

CITY OF BARTLETT TENNESSEE

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2013

Prepared by the City of Bartlett Finance Department

**CITY OF BARTLETT, TENNESSEE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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City of Bartlett

A. Keith McDonald, Mayor

December 16, 2013

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

The Tennessee Comptroller of the Treasury requires that all general purpose local governments complete within six months of the close of each fiscal year a complete set of financial statements audited in accordance with *Government Auditing Standards*. The financial statements are to be presented in conformity with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB). Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Bartlett, Tennessee (The City) for the fiscal year ended June 30, 2013.

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. 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, 2013 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements: assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion that the City of Bartlett's financial statements for the fiscal year ended June 30, 2013 are fairly presented in conformity with GAAP. The

independent auditor's report is presented as the first component of the financial section of this report.

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 require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City 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 in 1866, is located in Shelby County in the southwestern part of the state. The City currently occupies a land area of 27.10 square miles and serves a population of 56,488. 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, which occurs periodically when deemed appropriate by the Board of Mayor and Aldermen.

The City of Bartlett operates under a private act charter approved by the state legislature in 1993. Policy-making and legislative authority are vested in a Board of Mayor and Aldermen (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. The Board of Mayor and (Six) Aldermen are elected to four-year terms by popular vote. One-half of the Board is elected every two years.

The City provides a full range of municipal services including ambulance, police and fire services, streets and drainage construction and maintenance, solid waste collection, cultural and recreational programs, library services, planning and zoning, and administrative services. In addition, the City provides a water and sewer utility system operating under an Enterprise Fund concept with user charges established by the Board of Mayor and Aldermen to ensure adequate coverage of operating expenses and retirement of outstanding debt.

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

The City of Bartlett has taken steps to create its own municipal school system which will serve a student population of approximately 9,000. The system is expected to become operational in the fall of 2014 and would be the second largest school system in Shelby County. Plans call for election of Board of Education members in the fall of 2013 followed with appointment of a School Superintendent shortly thereafter.

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. The ordinance is adopted by fund, function (e.g. public safety) and department (e.g. police). Department heads may make transfers of appropriations within their department. Transfers of appropriations between departments require the approval of an amendment by the 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 appropriated budget has been adopted.

Factors Affecting Financial Condition

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

Local economy

During the fiscal year the City of Bartlett experienced overall growth in the local economy but like the state and national economy the pace of growth has not returned to past levels. The City currently has an estimated population of over 56,000 and projections show the City is expected to grow to over 62,000 by 2020.

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

Retail sales in the fiscal year and the current year show modest growth as the economy struggles to regain lost ground. New housing starts and commercial permits continue to experience slow growth compared to previous years. Housing starts in FY2013 grew by 30% over FY2012 figures while commercial permits were down 65% for the same period. The median household income in Bartlett is in excess of \$73,000 and we expect Bartlett to continue to be the retail center of north Shelby County.

The regional economy continues to show weakness in retail sales with local sales tax collections decreasing by 1.5% in FY2013 compared to FY2012. At the state level budget cuts are easing somewhat and use of reserve funds is not anticipated this fiscal year. State officials cautiously estimate some replenishment of reserve funds used after the recession.

Annexation

The City of Bartlett annexed by ordinance approximately 3,300 acres in the Bartlett Reserve Area effective December 31, 2012. The area contained 852 dwelling units with a population of 1,875. A total of \$53,343,000 in assessed valuation was added to the Bartlett tax rolls for tax year 2013 in real and personal property as a result of this annexation. The addition of this tax base coupled with \$24,656,700 in assessments from new growth for 2013 will be used to fund the plan of services for the annexed territory as well as provide additional funding for operations for the City of Bartlett.

Additional Local Option Sales Tax

Bartlett voters approved a one-half percent increase in the local option sales tax rate in August 2012. Revenue from this increase is accrued to the direct benefit of Bartlett and can be used for general purposes as determined by the Board of Mayor and Aldermen. Collections are projected to be \$3.6 million annually and may be used to partially fund the operations of the Bartlett Municipal School System once operational.

Long term financial planning

The Board of Mayor and Aldermen adopts a Capital Improvements Program (CIP) that is a five year plan for capital expenditures to replace and expand the City's infrastructure and equipment. The program is reviewed and updated annually to revise project cost estimates and available revenue sources. Most of the funding for the projects in the CIP is from general obligation and revenue bonds. Highlights of the CIP for 2014-2018 are:

- Road, Street, and Drainage improvement projects totaling \$17.5 million to improve access and traffic flow in the City.
- Water and Sewer improvements and upgrades totaling \$5.5 million.
- Public safety buildings, vehicles and equipment including police cars, ambulances and fire trucks totaling \$4.5 million.

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 maintained a policy of issuing less than \$5 million in new debt annually while recognizing the opportunities to refund certain bond issues at lower interest rates to generate substantial savings in future years. All the debt issued is within the parameters of the adopted debt limits as specified in the BMA's debt management policy.

Relevant financial policies

The City's fund balance policy states that fund balances will be used prudently and conservatively to fund one time expenditures and stabilize the property tax rate. The fiscal year 2013 budget included a budgeted use of fund balance in the general fund and special revenues funds. The City ended the year well within the general fund balance policy of 20% of expenditures plus \$1,100,000 for emergencies and contingencies.

Temporarily idle cash during the year was invested 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 investments at competitive interest rates.

Major initiatives

During the year ended June 30, 2013, major road improvements were made to Elmore Park and Yale Road. The City Wide Overlay project was developed to pave various streets throughout the City beginning in FY 2011. The City spent \$644,000 in FY 2013 and plans to spend \$18.4 million in additional funds through FY 2018. The City has plans to construct a training facility for the Bartlett Fire Department in FY2014 at a cost of \$900,000.

As mentioned previously, the City of Bartlett plans to create a municipal school system with an effective date of operations in September of 2014. As of the date of this transmittal letter a five-member Board of Education has been elected and a selection process has begun to appoint a School Superintendent for the system. The BMA has adopted a budget amendment to the FY2014 budget appropriating sufficient funds for start-up expenditures. Additionally, negotiations have taken place to determine the costs and terms for the City of Bartlett to utilize current school buildings owned by the Shelby County Board of Education. The Bartlett Board of Education and the appointed Superintendent will be tasked to negotiate the hiring of teachers and staff to make the school system operational by September 2014.

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, 2012. This was the 24th 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 11th straight year for its annual budget document for the fiscal year beginning July 1, 2012. 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, 2013 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**

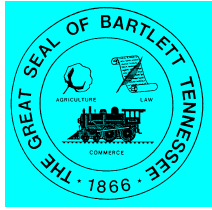
Presented to

**City of Bartlett
Tennessee**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

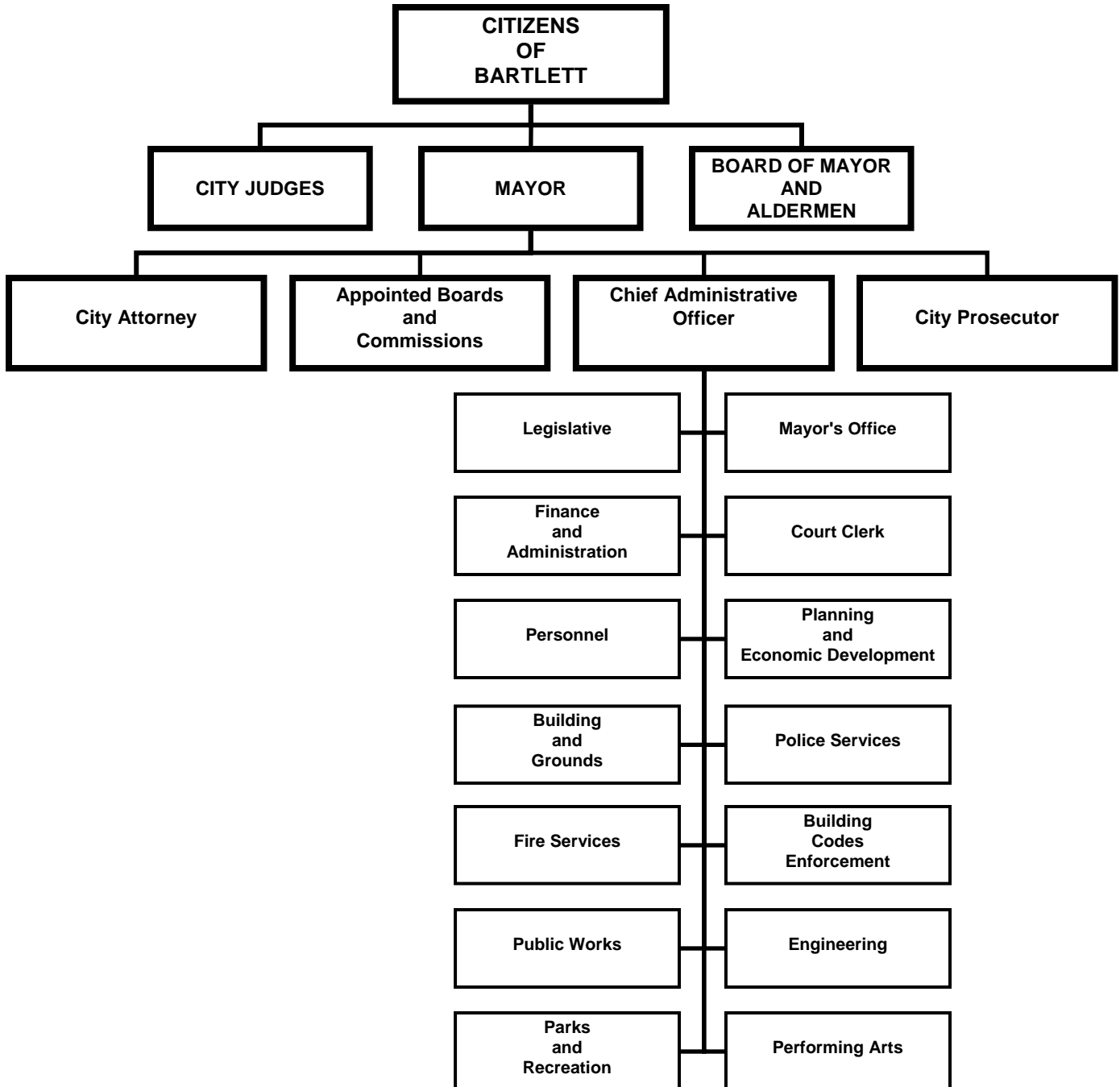
June 30, 2012

Executive Director/CEO



CITY OF BARTLETT
ORGANIZATION CHART

JUNE 30, 2013



**CITY OF BARTLETT, TENNESSEE
CITY OFFICIALS
JUNE 30, 2013**

MAYOR

A. Keith McDonald (2014*)

ALDERMEN

Jack Young, Vice Mayor (2016*)
W.C. (Bubba) Pleasant, Register (2014*)
David Parsons (2014*)
Emily Elliott (2014*)
Bobby Simmons (2016*)
Paula Sedgwick (2016*)

Chief Administrative Officer	Mark S. Brown
City Attorney	Edward McKinney Jr.
Director of Finance	Dick Phebus
Director of Personnel	Peter Voss
Director of Planning and Economic Development	Terry Emerick
Director of Police Services	Gary Rikard
Director of Fire Services	Terry Wiggins
Director of Code Enforcement	Jim Brown
Director of Public Works	Bill Yearwood
Director of Engineering / City Engineer	Rick McClanahan
Director of Parks and Recreation	David Thompson
Director of the Performing Arts Center	Ron Jewell
Director of Citizen Services	Jacquie Gore
Director of Community Relations	Debbie Morrison
Court Clerk	Bill Lloyd

*(Date elected term expires)



Watkins Uiberall, PLLC
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Independent Member of BKR International

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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 the aggregate remaining fund information of the City of Bartlett, Tennessee, (the "City") as of and for the year ended June 30, 2013, 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 the aggregate remaining fund information of the City of Bartlett, Tennessee, as of June 30, 2013, 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.

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, supplementary schedules, and statistical information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements, supplemental 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, supplemental 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 and statistical information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2013, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Bartlett's internal control over financial reporting and compliance.



Memphis, Tennessee
December 16, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Bartlett, Tennessee (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013. 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 \$173,083,716 (net position). Of this amount, \$5,213,851 (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 \$1,252,706, due to a combination of an increase in long-term debt from general obligation and revenue bond issuance coupled with a smaller increase in current assets from cash and cash equivalents accumulation from increased revenue sources.
- At June 30, 2013, the City's governmental funds reported combined ending fund balances of \$39,039,098, an increase of \$5,689,296 in comparison with the prior year. Approximately 81.5% of this amount is available for spending at the government's discretion (committed, assigned or unassigned fund balance).
- At June 30, 2013 unassigned fund balance for the general fund was \$21,768,560, or 55.2% of total general fund expenditures.
- The City's total debt increased by \$2,104,999 (5.05%) during the current fiscal year. Key factors in this increase were the issuance of \$1,300,000 in capital outlay notes for equipment and vehicles and \$9,865,000 in general obligation refunding and improvement bonds and \$3,440,000 water and sewer revenue and tax refunding bonds in FY 2013.

Overview of the Financial Statements

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

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

The government-wide financial statements are:

- **Statement of Net Position** -- presents information on all of the City's assets and liabilities, 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 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 the City include general government, public safety, public works, parks and recreation, performing arts center, and recreation center. The business-type activities of the City include the operations of the water and sewer facilities.

The government-wide financial statements can be found on pages 27-29 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund both of which are considered to be major funds. Data for the other nine 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 fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 30-33 of this report.

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

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

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

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

The basic proprietary fund financial statements can be found on page 42-44 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 45-46 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 47-72 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 77-90 of this report.

Statistical Information: The statistical section, found on pages 100-124, 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 inflows by \$173,083,716 at the close of the most recent fiscal year, a decrease of \$1,252,706, or 0.7 percent, from last year.

The largest portion of the City's net position (89.8%) 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 net 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.

Condensed Statement of Net Position

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 61,516,947	\$ 56,522,678	\$11,766,262	\$ 9,478,133	\$ 73,283,209	\$ 66,000,811
Capital assets	116,409,955	117,357,156	68,849,477	69,981,793	185,259,432	187,338,949
Total assets	<u>177,926,902</u>	<u>173,879,834</u>	<u>80,615,739</u>	<u>79,459,926</u>	<u>258,542,641</u>	<u>253,339,760</u>
Long-term liabilities outstanding	48,541,775	44,243,597	14,057,996	13,596,053	62,599,771	57,839,650
Other liabilities	4,050,612	20,529,417	555,993	634,271	4,606,605	21,163,688
Total liabilities	<u>52,592,387</u>	<u>64,773,014</u>	<u>14,613,989</u>	<u>14,230,324</u>	<u>67,206,376</u>	<u>79,003,338</u>
Unavailable revenue - property tax	18,250,152	-	-	-	18,250,152	-
Unavailable revenue - business tax	2,397	-	-	-	2,397	-
Total deferred inflows	<u>18,252,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,252,549</u>	<u>-</u>
Net position:						
Net Investment in Capital Assets	97,886,043	93,659,549	58,727,263	58,771,208	156,613,306	152,430,757
Restricted	9,165,573	3,327,613	2,090,986	-	11,256,559	3,327,613
Unrestricted	30,350	12,119,658	5,183,501	6,458,394	5,213,851	18,578,052
Total net position	<u>\$107,081,966</u>	<u>\$109,106,820</u>	<u>\$66,001,750</u>	<u>\$65,229,602</u>	<u>\$173,083,716</u>	<u>\$174,336,422</u>

An additional portion of the City's net position (6.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$5,213,851) may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2013, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Changes in Net Position: Governmental activities decreased the City's net position by \$2,024,854 while Business-type activities increased the City's net assets by \$772,148 resulting in a net decrease of \$1,252,706. Key elements of this decrease are as follows:

- Loss of a significant account and reclassification of customers located in annexed area from outside to inside which affected operating revenues in business-type activities.
- Increase in total long-term debt due to issuance of \$9,865,000 general obligation refunding and improvement bonds and \$3,440,000 in revenue and tax refunding and improvement bonds. After repayment of refunded bonds and retirement of old debt, total bonded indebtedness increased \$1,420,000.
- Depreciation expense of \$4,884,209 in governmental activities and \$2,067,217 in business-type activities was a key factor in the overall decrease in net position.

Condensed Statement of Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues:						
Charges for Services	\$ 13,870,424	\$ 13,671,167	\$ 8,432,753	\$ 8,745,547	\$ 22,303,177	\$ 22,416,714
Operating grants and contributions	3,274,028	3,349,489	39,801	138,595	3,313,829	3,488,084
Capital grants and contributions	526,768	559,499	185,720	482,843	712,488	1,042,342
General Revenues:						
Local taxes	32,334,847	29,069,899	-	-	32,334,847	29,069,899
Intergovernmental	4,808,506	4,691,816	-	-	4,808,506	4,691,816
Interest on investments	73,821	95,808	20,823	25,379	94,644	121,187
Other	423,296	1,964,827	-	6,009	423,296	1,970,836
Total revenues	55,311,690	53,402,505	8,679,097	9,398,373	63,990,787	62,800,878
Expenses						
General government	7,544,128	7,508,236	-	-	7,544,128	7,508,236
Public safety	24,315,277	25,841,866	-	-	24,315,277	25,841,866
Public works	18,568,846	15,148,440	-	-	18,568,846	15,148,440
Parks and recreation	3,899,743	4,369,653	-	-	3,899,743	4,369,653
Performing arts center	584,528	597,215	-	-	584,528	597,215
Recreation center	1,596,531	1,752,728	-	-	1,596,531	1,752,728
Interest on long-term debt	1,119,654	757,919	-	-	1,119,654	757,919
Water and sewer	-	-	7,614,786	7,508,717	7,614,786	7,508,717
Total expenses	57,628,707	55,976,057	7,614,786	7,508,717	65,243,493	63,484,774
Changes in net position before transfers	(2,317,017)	(2,573,552)	1,064,311	1,889,656	(1,252,706)	(683,896)
Transfers	292,163	296,566	(292,163)	(296,566)	-	-
Change in net position	(2,024,854)	(2,276,986)	772,148	1,593,090	(1,252,706)	(683,896)
Net position - July 1, 2012, as previously reported	109,106,820	110,691,463	65,229,602	63,636,512	174,336,422	174,327,975
Prior period adjustments	-	692,343	-	-	-	692,343
Net position, July 1, 2012 as restated	109,106,820	111,383,806	65,229,602	63,636,512	174,336,422	175,020,318
Net position - June 30, 2013	\$107,081,966	\$109,106,820	\$66,001,750	\$65,229,602	\$173,083,716	\$174,336,422

Governmental Activities: Current fiscal year revenues and transfers for the City's governmental activities were \$55,603,853 compared to \$53,699,071 last year. Expenses for the same period were \$57,628,707 compared to \$55,976,057 last year, a 3.0% increase.

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

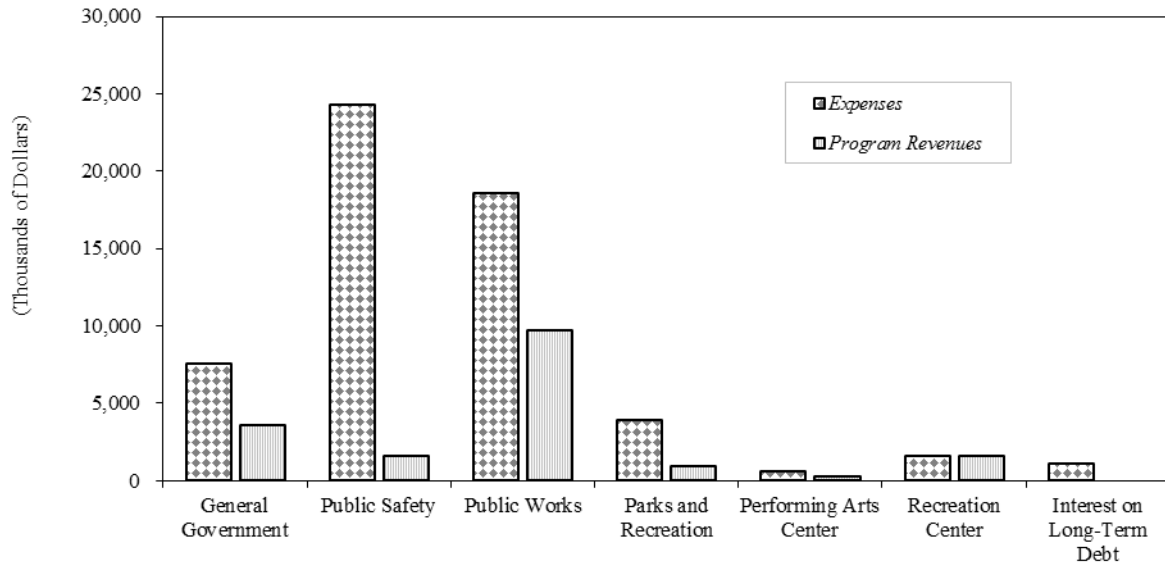
- The single largest source of governmental activity revenue, property taxes, increased by \$321,686 or 1.8 percent, resulting from payment of late in lieu of tax payments.
- Local sales taxes, the next largest contributor of revenues, were up \$2,943,262, or 26.1 percent due to enactment of additional ½ cent local option sales tax in August 2012.
- Program revenues increased \$91,065, or 0.5 percent, from the prior year. Charges for services increased by \$199,257; while operating and capital grants decreased by \$108,192.
- The City's portion of state income taxes decreased by \$35,916, or 13.3 percent, reflecting lower dividend and money market returns for taxpayers in the current economic environment.
- Other state allocated taxes increased \$75,893, or 1.7 percent, reflecting a small increase in per capita state shared revenues due to slow recovery of state economy.
- Investment income decreased by \$21,987, or 22.9 percent. The City is still experiencing historically low interest rates for authorized investments.

Each area of program revenues is discussed below.

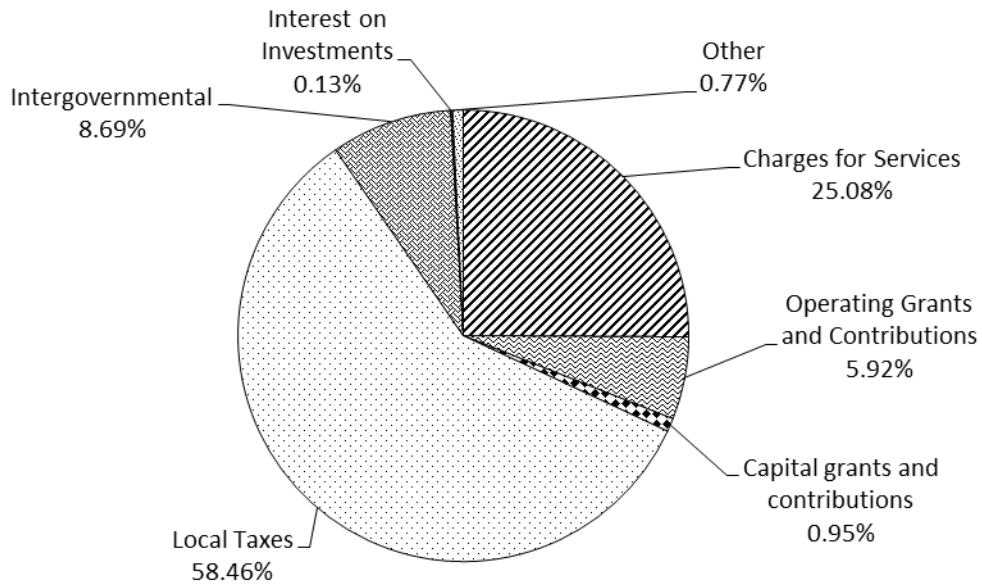
- Charges for services increased \$199,257, or 1.5 percent from the previous year due primarily to increases in sanitation fees and other public works activities.
- Operating grants and contributions decreased \$75,461, or 2.3 percent from the previous year, led by a decrease in grants for transportation funding activities.
- Capital grants and contributions decreased \$32,731, or 5.6 percent over the previous year, due to a decrease in grants for public safety activities.

