CITY OF BARTLETT
TENNESSEE

1866

A. Keith McDonald, Mayor

Comprehensive Annual Financial Report
For The Fiscal Year Ended
June 30, 2016

Prepared by the City of Bartlett Finance Department

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City of Bartlett
A. Keith McDonald, Mayor

December 21, 2016

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

The Comprehensive Annual Financial Report, (CAFR) of the City of Bartlett, Tennessee (The City) for the fiscal year ended June 30, 2016, is hereby submitted as required by state statutes. These statutes require that all general purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) as set forth by the Government Accounting Standards Board (GASB) and have been audited by a firm of certified public accountants in accordance with the generally accepted government auditing standards.

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

The City's financial statements have been audited by Watkins Uiberall, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2016 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor has issued an unmodified ("clean") opinion on the City of Bartlett's financial statements for the fiscal year ended June 30, 2016. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

The City of Bartlett, incorporated on December 13, 1866, is located in Shelby County in the southwestern part of the state and celebrated its 150 year Sesquicentennial during the 2016 calendar year. The City currently occupies a land area of 32.30 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 and is authorized by charter and state law to operate a municipal school district. Policy-making and legislative authority are vested in a Board of Mayor and Aldermen (BMA) consisting of the Mayor and six Aldermen. The Board, among other things, is responsible for passing ordinances, adopting the budget and appointing committees. The Mayor is responsible for carrying out the policies and ordinances of the Board, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments with confirmation of the BMA. The Board of Mayor and (Six) Aldermen are elected to four-year terms by popular vote. 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 Bartlett City Board of Education provides educational services to students within the jurisdiction of the City of Bartlett. The city school system is part of the Government of Bartlett, Tennessee and is reported as a special revenue fund in the City's Comprehensive Annual Financial Report. The Bartlett City Board of Education was created via state statute and local public referendum in the fall of 2013. School enrollment is made up of students residing within the corporate limits of the City. The first full year of instruction began in August 2014. Bartlett city schools have the second highest enrollment of students in Shelby County. Our superintendent recently received the "Superintendent of the Year Award" and the school system is judged a Tennessee Department of Education Exemplary District.

The Memphis Light, Gas and Water Division of the City of Memphis provide electrical and natural gas distribution to the Bartlett service area. The City of Memphis provides treatment of sewage collected by most of the City of Bartlett's sewage system. The Memphis Area Transit Authority provides scheduled bus service throughout the City. These entities do not meet the established criteria for inclusion in the reporting entity and are not included in this report.

The City administration annually prepares a plan of services for the upcoming fiscal year and the estimated cost of providing those services. All department heads of the City of Bartlett are required to submit requests for appropriation to the Finance Director. Initial requests are reviewed by the Mayor, Chief Administrative Officer, and finance staff. The resulting plan is then reviewed by the Board of Mayor and Aldermen and is formally adopted by the passage of a budget ordinance on three separate readings. The ordinance is adopted by fund, function (e.g. public safety) and department (e.g. police). Department heads may make transfers of appropriations within their department. Transfers of appropriations between departments require the approval of 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 and has made a slow recovery to pre-2008 levels of housing permits and commercial improvements. The City currently has a certified population of 56,488, making it the tenth largest city in Tennessee. Projections show the City is expected to grow to over 62,000 by 2020.

Olympus, a precision technology leader in designing and delivering innovative solutions for medical and surgical procedures, has begun construction of a state-of-the-art $12 million dollar facility in Bartlett. This expansion will employ over 280 employees and support one of the largest concentrations of medical device growth in the country. The City continues to place special emphasis on the re-development of Bartlett Station, a 258-acre area of commercial, light industrial and residential development in the oldest part of Bartlett. The Bartlett Station Commission has been active in planning and promoting Bartlett's historic area for future growth. A national chain of personal fitness facility is scheduled to open in early 2017. The City was able to recruit a new Krispy Kreme franchise in the Stage Road/Bartlett Boulevard area which opened in the fall of 2016. The City's retail strategy consultant has continued to assist in the recruitment of retail establishments for future growth.

Retail sales in the fiscal year and the current year show modest growth as the economy has improved. Local sales tax collections were up almost 5% in FY2016 versus FY2015. During the fiscal year 2016 the City issued 216 permits for new single family residence structures with a value of $47,391,269 or an average of $219,404. The City also issued 87 permits for commercial construction valued at $19,479,372. The median household income in Bartlett is in excess of $62,000 and we expect Bartlett to continue to be the retail center of north Shelby County. Emphasis is being made on bringing more retail establishments into the City. Culpepper Place, an assisted living facility with 67 beds, was completed in 2016 with an assessed property value of over $600,000.

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

The regional economy continues its steady growth in retail sales with local sales tax collections increasing by 4.9% in FY2016 compared to FY2015. In FY2017 the City has projected a 5.0% increase in local sales tax collections over FY2016. Collections from the City's additional ½ cent local sales tax were $4.34 million in FY2016 and projected to grow 5.0% for FY2017. The Board of Mayor and Aldermen have used this revenue source to provide local funding for the operation of the Bartlett Municipal School System, school crossing guards in the police department, and maintenance of school property. Property taxes remain a significant portion of the City's revenue source bringing in 41.9% of total revenue for the general fund. Collections remain strong with approximately 98.66% of property tax levy collected during the fiscal year just ended.

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. Funding for capital improvement projects in the CIP is generally provided through issuance of general obligation and revenue bonds. The City issued $5.1 million in general obligation bonds in FY2016 for this purpose. However, the CIP projects in the water and sewer fund were funded through reserves in that fund for FY2016. Highlights of the program for 2017-2021 are:

- Road, Street, and Drainage improvement projects totaling $38.3 million to improve access and traffic flow in the City. $22 million of this amount will be the widening and construction of Old Brownsville West highway while $10 million will be devoted to city wide overlay projects.
- Water and Sewer improvements and upgrades totaling $6.735 million which includes a new 500,000 gallon water tank.
- Public safety buildings, parks improvements, vehicles and equipment including police cars, ambulances and fire trucks totaling $15.0 million. Major projects in this category include a new city shop and renovations to W.J. Freeman Park.
- The City expects these projects to be funded through general obligation and revenue bonds, Tennessee Department of Transportation grants, and reserves

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

Relevant financial policies

The City's fund balance policy provides that fund balances will be used prudently and conservatively to fund one time expenditures and stabilize the property tax rate. The fiscal year 2017 budget includes a budget use of fund balance in its special revenue funds, the utility fund, and the debt service fund. The City ended the 2016 fiscal year with over $28.86 million in general fund balance. The FY2017 General Fund budget did not require the use of fund balance.

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, 2016, the City made $8.0 million in capital improvement expenditures including $1,515,197 in city wide overlay and paving projects, $1,001,268 on Bartlett fire training facility, $282,569 on Altruria and Memphis/Arlington signalization, $755,690 on an fire aerial truck, $753,724 on Bartlett Road Bridge, and $388,710 on right-of-way for Old Brownsville West. The city-wide public radio system replacement, begun in FY2015, realized $1,406,284 in expenditures in FY 2016. This project is nearing completion with the final cutover to the new system scheduled in January 2017. The City has plans to relocate and install new 16 inch water lines in conjunction with the Old Brownsville Road West project in FY2018 and purchase of land for a new water plant in FY2020. The City's phone system was replaced in FY2016 with a new VoIP system, and city hall renovations have begun which will provide new Board of Mayor and Aldermen chambers and renovated reception area.

Long term financial planning

The City's fiscal year spending plan emphasizes a long-term goal of maintaining fiscal and financial stability. Annual budgets adopted by the Board of Mayor and Aldermen have consistently stressed a culture of cost-saving efforts while focusing on customers and quality of service provided the citizens.

The City's bond ratings were affirmed as Aa1 by Moody's and AAA by Standard & Poor's rating agencies in September 2016. On September 29, 2016 the City issued $6,550,000 in general obligation refunding and improvement bonds to fund the various capital improvement projects including the FY2017 budget and to refund portions of the 2009 Series general obligation bonds.

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, 2015. This was the 27th 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 14th straight year for its annual budget document for the fiscal year beginning July 1, 2015. 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, 2017 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, 2015

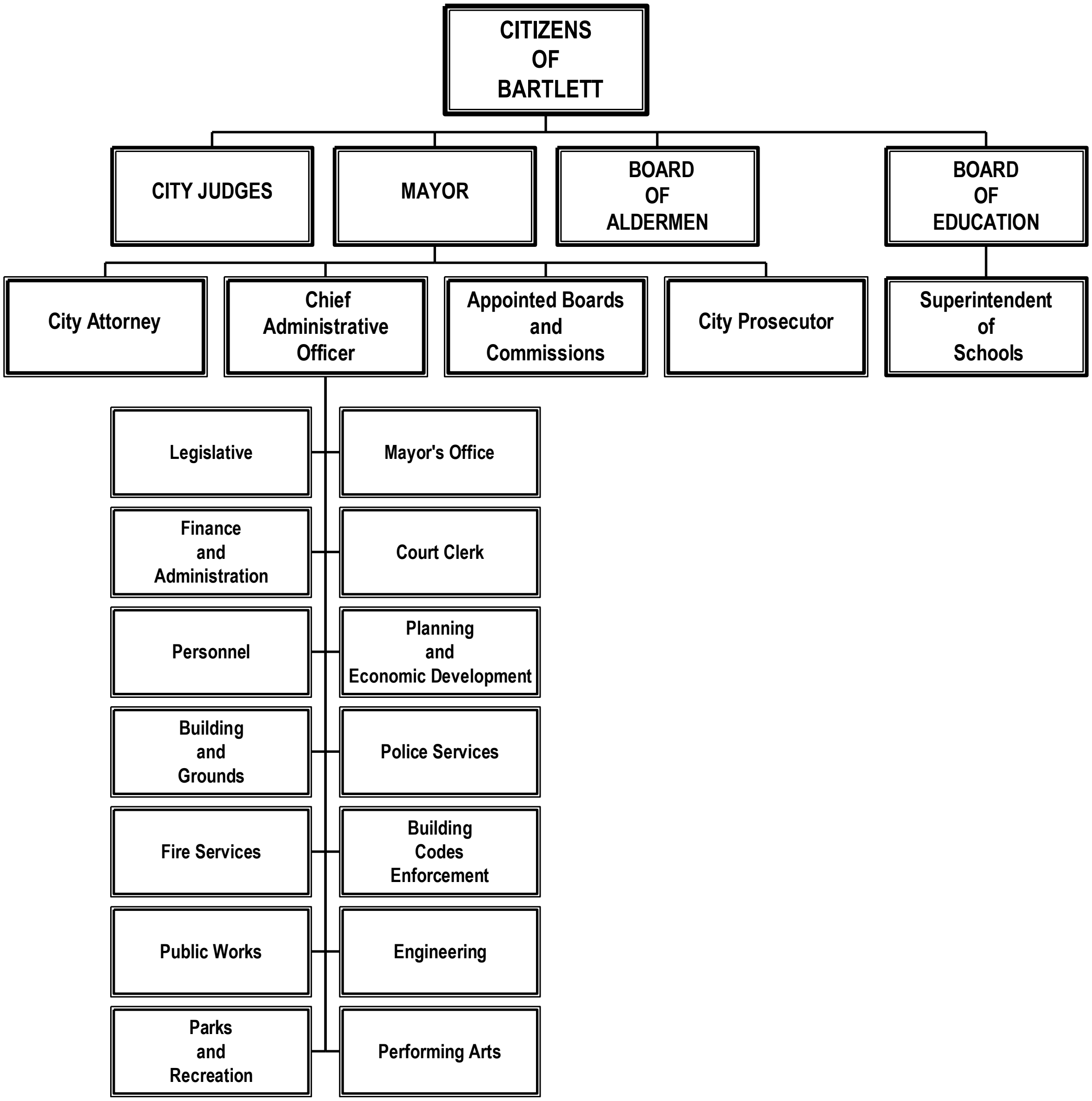
Executive Director/CEO

1866

CITY OF BARTLETT

ORGANIZATION CHART

JUNE 30, 2016



CITY OF BARTLETT, TENNESSEE
CITY AND BOARD OF EDUCATION OFFICIALS
JUNE 30, 2016

MAYOR

A. Keith McDonald (2018*)

ALDERMEN

Jack Young, Vice Mayor (2016*)
W.C. (Bubba) Pleasant, Register (2018*)
David Parsons (2018*)
Emily Elliott (2018*)
Bobby Simmons (2016*)
Paula Sedgwick (2016*)

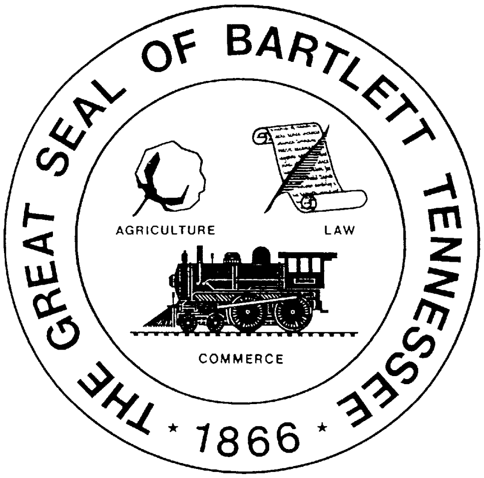
CITY OFFICIALS

Chief Administrative Officer	Mark S. Brown
City Attorney	Edward McKenney Jr.
Director of Finance	Dick Phebus
Director of Personnel	Ted Archdeacon
Director of Planning and Economic Development	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	Jason Sykes
Director of Citizen Services	Jacquie Gore
Director of Community Relations	Debbie Gelineau
Court Clerk	Bill Lloyd

*(Date elected term expires)

BOARD OF EDUCATION OFFICIALS

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


THE GREAT SEAL OF BARTLETT TENNESSEE
AGRICULTURE
LAW
COMMERCE
★ 1866 ★

WATKINS
UIBERALL
Certified Public Accountants
Independent Member of BKR International

Watkins Uiberall, PLLC

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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 general purpose school fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee, (the "City") as of and for the year ended June 30, 2016,and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the statements of budgetary comparison for the general fund and general purpose school fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee, as of June 30, 2016, 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.

Emphasis of a Matter

We draw attention to Note 11 to the financial statements describing a restatement increasing beginning governmental activities net position by $730,000 on the government-wide statement of activities. The restatement was necessary to recognize sales tax revenue due to Bartlett City Schools. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual fund financial statements and schedules, supplementary schedules, and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, supplementary 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 21, 2016, 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 the City of Bartlett's internal control over financial reporting and compliance.

Watkins Uiberall, PLLC

Memphis, Tennessee
December 21, 2016

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, 2016. 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 $ 338,131,794 (net position). Of this amount, $15,820,211 (unrestricted net position) may be used to meet the government's ongoing obligation to citizens and creditors.

- The City's total net position increased by $4,883,208, due in large part to receivables from other governments and increase in cash and cash equivalents by $13,637,065. Net position increased for governmental activities by $ 4,443,876 and increased for proprietary activities by $439,332.

- At June 30, 2016, the City's governmental funds reported combined ending fund balances of $60,295,030, an increase of $12,205,308 in comparison with the prior year. Approximately 59.5% of this amount is available for spending at the government's discretion (committed, assigned or unassigned fund balance). At June 30, 2016 unassigned fund balance for the General Fund was $27,562,053, or 65.7% of General Fund expenditures.

