Works				
Materials and supplies	1,525,000	1,525,000	1,379,517	145,483
Capital outlay	<u>170,000</u>	<u>205,417</u>	<u>144,808</u>	<u>60,609</u>
Total expenditures	<u>1,695,000</u>	<u>1,730,417</u>	<u>1,524,325</u>	<u>206,092</u>
Excess of revenues over expenditures	151,000	115,583	404,791	289,208
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>6,907</u>	<u>6,907</u>	<u>6,907</u>	<u>-</u>
Total other financing sources	<u>6,907</u>	<u>6,907</u>	<u>6,907</u>	<u>-</u>
Net change in fund balances	<u>\$ 157,907</u>	<u>\$ 122,490</u>	411,698	<u>\$ 289,208</u>
Fund balances - beginning			<u>810,102</u>	
Fund balances - ending			<u>\$ 1,221,800</u>	

CITY OF BARTLETT, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SOLID WASTE CONTROL FUND**

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Charges for services	\$ 6,053,000	\$ 6,053,000	\$ 6,024,671	\$ (28,329)
Federal, state and other grants	5,000	5,000	-	(5,000)
Interest on investments	-	-	66	66
Other income	3,000	3,000	3,475	475
Total revenues	6,061,000	6,061,000	6,028,212	(32,788)
EXPENDITURES:				
Public Works				
Salaries	2,160,876	2,074,876	2,069,162	5,714
Benefits	951,933	951,933	908,950	42,983
Contractual services	962,000	962,000	998,056	(36,056)
Maintenance and equipment rental	606,300	606,300	571,465	34,835
Materials and supplies	326,500	412,500	402,992	9,508
Insurance	57,681	57,681	51,836	5,845
Other charges	50,820	50,820	64,933	(14,113)
Capital outlay	1,050,200	1,094,292	894,999	199,293
Total expenditures	6,166,310	6,210,402	5,962,393	248,009
Excess (deficiency) of revenues over (under) expenditures	(105,310)	(149,402)	65,819	215,221
OTHER FINANCING SOURCES (USES)				
Transfers out	(163,000)	(225,500)	(225,500)	-
Net change in fund balances	\$ (268,310)	\$ (374,902)	(159,681)	\$ 215,221
Fund balances - beginning			1,245,982	
Fund balances - ending			\$ 1,086,301	

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL IMPROVEMENT FUND

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 663,500	\$ 663,500	\$ 660,873	\$ (2,627)
Interest on investments	-	-	27	27
Total revenues	663,500	663,500	660,900	(2,600)
EXPENDITURES:				
Public Works				
Contractual services	2,000	2,000	6,386	(4,386)
Maintenance and equipment rental	348,000	348,000	340,841	7,159
Materials and supplies	1,000	1,000	-	1,000
Other charges	48,500	48,500	50,316	(1,816)
Capital outlay	110,000	110,000	51,627	58,373
Total expenditures	509,500	509,500	449,170	60,330
Excess of revenues over expenditures	154,000	154,000	211,730	57,730
OTHER FINANCING SOURCES (USES)				
Transfers out	(261,000)	(261,000)	(261,000)	-
Net change in fund balances	\$ (107,000)	\$ (107,000)	(49,270)	\$ 57,730
Fund balances - beginning			430,342	
Fund balances - ending			\$ 381,072	

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DRUG ENFORCEMENT FUND

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines, forfeitures, and penalties	\$ 213,000	\$ 213,000	\$ 123,185	\$ (89,815)
Interest on investments	-	-	56	56
Other income	1,000	1,000	540	(460)
Total revenues	214,000	214,000	123,781	(90,219)
EXPENDITURES:				
Public Safety				
Salaries	70,000	70,000	37,536	32,464
Benefits	8,000	8,000	2,730	5,270
Contractual services	32,500	32,500	13,012	19,488
Maintenance and equipment rental	15,000	15,000	4,274	10,726
Materials and supplies	54,500	52,500	39,792	12,708
Other charges	61,500	61,500	28,736	32,764
Capital outlay	157,500	169,391	93,212	76,179
Total expenditures	399,000	408,891	219,292	189,599
Deficiency of revenues under expenditures	(185,000)	(194,891)	(95,511)	99,380
OTHER FINANCING SOURCES (USES)				
Transfers in	42,000	42,000	27,837	(14,163)
Net change in fund balances	\$ (143,000)	\$ (152,891)	(67,674)	\$ 85,217
Fund balances - beginning			490,096	
Fund balances - ending			\$ 422,422	

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DRAINAGE CONTROL FUND

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 13,000	\$ 13,000	\$ 6,750	\$ (6,250)
Interest on investments	-	-	55	55
Other Income	4,299	4,299	23,750	19,451
Total revenues	17,299	17,299	30,555	13,256
EXPENDITURES:				
Public Works				
Salaries	65,508	65,508	61,565	3,943
Benefits	24,441	24,441	27,183	(2,742)
Contractual services	17,150	17,395	1,678	15,717
Materials and supplies	750	750	53	697
Other charges	9,450	9,450	6,842	2,608
Total expenditures	117,299	117,544	97,321	20,223
Deficiency of revenues under expenditures	(100,000)	(100,245)	(66,766)	33,479
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
Net change in fund balances	\$ -	\$ (245)	33,234	\$ 33,479
Fund balances - beginning			161,695	
Fund balances - ending			\$ 194,929	

CITY OF BARTLETT, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEA TASK FORCE FUND**

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Fines, forfeitures, and penalties	\$ 100,000	\$ 100,000	\$ 46,506	\$ (53,494)
Interest income	500	500	123	(377)
Total revenues	100,500	100,500	46,629	(53,871)
EXPENDITURES:				
Public Safety				
Contractual services	20,000	20,000	1,832	18,168
Maintenance and equipment rental	3,200	3,200	8,190	(4,990)
Materials and supplies	6,000	6,000	6,753	(753)
Other charges	5,200	5,200	2,764	2,436
Capital outlay	40,000	40,000	2,197	37,803
Total expenditures	74,400	74,400	21,736	52,664
Net change in fund balances	\$ 26,100	\$ 26,100	24,893	\$ (1,207)
Fund balances - beginning			313,367	
Fund balances - ending			\$ 338,260	

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal, state and other grants	\$ 6,371,847	\$ 7,038,888	\$ 1,710,952	\$ (5,327,936)
EXPENDITURES:				
Public Safety				
Police				
Travel	3,000	5,000	-	5,000
Materials and supplies	7,047	10,685	-	10,685
Other charges	63	8,113	8,050	63
Capital outlay	372	372	-	372
Fire				
Salaries	(13,597)	(13,597)	-	(13,597)
Contractual services	13,597	13,597	-	13,597
Public Works				
Capital outlay	417,580	933,270	422,776	510,494
Other charges	224,057	224,057	-	224,057
Parks and Recreation				
Capital outlay	(422)	(422)	-	(422)
Materials and supplies	(153)	(153)	-	(153)
Total expenditures	<u>651,544</u>	<u>1,180,922</u>	<u>430,826</u>	<u>750,096</u>
Excess of revenues over expenditures	5,720,303	5,857,966	1,280,126	(4,577,840)
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(5,735,589)</u>	<u>(5,873,252)</u>	<u>(1,280,126)</u>	<u>4,593,126</u>
Net change in fund balances	<u>\$ (15,286)</u>	<u>\$ (15,286)</u>	-	<u>\$ 15,286</u>
Fund balances - beginning			-	
Fund balances - ending			<u>\$ -</u>	

CITY OF BARTLETT, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL PROJECTS FUND**

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal, state and other grants	\$ 3,926,388	\$ 6,941,649	\$ 5,815,269	\$ (1,126,380)
EXPENDITURES:				
Education				
Regular instruction				
Salaries	-	6,587	2,508	4,079
Benefits	-	1,115	412	703
Materials and supplies	-	11,075	11,078	(3)
Other charges	-	-	1,402	(1,402)
Other student support				
Other charges	-	436	323	113
Regular instruction support				
Salaries	187,632	91,444	91,090	354
Benefits	60,569	15,482	15,154	328
Contractual services	555	922	923	(1)
Materials and supplies	9,627	9,177	8,713	464
Other charges	2,398	2,398	2,290	108
Special education support				
Salaries	1,315,921	1,452,587	1,375,244	77,343
Benefits	344,010	407,000	380,320	26,680
Contractual services	1,000	20,000	4,635	15,365
Materials and supplies	26,807	122,005	78,683	43,322
Other charges	13,600	48,155	21,282	26,873
Technology				
Salaries	112,669	119,864	115,318	4,546
Benefits	30,130	43,088	32,376	10,712
Fiscal services				
Salaries	59,302	59,302	59,303	(1)
Benefits	10,606	15,731	10,220	5,511
Other charges	-	534	770	(236)
Accountability				
Salaries	901,265	1,336,099	1,264,299	71,800
Benefits	240,146	271,036	257,838	13,198
Contractual services	114,563	213,230	149,397	63,833
Materials and supplies	89,915	1,421,514	1,230,983	190,531
Other charges	185,923	615,919	156,680	459,239
Total expenditures	3,706,638	6,284,700	5,271,241	1,013,459
Excess of revenues over expenditures	219,750	656,949	544,028	(112,921)
OTHER FINANCING SOURCES (USES)				
Transfers out	(219,750)	(656,949)	(544,028)	112,921
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balances - beginning			-	
Fund balances - ending			\$ -	

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SCHOOL NUTRITION FUND

For the Year Ended June 30, 2018

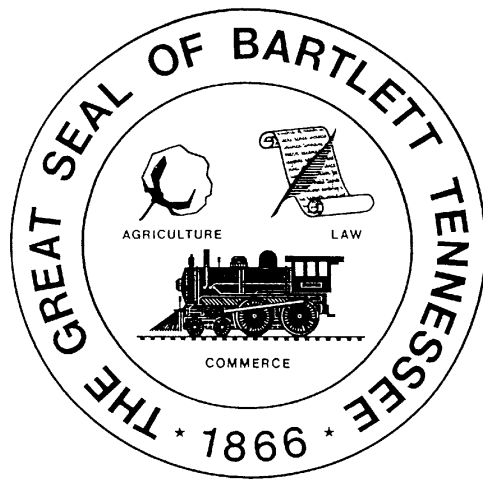
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,280,000	\$ 2,280,000	\$ 1,278,780	\$ (1,001,220)
Federal, state and other grants	-	-	1,557,085	1,557,085
Other income	302,000	302,000	-	(302,000)
Total revenues	2,582,000	2,582,000	2,835,865	253,865
EXPENDITURES:				
Education				
Cafeteria				
Salaries	1,112,184	1,062,184	1,039,056	23,128
Benefits	215,686	213,686	237,963	(24,277)
Contractual services	150,000	203,000	201,981	1,019
Materials and supplies	1,096,630	1,095,630	1,201,421	(105,791)
Other charges	7,500	7,500	4,255	3,245
Total expenditures	2,582,000	2,582,000	2,684,676	(102,676)
Net change in fund balances	\$ -	\$ -	151,189	\$ 151,189
Fund balances - beginning			336,841	
Fund balances - ending			\$ 488,030	

CITY OF BARTLETT, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISCRETIONARY GRANTS FUND**

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
Federal, state and other grants	\$ 658,111	\$ 667,081	\$ 659,295	\$ (7,786)
Other Income	6,000	6,000	6,000	-
Total revenues	664,111	673,081	665,295	(7,786)
EXPENDITURES:				
Education				
Regular instruction				
Salaries	173,429	173,429	182,447	(9,018)
Benefits	66,453	66,453	64,117	2,336
Contractual services	76,320	76,320	74,880	1,440
Materials and supplies	6,520	12,510	12,445	65
Other charges	12,180	14,560	15,765	(1,205)
Technical education				
Materials and supplies	122,064	122,064	122,064	-
Regular instruction support				
Salaries	1,000	1,000	1,000	-
Benefits	168	168	161	7
Contractual services	12,000	4,000	3,690	310
Materials and supplies	7,865	8,465	8,464	1
Other charges	8,332	16,332	13,203	3,129
Health services				
Salaries	73,132	73,132	71,267	1,865
Benefits	12,638	12,638	12,148	490
Materials and supplies	3,000	3,000	2,805	195
Other charges	1,230	1,230	1,120	110
Safety				
Contractual services	25,000	25,000	25,000	-
Materials and supplies	15,900	15,900	15,000	900
Total expenditures	617,231	626,201	625,576	625
Excess of revenues over expenditures	46,880	46,880	39,719	(7,161)
OTHER FINANCING SOURCES (USES)				
Transfers out	(46,880)	(46,880)	(39,719)	7,161
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balances - beginning			-	
Fund balances - ending			\$ -	



CAPITAL PROJECTS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

CAPITAL PROJECTS FUND

Capital Projects Fund - Used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Non-Major Capital School Funds - Accounts for non-major school Education Capital Fund.