Revenues were up by \$1,904,782 from the previous year, led by increased collections of local option sales tax of \$2,943,262 coupled with reductions in other intergovernmental revenues from state shared tax collections and developer performance bond defaults. Expenses for governmental activities increased by \$1,652,650 or 3.0 percent. Categories of general government and public works were up \$3,456,298 collectively, public safety was down \$1,526,589, while parks and recreation, performing arts center and recreation center all experienced decreases due to decreased operating expense. Interest on long-term debt increase \$361,735 over the prior year.

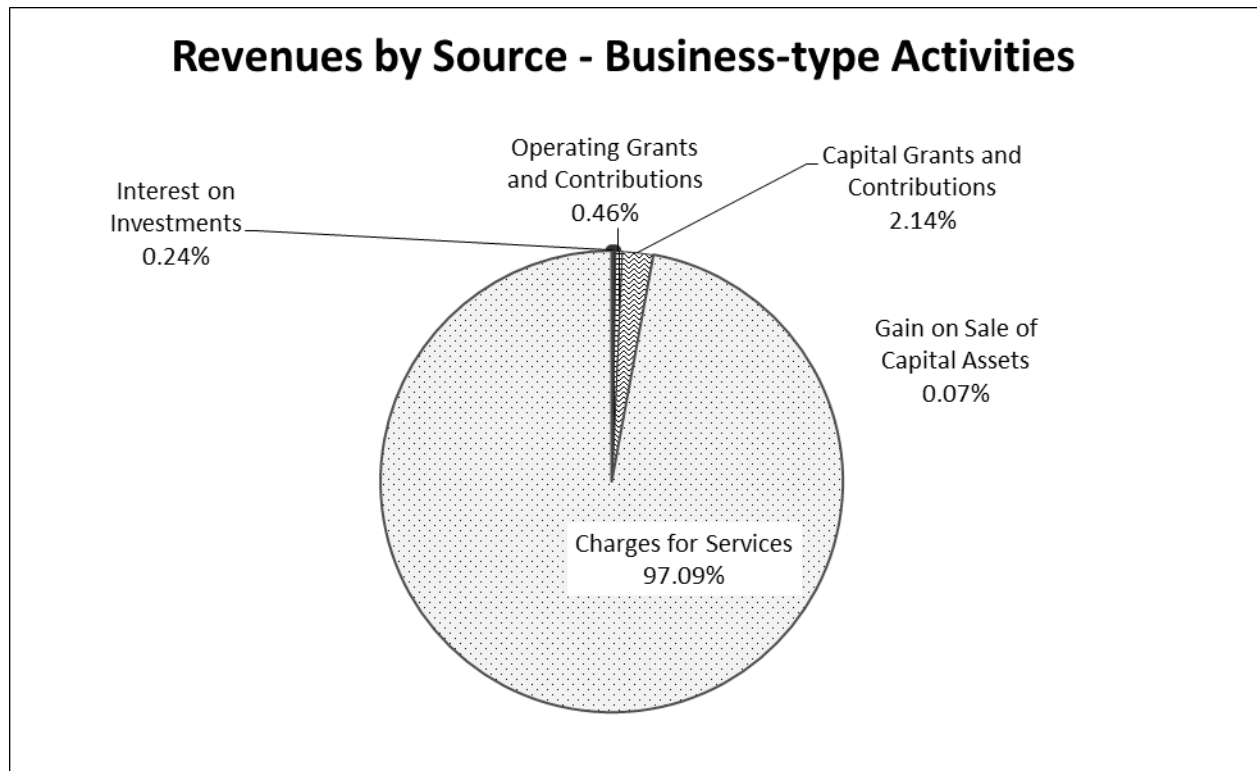
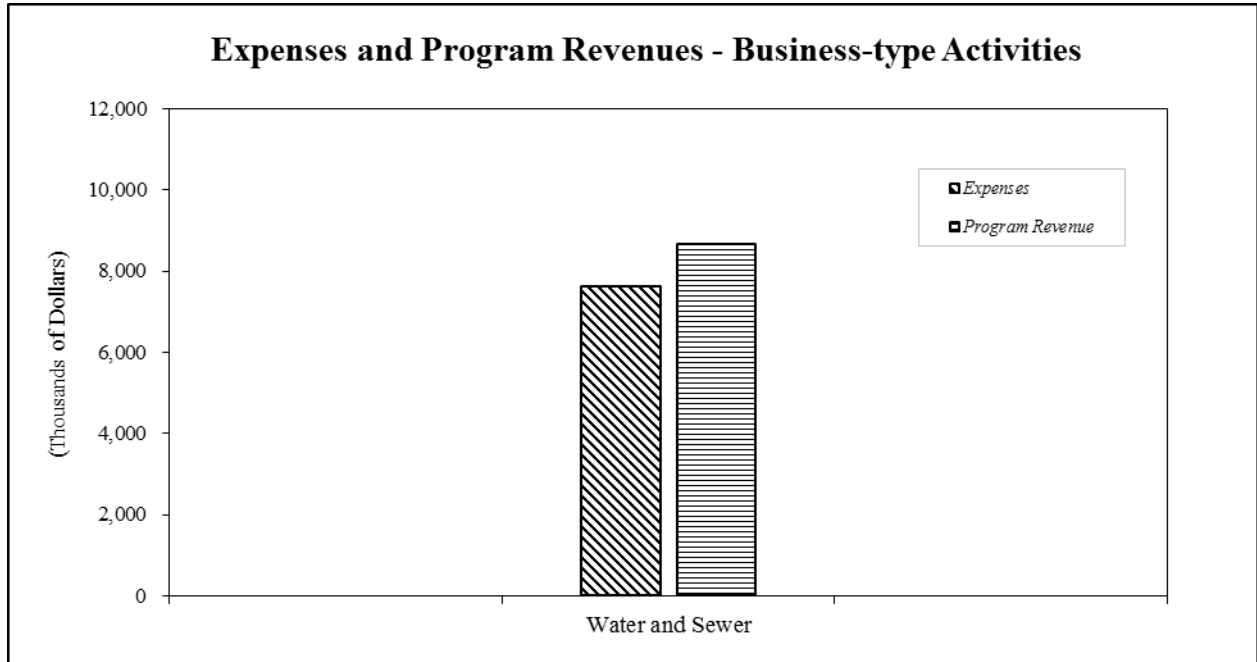
Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-type activities: Business-type activities increased the City's net assets by \$772,148 due primarily to revenues from a 45% user rate increase in early FY2012. While the net position improved from the prior year, the increase was less than 50% of that experienced in FY2012. While expenses only slightly increased by \$106,069 from the prior year, total revenue was down \$708,711 in FY2013. The decrease in revenue resulted from a decrease in water revenue and reductions in capital contributions from water taps and development fees.



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$39,039,098, an increase of \$5,689,296, in comparison with the prior year. Approximately 55.8% of this total amount (\$21,768,560) constitutes unassigned fund balance, which is available for spending at the government's discretion. All of the governmental funds reported a positive ending fund balance.

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 \$21,768,560, while total fund balance reached \$23,895,863. Other categories of fund balance for the general fund were non-spendable (\$207,569), restricted (\$14,664), committed (\$1,000,000) and assigned (\$905,070). Non-spendable includes inventories and prepaid items; committed includes amounts designated by the governing body for emergencies and contingencies; and assigned includes the use of general fund reserves to fund the subsequent year's budget. 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 55.2% of total general fund expenditures, while total fund balance represents 60.6% of that same amount.

The fund balance of the City's general fund increased by \$5,155,630, or 27.5%, to \$23,895,863 during the current fiscal year. Key factors are as follows:

- Revenues from property and other taxes were up by \$3,661,116 over the previous year. Local sales tax collections accounted for approximately 82% of that amount with gross receipts tax and interest and penalties on business taxes accounting for most of the remainder. Intergovernmental revenues were up by \$49,515 over the previous year. These are revenues received from the State of Tennessee for sales, income, and other state imposed taxes and distributed back to cities on a prorated basis. Revenues from licenses and permits were down \$55,150 while charges for certain services such as recreation fees, ambulance fees and animal shelter and library fees were down \$29,556. Total revenues, transfers in and other financing sources were \$43,063,445 for the fiscal year.
- Expenditures for current activity in the general fund increased by \$1,361,004 with general government and public safety expenditures accounting for 66.7% of this increase. Other current activities combined for a net increase of \$269,325. Other financing sources and uses played a pivotal role in the increase in the fund balance of the general fund with a net

financing source of \$931,111 compared to a net financing use of \$300,000 in the current year. Total expenditures and uses of funds were \$39,759,055.

Capital Projects Fund: This fund focuses on project-to-date costs for many projects within the City. At the end of the year, the fund reported \$9,843,663 in fund balance, of which \$5,572,368 is restricted and \$4,271,295 is assigned for completion of capital projects. Fund balance for this fund fluctuates from year to year based on debt issued and expenditures for capital projects; new debt increases fund balance while construction expenditures decreases it. For fiscal year 2013 there was an \$868,190 increase in fund balance. Analysis of project income and expenditures follows:

- Project inflows for the year of \$6,165,102 includes \$5,186,673 in general obligation debt proceeds and premiums, and \$978,429 in interest, transfers in from other funds and miscellaneous revenues.
- Current year expenditures and transfers of \$5,296,912 include \$5,025,385 in capital expenditures on projects, \$50,312 for bond issuance costs and \$221,215 in transfers to other funds.

Proprietary funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As the City completed the fiscal year its proprietary funds, which include both an enterprise fund and an internal service fund, had a combined net position of \$67,541,516.

Unrestricted net position for the Water and Sewer fund at the end of the year amounted to \$5,340,336. The total increase in net position for the Water and Sewer fund was \$785,224. Other factors concerning the finances have already been addressed in the discussion of the City's business-type activities.

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 \$133,150. This was due to state grants for certified police and firemen of \$110,400 and increase in licenses and permits of \$22,750.
- The difference between the original and final budget for expenditures increased by \$1,466,151. Legal fees associated with the establishment of a municipal school system accounted for \$749,154 of this increase with additional budget appropriations for costs relating to annexation of property for personnel and operations making up the balance.
- The General Fund revenues were \$3,841,575 higher than budgeted. The increase was due to an increase in local option sales taxes of \$2,614,558, state taxes (local share) of \$157,956, licenses and permits of \$5,578, federal and state grants of \$3,229, and an increase between budget and actual revenues in other revenues of \$1,060,254.
- General Fund expenditures were less than budgeted by \$1,342,179. City department heads strive to control costs within the respective departments. The largest positive variance was in General Government of \$671,875 while Public Safety had a positive variance of \$96,657. Cost

savings were also achieved in Public Works of \$272,519, Parks and Recreation of \$92,110, Performing Arts Center of \$170,253, and Recreation Center of \$38,765.

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, 2013 amounts to \$185,259,432 (net of accumulated depreciation). This investment in capital assets includes land, building, improvements, equipment, roads, highways, construction in progress, and other infrastructure. The total decrease in City's investment in capital assets for the current fiscal year was 1.11% (a 0.80% decrease for governmental activities and a 1.62% decrease for business-type activities).

Condensed Statement of Capital Assets (Net of Depreciation)

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 7,805,062	\$ 7,788,672	\$ 1,328,203	\$ 1,265,719	\$ 9,133,265	\$ 9,054,391
Buildings	26,117,551	26,824,450	65,726	69,696	26,183,277	26,894,146
Improvements other than bldgs.	1,954,413	2,220,024	65,118,771	66,920,713	67,073,184	69,140,737
Equipment	1,541,189	1,042,421	874,372	839,555	2,415,561	1,881,976
Vehicles	3,601,453	3,113,608	-	-	3,601,453	3,113,608
Infrastructure	72,287,642	74,006,066	-	-	72,287,642	74,006,066
Construction in progress	3,102,645	2,361,915	1,462,405	886,110	4,565,050	3,248,025
Total	\$ 116,409,955	\$ 117,357,156	\$ 68,849,477	\$ 69,981,793	\$ 185,259,432	\$ 187,338,949

Governmental activities saw an increase of \$4,596,646 in acquisition of land, equipment, vehicles, and infrastructure during FY2013 with \$1,095,837 in retirements. Business-type activities saw an increase of \$939,401 in capital asset acquisitions with \$4,500 reclassified from construction in progress to improvements.

Additional information on the City's capital assets can be found in note 4(D) on pages 58-59 of this report.

Long-term debt: At the end of the current fiscal year, the City had total debt outstanding of \$43,748,806. Of this amount \$31,174,555 comprises debt backed by the full faith and credit of the government and capital outlay notes and \$12,574,251 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	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 28,265,000	\$ 26,910,000	\$ -	\$ -	\$ 28,265,000	\$ 26,910,000
Capital Outlay note	2,097,500	1,327,500	-	-	2,097,500	1,327,500
General Obligation note	812,055	861,056	-	-	812,055	861,056
Revenue bonds	-	-	12,475,000	12,410,000	12,475,000	12,410,000
Revenue note	-	-	99,251	135,251	99,251	135,251
Total	<u>\$ 31,174,555</u>	<u>\$ 29,098,556</u>	<u>\$ 12,574,251</u>	<u>\$ 12,545,251</u>	<u>\$ 43,748,806</u>	<u>\$ 41,643,807</u>

The City's total debt increased \$2,105,000 or 5.0 percent during the current fiscal year. The City issued \$9,865,000 in general obligation refunding and improvement bonds and \$3,440,000 in water and sewer revenue and tax refunding bonds during the year. The City also issued \$1,300,000 in seven-year capital outlay notes during the year to help fund vehicles and equipment associated with the costs of annexation. The City also retired \$12,500,000 in debt through current and advanced debt refundings and retirement of other existing debt.

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

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

Economic Factors and Next Year's Budgets and Rates

Factors considered in preparing the City's budget for the 2014 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 continued impact of declining property values in the area has been taken into consideration in projecting resources.
- Property tax revenues were projected higher due to new growth and annexed property in 2012 assessed at \$71,093,202. Personal property additions to the tax base in 2013 totaled \$6,906,450.

- Sales tax and other state shared revenue should increase as economic output improves. While inflationary trends in the region compare favorably to national indices, the City has proposed FY14 appropriations which represent a slight increase from FY13 levels.
- Current service levels have been maintained in the general fund in FY14 by assigning a portion of the general fund balance in the amount of \$444,544. This use of fund balance amounts to 1.07 percent of total appropriations.
- Sanitation fees were increased 9.1 percent to offset increased operating costs for solid waste disposal.
- Water and sewer rates were adjusted to remove the third tier of user rates for both inside and outside water and sewer customers. 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.
- The City has formed its own municipal school district through enactment of state laws and election of local school board members. Appropriations from the City's general fund will likely be required during FY2014 to partially fund start-up operations of the system.

At June 30, 2013 the unassigned fund balance in the general fund was \$21,768,560. The City has approved a general fund operating budget of \$41,519,269 for FY14 with a \$444,544 planned use of general fund unassigned fund balance.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 6400 Stage Road, Bartlett, Tennessee 38134. The Comprehensive Annual Financial Report June 30, 2013, Fiscal Year 2013 Budget Report 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

STATEMENT OF NET POSITION

June 30, 2013

	Primary Government		Total
	Governmental Activities	Business-type Activity	
ASSETS			
Cash and cash equivalents	\$ 28,512,546	\$ 7,426,174	\$ 35,938,720
Investments - unrestricted	8,226,772	2,984,905	11,211,677
Investments - restricted	493,885	-	493,885
Receivables (net of allowance for uncollectibles):			
Taxes	19,980,918	-	19,980,918
Accounts receivable	-	1,508,008	1,508,008
Other	3,938,423	775	3,939,198
Internal balances	156,835	(156,835)	-
Inventories	201,704	-	201,704
Prepaid items	5,864	3,235	9,099
Capital assets, not being depreciated	10,907,707	2,790,608	13,698,315
Capital assets, being depreciated, net	105,502,248	66,058,869	171,561,117
Total assets	<u>177,926,902</u>	<u>80,615,739</u>	<u>258,542,641</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,357,085	306,644	1,663,729
Accrued interest payable	208,531	92,921	301,452
Unearned revenue	399,433	62,408	461,841
Other accrued payables	6,632	-	6,632
Accrued payroll and vacation	2,078,931	94,020	2,172,951
Noncurrent liabilities:			
Due within one year	3,379,102	1,203,000	4,582,102
Due in more than one year	45,162,673	12,854,996	58,017,669
Total liabilities	<u>52,592,387</u>	<u>14,613,989</u>	<u>67,206,376</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	18,250,152	-	18,250,152
Unavailable revenue - business licenses	2,397	-	2,397
Total deferred inflows of resources	<u>18,252,549</u>	<u>-</u>	<u>18,252,549</u>
NET POSITION			
Net investment in capital assets	97,886,043	58,727,263	156,613,306
Restricted for:			
Debt service	904,127	-	904,127
Streets	1,088,408	-	1,088,408
Park improvements	665,100	-	665,100
Drug enforcement	598,242	-	598,242
Capital projects	5,572,368	-	5,572,368
Other purposes	337,328	2,090,986	2,428,314
Unrestricted	30,350	5,183,501	5,213,851
Total net position	<u>\$ 107,081,966</u>	<u>\$ 66,001,750</u>	<u>\$ 173,083,716</u>

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

CITY OF BARTLETT, TENNESSEE

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental Activities:				
General government	\$ 7,544,128	\$ 3,378,393	\$ 198,696	\$ -
Public safety	24,315,277	1,608,651	-	-
Public works	18,568,846	6,152,226	3,060,662	526,768
Parks and recreation	3,899,743	916,375	14,670	-
Performing arts center	584,528	262,696	-	-
Recreation center	1,596,531	1,552,083	-	-
Interest on long-term debt	1,119,654	-	-	-
Total governmental activities	<u>57,628,707</u>	<u>13,870,424</u>	<u>3,274,028</u>	<u>526,768</u>
Business-type activity:				
Water and sewer	<u>7,614,786</u>	<u>8,432,753</u>	<u>39,801</u>	<u>185,720</u>
Total primary government	<u>\$ 65,243,493</u>	<u>\$ 22,303,177</u>	<u>\$ 3,313,829</u>	<u>\$ 712,488</u>
General revenues:				
Property taxes				
Local sales taxes				
State sales taxes				
Income and excise taxes				
Beer taxes				
Liquor taxes				
Bank excise taxes				
Receipts in lieu of tax - TVA				
Intergovernmental reimbursements				
Interest on investments				
Bond defaults				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

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

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

Governmental Activities	Business-Type Activities	Total
\$ (3,967,039)	\$ -	\$ (3,967,039)
(22,706,626)	-	(22,706,626)
(8,829,190)	-	(8,829,190)
(2,968,698)	-	(2,968,698)
(321,832)	-	(321,832)
(44,448)	-	(44,448)
(1,119,654)	-	(1,119,654)
(39,957,487)	-	(39,957,487)
-	1,043,488	1,043,488
(39,957,487)	1,043,488	(38,913,999)
18,103,072	-	18,103,072
14,231,775	-	14,231,775
3,774,959	-	3,774,959
234,763	-	234,763
27,001	-	27,001
65,544	-	65,544
6,730	-	6,730
622,796	-	622,796
76,713	-	76,713
73,821	20,823	94,644
423,296	-	423,296
292,163	(292,163)	-
37,932,633	(271,340)	37,661,293
(2,024,854)	772,148	(1,252,706)
109,106,820	65,229,602	174,336,422
\$ 107,081,966	\$ 66,001,750	\$ 173,083,716

CITY OF BARTLETT, TENNESSEE

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2013

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 12,673,835	\$ 9,522,595	\$ 4,902,826	\$ 27,099,256
Investments - unrestricted	8,226,772	-	-	8,226,772
Investments - restricted	-	493,885	-	493,885
Receivables				
Taxes	19,717,246	-	769,375	20,486,621
Other	4,176,752	16,791	198,397	4,391,940
Less allowance for doubtful accounts	(959,220)	-	-	(959,220)
Due from other funds	15,260	110,202	-	125,462
Inventory	201,704	-	-	201,704
Prepaid Items	5,864	-	-	5,864
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 44,058,213</u>	<u>\$ 10,143,473</u>	<u>\$ 5,870,598</u>	<u>\$ 60,072,284</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 665,139	\$ 283,020	\$ 378,567	\$ 1,326,726
Other accrued payables	6,632	-	-	6,632
Due to other funds	-	-	125,462	125,462
Unearned revenue - rec. center	218,088	-	-	218,088
Unearned revenue - developers	77,720	-	-	77,720
Unearned revenue - property maintenance	99,125	-	-	99,125
Unearned revenue - BPAC	4,500	-	-	4,500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	1,071,204	283,020	504,029	1,858,253
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	18,737,532	-	-	18,737,532
Unavailable revenue - court fines	349,937	-	-	349,937
Unavailable revenue - business licenses	2,397	-	-	2,397
Unavailable revenue - grants	1,280	7,271	606	9,157
Unavailable revenue - other	-	9,519	66,391	75,910
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	19,091,146	16,790	66,997	19,174,933
FUND BALANCES				
Nonspendable	207,569	-	-	207,569
Restricted	14,664	5,572,368	1,414,132	7,001,164
Committed	1,000,000	-	904,127	1,904,127
Assigned	905,070	4,271,295	2,981,313	8,157,678
Unassigned	21,768,560	-	-	21,768,560
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	23,895,863	9,843,663	5,299,572	39,039,098
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 44,058,213</u>	<u>\$ 10,143,473</u>	<u>\$ 5,870,598</u>	<u>\$ 60,072,284</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, 2013

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

Total governmental fund balances	\$ 39,039,098
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	116,409,955
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned or unavailable in the funds.	922,384
Internal service funds are used by management to charge the costs of health insurance, workers' compensation, and retiree health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,539,766
Long-term liabilities, including bonds payable, capital outlay notes, net pension obligation, and OPEB are not due and payable in the current period and therefore are not reported in the funds.	<u>(50,829,237)</u>
Net position of governmental activities	<u>\$ 107,081,966</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, 2013

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes:				
Property taxes	\$ 18,441,025	\$ -	\$ -	\$ 18,441,025
Local sales taxes	11,383,537	-	2,848,238	14,231,775
Intergovernmental	4,808,506	-	-	4,808,506
Intergovernmental gas motor fuel	-	-	961,558	961,558
Intergovernmental gas 1989	-	-	155,493	155,493
Intergovernmental gas 3 cent	-	-	288,594	288,594
Intergovernmental special petroleum	-	-	111,900	111,900
Licenses and permits	1,477,028	-	-	1,477,028
Charges for services	3,872,708	-	5,690,348	9,563,056
Fines, forfeitures, and penalties	1,904,089	-	30,881	1,934,970
Federal, state and other grants	113,629	-	1,589,641	1,703,270
Donations	14,670	-	-	14,670
Interest on investments	9,093	64,322	399	73,814
Other	108,049	145,597	241,621	495,267
Total revenues	<u>42,132,334</u>	<u>209,919</u>	<u>11,918,673</u>	<u>54,260,926</u>
EXPENDITURES				
Current				
General government	6,460,223	-	411,532	6,871,755
Public safety	22,640,665	-	238,103	22,878,768
Public works	5,026,628	-	7,225,428	12,252,056
Parks and recreation	3,297,743	-	-	3,297,743
Performing arts center	543,778	-	-	543,778
Recreation center	1,490,018	-	-	1,490,018
Debt Service				
Principal	-	-	2,814,000	2,814,000
Interest	-	-	807,602	807,602
Bond issuance costs	-	50,312	74,881	125,193
Capital outlays	-	5,025,385	-	5,025,385
Total expenditures	<u>39,459,055</u>	<u>5,075,697</u>	<u>11,571,546</u>	<u>56,106,298</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,673,279</u>	<u>(4,865,778)</u>	<u>347,127</u>	<u>(1,845,372)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	4,890,000	-	4,890,000
Issuance of refunding bonds	-	-	6,275,000	6,275,000
Premium on bonds issued	-	296,673	315,897	612,570
Payment to refunding bond escrow agent	-	-	(6,590,897)	(6,590,897)
Sale of capital assets	89,269	-	-	89,269
Transfers in	841,842	768,510	843,271	2,453,623
Transfers out	(300,000)	(221,215)	(1,640,245)	(2,161,460)
Total other financing sources and uses	<u>631,111</u>	<u>5,733,968</u>	<u>(796,974)</u>	<u>5,568,105</u>
Net change in fund balances	3,304,390	868,190	(449,847)	3,722,733
Fund balances - beginning, as previously reported	18,740,233	8,975,473	5,634,096	33,349,802
Prior period adjustment	1,851,240	-	115,323	1,966,563
Fund balances - beginning, restated	<u>20,591,473</u>	<u>8,975,473</u>	<u>5,749,419</u>	<u>35,316,365</u>
Fund balances - ending	<u>\$ 23,895,863</u>	<u>\$ 9,843,663</u>	<u>\$ 5,299,572</u>	<u>\$ 39,039,098</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2013