- The City's total debt increased by $3,917,151 (9.1%) during the current fiscal year. The City issued $5,100,000 in G.O. debt; $1,064,000 in Capital Outlay Notes; and $2,940,000 in capital lease obligations during the year. The City paid down $4,150,000 in existing general obligation bonds and water revenue bonds plus $526,000 in capital notes and $1,280,940 in capital lease obligations in FY 2016.

Overview of the Financial Statements

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

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

The government-wide financial statements are:

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

- **Statement of Activities** -- presents information showing how the City's net position changed during the most recent fiscal year. All current year revenues and expenses are taken into account regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused leave).

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

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

The government-wide financial statements can be found on pages 26-28 of this report.

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

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

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

The City maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the School General Purpose Fund, and the Capital Projects Fund, all three of which are considered to be major funds. Data for the other thirteen funds is combined into a single column with individual fund data for each of these non-major governmental funds provided in the form of combining and individual fund statements elsewhere in this report.

The City of Bartlett adopts an annual appropriation budget for its general, special revenue and debt service funds. A budgetary comparison statement has been provided for the General Fund, General Purpose School Fund, and Capital Projects Fund (all major funds) to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 29-32 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 47-94 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 108-118 of this report.

Statistical Information: The statistical section, found on pages 140-165, presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the City's overall financial health.

Government-wide Financial Analysis

Net Position: Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities and deferred outflows by $338,131,794 at the close of the most recent fiscal year, an increase of $4,883,208, or 1.47 percent, from last year.

The largest portion of the City's net position (94.88) reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Condensed Statement of Net Position

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	$ 89,906,209	$ 75,761,990	$ 14,986,245	$ 14,759,729	$ 104,892,454	$ 90,521,719
Capital assets	287,678,582	287,963,764	66,782,625	67,829,667	354,461,207	355,793,431
Total assets	377,584,791	363,725,754	81,768,870	82,589,396	459,353,661	446,315,150
Deferred outflows of resources	19,556,457	6,985,485	520,838	385,748	20,077,295	7,371,233
Long-term liabilities outstanding	91,866,197	78,455,036	14,964,474	15,828,737	106,830,671	94,283,773
Other liabilities	6,703,567	7,248,480	538,190	798,695	7,241,757	8,047,175
Total liabilities	98,569,764	85,703,516	15,502,664	16,627,432	114,072,428	102,330,948
Deferred inflows of resources	27,226,734	18,106,849	-	-	27,226,734	18,106,849
Net position:						
Net Investment in Capital Assets	263,277,473	265,573,498	57,533,711	57,658,219	320,811,184	323,231,717
Restricted	1,500,399	6,799,693	-	1,965,536	1,500,399	8,765,229
Unrestricted	6,566,878	(5,472,307)	9,253,333	6,723,957	15,820,211	1,251,650
Total net position	$ 271,344,750	$ 266,900,884	$ 66,787,044	$ 66,347,712	$ 338,131,794	$ 333,248,596

An additional portion of the City's net position (0.44%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($15,820,211) may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2016, the City is able to report positive balances in all three categories of net position for the government as a whole. Governmental activities reflected positive unrestricted amount of $6,566,878 as a component of net position while business-type activities reflected a positive component of $9,253,333. The City maintains a practice of providing adequate reserves for payment of debt service and capital projects while funding current operations with current revenue sources.

Changes in Net Position: Governmental activities increased the City's net position by $4,443,876 while Business-type activities increased the City's net assets by $439,332 resulting in a net increase of $4,883,208. Key elements of this increase are as follows:

- Additions to net position were provided by an increase in cash and investments of $11,089,085, an increase in receivables of $2,601,691, increases in capital assets, and increases in deferred outflows of resources of $12,570,972, the majority of which is pension related.

- Reductions to net position were caused by increases to long-term debt and other liabilities of $12,866,248 and increases to deferred inflows of $9,119,885 from property taxes and pension obligations in school activities. Increases in net position for business-type activities was mostly due from a reduction of long-term debt of $864,263.
- Depreciation expense of $9,274,187 in governmental activities and $2,218,222 in business-type activities was also a factor in the overall change in net position. Of the $9,274,187 depreciation in governmental activities, $3,615,523 was from education activities.

Condensed Statement of Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Revenues						
Program Revenues:						
Charges for Services	$ 19,667,051	$ 18,535,489	$ 8,329,734	$ 8,294,446	$ 27,996,785	$ 26,829,935
Operating grants and contributions	48,287,720	44,118,649	7,078	25,090	48,294,798	44,143,739
Capital grants and contributions	2,535,261	-	517,727	715,368	3,052,988	715,368
General Revenues:						
Local taxes	67,294,570	64,785,332	-	-	67,294,570	64,785,332
Intergovernmental	6,133,159	5,728,128	-	-	6,133,159	5,728,128
Interest on investments	30,646	29,213	9,822	5,170	40,468	34,383
Other	3,741	527,613	6,638	1,987	10,379	529,600
Total revenues	143,952,148	133,724,424	8,870,999	9,042,061	152,823,147	142,766,485
Expenses						
General government	8,945,508	8,194,427	-	-	8,945,508	8,194,427
Public safety	28,907,473	27,217,650	-	-	28,907,473	27,217,650
Public works	17,226,976	15,190,501	-	-	17,226,976	15,190,501
Parks and recreation	4,603,219	4,277,840	-	-	4,603,219	4,277,840
Performing arts center	705,416	645,051	-	-	705,416	645,051
Recreation center	1,808,051	1,618,553	-	-	1,808,051	1,618,553
Education	77,495,002	69,978,551	-	-	77,495,002	69,978,551
Interest on long-term debt	1,118,293	894,813	-	-	1,118,293	894,813
Water and sewer	-	-	7,860,001	7,694,263	7,860,001	7,694,263
Total expenses	140,809,938	128,017,386	7,860,001	7,694,263	148,669,939	135,711,649
Changes in net position before transfers	3,142,210	5,707,038	1,010,998	1,347,798	4,153,208	7,054,836
Transfers	571,666	605,061	(571,666)	(605,061)	-	-
Change in net position	3,713,876	6,312,099	439,332	742,737	4,153,208	7,054,836
Net position - July 1, 2015, as previously reported	266,900,874	273,991,686	66,347,712	66,604,826	333,248,586	340,596,512
Effect of change in accounting principle	-	(16,513,111)	-	(999,851)	-	(17,512,962)
Prior period adjustments	730,000	3,110,200	-	-	730,000	3,110,200
Net position, beginning as restated	267,630,874	260,588,775	66,347,712	65,604,975	333,978,586	326,193,750
Net position - ending	$271,344,750	$266,900,874	$ 66,787,044	$ 66,347,712	$338,131,794	$333,248,586

Governmental Activities: Current fiscal year revenues and transfers for the City's governmental activities were $143,952,148 compared to $133,724,424 last year. Expenses for the same period were $140,809,938 compared to $128,017,386 last year.

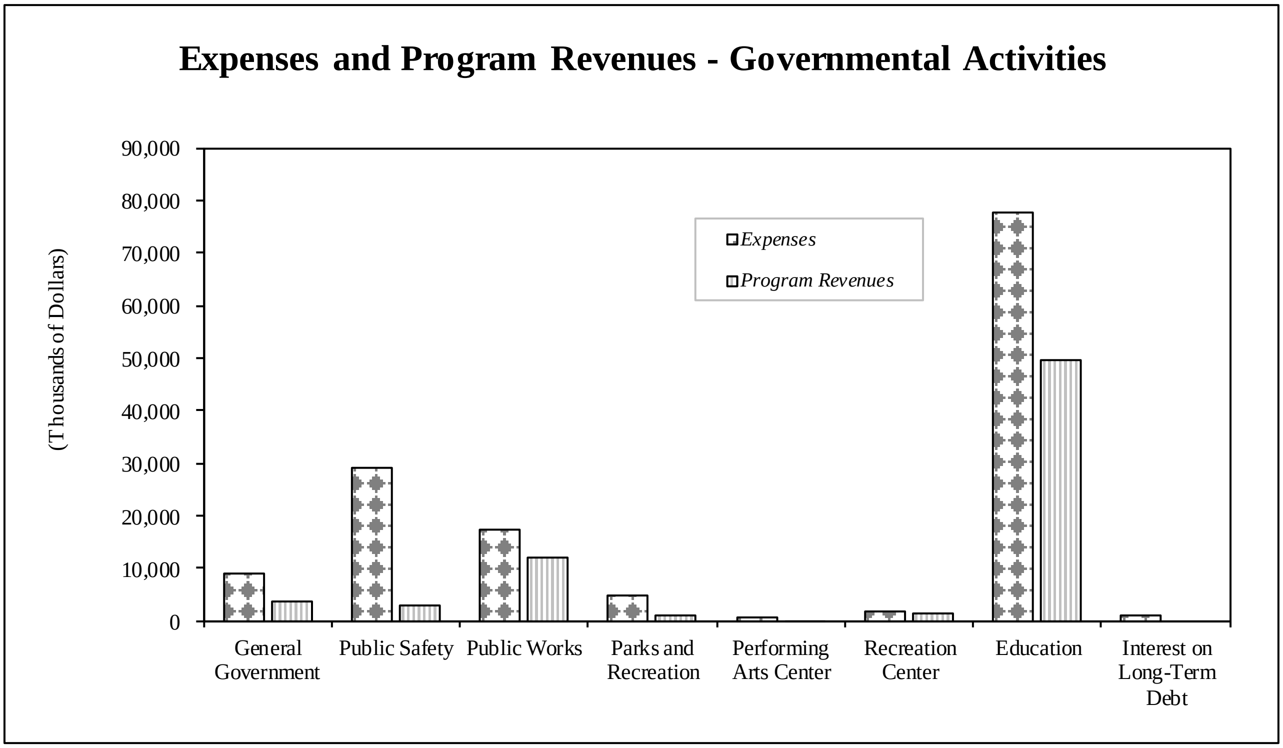
General and program revenue experienced a mixture of increases and decreases for the year; most notable of which are discussed below.

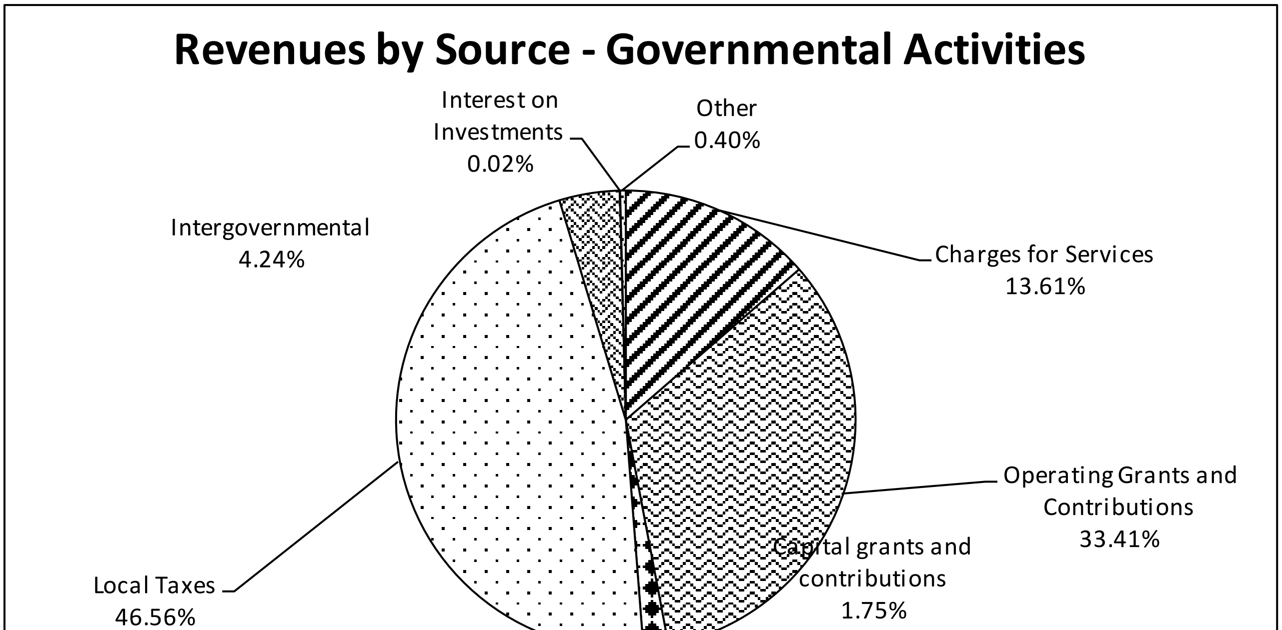
- The single largest source of governmental activity revenue in the prior year, capital grants and contributions, increased $4,169,071 to $48,287,720 in FY 2016. Education operating grants and contributions amounted to $44,155,073 of this amount.
- Capital grants and contributions increased $2,535,261 from FY15 with education activities receiving most of this amount.
- Property taxes increased $294,120 during the year due to allocation of property tax payments to the Bartlett City School system from Shelby County, Tennessee.
- Local and state shared sales taxes, the next largest contributor of revenues, were up $2,327,828, or 9.2 percent due to allocation of sales tax from the county-wide sales tax levy.
- The City's portion of state intergovernmental revenue increased by $114,288, or 7.8 percent, reflecting continued revenue growth at the state level. Investment income remained flat at $30,646. The City is still experiencing historically low interest rates for authorized investments.

Each area of program revenues is discussed below.

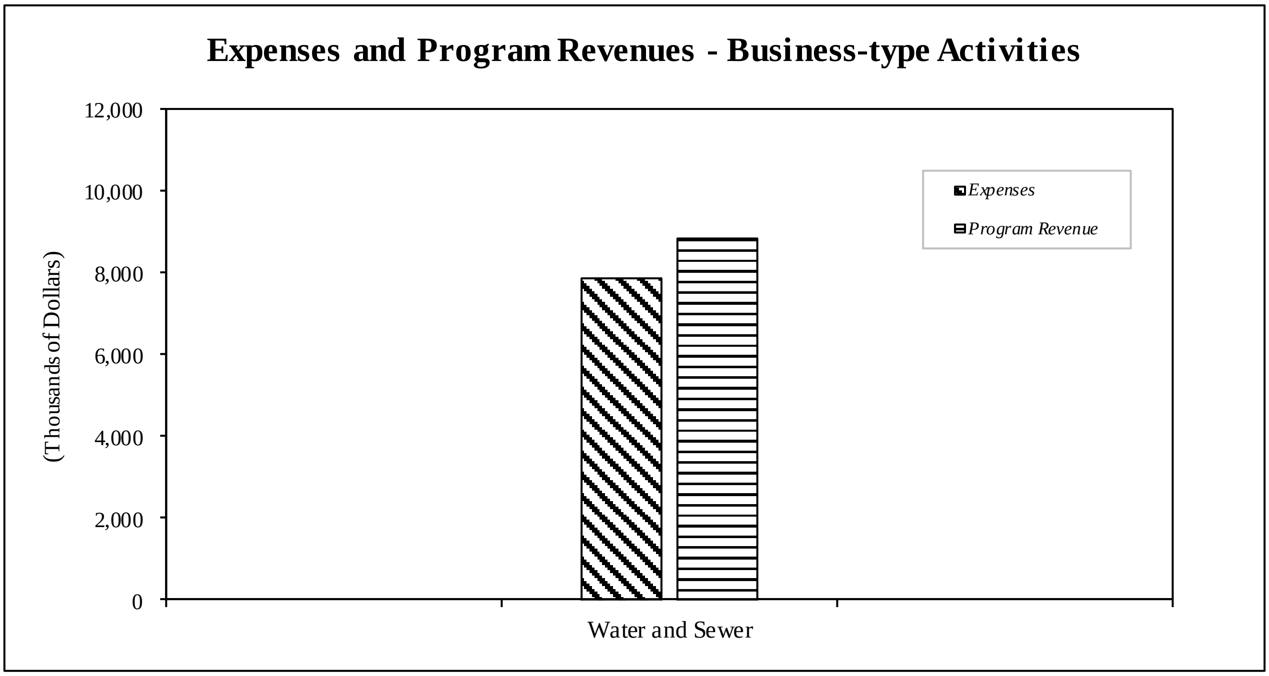
- Charges for services increased $1,131,562, or 6.1 percent from the previous year due primarily to increases in education activities and public safety activities.
- Operating grants and contributions increased $4,169,071, primarily due to an increase in education operating grants from the State of Tennessee for operating revenues for the Bartlett City School system.
- Capital grants and contributions increased $2,535,261 over the previous year. Capital grants for education amounted to $2,452,170 of this amount.