CITY OF BARTLETT, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND**

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest income	\$ 50,000	\$ 650,000	\$ 448,207	\$ (201,793)
Other income	-	26,351	22,290	(4,061)
Total revenues	50,000	676,351	470,497	(205,854)
EXPENDITURES:				
Debt Service				
Debt issuance costs	-	135,499	135,499	-
Capital Outlay				
Administrative				
CIP Available Project Funds	31,028	1,866	-	1,866
Public Radios System	111,645	111,589	111,589	-
Administrative Vehicles 2016	-	11,075	11,075	-
City Hall Renovations 2016	226	22,226	22,226	-
City Hall Renovations 2018	250,000	250,000	233,892	16,108
TCAT Land Acquisition	1,000,000	1,000,000	814,132	185,868
Engineering				
Westbrook Road Bridge	498,068	498,068	101,150	396,918
Engineering Vehicles 2017	48,000	48,000	25,767	22,233
Old Brownsville West R.O.W	3,982,408	6,982,408	344,118	6,638,290
O. Brownsville/Frank Crk Brdg Rehab	2,239,365	2,239,365	779,096	1,460,269
Bond Default Hampton Grove Subdivision	47,372	47,372	-	47,372
Bond Default Montello Subdivision	2,798	2,798	2,798	-
Bond Default Gailyn Manor Phase I	37,970	37,970	26,000	11,970
Bond Default Gailyn Manor Phase II	111,137	111,137	-	111,137
Bond Default Brookemeade	74,059	74,059	-	74,059
Bond Default Stonecrest	32,321	32,321	-	32,321
Bond Default Hampton Grove North	951	951	-	951
Bond Default Rockyford Ph. E-2	30,000	30,000	-	30,000
Altruria & Memphis. Arlington Signal	26,085	-	-	-
Fletcher Creek Greenway Ph1	88,960	31,668	23,284	8,384
Fletcher Creek Greenway Ph2	149,906	203,282	32,993	170,289
Fletcher Creek Greenway Ph3	100,000	100,000	7	99,993
Ellis Road Hill Removal	537,732	537,372	454,572	82,800
Elmore Box	200,000	200,000	250	199,750
ADA Transition Plan TDOT	-	150,000	30,748	119,252
City Wide Overlay P2	607,300	2,607,300	1,628,486	978,814
Misc. Drainage Improvements 2016	237,451	237,451	78,836	158,615
Misc. Drainage Improvements 2017	400,000	400,000	23,272	376,728

(CONTINUED ON NEXT PAGE)

CITY OF BARTLETT, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND**

For the Year Ended June 30, 2018

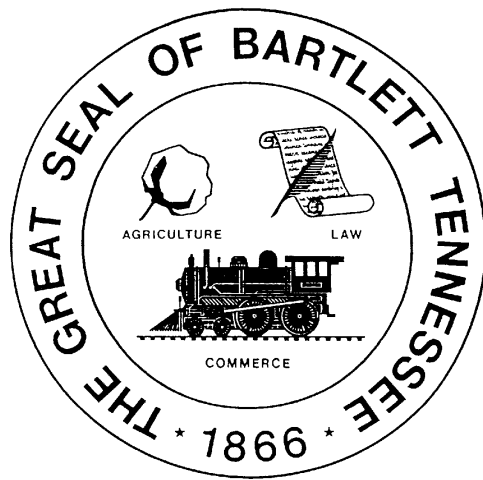
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Safety				
Police Vehicles & Equipment 2017	\$ 29,563	\$ 29,563	\$ 27,900	\$ 1,663
Police Vehicles & Equipment 2018	730,000	730,000	681,248	48,752
Justice Center Maintenance	100,000	100,000	-	100,000
Fire Truck/Pumper 2018	-	600,000	-	600,000
Fire Ambulances 2018	200,000	200,000	199,902	98
Fire Vehicles & Equipment 2018	30,000	30,000	30,000	-
Fire Training Facility	9,933	9,495	-	9,495
Code Enforcement Vehicle 2018	50,000	46,581	41,458	5,123
Public Works				
Bartlett Blvd. Overpass Rehab	994,379	994,379	-	994,379
Public Works Vehicles & Equip 2017	161,862	161,862	161,862	-
Public Works Vehicles & Equip 2018	635,000	635,000	396,084	238,916
City Shop	250,000	312,500	312,500	-
Parks & Recreation				
Parks Vehicles & Equipment 2018	150,000	150,000	147,815	2,185
W.J. Freeman Park Project	844,945	2,744,945	1,753,130	991,815
Parks Maintenances 2017	4,315	-	-	-
Parks Maintenances 2018	340,000	344,315	10,069	334,246
Parks Restroom Renovations 2017	306,545	306,545	294,527	12,018
Parks Restroom Renovations 2018	200,000	200,000	-	200,000
Singleton Equip/Repairs 2018	160,000	160,000	131,000	29,000
Senior Cntr Equip/Repairs 2018	35,000	35,000	35,000	-
Recreation Cntr Equip/Repairs 2016	63,453	63,453	63,453	-
Recreation Cntr Equip/Repairs 2017	16,790	16,790	16,790	-
Recreation Cntr Equip/Repairs 2018	180,000	203,522	59,260	144,262
Recreation Center Roof	23,522	-	-	-
BPACC Repairs & Improvements 2018	270,000	270,000	171,331	98,669
Total expenditures	<u>16,630,089</u>	<u>24,447,727</u>	<u>9,413,119</u>	<u>15,034,608</u>
Deficiency of revenues under expenditures	(16,580,089)	(23,771,376)	(8,942,622)	14,828,754
OTHER FINANCING SOURCES (USES)				
Issuance of debt	7,272,594	44,589,150	44,589,150	-
Premium on bonds issued	-	7,004,472	7,004,472	-
Transfers in	5,913,652	9,172,236	1,978,640	(7,193,596)
Transfers out	-	(44,842,436)	(2,848,578)	41,993,858
Total other financing sources	<u>13,186,246</u>	<u>15,923,422</u>	<u>50,723,684</u>	<u>34,800,262</u>
Net change in fund balances	<u>\$ (3,393,843)</u>	<u>\$ (7,847,954)</u>	41,781,062	<u>\$ 49,629,016</u>
Fund balances - beginning			<u>8,428,872</u>	
Fund balances - ending			<u>\$ 50,209,934</u>	

CITY OF BARTLETT, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EDUCATION CAPITAL FUND**

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 8,047,500	\$ 1,374,547	\$ (6,672,953)
EXPENDITURES:				
Capital outlay	-	74,102,671	8,253,692	65,848,979
Deficiency of revenues under expenditures	-	(66,055,171)	(6,879,145)	59,176,026
OTHER FINANCING SOURCES (USES)				
Transfers in	-	65,091,625	4,318,723	(60,772,902)
Total other financing sources	-	65,091,625	4,318,723	(60,772,902)
Net change in fund balances	<u>\$ -</u>	<u>\$ (963,546)</u>	(2,560,422)	<u>\$ (1,596,876)</u>
Fund balances - beginning			<u>1,220,097</u>	
Fund balances - ending			<u>\$ (1,340,325)</u>	



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

DEBT SERVICE FUND

Accounts for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs.

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sales taxes	\$ 3,378,400	\$ 3,378,400	\$ 3,202,743	\$ (175,657)
Interest on investments	-	-	316	316
Total revenues	3,378,400	3,378,400	3,203,059	(175,341)
EXPENDITURES:				
Debt Service				
Principal	3,885,500	3,885,500	3,885,500	-
Interest	1,636,781	1,741,781	1,720,067	21,714
Bond issuance costs	318,500	504,029	186,892	317,137
Total expenditures	5,840,781	6,131,310	5,792,459	338,851
Deficiency of revenues under expenditures	(2,462,381)	(2,752,910)	(2,589,400)	163,510
OTHER FINANCING SOURCES (USES)				
Refunding bonds	-	2,005,000	2,310,000	305,000
Premium on bond issue	-	319,415	14,416	(304,999)
Payments to escrow agent	-	(2,324,415)	(2,324,413)	2
Transfers in	5,218,000	6,108,529	5,754,209	(354,320)
Transfers out	-	-	-	-
Total other financing sources	5,218,000	6,108,529	5,754,212	(354,317)
Net change in fund balances	\$ 2,755,619	\$ 3,355,619	3,164,812	\$ (190,807)
Fund balances - beginning			166,973	
Fund balances - ending			\$ 3,331,785	

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for health insurance and worker's compensation services provided to the other departments of the City on a cost reimbursement basis. The Internal Service Funds include:

Health & Welfare Fund

Workmen's Compensation Fund

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2018

	Health and Welfare Fund	Workmen's Compensation Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,182,279	\$ 669,750	\$ 1,852,029
Total current assets	<u>1,182,279</u>	<u>669,750</u>	<u>1,852,029</u>
LIABILITIES			
Current liabilities:			
Accounts payable	291,483	18,800	310,283
Accrued payroll	26,678	-	26,678
Total current liabilities	<u>318,161</u>	<u>18,800</u>	<u>336,961</u>
NET POSITION			
Unrestricted	<u>\$ 864,118</u>	<u>\$ 650,950</u>	<u>\$ 1,515,068</u>

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2018

	Health and Welfare Fund	Workmen's Compensation Fund	Total
OPERATING REVENUES			
Charges for services	\$ 1,622,448	\$ 902,869	\$ 2,525,317
Interest income	147	81	228
City contributions	5,754,612	-	5,754,612
Total revenues	<u>7,377,207</u>	<u>902,950</u>	<u>8,280,157</u>
OPERATING EXPENSES:			
Administrative and general			
Workers' compensation claims	-	98,997	98,997
Insurance premiums	7,332,135	630,715	7,962,850
Professional services	10,000	-	10,000
Other expenses	2,324	-	2,324
Total operating expenses	<u>7,344,459</u>	<u>729,712</u>	<u>8,074,171</u>
Operating income	32,748	173,238	205,986
Fund balances - beginning	<u>831,370</u>	<u>477,712</u>	<u>1,309,082</u>
Fund balances - ending	<u>\$ 864,118</u>	<u>\$ 650,950</u>	<u>\$ 1,515,068</u>

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2018

	Health and Welfare Fund	Workmen's Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 7,377,207	\$ 902,950	\$ 8,280,157
Payments to suppliers	(7,299,019)	(715,030)	(8,014,049)
Net cash provided by (used for)	78,188	187,920	266,108
Net increase in cash and cash equivalents	78,188	187,920	266,108
Cash and cash equivalents - beginning	1,104,091	481,830	1,585,921
Cash and cash equivalents - ending	<u>\$ 1,182,279</u>	<u>\$ 669,750</u>	<u>\$ 1,852,029</u>
Reconciliation of operating income to net cash from operating activities			
Operating income (loss)	\$ 32,748	\$ 173,238	\$ 205,986
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Increase (decrease) in accounts payable	50,061	14,682	64,743
Increase (decrease) in accrued payroll	(4,621)	-	(4,621)
Net cash provided by (used for) operating activities	<u>\$ 78,188</u>	<u>\$ 187,920</u>	<u>\$ 266,108</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

FIDUCIARY FUNDS

Fiduciary Funds account for custodial activities of the City, in either a trust or agency capacity. The fiduciary funds of the City are:

Employee Retirement Plan - Fiduciary Fund
Contributory Retirement Plan - Fiduciary Fund
City OPEB Fund - Fiduciary Fund
School OPEB Fund - Fiduciary Fund

Bail Bond Fund - Agency Fund
Family Assistance Fund - Agency Fund
Jeanette Rainey Volunteer Fund - Agency Fund
School Activity Funds - Agency Funds

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2018

	Employee Retirement Plan	Contributory Retirement Plan	City OPEB Fund	School OPEB Fund	Total Pension and OPEB Trust Funds
ASSETS					
Cash and cash equivalents	\$ 597,324	\$ 83,654	\$ 491,890	\$ 45,691	\$ 1,218,559
Accounts receivable	3,283	-	-	-	3,283
Interest receivable	108,290	1,701	6,755	-	116,746
Investments, at fair value:					
Common stock	28,155	102,932	486,280	-	617,367
Mutual funds	75,339,095	1,007,499	4,530,396	2,238,891	83,115,881
Private real estate fund	2,559,438	-	-	-	2,559,438
Total investments	<u>77,926,688</u>	<u>1,110,431</u>	<u>5,016,676</u>	<u>2,238,891</u>	<u>86,292,686</u>
Total assets	<u>78,635,585</u>	<u>1,195,786</u>	<u>5,515,321</u>	<u>2,284,582</u>	<u>87,631,274</u>
LIABILITIES					
Accounts payable	57,421	13,393	6,221	-	77,035
Total liabilities	<u>57,421</u>	<u>13,393</u>	<u>6,221</u>	<u>-</u>	<u>77,035</u>
NET POSITION					
Restricted for pensions	78,578,164	1,182,393	-	-	79,760,557
Held in trust for OPEB benefits	-	-	5,509,100	2,284,582	7,793,682
Total net position	<u>\$ 78,578,164</u>	<u>\$ 1,182,393</u>	<u>\$ 5,509,100</u>	<u>\$ 2,284,582</u>	<u>\$ 87,554,239</u>