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

Net change in fund balance - total governmental funds	\$ 3,722,733
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(947,201)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(303,813)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This adjustment is for compensated absences, net pension obligation and other post employment benefits.	(1,812,105)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(2,559,532)
Internal service funds are used by management to charge the costs of health insurance, workmen's compensation, and retiree health insurance to individual funds. The net expenditure of certain activities of internal service funds is reported with governmental activities.	(124,936)
Change in net position of governmental activities	<u>\$ (2,024,854)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
TAXES				
Property tax	\$ 16,419,000	\$ 16,419,000	\$ 16,824,710	\$ 405,710
Property tax - prior year	440,000	440,000	557,536	117,536
Payments in lieu of taxes	685,000	685,000	908,365	223,365
Property tax interest and penalties	150,000	150,000	150,414	414
Local sales tax	5,973,250	5,973,250	8,587,808	2,614,558
Wholesale beer tax	726,500	726,500	763,566	37,066
Wholesale liquor tax	186,500	186,500	200,711	14,211
Gross receipts tax	850,000	850,000	1,067,161	217,161
Business tax	3,000	3,000	2,550	(450)
Interest, penalties, and collection fees on business tax	65,110	65,110	114,621	49,511
Hotel tax	170,000	170,000	181,876	11,876
CATV franchise tax	375,000	375,000	465,244	90,244
Total taxes	26,043,360	26,043,360	29,824,562	3,781,202
INTERGOVERNMENTAL/UNRESTRICTED				
State of Tennessee shared taxes				
Sales	3,742,550	3,742,550	3,774,959	32,409
Income taxes	200,000	200,000	234,763	34,763
Beer tax	28,000	28,000	27,001	(999)
Liquor tax	45,000	45,000	65,544	20,544
Bank excise tax	15,000	15,000	6,730	(8,270)
Receipts in lieu of tax - TVA	620,000	620,000	622,796	2,796
Reimbursements	-	-	76,713	76,713
Total state taxes	4,650,550	4,650,550	4,808,506	157,956
LICENSES AND PERMITS				
Automobile stickers	1,100,000	1,121,250	1,156,092	34,842
Beer and liquor licenses	15,750	15,750	15,190	(560)
Building and related permits	332,950	334,450	305,746	(28,704)
Total licenses and permits	1,448,700	1,471,450	1,477,028	5,578

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CHARGES FOR SERVICES				
Police and fire charges	15,500	15,500	22,894	7,394
Publication fees	1,000	1,000	1,240	240
Trash removal and weed cutting fees	140,000	140,000	139,819	(181)
Parks and recreation charges	2,513,399	2,513,399	2,402,601	(110,798)
Performing arts center	247,000	247,000	248,121	1,121
City service fee	3,000	3,000	5,588	2,588
Ambulance fees	720,000	720,000	666,674	(53,326)
Animal Shelter fees	139,000	139,000	116,058	(22,942)
911 fees	15,000	15,000	38,029	23,029
Rental fees	140,000	140,000	142,089	2,089
Library fees	100,000	100,000	89,595	(10,405)
Total charge for services	<u>4,033,899</u>	<u>4,033,899</u>	<u>3,872,708</u>	<u>(161,191)</u>
FINES, FORFEITURES, AND PENALTIES	<u>1,905,000</u>	<u>1,905,000</u>	<u>1,904,089</u>	<u>(911)</u>
FEDERAL AND STATE GRANTS	<u>-</u>	<u>110,400</u>	<u>113,629</u>	<u>3,229</u>
DONATIONS	<u>8,000</u>	<u>8,000</u>	<u>14,670</u>	<u>6,670</u>
INTEREST ON INVESTMENTS	<u>15,000</u>	<u>15,000</u>	<u>9,093</u>	<u>(5,907)</u>
OTHER	<u>53,100</u>	<u>53,100</u>	<u>108,049</u>	<u>54,949</u>
Total revenues	<u>38,157,609</u>	<u>38,290,759</u>	<u>42,132,334</u>	<u>3,841,575</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2013

EXPENDITURES:	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
GENERAL GOVERNMENT				
Legislative Salaries	\$ 155,200	\$ 171,200	\$ 170,173	\$ 1,027
Mayor's Office Salaries	417,659	417,659	416,253	1,406
Community Relations Salaries	64,404	64,404	64,391	13
Finance and Accounting Salaries	815,938	739,938	713,857	26,081
City Court Salaries	510,430	510,430	495,460	14,970
Building and Grounds Salaries	67,265	67,265	65,229	2,036
Personnel Salaries	223,451	223,451	223,101	350
Planning Salaries	218,486	218,486	211,726	6,760
Bartlett Station Municipal Center Salaries	203,354	204,354	204,174	180
Bonuses	47,308	47,308	37,795	9,513
Insurance	539,535	541,535	536,393	5,142
Payroll Taxes	203,394	203,394	193,509	9,885
Pension Contribution	345,386	345,386	320,990	24,396
Training	26,350	26,350	15,264	11,086
Legal Fees	218,000	967,154	644,943	322,211
Other Professional Services	191,300	208,750	169,471	39,279
Postage and Freight	35,100	35,100	27,659	7,441
Supplies	107,300	107,303	105,953	1,350
Notice Publications	35,200	35,200	43,068	(7,868)
Equipment	14,150	26,113	16,240	9,873
Telephone	75,515	75,515	72,030	3,485
Dues and Subscriptions	28,035	28,035	29,228	(1,193)
Repairs and Maintenance	262,475	286,885	139,398	147,487
Travel	45,100	44,700	45,543	(843)
Boards and Commission	76,900	84,100	74,422	9,678
Meetings	4,275	4,275	4,904	(629)
Miscellaneous Other Expenses	73,600	73,400	60,415	12,985
Mayor's Youth Council	2,000	2,000	2,006	(6)
Shop Allocation	7,800	7,800	7,800	-
Petroleum Supplies	17,500	17,500	10,993	6,507
Clothing & Uniforms	1,750	1,750	1,831	(81)
Printing	49,300	62,492	60,532	1,960
Bank Charges	15,500	15,500	25,000	(9,500)
Other Personnel Costs	49,600	54,600	53,491	1,109
Utilities	162,000	162,000	156,200	5,800
Advertising	10,500	10,500	8,451	2,049
Library Charge - City of Memphis	1,040,266	1,040,266	1,032,330	7,936
Total general government	6,361,326	7,132,098	6,460,223	671,875

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
PUBLIC SAFETY				
Police Department				
Police Salaries	7,966,529	8,049,994	8,004,631	45,363
Police Payroll Taxes	599,193	599,193	604,553	(5,360)
Police Bonus	138,876	138,876	134,019	4,857
Police Insurance	1,861,201	1,861,201	1,860,942	259
Police Pension Contribution	983,800	983,800	985,004	(1,204)
Police Training	60,000	61,965	48,081	13,884
Travel	30,000	34,800	36,268	(1,468)
Fees	15,500	15,500	11,494	4,006
Other Professional Services	5,000	5,000	4,448	552
Postage & Freight	3,250	3,250	2,454	796
Utilities	78,000	78,000	81,062	(3,062)
Telephone	104,000	104,000	126,600	(22,600)
Dues & Subscriptions	11,000	11,000	9,176	1,824
Meetings	2,500	2,500	1,093	1,407
Shop Allocation	50,000	50,000	50,000	-
Repairs & Maintenance	210,500	260,500	269,959	(9,459)
Supplies	47,000	47,000	37,057	9,943
Gas and Oil	332,136	332,136	321,963	10,173
Clothing & Uniforms	92,000	93,920	89,069	4,851
Equipment	30,600	57,425	47,092	10,333
Jail Expense	25,000	44,000	33,624	10,376
Other expense	4,500	4,500	-	4,500
Insurance	73,239	73,239	92,334	(19,095)
Claims	15,000	15,000	18,340	(3,340)
Total police department	12,738,824	12,926,799	12,869,263	57,536

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fire Department				
Salaries	4,121,807	4,244,407	4,233,571	10,836
Payroll Taxes	313,490	313,490	322,269	(8,779)
Insurance	974,861	1,039,861	1,043,547	(3,686)
Pension Contribution	519,540	519,540	528,004	(8,464)
Bonus	119,800	119,800	111,998	7,802
Training	19,500	17,120	13,317	3,803
Travel	2,200	2,200	1,601	599
Postage & Freight	1,500	1,500	475	1,025
Telephone	9,700	9,700	11,868	(2,168)
Utilities	65,000	65,000	60,858	4,142
Fees	1,200	1,200	-	1,200
Dues, Subscriptions, Publications	1,500	1,500	1,154	346
Shop Allocation	19,000	19,000	19,000	-
Repairs & Maintenance	96,000	89,000	96,472	(7,472)
Supplies	26,600	26,600	27,295	(695)
Gas & Oil	54,810	54,810	59,173	(4,363)
Clothing & Uniforms	45,000	45,000	43,604	1,396
Other Expense	19,280	19,280	14,402	4,878
Equipment	93,600	94,250	90,478	3,772
Total fire department	6,504,388	6,683,258	6,679,086	4,172
Ambulance and Medical Services				
Salaries	1,381,771	1,438,371	1,441,483	(3,112)
Payroll Taxes	104,217	104,217	107,661	(3,444)
Insurance	352,546	383,546	378,138	5,408
Pension Contributions	180,473	180,473	183,016	(2,543)
Training	10,000	10,000	7,129	2,871
Bonus	26,055	26,055	26,631	(576)
Travel	1,800	1,800	1,347	453
Postage & Freight	2,900	2,900	3,925	(1,025)
Other Expense	12,130	12,130	13,931	(1,801)
Telephone	8,010	8,010	5,727	2,283
Shop Allocation	10,000	10,000	10,000	-
Repairs & Maintenance	33,000	47,000	35,937	11,063
Supplies	56,900	62,648	66,021	(3,373)
Gas and Oil	29,490	29,490	33,597	(4,107)
Clothing & Uniforms	15,000	15,000	14,657	343
Equipment	37,700	37,700	36,744	956
Total ambulance and medical services	2,261,992	2,369,340	2,365,944	3,396

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Building Codes Enforcement				
Salaries	481,798	481,798	461,738	20,060
Bonus	9,142	9,142	9,116	26
Insurance	109,635	106,335	100,276	6,059
Payroll Taxes	36,564	36,564	35,134	1,430
Pension Contribution	64,146	64,146	61,429	2,717
Training	3,500	3,500	3,292	208
Postage & Freight	7,800	11,100	11,405	(305)
Other Expenses	4,760	4,760	2,114	2,646
Telephone	3,335	3,335	5,962	(2,627)
Shop Allocation	3,700	3,700	3,700	-
Repairs & Maintenance	4,500	4,500	6,774	(2,274)
Supplies	8,500	8,500	6,469	2,031
Gas & Oil	15,360	15,360	16,036	(676)
Equipment	5,185	5,185	2,927	2,258
	<u>757,925</u>	<u>757,925</u>	<u>726,372</u>	<u>31,553</u>
Total building codes enforcement				
	<u>22,263,129</u>	<u>22,737,322</u>	<u>22,640,665</u>	<u>96,657</u>
PUBLIC WORKS				
Salaries	3,064,488	3,090,488	3,015,442	75,046
Payroll Taxes	212,114	212,114	210,896	1,218
Insurance	760,377	761,377	772,984	(11,607)
Pension Contribution	373,298	373,298	371,500	1,798
Training	9,700	9,700	6,027	3,673
Postage & Freight	1,675	1,675	1,196	479
Utilities	42,000	42,000	37,986	4,014
Telephone	19,080	19,080	22,227	(3,147)
Shop Allocation	(223,985)	(223,985)	(239,108)	15,123
Repairs & Maintenance	385,250	427,750	327,287	100,463
Supplies	175,300	205,300	148,440	56,860
Clothing & Uniforms	17,200	18,010	18,003	7
Equipment	26,525	31,525	25,669	5,856
Other Expenses	5,375	5,375	7,566	(2,191)
Gas and Oil	175,200	169,200	156,340	12,860
Bonus	44,655	44,655	43,538	1,117
Professional Services	97,500	97,500	86,366	11,134
Dues & Subscriptions	2,835	2,835	5,711	(2,876)
Fees	11,250	11,250	8,558	2,692
	<u>5,199,837</u>	<u>5,299,147</u>	<u>5,026,628</u>	<u>272,519</u>
Total public works				

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARKS AND RECREATIONS				
Salaries	1,897,019	1,919,019	1,857,690	61,329
Payroll Taxes	130,570	130,570	127,827	2,743
Insurance	374,213	374,213	388,519	(14,306)
Bonuses	24,300	24,300	22,473	1,827
Pension Contribution	168,463	168,463	167,215	1,248
Postage & Freight	6,452	6,452	4,327	2,125
Telephone	12,233	12,233	13,521	(1,288)
Shop Allocation	18,750	18,750	18,750	-
Repairs & Maintenance	176,840	171,646	205,327	(33,681)
Gas & Oil	44,100	44,100	40,404	3,696
Supplies	203,094	213,824	186,989	26,835
Dues & Subscriptions	7,300	7,300	7,198	102
Equipment	15,373	15,373	11,598	3,775
Training & Travel	20,150	20,150	7,694	12,456
Professional Services	87,000	78,000	51,006	26,994
Utilities	128,800	122,800	116,429	6,371
Other Expenses	13,000	13,000	19,632	(6,632)
Clothing & Uniforms	10,100	10,260	13,228	(2,968)
Fees	2,000	2,000	5,231	(3,231)
Special Events	37,400	37,400	32,685	4,715
	<u>3,377,157</u>	<u>3,389,853</u>	<u>3,297,743</u>	<u>92,110</u>
PERFORMING ARTS CENTER				
Salaries	353,431	447,441	321,885	125,556
Payroll Taxes	13,811	13,811	11,768	2,043
Insurance	40,145	40,145	46,147	(6,002)
Bonuses	1,803	1,803	1,535	268
Pension Contributions	17,199	17,199	17,199	-
Postage and Freight	9,000	10,650	6,289	4,361
Telephone	2,400	2,400	3,931	(1,531)
Shop Allocation	300	300	300	-
Repairs & Maintenance	33,700	33,700	15,090	18,610
Utilities	40,000	40,000	36,008	3,992
Supplies	30,000	33,407	31,214	2,193
Gas & Oil	3,000	3,000	4,292	(1,292)
Equipment	8,000	8,000	2,729	5,271
Public Awareness	24,500	24,500	25,737	(1,237)
Clothing & Uniforms	225	225	209	16
Fees	6,000	6,000	6,401	(401)
Other Expenses	9,300	9,300	8,664	636
Professional Services	16,000	19,250	3,013	16,237
Training & Travel	2,500	2,500	862	1,638
Dues & Subscriptions	400	400	505	(105)
	<u>611,714</u>	<u>714,031</u>	<u>543,778</u>	<u>170,253</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECREATION CENTER				
Salaries	876,156	876,156	867,765	8,391
Payroll Taxes	55,695	55,695	59,505	(3,810)
Insurance	121,243	121,243	120,685	558
Bonuses	12,400	12,400	10,949	1,451
Pension Contributions	59,216	59,216	62,332	(3,116)
Postage & Freight	5,000	5,000	2,509	2,491
Telephone	7,960	7,960	7,729	231
Repairs & Maintenance	67,500	67,939	85,667	(17,728)
Gas & Oil	1,000	1,000	435	565
Supplies	66,000	72,099	56,698	15,401
Dues & Subscriptions	1,000	1,000	921	79
Equipment	6,500	6,500	3,463	3,037
Training & Travel	5,000	5,000	1,799	3,201
Professional Services	15,000	15,000	4,769	10,231
Utilities	140,000	140,000	128,944	11,056
Other Expenses	4,750	4,750	994	3,756
Clothing & Uniforms	3,500	3,825	1,647	2,178
Fees	26,500	26,500	28,870	(2,370)
Special Events	47,500	47,500	44,337	3,163
Total recreation center	<u>1,521,920</u>	<u>1,528,783</u>	<u>1,490,018</u>	<u>38,765</u>
Total expenditures	<u>39,335,083</u>	<u>40,801,234</u>	<u>39,459,055</u>	<u>1,342,179</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,177,474)</u>	<u>(2,510,475)</u>	<u>2,673,279</u>	<u>5,183,754</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	20,000	20,000	89,269	69,269
Transfers in	960,000	1,003,900	841,842	(162,058)
Transfers out	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>680,000</u>	<u>723,900</u>	<u>631,111</u>	<u>(92,789)</u>
Net change in fund balances	(497,474)	(1,786,575)	3,304,390	5,090,965
Fund balances - beginning, as previously reported	18,740,233	18,740,233	18,740,233	-
Prior period adjustment	-	-	1,851,240	1,851,240
Fund balances - beginning, as restated	<u>20,591,473</u>	<u>20,591,473</u>	<u>20,591,473</u>	<u>-</u>
Fund balances - ending	<u>\$ 20,093,999</u>	<u>\$ 18,804,898</u>	<u>\$ 23,895,863</u>	<u>\$ 5,090,965</u>

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

CITY OF BARTLETT, TENNESSEE

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2013

	Business-type Activity - Enterprise Fund Water and Sewer Fund	Governmental Activities - Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,426,174	\$ 1,413,290
Investments (unrestricted)	2,984,905	-
Receivables		
Customers	1,589,498	-
Other	775	-
Less allowance for doubtful accounts	(81,490)	-
Prepaid expenses	3,235	-
Total current assets	11,923,097	1,413,290
Noncurrent assets:		
Capital assets, not being depreciated	2,790,608	-
Capital assets, being depreciated, net	66,058,869	-
Total capital assets (net of accumulated depreciation)	68,849,477	-
Total noncurrent assets	68,849,477	-
Total assets	80,772,574	1,413,290
LIABILITIES		
Current liabilities:		
Accounts payable	306,644	30,359
Accrued bond interest	92,921	-
Accrued compensated absences	9,401	-
Deferred revenue	62,408	-
Current portion of bonds and notes payable	1,203,000	-
Total current liabilities	1,674,374	30,359
Noncurrent liabilities:		
Bonds and notes payable, net of current portion and issuance costs	11,106,366	-
Payable to pension fund	185,085	-
Accrued compensated absences	84,619	-
Other post employment benefits payable	1,563,545	-
Total noncurrent liabilities	12,939,615	-
Total liabilities	14,613,989	30,359
NET POSITION		
Net investment in capital assets	58,727,263	-
Restricted - other purpose	2,090,986	
Unrestricted	5,340,336	1,382,931
Total net position	66,158,585	\$ 1,382,931
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(156,835)	
Net position of the business-type activity	\$ 66,001,750	

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, 2013

	Business-type Activity - Enterprise Fund Water and Sewer Fund	Governmental Activities - Internal Service Funds
Operating revenues:		
Metered water sales	\$ 4,110,861	\$ -
Sewer service fee	3,542,537	-
Service connections fees	85,431	-
Forfeited discounts	285,281	-
Charges for services	61,300	1,501,933
Contributions	-	4,712,792
Tower lease charges	347,343	-
Demand response program	17,911	-
Grants	398	-
Other	21,492	-
Total operating revenues	<u>8,472,554</u>	<u>6,214,725</u>
Operating expenses:		
Administrative and general	1,425,002	6,280,773
Pumping and filtering	1,404,825	-
Distribution system	1,746,772	-
Sewer lagoon	516,337	-
CIP projects	69,454	-
Depreciation	2,067,218	-
Total operating expenses	<u>7,229,608</u>	<u>6,280,773</u>
Operating income (loss)	<u>1,242,946</u>	<u>(66,048)</u>
Nonoperating revenues (expenses):		
Transfer to other post employment benefits	-	(71,971)
Interest	20,823	7
Bond interest and fiscal charges	(372,102)	-
Total non-operating revenues (expenses)	<u>(351,279)</u>	<u>(71,964)</u>
Income (loss) before contributions and transfers	891,667	(138,012)
Capital contributions - water taps	15,500	-
Capital contributions - sewer taps	54,135	-
Capital contributions - development	116,085	-
Transfers out	(292,163)	-
Change in net position	<u>785,224</u>	<u>(138,012)</u>
Total net position - beginning	<u>65,373,361</u>	<u>1,520,943</u>
Total net position - ending	<u>\$ 66,158,585</u>	<u>\$ 1,382,931</u>
Change in net position	\$ 785,224	
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	<u>(13,076)</u>	
Change in net position of the business-type activity	<u>\$ 772,148</u>	

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

CITY OF BARTLETT, TENNESSEE

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2013

	Business-type Activity - Enterprise Fund Water and Sewer Fund	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 8,588,520	\$ -
Receipts from interfund services provided	-	6,214,725
Payments to suppliers	(2,589,639)	(6,286,606)
Payments to employees	(2,275,438)	-
Payments for interfunds services used	43,614	-
Other receipts	48,417	-
Net cash provided by (used for) operating activities	<u>3,815,474</u>	<u>(71,881)</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer to other fund	<u>(292,163)</u>	<u>(71,971)</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from issuance of capital debt	3,306,891	-
Capital contributions	185,720	-
Purchases of capital assets	(934,901)	-
Principal paid on capital debt	(3,411,000)	-
Interest paid on capital debt	(329,226)	-
Net cash used by capital and related financing activities	<u>(1,182,516)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	165,735	-
Interest income	20,823	7
Net cash provided by investing activities	<u>186,558</u>	<u>7</u>
Net increase (decrease) in cash and cash equivalents	2,527,353	(143,845)
Cash and cash equivalents - beginning of the year	<u>4,898,821</u>	<u>1,557,135</u>
Cash and cash equivalents - end of the year	<u>\$ 7,426,174</u>	<u>\$ 1,413,290</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	\$ 1,242,946	\$ (66,048)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	2,067,218	-
Change in assets and liabilities		
Receivables	224,332	-
Prepaid expenses	1,430	-
Accounts payable	(47,699)	(5,833)
Deferred revenue	9,970	-
Accrued compensated absences	317,277	-
Net cash provided by (used for) operating activities	<u>\$ 3,815,474</u>	<u>\$ (71,881)</u>
Noncash investing, capital, and financing activities:		
Bond issue costs paid from proceeds	<u>\$ 133,109</u>	<u>\$ -</u>

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

CITY OF BARTLETT, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION

June 30, 2013

	<u>Employee Retirement Plan</u>	<u>Other Post Employemnt Benefits</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	\$ 5,531,760	\$ 1,754,053	\$ 80,787
Interest receivable	236,283	-	-
Investments, at fair value:			
Mutual funds	47,162,616	-	
Mortgage backed securities	2	-	-
Common stock	213,781	-	-
Total investments	<u>47,376,399</u>	<u>-</u>	<u>-</u>
Total assets	<u>53,144,442</u>	<u>1,754,053</u>	<u>\$ 80,787</u>
LIABILITIES			
Accounts payable	52,116	863	-
Family assistance payable	-	-	37,838
Bail bonds payable	-	-	42,949
Total liabilities	<u>52,116</u>	<u>863</u>	<u>\$ 80,787</u>
NET POSITION			
Held in trust for pension benefits and other purposes	<u>\$ 53,092,326</u>	<u>\$ 1,753,190</u>	

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

CITY OF BARTLETT, TENNESSEE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended June 30, 2013

	Employee Retirement Plan	Other Post Employment Benefits
ADDITIONS		
Contributions:		
Employer	\$ 3,085,413	\$ 1,103,856
Plan members	881,552	-
Total contributions	<u>3,966,965</u>	<u>1,103,856</u>
Investment earnings (losses):		
Interest and dividends	1,371,429	138
Net appreciation in fair value of investments	3,696,020	-
Total investment earnings (loss)	<u>5,067,449</u>	<u>138</u>
Less investment expense	<u>(137,654)</u>	<u>-</u>
Net investment earnings (loss)	<u>4,929,795</u>	<u>138</u>
Total additions (reductions)	<u>8,896,760</u>	<u>1,103,994</u>
DEDUCTIONS		
Benefits	2,705,995	-
Premiums	-	499,558
Administrative expense	55,186	12,594
Total deductions	<u>2,761,181</u>	<u>512,152</u>
NONOPERATING ADDITIONS (DEDUCTIONS)		
Transfer in from retirees' health insurance fund	<u>-</u>	<u>71,970</u>
Change in net position	6,135,579	663,812
Net position - beginning of the year	<u>46,956,747</u>	<u>1,089,378</u>
Net position - end of the year	<u>\$ 53,092,326</u>	<u>\$ 1,753,190</u>

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

CITY OF BARTLETT, TENNESSEE
NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Government-wide and fund financial statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds do not use the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

Additionally, the City reports the following fund types:

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

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

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

The other post employment benefits fund is used to account for the accumulation of resources to be used to provide health and dental benefits to all qualified retired employees.