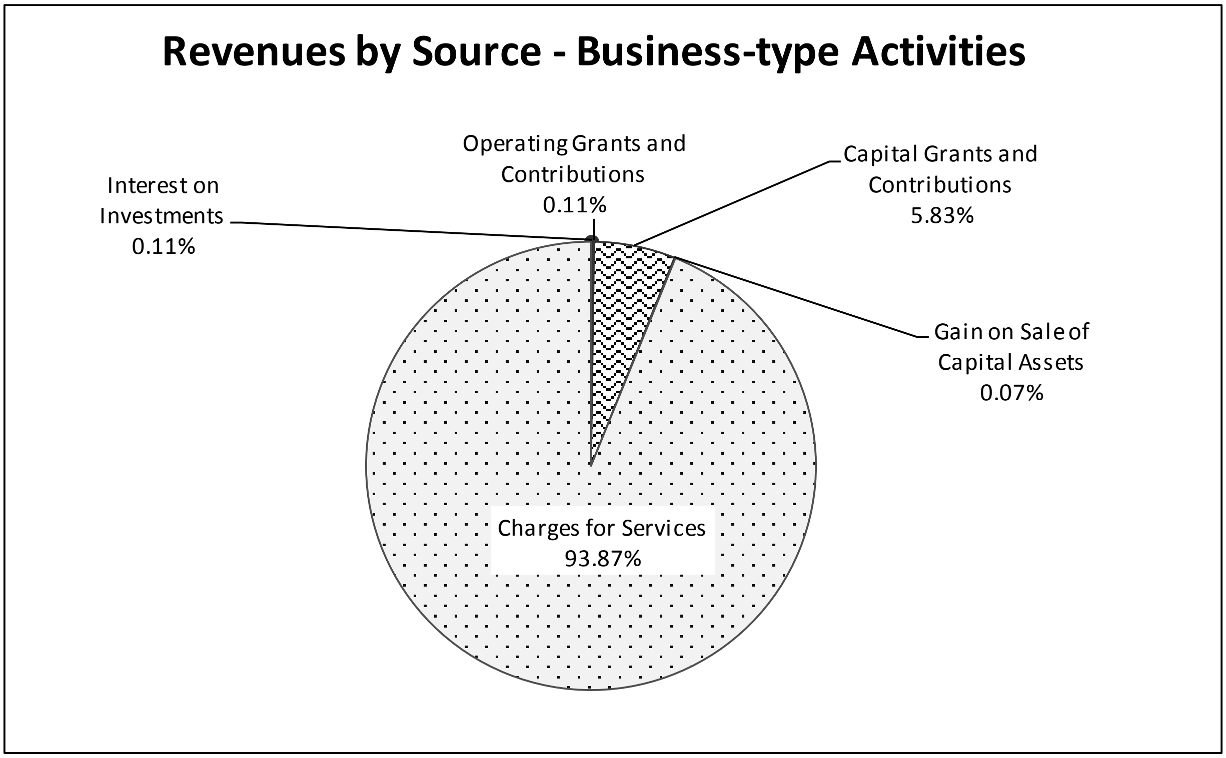
Expenses in governmental activities increased $12,792,552 from the prior year. Increases in education expenses were $8,516,451. Other functional categories, led by public safety with $1,689,823, combined for an increase of $4,276,101 in governmental activities. Interest on long-term debt increased $223,480 over the prior year primarily due to interest on capital lease and capital outlay note issued during the year.





Business-type activities: Business-type activities increased the City's net position by $439,332. Charges for services increased slightly from prior year by $35,288; however expenses were $168,083 more than the previous year. Other revenue was $204,005 less than the previous year while transfers to governmental activities were $33,395 less than the previous year resulting in a net change from the prior year of ($303,405.)





Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $60,295,030, an increase of $12,205,308, in comparison with the prior year. Approximately 45.7% of this total amount ($27,562,053) 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 $27,562,053, while total fund balance reached $28,863,630. Other categories of fund balance for the General Fund were non-spendable ($206,905), restricted ($18,651), committed ($1,000,000) and assigned ($76,021). Non-spendable includes inventories and prepaid items; restricted includes amounts constrained for a specific purpose; committed includes amounts designated by the governing body for emergencies and contingencies; and assigned includes the use of General Fund reserves to satisfy current year encumbrances. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 65.7% of total General Fund expenditures, while total fund balance represents 68.8% of that same amount.

The fund balance of the City's General Fund increased $202,629 to $28,683,630 during the current fiscal year. Key factors are as follows:

- Total revenues from taxes and other sources were up by $1,093,499 over the previous year. Local sales tax revenues accounted for 62% of this amount while charges for services accounted for approximately 20%. Intergovernmental revenues were up by $215,657 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 donations increased $78,206 mostly from citizen and corporate donations for the city of Bartlett's 150 Year Sesquicentennial celebration in 2016 while other sources of revenue were down $99,296 from the previous year. Total revenues, transfers in and other financing sources were $47,578,485 for the fiscal year, an increase of $1,047,976 over the previous year.

- Expenditures for current activity in the General Fund increased by $999,493 with general government and public safety expenditures accounting for 52.1% of this increase. Other current activities combined for a net increase of $478,217. Other financing sources and uses played a pivotal role in the change in the fund balance of the General Fund with a net financing use of $4,362,278 compared to a net financing use of $1,497,912 in the prior year. The net financing use of funds included transfers to the City municipal school district for costs associated with the operation of City schools in FY 2016. Total expenditures and uses of funds were $47,375,856.

The general purpose school fund focuses on providing educational instruction for students enrolled in the City's municipal school system. At June 30, 2016 the fund had a fund balance of $15,330,479 which is restricted for educational expenditures. During the year, the fund had revenues of $71,515,322 from three major categories; property taxes ($22,050,911); local sales taxes ($9,482,232); and intergovernmental revenue ($38,158,371), which represents state of Tennessee education funding and Shelby County, Tennessee property and other tax allocations. The fund had expenditures of $68,804,029. Educational instruction accounted for $66,877,065 while debt service principal and interest on capital lease amounted to

$1,926,964. Other financing sources and uses was comprised of issuance of capital lease ($2,940,000), transfers in from the City's general fund ($3,361,440).

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 $66,787,044.

Unrestricted net position for the Water and Sewer fund at the end of the year amounted to $9,418,928. The total increase in net position for the Water and Sewer fund was $438,667. 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 $182,450. This was due to receipt of $112,800 in state grants for certified police and firemen and $69,650 in donations for the City's 150 year sesquicentennial celebration. The difference between the original and final budget for expenditures increased by $1,753,676. General government budget was increased by $105,348 mostly from professional services and expenditures for expenditures for the city's 150 year celebration; public safety budget was increased by $158,949 due to salary supplements received from the state of Tennessee and some miscellaneous equipment purchases in the fire department. Transfers out to the City's capital projects fund was increased by $1,410,000 for expenditures on the City's two-way radio system. Several other line items were increased by $79,379 to cover expenditures for supplies and services.

- The General Fund revenues were $373,155 greater than budgeted. The variance was due in part to local property, sales and other local tax collections exceeding the budget by $202,671. Intergovernmental revenue collections from the state of Tennessee exceeded the budget by $364,775. Building permits and other licenses were $28,605 more than budgeted. Charges for services $36,827 less than budgeted projections while fines and penalties from the City's court system came in at $262,785 less than expected.

General Fund expenditures were less than budgeted by $2,223,250. City department heads strive to control costs within the respective departments. The largest positive variance was in Public Safety of $719,560 while General Government had a positive variance of $576,240. Cost savings were also achieved in Public Works of $184,637, Parks and Recreation of $191,158, Performing Arts Center of $113,070, and Recreation Center of $65,430. The City's final budget projected a net reduction in fund balance of $2,307,787. Actual operations resulted in a surplus of $202,629, or a positive variance in budget to actual of $2,510,416.

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, 2016 amounts to $354,461,207 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, roads, highways, construction in progress, and other infrastructure. The total decrease in City's investment in capital assets for the current fiscal year was $1,332,224.

Condensed Statement of Capital Assets

(Net of Depreciation)

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Land	$ 11,603,550	$ 11,457,521	$ 1,358,438	$ 1,358,109	$ 12,961,988	$ 12,815,630
Buildings	191,051,740	194,073,833	41,921	57,787	191,093,661	194,131,620
Improvements other than bldgs.	2,158,114	2,388,073	63,071,066	63,515,771	65,229,180	65,903,844
Equipment	3,826,127	3,953,204	1,198,719	841,425	5,024,846	4,794,629
Vehicles	6,018,859	4,380,809	-	-	6,018,859	4,380,809
Infrastructure	68,539,500	69,862,940	-	-	68,539,500	69,862,940
Contruction in progress	4,480,692	1,847,384	1,112,481	2,056,575	5,593,173	3,903,959
Total	$ 287,678,582	$ 287,963,764	$ 66,782,625	$ 67,829,667	$ 354,461,207	$ 355,793,431

Governmental activities saw an increase of $11,987,532 in acquisition of land, buildings, equipment, vehicles, and infrastructure during FY2016 with $5,432,384 in retirements. Business-type activities saw an increase of $2,847,013 in capital asset acquisitions with $2,079,165 in retirements. Additional information 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 $46,943,468. Of this amount $35,739,764 comprises debt backed by the full faith and credit of the government and capital outlay notes and $11,203,704 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	
	2016	2015	2016	2015	2016	2015
General obligation bonds	$ 29,247,448	$ 26,177,752	$ -	$ -	$ 29,247,448	$ 26,177,752
Capital Outlay note	3,293,000	2,657,000	-	-	3,293,000	2,657,000
General Obligation note	1,005,000	1,061,000	-	-	1,005,000	1,061,000
Capital Lease	2,194,316	535,256	-	-	2,194,316	535,256
Revenue bonds	-	-	10,459,704	11,809,309	10,459,704	11,809,309
Revenue note	-	-	744,000	786,000	744,000	786,000
Total	$ 35,739,764	$ 30,431,008	$ 11,203,704	$ 12,595,309	$ 46,943,468	$ 43,026,317

The City's total debt increased $3,917,151 or 9.1 percent during the current fiscal year. The City issued $5,100,000 in general obligation bonds during the year to fund the FY16 Capital Projects Program. The City also issued $1,064,000 in seven-year capital outlay notes during the year to purchase vehicles and equipment. There were no new issues of water and sewer revenue bonds or capital outlay notes for business-type activities. The City retired $5,569,940 in debt through retirement of general obligation bonds, capital outlay notes and capital lease payments.

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

Additional information on the City's long-term debt can be found at note 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 2017 fiscal year are discussed fully in the budget document and include:

- The City uses conservative revenue forecasts for budgeting purposes. The primary source of funds remains property taxes. The potential impact of declining property values in the area has been taken into consideration in projecting resources.
- Property tax revenues were projected slightly higher due to new growth. There was no increase in the property tax rate for FY2016. The housing market in Bartlett has rebounded 170% since 2010, providing some level of stability in the property tax base. Continued growth in commercial construction and renovation projects has added to the base as well.
- Sales tax and other state shared revenue are projected to increase as economic growth improves. While inflationary trends in the region compare favorably to national indices, the City has proposed FY2016 appropriations which represent a slight increase from FY2016 levels.
- Current service levels have been maintained in the General Fund in FY2016 by matching revenues and other financing sources to total expenditures. Additional full-time and part-part-time codes inspectors and three new police officers will be used to maintain current services.
- The City is continuing to monitor operations of its Water/Sewer Fund to determine if increased user fees or cost containment measures should be initiated in the near term.
- Bartlett City schools have been in operation for two full years. Appropriations from the City's General Fund as contributions to the Bartlett City Municipal School District total $3.61 million for FY2017
- The adopted budget for the Bartlett Municipal School System is $73.5 million in FY2017. The system operates 11 schools with projected enrollment of 8,300 students.
- The City adopted a General Fund operating budget of $47,633,021 for FY2017 which is a reduction from the FY2016 General Fund budget of $514,358. There is no scheduled use of unassigned fund balance in FY2017.

At June 30, 2016 the unassigned fund balance in the General Fund was $27,562,053.

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, 2016, Fiscal Year 2016 and 2017 Budget Reports and other information about the City may be found on the City's website at www.cityofbartlett.org, as part of the City's commitment to transparency and our continuing usage of advancing technology and e-commerce.

CITY OF BARTLETT, TENNESSEE

STATEMENT OF NET POSITION

June 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activity	Total
ASSETS			
Cash and cash equivalents	$ 50,630,088	$ 11,317,969	$ 61,948,057
Investments - unrestricted	8,260,564	2,997,165	11,257,729
Receivables (net of allowance for uncollectibles):			
Taxes	19,678,137	-	19,678,137
Accounts receivable	-	828,310	828,310
Other	5,911,198	270	5,911,468
Due from other governments	4,510,055	-	4,510,055
Internal balances	165,595	(165,595)	-
Inventories	231,118	-	231,118
Prepaid items	169,580	8,126	177,706
Capital assets, not being depreciated	16,084,242	2,470,919	18,555,161
Capital assets, being depreciated, net	271,594,340	64,311,706	335,906,046
Net pension asset	349,874	-	349,874
Total assets	377,584,791	81,768,870	459,353,661
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	327,735	183,105	510,840
Pension changes in experience	1,379,970	66,248	1,446,218
Pension changes in investment earnings	4,470,480	271,485	4,741,965
Pension contribution after measurement date	3,867,562	-	3,867,562
Pension changes in proportion of net pension liability	9,510,710	-	9,510,710
Total deferred outflows of resources	19,556,457	520,838	20,077,295
LIABILITIES			
Accounts payable and accrued liabilities	2,930,429	232,653	3,163,082
Accrued interest payable	241,994	81,977	323,971
Unearned revenue	311,059	203,258	514,317
Other accrued payables	3,220,085	-	3,220,085
Accrued compensated absences	-	20,302	20,302
Noncurrent liabilities:			
Due within one year	5,148,221	1,303,000	6,451,221
Due in more than one year	39,358,467	10,002,165	49,360,632
Net pension liability	28,556,988	1,718,956	30,275,944
Net OPEB obligation	18,802,521	1,940,353	20,742,874
Total liabilities	98,569,764	15,502,664	114,072,428
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	18,844,636	-	18,844,636
Pension changes in experience	6,029,787	-	6,029,787
Pension changes in investment earnings	2,352,311	-	2,352,311
Total deferred inflows of resources	27,226,734	-	27,226,734
NET POSITION			
Net investment in capital assets	263,277,473	57,533,711	320,811,184
Restricted for:			
Net pension asset	349,874	-	349,874
Streets	435,923	-	435,923
Drug enforcement	451,216	-	451,216
DEA task force	263,386	-	263,386
Unrestricted	6,566,878	9,253,333	15,820,211
Total net position	$ 271,344,750	$ 66,787,044	$ 338,131,794