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2018

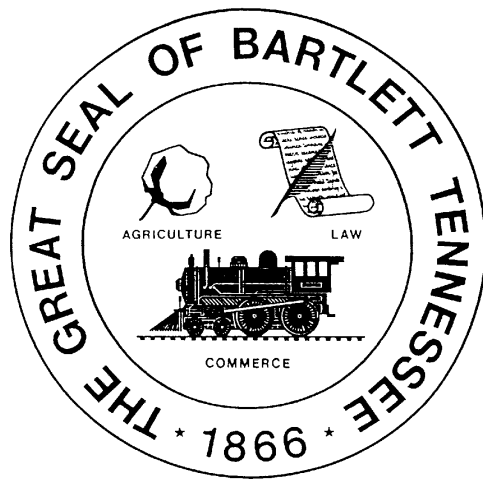
	Employee Retirement Plan	Contributory Retirement Plan	City OPEB Fund	School OPEB Fund	Total Pension and OPEB Trust Funds
ADDITIONS					
Contributions:					
Employer	\$ 3,477,162	\$ 299,953	\$ 1,308,590	\$ 710,993	\$ 5,796,698
Plan members	830,520	275,499	-	-	1,106,019
Total contributions	4,307,682	575,452	1,308,590	710,993	6,902,717
Investment earnings (losses):					
Interest and dividends	1,911,497	19,497	118,601	154,265	2,203,860
Net appreciation in fair value of investments	3,896,025	32,841	198,039	362	4,127,267
Total investment earnings	5,807,522	52,338	316,640	154,627	6,331,127
Total additions	10,115,204	627,790	1,625,230	865,620	13,233,844
DEDUCTIONS					
Benefits	4,227,179	44,771	-	210,993	4,482,943
Premiums	-	-	708,131	-	708,131
Administrative expense	328,680	9,423	46,352	6,838	391,293
Total deductions	4,555,859	54,194	754,483	217,831	5,582,367
Change in net position	5,559,345	573,596	870,747	647,789	7,651,477
Net position - beginning	73,018,819	608,797	4,638,353	1,636,793	79,902,762
Net position - end of the year	<u>\$ 78,578,164</u>	<u>\$ 1,182,393</u>	<u>\$ 5,509,100</u>	<u>\$ 2,284,582</u>	<u>\$ 87,554,239</u>

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2018

	Bail Bond Fund	Family Assistance Fund	J. Rainey Volunteer Fund	School Activity Fund	Total Funds
ASSETS					
Cash and cash equivalents	\$ 59,893	\$ 29,336	\$ 9,693	\$ 1,665,267	\$ 1,764,189
Inventory	-	-	-	30,828	30,828
Total assets	<u>\$ 59,893</u>	<u>\$ 29,336</u>	<u>\$ 9,693</u>	<u>\$ 1,696,095</u>	<u>\$ 1,795,017</u>
LIABILITIES					
Bail bonds payable	\$ 59,893	\$ -	\$ -	\$ -	\$ 59,893
Family assistance payable	-	29,336	-	-	29,336
J. Rainey volunteer fund payable	-	-	9,693	-	9,693
Due to student general fund	-	-	-	872,694	872,694
Due to student groups	-	-	-	823,401	823,401
Total liabilities	<u>\$ 59,893</u>	<u>\$ 29,336</u>	<u>\$ 9,693</u>	<u>\$ 1,696,095</u>	<u>\$ 1,795,017</u>

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2018

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Assets				
Bail Bond Fund				
Cash and cash equivalents	\$ 111,674	\$ 594,567	\$ (646,348)	\$ 59,893
Family Assistance Fund				
Cash and cash equivalents	34,479	43,983	(49,126)	29,336
Jeanette Rainey Volunteer Fund				
Cash and cash equivalents	9,693	-	-	9,693
School Activity Funds				
Cash	1,451,146	3,242,307	(3,028,186)	1,665,267
Inventory	26,481	94,430	(90,083)	30,828
	<u>\$ 1,633,473</u>	<u>\$ 3,975,287</u>	<u>\$ (3,813,743)</u>	<u>\$ 1,795,017</u>
Liabilities				
Bail Bond Fund				
Bail bonds payable	\$ 111,674	\$ 594,567	\$ (646,348)	\$ 59,893
Family Assistance Fund				
Family assistance payable	34,479	43,983	(49,126)	29,336
Jeanette Rainey Volunteer Fund				
Jeanette Rainey volunteer fund payable	9,693	-	-	9,693
School Activity Funds				
Due to student general fund	816,678	964,796	(908,780)	872,694
Due to student groups	660,949	2,330,743	(2,168,291)	823,401
	<u>\$ 1,633,473</u>	<u>\$ 3,934,089</u>	<u>\$ (3,772,545)</u>	<u>\$ 1,795,017</u>



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

SUPPORTING SCHEDULES

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BONDS AND NOTES PAYABLE - GOVERNMENTAL FUNDS
June 30, 2018

Fiscal Year	Series 2017 Bonds		Series 2016 Bonds		Series 2015 Bonds		Series 2013 Bonds		Series 2012 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 1,515,000	\$ 1,989,225	\$ 240,000	\$ 129,200	\$ 190,000	\$ 199,950	\$ 615,000	\$ 9,225	\$ 830,000	\$ 12,450
2020	1,605,000	1,911,225	245,000	123,150	200,000	194,150	95,000	1,425	855,000	12,825
2021	1,680,000	1,829,100	250,000	116,950	205,000	190,100	100,000	1,500	625,000	9,375
2022	1,760,000	1,743,100	255,000	110,650	205,000	186,000	105,000	1,575	640,000	9,600
2023	1,850,000	1,652,850	260,000	105,500	210,000	181,850	105,000	1,575	660,000	9,900
2024	1,830,000	1,560,850	380,000	99,100	215,000	175,450	110,000	1,650	690,000	6,900
2025	1,925,000	1,466,975	390,000	91,400	225,000	166,650	115,000	1,725	700,000	7,438
2026	2,030,000	1,368,100	400,000	83,500	235,000	157,450	115,000	-	715,000	8,044
2027	2,135,000	1,263,975	400,000	75,500	245,000	146,625	120,000	3,525	110,000	4,462
2028	2,235,000	1,154,725	415,000	67,350	255,000	134,125	125,000	-	115,000	7,500
2029	2,155,000	1,044,975	425,000	58,950	270,000	121,000	125,000	3,750	115,000	-
2030	2,270,000	934,350	430,000	50,400	280,000	107,250	130,000	2,113	120,000	-
2031	2,375,000	830,100	300,000	43,100	295,000	92,875	135,000	-	125,000	-
2032	2,470,000	733,200	305,000	37,050	310,000	77,750	140,000	4,812	125,000	-
2033	2,570,000	632,400	310,000	30,900	325,000	61,875	145,000	-	130,000	-
2034	2,680,000	527,400	320,000	24,600	340,000	45,250	150,000	5,347	-	-
2035	2,785,000	418,100	325,000	17,988	360,000	27,750	-	-	-	-
2036	2,895,000	304,500	330,000	11,028	375,000	9,375	-	-	-	-
2037	3,020,000	186,200	340,000	3,740	-	-	-	-	-	-
2038	3,145,000	62,900	-	-	-	-	-	-	-	-
	<u>\$ 44,930,000</u>	<u>\$ 21,614,250</u>	<u>\$ 6,320,000</u>	<u>\$ 1,280,055</u>	<u>\$ 4,740,000</u>	<u>\$ 2,275,475</u>	<u>\$ 2,430,000</u>	<u>\$ 38,222</u>	<u>\$ 6,555,000</u>	<u>\$ 88,494</u>

* This is a variable rate loan. Annual interest rate assumed is 1.51% which is based on the June 2018 interest rate.

(CONTINUED ON NEXT PAGE)

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BONDS AND NOTES PAYABLE - GOVERNMENTAL FUNDS
June 30, 2018

Fiscal Year	Series 2011 Bonds		Series 2010 Bonds		2008 Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest*	Principal	Interest
2019	\$ 325,000	\$ 29,894	\$ 720,000	\$ 74,213	\$ 64,000	13,364	\$ 4,499,000	\$ 2,457,521
2020	335,000	23,294	735,000	59,203	67,000	12,397	4,137,000	2,337,669
2021	335,000	15,756	745,000	42,547	70,000	11,385	4,010,000	2,216,713
2022	350,000	7,194	390,000	28,825	73,000	10,328	3,778,000	2,097,272
2023	55,000	2,131	245,000	20,734	76,000	9,226	3,461,000	1,983,766
2024	55,000	722	60,000	16,694	80,000	8,079	3,420,000	1,869,445
2025	-	-	65,000	14,894	83,000	6,871	3,503,000	1,755,953
2026	-	-	65,000	12,944	87,000	5,617	3,647,000	1,635,655
2027	-	-	70,000	10,875	91,000	4,304	3,171,000	1,509,266
2028	-	-	70,000	8,688	95,000	2,929	3,310,000	1,375,317
2029	-	-	75,000	6,375	99,000	1,495	3,264,000	1,236,545
2030	-	-	75,000	3,891	-	-	3,305,000	1,098,004
2031	-	-	75,000	1,313	-	-	3,305,000	967,388
2032	-	-	-	-	-	-	3,350,000	852,812
2033	-	-	-	-	-	-	3,480,000	725,175
2034	-	-	-	-	-	-	3,490,000	602,597
2035	-	-	-	-	-	-	3,470,000	463,838
2036	-	-	-	-	-	-	3,600,000	324,903
2037	-	-	-	-	-	-	3,360,000	189,940
2038	-	-	-	-	-	-	3,145,000	62,900
	<u>\$ 1,455,000</u>	<u>\$ 78,991</u>	<u>\$ 3,390,000</u>	<u>\$ 301,196</u>	<u>\$ 885,000</u>	<u>\$ 85,995</u>	<u>\$ 70,705,000</u>	<u>\$ 25,762,678</u>

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
CAPITAL OUTLAY NOTES - GOVERNMENTAL FUNDS
June 30, 2018

Fiscal Year	2012 Capital Note		2013 Capital Note		2014 Capital Note		2015 Capital Note		2016 Capital Note		2017 Capital Note		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$192,000	\$ 6,906	\$113,000	\$ 6,165	\$ 149,000	\$ 11,837	\$ 149,000	\$ 14,240	\$ 155,000	\$ 17,470	\$ 258,150	\$ 42,874	\$ 1,016,150	\$ 99,492
2020	196,000	3,488	115,000	4,738	152,000	8,541	152,000	11,185	158,000	14,434	269,000	36,732	1,042,000	79,118
2021	-	-	118,000	1,257	155,000	5,179	155,000	8,079	161,000	11,339	275,000	30,395	864,000	56,249
2022	-	-	-	-	159,000	1,741	158,000	4,892	165,000	8,177	282,000	23,906	764,000	38,716
2023	-	-	-	-	-	-	162,000	1,644	168,000	4,947	288,000	17,265	618,000	23,856
2024	-	-	-	-	-	-	-	-	171,000	1,659	295,000	10,473	466,000	12,132
2025	-	-	-	-	-	-	-	-	-	-	302,000	3,518	302,000	3,518
2026	<u>\$388,000</u>	<u>\$10,394</u>	<u>\$346,000</u>	<u>\$12,160</u>	<u>\$ 615,000</u>	<u>\$ 27,298</u>	<u>\$ 776,000</u>	<u>\$ 40,040</u>	<u>\$ 978,000</u>	<u>\$ 58,026</u>	<u>\$1,969,150</u>	<u>\$165,163</u>	<u>\$5,072,150</u>	<u>\$313,081</u>

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BARTLETT CITY BOARD OF EDUCATION LONG-TERM DEBT - GOVERNMENTAL FUNDS
June 30, 2018

Fiscal Year	2015 Capital Lease		2016 Capital Lease		2017 Capital Lease		2018 Capital Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 620,043	\$ 9,709	\$ 362,220	\$ 11,942	\$ 274,644	\$ 7,486	\$ 1,266,459	\$ 11,322	\$ 2,523,366	\$ 40,459
2020	-	-	368,142	6,019	277,116	5,013	1,243,761	33,888	1,889,019	44,920
2021	-	-	-	-	279,607	2,519	1,255,001	22,693	1,534,608	25,212
2022	-	-	-	-	-	-	1,266,636	11,398	1,266,636	11,398
	<u>\$ 620,043</u>	<u>\$ 9,709</u>	<u>\$ 730,362</u>	<u>\$ 17,961</u>	<u>\$ 831,367</u>	<u>\$ 15,018</u>	<u>\$ 5,031,857</u>	<u>\$ 79,301</u>	<u>\$ 7,213,629</u>	<u>\$ 121,989</u>

Fiscal Year	Shelby County Settlement Obligation		
	Principal	Interest	Total
2019	\$ 501,641	\$ 106,552	\$ 608,193
2020	513,865	94,328	608,193
2021	526,387	81,806	608,193
2022	539,214	68,979	608,193
2023	552,354	55,839	608,193
2024	565,814	42,379	608,193
2025	579,601	28,592	608,193
2026	593,726	14,467	608,193
	<u>\$ 4,372,602</u>	<u>\$ 492,942</u>	<u>\$ 4,865,544</u>

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BONDS AND NOTE PAYABLE - WATER AND SEWER FUND
June 30, 2018

Fiscal Year	Series 2013 Bonds		Series 2012 Bonds		Series 2011 Bonds		Series 2010 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 190,000	\$ 38,446	\$ 235,000	\$ 65,631	\$ 225,000	\$ 30,063	\$ 295,000	\$ 27,419
2020	60,000	34,696	240,000	58,506	230,000	25,513	305,000	21,228
2021	60,000	32,896	250,000	51,156	230,000	20,913	310,000	14,306
2022	65,000	31,021	260,000	43,506	235,000	15,675	320,000	6,625
2023	65,000	29,071	265,000	35,631	240,000	9,738	100,000	1,313
2024	65,000	27,121	265,000	29,006	245,000	3,369	-	-
2025	70,000	25,096	275,000	23,434	-	-	-	-
2026	-	22,996	285,000	17,306	-	-	-	-
2027	-	20,896	65,000	13,247	-	-	-	-
2028	215,000	18,721	65,000	11,541	-	-	-	-
2029	-	16,321	70,000	9,769	-	-	-	-
2030	-	13,686	70,000	7,800	-	-	-	-
2031	235,000	10,966	75,000	5,625	-	-	-	-
2032	-	8,066	75,000	3,375	-	-	-	-
2033	-	4,894	75,000	1,125	-	-	-	-
2034	265,000	1,631	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
	<u>\$ 1,290,000</u>	<u>\$ 336,524</u>	<u>\$ 2,570,000</u>	<u>\$ 376,658</u>	<u>\$ 1,405,000</u>	<u>\$ 105,271</u>	<u>\$ 1,330,000</u>	<u>\$ 70,891</u>

* This is a variable rate loan. Annual interest rate assumed is 1.51% which is based on the June 2018 interest rate.