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

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

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

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

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

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

D - Assets, liabilities and fund balance

1. Deposits and investments

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

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

2. Interfund receivables and payables

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

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

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

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

3. Inventories and prepaid items

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

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

4. Restricted assets

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

5. Capital assets

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

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

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

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

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

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

6. Compensated absences

Compensated absences for accumulated unpaid vacation are accrued when incurred in 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.

7. Long-term obligations

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

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

8. Deferred inflows of resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents 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 two 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 business licenses.

9. Fund balance

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

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

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

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

Assigned Fund Balance – amounts intended to be used by the City for a specific purpose, but are neither restricted nor committed. The intent shall be expressed by the Board of Mayor and Aldermen or an official delegated the authority to assign amounts. This is a residual classification for all governmental funds other than the general fund. The Mayor or Finance Director has been granted the ability to assign amounts to a specific purpose. The nature of the actions necessary to remove or modify an assignment is not as rigid as required under a committed fund balance classification.

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

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

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

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

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

The details of this \$50,829,237 difference are as follows:

Bonds and capital outlay notes payable	\$ 31,174,555
Add: Deferred amount for issuance premiums	820,958
Less: Deferred amount for issuance cost	(790,819)
Accrued interest payable	208,531
Net pension obligation	2,854,969
Other postemployment benefits liability	13,816,441
Accrued vacation	2,078,932
Compensated absences	<u>665,670</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 50,829,237</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense." The details of the (\$947,201) difference are as follows:

Capital outlays	\$ 3,937,008
Depreciation expense	<u>(4,884,209)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (947,201)</u></u>

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

The details of this (\$2,559,532) difference are as follows:

Debt issued or incurred:	
Issuance of bonds and capital notes	\$ (11,165,000)
Less: premium	(612,570)
Decrease in accrued interest payable	38,907
Amortization of issuance costs, and premiums	(225,766)
Principal repayment on general obligation debt	2,814,000
Payment to escrow agent for refunding	<u>6,590,897</u>
 Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	 <u>\$ (2,559,532)</u>

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

The Board of Mayor and Aldermen annually approves the operating budgets of the general, special revenue, capital projects, debt service, and enterprise funds of the City. The capital projects plan is multi-year. Budgets are amended by resolution of the Board of Mayor and Aldermen to authorize expenditures of various grants received and to adjust the individual fund budgets as required. While no supplemental appropriations were required during the year, the accompanying budgetary data has been revised for amendments authorized by resolution during the year. The basis of accounting applied to budgetary data presented is consistent with the appropriate basis of accounting for each fund type.

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

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

B. Excess of expenditures over appropriations

For the year ended June 30, 2013, no fund's expenditures exceeded appropriations.

C. Deficit fund equity

As of June 30, 2013, none of the funds had a deficit fund balance.

NOTE 4 - DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

As of June 30, 2013, the City had the following investments in its Pension Trust Fund:

<u>Investment Type</u>	<u>2013</u>		<u>2012</u>	
	<u>Fair Value</u>	<u>Modified Duration (in Years)</u>	<u>Fair Value</u>	<u>Modified Duration (in Years)</u>
Corporate & Mortgage Backed Bonds	\$ -	N/A	\$ 1,028,367	10.87
Portfolio Weighted Average Modified Duration		N/A		10.87

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

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

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

B. Receivables

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

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental</u>	<u>Water and Sewer</u>	<u>Total</u>
Receivables:					
Taxes	\$ 19,717,246	\$ -	\$ 769,375	\$ -	\$ 20,486,621
Accounts receivable	-	-	-	1,589,498	1,589,498
Other	4,176,752	16,791	198,397	775	4,392,715
Gross receivables	23,893,998	16,791	967,772	1,590,273	26,468,834
Less: allowance for doubtful accounts	(959,220)	-	-	(81,490)	(1,040,710)
Net total receivables	<u>\$ 22,934,778</u>	<u>\$ 16,791</u>	<u>\$ 967,772</u>	<u>\$ 1,508,783</u>	<u>\$ 25,428,124</u>

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: (1) amounts relating to property taxes as described above and (2) amounts received for various capital projects upon which revenues will not be recognized until such projects have started.

C. Property Taxes

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

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

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

Current tax collections for the year ended June 30, 2013 were 95.27% of the tax levy. The property tax levy is without legal limit. The rate, as permitted by Tennessee State Law and City Charter, is set annually by the Board of Mayor and Aldermen and collected by the Finance Department.

The property tax rate for the year ended June 30, 2013, was \$1.49 per \$100 of assessed value as of January 1, 2012.

D. Capital assets

Capital asset activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,788,672	\$ 16,390	\$ -	\$ 7,805,062
Construction in progress	2,361,915	1,397,652	(656,922)	3,102,645
Total capital assets, not being depreciated	<u>10,150,587</u>	<u>1,414,042</u>	<u>(656,922)</u>	<u>10,907,707</u>
Capital assets, being depreciated:				
Buildings	36,635,751	24,887	-	36,660,638
Improvements	5,565,377	20,901	-	5,586,278
Equipment	7,272,427	902,195	(92,855)	8,081,767
Vehicles	13,797,964	1,388,598	(346,060)	14,840,502
Infrastructure	108,314,511	846,023	-	109,160,534
Total capital assets, being depreciated	<u>171,586,030</u>	<u>3,182,604</u>	<u>(438,915)</u>	<u>174,329,719</u>
Less accumulated depreciation for:				
Buildings	(9,811,301)	(731,786)	-	(10,543,087)
Improvements	(3,345,353)	(286,512)	-	(3,631,865)
Equipment	(6,230,006)	(402,972)	92,400	(6,540,578)
Vehicles	(10,684,356)	(898,492)	343,799	(11,239,049)
Infrastructure	(34,308,445)	(2,564,447)	-	(36,872,892)
Total accumulated depreciation	<u>(64,379,461)</u>	<u>(4,884,209)</u>	<u>436,199</u>	<u>(68,827,471)</u>
Total capital assets, being depreciated, net	<u>107,206,569</u>	<u>(1,701,605)</u>	<u>(2,716)</u>	<u>105,502,248</u>
Governmental activities capital assets, net	<u>\$ 117,357,156</u>	<u>\$ (287,563)</u>	<u>\$ (659,638)</u>	<u>\$ 116,409,955</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activity:				
Capital assets, not being depreciated:				
Land	\$ 1,265,719	\$ 62,484	\$ -	\$ 1,328,203
Construction in progress	886,110	580,795	(4,500)	1,462,405
Total capital assets, not being depreciated	<u>2,151,829</u>	<u>643,279</u>	<u>(4,500)</u>	<u>2,790,608</u>
Capital assets, being depreciated:				
Buildings	98,914	-	-	98,914
Improvements	96,733,685	133,022	-	96,866,707
Equipment	2,234,468	163,100	-	2,397,568
Total capital assets, being depreciated	<u>99,067,067</u>	<u>296,122</u>	<u>-</u>	<u>99,363,189</u>
Less accumulated depreciation for:				
Buildings	(29,218)	(3,970)	-	(33,188)
Improvements	(29,812,972)	(1,934,964)	-	(31,747,936)
Equipment	(1,394,913)	(128,283)	-	(1,523,196)
Total accumulated depreciation	<u>(31,237,103)</u>	<u>(2,067,217)</u>	<u>-</u>	<u>(33,304,320)</u>
Total capital assets, being depreciated, net	<u>67,829,964</u>	<u>(1,771,095)</u>	<u>-</u>	<u>66,058,869</u>
Business-type activity capital assets, net	<u>\$ 69,981,793</u>	<u>\$ (1,127,816)</u>	<u>\$ (4,500)</u>	<u>\$ 68,849,477</u>

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

Governmental activities:	
General government	\$ 329,994
Public safety	845,968
Public works	3,110,478
Parks and recreation	527,103
Performing arts center	70,666
Total depreciation expense - governmental activities	<u>\$ 4,884,209</u>

Construction and other significant commitments

The government has active construction projects as of June 30, 2013. At year-end the government's commitments with contractors are as follows:

<u>Function/Activity</u>	<u>Commitment</u>
Major roads construction & improvement	\$ 1,311,061
Public works equipment	1,045,062
Utility construction & improvement	\$ 658,616
	<u>\$ 3,014,739</u>

As of June 30, 2013, the government has \$278,737 in commitments relating to legal and consulting services.

Additionally, there was \$595,522 of other encumbrances outstanding at June 30, 2013.

E. Interfund receivables, payables, and transfers

At June 30, 2013, amounts to be received or paid with current available resources are reported as receivable and payable to other funds. The amount payable to the general fund and nongovernmental funds results from the time lag between dates that the interfund service are provided or reimbursable expenditures occur, and when transactions are recorded. The composition of interfund balances as of June 30, 2013, is as follows:

Due to:	<u>Due from:</u>	
	<u>Nonmajor</u>	
	<u>Governmental</u>	<u>Total</u>
Capital projects	\$ 110,202	\$ 110,202
General fund	15,260	15,260
	<u>\$ 125,462</u>	<u>\$ 125,462</u>

Interfund transfers represent subsidies and contributions provided to operating funds and capital project funds with no corresponding debt or promise to repay. Transfers out of the major funds,

nonmajor governmental funds and enterprise funds generally represent debt service, cost allocation, capital project funding, and payments in lieu of taxes. Interfund transfers occurring between individual major funds and nonmajor governmental, enterprise, and internal service funds for the City during the year ended June 30, 2013 are as follows:

	Transfer In:			
	General Fund	Capital Projects	Nonmajor Governmental	Total
Transfer out:				
General fund	\$ -	\$ 100,000	\$ 200,000	\$ 300,000
Nonmajor governmental funds	471,735	668,510	500,000	1,640,245
Capital projects fund	77,944	-	143,271	221,215
Water and sewer	292,163	-	-	292,163
Total transfers out	<u>\$ 841,842</u>	<u>\$ 768,510</u>	<u>\$ 843,271</u>	<u>\$ 2,453,623</u>

F. Leases

Operating Leases

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

2014	\$ 274,393
2015	320,220
2016	293,791
2017	289,162
2018	219,768
Thereafter	191,628
Total	<u>\$ 1,588,962</u>

G. Long Term Debt

General obligation bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. In September 2012, the City issued \$9,865,000 in General Obligation Refunding and Improvement Bonds, Series 2012A and \$3,440,000 in Water and Sewer Revenue and Tax Refunding and Improvement Bonds, Series 2012B. The bonds have fixed interest rates ranging from 2.00 percent to 3.00 percent. Maturity dates range from September 1, 2013 to September 1, 2032.

Certain net proceeds of \$6,590,897 were used to defease all of the remaining General Obligation Bonds Series 2004 (\$1,215,000) dated October 19, 2004, part of the General Obligation Bonds Series 2005 (\$3,165,000) dated September 29, 2005, and all of the General Obligation Bonds

Series 2006 (\$1,895,000) dated September 26, 2006 plus accrued interest and costs thereon. By issuing the Series 2012A Bonds, the City obtained an estimated economic gain (difference between the present value of the debt service payments on the defeased and new debt) of \$682,828. The refunding will reduce the City's total general obligation bond debt service payments over the next fourteen years by an estimated \$753,095.

Additional net proceeds of \$2,343,988 were used to defease all of the remaining Water and Sewer Revenue and Tax Bonds Series 2004 (\$915,000) dated October 19, 2004, part of the Water and Sewer Revenue and Tax Refunding and Improvement Bonds Series 2005 (\$210,000) dated September 29, 2005, and all of the Water and Sewer Revenue and Tax Bonds Series 2006 (\$1,105,000), dated September 26, 2006 plus accrued interest and costs thereon. By issuing the Series 2012B Bonds, the City obtained an estimated economic gain (difference between the present value of the debt service payments on the defeased and new debt) of \$247,197. The refunding will reduce the City's total water and sewer debt service payments over the next fourteen years by an estimated \$264,571.

For the Water and Sewer Refunding Bonds, the reacquisition price exceeded the net carrying amount of the old debt by \$113,988. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt.

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

Defeased Bonds

In the current year, the City has defeased certain other obligation bonds by placing the proceeds of new bonds in irrevocable escrow accounts to provide for all future debt service requirements on the retired bonds. Accordingly, the escrow account assets and the liability for the defeased bonds are not included in the City's financial statements. As of June 30, 2013, \$5,060,000 of general obligation bonds and \$1,315,000 of water and sewer revenue and tax bonds are considered defeased and remain outstanding. At June 30, 2013 cash in the irrevocable trust escrow account was \$6,654,423.

General obligation notes payable

On December 23, 2008, the City entered into a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee through the Tennessee Municipal League for \$1,350,000 and \$1,000,000 for governmental and business-type activities, respectively. As of June 30, 2013, \$812,055 for governmental activities and \$99,251 for business-type activities of the total available note was drawn. The principal on this loan is paid annually while the interest is paid monthly based on a variable interest rate determined monthly by the remarketing agent. At June 30, 2013, the interest rate on this loan was .15%.

Revenue bonds

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

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 26,910,000	\$ 9,865,000	\$ (8,510,000)	\$ 28,265,000	\$ 2,555,000
Less deferred amounts:					
For issuance premiums	256,228	612,571	(47,841)	820,958	-
For issuance cost	(748,530)	(126,675)	84,387	(790,818)	-
Total bonds payable	26,417,698	10,350,896	(8,473,454)	28,295,140	2,555,000
Capital outlay notes	1,327,500	1,300,000	(530,000)	2,097,500	733,000
Note payable	861,056	-	(49,000)	812,056	51,000
Net pension obligation	2,151,559	703,410	-	2,854,969	-
Other postemployment benefits	12,845,218	971,223	-	13,816,441	-
Compensated absences	640,566	43,357	(18,254)	665,669	40,102
Governmental-type activity long-term liabilities	<u>\$ 44,243,597</u>	<u>\$ 13,368,886</u>	<u>\$ (9,070,708)</u>	<u>\$ 48,541,775</u>	<u>\$ 3,379,102</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 12,410,000	\$ 3,440,000	\$ (3,375,000)	\$ 12,475,000	\$ 1,165,000
Less deferred amounts:					
For issuance costs	(347,560)	-	82,675	(264,885)	-
Total bonds payable	12,062,440	3,440,000	(3,292,325)	12,210,115	1,165,000
Note payable	135,251	-	(36,000)	99,251	38,000
Net pension obligation	141,471	43,614	-	185,085	-
Other postemployment benefits	1,256,891	306,654	-	1,563,545	-
Business-type activity long-term liabilities	<u>\$ 13,596,053</u>	<u>\$ 3,790,268</u>	<u>\$ (3,328,325)</u>	<u>\$ 14,057,996</u>	<u>\$ 1,203,000</u>

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

For the governmental activities and business-type activities, \$6,357,993 and \$2,090,986, respectively, of bond proceeds and capital notes were not spent as of June 30, 2013. As such, these proceeds were not included in the calculation of net investment in capital assets.

Bonds and similar debt payable at June 30, 2013, are comprised of the following individual issues:

	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Balance Outstanding at Year End</u>
Governmental activities:			
Bonds payable:			
2005 Serial Bonds	3.0-4.1	\$ 8,195,000	\$ 3,165,000
2006 Serial Bonds	4.0	2,655,000	125,000
2007 Serial Bonds	4.0-4.05	2,955,000	2,420,000
2009 Serial Bonds	2.0-4.1	2,220,000	1,955,000
2010 Serial Bonds	2.0-3.5	7,925,000	6,760,000
2011 Serial Bonds	2.0-2.625	4,545,000	3,975,000
2012 Serial Bonds	2.0-3.0	9,865,000	9,865,000
		<u>38,360,000</u>	<u>28,265,000</u>
2008 Note payable	0.15	996,055	812,055
2009 Capital Outlay note	3.14	740,500	159,000
2011 Capital Outlay note	2.40	475,000	163,000
2012 Capital Outlay note	2.03	691,500	475,500
2013 Capital Outlay note	1.78	1,300,000	1,300,000
		<u>\$ 42,563,055</u>	<u>\$ 31,174,555</u>
	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Balance Outstanding at Year End</u>
Business-type activities:			
Bonds payable:			
2005 Revenue Bonds	3.0-4.1	\$ 1,530,000	\$ 795,000
2006 Revenue Bonds	3.5-4.0	1,550,000	70,000
2007 Revenue Bonds	4.0-4.05	1,015,000	830,000
2009 Revenue Bonds	2.0-4.1	960,000	845,000
2010 Revenue Bonds	2.0-2.65	3,115,000	2,730,000
2011 Revenue Bonds	2.0-2.75	4,305,000	3,765,000
2012 Revenue Bonds	2.0-3.0	3,440,000	3,440,000
		<u>15,915,000</u>	<u>12,475,000</u>
2008 Note payable	0.15	235,251	99,251
		<u>\$ 16,150,251</u>	<u>12,574,251</u>
			<u>\$ 43,748,806</u>

Annual debt service requirements to maturity are as follows:

<u>Years Ending</u> <u>June 30</u>	<u>Government Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 3,339,000	\$ 778,310	\$ 1,203,000	\$ 309,680
2015	3,047,500	700,841	1,210,000	281,621
2016	2,994,000	632,023	1,291,251	254,380
2017	2,840,000	560,555	1,210,000	225,422
2018	2,845,000	485,619	970,000	197,996
2019-2023	10,458,000	1,440,517	4,385,000	627,425
2024-2028	4,516,055	478,317	1,815,000	188,083
2029-2033	1,135,000	70,663	490,000	32,892
	<u>\$ 31,174,555</u>	<u>\$ 5,146,845</u>	<u>\$ 12,574,251</u>	<u>\$ 2,117,499</u>

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

H. Restricted Assets

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

I. Fund Balances by Purpose

Following is more detailed information on the governmental fund balances:

	General Fund	Capital Projects	Other Governmental Funds	Total
Nonspendable for:				
Inventory	\$ 201,705	\$ -	\$ -	\$ 201,705
Prepaid expenses	5,864	-	-	5,864
Total nonspendable fund balance	<u>207,569</u>	<u>-</u>	<u>-</u>	<u>207,569</u>
Restricted for:				
Capital projects	-	5,572,368	-	5,572,368
State street aid	-	-	478,562	478,562
Drug enforcement	-	-	598,242	598,242
DEA task force	-	-	337,328	337,328
Sexual offender registry program	14,664	-	-	14,664
Total restricted fund balance	<u>14,664</u>	<u>5,572,368</u>	<u>1,414,132</u>	<u>7,001,164</u>
Committed for:				
Emergency purposes	1,000,000	-	-	1,000,000
Debt service	-	-	904,127	904,127
Total committed fund balance	<u>1,000,000</u>	<u>-</u>	<u>904,127</u>	<u>1,904,127</u>
Assigned to:				
Capital projects	-	4,271,295	-	4,271,295
State street aid	-	-	609,846	609,846
Solid waste	-	-	1,108,908	1,108,908
General improvement	-	-	497,144	497,144
Drainage control	-	-	100,315	100,315
Parks improvement	-	-	665,100	665,100
Encumbrances	460,526	-	-	460,526
Appropriated fund balance FY14 budget	444,544	-	-	444,544
Total assigned fund balance	<u>905,070</u>	<u>4,271,295</u>	<u>2,981,313</u>	<u>8,157,678</u>
Unassigned	<u>21,768,560</u>	<u>-</u>	<u>-</u>	<u>21,768,560</u>
Total fund balances	<u>\$ 23,895,863</u>	<u>\$ 9,843,663</u>	<u>\$ 5,299,572</u>	<u>\$ 39,039,098</u>

NOTE 5 - EMPLOYEE RETIREMENT SYSTEM

A. Plan Description

The City is the administrator of a single-employer public employee retirement system (PERS) established and administered by the City to provide pension benefits for its employees. The plan, as amended on March 29, 2001, is a defined benefit plan and was created on July 1, 1989 with the transfer of assets from a defined contribution money purchase plan discontinued on June 30, 1989. The PERS is considered to be part of the City of Bartlett's financial reporting entity and is included

in the City's financial reports as a pension trust fund. The City of Bartlett separately issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to City of Bartlett, P.O. Box 341148, Bartlett, TN 38134-1148.

The City provides all employee retirement benefits through a single employer, contributory, defined benefit plan. Under the plan, all full-time employees are eligible at date of employment as a condition of such employment. Employees are 100% vested only after five years of service. The retirement benefit is calculated at 2.5% of average compensation during the highest consecutive three years of service multiplied by years of credit service not in excess of 25 plus 1% of average compensation multiplied by years of service greater than 25 but less than 35, with a maximum benefit of 72.5% of average compensation.

At July 1, 2013 (the date of the latest actuarial valuation), PERS membership consisted of:

Retirees and beneficiaries currently receiving benefits	131
Terminated employees entitled to benefits but not yet receiving them	20
Active employees:	
Vested	373
Nonvested	<u>96</u>
Total	<u>620</u>

B. Funding Policy

Covered employees contribute 4% of earnings to the retirement plan. The City is required to contribute amounts necessary to finance the coverage for its employees (17.4% for the current period). Benefits and contributions are established by the City and may be amended only by the Board of Mayor and Aldermen.

C. Basis of Accounting

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

D. Plan Expenses

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

E. Method Used to Value Investments

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

F. Annual Pension Cost

For the year ended June 30, 2013, the City's annual pension cost of \$3,787,195 was less than the annual required contribution. The annual required contribution totaled \$3,928,712. The required contribution was determined as part of the July 1, 2012, annual actuarial valuation using the Frozen Initial Liability Cost Method. Significant actuarial assumptions used in the computation included (a) the investments in the trust fund are valued using a Five (5) Year Smoothed Market Value, and (b) projected salary increases of 4% per year. Both (a) and (b) included an inflation component of 2.5%. The actuarial value of the assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments.

Total payroll for the year ended June 30, 2013, was \$25,607,072. Payroll for employees covered by this plan was \$22,101,474.

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

Annual required contribution	\$ 3,928,712
Interest on net pension obligation	175,370
Adjustment to annual required contribution	<u>(316,887)</u>
Annual pension cost	3,787,195
Contributions made	<u>3,085,413</u>
Increase (decrease) in net pension obligation	<u>701,782</u>
Net pension obligation - beginning of year	<u>2,338,272</u>
Net pension obligation - end of year	<u><u>\$ 3,040,054</u></u>

G. Funded Status and Funding Progress

As of June 30, 2013, the actuarial accrued liability for benefits was \$77,329,284 of which \$25,409,252 was underfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$22,101,474, and the ratio of unfunded actuarial accrued liability to the covered payroll was 115%. The actuarial value of the assets as of July 1, 2013 is \$51,920,032. The funded ratio, the actuarial value of plan assets over the actuarial accrued liability, is 67.15%

H. Trend Information

The schedule of funding progress, presented as required supplementary information immediately follows the notes, and presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Following is a summary of the three-year trend for the years ended June 30:

	2013	2012	(As Restated) 2011
Annual pension cost	\$ 3,787,195	\$ 3,581,767	\$ 3,323,279
Percentage of APC contributed	81%	85%	91%
Net pension obligation	\$ 3,040,054	\$ 2,338,272	\$ 1,808,681

As noted above, information for the year ended June 30, 2011 has been restated per information provided by the actuary to correct previous calculations.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

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

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

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

NOTE 7 - RISK MANAGEMENT

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

Worker's Compensation

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

	2013	2012
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Claims incurred during the year	184,579	157,651
Claims payments	(184,579)	(157,651)
Unpaid claims, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>

Property, Plant and Equipment

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

Liability Coverage

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

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

In addition to the pension benefits described in Note 5, the City provides post-retirement health care benefits to all employees who retire from the City under the provisions of the PERS. Benefit provisions and contribution obligations have been established by the City in conjunction with the PERS.