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

CITY OF BARTLETT, TENNESSEE

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental Activities:				
General government	$ 8,945,508	$ 3,196,065	$ 222,206	$ -
Public safety	28,907,473	2,758,987	-	29,486
Public works	17,226,976	8,071,894	3,910,441	53,605
Parks and recreation	4,603,219	934,912	-	-
Performing arts center	705,416	193,275	-	-
Recreation center	1,808,051	1,501,587	-	-
Education	77,495,002	3,010,331	44,155,073	2,452,170
Interest on long-term debt	1,118,293	-	-	-
Total governmental activities	140,809,938	19,667,051	48,287,720	2,535,261
Business-type activity:				
Water and sewer	7,860,001	8,329,734	7,078	517,727
Total primary government	$ 148,669,939	$ 27,996,785	$ 48,294,798	$ 3,052,988

General revenues:
Property taxes
Other taxes
Liquor and beer taxes
Hotel-motel taxes
Local gross receipts tax
Franchise tax
Other Taxes
Grants and contributions not allocated to specific programs:
County-wide and city-only sales tax
City allocation of state sales taxes
City allocation of state income taxes
City allocation of in lieu of tax-TVA
City allocation of other shared taxes
Intergovernmental reimbursements
State road maintenance
Interest on investments
Gain (loss) on sale of capital assets
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning, as previously reported
Prior period adjustment
Net position - beginning, as restated
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
$ (5,527,237)	$ -	$ (5,527,237)
(26,119,000)	-	(26,119,000)
(5,191,036)	-	(5,191,036)
(3,668,307)	-	(3,668,307)
(512,141)	-	(512,141)
(306,464)	-	(306,464)
(27,877,428)		(27,877,428)
(1,118,293)	-	(1,118,293)
(70,319,906)	-	(70,319,906)
-	994,538	994,538
(70,319,906)	994,538	(69,325,368)
41,285,648	-	41,285,648
1,158,856	-	1,158,856
181,099	-	181,099
911,385	-	911,385
588,480	-	588,480
100,409	-	100,409
23,068,693	-	23,068,693
4,568,957	-	4,568,957
399,918	-	399,918
1,093,869	-	1,093,869
9,272	-	9,272
61,143	-	61,143
114,923	-	114,923
30,646	9,822	40,468
(111,182)	6,638	(104,544)
571,666	(571,666)	-
74,033,782	(555,206)	73,478,576
3,713,876	439,332	4,153,208
266,900,874	66,347,712	333,248,586
730,000	-	730,000
267,630,874	66,347,712	333,978,586
$ 271,344,750	$ 66,787,044	$ 338,131,794

CITY OF BARTLETT, TENNESSEE

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2016

	General Fund	General Purpose School Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 17,211,691	$ 16,521,740	$ 9,277,103	$ 6,113,064	$ 49,123,598
Investments - unrestricted	8,260,564	-	-	-	8,260,564
Receivables					
Taxes	19,329,591	-	-	837,018	20,166,609
Other	6,270,286	192,906	798	1,251,870	7,715,860
Less allowance for doubtful accounts	(2,281,718)	-	-	(11,416)	(2,293,134)
Due from other governments	-	4,272,533	-	237,522	4,510,055
Due from other funds	198,583	217,382	395,893	-	811,858
Inventory	202,198	-	-	28,920	231,118
Prepaid Items	4,707	-	-	134,873	139,580
Total assets	$ 49,195,902	$ 21,204,561	$ 9,673,794	$ 8,591,851	$ 88,666,108
LIABILITIES					
Accounts payable and accrued liabilities	$ 639,329	$ 837,897	$ 542,475	$ 622,230	$ 2,641,931
Other accrued payables	7,005	3,103,238	-	109,842	3,220,085
Due to other funds	12,973	16,834	-	782,051	811,858
Unearned revenue - rec. center	216,924	-	-	-	216,924
Unearned revenue - developers	9,830	-	-	-	9,830
Unearned revenue - property maintenance	79,555	-	-	-	79,555
Unearned revenue - BPAC	4,750	-	-	-	4,750
Total liabilities	970,366	3,957,969	542,475	1,514,123	6,984,933
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - taxes	18,759,964	1,916,113	-	-	20,676,077
Unavailable revenue - court fines	496,208	-	-	-	496,208
Unavailable revenue - ambulance	104,454	-	-	-	104,454
Unavailable revenue - grants	1,280	-	-	22,756	24,036
Unavailable revenue - other	-	-	798	84,572	85,370
Total deferred inflows of resources	19,361,906	1,916,113	798	107,328	21,386,145
FUND BALANCES					
Nonspendable	206,905	-	-	163,796	370,701
Restricted	18,651	15,330,479	5,872,213	3,010,236	24,231,579
Committed	1,000,000	-	-	462,835	1,462,835
Assigned	76,021	-	3,258,308	3,333,533	6,667,862
Unassigned	27,562,053	-	-	-	27,562,053
Total fund balances	28,863,630	15,330,479	9,130,521	6,970,400	60,295,030
Total liabilities, deferred inflows of resources and fund balances	$ 49,195,902	$ 21,204,561	$ 9,673,794	$ 8,591,851	$ 88,666,108

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, 2016

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

Total governmental fund balances	$ 60,295,030
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	287,678,582
Net pension asset is not a financial resource in the current period and, therefore, is not reported in the funds.	349,874
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.	10,846,624
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned or unavailable in the funds.	2,541,509
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.	1,413,587
Net OPEB obligation is not payable with current financial resources and therefore is not reported in the funds.	(18,802,522)
Net pension liability is not payable with current financial resources and therefore is not reported in the funds.	(28,556,988)
Long-term liabilities, including bonds payable, capital outlay notes and settlement liability are not due and payable in the current period and therefore are not reported in the funds.	(44,420,946)
Net position of governmental activities	$ 271,344,750

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, 2016

	General Fund	General Purpose School Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	$ 19,514,661	$ 22,050,911	$ -	$ -	$ 41,565,572
Local sales taxes	13,630,725	9,482,232	-	3,224,772	26,337,729
Intergovernmental	5,919,275	38,158,371	-	-	44,077,646
Intergovernmental gas motor fuel	-	-	-	1,064,490	1,064,490
Intergovernmental gas 1989	-	-	-	171,073	171,073
Intergovernmental gas 3 cent	-	-	-	317,511	317,511
Licenses and permits	1,698,105	-	-	-	1,698,105
Charges for services	4,021,657	1,823,808	-	7,840,177	13,685,642
Fines, forfeitures, and penalties	1,452,215	-	-	28,340	1,480,555
Federal, state and other grants	112,800	-	-	8,181,870	8,294,670
Donations	111,776	-	-	-	111,776
Interest on investments	19,262	-	11,200	184	30,646
Program income	-	-	-	442,421	442,421
Other	50,613	-	2,606	2,505,775	2,558,994
Total revenues	46,531,089	71,515,322	13,806	23,776,613	141,836,830
EXPENDITURES					
Current					
General government	6,946,276	-	-	402,365	7,348,641
Public safety	23,798,916	-	-	493,801	24,292,717
Public works	5,258,716	-	-	8,684,845	13,943,561
Parks and recreation	3,761,631	-	-	-	3,761,631
Performing arts center	561,926	-	-	-	561,926
Recreation center	1,638,717	-	-	-	1,638,717
Education	-	66,877,065	-	7,693,576	74,570,641
Debt Service					
Principal	-	1,889,158	-	3,314,000	5,203,158
Interest	-	37,806	-	819,981	857,787
Bond issuance costs	-		34,621	68,716	103,337
Capital outlays	-	-	8,043,565	-	8,043,565
Total expenditures	41,966,182	68,804,029	8,078,186	21,477,284	140,325,681
Excess (deficiency) of revenues over (under) expenditures	4,564,907	2,711,293	(8,064,380)	2,299,329	1,511,149
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	2,940,000	6,164,000	-	9,104,000
Premium on bonds issued	-	-	895,732	-	895,732
Sale of capital assets	122,761	-	-	-	122,761
Transfers in	924,635	3,361,440	3,432,721	1,038,656	8,757,452
Transfers out	(5,409,674)	-	(249,379)	(2,526,733)	(8,185,786)
Total other financing sources and uses	(4,362,278)	6,301,440	10,243,074	(1,488,077)	10,694,159
Net change in fund balances	202,629	9,012,733	2,178,694	811,252	12,205,308
Fund balances - beginning	28,661,001	6,317,746	6,951,827	6,159,148	48,089,722
Fund balances - ending	$ 28,863,630	$ 15,330,479	$ 9,130,521	$ 6,970,400	$ 60,295,030

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, 2016

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

Net change in fund balance - total governmental funds	$ 12,205,308
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.	(285,182)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	689,543
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.	(501,205)
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.	(4,953,743)
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.	24,968
Change in net OPEB obligation.	(2,118,852)
Change in net pension liability (asset) and related deferred outflows of resources and deferred inflows of resources.	(1,346,961)
Change in net position of governmental activities	$ 3,713,876

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, 2016

	Budgeted Amounts			Variance with Final Budget - Positive
REVENUES:	**Original**	**Final**	**Actual Amounts**	**(Negative)**
TAXES				
Property tax	$ 18,360,000	$ 18,360,000	$ 18,352,218	$ (7,782)
Property tax - prior year	350,000	350,000	263,187	(86,813)
Payments in lieu of taxes	695,000	695,000	778,139	83,139
Property tax interest and penalties	130,000	130,000	121,117	(8,883)
Local sales tax	10,590,000	10,590,000	10,792,671	202,671
Wholesale beer tax	807,500	807,500	785,859	(21,641)
Wholesale liquor tax	221,500	221,500	270,822	49,322
Gross receipts tax	850,000	850,000	911,385	61,385
Business tax	3,000	3,000	3,375	375
Interest, penalties, and collection fees on business tax	80,000	80,000	97,034	17,034
Hotel tax	200,000	200,000	181,099	(18,901)
CATV franchise tax	530,000	530,000	588,480	58,480
Total taxes	32,817,000	32,817,000	33,145,386	328,386
INTERGOVERNMENTAL/UNRESTRICTED				
State of Tennessee shared taxes				
Sales	4,370,000	4,370,000	4,568,957	198,957
Income taxes	275,000	275,000	399,918	124,918
Beer tax	28,000	28,000	27,582	(418)
Liquor tax	70,000	70,000	74,593	4,593
Bank excise tax	6,500	6,500	9,272	2,772
Receipts in lieu of tax - TVA	650,000	650,000	662,887	12,887
Reimbursements	40,000	40,000	61,143	21,143
State road maintenance	115,000	115,000	114,923	(77)
Total state taxes	5,554,500	5,554,500	5,919,275	364,775
LICENSES AND PERMITS				
Automobile stickers	1,210,000	1,210,000	1,199,168	(10,832)
Beer and liquor licenses	17,500	17,500	16,520	(980)
Building and related permits	442,000	442,000	482,417	40,417
Total licenses and permits	1,669,500	1,669,500	1,698,105	28,605

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, 2016

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
CHARGES FOR SERVICES				
Police and fire charges	$ 22,000	$ 22,000	$ 28,212	$ 6,212
Publication fees	1,000	1,000	600	(400)
Trash removal and weed cutting fees	125,000	125,000	71,283	(53,717)
Parks and recreation charges	2,385,584	2,385,584	2,336,877	(48,707)
Performing arts center	229,800	229,800	172,037	(57,763)
City service fee	4,000	4,000	2,997	(1,003)
Ambulance fees	943,000	943,000	1,076,364	133,364
Animal Shelter fees	113,400	113,400	106,174	(7,226)
911 fees	5,000	5,000	-	(5,000)
Rental fees	159,200	159,200	157,176	(2,024)
Library fees	70,500	70,500	69,937	(563)
Total charge for services	4,058,484	4,058,484	4,021,657	(36,827)
FINES, FORFEITURES, AND PENALTIES	1,715,000	1,715,000	1,452,215	(262,785)
FEDERAL AND STATE GRANTS	-	112,800	112,800	-
DONATIONS	28,000	97,650	111,776	14,126
INTEREST ON INVESTMENTS	8,000	8,000	19,262	11,262
OTHER	125,000	125,000	50,613	(74,387)
Total revenues	45,975,484	46,157,934	46,531,089	373,155

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, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
EXPENDITURES:	Original	Final	Actual Amounts	
GENERAL GOVERNMENT				
Legislative Salaries	$ 200,730	$ 200,730	$ 167,121	$ 33,609
Mayor's Office Salaries	455,090	463,090	461,263	1,827
Community Relations Salaries	68,992	71,992	70,301	1,691
Finance and Accounting Salaries	987,677	987,677	913,115	74,562
City Court Salaries	653,657	653,657	618,144	35,513
Building and Grounds Salaries	73,426	73,426	71,415	2,011
Personnel Salaries	256,573	303,573	299,624	3,949
Planning Salaries	274,896	282,896	281,316	1,580
General Services Salaries	213,198	213,198	201,256	11,942
Bartlett Station Municipal Center Salaries	218,307	218,807	220,010	(1,203)
Bonuses	21,058	21,058	15,411	5,647
Insurance	694,467	694,467	698,531	(4,064)
Payroll Taxes	255,067	255,067	245,769	9,298
Pension Contribution	436,193	436,193	404,129	32,064
Training	50,160	45,160	21,855	23,305
Legal Fees	240,000	190,000	105,138	84,862
Other Professional Services	208,117	228,742	209,981	18,761
Postage and Freight	37,100	37,100	34,536	2,564
Supplies	110,550	110,050	118,520	(8,470)
Notice Publications	48,000	48,000	20,977	27,023
Equipment	48,300	50,050	43,727	6,323
Telephone	84,505	84,505	96,871	(12,366)
Dues and Subscriptions	40,230	40,230	33,715	6,515
Repairs and Maintenance	138,825	139,575	73,582	65,993
Travel	68,500	59,500	36,227	23,273
Boards and Commission	84,400	84,400	90,074	(5,674)
Meetings	6,450	6,450	4,090	2,360
Miscellaneous Other Expenses	123,850	193,500	133,311	60,189
Mayor's Youth Council	10,000	10,000	10,097	(97)
Shop Allocation	6,300	6,300	6,309	(9)
Petroleum Supplies	22,700	22,700	11,540	11,160
Clothing & Uniforms	4,300	4,300	2,472	1,828
Printing	80,200	91,273	66,832	24,441
Bank Charges	1,500	1,500	217	1,283
Other Personnel Costs	6,350	6,350	20,993	(14,643)
Utilities	162,000	161,500	140,995	20,505
Advertising	5,500	5,500	15,128	(9,628)
Library Charge - City of Memphis	1,020,000	1,020,000	981,684	38,316
Total general government	7,417,168	7,522,516	6,946,276	576,240

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, 2016

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
PUBLIC SAFETY				
Police Department				
Police Salaries	$ 8,774,191	$ 8,837,791	$ 8,712,163	$ 125,628
Police Payroll Taxes	656,796	656,796	639,748	17,048
Police Bonus	60,000	60,000	58,579	1,421
Police Insurance	2,011,528	2,011,528	2,012,798	(1,270)
Police Pension Contribution	1,065,477	1,065,477	1,003,755	61,722
Police Training	94,000	94,000	82,644	11,356
Travel	35,000	35,000	22,466	12,534
Fees	16,000	16,000	8,018	7,982
Other Professional Services	5,000	5,000	73	4,927
Postage & Freight	3,000	3,000	1,933	1,067
Utilities	80,000	80,000	81,595	(1,595)
Telephone	128,500	128,500	110,822	17,678
Dues & Subscriptions	10,500	10,500	2,852	7,648
Meetings	2,500	2,500	3,372	(872)
Shop Allocation	50,000	50,000	50,000	-
Repairs & Maintenance	203,000	203,000	164,004	38,996
Supplies	65,000	65,000	48,390	16,610
Gas and Oil	330,000	324,000	192,321	131,679
Clothing & Uniforms	97,000	99,104	88,998	10,106
Equipment	26,250	32,250	28,005	4,245
Jail Expense	28,000	28,000	39,867	(11,867)
Other expense	11,500	11,500	1,869	9,631
Insurance	105,039	105,039	124,917	(19,878)
Claims	15,000	15,000	5,439	9,561
Total police department	13,873,281	13,938,985	13,484,628	454,357