(CONTINUED ON NEXT PAGE)

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BONDS AND NOTE PAYABLE - WATER AND SEWER FUND
June 30, 2018

Fiscal Year	Series 2009 Bonds		Series 2007 Bonds		2008 Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest*	Principal	Interest
2019	\$ 45,000	\$ 22,948	\$ 50,000	\$ 24,320	\$ 47,000	\$ 9,906	\$ 1,087,000	\$ 218,733
2020	45,000	21,732	50,000	22,270	50,000	9,196	980,000	193,141
2021	45,000	20,382	55,000	20,091	52,000	8,441	1,002,000	168,185
2022	50,000	18,965	55,000	17,809	54,000	7,656	1,039,000	141,257
2023	50,000	17,315	60,000	15,423	57,000	6,840	837,000	115,331
2024	50,000	15,590	60,000	12,933	59,000	5,980	744,000	93,999
2025	55,000	13,815	65,000	10,306	62,000	5,089	527,000	77,740
2026	55,000	11,808	65,000	7,544	64,000	4,153	469,000	63,807
2027	60,000	9,745	70,000	4,675	67,000	3,186	262,000	51,749
2028	60,000	7,435	75,000	1,594	70,000	2,174	485,000	41,465
2029	60,000	5,065	-	-	74,000	1,117	204,000	32,272
2030	65,000	2,665	-	-	-	-	135,000	24,151
2031	-	-	-	-	-	-	310,000	16,591
2032	-	-	-	-	-	-	75,000	11,441
2033	-	-	-	-	-	-	75,000	6,019
2034	-	-	-	-	-	-	265,000	1,631
2035	-	-	-	-	-	-	-	-
	<u>\$ 640,000</u>	<u>\$ 167,465</u>	<u>\$ 605,000</u>	<u>\$ 136,965</u>	<u>\$ 656,000</u>	<u>\$ 63,738</u>	<u>\$ 8,496,000</u>	<u>\$ 1,257,512</u>

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE - GENERAL FUND
For the Year Ended June 30, 2018

	Total	2018	Prior Years										
			2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007 & Prior
Property taxes receivable - beginning of year	\$ 24,138,003	\$ -	\$23,595,417	\$307,722	\$91,168	\$45,646	\$32,506	\$19,962	\$16,312	\$9,607	\$7,353	\$4,372	\$7,938
Add:													
Tax levied:	24,348,694	\$24,348,694	-	-	-	-	-	-	-	-	-	-	-
Adjustments	810,122	-	786,248	23,095	916	2,001	-	(24)	(2,092)	(22)	-	-	-
Total Additions	<u>25,158,816</u>	<u>\$24,348,694</u>	<u>786,248</u>	<u>23,095</u>	<u>916</u>	<u>2,001</u>	<u>-</u>	<u>(24)</u>	<u>(2,092)</u>	<u>(22)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deduct:													
Collections - Net of Refunds	(24,345,830)	-	(24,034,077)	(247,836)	(45,109)	(10,144)	(5,127)	(2,176)	(793)	(230)	(61)	(54)	(223)
Releases	(1,353)	-	-	-	-	-	-	-	-	-	-	-	(1,353)
Total Deductions	<u>(24,347,183)</u>	<u>-</u>	<u>(24,034,077)</u>	<u>(247,836)</u>	<u>(45,109)</u>	<u>(10,144)</u>	<u>(5,127)</u>	<u>(2,176)</u>	<u>(793)</u>	<u>(230)</u>	<u>(61)</u>	<u>(54)</u>	<u>(1,576)</u>
Property taxes receivable - end of year	24,949,636	24,348,694	\$347,588	82,981	46,975	37,503	27,379	17,762	13,427	9,355	7,292	\$4,318	\$6,362
Less: Allowance for uncollectibles	(610,699)	(486,974)	(25,712)	(13,590)	(11,218)	(17,849)	(16,244)	(10,597)	(8,798)	(5,463)	(4,456)	(3,597)	(6,201)
Property taxes receivable, net	<u>\$ 24,338,937</u>	<u>\$ 23,861,720</u>	<u>\$ 321,876</u>	<u>\$ 69,391</u>	<u>\$ 35,757</u>	<u>\$ 19,654</u>	<u>\$ 11,135</u>	<u>\$ 7,165</u>	<u>\$ 4,629</u>	<u>\$ 3,892</u>	<u>\$ 2,836</u>	<u>\$ 721</u>	<u>\$ 161</u>

Delinquent Taxes

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 BONDS OF PRINCIPAL OFFICIALS
June 30, 2018

Amount of Bond/Issuance*

* Employees are covered under the City's insurance policy for dishonesty, forgery, alterations, theft, disappearance or destruction, and computer fraud for \$500,000, subject to a \$1,000 deductible.

Mayor

A. Keith McDonald

Six Aldermen (each)*

Jack Young

W.C. (Bubba) Pleasant

David Parsons

Emily Elliott

Bobby Simmons

Paula Sedgwick

City Administrative Officer*

Mark Brown

City Attorney

Ed McKenney, Jr.

City Clerk

Stefanie McGee

Director of Community Relations

Debbie Gelineau

Finance Director & CMFOA Designee

Dick Phebus

Court Clerk

Bill Lloyd

Director of Personnel

Ted Archdeacon

Director of Planning and Economic Development

Kim Taylor

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

Rick McClanahan

Director of Parks and Recreation

Shan Criswell

Director of Performing Arts Center

Michael Bollinger

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF UTILITY RATE STRUCTURE AND NUMBER OF CUSTOMERS
June 30, 2018

As of June 30, 2018, City of Bartlett, Tennessee served approximately 21,431 water customers and 20,215 sewer customers and had the following rate structure in place:

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	\$ 5.80	\$ -	First 2,000 gallons	\$ 6.19	\$ -
Over 2,000 gallons/1,000 gal.	-	1.800	Over 2,000 gallons/1,000 gal.	-	1.640
					-
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	\$ 8.70	\$ -	First 2,000 gallons	\$ 9.09	\$ -
Over 2,000 gallons/1,000 gal.	-	2.700	Over 2,000 gallons/1,000 gal.	-	1.790
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	\$ 10.88	\$ -	First 2,000 gallons	\$ 14.89	\$ -
Over 2,000 gallons/1,000 gal.	-	2.100	Over 2,000 gallons/1,000 gal.	-	1.790
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	\$ 15.59	\$ -	First 2,000 gallons	\$ 22.14	\$ -
Over 2,000 gallons/1,000 gal.	-	3.150	Over 2,000 gallons/1,000 gal.	-	1.930

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF UNACCOUNTED FOR WATER

For the Year Ended June 30, 2018



AWWA Free Water Audit Software:
Reporting Worksheet

WAS v5.0
American Water Works Association

? Click to access definition

+ Click to add a comment

Water Audit Report for: **City of Bartlett (0000765)**
 Reporting Year: **2018** 7/2017 - 6/2018

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

WATER SUPPLIED

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

	+	?	8		+	?	7	
Volume from own sources:				2,001.350				MG/Yr
Water imported:				0.000				MG/Yr
Water exported:				0.000				MG/Yr

WATER SUPPLIED:

2,001.350

MG/Yr

Master Meter and Supply Error Adjustments

Enter negative % or value for under-registration
Enter positive % or value for over-registration

Pcnt:		Value:	
	☐ ☒ ☐ ☐	-6.201	MG/Yr
	☐ ☒ ☐ ☐		MG/Yr
	☐ ☒ ☐ ☐		MG/Yr

AUTHORIZED CONSUMPTION

Billed metered:	+	?	9	1,754.001	MG/Yr
Billed unmetered:	+	?	9	0.000	MG/Yr
Unbilled metered:	+	?	9	54.866	MG/Yr
Unbilled unmetered:	+	?	4	32.547	MG/Yr

Unbilled Unmetered volume entered is greater than the recommended default value

AUTHORIZED CONSUMPTION:

1,841.414

MG/Yr

Click here: ? for help using option buttons below

Use buttons to select percentage of water supplied OR value

Pcnt:		Value:	
1.25%	☐ ☒ ☐ ☐	32.547	MG/Yr
	☐ ☒ ☐ ☐		MG/Yr
	☐ ☒ ☐ ☐		MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption)

159.936

MG/Yr

Apparent Losses

Unauthorized consumption:	+	?	5.003	MG/Yr
---------------------------	---	---	-------	-------

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	+	?	9	18.271	MG/Yr
Systematic data handling errors:	+	?	5	4.385	MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses:

27.660

MG/Yr

Pcnt:		Value:	
0.25%	☐ ☒ ☐ ☐		MG/Yr
	☐ ☒ ☐ ☐		MG/Yr
	☐ ☒ ☐ ☐		MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses:

132.276

MG/Yr

WATER LOSSES:

159.936

MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER:

247.349

MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+	?	9	369.5	miles
Number of active AND inactive service connections:	+	?	9	21,899	
Service connection density:	?			59	conn./mile main

Are customer meters typically located at the curbside or property line? Yes (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line: ?

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: ? 7 68.0 psi

COST DATA

Total annual cost of operating water system:	+	?	10	\$5,468,558	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+	?	8	\$2.24	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+	?	9	\$459.68	\$/Million gallons u

*** YOUR SCORE IS: 82 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Volume from own sources

2: Unauthorized consumption

3: Systematic data handling errors

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF UNACCOUNTED FOR WATER (CONTINUED)
For the Year Ended June 30, 2018

AWWA Free Water Audit Software:		
Water Audit Report for:	City of Bartlett (0000765)	
Reporting Year:	2018	7/2017 - 6/2018
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 82 out of 100 ***		
System Attributes:		
Apparent Losses:	27.660	MG/Yr
+ Real Losses:	132.276	MG/Yr
= Water Losses:	159.936	MG/Yr
Unavoidable Annual Real Losses (UARL):	131.15	MG/Yr
Annual cost of Apparent Losses:	\$61,958	
Annual cost of Real Losses:	\$60,805	Valued at Variable Production Cost
		Return to Reporting Worksheet to change this assumption
Performance Indicators:		
Non-revenue water as percent by volume of Water Supplied:	12.4%	
Non-revenue water as percent by cost of operating system:	3.0%	Real Losses valued at Variable Production Cost
Apparent Losses per service connection per day:	3.46	gallons/connection/day
Real Losses per service connection per day:	16.55	gallons/connection/day
Real Losses per length of main per day*:	N/A	
Real Losses per service connection per day per psi pressure:	0.24	gallons/connection/day/psi
From Above, Real Losses = Current Annual Real Losses (CARL):	132.28	million gallons/year
Infrastructure Leakage Index (ILI) [CARL/UARL]:	1.01	
* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline		

STATISTICAL SECTION

CITY OF BARTLETT, TENNESSEE
STATISTICAL INFORMATION SECTION
For the Year Ended June 30, 2018

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.

<u>Contents</u>	<u>Page</u>
Financial Trends	145
These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.	
Revenue Capacity	151
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	158
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.	
Demographic and Economic Information	163
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.	
Operating Information	166
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.	

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; schedules presenting government-wide information generally include the 10-year period 2008-2017.