At June 30, 2012, the membership consisted of:

Retirees and beneficiaries currently receiving benefits	98
Active employees	<u>460</u>
Total	<u>558</u>

A. Plan Description

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.

B. Funded Status and Funding Policy

The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has engaged an actuary to calculate the ARC and related information per the provision of GASB Statement 45 for employers in plans with more than 100 total plan members. The ARC represents a funding level that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. As of June 30, 2013, the actuarial accrued liability for benefits was \$17,717,752 of which \$15,963,699 was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$21,797,237, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 73%. The actuarial value

of the assets for the other post employment benefits as of July 1, 2013, is \$1,754,053. The funded ratio, the actuarial value of plan assets over the actuarial accrued liability, is 9.9%

C. Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 3,415,940
Interest on net OPEB obligation	705,106
Adjustment to annual required contribution	<u>(1,739,322)</u>
Annual OPEB cost	2,381,724
Contributions or payments made	<u>1,103,856</u>
Increase in net OPEB obligation	1,277,868
Net OPEB obligation, beginning of year	<u>14,102,110</u>
Net OPEB obligation, end of year	<u><u>\$ 15,379,978</u></u>

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

Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 1,708,013	26.9%	\$ 12,840,969
6/30/2012	\$ 2,352,147	46.4%	\$ 14,102,110
6/30/2013	\$ 2,381,724	46.3%	\$ 15,379,978

The schedule of funding progress, presented as required supplementary information immediately follows the notes, and presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

D. Actuarial Methods and Assumptions

Actual valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of potential occurrences of certain events in the future. Examples include assumptions about future employment, mortality, healthcare costs trends, inflation, etc. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to constant changes and modifications as actual results are compared with past expectations and new estimates and assumptions are formed regarding the future. Projections of retiree benefits for financial reporting purposes are based on current plan activities and it is handled by the City and the benefits are received by the eligible plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the

calculations. The OPEB plan investments are valued at fair market value based on quoted market prices as obtained by the trustee of the OPEB plan's assets.

The annual required contribution for the current year was determined as part of the July 1, 2012, actuarial valuation using the Projected Unit Credit actuarial cost method. The actuarial assumptions include a 5% a year rate of investment return, a 2.5% inflation rate, and a base payroll growth rate of 5%. The actuarial valuation uses the RP2000 Mortality Table and the 1987 Commissioner's Group Disability Table for disability rates. Per the actuarial study, the post-retirement rates range from 9% in the short-term to 5% in the long-term for health care related costs. Retirement rates range from age 55 to age 65, there is no expense loading, and 80% of active participants are assumed to be married and wives are assumed to be three years younger than husbands.

E. Amortization of Net OPEB Obligation

The amortization method used is the level dollar, closed approach which amortizes the initial unfunded actuarial liability over thirty years, actual gains/losses over ten years, and plan amendments over twenty years. The equivalent single amortization period is 26 years.

<u>Date Established</u>	<u>Type of Base</u>	<u>Initial Amount</u>	<u>Payment</u>	<u>Remaining Period</u>	<u>Remaining Balance</u>
7/1/2008	Initial	\$ 63,599,222	\$ 3,940,210	25	\$ 58,309,756
7/1/2010	Plan Amendment	\$ (44,335,936)	(2,834,229)	25	(41,942,739)
7/1/2012	(Gain)/Loss	\$ (438,153)	(54,041)	9	(403,318)
Total			<u>\$ 1,051,940</u>		<u>\$ 15,963,699</u>

The amortization for the year ending June 30, 2012 is as follows:

<u>Date Established</u>	<u>Type of Base</u>	<u>Initial Amount</u>	<u>Payment</u>	<u>Remaining Period</u>	<u>Remaining Balance</u>
7/1/2012	Obligation	\$ 14,102,110	\$ 1,739,322	9	\$ 12,980,927

NOTE 9 – SUBSEQUENT EVENT

On October 8, 2013, the City issued \$2,180,000 General Obligation Improvement Bonds, Series 2013A and \$1,345,000 Water and Sewer Revenue and Tax Improvement Bonds, Series 2013B, maturing on September 1, 2033 with an average interest rate of 3.22%. The proceeds of the Series 2013 Bonds will be used to fund the costs of certain public improvement projects including fire department stations and facilities and improvement of streets, roads, and other infrastructure. The proceeds will additionally be used for extensions and improvements to the water and sewer system of the City. The net proceeds of the 2013 Bonds totaled \$3,741,513 (net of underwriting fees) and were deposited with the City.

On October 8, 2013, the City issued \$2,510,000 General Obligation Refunding Bonds, Series 2013A, maturing on September 1, 2018, with interest rates ranging from 3.50% to 3.75%. The

Series 2013A Bonds refunded certain maturities of various outstanding Bond Series. By issuing the Series 2013A Bonds, the City obtained and estimated economic gain (difference between the present values of the debt service payments on the defeased debt and new debt) of \$107,460. The refunding will reduce the City's debt service payments over the next four years by an estimated \$135,165.

On October 8, 2013, the City issued \$660,000 Water and Sewer Revenue and Tax Refunding Bonds, Series 2013B, maturing on September 1, 2018, with interest rates ranging from 3.50% to 3.75%. The Series 2013B Bonds refunded certain maturities of various outstanding Bond Series. By issuing the Series 2013B Bonds, the City obtained and estimated economic gain (difference between the present values of the debt service payments on the defeased debt and new debt) of \$28,468. The refunding will reduce the City's debt service payments over the next four years by an estimated \$33,372.

Also subsequent to June 30, 2013, the City issued a seven-year capital outlay note in the amount of \$770,500 through the Tennessee Municipal Bond Fund. The note bears an interest rate of 2.13% with final maturity on September 1, 2020. Proceeds of the note were used to purchase vehicles and equipment as identified in the FY2014 Capital Improvement Program Budget.

NOTE 10 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made on the statement of revenues, expenditures, and changes in fund balances – governmental funds in the amount of \$1,966,563. In the governmental funds, vacation leave is to be accrued as an expenditure only if there are pending payouts of unused leave owed to employees who left active service by the end of the fiscal period. The City has previously recorded all unused vacation in the governmental funds, which resulted in an overstatement of \$1,966,563 in liabilities and expense in the governmental funds. The net effect of the adjustments decreases liabilities and increases beginning fund balance by \$1,966,563.

The table below summarizes the prior period adjustments and the net effect on beginning fund balance:

Reduction of liabilities in the general fund	\$ (1,851,240)
Reduction of liabilities in the solid waste fund	(109,612)
Reduction of liabilities in the drainage control fund	<u>(5,711)</u>
Net effect on beginning fund balance	<u>\$ (1,966,563)</u>

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF OTHER POST EMPLOYMENT BENEFITS FUNDING PROGRESS

For the Six Years Ended June 30

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability - PUC	Funded Ratio	Covered Payroll	UAAAL as a Percentage of Covered Payroll
7/1/2008	\$ 631,851	\$ 64,231,073	\$ 63,599,222	1.0%	\$ 20,682,097	308%
7/1/2009	\$ 624,167	\$ 68,971,215	\$ 68,347,048	0.9%	\$ 20,923,074	327%
7/1/2010	\$ 566,339	\$ 17,867,243	\$ 17,300,904	3.2%	\$ 21,398,047	81%
7/1/2011	\$ 623,056	\$ 19,266,337	\$ 18,643,281	3.2%	\$ 21,536,382	87%
7/1/2012	\$ 1,205,847	\$ 17,461,310	\$ 16,255,463	6.9%	\$ 21,797,237	75%
7/1/2013	\$ 1,754,053	\$ 17,717,752	\$ 15,963,699	9.9%	\$ 21,797,237	73%

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF EMPLOYEE RETIREMENT SYSTEM FUNDING PROGRESS

For the Six Years Ended June 30

<u>Actuarial Valuation Date</u>	<u>Actuarial Valuation of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability - FIL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2008	\$ 39,090,640	\$56,859,576	\$ 17,768,936	68.75%	\$ 20,682,097	86%
7/1/2009	\$ 35,635,995	\$52,870,665	\$ 17,234,670	67.40%	\$ 20,923,074	82%
7/1/2010	\$ 43,930,721	\$61,801,506	\$ 17,870,785	71.08%	\$ 21,398,047	84%
7/1/2011	\$ 46,749,452	\$63,984,119	\$ 17,234,667	73.06%	\$ 21,569,182	80%
7/1/2012	\$ 48,406,662	\$65,138,712	\$ 16,732,050	74.31%	\$ 21,797,237	77%
7/1/2013	\$ 51,920,032	\$77,329,284	\$ 25,409,252	67.14%	\$ 22,101,474	115%

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF EMPLOYEE RETIREMENT SYSTEM
EMPLOYER CONTRIBUTIONS

For the Six Years Ended June 30

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percent Contributed</u>
2008	\$ 2,421,126	100%
2009	\$ 2,846,355	108%
2010	\$ 3,995,896	76%
2011	\$ 3,579,847	85%
2012	\$ 3,446,116	89%
2013	\$ 3,928,712	78%

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF BONDS OF PRINCIPAL OFFICIALS

June 30, 2013

	Amount of Bond*
A. Keith McDonald - Mayor	\$ 150,000
Mark Brown - Chief Administrative Officer	\$ 150,000
Ed McKenney, Jr. - City Attorney	\$ 150,000
Jacque Gore - Director of Citizen Services	\$ 150,000
Debbie Morrison - Director of Community Relations	\$ 150,000
Dick Phebus, Director of Finance & CMFOA Designee	\$ 150,000
Bill Lloyd - Court Clerk	\$ 150,000
Peter Voss - Director of Personnel	\$ 150,000
Terry Emerick - Director of Planning and Economic Development	\$ 150,000
Gary Rikard - Director of Police Services	\$ 150,000
Terry Wiggins - Director of Fire Services	\$ 150,000
Jim Brown - Director of Code Enforcement	\$ 150,000
Bill Yearwood - Director of Public Works	\$ 150,000
Rick McClanahan - Director of Engineering	\$ 150,000
David Thompson - Director of Parks and Recreation	\$ 150,000
Ron Jewell - Director of Performing Arts Center	\$ 150,000

*Officials are bonded under errors and omissions policy for \$150,000 per occurrence

CITY OF BARTLETT, TENNESSEE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

June 30, 2013

	Special Revenue Funds							Debt Service Fund	Total Nonmajor Governmental Funds
	State Street Aid Fund	Solid Waste Control Fund	Drug Enforcement Fund	General Improvement Fund	Drainage Control Fund	Parks Improvement Fund	DEA Task Force Fund		
ASSETS									
Cash and cash equivalents	\$ 1,010,409	\$ 1,198,988	\$ 674,510	\$ 506,428	\$ 101,041	\$ 665,100	\$ 337,379	\$ -	\$ 4,902,826
Receivables, net									
Taxes	274,219	-	-	-	-	-	-	495,156	769,375
Other	267	-	-	-	-	-	-	198,130	198,397
Total assets	<u>\$ 1,284,895</u>	<u>\$ 1,198,988</u>	<u>\$ 674,510</u>	<u>\$ 506,428</u>	<u>\$ 101,041</u>	<u>\$ 665,100</u>	<u>\$ 337,379</u>	<u>\$ 198,130</u>	<u>\$ 5,870,598</u>
LIABILITIES									
Accounts payable	\$ 130,096	\$ 90,080	\$ 76,268	\$ 9,284	\$ 726	\$ -	\$ 51	\$ 72,062	\$ 378,567
Due to other funds	-	-	-	-	-	-	-	125,462	125,462
Total liabilities	<u>130,096</u>	<u>90,080</u>	<u>76,268</u>	<u>9,284</u>	<u>726</u>	<u>-</u>	<u>51</u>	<u>197,524</u>	<u>504,029</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - grants	-	-	-	-	-	-	-	606	606
Unavailable revenue - other	66,391	-	-	-	-	-	-	-	66,391
Total deferred inflows of resources	<u>66,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>606</u>	<u>66,997</u>
FUND BALANCES									
Restricted	478,562	-	598,242	-	-	-	337,328	-	1,414,132
Committed	-	-	-	-	-	-	-	904,127	904,127
Assigned	609,846	1,108,908	-	497,144	100,315	665,100	-	-	2,981,313
Total fund balance	<u>1,088,408</u>	<u>1,108,908</u>	<u>598,242</u>	<u>497,144</u>	<u>100,315</u>	<u>665,100</u>	<u>337,328</u>	<u>-</u>	<u>5,299,572</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,284,895</u>	<u>\$ 1,198,988</u>	<u>\$ 674,510</u>	<u>\$ 506,428</u>	<u>\$ 101,041</u>	<u>\$ 665,100</u>	<u>\$ 337,379</u>	<u>\$ 198,130</u>	<u>\$ 5,870,598</u>

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2013

	Special Revenue Funds			
	State Street Aid Fund	Solid Waste Control Fund	Drug Enforcement Fund	General Improvement Fund
REVENUES				
Taxes:				
Local sales taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental - state gas tax	1,517,545	-	-	-
Charges for services	164,012	4,909,427	-	616,159
Fines, forfeitures, and penalties	-	-	30,881	-
Federal and state grants	-	2,354	-	-
Interest on investments	-	-	-	-
Program income	-	6,238	156,806	-
Total revenues	<u>1,681,557</u>	<u>4,918,019</u>	<u>187,687</u>	<u>616,159</u>
EXPENDITURES				
Street paving and repair	143,601	-	-	1,546
Solid waste control	-	4,381,175	-	-
Drug enforcement	-	-	107,267	-
Drainage control	-	-	-	-
Miscellaneous	-	-	-	301,892
Street lighting	1,252,613	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlays	-	431,705	67,570	108,094
Total expenditures	<u>1,396,214</u>	<u>4,812,880</u>	<u>174,837</u>	<u>411,532</u>
Excess (deficiency) of revenues over expenditures	<u>285,343</u>	<u>105,139</u>	<u>12,850</u>	<u>204,627</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(500,000)	-	(450,000)
Total other financing sources and uses	<u>-</u>	<u>(500,000)</u>	<u>-</u>	<u>(450,000)</u>
Net change in fund balances	285,343	(394,861)	12,850	(245,373)
Fund balances - beginning, as previously reported	803,065	1,394,157	585,392	742,517
Prior period adjustment	-	109,612	-	-
Fund balances - beginning, restated	<u>803,065</u>	<u>1,503,769</u>	<u>585,392</u>	<u>742,517</u>
Fund balances - ending	<u>\$ 1,088,408</u>	<u>\$ 1,108,908</u>	<u>\$ 598,242</u>	<u>\$ 497,144</u>

<u>Drainage Control Fund</u>	<u>Parks Improvement Fund</u>	<u>DEA Task Force Fund</u>	<u>Grants Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,848,238	\$ 2,848,238
-	-	-	-	-	1,517,545
750	-	-	-	-	5,690,348
-	-	-	-	-	30,881
-	-	-	1,587,287	-	1,589,641
66	-	333	-	-	399
-	-	78,577	-	-	241,621
<u>816</u>	<u>-</u>	<u>78,910</u>	<u>1,587,287</u>	<u>2,848,238</u>	<u>11,918,673</u>
-	-	-	-	-	145,147
-	-	-	-	-	4,381,175
-	-	-	-	-	107,267
92,226	-	-	-	-	92,226
-	-	13,892	8,749	-	324,533
-	-	-	-	-	1,252,613
-	-	-	-	2,814,000	2,814,000
-	-	-	-	807,602	807,602
-	-	-	-	74,881	74,881
1,217	-	49,374	914,142	-	1,572,102
<u>93,443</u>	<u>-</u>	<u>63,266</u>	<u>922,891</u>	<u>3,696,483</u>	<u>11,571,546</u>
<u>(92,627)</u>	<u>-</u>	<u>15,644</u>	<u>664,396</u>	<u>(848,245)</u>	<u>347,127</u>
-	-	-	-	6,275,000	6,275,000
-	-	-	-	315,897	315,897
-	-	-	-	(6,590,897)	(6,590,897)
-	-	-	43,271	800,000	843,271
-	-	-	(690,245)	-	(1,640,245)
-	-	-	(646,974)	800,000	(796,974)
(92,627)	-	15,644	17,422	(48,245)	(449,847)
187,231	665,100	321,684	(17,422)	952,372	5,634,096
5,711	-	-	-	-	115,323
<u>192,942</u>	<u>665,100</u>	<u>321,684</u>	<u>(17,422)</u>	<u>952,372</u>	<u>5,749,419</u>
<u>\$ 100,315</u>	<u>\$ 665,100</u>	<u>\$ 337,328</u>	<u>\$ -</u>	<u>\$ 904,127</u>	<u>\$ 5,299,572</u>

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
STATE STREET AID FUND				
Revenues:				
Intergovernmental/unrestricted - state gas tax	\$ 1,550,000	\$ 1,550,000	\$ 1,517,545	\$ (32,455)
Charges for services	-	-	164,012	164,012
Other	3,000	3,000	-	(3,000)
Total revenues	<u>1,553,000</u>	<u>1,553,000</u>	<u>1,681,557</u>	<u>128,557</u>
Expenditures:				
Street paving and repair	175,000	214,721	143,601	71,120
Street lighting	1,340,000	1,340,000	1,252,613	87,387
Total expenditures	<u>1,515,000</u>	<u>1,554,721</u>	<u>1,396,214</u>	<u>158,507</u>
Excess (deficiency) of revenues over expenditures	38,000	(1,721)	285,343	287,064
Net change in fund balance	38,000	(1,721)	285,343	287,064
Fund balance - beginning	<u>803,065</u>	<u>803,065</u>	<u>803,065</u>	<u>-</u>
Fund balance - ending	<u>\$ 841,065</u>	<u>\$ 801,344</u>	<u>\$ 1,088,408</u>	<u>\$ 287,064</u>
SOLID WASTE CONTROL FUND				
Revenues:				
Charges for services	\$ 4,836,500	\$ 4,948,964	\$ 4,909,427	\$ (39,537)
Federal grants	-	-	2,354	2,354
Other income	5,500	5,500	6,238	738
Total revenues	<u>4,842,000</u>	<u>4,954,464</u>	<u>4,918,019</u>	<u>(36,445)</u>
Expenditures:				
Personnel	2,549,625	2,506,125	2,500,422	5,703
Operations	1,744,669	1,918,669	1,880,753	37,916
Capital outlays	236,000	431,725	431,705	20
Total expenditures	<u>4,530,294</u>	<u>4,856,519</u>	<u>4,812,880</u>	<u>43,639</u>
Excess (deficiency) of revenues over expenditures	311,706	97,945	105,139	7,194
Other financing sources (uses):				
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Net change in fund balance	(188,294)	(402,055)	(394,861)	7,194
Fund balance - beginning, as previously reported	1,394,157	1,394,157	1,394,157	-
Prior period adjustment	-	-	109,612	109,612
Fund balance - beginning, as restated	<u>1,503,769</u>	<u>1,503,769</u>	<u>1,503,769</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,315,475</u>	<u>\$ 1,101,714</u>	<u>\$ 1,108,908</u>	<u>\$ 116,806</u>

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
DRUG ENFORCEMENT FUND				
Revenues:				
Collection of fines and forfeitures	\$ 31,500	\$ 31,500	\$ 30,881	\$ (619)
Other	184,000	184,000	156,806	(27,194)
Total revenues	<u>215,500</u>	<u>215,500</u>	<u>187,687</u>	<u>(27,813)</u>
Expenditures:				
Personnel	45,000	45,000	42,294	2,706
Operations	143,800	144,109	64,973	79,136
Capital outlays	155,500	155,500	67,570	87,930
Total expenditures	<u>344,300</u>	<u>344,609</u>	<u>174,837</u>	<u>169,772</u>
Net change in fund balance	(128,800)	(129,109)	12,850	141,959
Fund balance - beginning	<u>585,392</u>	<u>585,392</u>	<u>585,392</u>	<u>-</u>
Fund balance - ending	<u>\$ 456,592</u>	<u>\$ 456,283</u>	<u>\$ 598,242</u>	<u>\$ 141,959</u>
GENERAL IMPROVEMENT FUND				
Revenues:				
City service fees	\$ 595,000	\$ 595,000	\$ 616,159	\$ 21,159
Expenditures:				
Street paving and repairs	10,000	10,000	1,546	8,454
Capital outlays	169,900	216,629	108,094	108,535
Miscellaneous	309,000	311,990	301,892	10,098
Total expenditures	<u>488,900</u>	<u>538,619</u>	<u>411,532</u>	<u>127,087</u>
Excess (deficiency) of revenues over expenditures	106,100	56,381	204,627	148,246
Other financing sources (uses):				
Transfers out	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>
Net change in fund balance	(343,900)	(393,619)	(245,373)	148,246
Fund balance - beginning	<u>742,517</u>	<u>742,517</u>	<u>742,517</u>	<u>-</u>
Fund balance - ending	<u>\$ 398,617</u>	<u>\$ 348,898</u>	<u>\$ 497,144</u>	<u>\$ 148,246</u>

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
DRAINAGE CONTROL FUND				
Revenues:				
Drainage control fees	\$ 5,000	\$ 5,000	\$ 750	\$ (4,250)
Interest on investments	2,000	2,000	66	(1,934)
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>816</u>	<u>(6,184)</u>
Expenditures:				
Personnel	110,604	110,604	83,611	26,993
Operations	15,000	15,000	8,615	6,385
Capital outlays	5,000	5,000	1,217	3,783
Total expenditures	<u>130,604</u>	<u>130,604</u>	<u>93,443</u>	<u>37,161</u>
Net change in fund balance	(123,604)	(123,604)	(92,627)	30,977
Fund balance - beginning, as previously reported	187,231	187,231	187,231	-
Prior period adjustment	-	-	5,711	5,711
Fund balance - beginning, as restated	<u>192,942</u>	<u>192,942</u>	<u>192,942</u>	<u>-</u>
Fund balance - ending	<u>\$ 69,338</u>	<u>\$ 69,338</u>	<u>\$ 100,315</u>	<u>\$ 36,688</u>
PARKS IMPROVEMENT FUND				
Revenues:				
Donations	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Parks improvement	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance - beginning	<u>665,100</u>	<u>665,100</u>	<u>665,100</u>	<u>-</u>
Fund balance - ending	<u>\$ 665,100</u>	<u>\$ 665,100</u>	<u>\$ 665,100</u>	<u>\$ -</u>
DEA TASK FORCE FUND				
Revenues:				
Program income	\$ 80,000	\$ 80,000	\$ 78,577	\$ (1,423)
Interest	500	500	333	(167)
Total revenues	<u>80,500</u>	<u>80,500</u>	<u>78,910</u>	<u>(1,590)</u>
Expenditures:				
Miscellaneous	29,400	29,400	13,892	15,508
Capital outlays	96,000	96,000	49,374	46,626
Total expenditures	<u>125,400</u>	<u>125,400</u>	<u>63,266</u>	<u>62,134</u>
Net change in fund balance	(44,900)	(44,900)	15,644	60,544
Fund balance - beginning	<u>321,684</u>	<u>321,684</u>	<u>321,684</u>	<u>-</u>
Fund balance - ending	<u>\$ 276,784</u>	<u>\$ 276,784</u>	<u>\$ 337,328</u>	<u>\$ 60,544</u>

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
GRANTS FUND				
Revenues:				
Federal and state grants	\$ -	\$ 1,408,718	\$ 1,587,287	\$ 178,569
Expenditures:				
Operating	-	9,750	8,749	1,001
Capital outlays	-	1,186,160	914,142	272,018
Total expenditures	-	1,195,910	922,891	273,019
Excess (deficiency) of revenues over expenditures	-	212,808	664,396	451,588
Other financing sources (uses):				
Transfers in	-	-	43,271	43,271
Transfers out	-	(274,463)	(690,245)	(415,782)
Total other financing sources (uses)	-	(274,463)	(646,974)	(372,511)
Net change in fund balance	-	(61,655)	17,422	79,077
Fund balance - beginning	(17,422)	(17,422)	(17,422)	-
Fund balance - ending	\$ (17,422)	\$ (79,077)	\$ -	\$ 79,077
DEBT SERVICE FUND				
Revenues:				
Local sales taxes	\$ 2,986,625	\$ 2,986,625	\$ 2,848,238	\$ (138,387)
Expenditures:				
Principal	2,814,000	2,814,000	2,814,000	-
Interest	936,019	936,019	807,602	128,417
Bond issuance costs	63,500	63,500	74,881	(11,381)
Total expenditures	3,813,519	3,813,519	3,696,483	117,036
Excess (deficiency) of revenues over expenditures	(826,894)	(826,894)	(848,245)	(21,351)
Other financing sources (uses):				
Refunding bonds issued	-	-	6,275,000	(6,275,000)
Premium on bonds issued	-	-	315,897	(315,897)
Payment to refunding bond escrow agent	-	-	(6,590,897)	6,590,897
Transfers in	800,000	800,000	800,000	-
Total other financing sources (uses)	800,000	800,000	800,000	-
Net change in fund balances	(26,894)	(26,894)	(48,245)	(21,351)
Fund balance - beginning	952,372	952,372	952,372	-
Fund balance - ending	\$ 925,478	\$ 925,478	\$ 904,127	\$ (21,351)