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, 2016

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
Fire Department				
Salaries	$ 4,535,263	$ 4,641,863	$ 4,649,655	$ (7,792)
Payroll Taxes	343,721	343,721	343,575	146
Insurance	1,098,210	1,098,210	1,114,820	(16,610)
Pension Contribution	576,801	576,801	564,469	12,332
Bonus	81,370	81,370	78,473	2,897
Training	21,400	21,400	23,638	(2,238)
Travel	2,600	2,600	644	1,956
Postage & Freight	700	700	440	260
Telephone	15,080	15,080	15,145	(65)
Utilities	65,000	65,000	51,463	13,537
Fees	1,400	1,400	245	1,155
Dues, Subscriptions, Publications	1,200	1,200	2,190	(990)
Shop Allocation	19,000	19,000	19,000	-
Repairs & Maintenance	121,000	121,000	92,110	28,890
Supplies	27,900	27,900	25,488	2,412
Gas & Oil	58,000	16,000	31,671	(15,671)
Clothing & Uniforms	48,000	48,000	53,651	(5,651)
Other Expense	18,250	18,250	17,188	1,062
Equipment	79,200	95,611	79,568	16,043
Total fire department	7,114,095	7,195,106	7,163,433	31,673
Ambulance and Medical Services				
Salaries	1,574,814	1,584,414	1,485,267	99,147
Payroll Taxes	113,267	113,267	101,136	12,131
Insurance	380,580	380,580	387,263	(6,683)
Pension Contributions	193,443	193,443	170,453	22,990
Training	11,000	11,000	15,597	(4,597)
Bonus	10,700	10,700	8,529	2,171
Travel	1,500	1,500	1,239	261
Postage & Freight	1,500	1,500	247	1,253
Other Expense	14,925	14,925	10,186	4,739
Telephone	6,509	6,509	7,211	(702)
Shop Allocation	10,000	10,000	10,000	-
Repairs & Maintenance	73,300	73,300	48,344	24,956
Supplies	78,000	80,634	94,830	(14,196)
Gas and Oil	38,000	38,000	16,588	21,412
Clothing & Uniforms	15,000	15,000	19,421	(4,421)
Equipment	35,300	35,300	30,461	4,839
Total ambulance and medical services	2,557,838	2,570,072	2,406,772	163,300

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, 2016

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Building Codes Enforcement				
Salaries	$ 531,960	$ 531,960	$ 499,193	$ 32,767
Bonus	3,837	3,837	3,827	10
Insurance	106,531	106,531	96,112	10,419
Payroll Taxes	40,157	40,157	37,177	2,980
Pension Contribution	68,078	68,078	59,121	8,957
Training & Travel	4,500	4,500	3,404	1,096
Postage & Freight	11,500	11,500	9,501	1,999
Other Expenses	4,150	4,150	2,228	1,922
Telephone	6,300	6,300	5,805	495
Shop Allocation	3,700	3,700	3,700	-
Repairs & Maintenance	4,500	4,500	5,601	(1,101)
Supplies	8,300	8,300	5,303	2,997
Gas & Oil	16,000	16,000	11,643	4,357
Equipment	4,800	4,800	1,468	3,332
Total building codes enforcement	814,313	814,313	744,083	70,230
Total public safety	24,359,527	24,518,476	23,798,916	719,560
PUBLIC WORKS				
Salaries	3,186,038	3,211,038	3,148,865	62,173
Payroll Taxes	220,161	220,161	211,545	8,616
Insurance	845,016	845,016	873,027	(28,011)
Pension Contribution	374,921	374,921	360,409	14,512
Training & Travel	11,115	11,115	12,044	(929)
Postage & Freight	1,300	1,300	1,086	214
Utilities	42,200	30,200	31,746	(1,546)
Telephone	20,253	20,253	20,811	(558)
Shop Allocation	(223,985)	(223,985)	(233,250)	9,265
Repairs & Maintenance	447,940	450,440	445,435	5,005
Supplies	119,800	119,800	102,425	17,375
Clothing & Uniforms	19,850	19,850	20,977	(1,127)
Equipment	48,570	48,570	39,194	9,376
Other Expenses	7,275	7,275	5,528	1,747
Gas and Oil	178,400	162,900	94,208	68,692
Bonus	9,079	9,079	8,639	440
Professional Services	111,300	111,300	97,118	14,182
Dues & Subscriptions	12,700	12,700	8,593	4,107
Fees	11,420	11,420	10,316	1,104
Total public works	5,443,353	5,443,353	5,258,716	184,637

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, 2016

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
PARKS AND RECREATIONS				
Salaries	$ 2,206,514	$ 2,187,514	$ 2,104,499	$ 83,015
Payroll Taxes	148,729	148,729	138,562	10,167
Insurance	385,117	387,117	403,140	(16,023)
Bonuses	6,085	6,085	5,856	229
Pension Contribution	190,745	190,745	185,350	5,395
Postage & Freight	4,405	4,405	3,788	617
Telephone	13,258	13,258	12,783	475
Shop Allocation	18,350	18,350	18,350	-
Repairs & Maintenance	341,990	324,590	290,608	33,982
Gas & Oil	52,375	52,125	26,945	25,180
Supplies	229,150	228,359	205,093	23,266
Dues & Subscriptions	8,095	8,095	6,700	1,395
Equipment	23,323	64,073	64,813	(740)
Training & Travel	14,550	14,550	11,666	2,884
Professional Services	112,800	112,800	115,874	(3,074)
Utilities	129,800	126,300	110,206	16,094
Other Expenses	18,994	18,994	12,337	6,657
Clothing & Uniforms	15,300	15,300	16,677	(1,377)
Fees	4,000	4,000	5,914	(1,914)
Special Events	27,400	27,400	22,470	4,930
Total parks and recreations	3,950,980	3,952,789	3,761,631	191,158
PERFORMING ARTS CENTER				
Salaries	382,411	339,411	293,238	46,173
Payroll Taxes	14,742	14,742	12,554	2,188
Insurance	52,550	52,550	48,539	4,011
Bonuses	609	609	603	6
Pension Contributions	23,819	23,819	12,766	11,053
Postage and Freight	7,500	7,500	6,187	1,313
Telephone	4,100	4,100	3,534	566
Shop Allocation	300	300	300	-
Repairs & Maintenance	32,700	51,700	43,126	8,574
Utilities	42,000	42,000	36,089	5,911
Supplies	30,000	30,000	23,143	6,857
Gas & Oil	3,000	3,000	490	2,510
Equipment	2,000	45,000	23,220	21,780
Public Awareness	29,000	32,040	36,917	(4,877)
Clothing & Uniforms	225	225	271	(46)
Fees	6,000	6,000	3,989	2,011
Other Expenses	11,100	11,100	7,965	3,135
Professional Services	8,000	8,000	2,150	5,850
Training & Travel	2,500	2,500	6,470	(3,970)
Dues & Subscriptions	400	400	375	25
Total performing arts center	652,956	674,996	561,926	113,070

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, 2016

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
RECREATION CENTER				
Salaries	$ 966,600	$ 977,600	$ 986,141	$ (8,541)
Payroll Taxes	62,025	62,025	66,442	(4,417)
Insurance	129,092	129,092	120,537	8,555
Bonuses	5,742	5,742	4,392	1,350
Pension Contributions	63,783	63,783	61,267	2,516
Postage & Freight	4,000	4,000	2,006	1,994
Telephone	8,275	8,275	7,705	570
Repairs & Maintenance	100,500	156,030	119,626	36,404
Gas & Oil	1,500	1,500	912	588
Supplies	73,000	73,000	65,395	7,605
Dues & Subscriptions	1,000	1,000	370	630
Equipment	4,000	6,000	2,755	3,245
Training & Travel	5,000	5,000	5,948	(948)
Professional Services	7,000	7,000	13,036	(6,036)
Utilities	140,000	127,000	113,747	13,253
Other Expenses	4,600	4,600	1,564	3,036
Clothing & Uniforms	4,000	4,000	1,987	2,013
Fees	26,500	26,500	25,487	1,013
Special Events	42,000	42,000	39,400	2,600
Total recreation center	1,648,617	1,704,147	1,638,717	65,430
Total expenditures	43,472,601	43,816,277	41,966,182	1,850,095
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,502,883	2,341,657	4,564,907	2,223,250
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	50,000	50,000	122,761	72,761
Transfers in	989,000	989,000	924,635	(64,365)
Transfers out	(4,278,444)	(5,688,444)	(5,409,674)	278,770
Total other financing sources (uses)	(3,239,444)	(4,649,444)	(4,362,278)	287,166
Net change in fund balances	(736,561)	(2,307,787)	202,629	2,510,416
Fund balances - beginning	28,661,001	28,661,001	28,661,001	-
Fund balances - ending	$ 27,924,440	$ 26,353,214	$ 28,863,630	$ 2,510,416

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 PURPOSE SCHOOL FUND

For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
Taxes:				
Property taxes	$ 24,575,277	$ 24,575,277	$ 22,047,754	$ (2,527,523)
Sales taxes	8,941,747	8,941,747	9,482,232	540,485
Intergovernmental:				
Business taxes	249,546	249,546	3,157	(246,389)
Mixed drink tax	63,596	63,596	74,593	10,997
Basic Education Program	35,449,000	35,449,000	37,034,000	1,585,000
Career Ladder Program	218,210	218,210	209,356	(8,854)
Wheel tax	-	-	817,972	817,972
Other	44,960	44,960	22,450	(22,510)
Charges for services	1,562,676	1,592,676	1,823,808	231,132
Other local revenues	-	950,000	-	(950,000)
Total revenues	71,105,012	72,085,012	71,515,322	(569,690)
EXPENDITURES				
Personnel	58,401,406	58,462,708	52,852,359	5,610,349
Operations	11,407,716	9,800,893	10,435,903	(635,010)
Commission and other contracted services	1,421,836	2,984,112	1,829,011	1,155,101
Travel and training	185,924	276,626	222,289	54,337
General maintenance - equipment	745,609	1,468,152	1,378,559	89,593
Debt Service				
Principal	1,889,158	1,889,158	1,889,158	-
Interest	37,806	37,806	37,806	-
Other expenses	40,307	40,307	78,429	(38,122)
Capital outlays	-	150,000	80,515	69,485
Total expenditures	74,129,762	75,109,762	68,804,029	6,305,733
Excess (deficiency) of revenues over (under) expenditures	(3,024,750)	(3,024,750)	2,711,293	5,736,043
OTHER FINANCING SOURCES				
Issuance of debt	2,940,000	2,940,000	2,940,000	-
Transfers in	84,750	84,750	3,361,440	3,276,690
Total other financing sources	3,024,750	3,024,750	6,301,440	3,276,690
Net change in fund balance	-	-	9,012,733	9,012,733
Fund balance - beginning of the year	6,317,746	6,317,746	6,317,746	-
Fund balance - ending of the year	$ 6,317,746	$ 6,317,746	$ 15,330,479	$ 9,012,733

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

CITY OF BARTLETT, TENNESSEE

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2016

	Business-type Activity - Enterprise Fund Water and Sewer Fund	Governmental Activities - Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	$ 11,317,969	$ 1,506,490
Investments (unrestricted)	2,997,165	-
Receivables		
Customers	846,027	-
Other	270	-
Less allowance for doubtful accounts	(17,717)	-
Prepaid expenses	8,126	30,000
Total current assets	15,151,840	1,536,490
Noncurrent assets:		
Capital assets, not being depreciated	2,470,919	-
Capital assets, being depreciated, net	64,311,706	-
Total capital assets (net of accumulated depreciation)	66,782,625	-
Total assets	81,934,465	1,536,490
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	183,105	-
Pension changes in experience	66,248	-
Pension changes in investment earnings	271,485	-
Total deferred outflows of resources	520,838	-
LIABILITIES		
Current liabilities:		
Accounts payable	232,653	288,498
Accrued bond interest	81,977	-
Accrued compensated absences	20,302	-
Unearned revenue	203,258	-
Current portion of bonds and notes payable	1,303,000	-
Total current liabilities	1,841,190	288,498
Noncurrent liabilities:		
Bonds and notes payable, net of current portion, discounts, and premiums	9,900,704	-
Net pension liability	1,718,956	-
Accrued compensated absences	101,461	-
Other post employment benefits payable	1,940,353	-
Total noncurrent liabilities	13,661,474	-
Total liabilities	15,502,664	288,498
NET POSITION		
Net investment in capital assets	57,533,711	-
Unrestricted	9,418,928	1,247,992
Total net position	66,952,639	$ 1,247,992
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(165,595)	
Net position of the business-type activity	$ 66,787,044	

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, 2016

	Business-type Activity - Enterprise Fund Water and Sewer Fund	Governmental Activities - Internal Service Funds
Operating Revenues:		
Metered water sales	$ 4,005,060	$ -
Sewer service fee	3,516,244	-
Service connections fees	98,963	-
Forfeited discounts	299,917	-
Charges for services	36,509	2,354,804
Contributions	-	4,933,394
Tower lease charges	373,041	-
Other	7,078	-
Total operating revenues	8,336,812	7,288,198
Operating Expenses:		
Administrative and general	1,512,211	7,262,565
Pumping and filtering	1,392,568	-
Distribution system	1,802,838	-
Sewer lagoon	622,903	-
Depreciation	2,218,222	-
Total operating expenses	7,548,742	7,262,565
Operating income (loss)	788,070	25,633
Nonoperating Revenues (Expenses):		
Interest	9,822	-
Bond interest and fiscal charges	(311,924)	-
Transfer of capital assets	41,606	
Gain on sale of capital assets	6,638	-
Total non-operating expenses	(253,858)	-
Income (loss) before contributions and transfers	534,212	25,633
Capital contributions - water taps	176,000	-
Capital contributions - sewer taps	202,215	-
Capital contributions - development	97,906	-
Transfers out	(571,666)	-
Change in net position	438,667	25,633
Total net position - beginning	66,513,972	1,222,359
Total net position - ending	$ 66,952,639	$ 1,247,992
Change in net position	$ 438,667	
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	665	
Change in net position of the business-type activity	$ 439,332	

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, 2016

	Business-type Activity - Enterprise Fund Water and Sewer Fund	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 8,333,641	$ -
Receipts from interfund services provided	-	7,288,198
Payments to suppliers	(2,897,765)	(7,255,698)
Payments to employees	(2,490,796)	-
Other receipts	10,660	-
Net cash provided by operating activities	2,955,740	32,500
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer to other fund	(571,666)	-
CASH FLOW USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributions	476,121	-
Purchases of capital assets	(979,330)	-
Principal paid on capital debt	(1,362,000)	-
Interest paid on capital debt	(293,949)	-
Proceeds from sale of capital assets	6,638	-
Net cash used for capital and related financing activities	(2,152,520)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(6,988)	-
Interest income	9,822	-
Net cash from by investing activities	2,834	-
Net increase (decrease) in cash and cash equivalents	234,388	32,500
Cash and cash equivalents - beginning of the year	11,083,581	1,473,990
Cash and cash equivalents - end of the year	$ 11,317,969	$ 1,506,490
Reconciliation of operating income to net cash from by operating activities:		
Operating income	$ 788,070	$ 25,633
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	2,218,222	-
Pension expense in excess of employer contributions	162,311	
Change in assets and liabilities		
Receivables	17,319	-
Prepaid expenses	(3,643)	(30,000)
Accounts payable	(247,689)	36,867
Deferred revenue	(13,412)	-
Accrued compensated absences	34,562	-
Net cash provided by operating activities	$ 2,955,740	$ 32,500
Noncash investing, capital, and financing activities:		
Bond issue costs paid from proceeds	$ (17,975)	$ -
Transfer of capital assets	$ 41,606	