CITY OF BARTLETT, TENNESSEE
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Government activities										
Net Investment in Capital Assets	\$ 99,381,535	\$ 97,005,354	\$ 87,234,488	\$ 93,659,549	\$ 98,790,350	\$ 266,223,904	\$ 265,573,498	\$ 263,277,473	\$ 268,541,209	\$ 250,600,800
Restricted for:										
Debt Service	490,192	411,309	580,372	952,372	904,127	-	-	-	-	-
Streets	2,197,575	2,045,558	570,891	803,065	1,088,408	739,690	960,632	435,923	-	370,073
Park improvements	-	-	706,523	665,100	665,100	-	-	-	-	-
Capital projects	-	-	-	-	-	7,396,522	4,941,960	-	-	-
DEA task force	-	-	-	-	-	423,553	405,430	263,386	313,367	-
Drug enforcement	-	-	449,086	585,392	598,242	492,275	491,661	451,216	490,096	760,682
Education	-	-	-	-	-	-	-	-	349,026	475,938
Solid waste	-	-	-	-	-	-	-	-	1,245,982	1,086,301
Net pension asset	-	-	-	-	-	-	-	-	155,906	835,406
Other purposes	-	-	235,451	321,684	337,328	16,199	-	349,874	19,218	22,640
Unrestricted	22,834,414	16,152,717	20,914,652	12,119,658	4,698,411	(1,300,457)	(5,472,307)	6,566,878	10,480,458	12,564,491
Total government activities net position	<u>\$ 124,903,716</u>	<u>\$ 115,614,938</u>	<u>\$ 110,691,463</u>	<u>\$ 109,106,820</u>	<u>\$ 107,081,966</u>	<u>\$ 273,991,686</u>	<u>\$ 266,900,874</u>	<u>\$ 271,344,750</u>	<u>\$ 281,595,262</u>	<u>\$ 266,716,331</u>
Business-type activities										
Net Investment in Capital Assets	\$ 57,703,738	\$ 57,110,451	\$ 56,092,212	\$ 58,771,208	\$ 58,727,263	\$ 57,051,033	\$ 57,658,219	\$ 57,533,711	\$ 57,820,422	\$ 58,717,586
Restricted - Capital projects	-	-	-	-	-	2,621,366	1,965,536	-	-	-
Unrestricted	8,380,713	7,081,221	7,544,300	6,458,394	7,274,487	6,932,427	6,723,957	9,253,333	9,538,284	8,700,754
Total business-type activities net position	<u>\$ 66,084,451</u>	<u>\$ 64,191,672</u>	<u>\$ 63,636,512</u>	<u>\$ 65,229,602</u>	<u>\$ 66,001,750</u>	<u>\$ 66,604,826</u>	<u>\$ 66,347,712</u>	<u>\$ 66,787,044</u>	<u>\$ 67,358,706</u>	<u>\$ 67,418,340</u>
Primary government										
Net Investment in Capital Assets	\$ 157,085,273	\$ 154,115,805	\$ 143,326,700	\$ 152,430,757	\$ 157,517,613	\$ 323,274,937	\$ 323,231,717	\$ 320,811,184	\$ 326,361,631	\$ 309,318,386
Restricted for:										
Debt Service	490,192	411,309	580,372	952,372	904,127	-	-	-	-	-
Streets	2,197,575	2,045,558	570,891	803,065	1,088,408	739,690	960,632	435,923	-	370,073
Park improvements	-	-	706,523	665,100	665,100	-	-	-	-	-
Capital projects	-	-	-	-	-	10,017,888	6,907,496	-	-	-
DEA task force	-	-	-	-	-	423,553	405,430	263,386	313,367	-
Drug enforcement	-	-	449,086	585,392	598,242	492,275	491,661	451,216	490,096	760,682
Education	-	-	-	-	-	-	-	-	349,026	475,938
Solid waste	-	-	-	-	-	-	-	-	1,245,982	1,086,301
Net pension asset	-	-	-	-	-	-	-	-	155,906	835,406
Other purposes	-	-	235,451	321,684	337,328	16,199	-	349,874	19,218	22,640
Unrestricted	31,215,127	23,233,938	28,458,952	18,578,052	11,972,898	5,631,970	1,251,650	15,820,211	20,018,742	21,265,245
Total primary government net position	<u>\$ 190,988,167</u>	<u>\$ 179,806,610</u>	<u>\$ 174,327,975</u>	<u>\$ 174,336,422</u>	<u>\$ 173,083,716</u>	<u>\$ 340,596,512</u>	<u>\$ 333,248,586</u>	<u>\$ 338,131,794</u>	<u>\$ 348,953,968</u>	<u>\$ 334,134,671</u>

CITY OF BARTLETT, TENNESSEE
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 6,881,987	\$ 7,711,577	\$ 7,016,910	\$ 7,508,236	\$ 7,544,128	\$ 7,751,978	\$ 8,194,427	\$ 8,945,508	\$8,175,577	\$8,145,735
Public safety	22,891,377	26,256,730	24,532,698	25,841,866	24,315,277	28,251,298	27,217,650	28,907,473	29,948,247	30,569,645
Public works	14,742,339	14,432,134	15,767,322	15,148,440	18,568,846	14,394,975	15,190,501	17,226,976	16,123,280	20,016,316
Parks and recreation	4,091,798	4,246,207	4,319,311	4,369,653	3,899,743	3,950,132	4,277,840	4,603,219	4,668,957	5,019,903
Performing arts center	543,258	630,035	773,715	597,215	584,528	660,053	645,051	705,416	725,909	809,318
Recreation center	1,740,618	1,820,873	1,718,237	1,752,728	1,596,531	1,637,281	1,618,553	1,808,051	1,680,898	1,680,269
Education	-	-	-	-	-	7,795,442	69,978,551	77,495,002	76,913,672	85,294,993
Interest on long-term debt	1,012,600	976,084	927,525	757,919	1,119,654	852,897	894,813	1,118,293	1,227,153	2,556,020
Total government activities expenses	<u>51,903,977</u>	<u>56,073,640</u>	<u>55,055,718</u>	<u>55,976,057</u>	<u>57,628,707</u>	<u>65,294,056</u>	<u>128,017,386</u>	<u>140,809,938</u>	<u>139,463,693</u>	<u>154,092,199</u>
Business-type activities:										
Water and sewer	7,217,654	7,875,448	7,275,464	7,508,717	7,614,786	7,407,082	7,694,263	7,860,001	8,449,758	8,775,729
Total primary government expenses	<u>\$ 59,121,631</u>	<u>\$ 63,949,088</u>	<u>\$ 62,331,182</u>	<u>\$ 63,484,774</u>	<u>\$ 65,243,493</u>	<u>\$ 72,701,138</u>	<u>\$ 135,711,649</u>	<u>\$ 148,669,939</u>	<u>\$ 147,913,451</u>	<u>\$162,867,928</u>
Program Revenues										
Governmental activities:										
General government	\$ 3,695,591	\$ 3,719,823	\$ 2,987,511	\$ 3,368,184	\$ 3,378,393	\$ 3,266,878	\$ 3,253,548	\$ 3,196,065	\$ 5,673,793	\$ 5,611,778
Public safety	1,568,950	1,689,385	1,660,752	1,695,470	1,608,651	1,819,317	2,247,713	2,758,987	1,474,601	1,519,032
Public works	6,130,611	5,942,462	5,942,888	5,872,537	6,152,226	7,280,921	9,595,679	8,071,894	6,784,396	6,860,716
Parks and recreation	993,003	935,433	966,105	927,648	916,375	884,942	912,682	934,943	862,264	876,015
Performing arts center	250,636	278,161	267,997	274,638	262,696	289,071	288,091	193,275	174,851	256,352
Recreation center	1,827,796	1,669,614	1,588,369	1,532,690	1,552,083	1,485,382	1,460,396	1,501,587	1,579,736	1,657,507
Education	-	-	-	-	-	-	777,380	3,010,331	2,821,738	2,714,048
Operating grants and contributions	1,941,514	1,193,165	3,070,185	3,349,489	3,274,028	2,758,332	44,118,649	48,287,720	51,833,703	54,494,403
Capital grants and contributions	870,185	168,069	337,368	559,499	526,768	174,543,318	-	2,535,261	1,415,217	4,303,482
Total government activities revenues	<u>17,278,286</u>	<u>15,596,112</u>	<u>16,821,175</u>	<u>17,580,155</u>	<u>17,671,220</u>	<u>192,328,161</u>	<u>62,654,138</u>	<u>70,490,063</u>	<u>72,620,299</u>	<u>78,293,333</u>
Business-type activities:										
Water and sewer	6,141,851	6,039,052	6,294,620	8,745,547	8,432,753	8,374,269	8,294,446	8,329,734	8,416,266	8,309,887
Operating grants and contributions	590,610	195,843	233,559	138,595	39,801	41,903	25,090	7,078	-	-
Capital grants and contributions	-	-	462,965	482,843	185,720	184,388	715,368	517,727	1,108,091	530,163
Total business-type activities revenues	<u>6,732,461</u>	<u>6,234,895</u>	<u>6,991,144</u>	<u>9,366,985</u>	<u>8,658,274</u>	<u>8,600,560</u>	<u>9,034,904</u>	<u>8,854,539</u>	<u>9,524,357</u>	<u>8,840,050</u>
Total primary government program revenues	<u>\$ 24,010,747</u>	<u>\$ 21,831,007</u>	<u>\$ 23,812,319</u>	<u>\$ 26,947,140</u>	<u>\$ 26,329,494</u>	<u>\$ 200,928,721</u>	<u>\$ 71,689,042</u>	<u>\$ 79,344,602</u>	<u>\$ 82,144,656</u>	<u>\$ 87,133,383</u>
Net (expense)/revenue										
Governmental activities	\$ (34,625,691)	\$ (40,477,528)	\$ (38,234,543)	\$ (38,395,902)	\$ (39,957,487)	\$ 127,034,105	\$ (65,363,248)	\$ (70,319,875)	(66,843,394)	(75,798,866)
Business-type activities	(485,193)	(1,640,553)	(284,320)	1,858,268	1,043,488	1,193,478	1,340,641	994,538	1,074,599	64,321
Total primary government net expense	<u>\$ (35,110,884)</u>	<u>\$ (42,118,081)</u>	<u>\$ (38,518,863)</u>	<u>\$ (36,537,634)</u>	<u>\$ (38,913,999)</u>	<u>\$ 128,227,583</u>	<u>\$ (64,022,607)</u>	<u>\$ (69,325,337)</u>	<u>\$ (65,768,795)</u>	<u>(75,734,545)</u>

(Continued on next page)

CITY OF BARTLETT, TENNESSEE
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 17,570,811	\$ 18,083,999	\$ 17,819,265	\$ 17,781,386	\$ 18,103,072	\$ 19,151,409	\$ 40,991,528	\$ 41,285,648	\$ 43,589,225	\$ 50,313,613
Local sales taxes	10,362,031	10,240,841	10,583,911	11,288,513	14,231,775	15,356,572	23,933,578	23,068,693	23,469,320	27,056,566
Intergovernmental/unrestricted	4,050,633	5,246,434	4,072,733	4,691,816	4,731,793	4,957,503	5,588,354	9,073,388	9,147,026	6,233,732
Interest on investments	229,974	83,058	108,663	95,808	73,821	36,503	29,213	30,646	64,163	559,590
Gain (Loss) on sale of assets	22,051	18,301	-	-	-	28,391	22,372	(111,182)	62,065	59,379
Other	396,481	462,593	422,661	1,964,827	500,009	350,473	505,241	114,923	199,262	496,291
Transfers	321,033	300,184	303,835	296,566	292,163	308,367	605,061	571,666	562,842	-
Total government activities	<u>32,953,014</u>	<u>34,435,410</u>	<u>33,311,068</u>	<u>36,118,916</u>	<u>37,932,633</u>	<u>40,189,218</u>	<u>71,675,347</u>	<u>74,033,782</u>	<u>77,093,903</u>	<u>84,719,171</u>
Business-type activities:										
Interest on investments	97,117	45,045	32,995	25,379	20,823	11,881	5,170	9,822	19,950	42,409
Gain (Loss) on sale of assets	-	-	-	-	-	-	-	-	-	8,255
Other	1,016	2,913	-	6,009	-	-	1,987	6,638	39,955	52,815
Transfers	(321,033)	(300,184)	(303,835)	(296,566)	(292,163)	(308,367)	(605,061)	(571,666)	(562,842)	-
Total primary government	<u>\$ 32,730,114</u>	<u>\$ 34,183,184</u>	<u>\$ 33,040,228</u>	<u>\$ 35,853,738</u>	<u>\$ 37,661,293</u>	<u>\$ 39,892,732</u>	<u>\$ 71,077,443</u>	<u>\$ 73,478,576</u>	<u>\$ 76,590,966</u>	<u>\$ 84,822,650</u>
Change in Net Position										
Governmental activities	(1,672,677)	(6,042,118)	(4,923,475)	(2,276,986)	(2,024,854)	167,223,323	6,312,099	3,713,907	10,250,509	8,920,305
Business-type activities	(708,093)	(1,892,779)	(555,160)	1,593,090	772,148	896,992	742,737	439,332	571,662	167,800
Total primary government	<u>\$ (2,380,770)</u>	<u>\$ (7,934,897)</u>	<u>\$ (5,478,635)</u>	<u>\$ (683,896)</u>	<u>\$ (1,252,706)</u>	<u>\$ 168,120,315</u>	<u>\$ 7,054,836</u>	<u>\$ 4,153,239</u>	<u>\$ 10,822,171</u>	<u>\$ 9,088,105</u>

CITY OF BARTLETT, TENNESSEE
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved	\$ 463,388	\$ 403,937	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	14,993,801	16,082,051	-	-	-	-	-	-	-	-
Nonspendable	-	-	213,718	187,260	207,569	249,296	228,952	206,905	217,498	232,020
Restricted	-	-	-	-	14,664	16,199	17,332	18,651	19,215	22,640
Committed	-	-	-	1,100,000	1,000,000	1,000,000	1,756,561	1,000,000	1,000,000	11,852,220
Assigned	-	-	1,777,509	797,474	905,070	211,416	161,226	76,021	164,577	71,397
Unassigned	-	-	15,684,006	16,655,499	21,768,560	24,211,101	26,496,930	27,562,053	27,106,310	17,203,993
Total General Fund	\$ 15,457,189	\$ 16,485,988	\$ 17,675,233	\$ 18,740,233	\$ 23,895,863	\$ 25,688,012	\$ 28,661,001	\$ 28,863,630	\$ 28,507,600	\$ 29,382,270
All other governmental funds										
Reserved	\$ 4,462,446	\$ 3,208,614	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,432,421	1,981,071	-	-	-	-	-	-	-	-
Solid waste fund	549,162	999,772	-	-	-	-	-	-	-	-
Capital projects fund	2,553,729	5,078,724	-	-	-	-	-	-	-	-
Nonspendable	-	-	3,500	-	-	-	100,013	163,796	130,691	174,130
Restricted	-	-	8,142,957	6,047,897	6,986,500	9,052,040	13,117,429	24,033,178	8,401,362	50,607,361
Committed	-	-	1,072,950	1,523,263	904,127	671,538	560,760	462,835	1,387,070	3,331,785
Assigned	-	-	3,362,502	7,055,831	7,252,608	5,699,177	5,650,519	6,771,591	28,428,320	36,218,342
Unassigned	-	-	(21,503)	(17,422)	-	-	-	-	-	(1,340,325)
Total all other governmental funds	\$ 9,997,758	\$ 11,268,181	\$ 12,560,406	\$ 14,609,569	\$ 15,143,235	\$ 15,422,755	\$ 19,428,721	\$ 31,431,400	\$ 38,347,443	\$ 88,991,293
Total governmental funds	\$ 25,454,947	\$ 27,754,169	\$ 30,235,639	\$ 33,349,802	\$ 39,039,098	\$ 41,110,767	\$ 48,089,722	\$ 60,295,030	\$ 66,855,043	\$ 118,373,563