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest on investments	\$ -	\$ -	\$ 64,322	\$ 64,322
Subdivision bond default	-	-	61,155	61,155
Intergovernmental revenue	-	-	81,785	81,785
Other	-	-	2,657	2,657
Total revenues	-	-	209,919	209,919
EXPENDITURES				
Bond issue costs	-	-	50,312	(50,312)
<u>CIP Projects</u>				
Administrative Vehicles 2009	19,000	19,000	18,691	309
Administrative Vehicles 2012	28,000	28,000	26,298	1,702
Administrative Vehicles 2013	30,000	30,000	-	30,000
Building/Infrastructure Improvements	122,123	122,123	125,390	(3,267)
City Hall Improvements	48,572	48,572	23,039	25,533
Police Vehicles & Equipment 2013	381,000	381,000	273,692	107,308
Control Stations & Sec Man System	88,038	88,038	84,188	3,850
Police Vehicles & Equip Annex 2013	-	260,000	248,948	11,052
Fire Pumper 2011	8,591	8,591	8,079	512
Fire Ambulances 2013	160,000	160,000	143,614	16,386
Fire Vehicles 2013	30,000	30,000	26,298	3,702
Z-Tron Alerting System	60,000	60,000	57,020	2,980
Fire Buildings Improvements	100,000	100,000	-	100,000
Fire Training Facility	-	10,600	10,600	-
Code Inspection Vehicles 2013	25,000	25,000	20,093	4,907
Public Works Vehicles & Equip 2013	913,000	913,000	273,295	639,705
PW Vehicles & Equip Annexation 2013	-	1,040,000	552,429	487,571
Engineering Vehicles 2013	22,000	22,000	21,145	855
Old Brownsville West	178,465	478,465	11,392	467,073
Bartlett Road Bridge	15,093	15,093	22,289	(7,196)
Egypt Central/Kirby Whitten Signal	140,724	140,724	3,250	137,474
Brunswick Road Improvements	340,259	340,259	72,336	267,923
O. Brownsville/Frank Crk Brdg Rehab	132,484	132,484	44,456	88,028
Kroger Signal Rehab	35,977	116,648	74,680	41,968
City Wide Overlay	1,658,261	2,730,700	1,738,458	992,242
Old Brownsville Paving	(8,429)	(8,429)	(8,429)	-
Yale Road Paving	148,185	131,366	64,090	67,276
Sycamore View Paving	(265,531)	(204,128)	41,415	(245,543)
St. Elmo Paving	(365,805)	(300,208)	(38,075)	(262,133)
Elmore Park Rd. Paving	116,811	116,811	576,593	(459,782)

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Bond Default Hampton Grove Subdivison	-	141,972	141,972	-
Bond Default Montello Subdivison	-	800	800	-
Bond Default Brookemeade Subdivison	-	65,111	65,111	-
Bond Default Stonecrest Subdivison	-	37,793	37,793	-
Altruria & Memphis Arlington signal	268,057	268,057	11,464	256,593
FEMA Sirens	30,000	30,000	-	30,000
FEMA Bartlett Blvd Slope Failure	-	8,310	8,310	-
Parks Vehicles & Equipment 2012	65,000	65,000	60,126	4,874
Parks Vehicles & Equipment 2013	50,000	50,000	48,173	1,827
Recreation Center Equipment 2012	91,097	91,097	83,930	7,167
Recreation Cntr Equip/Repairs 2013	93,000	93,000	-	93,000
Burloe Walking Bridge	15,437	346,000	46,512	299,488
Fletcher Creek Greenway	51,755	51,755	5,920	45,835
Misc Drainage Improvements 2013	50,000	50,000	-	50,000
Total CIP projects expenditures	<u>4,876,164</u>	<u>8,334,604</u>	<u>5,025,385</u>	<u>3,309,219</u>
 Total expenditures	<u>4,876,164</u>	<u>8,334,604</u>	<u>5,075,697</u>	<u>3,258,907</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 (4,876,164)	 (8,334,604)	 (4,865,778)	 3,468,826
 OTHER FINANCING SOURCES (USES)				
Issuance of debt	3,281,500	3,281,500	4,890,000	1,608,500
Premium on bonds issued	130,585	130,585	296,673	166,088
Transfers in	88,038	88,038	768,510	680,472
Transfers out	(280,000)	(280,000)	(221,215)	58,785
Total other financing sources (uses)	<u>3,220,123</u>	<u>3,220,123</u>	<u>5,733,968</u>	<u>2,513,845</u>
 Net change in fund balance	 (1,656,041)	 (5,114,481)	 868,190	 5,982,671
 Fund balance - beginning	 <u>8,975,473</u>	 <u>8,975,473</u>	 <u>8,975,473</u>	 <u>-</u>
 Fund balance - ending	 <u>\$ 7,319,432</u>	 <u>\$ 3,860,992</u>	 <u>\$ 9,843,663</u>	 <u>\$ 5,982,671</u>

CITY OF BARTLETT, TENNESSEE

COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS

June 30, 2013

	<u>Health and Welfare Fund</u>	<u>Workmen's Compensation Fund</u>	<u>Retirees' Health Insurance Fund</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 923,863	\$ 489,427	\$ -	\$ 1,413,290
LIABILITIES				
Current liabilities:				
Accounts payable	<u>14,471</u>	<u>15,888</u>	<u>-</u>	<u>30,359</u>
NET POSITION				
Unrestricted	<u>\$ 909,392</u>	<u>\$ 473,539</u>	<u>\$ -</u>	<u>\$ 1,382,931</u>

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2013

	<u>Health and Welfare Fund</u>	<u>Workmen's Compensation Fund</u>	<u>Retirees' Health Insurance Fund</u>	<u>Totals</u>
OPERATING REVENUES:				
Charges for services	\$ 899,773	\$ 602,160	\$ -	\$ 1,501,933
City contributions	4,712,792	-	-	4,712,792
Total operating revenues	5,612,565	602,160	-	6,214,725
OPERATING EXPENSES:				
Workers' compensation claims	-	184,579	-	184,579
Insurance premiums	5,617,909	434,427	43,826	6,096,162
Accounting and actuary services	-	-	32	32
Total operating expenses	5,617,909	619,006	43,858	6,280,773
Operating income (loss)	(5,344)	(16,846)	(43,858)	(66,048)
NONOPERATING REVENUES (EXPENSES):				
Interest income	-	-	7	7
Transfer to other post employment benefits	-	-	(71,971)	(71,971)
Total nonoperating revenues (expenses)	-	-	(71,964)	(71,964)
Change in net position	(5,344)	(16,846)	(115,822)	(138,012)
Net position - beginning	914,736	490,385	115,822	1,520,943
Net position - ending	\$ 909,392	\$ 473,539	\$ -	\$ 1,382,931

CITY OF BARTLETT, TENNESSEE

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2013

	<u>Health and Welfare Fund</u>	<u>Workmen's Compensation Fund</u>	<u>Retirees' Health Insurance Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	\$ 5,612,565	\$ 602,160	\$ -	\$ 6,214,725
Payments to suppliers	<u>(5,623,263)</u>	<u>(619,468)</u>	<u>(43,875)</u>	<u>(6,286,606)</u>
Net cash provided by (used for) operating activities	(10,698)	(17,308)	(43,875)	(71,881)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer to other fund	<u>-</u>	<u>-</u>	<u>(71,971)</u>	<u>(71,971)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
Net increase (decrease) in cash and cash equivalents	(10,698)	(17,308)	(115,839)	(143,845)
Cash and cash equivalents - beginning	<u>934,561</u>	<u>506,735</u>	<u>115,839</u>	<u>1,557,135</u>
Cash and cash equivalents - ending	<u><u>\$ 923,863</u></u>	<u><u>\$ 489,427</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,413,290</u></u>
Reconciliation of operating income to net cash provided (used by) operating activities:				
Operating income (loss)	\$ (5,344)	\$ (16,846)	\$ (43,858)	\$ (66,048)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Increase (decrease) in accounts payable	<u>(5,354)</u>	<u>(462)</u>	<u>(17)</u>	<u>(5,833)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (10,698)</u></u>	<u><u>\$ (17,308)</u></u>	<u><u>\$ (43,875)</u></u>	<u><u>\$ (71,881)</u></u>

CITY OF BARTLETT, TENNESSEE
COMBINING BALANCE SHEET – AGENCY FUNDS

June 30, 2013

	Family Assistance Fund	Bail Bond Fund	Total Agency Funds
ASSETS			
Cash and cash equivalents	\$ 37,838	\$ 42,949	\$ 80,787
Total assets	\$ 37,838	\$ 42,949	\$ 80,787
LIABILITIES			
Family assistance payable	\$ 37,838	\$ -	\$ 37,838
Bail bonds payable	-	42,949	42,949
Total liabilities	\$ 37,838	\$ 42,949	\$ 80,787

CITY OF BARTLETT, TENNESSEE

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS

For the Year Ended June 30, 2013

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Assets				
Family Assistance Fund				
Cash and cash equivalents	\$ 38,917	\$ 15,175	\$ (16,254)	\$ 37,838
Bail Bond Fund				
Cash and cash equivalents	<u>43,474</u>	<u>345,602</u>	<u>(346,127)</u>	<u>42,949</u>
	<u>\$ 82,391</u>	<u>\$ 360,777</u>	<u>\$ (362,381)</u>	<u>\$ 80,787</u>
Liabilities				
Family Assistance Fund				
Family assistance payable	\$ 38,917	\$ 15,175	\$ (16,254)	\$ 37,838
Bail Bond Fund				
Bail bonds payable	<u>43,474</u>	<u>345,602</u>	<u>(346,127)</u>	<u>42,949</u>
	<u>\$ 82,391</u>	<u>\$ 360,777</u>	<u>\$ (362,381)</u>	<u>\$ 80,787</u>

CITY OF BARTLETT, TENNESSEE

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

June 30, 2013

Fiscal Year	Series 2012 Bonds		Series 2011 Bonds		Series 2010 Bonds		Series 2009 Bonds		Series 2007 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 325,000	\$ 255,837	\$ 590,000	\$ 77,644	\$ 650,000	\$ 142,313	\$ 90,000	\$ 62,528	\$ 120,000	\$ 97,125
2015	630,000	246,288	600,000	65,744	660,000	129,213	95,000	60,678	125,000	92,225
2016	765,000	232,338	610,000	53,644	670,000	115,913	95,000	58,754	130,000	87,125
2017	785,000	212,913	395,000	43,594	685,000	102,363	95,000	56,687	135,000	81,825
2018	805,000	189,063	325,000	36,394	705,000	88,463	100,000	54,345	140,000	76,325
2019	830,000	164,538	325,000	29,894	720,000	74,213	100,000	51,745	145,000	70,625
2020	855,000	139,263	335,000	23,294	735,000	59,203	105,000	48,820	155,000	64,586
2021	625,000	117,063	335,000	15,756	745,000	42,547	110,000	45,512	160,000	58,168
2022	640,000	98,088	350,000	7,194	390,000	28,825	110,000	41,965	165,000	51,505
2023	660,000	78,588	55,000	2,131	245,000	20,734	115,000	38,166	170,000	44,595
2024	690,000	61,788	55,000	722	60,000	16,694	120,000	34,052	180,000	37,332
2025	700,000	47,450	-	-	65,000	14,894	125,000	29,641	185,000	29,712
2026	715,000	31,969	-	-	65,000	12,944	130,000	24,922	195,000	21,733
2027	110,000	22,481	-	-	70,000	10,875	130,000	19,982	205,000	13,281
2028	115,000	19,528	-	-	70,000	8,688	140,000	14,715	210,000	4,463
2029	115,000	16,509	-	-	75,000	6,375	145,000	9,050	-	-
2030	120,000	13,200	-	-	75,000	3,891	150,000	3,075	-	-
2031	125,000	9,525	-	-	75,000	1,313	-	-	-	-
2032	125,000	5,775	-	-	-	-	-	-	-	-
2033	130,000	1,950	-	-	-	-	-	-	-	-
	<u>\$ 9,865,000</u>	<u>\$ 1,964,154</u>	<u>\$ 3,975,000</u>	<u>\$ 356,011</u>	<u>\$ 6,760,000</u>	<u>\$ 879,461</u>	<u>\$ 1,955,000</u>	<u>\$ 654,637</u>	<u>\$ 2,420,000</u>	<u>\$ 830,625</u>

CITY OF BARTLETT, TENNESSEE

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

June 30, 2013

Fiscal Year	Series 2006 Bonds		Series 2005 Bonds		2008 Note Payable		Capital Outlay Notes		Total	
	Principal	Interest	Principal	Interest	Principal*	Interest**	Principal	Interest	Principal	Interest
2014	\$ 125,000	\$ 5,000	\$ 655,000	\$ 102,695	\$ 51,000	\$ 1,218	\$ 733,000	\$ 33,950	\$ 3,339,000	\$ 778,310
2015	-	-	465,000	83,095	54,000	1,142	418,500	22,456	3,047,500	700,841
2016	-	-	485,000	66,349	56,000	1,061	183,000	16,839	2,994,000	632,023
2017	-	-	500,000	48,615	59,000	977	186,000	13,581	2,840,000	560,555
2018	-	-	520,000	29,870	61,000	888	189,000	10,271	2,845,000	485,619
2019	-	-	540,000	10,125	64,000	797	192,000	6,906	2,916,000	408,843
2020	-	-	-	-	67,000	701	196,000	3,489	2,448,000	339,356
2021	-	-	-	-	70,000	600	-	-	2,045,000	279,646
2022	-	-	-	-	73,000	495	-	-	1,728,000	228,072
2023	-	-	-	-	76,000	386	-	-	1,321,000	184,600
2024	-	-	-	-	80,000	272	-	-	1,185,000	150,860
2025	-	-	-	-	83,000	152	-	-	1,158,000	121,849
2026	-	-	-	-	18,055	27	-	-	1,123,055	91,595
2027	-	-	-	-	-	-	-	-	515,000	66,619
2028	-	-	-	-	-	-	-	-	535,000	47,394
2029	-	-	-	-	-	-	-	-	335,000	31,934
2030	-	-	-	-	-	-	-	-	345,000	20,166
2031	-	-	-	-	-	-	-	-	200,000	10,838
2032	-	-	-	-	-	-	-	-	125,000	5,775
2033	-	-	-	-	-	-	-	-	130,000	1,950
	<u>\$ 125,000</u>	<u>\$ 5,000</u>	<u>\$ 3,165,000</u>	<u>\$ 340,749</u>	<u>\$ 812,055</u>	<u>\$ 8,716</u>	<u>\$ 2,097,500</u>	<u>\$ 107,492</u>	<u>\$ 31,174,555</u>	<u>\$ 5,146,845</u>

*-As of June 30, 2013, \$812,055 of the \$1,350,000 loan was drawn. The full amount was drawn by August 2013.

** - This is a variable rate loan. Interest rate assumed is 0.49% which was the rate for June 2013.

CITY OF BARTLETT, TENNESSEE

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

June 30, 2013

Fiscal Year	Series 2012 Bonds		Series 2011 Bonds		Series 2010 Bonds		Series 2009 Bonds		Series 2007 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 70,000	\$ 90,256	\$ 545,000	\$ 74,063	\$ 265,000	\$ 55,719	\$ 40,000	\$ 27,013	\$ 40,000	\$ 33,532
2015	140,000	88,156	545,000	63,163	280,000	50,269	40,000	26,213	45,000	31,833
2016	220,000	84,556	565,000	52,063	275,000	44,719	40,000	25,402	45,000	30,032
2017	215,000	79,131	490,000	41,513	285,000	39,119	40,000	24,532	45,000	28,233
2018	225,000	72,531	215,000	34,463	295,000	33,319	45,000	23,510	50,000	26,333
2019	235,000	65,631	225,000	30,063	295,000	27,419	45,000	22,340	50,000	24,320
2020	240,000	58,506	230,000	25,513	305,000	21,228	45,000	21,057	50,000	22,270
2021	250,000	51,156	230,000	20,913	310,000	14,306	45,000	19,674	55,000	20,091
2022	260,000	43,506	235,000	15,675	320,000	6,625	50,000	18,140	55,000	17,809
2023	265,000	35,631	240,000	9,738	100,000	1,315	50,000	16,452	60,000	15,422
2024	265,000	29,006	245,000	3,369	-	-	50,000	14,702	60,000	12,932
2025	275,000	23,434	-	-	-	-	55,000	12,811	65,000	10,306
2026	285,000	17,306	-	-	-	-	55,000	10,776	65,000	7,544
2027	65,000	13,247	-	-	-	-	60,000	8,590	70,000	4,675
2028	65,000	11,541	-	-	-	-	60,000	6,250	75,000	1,594
2029	70,000	9,769	-	-	-	-	60,000	3,865	-	-
2030	70,000	7,800	-	-	-	-	65,000	1,333	-	-
2031	75,000	5,625	-	-	-	-	-	-	-	-
2032	75,000	3,375	-	-	-	-	-	-	-	-
2033	75,000	1,125	-	-	-	-	-	-	-	-
	<u>\$ 3,440,000</u>	<u>\$ 791,288</u>	<u>\$ 3,765,000</u>	<u>\$ 370,536</u>	<u>\$ 2,730,000</u>	<u>\$ 294,038</u>	<u>\$ 845,000</u>	<u>\$ 282,660</u>	<u>\$ 830,000</u>	<u>\$ 286,926</u>

CITY OF BARTLETT, TENNESSEE

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

June 30, 2013

Fiscal Year	Series 2006 Bonds		Series 2005 Bonds		2008 Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal*	Interest**	Principal	Interest
2014	\$ 70,000	\$ 2,590	\$ 135,000	\$ 26,358	\$ 38,000	\$ 149	\$ 1,203,000	\$ 309,680
2015	-	-	120,000	21,895	40,000	92	1,210,000	281,621
2016	-	-	125,000	17,576	21,251	32	1,291,251	254,380
2017	-	-	135,000	12,894	-	-	1,210,000	225,422
2018	-	-	140,000	7,840	-	-	970,000	197,996
2019	-	-	140,000	2,625	-	-	990,000	172,398
2020	-	-	-	-	-	-	870,000	148,574
2021	-	-	-	-	-	-	890,000	126,140
2022	-	-	-	-	-	-	920,000	101,755
2023	-	-	-	-	-	-	715,000	78,558
2024	-	-	-	-	-	-	620,000	60,009
2025	-	-	-	-	-	-	395,000	46,551
2026	-	-	-	-	-	-	405,000	35,626
2027	-	-	-	-	-	-	195,000	26,512
2028	-	-	-	-	-	-	200,000	19,385
2029	-	-	-	-	-	-	130,000	13,634
2030	-	-	-	-	-	-	135,000	9,133
2031	-	-	-	-	-	-	75,000	5,625
2032	-	-	-	-	-	-	75,000	3,375
2033	-	-	-	-	-	-	75,000	1,125
	<u>\$ 70,000</u>	<u>\$ 2,590</u>	<u>\$ 795,000</u>	<u>\$ 89,188</u>	<u>\$ 99,251</u>	<u>\$ 273</u>	<u>\$ 12,574,251</u>	<u>\$ 2,117,499</u>

*-As of June 30, 2013, \$99,251 of the \$1,350,000 loan was drawn. The full amount was drawn by August 2013.

** - This is a variable rate loan. Interest rate assumed is 0.49% which was the rate for June 2013.

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF PROPERTY TAXES RECEIVABLE – GENERAL FUND

June 30, 2013

<u>Year of Levy</u>	
2013	\$ 18,622,604
2012	804,075
2011	114,511
2010	59,619
2009	36,361
2008	18,308
2007	15,123
2006	9,448
2005	15,757
2004	4,938
2003	16,502
Total property tax receivable	<u>\$ 19,717,246</u>

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

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE – GENERAL FUND

For the Year Ended June 30, 2013

	<u>Total</u>	<u>Current Year</u>	<u>Prior Years</u>									
		<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Property taxes receivable - beginning of year	\$ 18,114,627	\$ -	\$17,002,029	\$640,824	\$212,847	\$84,406	\$42,531	\$31,395	\$19,561	\$25,002	\$16,445	\$39,587
ADD:												
Tax levied:	18,622,604	\$18,622,604	-	-	-	-	-	-	-	-	-	-
Adjustments	768,728	-	647,323	127,218	(11,026)	(2,837)	-	-	-	-	-	8,050
Total Additions	<u>19,391,332</u>	<u>18,622,604</u>	<u>647,323</u>	<u>127,218</u>	<u>(11,026)</u>	<u>(2,837)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,050</u>
DEDUCT:												
Collections - Net of Refunds	(17,679,882)	-	(16,845,249)	(644,443)	(132,416)	(31,873)	(11,672)	(5,163)	(988)	(16)	(12)	(8,050)
Releases	(108,831)	-	(28)	(9,088)	(9,786)	(13,335)	(12,551)	(11,109)	(9,125)	(9,229)	(11,495)	(23,085)
Total Deductions	<u>(17,788,713)</u>	<u>-</u>	<u>(16,845,277)</u>	<u>(653,531)</u>	<u>(142,202)</u>	<u>(45,208)</u>	<u>(24,223)</u>	<u>(16,272)</u>	<u>(10,113)</u>	<u>(9,245)</u>	<u>(11,507)</u>	<u>(31,135)</u>
Property taxes receivable - end of year	19,717,246	18,622,604	804,075	114,511	59,619	36,361	18,308	15,123	9,448	15,757	4,938	16,502
Less: Allowance for uncollectibles	(505,703)	(372,452)	(28,995)	(19,424)	(10,354)	(12,896)	(7,516)	(8,949)	(8,868)	(15,184)	(4,781)	(16,284)
Property taxes receivable, net	<u>\$ 19,211,543</u>	<u>\$ 18,250,152</u>	<u>\$ 775,080</u>	<u>\$ 95,087</u>	<u>\$ 49,265</u>	<u>\$ 23,465</u>	<u>\$ 10,792</u>	<u>\$ 6,174</u>	<u>\$ 580</u>	<u>\$ 573</u>	<u>\$ 157</u>	<u>\$ 218</u>

CITY OF BARTLETT , TENNESSEE

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
<u>Federal Awards</u>						
<u>U.S. Department of Agriculture/Tennessee Dept. of Agriculture</u> Cooperative Forestry Assistance	10.664	29076	\$ -	\$ 1,784	\$ 1,784	\$ -
<u>U.S. Department of Justice</u>						
Bulletproof Vest Partnership Program	16.607	2009BUBX08043862	6,307	7,307	1,000	-
Bulletproof Vest Partnership Program	16.607	2009BUBX09047514	-	-	3,000	3,000
Bulletproof Vest Partnership Program	16.607		-	-	4,749	4,749
Total Program 16.607			<u>6,307</u>	<u>7,307</u>	<u>8,749</u>	<u>7,749</u>
<u>U.S. Department of Justice/Shelby County, Tennessee</u>						
Edward Byrne Memorial Justice Assistance Grant	ARRA 16.804	2009-SB-B9-2466	(2,387)	-	2,387	-
Total U.S. Department of Justice			<u>3,920</u>	<u>7,307</u>	<u>11,136</u>	<u>7,749</u>
<u>U.S. Department of Transportation/TN Dept of Transportation</u>						
Highway Planning and Construction	ARRA 20.205	79PLMF0108	234	234	-	-
Highway Planning and Construction	20.205	090163	(1,691)	-	19,522	17,831
Highway Planning and Construction	20.205	79LPLM-F3-063	-	51,272	51,272	-
Highway Planning and Construction	20.205	090171	4,516	6,775	2,736	477
Highway Planning and Construction	20.205	090172	800	483	37,210	37,527
Highway Planning and Construction	20.205	79PLM-F3-104	-	2,672	2,672	-
Highway Planning and Construction	20.205	79LPLM-F3-104	-	418,828	461,731	42,903
Highway Planning and Construction	20.205	79PLM-F3-103&107	6,744	6,744	-	-
Highway Planning and Construction	20.205	79PLM-F1-222	24,180	59,744	35,564	-
Highway Planning and Construction	20.205	79LPLM-F3-225	3,672	3,672	11,464	11,464
Total Program 20.205			<u>38,221</u>	<u>550,190</u>	<u>622,171</u>	<u>110,202</u>

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, 2013

Federal Grantor/Pass-Through Grantor	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
<u>U.S. Department of Transportation/TN Dept of Transportation</u>						
State and Community Highway Safety	20.600	Z11GHS289	-	1,109	1,109	-
State and Community Highway Safety	20.600	Z12GHS017	2,824	9,926	7,102	-
State and Community Highway Safety	20.600		-	5,407	13,525	8,118
Total Program 20.600			<u>2,824</u>	<u>16,442</u>	<u>21,736</u>	<u>8,118</u>
Total U.S. Department of Transportation			<u>41,279</u>	<u>566,866</u>	<u>643,907</u>	<u>118,320</u>
<u>U.S. Department of Homeland Security</u>						
Assistance to Firefighters Grant	97.044	EMW-2012-FO-00640	-	57,600	57,600	-
<u>U.S. Department of Homeland Security</u>						
Disaster Grants - Public Assistance	97.036	FEMA-1979-DR-TN	41,937	41,937	6,233	6,233
<u>U.S. Department of Homeland Security</u>						
Disaster Grants - Public Assistance/Shelby County, Tennessee	97.008	10UASI-BART	1,433	99,572	98,139	-
Total U.S. Department of Homeland Security			<u>43,370</u>	<u>199,109</u>	<u>161,972</u>	<u>6,233</u>
Total Federal Awards			<u>88,569</u>	<u>775,066</u>	<u>818,799</u>	<u>132,302</u>
<u>State Financial Assistance</u>						
Tennessee Arts Commission	N/A	3-G/08	(153)	-	-	(153)
Tennessee Emergency Management Agency	N/A		6,989	5,242	1,039	2,786
Tennessee Emergency Management Agency	N/A		5,981	5,981	-	-
Total State Financial Assistance			<u>12,817</u>	<u>11,223</u>	<u>1,039</u>	<u>2,633</u>
Total Federal Awards and State Financial Assistance			<u>\$ 101,386</u>	<u>\$ 786,289</u>	<u>\$ 819,838</u>	<u>\$ 134,935</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, 2013

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state grant activity of the City of Bartlett under programs of the federal government for the year ended June 30, 2013. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City of Bartlett, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Bartlett.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

NOTE 3 - 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	\$ 1,703,270
Add: Grant revenue per proprietary fund	398
Less: Deferred revenue at the fund level	(18,964)
Less: Non-federal and non-state grants	<u>(864,866)</u>
Total federal awards and state financial assistance	<u>\$ 819,838</u>

CITY OF BARTLETT, TENNESSEE
STATISTICAL INFORMATION SECTION

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	101
These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.	
Revenue Capacity	107
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	114
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	118
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	120
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 include information beginning in that year.