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

CITY OF BARTLETT, TENNESSEE

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2016

	Employee Retirement Plan	Other Post Employment Benefits	Contributory Retirement Plan	Agency Funds
ASSETS				
Cash and cash equivalents	$ 2,675,279	$ 2,126,840	$ 42,493	$ 1,428,108
Interest receivable	273,387	1,100	265	-
Inventory	-	-	-	29,634
Investments, at fair value:				
Mutual funds	63,404,384	1,540,802	199,587	-
Common stock	27	-	-	-
Total investments	63,404,411	1,540,802	199,587	-
Total assets	66,353,077	3,668,742	242,345	$ 1,457,742
LIABILITIES				
Accounts payable	27,256	4,787	313	-
Family assistance payable	-	-	-	32,948
Bail bonds payable	-	-	-	86,986
Jeanette Rainey volunteer fund payable	-	-	-	9,723
Due to student general fund	-	-	-	829,140
Due to student groups	-	-	-	498,945
Total liabilities	27,256	4,787	313	$ 1,457,742
NET POSITION				
Restricted for pensions	66,325,821	-	242,032	
Held in trust for OPEB benefits	-	3,663,955	-	
Total net position	$ 66,325,821	$ 3,663,955	$ 242,032	

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, 2016

	Employee Retirement Plan	Other Post Employment Benefits	Contributory Retirement Plan
ADDITIONS			
Contributions:			
Employer	$ 3,127,818	$ 1,214,471	$ 97,392
Plan members	893,670	-	97,392
Total contributions	4,021,488	1,214,471	194,784
Investment earnings (losses):			
Interest and dividends	1,324,582	31,202	2,175
Net appreciation in fair value of investments	(52,107)	40,936	3,513
Total investment earnings	1,272,475	72,138	5,688
Less investment expense	(183,170)	-	-
Net investment earnings	1,089,305	72,138	5,688
Total additions	5,110,793	1,286,609	200,472
DEDUCTIONS			
Benefits	3,388,886	-	14,027
Premiums	-	587,678	-
Administrative expense	89,653	20,007	-
Total deductions	3,478,539	607,685	14,027
Change in net position	1,632,254	678,924	186,445
Net position - beginning of the year	64,693,567	2,985,031	55,587
Net position - end of the year	$ 66,325,821	$ 3,663,955	$ 242,032

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

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, Education, Police, Fire, Parks and Recreation, Public Works, Planning and Development, Code Enforcement, and Utilities.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of a government's operations. Each fund of the blended component unit (see notes below for description) is reported as a special revenue fund of the City and the component unit's student activity funds are an agency fund of the City. The City has no discretely presented component units. The significant accounting policies followed by the component unit are generally the same as those followed by the primary government.

Blended Component Unit: The Bartlett City Board of Education (the Board of Education) is a legally separate organization that includes all the public schools within the City. The Board of Education has a separately elected governing board but is fiscally dependent upon the City. The City provides funding, approves its operating budget, and issues debt for its capital projects. The Board of Education's general purpose fund, federal projects fund, school nutrition fund, and capital projects fund are each reported as special revenue funds of the City. The Board of Education does not issue separate financial statements.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. 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 government-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 General Purpose School Fund is a special revenue fund used as the operating fund of the Bartlett City Board of Education and accounts for all general revenues and other receipts that are not allocated by law or contractual agreement to another Bartlett City Board of Education fund. General operating expenditures that are not paid through other school system funds are paid from the General Purpose School 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 and cash value pension plan, pension trust funds, are 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 ("OPEB") 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. The Jeanette Rainey volunteer fund is to reward individuals that exhibit exemplary character in a voluntary effort benefitting the City. These funds are purely custodial and thus do not involve measurement of results of operations.

The School Activity Funds are used to account for cash and inventory held by the Bartlett City Board of Education on behalf of the school activity fund for the Bartlett City Schools. These funds were audited in a separate report and can be obtained by contacting the Bartlett City Board of Education. These funds are purely custodial and thus do not involve measurement of results of operations.

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 and OPEB funds 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.

The food supplies inventory reflected in the school nutrition fund is valued at cost using the first-in, first-out method. The government-wide financial statements reflect this inventory as an expense when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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.

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

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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are 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 outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The City has qualifying items for reporting in this category. The deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Other deferred outflows of resources include pension changes in experience, pension changes in investment earnings, and employer contributions to the pension plan after the measurement date.

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 four 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, court fines, grants and ambulance fees.

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 and the Bartlett City Board of Education. Amounts classified as committed are not subject to legal enforceability like restricted resources; however, they cannot be used for any other purpose unless the Board removes or changes the commitment by taking the same action it employed to impose the commitment.

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

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.

10. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Bartlett City Board of Education's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Bartlett City Board of Educations' fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

11. Estimates

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

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 and settlement liability are not due and payable in the current period and therefore are not reported in the funds."

The details of this difference are as follows:

Bonds and capital outlay notes payable	$	34,007,315
Add: Deferred amount for issuance premiums		1,732,448
Less: Deferred amount for refundings		(327,735)
Accrued interest payable		241,994
Shelby County Board of Education settlement liability		6,081,930
Less: Deferred amount for issuance discount		(741,561)
Accrued vacation		2,827,288
Compensated absences		599,267
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	$	44,420,946

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-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 this difference are as follows:

Capital outlays	$	8,989,005
Depreciation expense		(9,274,187)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	(285,182)

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 difference are as follows:

Debt issued or incurred:		
Issuance of capital notes and capital lease	$	(9,104,000)
Premium on current year issuance		(895,732)
Increase in accrued interest payable		(61,133)
Amortization of premiums		(96,036)
Principal Repayments		
General obligation debt		4,594,940
Settlement liability		608,218
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	(4,953,743)

Another element of that explanation is labeled “changes in net pension liability (asset) and related deferred outflows of resources and deferred inflows of resources.” The details of this difference are as follows:

Pension contributions after measurement date recorded as expense in the governmental funds are a deferred outflow on the government-wide statements	$	3,867,562
Actuarially determined contributions recorded as expense in the governmental funds are a reduction of the net pension liability on the government-wide statements		3,043,823
Actuarially determined pension expense		(8,258,346)
Change in net pension liability (asset) and related deferred outflows of resources and deferred inflows of resources	$	(1,346,961)

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. The Bartlett City Board of Education annually approves the operating budgets of the general purpose school fund, federal projects, school nutrition, discretionary grants, and education capital fund.

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, 2016, expenditures did not exceed appropriations in any fund.

C. Deficit fund equity

As of June 30, 2016, none of the funds had a deficit fund balance.

NOTE 4 - DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

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

GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under GAAP are described below:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities the City has the ability to access.

- Level 2 – Inputs (other than quoted prices within Level 1) such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or other inputs that can be corroborated by observable market data.

- Level 3 – Inputs which are unobservable for the asset or liability and rely on management's own assumptions that market participants would use in pricing the asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In determining fair value, the City utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016.

Level 1 investments are valued using prices quoted in active markets for those investments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at reporting date.

The following table sets forth by level, within the fair value hierarchy, the City's assets at fair value as of June 30, 2016, all of which are classified as Level 1 in the fair value hierarchy:

Investment Type	Fair Value
Mutual Funds	$ 65,144,773
Common Stock	27
	$ 65,144,800

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.

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:

	General Fund	General Purpose School Fund	Capital Projects Fund	Nonmajor Governmental	Water and Sewer	Total
Receivables:						
Taxes	$ 19,329,591	$ -		$ 837,018	$ -	$ 20,166,609
Accounts receivable	-	-		-	846,027	846,027
Due from other governments	-	4,272,533		237,522	-	4,510,055
Other	6,270,286	192,906	798	1,251,870	270	7,716,130
Gross receivables	25,599,877	4,465,439	798	2,326,410	846,297	33,238,821
Less: allowance for doubtful accounts	(2,281,718)	-	-	(11,416)	(17,717)	(2,310,851)
Net total receivables	$ 23,318,159	$ 4,465,439	$ 798	$ 2,314,994	$ 828,580	$ 30,927,970

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, 2016 were 98.66% 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, 2016, was $1.62 per $100 of assessed value as of January 1, 2015.

D. Capital assets

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 11,457,521	$ 146,029	$ -	$ 11,603,550
Construction in progress	1,847,384	5,365,840	(2,732,532)	4,480,692
Total capital assets, not being depreciated	13,304,905	5,511,869	(2,732,532)	16,084,242
Capital assets, being depreciated:				
Buildings	209,848,056	1,326,353	(173,743)	211,000,666
Improvements	6,547,075	57,097	(40,073)	6,564,099
Equipment	11,184,673	722,457	(1,099,765)	10,807,365
Vehicles	17,296,963	3,034,849	(1,386,271)	18,945,541
Infrastructure	111,920,527	1,334,907	-	113,255,434
Total capital assets, being depreciated	356,797,294	6,475,663	(2,699,852)	360,573,105
Less accumulated depreciation for:				
Buildings	(15,774,223)	(4,224,163)	49,460	(19,948,926)
Improvements	(4,159,002)	(287,056)	40,073	(4,405,985)
Equipment	(7,231,469)	(844,107)	1,094,338	(6,981,238)
Vehicles	(12,916,154)	(1,260,514)	1,249,986	(12,926,682)
Infrastructure	(42,057,587)	(2,658,347)	-	(44,715,934)
Total accumulated depreciation	(82,138,435)	(9,274,187)	2,433,857	(88,978,765)
Total capital assets, being depreciated, net	274,658,859	(2,798,524)	(265,995)	271,594,340
Governmental activities capital assets, net	$ 287,963,764	$ 2,713,345	$ (2,998,527)	$ 287,678,582

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activity:				
Capital assets, not being depreciated:				
Land	$ 1,358,109	$ 329	$ -	$ 1,358,438
Construction in progress	2,056,575	757,505	(1,701,599)	1,112,481
Total capital assets, not being depreciated	3,414,684	757,834	(1,701,599)	2,470,919
Capital assets, being depreciated:				
Buildings	98,914	-	(24,329)	74,585
Improvements	98,918,959	1,598,929	(241,654)	100,276,234
Equipment	2,504,709	490,250	(111,583)	2,883,376
Total capital assets, being depreciated	101,522,582	2,089,179	(377,566)	103,234,195
Less accumulated depreciation for:				
Buildings	(41,127)	(3,844)	12,307	(32,664)
Improvements	(35,403,188)	(2,020,067)	218,087	(37,205,168)
Equipment	(1,663,284)	(194,311)	172,938	(1,684,657)
Total accumulated depreciation	(37,107,599)	(2,218,222)	403,332	(38,922,489)
Total capital assets, being depreciated, net	64,414,983	(129,043)	25,766	64,311,706
Business-type activity capital assets, net	$ 67,829,667	$ 628,791	$ (1,675,833)	$ 66,782,625

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

Governmental activities:	
General government	$ 293,060
Public safety	1,281,167
Public works	3,421,056
Parks and recreation	581,664
Performing arts center	81,717
Education	3,615,523
Total depreciation expense - governmental activites	$ 9,274,187

Construction and other significant commitments

The government has active construction projects as of June 30, 2016. At year-end the government's commitments with contractors are as follows:

Function/Activity	Commitment
Major roads construction & improvement	$ 2,211,888
Building improvements	760,461
Vehicles and equipment	3,438,814
Utility construction and improvement	170,223
Education construction	207,663
	$ 6,789,049

E. Interfund receivables, payables, and transfers

At June 30, 2016, 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, general purpose school 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, 2016, is as follows:

	Due from:			
Due to:	**General Fund**	**General Purpose School Fund**	**Nonmajor Funds**	**Total**
General fund	$ -	$ 16,834	$ 181,749	$ 198,583
General purpose school fund	12,973	-	204,409	217,382
Capital projects fund	-	-	395,893	395,893
	$ 12,973	$ 16,834	$ 782,051	$ 811,858

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, 2016 are as follows:

	Transfer In:				
Transfer out:	**General Fund**	**General Purpose School Fund**	**Capital Projects**	**Nonmajor Governmental**	**Total**
General fund	$ -	$ 3,281,018	$ 1,510,000	$ 618,656	$ 5,409,674
Capital projects	29,379	-	-	220,000	249,379
Nonmajor governmental funds	323,590	80,422	1,922,721	200,000	2,526,733
Water and sewer	571,666	-	-	-	571,666
Total transfers out	$ 924,635	$ 3,361,440	$ 3,432,721	$ 1,038,656	$ 8,757,452

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:

2017	$ 359,816
2018	350,137
2019	240,560
2020	216,768
2021	107,025
Thereafter	74,271
Total	$ 1,348,577

Capital Leases

The City entered into several lease agreements as lessee for financing the acquisition of computers for the schools. The scheduled minimum lease payment under the agreements includes interest ranging from 1.57% to 3.34%. The cumulative amount of assets acquired under the capital lease amounted to $3,642,101.

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

	Governmental Activities
Total minimum lease payments	$ 2,267,246
Less: amount representing interest	(72,930)
Present value of minimum lease payments	$ 2,194,316

2016	$ 779,425
2017	794,847
2018	620,044
	$ 2,194,316

G. Long Term Debt

General obligation bonds

On September 15, 2015, the City issued $5,100,000 General Obligation Improvement Bonds, Series 2015 maturing on September 1, 2035 with a true interest cost of 2.838%. The proceeds of the Series 2015 Bonds will be used to fund the costs of certain public improvement projects including city hall facilities, acquisition of a public radio system and ambulance, and improvement of streets, roads, and other infrastructure. The net proceeds of the Series 2015 Bonds totaled $5,961,111 (net of underwriter's discount) and were deposited with the City.

General obligation notes payable and capital outlay notes

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. Balances at June 30, 2016 were $1,005,001 and $744,000, respectively. Principal on these loans are paid annually in May while the interest is paid monthly based on a variable rate determined by the remarketing agent. At June 30, 2016, the interest rate on these loans was .58%.

On June 9, 2016, the Board of Mayor and Aldermen (The Board) authorized the issuance of $8,000,000 in revenue anticipation notes for the purpose of meeting appropriations made for the Bartlett City Board of Education (BOE) for the fiscal year 2016. As part of the resolution, the BOE was required to repay all proceeds from these revenue anticipation notes transferred to the BOE no later than June 30, 2016. During the year, the City did not make any draws on the revenue anticipation note. The BOE was able to operate during fiscal year 2016 without any note proceeds from this authorization. The balance of the notes at June 30, 2016 was $0.

On August 5, 2015, the City issued seven-year capital outlay note in the amount of $1,064,000 through the Tennessee Municipal Bond Fund. The note bears an interest rate of 2.03% with final maturity on August 1, 2022. Proceeds of the note were used to purchase vehicles and equipment as identified in the FY2016 Capital Improvement Program Budget. Also on June 30, 2016, the City was obligated on three additional capital outlay notes; one issued on February 15, 2013 with a balance of $763,000, one issued on September 25, 2013 with a balance of $564,000, and one issued on September 21, 2014 with a balance of $902,000. Proceeds of all three notes were used for the purchase of vehicles and equipment in governmental funds.