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
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes										
Property taxes	\$ 17,214,579	\$ 17,963,040	\$ 17,976,858	\$ 17,767,922	\$ 18,441,025	\$ 19,156,626	\$ 41,047,854	\$ 41,565,572	\$ 43,204,199	\$ 50,134,500
Local sales taxes	10,362,031	10,240,841	10,491,343	11,288,513	14,231,775	15,356,572	23,933,578	26,337,729	26,413,821	27,076,383
Intergovernmental	5,389,404	5,246,434	5,550,454	6,296,770	6,326,051	6,477,269	43,537,763	45,630,720	50,461,687	53,184,881
Licenses and permits	1,425,783	1,479,812	1,512,694	1,532,178	1,477,028	1,591,717	1,705,373	1,698,105	1,842,422	1,755,785
Charges for services	9,912,159	9,636,103	9,499,172	9,329,329	9,563,056	10,679,567	12,901,463	13,685,642	13,682,211	13,883,567
Fines, forfeitures and penalties	2,057,354	1,987,336	1,827,808	1,932,544	1,934,970	1,767,846	1,618,173	1,480,555	2,012,189	2,153,179
Federal and state grants	224,465	777,551	2,051,424	2,175,900	1,703,270	1,205,191	6,188,421	8,294,670	8,824,724	9,858,401
Donations	21,528	15,715	13,226	12,400	14,670	23,366	33,570	111,776	81,784	43,990
Interest on investments	220,482	82,278	106,933	95,772	73,814	36,503	29,213	30,646	64,163	559,590
Program income	-	-	-	-	-	-	505,241	442,421	-	-
Other	396,481	462,593	339,138	1,897,652	495,267	350,473	575,805	2,558,994	199,262	496,291
Total revenues	<u>47,224,266</u>	<u>47,891,703</u>	<u>49,369,050</u>	<u>52,328,980</u>	<u>54,260,926</u>	<u>56,645,130</u>	<u>132,076,454</u>	<u>141,836,830</u>	<u>146,786,462</u>	<u>159,146,567</u>
Expenditures										
General government	5,992,322	6,314,723	5,921,099	6,360,953	6,871,755	7,259,574	7,083,713	7,348,641	7,152,839	7,498,620
Public safety	20,399,914	21,050,533	21,504,877	22,191,861	22,878,768	23,573,426	23,858,657	24,292,717	25,647,257	27,044,069
Public works	11,501,238	10,481,199	12,242,078	10,569,373	12,252,056	12,162,351	12,141,119	13,943,561	13,591,579	14,161,150
Parks and recreation	3,834,751	3,298,906	3,554,826	3,381,304	3,297,743	3,445,809	3,578,079	3,761,631	3,870,934	4,055,658
Performing arts center	539,899	579,361	562,989	558,610	543,778	622,298	546,657	561,926	587,870	694,405
Recreation center	1,437,412	1,425,701	1,448,045	1,513,102	1,490,018	1,544,921	1,528,253	1,638,717	1,623,146	1,669,484
Education	-	-	-	-	-	1,444,226	69,875,388	74,570,641	75,969,049	83,716,049
Debt Service										
Principal	2,520,800	2,562,180	2,394,850	2,112,330	2,814,000	3,339,000	3,993,038	5,203,158	5,607,730	5,755,885
Interest	972,113	931,908	910,148	864,423	807,602	789,595	799,912	857,787	1,102,097	1,885,784
Bond issuance cost	13,851	59,866	103,204	63,812	125,193	101,551	9,525	103,337	127,364	322,391
Other	-	-	-	-	-	198,904	-	-	-	-
Capital Outlay	1,576,513	2,403,481	3,746,887	5,553,028	5,025,385	3,933,151	4,053,692	8,043,565	15,504,408	17,531,312
Total expenditures	<u>48,788,813</u>	<u>49,107,858</u>	<u>52,389,003</u>	<u>53,168,796</u>	<u>56,106,298</u>	<u>58,414,806</u>	<u>127,468,033</u>	<u>140,325,681</u>	<u>150,784,273</u>	<u>164,334,807</u>
Excess (deficiency) of revenues over (under) expenditures	(1,564,547)	(1,216,155)	(3,019,953)	(839,816)	(1,845,372)	(1,769,676)	4,608,421	1,511,149	(3,997,811)	(5,188,240)

(Continued on next page)

CITY OF BARTLETT, TENNESSEE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other financing sources (uses)										
Transfers in	2,104,194	2,241,196	1,762,329	2,620,929	2,453,623	3,862,953	5,341,403	8,757,452	11,268,400	15,455,484
Transfers out	(1,783,161)	(1,941,012)	(1,458,494)	(2,324,363)	(2,161,460)	(3,554,586)	(4,736,342)	(8,185,786)	(10,705,558)	(15,455,484)
Debt Proceeds-General Obligation	766,968	3,189,588	5,085,000	3,376,500	4,890,000	3,304,445	1,743,101	9,104,000	10,698,298	49,621,006
Refunding bond issued	-	-	3,315,000	1,860,000	6,275,000	2,510,000	-	-	-	2,310,000
Premium (Discount) on bond issued	-	7,304	115,971	157,460	612,570	225,221	-	895,732	205,667	7,018,888
Payment to refunded bond escrow agent	-	-	(3,329,241)	(1,885,494)	(6,590,897)	(2,535,079)	-	-	(971,048)	(2,324,413)
Sale of capital assets	22,051	18,301	10,858	148,947	89,269	28,391	22,372	122,761	62,065	81,279
Total other financing sources (uses)	<u>1,110,052</u>	<u>3,515,377</u>	<u>5,501,423</u>	<u>3,953,979</u>	<u>5,568,105</u>	<u>3,841,345</u>	<u>2,370,534</u>	<u>10,694,159</u>	<u>10,557,824</u>	<u>56,706,760</u>
Net change in fund balances	<u>\$ (454,495)</u>	<u>\$ 2,299,222</u>	<u>\$ 2,481,470</u>	<u>\$ 3,114,163</u>	<u>\$ 3,722,733</u>	<u>\$ 2,071,669</u>	<u>\$ 6,978,955</u>	<u>\$ 12,205,308</u>	<u>\$ 6,560,013</u>	<u>\$ 51,518,520</u>
Debt Service as a percentage of noncapital expenditures	7.6%	7.6%	6.7%	5.9%	6.9%	7.5%	3.9%	4.6%	5.2%	5.3%

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	Public Utilities Property					
2009	777,311,375	2,467,500	248,946,505	13,089,168	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	14,312,922	41,036,030	1,160,302,747	1.54	4,158,669,295	27.90%
2011	816,594,875	2,553,900	270,612,325	13,515,174	39,753,910	1,143,030,184	1.49	4,113,660,743	27.79%
2012	818,851,275	2,217,700	264,203,305	12,747,832	43,261,760	1,141,281,872	1.49	4,115,082,776	27.73%
2013	818,021,950	2,249,600	261,021,890	12,870,447	47,034,500	1,141,198,387	1.49	4,116,932,713	27.72%
2014	790,943,125	3,923,425	292,745,380	11,954,325	49,061,100	1,148,627,355	1.49	4,099,378,236	28.02%
2015	796,465,875	3,922,700	279,411,507	12,181,492	51,606,320	1,143,587,894	1.62	4,097,084,367	27.91%
2016	805,356,975	3,628,475	280,738,592	11,736,707	46,644,450	1,148,105,199	1.62	4,117,440,767	27.88%
2017	816,270,975	3,489,325	281,659,297	11,621,065	45,394,340	1,158,435,002	1.62	4,158,397,609	27.86%
2018	918,372,600	3,697,300	329,210,340	9,579,414	51,723,570	1,312,583,224	1.83	4,885,845,816	26.87%

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	General		Debt	Rural School	
	Rate	Fund	Education	Service	Bonds	
2009	1.54	1.22	2.02	0.80	0.05	5.63
2010	1.49	1.23	1.98	0.81	0.04	5.55
2011	1.49	1.33	1.90	0.79	0.04	5.55
2012	1.49	1.36	1.91	0.75	0.04	5.55
2013	1.49	1.36	1.91	0.75	0.04	5.55
2014	1.62	1.45	2.14	0.79	0.04	6.04
2015	1.62	1.45	2.14	0.78	-	5.99
2016	1.62	1.45	2.14	0.78	-	5.99
2017	1.62	1.45	2.14	0.78	-	5.99
2018	1.83	1.49	1.94	0.62	-	5.88

Notes:

All property in Shelby County was reappraised for the 2009, 2013, and 2017 tax years.

Next reappraisal for property in Shelby County is tax year 2021.

There is no allocation for City Direct Rate property tax rate.

There is no restriction on city direct property tax rate. Rate set by Board of Mayor and Aldermen by ordinance on three separate readings.

CITY OF BARTLETT, TENNESSEE
Principal Property Tax Payers
Current and Ten Years Ago

Taxpayer	FY 2018			FY 2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Tenet Healthcare Corp.	\$ 44,035,840	1	3.35%	\$ 18,376,320	2	1.69%
Brother International	33,618,117	2	2.56%	27,072,400	1	2.50%
UHS of Lakeside INC	11,489,440	3	0.88%	5,949,520	8	0.55%
PASSCO Legends LLC	11,227,160	4	0.86%	8,637,080	5	0.80%
Branch Bartlett Association LP	7,369,600	5	0.56%	7,017,200	6	0.65%
Robinwood Retirement Community	7,277,720	6	0.55%			
Kroger Limited Partnership	6,280,210	7	0.48%			
Belvedere Apartments INC	5,627,480	8	0.43%	6,300,880	7	0.58%
Walmart Real Estate Trust	5,608,000	9	0.43%	4,808,000	9	0.44%
Gyros AMCI INC	4,833,270	10	0.37%			
Bell South Telecommunications				9,318,585	4	0.86%
Bartlett Logistics One LLC				9,446,160	3	0.87%
Lowes Home Centers INC				4,417,280	10	0.41%
Totals	\$ 137,366,837		10.47%	\$ 101,343,425		9.34%

Source: City of Bartlett Tax Department

CITY OF BARTLETT, TENNESSEE
Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Subsequent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Tax</u>
2018	24,381,665	24,034,077	98.57%	-	24,034,077	98.57%	347,588
2017	18,768,520	18,460,798	98.36%	224,741	18,685,539	99.56%	82,981
2016	18,606,509	18,357,222	98.66%	202,312	18,559,534	99.75%	46,975
2015	18,542,430	18,129,378	97.77%	375,549	18,504,927	99.80%	37,503
2014	18,622,604	18,197,864	97.72%	397,361	18,595,225	99.85%	27,379
2013	17,002,029	16,197,954	95.27%	786,313	16,984,267	99.90%	17,762
2012	17,016,533	16,375,709	96.23%	627,397	17,003,106	99.92%	13,427
2011	16,959,601	16,416,548	96.80%	533,698	16,950,246	99.94%	9,355
2010	16,889,691	16,222,853	96.05%	659,546	16,882,399	99.96%	7,292
2009	16,512,787	15,188,328	91.98%	1,320,141	16,508,469	99.97%	4,318

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
Local Taxable Sales by Category
Last Ten Calendar Years

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Apparel & Accessories	\$ 7,927,804	\$ 7,236,266	\$ 6,964,217	\$ 6,552,552	\$ 7,320,187	\$ 7,219,358	\$ 6,909,183	\$ 6,426,432	\$ 6,458,641	\$ 5,971,198
General Merchandise	187,097,170	186,397,564	182,996,084	180,444,412	184,429,439	182,661,578	180,054,366	181,438,039	179,850,866	180,827,643
Food Stores	92,753,194	91,300,913	89,692,964	94,225,750	98,885,240	104,465,717	109,889,286	114,039,735	117,244,949	116,373,314
Eating & Drinking Places	61,383,105	63,744,573	62,454,566	65,120,356	69,029,684	69,991,843	76,419,477	80,766,538	83,220,815	83,168,705
Furniture Stores	17,663,833	11,738,317	12,757,864	14,248,753	13,108,868	14,014,358	14,989,790	14,401,648	15,929,942	17,019,870
Building Materials	58,115,255	44,961,710	46,657,984	45,407,128	45,561,130	47,280,575	48,112,941	48,652,167	50,573,946	50,800,699
MV Dealers & Serv. Stations	42,329,861	38,041,811	40,423,739	41,379,659	44,781,673	46,905,576	45,884,447	49,148,765	51,534,694	55,048,910
Other Retail	64,731,620	61,241,302	55,754,890	57,317,368	61,008,643	58,419,734	59,952,539	68,801,657	72,686,210	71,594,756
All Other Outlets	<u>120,455,100</u>	<u>119,525,964</u>	<u>120,365,454</u>	<u>130,931,521</u>	<u>138,042,558</u>	<u>144,207,920</u>	<u>158,111,643</u>	<u>164,781,784</u>	<u>173,014,542</u>	<u>143,822,034</u>
Total	<u>\$ 652,456,942</u>	<u>\$ 624,188,420</u>	<u>\$ 618,067,762</u>	<u>\$ 635,627,499</u>	<u>\$ 662,167,422</u>	<u>\$ 675,166,659</u>	<u>\$ 700,323,672</u>	<u>\$ 728,456,765</u>	<u>\$ 750,514,605</u>	<u>\$ 724,627,129</u>

Source: Tennessee Department of Revenue, Research Division
Note: Figures subject to revision due to amended taxpayer returns.