CITY OF BARTLETT, TENNESSEE

NET POSITION BY COMPONENT

**LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Government activities										
Net Investment in Capital Assets	\$ 8,150,594	\$ 18,091,187	\$ 95,636,824	\$ 98,573,298	\$ 100,172,375	\$ 99,381,535	\$ 97,005,354	\$ 87,234,488	\$ 93,659,549	\$ 98,790,350
Restricted for:										
Debt Service	1,340,507	1,165,229	843,967	787,628	1,287,085	490,192	411,309	580,372	952,372	904,127
Streets	1,548,633	1,257,925	2,700,432	2,740,016	3,054,670	2,197,575	2,045,558	570,891	803,065	1,088,408
Park improvements	-	-	-	-	-	-	-	706,523	665,100	665,100
Drug enforcement	-	-	-	-	-	-	-	449,086	585,392	598,242
Other purposes	-	-	-	-	-	-	-	235,451	321,684	337,328
Unrestricted	17,163,598	14,188,254	19,212,342	21,676,916	22,062,263	22,834,414	16,152,717	20,914,652	12,119,658	4,698,411
Total government activities net position	\$ 28,203,332	\$ 34,702,595	\$ 118,393,565	\$ 123,777,858	\$ 126,576,393	\$ 124,903,716	\$ 115,614,938	\$ 110,691,463	\$ 109,106,820	\$ 107,081,966
Business-type activities										
Net Investment in Capital Assets	\$ 14,745,986	\$ 18,045,906	\$ 54,249,248	\$ 55,858,400	\$ 57,258,511	\$ 57,703,738	\$ 57,110,451	\$ 56,092,212	\$ 58,771,208	\$ 58,727,263
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	6,781,584	5,592,576	7,533,721	9,799,498	9,534,033	8,380,713	7,081,221	7,544,300	6,458,394	7,274,487
Total business-type activities net position	\$ 21,527,570	\$ 23,638,482	\$ 61,782,969	\$ 65,657,898	\$ 66,792,544	\$ 66,084,451	\$ 64,191,672	\$ 63,636,512	\$ 65,229,602	\$ 66,001,750
Primary government										
Net Investment in Capital Assets	\$ 22,896,580	\$ 36,137,093	\$ 149,886,072	\$ 154,431,698	\$ 157,430,886	\$ 157,085,273	\$ 154,115,805	\$ 143,326,700	\$ 152,430,757	\$ 157,517,613
Restricted for:										
Debt Service	1,340,507	1,165,229	843,967	787,628	1,287,085	490,192	411,309	580,372	952,372	904,127
Streets/Public works	1,548,633	1,257,925	2,700,432	2,740,016	3,054,670	2,197,575	2,045,558	570,891	803,065	1,088,408
Park improvements	-	-	-	-	-	-	-	706,523	665,100	665,100
Drug enforcement	-	-	-	-	-	-	-	449,086	585,392	598,242
Other purposes	-	-	-	-	-	-	-	235,451	321,684	337,328
Unrestricted	23,945,182	19,780,830	26,746,063	31,476,414	31,596,296	31,215,127	23,233,938	28,458,952	18,578,052	11,972,898
Total primary government net position	\$ 49,730,902	\$ 58,341,077	\$ 180,176,534	\$ 189,435,756	\$ 193,368,937	\$ 190,988,167	\$ 179,806,610	\$ 174,327,975	\$ 174,336,422	\$ 173,083,716

CITY OF BARTLETT, TENNESSEE

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 3,817,612	\$ 4,905,983	\$ 5,632,745	\$ 6,072,578	\$ 6,146,033	\$ 6,881,987	\$ 7,711,577	\$ 7,016,910	\$ 7,508,236	\$ 7,544,128
Public safety	15,229,635	16,227,428	17,516,545	18,764,451	19,489,332	22,891,377	26,256,730	24,532,698	25,841,866	24,315,277
Public works	9,643,881	10,283,522	10,771,605	10,898,616	14,018,688	14,742,339	14,432,134	15,767,322	15,148,440	18,568,846
Parks and recreation	3,212,272	3,117,719	3,406,312	3,628,496	3,813,114	4,091,798	4,246,207	4,319,311	4,369,653	3,899,743
Performing arts center	528,693	576,954	548,560	531,287	554,099	543,258	630,035	773,715	597,215	584,528
Recreation center	1,404,541	1,460,706	1,386,275	1,449,420	1,395,700	1,740,618	1,820,873	1,718,237	1,752,728	1,596,531
Interest on long-term debt	874,918	856,067	956,263	1,011,629	1,073,576	1,012,600	976,084	927,525	757,919	1,119,654
Total government activities expenses	<u>34,711,552</u>	<u>37,428,379</u>	<u>40,218,305</u>	<u>42,356,477</u>	<u>46,490,543</u>	<u>51,903,977</u>	<u>56,073,640</u>	<u>55,055,718</u>	<u>55,976,057</u>	<u>57,628,707</u>
Business-type activities:										
Water and sewer	5,020,670	5,505,561	5,542,130	6,681,378	6,861,747	7,217,654	7,875,448	7,275,464	7,508,717	7,614,786
Total primary government expenses	<u>\$ 39,732,222</u>	<u>\$ 42,933,940</u>	<u>\$ 45,760,435</u>	<u>\$ 49,037,855</u>	<u>\$ 53,352,290</u>	<u>\$ 59,121,631</u>	<u>\$ 63,949,088</u>	<u>\$ 62,331,182</u>	<u>\$ 63,484,774</u>	<u>\$ 65,243,493</u>
Program Revenues										
Governmental activities:										
General government	\$ 2,659,176	\$ 2,619,322	\$ 2,754,193	\$ 2,888,013	\$ 2,897,835	\$ 3,695,591	\$ 3,719,823	\$ 2,987,511	\$ 3,368,184	\$ 3,378,393
Public safety	1,720,564	1,567,093	2,248,281	1,978,286	1,763,428	1,568,950	1,689,385	1,660,752	1,695,470	1,608,651
Public works	4,585,727	4,725,358	5,926,718	5,509,626	5,912,018	6,130,611	5,942,462	5,942,888	5,872,537	6,152,226
Parks and recreation	789,016	1,066,426	951,827	905,401	999,875	993,003	935,433	966,105	927,648	916,375
Performing arts center	227,429	247,643	267,082	265,246	270,559	250,636	278,161	267,997	274,638	262,696
Recreation center	1,714,171	1,714,793	1,920,813	1,920,327	1,920,572	1,827,796	1,669,614	1,588,369	1,532,690	1,552,083
Operating grants and contributions	618,159	694,803	919,185	674,122	561,296	1,941,514	1,193,165	3,070,185	3,349,489	3,274,028
Capital grants and contributions	-	-	-	-	-	870,185	168,069	337,368	559,499	526,768
Total government activities revenues	<u>12,314,242</u>	<u>12,635,438</u>	<u>14,988,099</u>	<u>14,141,021</u>	<u>14,325,583</u>	<u>17,278,286</u>	<u>15,596,112</u>	<u>16,821,175</u>	<u>17,580,155</u>	<u>17,671,220</u>
Business-type activities:										
Water and sewer	5,753,889	6,147,670	6,406,480	9,223,712	7,612,974	6,141,851	6,039,052	6,294,620	8,745,547	8,432,753
Operating grants and contributions	1,956,709	1,388,163	3,139,940	1,260,413	429,088	590,610	195,843	233,559	138,595	39,801
Capital grants and contributions	-	-	-	-	-	-	-	462,965	482,843	185,720
Total business-type activities revenues	<u>7,710,598</u>	<u>7,535,833</u>	<u>9,546,420</u>	<u>10,484,125</u>	<u>8,042,062</u>	<u>6,732,461</u>	<u>6,234,895</u>	<u>6,991,144</u>	<u>9,366,985</u>	<u>8,658,274</u>
Total primary government program revenue	<u>\$ 20,024,840</u>	<u>\$ 20,171,271</u>	<u>\$ 24,534,519</u>	<u>\$ 24,625,146</u>	<u>\$ 22,367,645</u>	<u>\$ 24,010,747</u>	<u>\$ 21,831,007</u>	<u>\$ 23,812,319</u>	<u>\$ 26,947,140</u>	<u>\$ 26,329,494</u>

(Continued)

CITY OF BARTLETT, TENNESSEE

CHANGES IN NET POSITION

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (expense)/revenue										
Governmental activities	\$ (22,397,310)	\$ (24,792,941)	\$ (25,230,206)	\$ (28,215,456)	\$ (32,164,960)	\$ (34,625,691)	\$ (40,477,528)	\$ (38,234,543)	\$ (38,395,902)	\$ (39,957,487)
Business-type activities	2,689,928	2,030,272	4,004,290	3,802,747	1,180,315	(485,193)	(1,640,553)	(284,320)	1,858,268	1,043,488
Total primary government net expense	<u>\$ (19,707,382)</u>	<u>\$ (22,762,669)</u>	<u>\$ (21,225,916)</u>	<u>\$ (24,412,709)</u>	<u>\$ (30,984,645)</u>	<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>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 11,127,476	\$ 11,454,910	\$ 13,137,495	\$ 15,189,418	\$ 14,823,724	\$ 17,570,811	\$ 18,083,999	\$ 17,819,265	\$ 17,781,386	\$ 18,103,072
Local sales taxes	9,148,392	9,880,716	10,446,702	11,346,090	11,447,876	10,362,031	10,240,841	10,583,911	11,288,513	14,231,775
Intergovernmental/unrestricted	4,139,479	4,180,051	4,807,677	5,472,144	5,910,366	4,050,633	5,246,434	4,072,733	4,691,816	4,731,793
Interest on investments	148,739	309,598	676,342	1,000,014	801,765	229,974	83,058	108,663	95,808	73,821
Gain (Loss) on sale of assets	-	-	-	8,083	52,947	22,051	18,301	-	-	-
Other	419,895	5,466,929	892,827	334,463	276,917	396,481	462,593	422,661	1,964,827	500,009
Transfers	-	-	242,022	249,537	311,553	321,033	300,184	303,835	296,566	292,163
Total government activities	<u>24,983,981</u>	<u>31,292,204</u>	<u>30,203,065</u>	<u>33,599,749</u>	<u>33,625,148</u>	<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>
Business-type activities:										
Interest on investments	39,203	80,640	141,883	321,719	265,884	97,117	45,045	32,995	25,379	20,823
Other	-	-	-	-	-	1,016	2,913	-	6,009	-
Transfers	-	-	(242,022)	(249,537)	(311,553)	(321,033)	(300,184)	(303,835)	(296,566)	(292,163)
Total primary government	<u>\$ 25,023,184</u>	<u>\$ 31,372,844</u>	<u>\$ 30,102,926</u>	<u>\$ 33,671,931</u>	<u>\$ 33,579,479</u>	<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>
Change in Net Position										
Governmental activities	2,586,671	6,499,263	4,972,859	5,384,293	1,460,188	(1,672,677)	(6,042,118)	(4,923,475)	(2,276,986)	(2,024,854)
Business-type activities	2,729,131	2,110,912	3,904,151	3,874,929	1,134,646	(708,093)	(1,892,779)	(555,160)	1,593,090	772,148
Total primary government	<u>\$ 5,315,802</u>	<u>\$ 8,610,175</u>	<u>\$ 8,877,010</u>	<u>\$ 9,259,222</u>	<u>\$ 2,594,834</u>	<u>\$ (2,380,770)</u>	<u>\$ (7,934,897)</u>	<u>\$ (5,478,635)</u>	<u>\$ (683,896)</u>	<u>\$ (1,252,706)</u>

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Reserved	\$ 651,888	\$ 399,177	\$ 385,617	\$ 509,527	\$ 412,714	\$ 463,388	\$ 403,937	\$ -	\$ -	\$ -
Unreserved	7,941,065	8,418,234	9,922,141	11,987,145	14,752,382	14,993,801	16,082,051	-	-	-
Nonspendable	-	-	-	-	-	-	-	213,718	187,260	207,569
Restricted	-	-	-	-	-	-	-	-	-	14,664
Committed	-	-	-	-	-	-	-	-	1,100,000	1,000,000
Assigned	-	-	-	-	-	-	-	1,777,509	797,474	905,070
Unassigned	-	-	-	-	-	-	-	15,684,006	16,655,499	21,768,560
Total General Fund	<u>\$ 8,592,953</u>	<u>\$ 8,817,411</u>	<u>\$ 10,307,758</u>	<u>\$ 12,496,672</u>	<u>\$ 15,165,096</u>	<u>\$ 15,457,189</u>	<u>\$ 16,485,988</u>	<u>\$ 17,675,233</u>	<u>\$ 18,740,233</u>	<u>\$ 23,895,863</u>
All other governmental funds										
Reserved	\$ 2,384,978	\$ 3,410,580	\$ 5,261,180	\$ 5,197,034	\$ 3,538,529	\$ 4,462,446	\$ 3,208,614	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,756,786	1,916,840	1,989,091	2,196,379	2,624,208	2,432,421	1,981,071	-	-	-
Solid waste fund	-	-	-	-	-	549,162	999,772	-	-	-
Capital projects fund	4,278,177	2,217,444	3,854,413	2,717,766	4,581,609	2,553,729	5,078,724	-	-	-
Nonspendable	-	-	-	-	-	-	-	3,500	-	-
Restricted	-	-	-	-	-	-	-	8,142,957	6,047,897	6,986,500
Committed	-	-	-	-	-	-	-	1,072,950	1,523,263	904,127
Assigned	-	-	-	-	-	-	-	3,362,502	7,055,831	7,252,608
Unassigned	-	-	-	-	-	-	-	(21,503)	(17,422)	-
Total all other governmental funds	<u>\$ 8,419,941</u>	<u>\$ 7,544,864</u>	<u>\$ 11,104,684</u>	<u>\$ 10,111,179</u>	<u>\$ 10,744,346</u>	<u>\$ 9,997,758</u>	<u>\$ 11,268,181</u>	<u>\$ 12,560,406</u>	<u>\$ 14,609,569</u>	<u>\$ 15,143,235</u>
Total governmental funds	<u>17,012,894</u>	<u>16,362,275</u>	<u>21,412,442</u>	<u>22,607,851</u>	<u>25,909,442</u>	<u>25,454,947</u>	<u>27,754,169</u>	<u>30,235,639</u>	<u>33,349,802</u>	<u>39,039,098</u>

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

CITY OF BARTLETT, TENNESSEE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues										
Taxes										
Property taxes	\$ 11,045,723	\$ 11,423,316	\$ 12,438,854	\$ 13,982,802	\$ 17,076,772	\$ 17,214,579	\$ 17,963,040	\$ 17,976,858	\$ 17,767,922	\$ 18,441,025
Local sales taxes	9,205,960	9,880,716	10,446,702	11,346,090	11,447,876	10,362,031	10,240,841	10,491,343	11,288,513	14,231,775
Intergovernmental	4,139,479	4,180,051	4,807,677	5,472,144	5,910,366	5,389,404	5,246,434	5,550,454	6,296,770	6,326,051
Licenses and permits	1,862,786	1,720,629	2,284,121	2,022,104	1,649,327	1,425,783	1,479,812	1,512,694	1,532,178	1,477,028
Charges for services	7,594,545	8,015,731	9,497,796	9,001,671	9,719,205	9,912,159	9,636,103	9,499,172	9,329,329	9,563,056
Fines, forfeitures and penalties	1,685,042	1,601,748	1,622,260	1,688,409	1,623,563	2,057,354	1,987,336	1,827,808	1,932,544	1,934,970
Federal and state grants	601,628	674,746	494,011	485,233	381,503	224,465	777,551	2,051,424	2,175,900	1,703,270
Donations	16,531	20,057	20,302	90,889	30,656	21,528	15,715	13,226	12,400	14,670
Interest on investments	143,259	288,620	625,466	931,673	750,659	220,482	82,278	106,933	95,772	73,814
Other	455,087	569,729	378,760	334,463	276,917	396,481	462,593	339,138	1,897,652	495,267
Total revenues	<u>36,750,040</u>	<u>38,375,343</u>	<u>42,615,949</u>	<u>45,355,478</u>	<u>48,866,844</u>	<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>
Expenditures										
General government	3,555,531	4,482,552	5,243,741	5,749,891	5,967,027	5,992,322	6,314,723	5,921,099	6,360,953	6,871,755
Public safety	14,353,954	15,115,945	16,245,518	17,827,289	19,150,132	20,399,914	21,050,533	21,504,877	22,191,861	22,878,768
Public works	9,199,577	9,414,698	10,049,074	10,953,524	11,894,956	11,501,238	10,481,199	12,242,078	10,569,373	12,252,056
Parks and recreation	2,919,742	2,766,305	2,965,994	3,174,928	3,356,605	3,834,751	3,298,906	3,554,826	3,381,304	3,297,743
Performing arts center	434,248	503,680	534,299	525,744	549,875	539,899	579,361	562,989	558,610	543,778
Recreation center	1,177,520	1,236,549	1,291,924	1,353,908	1,431,086	1,437,412	1,425,701	1,448,045	1,513,102	1,490,018
Debt Service										
Principal	2,480,000	2,275,000	2,327,790	2,294,860	2,367,190	2,520,800	2,562,180	2,394,850	2,112,330	2,814,000
Interest	847,013	853,142	874,978	927,552	982,739	972,113	931,908	910,148	864,423	807,602
Bond issuance cost	47,997	42,664	82,796	40,631	53,141	13,851	59,866	103,204	63,812	125,193
Capital Outlay	1,358,402	5,758,501	3,416,761	4,998,447	4,469,523	1,576,513	2,403,481	3,746,887	5,553,028	5,025,385
Total expenditures	<u>36,373,984</u>	<u>42,449,036</u>	<u>43,032,875</u>	<u>47,846,774</u>	<u>50,222,274</u>	<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>
Excess (deficiency) of revenues over (under) expenditures	376,056	(4,073,693)	(416,926)	(2,491,296)	(1,355,430)	(1,564,547)	(1,216,155)	(3,019,953)	(839,816)	(1,845,372)

CITY OF BARTLETT, TENNESSEE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Other financing sources (uses)										
Transfers in	2,504,904	2,790,907	2,370,505	1,949,007	3,453,333	2,104,194	2,241,196	1,762,329	2,620,929	2,453,623
Transfers out	(2,504,904)	(2,660,907)	(2,128,483)	(1,699,470)	(3,141,780)	(1,783,161)	(1,941,012)	(1,458,494)	(2,324,363)	(2,161,460)
Debt Proceeds-General Obligation	1,053,774	3,297,500	4,693,464	3,408,000	2,955,001	766,968	3,189,588	5,085,000	3,376,500	4,890,000
Refunding bond issued	2,221,226	-	3,501,536	-	-	-	-	3,315,000	1,860,000	6,275,000
Premium (Discount) on bond issued	17,756	(4,426)	(10,914)	12,726	(827)	-	7,304	115,971	157,460	612,570
Payment to refunded bond escrow agent	(2,238,982)	-	(3,501,536)	-	-	-	-	(3,329,241)	(1,885,494)	(6,590,897)
Capital leases	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	542,521	16,442	52,947	22,051	18,301	10,858	148,947	89,269
Total other financing sources (uses)	<u>1,053,774</u>	<u>3,423,074</u>	<u>5,467,093</u>	<u>3,686,705</u>	<u>3,318,674</u>	<u>1,110,052</u>	<u>3,515,377</u>	<u>5,501,423</u>	<u>3,953,979</u>	<u>5,568,105</u>
Net change in fund balances	<u>\$ 1,429,830</u>	<u>\$ (650,619)</u>	<u>\$ 5,050,167</u>	<u>\$ 1,195,409</u>	<u>\$ 1,963,244</u>	<u>\$ (454,495)</u>	<u>\$ 2,299,222</u>	<u>\$ 2,481,470</u>	<u>\$ 3,114,163</u>	<u>\$ 3,722,733</u>
Debt Service as a percentage of noncapital expenditures	9.5%	8.5%	8.1%	7.5%	7.3%	7.4%	7.6%	6.7%	5.9%	6.9%

CITY OF BARTLETT, TENNESSEE

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

	<u>Real Property</u>				<u>Commercial Personal Property</u>	<u>Total Taxable Assessed Value</u>	<u>Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
	<u>Residential Property</u>	<u>Farm Property</u>	<u>Commercial Property</u>	<u>Public Utilities Property</u>					
2004	\$ 517,285,550	\$ 1,280,225	\$ 210,884,485	\$ 8,596,491	\$ 35,394,680	\$ 773,441,431	1.38	\$ 2,737,164,384	28.26%
2005	537,048,350	1,263,100	215,355,155	8,748,698	33,957,950	796,373,253	1.38	2,822,607,920	28.21%
2006	618,439,825	3,018,275	250,902,900	9,080,210	42,506,320	923,947,530	1.31	3,273,422,973	28.23%
2007	729,515,750	2,949,150	240,391,810	15,104,373	42,698,020	1,030,659,103	1.31	3,703,507,696	27.83%
2008	757,507,150	2,658,500	244,269,130	13,186,328	38,901,240	1,056,522,348	1.54	3,808,483,242	27.74%
2009	777,311,375	2,467,500	248,946,505	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	1.49	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%