Revenue bonds

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

Settlement Liability

On January 14, 2014, the City entered into a settlement agreement with the Board of Commissioners of Shelby County, Shelby County, Tennessee, and the Shelby County Board of Education. The Bartlett City Board of Education agreed to pay the Shelby County Board of Education $608,193 per year for twelve years with the first payment due by November 1, 2014 and the remaining payments due by November 1 each year following. The City elected to establish the liability incurred through the settlement agreement at its present value with a discount rate of 2.41%. At June 30, 2016, the balance outstanding was $5,340,369.

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 25,245,000	$ 5,100,000	$ (2,830,000)	$ 27,515,000	$ 2,840,000
Premiums	932,752	895,732	(96,036)	1,732,448	-
Total bonds payable	26,177,752	5,995,732	(2,926,036)	29,247,448	2,840,000
Capital outlay notes	2,657,000	1,064,000	(428,000)	3,293,000	578,000
Note payable	1,061,000	-	(56,000)	1,005,000	59,000
Capital lease payable	535,256	2,940,000	(1,280,940)	2,194,316	779,425
Net pension liability	22,607,927	11,907,629	(6,322,910)	28,192,646	-
Net pension liability - school	-	364,342	-	364,342	-
Net OPEB obligation	16,163,638	3,949,255	(2,856,076)	17,256,817	-
Net OPEB obligation - school	520,031	2,288,356	(1,262,683)	1,545,704	-
Compensated absences	2,925,376	793,421	(292,242)	3,426,555	283,603
Shelby County Board of Education settlement liability	6,690,123	-	(608,193)	6,081,930	608,193
Less deferred amount for issuance discount	(883,067)	-	141,506	(741,561)	-
Governmental-type activity long-term liabilities	$ 78,455,036	$ 29,302,735	$ (15,891,574)	$ 91,866,197	$ 5,148,221

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
Revenue bonds	$ 11,440,000	$ -	$ (1,320,000)	$ 10,120,000	$ 1,260,000
Less deferred amounts:					
Premiums	369,309	-	(29,605)	339,704	-
Total bonds payable	11,809,309	-	(1,349,605)	10,459,704	1,260,000
Note payable	786,000	-	(42,000)	744,000	43,000
Compensated absences	83,905	17,556	-	101,461	
Net pension liability	1,382,978	647,460	(311,482)	1,718,956	-
Net OPEB obligation	1,766,545	590,118	(416,310)	1,940,353	-
Business-type activity long-term liabilities	$ 15,828,737	$ 1,255,134	$ (2,119,397)	$ 14,964,474	$ 1,303,000

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

For the governmental activities and business-type activities, $6,079,778 and $1,539,579, respectively, of bond proceeds and capital notes were not spent as of June 30, 2016. As such, these proceeds were not included in the calculation of net investment in capital assets.

Bonds and similar debt payable at June 30, 2016, are comprised of the following individual issues:

	Interest Rates	Original Issue	Balance Outstanding at Year End
Governmental activities:			
Bonds payable:			
2007 Serial Bonds	4.0-4.05	$ 2,955,000	$ 2,045,000
2009 Serial Bonds	2.0-4.1	2,220,000	1,675,000
2010 Serial Bonds	2.0-3.5	7,925,000	4,780,000
2011 Serial Bonds	2.0-2.625	4,545,000	2,175,000
2012 Serial Bonds	2.0-3.0	9,865,000	8,145,000
2013 Serial Bonds	3.0-3.625	4,690,000	3,595,000
2015 Serial Bonds	2.0-5.0	5,100,000	5,100,000
		37,300,000	27,515,000
2008 Note payable*	0.58	1,350,000	1,005,000
Capital Note 2013 A	1.78	1,300,000	763,000
Capital Note 2013 B	2.13	770,500	564,000
Capital Note 2014	2.19	1,041,000	902,000
Capital Note 2015	2.03	1,064,000	1,064,000
		4,175,500	3,293,000
Capital Lease 2014	3.341	702,101	362,717
Capital Lease 2015	1.57	2,940,000	1,831,599
		3,642,101	2,194,316
		$ 46,467,601	$ 34,007,316

*Variable rate Tennessee Municipal Bond Fund loan rate for June 30, 2016 was 0.58%

Business-type activities:	Interest Rates	Original Issue	Balance Outstanding at Year End
Bonds payable:			
2007 Serial Bonds	4.0-4.05	$ 1,015,000	$ 700,000
2009 Serial Bonds	2.0-4.1	960,000	725,000
2010 Serial Bonds	2.0-2.65	3,115,000	1,910,000
2011 Serial Bonds	2.0-2.75	4,305,000	2,110,000
2012 Serial Bonds	2.0-3.0	3,440,000	3,010,000
2013 Serial Bonds	3.0-3.625	2,005,000	1,665,000
		14,840,000	10,120,000
2008 Note payable *	0.58	1,000,000	744,000
		$ 15,840,000	10,864,000
			$ 44,871,316

*Variable rate Tennessee Municipal Bond Fund loan rate for June 30, 2016 was 0.58%

Annual debt service requirements to maturity are as follows:

Years Ending	Government Activities		Business-Type Activities	
June 30	Principal	Interest	Principal	Interest
2017	$4,256,425	$917,324	$ 1,303,000	$ 266,594
2018	4,300,847	815,995	1,065,000	238,347
2019	4,212,044	712,145	1,087,000	212,001
2020	3,162,000	617,567	980,000	186,778
2021	2,778,000	541,635	1,002,000	162,254
2022-2026	8,703,000	1,886,911	3,686,000	469,078
2027-2031	4,195,000	912,861	1,326,000	157,267
2032-2036	2,400,000	257,479	415,000	19,091
	$ 34,007,316	$ 6,661,917	$ 10,864,000	$ 1,711,410

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	General Purpose School Fund	Capital Projects	Other Governmental Funds	Total
Nonspendable for:					
Inventory	$ 202,199	$ -	$ -	$ 28,920	$ 231,119
Prepaid expenditures	4,706	-	-	134,876	139,582
Total nonspendable fund balance	206,905	-	-	163,796	370,701
Restricted for:					
Education	-	15,330,479	-	1,859,712	17,190,191
Capital projects	-	-	5,872,213	-	5,872,213
State street aid	-	-	-	435,922	435,922
Drug enforcement	-	-	-	451,216	451,216
DEA task force	-	-	-	263,386	263,386
Sexual offender registry program	14,280	-	-	-	14,280
Police Criminal Seizures	4,371	-	-	-	4,371
Total restricted fund balance	18,651	15,330,479	5,872,213	3,010,236	24,231,579
Committed for:					
Emergency purposes	1,000,000	-	-	-	1,000,000
Debt service	-	-	-	462,835	462,835
Total committed fund balance	1,000,000	-	-	462,835	1,462,835
Assigned to:					
Capital projects	-	-	3,258,308	-	3,258,308
State street aid	-	-	-	931,239	931,239
Solid waste	-	-	-	1,141,926	1,141,926
General improvement	-	-	-	433,360	433,360
Drainage control	-	-	-	124,270	124,270
Parks improvement	-	-	-	702,738	702,738
Contractual obligations	76,021	-	-	-	76,021
Total assigned fund balance	76,021	-	3,258,308	3,333,533	6,667,862
Unassigned	27,562,053	-	-	-	27,562,053
Total fund balances	$ 28,863,630	$ 15,330,479	$ 9,130,521	$ 6,970,400	$ 60,295,030

NOTE 5 – PENSIONS

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

	Net Pension Asset	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources
Governmental Activities				
City of Bartlett, Tennessee Employee Retirement Plan	$ -	$ 5,539,164	$ 28,192,646	$ -
City of Bartlett, Tennessee Defined Benefit Plan	10,169	-	-	-
Bartlett City Board of Education Public Employee Retirement Plan of TCRS	328,222	619,571	-	355,241
Bartlett City Board of Education Hybrid with Cost Controls Public Employee Retirement Plan of TCRS	728	28,000	-	-
Bartlett City Board of Education Teacher Legacy Plan of TCRS	-	12,962,216	364,342	8,023,357
Bartlett City Board of Education Teacher Retirement Plan of TCRS	10,755	79,771	-	3,500
Total governmental activities	$ 349,874	$ 19,228,722	$ 28,556,988	$ 8,382,098
Business-type Activities				
City of Bartlett, Tennessee Employee Retirement Plan	$ -	$ 337,733	$ 1,718,956	$ -

Details of the above components for each plan are presented below, by pension plan.

CITY OF BARTLETT, TENNESSEE EMPLOYEE RETIREMENT PLAN

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 hired before July 1, 2014 were 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, 2016 (the date of the latest actuarial valuation), PERS membership consisted of:

Retirees and beneficiaries currently receiving benefits	162
Terminated employees entitled to benefits but not yet receiving them	23
Active employees:	
Vested	364
Nonvested	62
Total	611

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. Contributions Required and Made

The Plan's policy provides for actuarially determined periodic contributions. Contributions to the Plan for the years ended June 30, 2016 and 2015, of $3,127,818 and $3,205,170, respectively, were made in accordance with actuarially determined requirements computed through the actuarial valuations performed as of July 1, 2016 and 2015. Total payroll for the years ended June 30, 2016 and 2015 were $28,165,202 and $27,158,385, respectively. Payrolls for employees covered by the Plan were $22,505,784 and $23,205,583 respectively.

G. Funded Status and Funding Progress

As of June 30, 2016, the actuarial accrued liability for benefits was $96,264,680 of which $29,911,602 was underfunded. The covered payroll (annual payroll of active employees covered by the plan) was $22,505,784, and the ratio of unfunded actuarial accrued liability to the covered payroll was 132.9%.

H. Net Pension Liability

Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2016, using the entry age normal level percent of pay cost method to determine costs for retirement benefits. Costs for withdrawal and early retirement benefits were provided for by the withdrawal rates. A loading factor was applied to liabilities to provide for the cost of death, disability, and for the incidence of involuntary termination. Significant actuarial assumptions used in the computation include (a) a 7.5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 3.5% per year. Both (a) and (b) include an inflation component of 2.5% (d) RP 2000 Mortality Table. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments (c) it is assumed that participants will retire upon age 62, or if already over age 62, at the end of the current plan year (e) 80% of active participants are assumed to be married and wives are assumed to be three years younger than husbands.

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

The components of the net pension liability of the City at June 30, 2016, were as follows:

	Increase/(Decrease)		
	Total Pension Liability	Plan Fidiciary Net Position	Net Pension Liability
Balances at June 30, 2015	$ 88,653,384	$ 64,662,479	$ 23,990,905
Changes for the year:			
Service cost	2,263,398		2,263,398
Interest	6,606,832		6,606,832
Experience	1,038,862		1,038,862
Contributions - Employer		3,127,818	(3,127,818)
Contributions - Employees		893,670	(893,670)
Net investment income		1,317,984	(1,317,984)
Benefit payments	(3,387,978)	(3,387,978)	-
Administrative expense		(260,895)	260,895
Other changes	1,090,182		1,090,182
Net changes	7,611,296	1,690,599	5,920,697
Balances at June 30, 2016	$ 96,264,680	$ 66,353,078	$ 29,911,602
Plan fiduciary net position as a percentage of the total pension liability		68.92%	

Discount Rate

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

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

The following presents the net pension liability of the City calculated using the discount rate of 7.5 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Pension Trust Fund's net pension liability	$ 42,942,411	$ 29,911,602	$ 19,046,528

I. Pension Expense (Income) and Deferred Outflows of Resources Related to Pensions

For the year ended June 30, 2016, the City recognized pension expense of $5,952,196.

Deferred outflows of resources

For the year ended June 30, 2016, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 1,152,791
Net difference between projected and actual earnings on pension plan investments	4,724,106
Total	$ 5,876,897

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2017	$ 1,498,002
2018	1,498,002
2019	1,498,002
2020	871,423
2021	160,331
Thereafter	351,137
	$ 5,876,897

J. Payable to the Pension Plan

At June 30, 2016, the City reported a payable of $0 for the outstanding amounts of contributions to the pension plan required at the year ended June 30, 2016.

CITY OF BARTLETT, TENNESSEE DEFINED BENEFIT PLAN

A. Plan Description

The City of Bartlett is the administrator of the Defined Benefit Plan, a single-employer public employee retirement system ("PERS"), established and administered by the City to provide pension benefits for its employees. 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 Plan does not issue a stand-alone financial report. Plan benefits and other provisions are established by City and state statutes. The City's Board of Mayor and Aldermen is responsible for establishing benefits and approving all plan amendments.

The City Froze any new entrances to the City of Bartlett Employee Retirement pension plan for new hires on or after July 1, 2014. Each employee hired on or after July 1, 2014 shall become a participant on the first day of hire. Under the plan terms, the City will match participant contributions up to 5% of the participant's salary. Participants are required to contribute 5% of their compensation. Participants are 100% vested in their contributions when they are made. Participants are 100% vested in employer matching contributions after five years of service.

At June 30, 2016 PERS membership in the new plan consisted of:

Active participants	70
Individuals receiving benefits	-
Vested terminated participants	-
Total	70

B. Funding Policy

All employees are required to contribute to the plan 5% of their salary. The City's annual contribution is based on the actuarially determined contribution amount. 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. Employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefit payments and refunds to participants are recognized when due and payable in accordance with the terms of the plan.

D. Plan Expenses

Administrative expenses of the plan, which include investment fees, trustee fees, and actuary fees, are financed through both the plan and the general fund. Certain administrative functions are performed by City employees and are not reimbursed by the Plan.

F. Funded Status and Funding Progress

As of June 30, 2016, the actuarial accrued liability for benefits was $232,177 of which $0 was underfunded. The covered payroll (annual payroll of active employees covered by the plan) was $1,841,278, and the ratio of unfunded actuarial accrued liability to the covered payroll was (.55%).

G. Net Pension Liability (Asset)

Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2016, using the entry age normal level percent of pay cost method to determine costs for retirement benefits. Significant actuarial assumptions used in the computation include (a) a 5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 3.5% per year. Both (a) and (b) include an inflation component of 2.5% (d) IRS Applicable Mortality Table. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments (c) it is assumed that participants will retire upon age 62, or if already over age 62, at the end of the current plan year (e) 100% of active participants are assumed to be married and wives are assumed to be three years younger than husbands.

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

The components of the net pension asset of the City at June 30, 2016, were as follows:

	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2015	$ 54,492	$ 56,631	$ (2,139)
Changes for the year:			
Service cost	189,455		189,455
Interest	2,915		2,915
Experience	(5,166)		(5,166)
Contributions - Employer		97,392	(97,392)
Contributions - Employees		97,392	(97,392)
Net investment income		5,687	(5,687)
Benefit payments	(9,519)	(9,519)	-
Administrative expense	-	(5,237)	5,237
Other changes	-	-	-
Net changes	177,685	185,715	(8,030)
Balances at June 30, 2016	$ 232,177	$ 242,346	$ (10,169)
Plan fiduciary net position as a percentage of the total pension liability		104.38%	

Discount Rate

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

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

The following presents the net pension liability of the City calculated using the discount rate of 5 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4 percent) or 1-percentage-point higher (6 percent) than the current rate:

	1% Decrease (4%)	Current Discount Rate (5%)	1% Increase (6%)
Pension Trust Fund's net pension liability (asset)	$ 56,262	$ (10,169)	$ (59,143)

H. Payable to the Pension Plan

At June 30, 2016, the City reported a payable of $0 for the outstanding amounts of contributions to the pension plan required at the year ended June 30, 2016.