CITY OF BARTLETT, TENNESSEE
Direct and Overlapping Sales Tax Rates
 Last Ten Fiscal Years

Year	City Direct Rate	Shelby County	State of Tennessee
2009	1.125%	1.125%	7.00%
2010	1.125%	1.125%	7.00%
2011	1.125%	1.125%	7.00%
2012	1.125%	1.125%	7.00%
2013	1.625%	1.125%	7.00%
2014	1.625%	1.125%	7.00%
2015	1.625%	1.125%	7.00%
2016	1.625%	1.125%	7.00%
2017	1.625%	1.125%	7.00%
2018	1.625%	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 - currently 2.75%

CITY OF BARTLETT, TENNESSEE
Local Sales Tax Revenue by Industry
Fiscal Years 2009 and 2018

Sector	Fiscal Year 2009				Fiscal Year 2018			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	534	53.78%	\$ 11,484,951	81.12%	372	36.19%	\$ 15,984,589	80.42%
Services	261	26.28%	1,252,778	8.85%	216	21.01%	1,702,113	8.56%
Manufacturing	57	5.74%	134,800	0.95%	56	5.45%	287,698	1.45%
Wholesale Trade	74	7.45%	1,045,263	7.38%	52	5.06%	594,439	2.99%
Construction	29	2.92%	57,516	0.41%	21	2.04%	73,795	0.37%
Finance Insurance Real Estate	3	0.30%	2,453	0.02%	9	0.88%	1,513	0.01%
Transportation and Utilites	7	0.70%	68,247	0.48%	5	0.49%	104,867	0.53%
Agriculture	7	0.70%	34,724	0.25%	9	0.88%	36,016	0.18%
Other, Non Classified	21	2.11%	78,015	0.55%	288	28.02%	1,091,561	5.49%
Total	993	100.00%	\$ 14,158,747	100.00%	1028	100.00%	\$ 19,876,591	100.00%

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 taxpayers during the period, not disbursements from the Department of Revenue. Thus, amounts presented above do not match to amounts reflected within the financial report.
3. 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	Governmental 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			
2009	22,681,843	26,468	1,695,360	-	14,405,000	117,452	38,926,123	2.78%	794
2010	22,994,843	953,055	1,076,180	-	14,355,000	203,251	39,582,329	2.73%	808
2011	25,862,312	908,055	1,176,330	-	13,490,000	170,251	41,606,948	2.53%	762
2012	27,166,228	861,055	1,327,500	-	12,410,000	135,251	41,900,034	2.52%	767
2013	29,085,958	812,055	2,097,500	-	12,475,000	99,251	44,569,764	2.68%	816
2014	28,876,934	1,115,001	2,135,000	-	13,053,912	826,000	46,006,847	2.74%	814
2015	26,177,752	1,061,000	2,657,000	535,256	11,809,309	786,000	43,026,317	2.36%	762
2016	29,247,448	1,005,000	3,293,000	2,194,316	10,459,704	744,000	46,943,468	2.50%	831
2017	32,045,250	946,000	3,842,500	3,562,443	9,170,077	701,000	50,267,270	2.60%	865
2018	77,675,563	885,000	5,072,150	7,213,622	8,121,081	656,000	99,623,416	5.09%	1,686

Notes:

Governmental G.O.Note of \$946,000 with variable interest rate is for general improvements. Interest rate at 6/30/17 was 0.94%.
Governmental Capital Notes totaled \$3,842,500 at June 30, 2017. Five (5) separate notes made up this amount with fixed interest rates ranging from 1.78% to 2.19%. These notes were for equipment purchases in the City's CIP program.
Governmental Capital Leases totaled \$3,562,443 at June 30, 2017. These leases were for laptop computers for students enrolled in the Bartlett City School System.

CITY OF BARTLETT, TENNESSEE
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Capital Note	Capital Lease	General Obligation Note	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2009	22,681,843	1,695,360	-	26,468	24,403,671	0.62%	498
2010	22,994,843	1,076,180	-	953,055	25,024,078	0.60%	511
2011	25,862,312	1,176,330	-	908,055	27,946,697	0.68%	512
2012	27,166,228	1,327,500	-	861,055	29,354,783	0.71%	538
2013	29,085,958	2,097,500	-	812,055	31,995,513	0.78%	586
2014	28,876,934	2,135,000	-	1,115,000	32,126,934	0.78%	569
2015	26,177,752	2,657,000	535,256	1,061,000	30,431,008	0.74%	539
2016	29,247,448	3,293,000	2,194,316	1,005,000	35,739,764	0.87%	633
2017	32,045,250	3,842,500	3,562,443	946,000	40,396,193	0.97%	695
2018	77,675,563	5,072,150	7,213,622	885,000	90,846,335	1.86%	1,537

CITY OF BARTLETT, TENNESSEE
Direct and Overlapping Governmental Activities Debt
As of June 30, 2018

<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	\$ 90,846,335	100.00%	\$ 90,846,335
Shelby County	<u>890,040,212</u>	7.78%	<u>69,242,611</u>
Totals Direct and Overlapping Debt	<u>\$ 980,886,547</u>		<u>\$ 160,088,946</u>

(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
Statement of Debt
As of June 30, 2018

General Obligation Bonded Debt:		
Existing G.O. Bonds	\$ 69,820,000	
Total Public Improvement Bonded Debt		\$ 69,820,000
Existing Water and Sewer Bonds ¹	\$ 7,840,000	
Total Water and Sewer Bonded Debt		\$ 7,840,000
Total Bonded Debt		77,660,000
Less Self Supporting Debt		(7,840,000)
Net Bonded Debt		\$ 69,820,000
Net Overlapping Bonded Debt		\$ 64,534,120
Less: Self-Supporting Bonded Debt		-
Net Overlapping Bonded Debt		64,534,120
Bonded Debt Outstanding Including Overlapping Bonded Debt		142,194,120
Net Bonded Debt Outstanding Including Net Overlapping Bonded Debt		\$ 134,354,120

	<u>City of Bartlett</u>	<u>City and Net Overlapping</u>
Net Direct Debt Per Capita	\$ 1,181	\$ 2,273
Total Debt Per Capita	1,314	2,406
Net Debt / Actual Value	1.43%	2.75%
Total Debt / Actual Value	1.59%	2.91%
Net Debt / Assessed Value	5.32%	10.24%
Total Debt / Assessed Value	5.92%	10.83%

	<u>Bartlett</u>	<u>Shelby County</u>
FY 2018 Assessed Value	\$1,312,583,224	\$ 18,102,855,449
FY 2018 Appraised Value	\$4,885,845,816	\$ 60,418,966,162
2018 Estimated Population ²	59,102	936,961

Shelby County's unaudited Net Bonded Debt as of June 30, 2018	\$ 890,040,212
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Bartlett's Assessed Value as a Percentage of Shelby County's Assessed Value: 7.25%

1. Payable primarily from revenues of the City's water and sewer system but, in case of a deficiency of such revenues, are secured by and payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the City.

2. Source: U.S. Census Bureau

CITY OF BARTLETT, TENNESSEE
Water and Sewer Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Utility Service Charges	Less: Operating Expenses (1)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
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
2012	9,398,373	4,897,935	4,500,438	1,100,000	401,108	1,501,108	3.00
2013	8,658,274	5,162,390	3,495,884	1,181,000	334,159	1,515,159	2.31
2014	8,600,560	4,897,158	3,703,402	1,203,000	309,680	1,512,680	2.45
2015	8,319,536	5,252,452	3,067,084	1,255,000	321,627	1,576,627	1.95
2016	8,336,812	5,330,520	3,006,292	1,362,000	293,949	1,655,949	1.82
2017	8,456,221	5,731,406	2,724,815	1,303,000	275,000	1,578,000	1.73
2018	8,405,111	6,092,835	2,312,276	1,065,000	240,857	1,305,857	1.77

(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
Demographic and Economic Statistics
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (2)</u>	<u>Personal Income (Thousands of \$)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>	
2009	49,000	1,401,567	57,512	7.4%	(4)
2010	49,000	1,450,510	60,388	8.1%	(4)
2011	54,613	1,646,770	60,991	8.0%	(4)
2012	54,613	1,663,854	61,601	6.8%	(4)
2013	54,613	1,663,071	62,217	7.6%	(4)
2014	56,488	1,676,560	62,840	7.0%	(4)
2015	56,488	1,826,608	63,468	5.9%	(4)
2016	56,488	1,875,644	64,103	4.7%	(4)
2017	58,107	1,934,541	64,744	3.8%	(4)
2018	59,102	1,957,810	65,391	4.5%	(4)

Sources:

(1) Estimated Unless otherwise noted

(2) Federal 2010 Census for FY2011; other years certified by Tennessee Department of Economic and Community Development

(3) U.S. Census Bureau

(4) Tennessee Department of Labor

CITY OF BARTLETT, TENNESSEE
Principal Employers
Current Year and Ten Years Ago

Taxpayer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Bartlett City Schools	918	1	3.07%			
Youth Villages	697	2	2.33%	620	2	2.54%
Brother International\Brother USA	650	3	2.17%	1,000	1	4.10%
Saint Francis Hospital-Bartlett	610	4	2.04%	400	5	1.64%
The City of Bartlett	512	5	1.71%	470	3	1.93%
Covenant Dove	502	6	1.68%			
Lakeside Behavioral Health	469	7	1.57%	440	4	1.81%
USDA Cotton Classing Division	420	8	1.40%	400	5	1.64%
Wal-Mart Supercenter	420	9	1.40%	400	5	1.64%
United Parcel Service	275	10	0.92%	275	8	1.13%
Gyrus, ENT				228	9	0.94%
Kele Inc.				210	10	0.86%
Total	5,473		18.28%	4,443		18.23%

Source: Bartlett Chamber of Commerce

CITY OF BARTLETT, TENNESSEE
OTHER REVENUE SOURCES
As of June 30, 2018

The following briefly describes major sources of revenue other than ad valorem taxes:

CITY SERVICE FEE

The City assesses a service fee of \$2.50 per month on each household and each business. Twenty-five percent (25%) of this fee goes into the General Fund. The remaining seventy-five percent (75%) goes into a special improvement fund for small scale capital projects, library materials and technology improvements.

GENERAL SALES TAX

The General (local) Sales Tax is levied at a rate of 2.75% of the first \$1,600 of a sale of any single item. The taxes collected are divided on a 59-41 basis between the City and Shelby County Board of Education, respectively. The City's share of the General Sales Tax accounts for approximately 28% of total General Fund revenues and is the City's second largest revenue source.

On August 2, 2012, the City held a referendum to increase the local option sales tax in the town by 0.5% to 2.75%. The City uses the funds generated by the sales tax increase to provide a portion of the funding for the City's new school system as discussed in the "Education" section herein. Collections from the City's additional ½ cent local sales tax were \$4.28 million in FY 2018.

BEER SALES TAX

A 17% tax on the wholesale price of beer containing not more than 5% alcohol is collected by the wholesaler and remitted monthly, less a collection fee.

ALCOHOLIC BEVERAGE TAX

A 5% inspection fee is charged to retailers on the sale of alcoholic beverages. The fee is based on the wholesale price, collected by the wholesaler, and remitted monthly less collection fees.

AUTO REGISTRATION FEE

The City assesses a \$25 auto registration fee on each truck and car registered in the City. This fee is collected by the Shelby County Court Clerk under contract with the City and is remitted to the City on a monthly basis.

FRANCHISE TAXES

The City collects a franchise tax for cable television of 5% of subscriber revenues.

GROSS RECEIPTS TAX

The City levies a gross receipts tax, based upon a percentage of gross sales, which varies with the classification of businesses. There are four basic classifications with the tax rate varying between wholesale and retail and type of business. Fifteen percent (15%) of the local portion of the receipts of this tax are remitted to the State.

SANITATION FEE

In FY 2015, The City assessed a \$25.00 per month sanitation fee on all residents. The City collected \$5,919,364 and \$6,000,809 in Solid Waste collection fees in fiscal year 2017 and 2018, respectively.

STATE TAX REVENUE (LOCAL SHARE)

- (1) State Sales Tax - A 7% sales tax is imposed on the gross proceeds from retail sale or use of tangible property or service. A portion is returned to the City on a per capita basis.
- (2) Gasoline Taxes - The City receives a portion of the State imposed gasoline tax for street purposes. An FY17 increase in the state gasoline tax brought in \$1,894,273 in revenue for the State Street Aid Fund, a 21.2% increase over FY17.
- (3) State Income Tax - The City receives income from this source, which is a tax on dividends on stock and interest on certain financial instruments. The tax rate was 4% in FY18 and resulted in revenues of \$436,662.
- (4) Other State Taxes - The City also receives revenues derived from other miscellaneous state taxes including Liquor by the Drink Tax and TVA in-Lieu-of-Tax Payments.

CHARGES FOR SERVICES

The City has substantially expanded its parks and recreation programs. Charges for services of these programs, which in the past have been negligible will account for an increasing portion of the budget over the next couple years. In fiscal year 2018, Parks and Recreation received \$2,518,933 for charges for services.