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

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

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

Fiscal Year	(Per \$100 of Assessed Valuation)						Total Direct & Overlapping Rates
	City	County					
	Direct Rate	General Fund	Education	Debt Service	Rural School Bonds		
2004	\$ 1.38	\$ 1.43	\$ 2.03	\$ 0.58	0.05	\$ 5.47	
2005	1.38	1.31	2.03	0.70	0.05	5.47	
2006	1.31	1.22	2.02	0.80	0.05	5.40	
2007	1.31	1.22	2.02	0.80	0.05	5.40	
2008	1.54	1.22	2.02	0.80	0.05	5.63	
2009	1.54	1.22	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	

Notes:

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

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

<u>Taxpayer</u>	<u>2013</u>			<u>2004</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Brother International	\$ 31,759,490	1	2.78%	\$ 21,484,551	1	2.70%
Tenet Healthcare Corp.	23,456,630	2	2.06%			
PASSCO Legends LLC	9,413,560	3	0.82%	6,638,000	2	0.83%
BellSouth Telecommunications	7,793,986	4	0.68%	5,357,656	4	0.67%
WNI/Tennessee LP	7,094,480	5	0.62%	6,109,440	3	0.77%
UHS of Lakeside INC	6,285,680	6	0.55%	3,336,160	9	0.42%
Kroger Limited Partnership	5,778,680	7	0.51%			
Gyrus ENT, LLC	5,572,030	8	0.49%			
Walmart Real Estate Trust	5,203,120	9	0.46%	4,788,120	6	0.60%
Belvedere Apartments INC	4,830,000	10	0.42%			
Quail Apartments LP				5,120,000	5	0.64%
Lowes Home Centers INC				4,496,960	7	0.57%
Stage Centre Co				3,950,200	8	0.50%
Brimhall				2,746,760	10	0.35%
Totals	\$ 107,187,656		9.39%	\$ 64,027,847		8.05%

Source: City of Bartlett Tax Department

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Subsequent Tax Collections	Total Tax Collections	Percent of Tax Collections to Tax Levy	Outstanding Delinquent Tax
2013	\$ 17,002,029	\$ 16,197,954	95.27%	-	\$ 16,197,954	95.27%	\$ 804,075
2012	17,016,533	16,375,709	96.23%	526,313	16,902,022	99.33%	114,511
2011	16,959,601	16,416,548	96.80%	483,434	16,899,982	99.65%	59,619
2010	16,889,691	16,222,853	96.05%	630,477	16,853,330	99.78%	36,361
2009	16,512,787	15,188,328	91.98%	1,306,151	16,494,479	99.89%	18,308
2008	16,032,561	15,501,311	96.69%	516,127	16,017,438	99.91%	15,123
2007	13,337,267	12,898,750	96.71%	429,069	13,327,819	99.93%	9,448
2006	11,981,029	11,509,245	96.06%	456,027	11,965,272	99.87%	15,757
2005	10,869,219	10,564,250	97.19%	300,031	10,864,281	99.95%	4,938
2004	10,753,604	10,412,747	96.83%	324,355	10,737,102	99.85%	16,502

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

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Apparel & Accessories	\$ 6,309,246	\$ 6,470,629	\$ 6,872,110	\$ 6,185,927	\$ 7,795,639	\$ 7,927,804	\$ 7,236,266	\$ 6,964,217	\$ 6,552,552	\$ 7,320,187
General Merchandise	169,528,404	174,520,905	177,921,853	180,394,277	188,367,395	187,097,170	186,397,564	182,996,084	180,444,412	184,429,439
Food Stores	87,337,290	87,245,173	85,387,228	84,232,024	90,850,188	92,753,194	91,300,913	89,692,964	94,225,750	98,885,240
Eating & Drinking Places	44,102,474	51,790,882	56,580,753	58,237,164	61,878,927	61,383,105	63,744,573	62,454,566	65,120,356	69,029,711
Furniture Stores	25,943,384	26,482,073	20,588,298	19,890,999	19,079,129	17,663,833	11,738,317	12,757,864	14,248,753	13,108,868
Building Materials	63,150,488	75,945,538	91,178,839	83,988,276	120,249,335	58,115,255	44,961,710	46,657,984	45,407,128	45,563,480
MV Dealers & Serv. Stations	29,677,835	31,742,956	32,826,569	34,627,712	40,903,219	42,329,861	38,041,811	40,423,739	41,379,659	44,745,428
Other Retail	51,064,490	57,662,704	61,479,007	64,440,718	66,467,209	64,731,620	61,241,302	55,754,890	57,317,368	61,008,620
All Other Outlets	<u>84,469,252</u>	<u>91,620,732</u>	<u>114,563,730</u>	<u>106,569,459</u>	<u>119,669,533</u>	<u>120,590,286</u>	<u>119,618,074</u>	<u>120,491,386</u>	<u>131,040,773</u>	<u>138,156,271</u>
Total	<u>\$ 561,582,863</u>	<u>\$ 603,481,592</u>	<u>\$ 647,398,387</u>	<u>\$ 638,566,556</u>	<u>\$ 715,260,574</u>	<u>\$ 652,592,128</u>	<u>\$ 624,280,530</u>	<u>\$ 618,193,694</u>	<u>\$ 635,736,751</u>	<u>\$ 662,247,244</u>

Source: Tennessee Department of Revenue, Research Division

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

<u>Year</u>	<u>City Direct Rate</u>	<u>Shelby County</u>	<u>State of Tennessee</u>
2004	1.125%	1.125%	7.00%
2005	1.125%	1.125%	7.00%
2006	1.125%	1.125%	7.00%
2007	1.125%	1.125%	7.00%
2008	1.125%	1.125%	7.00%
2009	1.125%	1.125%	7.00%
2010	1.125%	1.125%	7.00%
2011	1.125%	1.125%	7.00%
2012	1.125%	1.125%	7.00%
2013	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.

CITY OF BARTLETT, TENNESSEE
LOCAL SALES TAX REVENUE BY INDUSTRY
FISCAL YEARS 2004 AND 2013

Sector	Fiscal Year 2004				Fiscal Year 2013			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	463	57.52%	\$ 11,157,619	84.90%	464	50.05%	\$ 13,808,086	79.58%
Services	195	24.22%	901,105	6.86%	242	26.11%	1,513,985	8.73%
Manufacturing	44	5.47%	595,594	4.53%	56	6.04%	180,091	1.04%
Wholesale Trade	60	7.45%	335,624	2.55%	59	6.36%	1,350,937	7.79%
Construction	15	1.86%	29,486	0.22%	27	2.91%	78,277	0.45%
Finance Insurance Real Estate	3	0.37%	175	0.00%	4	0.43%	1,425	0.01%
Transportation and Utilites	11	1.37%	69,006	0.53%	6	0.65%	104,305	0.60%
Agriculture	4	0.50%	13,274	0.10%	9	0.97%	25,899	0.15%
Other, Non Classified	10	1.24%	39,716	0.30%	60	6.47%	287,228	1.66%
Total	805	100.00%	\$ 13,141,599	100.00%	927	100.00%	\$ 17,350,233	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			
2004	\$ 20,990,000	\$ -	\$ -	\$ -	\$ 15,350,000	\$ -	\$ 36,340,000	3.84%	\$ 833
2005	20,505,000	-	1,507,500	-	15,545,000	-	37,557,500	3.74%	866
2006	23,155,000	-	1,314,170	-	14,625,000	-	39,094,170	3.42%	899
2007	23,715,000	-	1,867,850	-	15,165,000	-	40,747,850	3.28%	868
2008	24,750,000	-	1,420,660	-	15,285,000	-	41,455,660	3.03%	846
2009	22,695,000	26,468	1,695,360	-	14,405,000	117,452	38,939,280	2.78%	795
2010	23,015,000	953,055	1,076,180	-	14,355,000	203,251	39,602,486	2.73%	808
2011	25,750,000	908,055	1,176,330	-	13,490,000	170,251	41,494,636	2.52%	760
2012	26,910,000	861,055	1,327,500	-	12,410,000	135,251	41,643,806	2.50%	763
2013	28,265,000	812,055	2,097,500	-	12,475,000	99,251	43,748,806	2.63%	801

Notes:

Governmental G.O.Note of \$812,055 with variable interest rate is for general improvements. Interest rate at 6/30/13 was 0.17%.
Governmental Capital Outlay Notes totaled \$2,097,500 at June 30, 2013. Four (4) separate notes made up this amount with fixed rates ranging from 1.78% to 3.14%. These notes were for equipment purchases in the City's CIP program.

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
2004	\$ 20,990,000	\$ -	\$ -	\$ -	\$ 20,990,000	0.77%	\$ 481
2005	20,505,000	1,507,500	-	-	22,012,500	0.78%	508
2006	23,155,000	1,314,170	-	-	24,469,170	0.75%	563
2007	23,715,000	1,867,850	-	-	25,582,850	0.69%	545
2008	24,750,000	1,420,660	-	-	26,170,660	0.69%	534
2009	22,695,000	1,695,360	-	26,468	24,416,828	0.62%	498
2010	23,015,000	1,076,180	-	953,055	25,044,235	0.60%	511
2011	25,750,000	1,176,330	-	908,055	27,834,385	0.68%	510
2012	26,910,000	1,327,500	-	861,055	29,098,555	0.71%	533
2013	28,265,000	2,097,500	-	812,055	31,174,555	0.76%	571

CITY OF BARTLETT, TENNESSEE

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2013

<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	\$ 31,174,555	100.00%	\$ 31,174,555
Shelby County	<u>1,374,036,122</u>	6.43%	<u>88,350,197</u>
Totals Direct and Overlapping Debt	<u>\$ 1,405,210,677</u>		<u>\$ 119,524,752</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
PLEDGED – REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Utility Service Charges	Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2004	\$ 7,749,801	\$ 3,751,076	\$ 3,998,725	\$ 1,125,000	\$ 544,863	\$ 1,669,863	2.39
2005	7,616,473	3,949,404	3,667,069	1,160,000	621,735	1,781,735	2.06
2006	9,688,303	4,071,905	5,616,398	1,255,000	569,220	1,824,220	3.08
2007	8,205,579	4,237,489	3,968,090	1,010,000	573,585	1,583,585	2.51
2008	8,307,946	4,352,229	3,955,717	895,000	593,012	1,488,012	2.66
2009	6,830,594	4,662,988	2,167,606	880,000	581,992	1,461,992	1.48
2010	6,282,853	5,243,944	1,038,909	1,010,000	563,000	1,573,000	0.66
2011	7,024,139	4,781,719	2,242,420	1,013,000	500,254	1,513,254	1.48
2012	9,398,373	4,897,935	4,500,438	1,100,000	401,108	1,501,108	3.00
2013	8,679,097	5,547,568	3,131,529	1,181,000	329,226	1,510,226	2.07

(1) Excludes depreciation expense.

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

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

<u>Fiscal Year</u>	<u>Population (2)</u>	<u>Personal Income (Thousands of \$)</u>	<u>Per Capita Personal Income (4)</u>	<u>Unemployment Rate (3)</u>	
2004	43,608	\$ 945,428	\$ 45,103	2.3%	
2005	43,354	1,002,909	46,005	4.6%	
2006	43,500	1,142,755	49,685	4.5%	
2007	46,954 (3)	1,243,614	52,165	3.7%	
2008	49,000	1,366,711	54,778	5.5%	(5)
2009	49,000	1,401,567	57,512	7.4%	(5)
2010	49,000	1,450,510	60,388	8.1%	(5)
2011	54,613	1,646,770	60,991	8.0%	(5)
2012	54,613	1,663,854	61,601	6.8%	(5)
2013	54,613	1,663,071	62,217	7.6%	(5)

Sources:

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

CITY OF BARTLETT, TENNESSEE

PRINCIPAL EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO

<u>Taxpayer</u>	<u>2013</u>			<u>2004</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Youth Villages	968	1	3.62%			
Covenant Dove	742	2	2.78%			
Saint Francis Hospital-Bartlett	633	3	2.37%			
The City of Bartlett	523	4	1.96%	564	3	2.69%
Brother International\Brother USA	500	5	1.87%	1,000	1	4.77%
Lakeside Behavioral Health	469	6	1.75%			
USDA Cotton Classing Division	450	7	1.68%	550	4	2.62%
Wal-Mart Supercenter	420	8	1.57%	725	2	3.46%
United Parcel Service	275	9	1.03%	275	6	1.31%
Olympus	213	10	0.80%			
The Kroger Company				325	5	1.55%
Gyrus, ENT				228	7	1.09%
Ellendale Electric Company				170	8	0.81%
Kele Inc.				150	9	0.72%
Med-A.R.M.				150	9	0.72%
Total	<u>5,193</u>		<u>19.43%</u>	<u>4,137</u>		<u>19.74%</u>

Source: Bartlett Chamber of Commerce

CITY OF BARTLETT, TENNESSEE

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Department										
General Fund										
Legislative Board	4	4	4	4	3	3	3	3	3	3
Mayor's Office	11	11	12	12	14	15	15	16	16	15
Finance	13	13	14	14	14	14	13	13	14	13
City Court	9	10	10	11	11	13	11	11	12	12
Personnel	4	4	4	5	4	4	4	4	4	4
Planning	4	5	5	5	4	4	3	3	3	3
Police										
Officers	86	90	92	98	105	110	110	110	108	111
Civilians	37	36	33	33	36	38	38	39	39	38
Fire Services and Ambulance										
Firefighters & Officers	73	77	77	93	94	94	94	93	94	94
Civilians	1	1	1	1	1	1	1	2	2	2
Codes Enforcement	9	10	12	12	12	11	11	9	9	9
Public Works	48	49	52	52	53	54	52	53	53	53
Engineering	11	12	11	11	11	12	10	10	8	8
Parks & Recreation	85	85	88	81	80	78	74	74	76	75
Performing Arts	4	4	3	3	4	3	3	3	3	3
Special Revenue Funds										
Solid Waste Fund	32	34	35	37	38	38	38	38	36	39
Drainage Control Fund	0	1	1	1	1	1	1	1	1	1
Utility Fund										
Administration	5	6	9	11	12	11	11	11	6	7
Water & Wastewater Services	19	19	15	15	15	15	15	15	20	20
Plant Operations	5	5	5	5	5	5	5	5	4	6
Sewer Lagoon	3	4	4	4	4	4	4	3	3	2
Total	<u>463</u>	<u>480</u>	<u>487</u>	<u>508</u>	<u>521</u>	<u>528</u>	<u>516</u>	<u>516</u>	<u>514</u>	<u>518</u>

Source: City of Bartlett Finance Department and Personnel Department.

CITY OF BARTLETT, TENNESSEE
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Residential permits issued	358	322	291	344	159	75	99	72	107	139
Commercial permits issued	106	93	129	111	94	71	59	88	93	72
Fire										
Emergency responses	3,114	3,152	3,581	3,663	3,776	3,832	4,178	3,749	4,022	4,322
Structure fires	105	107	197	45	57	42	49	69	56	38
Inspections	1,812	2,589	3,506	3,369	3,449	2,213	2,203	2,277	2,297	3,400
Refuse collection										
Total refuse collected (tons)	35,326	41,357	44,432	44,105	44,824	45,246	56,166	44,606	46,668	45,717
Refuse taken to landfill	24,386	25,330	26,911	26,391	27,015	25,743	25,714	25,161	26,511	27,167
Library										
Volumes in collections	82,257	82,691	83,107	84,666	99,256	102,013	101,158	101,672	102,783	104,537
Total volumes borrowed	359,331	349,977	324,968	302,272	297,581	363,367	359,367	340,156	330,717	313,089
Water										
New connections	590	430	412	475	153	81	66	185	190	171
Water customers	18,424	18,854	19,266	19,741	19,894	19,975	20,041	20,160	20,350	20,521
Sewer										
Sewer customers	16,827	17,271	17,814	18,132	18,444	18,624	18,757	19,098	19,314	19,517

Source: Indicators provided from internal departmental records.

CITY OF BARTLETT, TENNESSEE
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police Stations	1	1	1	1	2	2	2	2	2	2
Fire Stations	4	4	4	5	5	5	5	5	5	5
Public Works										
Streets (miles)	188	238	268	268	277	277	277	277	277	301
Parks & Recreation										
Acreage	416	607	671	671	688	706	706	736	736	736
Parks #										
Developed	23	22	22	24	24	24	24	25	25	25
Undeveloped	2	2	2	2	2	3	3	3	3	3
Tennis courts	14	12	12	14	14	14	14	14	14	14
Baseball fields	9	17	17	17	17	17	17	18	18	18
Walking trails(miles)	9	11	11	11	12	12	12	12	12	12
Water										
Water lines (miles)	317	331	331	331	370	371	371	371	371	375
Water connections	18,424	18,854	19,266	19,741	19,894	19,975	20,041	20,160	20,350	20,521
Water plants	3	4	4	4	4	4	4	4	4	4
Storage tanks	8	9	9	9	9	9	9	9	10	10
Wastewater										
Sanitary sewers (miles)	312	313	313	313	313	316	349	349	349	353
Sewer connections	16,827	17,271	17,814	18,132	18,444	18,624	18,757	19,098	19,314	19,517

Source: City of Bartlett Functional Departments

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF UNACCOUNTED FOR WATER

For the Year Ended June 30, 2013

AWWA WLCC Free Water Audit Software: Reporting Worksheet										Back to Instructions
Copyright © 2010, American Water Works Association. All Rights Reserved.										WAS v4.2
<div style="display: flex; justify-content: space-between;"> Water Audit Report for: City of Bartlett Reporting Year: FY13 7/2012 - 6/2013 </div>										
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 (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										
<< Enter grading in column 'E'										
WATER SUPPLIED										
Volume from own sources: <input type="text" value="8"/> <input type="text" value="2,035.993"/> Million gallons (US)/yr (MG/Yr)										
Master meter error adjustment (enter positive value): <input type="text" value="7"/> <input type="text" value="4.609"/> <input type="text" value="under-registered"/> MG/Yr										
Water imported: <input type="text" value="8"/> <input type="text" value="1.126"/> MG/Yr										
Water exported: <input type="text" value="n/a"/> <input type="text" value="0.000"/> MG/Yr										
WATER SUPPLIED: <input type="text" value="2,041.728"/> MG/Yr										
AUTHORIZED CONSUMPTION										
Billed metered: <input type="text" value="9"/> <input type="text" value="1,862.571"/> MG/Yr										
Billed unmetered: <input type="text" value="9"/> <input type="text" value="0.000"/> MG/Yr										
Unbilled metered: <input type="text" value="9"/> <input type="text" value="45.034"/> MG/Yr										
Unbilled unmetered: <input type="text" value="4"/> <input type="text" value="32.699"/> MG/Yr										
AUTHORIZED CONSUMPTION: <input type="text" value="1,940.304"/> MG/Yr										
Pcnt: <input type="radio"/> Value: <input type="text" value="32.699"/>										
Use buttons to select percentage of water supplied OR value										
WATER LOSSES (Water Supplied - Authorized Consumption) <input type="text" value="101.424"/> MG/Yr										
Apparent Losses										
Unauthorized consumption: <input type="text" value="5.104"/> MG/Yr										
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed										
Customer metering inaccuracies: <input type="text" value="9"/> <input type="text" value="19.269"/> MG/Yr										
Systematic data handling errors: <input type="text" value="7"/> <input type="text" value="0.000"/> MG/Yr										
Apparent Losses: <input type="text" value="24.373"/>										
Pcnt: <input type="radio" value="0.25%"/> Value: <input type="text"/>										
Pcnt: <input type="radio" value="1.00%"/> Value: <input type="text"/>										
Choose this option to enter a percentage of billed metered consumption. This is NOT a default value										
Real Losses (Current Annual Real Losses or CARL)										
Real Losses = Water Losses - Apparent Losses: <input type="text" value="77.051"/> MG/Yr										
WATER LOSSES: <input type="text" value="101.424"/> MG/Yr										
NON-REVENUE WATER										
NON-REVENUE WATER: <input type="text" value="179.158"/> MG/Yr										
= Total Water Loss + Unbilled Metered + Unbilled Unmetered										
SYSTEM DATA										
Length of mains: <input type="text" value="9"/> <input type="text" value="372.9"/> miles										
Number of active AND inactive service connections: <input type="text" value="9"/> <input type="text" value="20,916"/>										
Connection density: <input type="text" value="56"/> conn./mile main										
Average length of customer service line: <input type="text" value="6"/> <input type="text" value="5.0"/> ft (pipe length between curbstop and customer meter or property boundary)										
Average operating pressure: <input type="text" value="7"/> <input type="text" value="68.0"/> psi										
COST DATA										
Total annual cost of operating water system: <input type="text" value="10"/> <input type="text" value="\$4,443,292"/> \$/Year										
Customer retail unit cost (applied to Apparent Losses): <input type="text" value="8"/> <input type="text" value="\$4.01"/> \$/1000 gallons (US)										
Variable production cost (applied to Real Losses): <input type="text" value="10"/> <input type="text" value="\$473.69"/> \$/million gallons										
PERFORMANCE INDICATORS										
Financial Indicators										
Non-revenue water as percent by volume of Water Supplied: <input type="text" value="8.8%"/>										
Non-revenue water as percent by cost of operating system: <input type="text" value="3.8%"/>										
Annual cost of Apparent Losses: <input type="text" value="\$97,736"/>										
Annual cost of Real Losses: <input type="text" value="\$36,498"/>										
Operational Efficiency Indicators										
Apparent Losses per service connection per day: <input type="text" value="3.19"/> gallons/connection/day										
Real Losses per service connection per day*: <input type="text" value="10.09"/> gallons/connection/day										
Real Losses per length of main per day*: <input type="text" value="N/A"/>										
Real Losses per service connection per day per psi pressure: <input type="text" value="0.15"/> gallons/connection/day/psi										
Unavoidable Annual Real Losses (UARL): <input type="text" value="131.63"/> million gallons/year										
From Above, Real Losses = Current Annual Real Losses (CARL): <input type="text" value="77.05"/> million gallons/year										
Infrastructure Leakage Index (ILI) [CARL/UARL]: <input type="text" value="0.59"/>										
* only the most applicable of these two indicators will be calculated										
WATER AUDIT DATA VALIDITY SCORE:										
*** 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: Master meter error adjustment										
3: Unauthorized consumption										
For more information, click here to see the Grading Matrix worksheet										

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF UTILITY RATES

June 30, 2013

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	\$ -
Next 8,000 gallons/1,000 gal.	-	1.800	Over 2,000 gallons/1,000 gal.	-	1.640
Over 10,000 gallons/1,000 gal.	-	1.650	Maximum monthly	32.00	-

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

<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>	<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>
First 2,000 gallons	\$ 8.70	\$ -	First 2,000 gallons	\$ 9.09	\$ -
Next 8,000 gallons/1,000 gal.	-	2.700	Over 2,000 gallons/1,000 gal.	-	1.790
Over 10,000 gallons/1,000 gal.	-	2.480	Maximum monthly	40.00	-

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	\$ -
Next 8,000 gallons/1,000 gal.	-	2.100	Over 2,000 gallons/1,000 gal.	-	1.790
Over 10,000 gallons/1,000 gal.	-	1.910			

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	\$ -
Next 8,000 gallons/1,000 gal.	-	3.150	Over 2,000 gallons/1,000 gal.	-	1.930
Over 10,000 gallons/1,000 gal.	-	2.890			

Unaccounted for Water (gallons lost as a percentage of total gallons): 4.98%

Number of Customers at Year-end:

Water	20,916
Sewer	19,290



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

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

We have audited, 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 the aggregate remaining fund information of the City of Bartlett (the “City”), as of and for the year ended June 30, 2013, 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 16, 2013.

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. Given these limitations, during our audit we did not identify

any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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.

Watkins Mikusall, PLLC

Memphis, Tennessee
December 16, 2013



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2013. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the 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 types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2013.

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 compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with the types of compliance 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Memphis, Tennessee
December 16, 2013

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the City of Bartlett, Tennessee (the "City").
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are 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 or material weaknesses relating to the audit of the major federal award program are reported in the Independent Auditor's Report on Compliance for Each Major Program on Internal Control over Compliance Required By OMB Circular A-133.
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 Section 510(a) of OMB Circular A-133.
7. The program tested as major program was U.S. Department of Transportation (CFDA No. 20.205) Highway Planning and Construction.
8. The threshold for distinguishing between Type A and B programs was \$300,000.
9. The City was determined to be a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS

NONE

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

NONE