CITY OF BARTLETT, TENNESSEE
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Department										
General Fund										
Legislative Board	3	3	3	3	3	3	3	3	3	3
Mayor's Office	15	15	16	16	15	16	15	15	14	14
Finance	14	13	13	14	13	15	15	16	16	16
City Court	13	11	11	12	12	12	12	12	12	12
Personnel	4	4	4	4	4	4	4	4	5	5
Planning	4	3	3	3	3	4	4	4	4	5
Police										
Officers	110	110	110	108	111	111	113	113	119	123
Civilians	38	38	39	39	38	41	41	41	42	42
Fire Services and Ambulance										
Firefighters & Officers	94	94	93	94	94	96	95	97	99	103
Civilians	1	1	2	2	2	1	1	1	1	1
Codes Enforcement	11	11	9	9	9	10	10	10	11	12
Public Works	54	52	53	53	53	56	59	60	60	60
Engineering	12	10	10	8	8	8	8	7	8	8
Parks & Recreation	78	74	74	76	75	73	73	75	74	76
Performing Arts	3	3	3	3	3	3	3	4	4	4
Special Revenue Funds										
General Purpose School Fund	0	0	0	0	0	0	784	805	813	846
Solid Waste Fund	38	38	38	36	39	41	41	42	41	41
Drainage Control Fund	1	1	1	1	1	1	1	1	1	1
Utility Fund										
Administration	11	11	11	6	7	7	6	7	7	7
Water & Wastewater Services	15	15	15	20	20	20	19	21	20	22
Plant Operations	5	5	5	4	6	5	5	5	6	6
Sewer Lagoon	4	4	3	3	2	4	4	4	4	3
Total	528	516	516	514	518	531	1316	1347	1364	1410

Source: City of Bartlett Finance Department and Personnel Department.

CITY OF BARTLETT, TENNESSEE
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Residential permits issued	75	99	72	107	139	179	218	216	191	125
Commercial permits issued	71	59	88	93	72	86	80	87	111	132
Fire										
Emergency responses	3,832	4,178	3,749	4,022	4,322	4,633	4,669	5,009	5,247	5,914
Structure fires	42	49	69	56	38	40	48	33	32	22
Inspections	2,213	2,203	2,277	2,297	3,400	3,242	4,299	3,568	2,650	2,710
Refuse collection										
Total refuse collected (tons)	45,246	56,166	44,606	46,668	45,717	54,110	49,391	52,048	52,098	48,092
Refuse taken to landfill	25,743	25,714	25,161	26,511	27,167	28,128	31,296	30,767	31,262	30,595
Library										
Volumes in collections	102,013	101,158	101,672	102,783	104,537	108,138	107,689	110,740	110,011	105,184
Total volumes borrowed	363,367	359,367	340,156	330,717	313,089	300,081	276,631	273,034	251,976	234,154
Water										
New connections	234	66	119	190	171	11	235	269	180	215
Water customers	19,975	20,041	20,160	20,350	20,521	20,532	20,767	21,036	21,216	21,431
Sewer										
Sewer customers	18,624	18,757	19,098	19,314	19,517	19,266	19,679	19,776	19,971	20,215

Source: Indicators provided from internal departmental records.

CITY OF BARTLETT, TENNESSEE
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police Stations	2	2	2	2	2	2	2	2	2	2
Fire Stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Streets (miles)	277	277	277	277	301	301	301	301	301	301
Parks & Recreation										
Acreage	706	706	736	736	736	736	736	736	736	736
Parks #										
Developed	24	24	25	25	25	25	25	25	25	25
Undeveloped	3	3	3	3	3	3	3	3	3	3
Tennis courts	14	14	14	14	14	14	14	14	14	14
Baseball fields	17	17	18	18	18	18	18	18	18	18
Walking trails(miles)	12	12	12	12	12	12	12	14	14	14
School Buildings	-	-	-	-	-	11	11	11	11	11
Water										
Water lines (miles)	371	371	371	371	372	372	372	372	372	372
Water connections	19,975	20,041	20,160	20,350	20,521	20,532	20,767	21,036	21,216	21,431
Water plants	4	4	4	4	4	4	4	4	4	4
Storage tanks	9	9	9	10	10	10	10	10	10	10
Wastewater										
Sanitary sewers (miles)	316	349	349	349	353	353	353	353	353	353
Sewer connections	18,624	18,757	19,098	19,314	19,517	19,266	19,679	19,776	19,971	20,215

Source: City of Bartlett Functional Departments

COMPLIANCE SECTION

CITY OF BARTLETT

T E N N E S S E E

GOVERNMENT AUDITING STANDARDS SECTION

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
<u>Federal Awards</u>						
<u>U.S. Department of Agriculture/TN Department of Education</u>						
Child Nutrition Cluster						
School Breakfast Program	10.553		\$ -	\$ 255,769	\$ 255,769	\$ -
National School Lunch Program - Non-Cash Assistance	10.555		-	194,483	194,483	-
National School Lunch Program - Cash Assistance	10.555		-	1,077,488	1,077,488	-
Subtotal - CFDA 10.555			-	1,271,971	1,271,971	-
Total Child Nutrition Cluster / U.S. Department of Agriculture			-	1,527,740	1,527,740	-
<u>U.S. Department of Housing and Urban Development/ TN Dept. of Economic and Community Development</u>						
Community Development Block Grants	14.218		-	-	18,022	18,022
Community Development Block Grants	14.218		150	75,530	81,102	5,722
Total U.S. Department of Housing and Urban Development			150	75,530	99,124	23,744
<u>U.S. Department of Justice</u>						
Bulletproof Vest Partnership Program	16.607		4,592	4,592	8,050	8,050
<u>U.S. Department of Transportation/TN Dept. of Transportation</u>						
Highway Planning and Construction Cluster						
Highway Planning and Construction	20.205	170007 STP-M-9419(9)	75	8,486	26,228	17,817
Highway Planning and Construction	20.205	90171 STP-M-9409(122)	30,506	47,533	17,027	-
Highway Planning and Construction	20.205	110050 STP-M-9419(8)	9,515	24,130	522,415	507,800
Highway Planning and Construction	20.205	170053 TAP-M-09419(10)	-	3,758	24,598	20,840
Highway Planning and Construction	20.205	60087 STP-M-9419(2)	172,417	217,827	275,215	229,805
Subtotal - Highway Planning and Construction Cluster			212,513	301,734	865,483	776,262
State and Community Highway Safety	20.600	PT-17-04/402 Z17THS004	8,229	15,280	7,051	-
State and Community Highway Safety	20.600	56132(PT) Z18THS018	-	10,219	11,935	1,716
			8,229	25,499	18,986	1,716
Total U.S. Department of Transportation			220,742	327,233	884,469	777,978

See independent auditor's report and accompanying notes to the schedule.

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
<u>U.S. Department of Education - Direct Program</u>						
Safe and Drug-Free Schools and Communities National Programs	84.184		\$ 5,084	\$ 15,084	\$ 40,000	\$ 30,000
<u>U.S. Department of Education/TN Department of Education</u>						
Title I Grants to Local Education Agencies	84.010		64,514	3,069,124	3,288,623	284,013
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013		2	35,952	41,934	5,984
Special Education Cluster (IDEA)						
Special Education - Grants to States	84.027		338,608	2,178,752	2,127,422	287,278
Special Education - Preschool Grants	84.173		-	19,025	19,025	-
Subtotal - Special Education Cluster (IDEA)			338,608	2,197,777	2,146,447	287,278
English Language Acquisition State Grants	84.365		411	22,765	22,402	48
Improving Teacher Quality State Grants	84.367		1,519	176,317	193,145	18,347
Education Technology State Grants	84.386		2,525	82,968	87,341	6,898
Student Support and Academic Enrichment	84.424		-	74,836	83,288	8,452
Total U.S. Department of Education			412,663	5,674,823	5,903,180	641,020
<u>U.S. Department of Health & Human Services/TN Dept. of Education</u>						
Temporary Assistance for Needy Families	93.558		12,997	181,978	185,513	16,532
Child Care and Development Block Grant	93.575		39,110	39,110	39,384	39,384
Total U.S. Department of Health & Human Services			52,107	221,088	224,897	55,916
<u>U.S. Department of Homeland Security/TN Emergency Management Agency</u>						
Hazard Mitigation Grant	97.039	4171DRTNP00000005	1,414	-	106,720	108,134
Hazard Mitigation Grant	97.039	4189DRTNP00000005	1,414	-	171,100	172,514
Total U.S. Department of Homeland Security			2,828	-	277,820	280,648
Total Federal Awards			693,082	7,831,006	8,925,280	1,787,356

See independent auditor's report and accompanying notes to the schedule.

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
<u>State Financial Assistance</u>						
Ready to be Ready Coaching Network	N/A		\$ 1,524	\$ 10,649	\$ 10,600	\$ 1,475
Arts Students Ticket Subsidies	N/A		-	4,375	4,375	-
TAC Arts 360	N/A		27,426	27,426	15,861	15,861
TAC - SPECOPS	N/A		-	-	1,957	1,957
TN Department of Education Child Nutrition State Match Funds	N/A		-	29,348	29,348	-
TN Department of Environment and Conservation	N/A		4,459	271,492	395,657	128,624
CTE Equipment Grant	N/A		-	122,064	122,064	-
Tennessee Dept. of Military, TEMA Hazard Mitigation Grant Program	N/A	HMGP-4171-0006 34101-22317	236	-	17,786	18,022
Tennessee Dept. of Military, TEMA Hazard Mitigation Grant Program	N/A	HMGP-4189-0002 34101-20417	236	-	28,516	28,752
Total State Financial Assistance			<u>33,881</u>	<u>465,354</u>	<u>626,164</u>	<u>194,691</u>
Total Federal Awards and State Financial Assistance			<u>\$ 726,963</u>	<u>\$ 8,296,360</u>	<u>\$ 9,551,444</u>	<u>\$ 1,982,047</u>

See independent auditor's report and accompanying notes to the schedule.

CITY OF BARTLETT, TENNESSEE**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**For the Year Ended June 30, 2018

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state grant activity of the City of Bartlett, Tennessee (the City) under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in either OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the Uniform Guidance, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- 2) Pass-through entity identifying numbers are presented where available.
- 3) There were no federal awards passed through to subrecipients.
- 4) The City has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.
- 5) Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

NOTE C – 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 awards and state financial assistance to the revenue balances in the City's financial statements.

Total grant revenue per governmental funds financial statements	\$ 9,858,401
Less: Non-federal and non-state grants	<u>(306,957)</u>
Total federal awards and state financial assistance	<u><u>\$ 9,551,444</u></u>

**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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the statements of budgetary comparison for the general fund and general purpose school fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee (the "City"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 21, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness: 2018-001, Recording Capital Assets.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

City's Responses to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Memphis, Tennessee
December 21, 2018

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Bartlett, Tennessee (the "City")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

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 programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Memphis, Tennessee
December 21, 2018

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Bartlett, Tennessee (the "City") were prepared in accordance with accounting principles generally accepted in the United State of America.
2. A material weakness relating to the audit of the financial statements is reported in the *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*.
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported.
5. The auditor's report on compliance for the major federal award program for the City expresses an unmodified opinion on the major program.
6. There were no audit findings required to be reported in accordance with 2 CFR Section 200.516(a)
7. The programs tested as a major programs were:
 - Special Education Cluster (IDEA)
 - CFDA 84.027 Special Education Grants to States
 - CFDA 84.173 Special Education Preschool Grants
 - Child Nutrition Cluster
 - CFDA 10.553 School Breakfast Program
 - CFDA 10.555 National School Lunch Program
8. The threshold for distinguishing between Type A and B programs was \$750,000.
9. The City does not qualify as a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS

MATERIAL WEAKNESS – BARTLETT CITY BOARD OF EDUCATION

2018-001 Recording Capital Assets

Criteria or Specific Requirement: Assets meeting the definition of a capital lease should be capitalized. Capital assets in construction in progress should be depreciated once substantially ready to be placed in service.

Condition: Capital expenditures were not properly capitalized and depreciated or not properly transferred out of construction in progress for the presentation at the government wide level.

Questioned costs: None reported.

Context: Capital asset additions were tested and during this testing, one asset was not properly capitalized and one asset in construction in progress was not properly placed in service.

Cause: The City did not capitalize assets in accordance with their policy.

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018

Effect: Financial statements are materially misstated. Capital assets and construction in progress is not properly capitalized or recorded.

Recommendation: We recommend for the City to review all capital expenditures prior to year-end to assess if all items have been properly recorded and marked as capitalized assets and depreciated as such. We recommend for the City to review the date of completion of construction in progress and verify each project is substantially complete prior to transferring assets into capitalized assets.

Views of Responsible Officials and Planned Corrective Actions: In 2017-18, open purchase orders for construction in progress were rolled forward to FY2018-19 causing the accounting system to charge the entire purchase order to construction in progress when some work was to be completed in FY19. Going forward, purchase orders will not be rolled forward in construction in progress. Items purchased using capital leases will be capitalized.

Contact Person: Teresa Winter, Bartlett Board of Education CFO

Anticipated Date of Correction: December 31, 2018

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

None reported.

CITY OF BARTLETT, TENNESSEE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2018

A. PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

2017-001 Sales Tax Receivable

Condition: A current year adjustment was required to properly account for recognizing the June 2016 sales tax received in September 2016.

Recommendation: We recommend that Bartlett City Board of Education perform timely reconciliations of all receivable accounts on a monthly basis including due from other governments in order to ensure the yearend financial statements are properly stated.

Current Status: The recommendation was adopted in fiscal year 2018. No similar findings were noted in the fiscal year 2018 audit.

B. PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