Bartlett City Board of Education Public Employee Retirement Plan of TCRS (80332)

A. General Information about the Pension Plan

Plan description. Employees of Bartlett City Board of Education are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year.

The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees covered by benefit terms. At the measurement date of June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employeees entitled to but not yet receiving benefits	192
Active employees	46
	242

Bartlett City Board of Education closed the plan to new employees hired after July 31, 2015.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. Bartlett City Board of Education makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Bartlett City Board of Education were $655,197 based on a rate of 9.27 percent of payroll. By law, employer contributions are required to be paid. The TCRS may intercept Bartlett City Board of Education's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

B. Net Pension Liability (Asset)

Bartlett City Board of Education's net pension liability (asset) was measured as of June 30, 2015, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability as of June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.5 percent

Mortality rates were based on actual experience from the June 30, 2012 actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments were established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target assets allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		100%

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

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Bartlett City Board of Education will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

The changes in the net pension liability (asset) for the year ended June 30, 2015, were as follows:

	Increase (Decrease)		
	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 6/30/14	$ -	$ -	$ -
Changes for the year:			
Service cost	1,008,583	-	1,008,583
Interest	75,639	-	75,639
Differences between expected and actual experience	(399,645)		(399,645)
Contributions - employer	-	655,197	(655,197)
Contributions - employees	-	353,386	(353,386)
Net investment income	-	16,348	(16,348)
Benefit payments, including refunds of employee contributions	(124)	(124)	-
Administrative expenses	-	(12,132)	12,132
Net changes	684,453	1,012,675	(328,222)
Balance at 6/30/15	$ 684,453	$ 1,012,675	$ (328,222)

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of Bartlett City Board of Education calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentagepoint higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Bartlett City Board of Education's net pension liability (asset)	$ (203,604)	$ (328,222)	$ (427,978)

D. Pension Liabilities (Assets), Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense. For the year ended June 30, 2016, Bartlett City Board of Education recognized pension expense of $665,404.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2016, Bartlett City Board of Education reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 355,240
Net difference between projected and actual earnings on pension plan investments	16,811	-
Contributions subsequent to the measurement date of June 30, 2015	602,760	-
Total	$ 619,571	$ 355,240

The amounts shown above for "Contributions subsequent to the measurement date of June 30, 2015," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:		
2017	$	(40,202)
2018	$	(40,202)
2019	$	(40,202)
2020	$	(40,202)
2021	$	(44,405)
Thereafter	$	(133,215)

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

E. Payable to the Pension Plan

At June 30, 2016, *Bartlett City Board of Education* reported a payable of $19,485 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2016.

Bartlett City Board of Education Hybrid with Cost Controls (81332)

A. General Information about the Pension Plan

Plan description. Employees of Bartlett City Board of Education Hybrid with Cost Controls are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 65 with 5 years of service or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are permitted at age 60 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Employees covered by benefit terms. At the measurement date of June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employeees entitled to but not yet receiving benefits	-
Active employees	10
	10

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. Bartlett City Board of Education Hybrid with Cost Controls makes employer contributions at the rate set by the Board of Trustees, as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. By law, employer contributions are required to be paid. TCRS may intercept Bartlett Board of Education with Cost Controls' state shared taxes if required employer contributions are not remitted. Employer contributions by Bartlett Board of Education Hybrid with Cost Controls for the year ended June 30, 2016 to the Public Employee Retirement Plan were $26,795, which is 4.00 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

B. Pension Liabilities (Assets), Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension liabilities (assets). Bartlett City Board of Education Hybrid with Cost Controls' net pension liability (asset) was measured as of June 30, 2015, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial value as of that date.

Pension Expense. For the year ended June 30, 2016, Bartlett City Board of Education Hybrid with Cost Controls recognized pension expense of $2,907.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2016, Bartlett City Board of Education Hybrid with Cost Controls reported deferred outflows of resources and related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 1,027
Net difference between projected and actual earnings on pension plan investments	178
Contributions subsequent to the measurement date of June 30, 2015	26,795
Total	$ 28,000

The amounts shown above for "Contributions subsequent to the measurement date of June 30, 2015," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2017	$ 158
2018	$ 158
2019	$ 158
2020	$ 158
2021	$ 114
Thereafter	$ 456

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

Actuarial assumptions. The total pension liability (asset) in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salalry increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.5 percent

Mortality rates are customized based on the June 30, 2012 actuarial experience study and included an adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		100%

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

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the all LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of Bartlett Board of Education Hybrid with Cost Controls calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Bartlett City Board of Education Hybrid's net pension liability (asset)	$ 1,672	$ (728)	$ (2,548)

C. Payable to the Pension Plan

At June 30, 2016, *Bartlett City Board of Education* reported a payable of $853 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2016.

D. Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 6/30/14	$ -	$ -	$ -
Changes for the year:			
Service cost	8,469	-	8,469
Interest	635	-	635
Differences between expected and actual experience	1,141		1,141
Contributions - employer	-	4,840	(4,840)
Contributions - employees	-	6,049	(6,049)
Net investment income	-	183	(183)
Benefit payments, including refunds of employee contributions	-	(99)	99
Administrative expenses	-	-	-
Net changes	10,245	10,973	(728)
Balance at 6/30/15	$ 10,245	$ 10,973	$ (728)

Bartlett City Board of Education Teacher Legacy Pension Plan of TCRS (97902)

A. General Information about the Pension Plan

Plan description. Teachers with membership in the Tennessee Consolidated Retirement System ("TCRS") before July 1, 2014, of the Bartlett City Board of Education are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments ("COLAs") after retirement. A

COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index ("CPI") during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies ("LEAs") make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Bartlett City Board of Education for the year ended June 30, 2016 to the Teacher Legacy Pension Plan were $3,159,107 which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

B. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources Related to Pensions

Pension liabilities (assets). At June 30, 2016, Bartlett City Board of Education reported a liability of $364,343 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial value as of that date. Bartlett Municipal Schools' proportion of the net pension liability was based on Bartlett City Board of Education's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015 Bartlett City Board of Education's proportion was 0.889434 percent. The proportion measured as of June 30, 2014 was 0.000000 percent.

Pension expense. For the year ended June 30, 2016, Bartlett City Board of Education recognized pension expense of $1,594,545.

Deferred outflows of resources. For the year ended June 30, 2016, Bartlett City Board of Education reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	$	292,400	$	5,671,046
Net difference between projected and actual earnings on pension plan investments		-		2,352,311
Changes in proportion of Net Pension Liability (Asset)		9,510,710		-
LEA's contributions subsequent to the measurement date of June 30, 2015		3,159,106		-
Total	$	12,962,216	$	8,023,357

Bartlett City Board of Education's employer contributions of $3,159,107, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:		
2017	$	(505,931)
2018	$	(505,931)
2019	$	(505,931)
2020	$	2,471,134
2021	$	826,413

Actuarial assumptions. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salalry increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.5 percent

Mortality rates are customized based on the June 30, 2012 actuarial experience study and included an adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		100%

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

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the all LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents Bartlett Municipal Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Bartlett City Board of Education's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Bartlett City Board of Education proportionate share of the net pension liability (asset)	$ 24,839,650	$ 364,343	$ (19,898,325)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

C. Payable to the Pension Plan

At June 30, 2016, the Bartlett City Board of Education reported a payable of $255,697 for the outstanding amount of contributions to the Teacher Legacy Pension Plan of TCRS required at the year ended June 30, 2016.

Bartlett City Board of Education Teacher Retirement Pension Plan of TCRS (97902)

A. General Information about the Pension Plan

Plan description. Teachers with membership in the Tennessee Consolidated Retirement System ("TCRS") before July 1, 2014, of the Bartlett City Board of Education are provided with pensions through the Teacher Retirement Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments ("COLAs") after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index ("CPI") during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Bartlett Municipal Schools for the year ended June 30, 2016 to the Teacher Retirement Plan were $*(LEA to insert)* which is 4.00 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

B. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources Related to Pensions

Pension liabilities (assets). At June 30, 2016, Bartlett City Board of Education reported $10,755 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. Bartlett City Board of Education's proportion of the net pension asset was based on Bartlett City Board of Education's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015 Bartlett City Board of Education's proportion was 0.267353 percent.

Pension expense. For the year ended June 30, 2016, Bartlett City Board of Education recognized pension expense of $14,095.

Deferred outflows of resources. For the year ended June 30, 2016, Bartlett City Board of Education reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 3,500
Net difference between projected and actual earnings on pension plan investments	869	-
Contributions subsequent to the measurement date of June 30, 2015	78,902	-
Total	$ 79,771	$ 3,500

Bartlett City Board of Education employer contributions of $78,901, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:		
2017	$	(74)
2018	$	(74)
2019	$	(74)
2020	$	(74)
2021	$	(292)
Thereafter	$	(2,042)

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

Actuarial assumptions. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salalry increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.5 percent

Mortality rates are customized based on the June 30, 2012 actuarial experience study and included an adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		100%

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

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the all LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents Bartlett City Board of Education's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Bartlett City Board of Education's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Bartlett City Board of Education's proportionate share of the net pension liability (asset)	$ 1,907	$ (10,755)	$ (20,042)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

C. Payable to the Pension Plan

At June 30, 2016, the Bartlett City Board of Education reported a payable of $6,801, for the outstanding amount of contributions to the Teacher Legacy Pension Plan of TCRS required at the year ended June 30, 2016.

Bartlett City Board of Education 401(k) Plan

The Teacher Retirement Plan and the Bartlett City Board of Education Hybrid Plan with Cost Controls (the Hybrid Plans) provide a combination of a defined benefit plan and a defined contribution plan. The defined benefit portion of the Hybrid Plans are managed by TCRS. The defined contribution assets are deposited into the State's 401(k) plan where the employee manages the investments within the 401(k) plan. Public school teachers are required to contribute 2% of their salaries to the defined contribution (401(k)) portion of the Hybrid Plans. Contributions are made on a tax-deferred basis. During 2016, Bartlett City Board of Education's Employer Contribution to the Hybrid Plans was $125,942.

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.

Additionally, other encumbrances outstanding at June 30, 2016 are as follows:

General Fund	$	17,875
Drainage Fund		2,000
Grants Fund		16,179
	$	36,054

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:

	2016	2015
Unpaid claims, beginning of fiscal year	$ -	$ -
Claims incurred during the year	76,253	194,524
Claims payments	(76,253)	(194,524)
Unpaid claims, end of fiscal year	$ -	$ -

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)

CITY OF BARTLETT, TENNESSEE 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, 2016, the membership consisted of:

Retirees and beneficiaries currently receiving benefits	135
Active employees	496
	631

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. The Plan does not issue a stand-alone financial report.

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, 2016, the actuarial accrued liability for benefits was $24,790,094 of which $21,121,351 was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $23,883,951, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 88%. The actuarial value of the assets for the other post employment benefits as of July 1, 2016, is $3,668,743. The funded ratio, the actuarial value of plan assets over the actuarial accrued liability, is 14.8%

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 (ARC)	$ 3,642,864
Interest on net OPEB obligation	896,509
Adjustment to annual required contribution	(2,057,915)
Annual OPEB cost	2,481,458
Contributions or payments made	(1,214,471)
Increase in net OPEB obligation	1,266,987
Net OPEB obligation, beginning of year	17,930,181
Net OPEB obligation, end of year	$ 19,197,168

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
6/30/2013	$ 2,381,724	46.3%	$ 15,379,978
6/30/2014	$ 2,445,617	46.6%	$ 16,685,211
6/30/2015	$ 2,419,210	48.5%	$ 17,930,181
6/30/2016	$ 2,481,458	48.9%	$ 19,197,168

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

Actuarial valuations for an OPEB ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. As such, the actuarial calculations of the OPEB plan reflect a long-term perspective. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. 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. 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, 2016 actuarial valuation using the Projected Unit Credit actuarial cost method. Calculations are based on the OPEB benefits provided under the terms of the plan in effect at the time of the actuarial valuation and on the pattern of sharing of costs between the employer and plan members to that point. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 5.0 percent (inclusive of 2.5 percent inflation) compounded annually and (b) a base payroll growth rate of 5.0 percent. The actuarial valuation uses the PR2000 Mortality Table and the 1987 Commissioner's Group Disability Table (plus 10 years for disabled lives). Health care cost trend rates include an initial rate of 8.0 percent, and ultimate rate of 4.0 percent, and a grading period of 9 years. Retirement rates range from age 55 to age 65, there is no expense loading, and 80 percent 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 15 years.

Date Established	Type of Base	Initial Amount	Payment	Remaining Period	Remaining Balance
7/1/2014	Combined	$ 13,153,023	$ 888,799	23	$ 12,588,068
7/1/2016	(Gain)/Loss	8,533,283	1,052,475	10	8,533,283

The amortization for the year ending June 30, 2016 is as follows:

Date Established	Type of Base	Initial Amount	Payment	Remaining Period	Remaining Balance
7/1/2016	Obligation	$ 19,197,168	$ 2,367,734	10	$ 19,197,168

Bartlett City Board of Education Other Post Employer Benefits

A. Plan Description

The Bartlett City Board of Education has place funds with the Tennessee School Board Association (TSBA) GASB 45 Trust to be used to pre-fund a portion of the OPEB liability. The assets of the GASB 45 Trust are commingled with other participants; funds for investment purposes, but are held in an irrevocable trust for each plan participant and may be used only for the payment of benefits to the members of the plan in accordance with the terms of their plan. The TSBA GASB 45 Trust obtains an annual audit, which may be obtained from the TSBA at 525 Brick Church Park Drive, Nashville, TN 37207; however, the audit for the year ended June 30, 2016, was not available from other auditors as of the date of this report.

Legacy employees that qualify for retirement benefits under the TCRS are eligible for post-retirement health benefits for life. Eligible employees must complete 15 years of service with the Bartlett City Board of Education and meet the requirements under TCRS. Those who are former employees of Shelby County School District or Memphis City Schools must have 15 years of continuous service with Bartlett City Schools, Shelby County, and/or Memphis City Schools prior to retirement. Non-Legacy employees are not eligible for any post-retirement health benefits. Surviving spouses of legacy retirees are able to stay on the plan at their own expense until eligible for Medicare. The Bartlett Board of Education has established benefit provisions and contribution obligations. The premium charged to retirees is the portion of premiums not covered by the Bartlett Board of Education explicit subsidy.

At the measurement date of June 30, 2016, the following employees were covered by the benefit terms:

Active participants	783
Retiree participants	29
	812

B. Funding Policy

The Bartlett City Board of Education's intention is to partially fund the Annual Required Contribution and pay for the pay-go costs from the General Purpose School Fund until the Trust balance is sufficient to meet future benefit payments. The Annual Required Contribution has been determined through the use of an Actuarial Group.

C. Basis of Accounting

The accrual basis of accounting is used. The fair market value of assets, if any, is determined by the market value of assets, if any, paid by a willing buyer to a willing seller.

D. Annual OPEB Cost and Net OPEB Obligation

Actuarial valuations involve estimates for the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Since this plan is new, however, only two years are presented and years will be added to this schedule in future fiscal years until 10 years of information is available.

The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and the net OPEB obligation to the Trust at June 30, 2016.

Annual OPEB Cost and Net OPEB Obligation	
Annual Required Contribution (ARC) as of end of year	$ 2,246,754
Interest on Net OPEB Obligation (NOO) to end of year	41,602
NOO amortization adjustment to ARC	(32,454)
Annual OPEB Cost	2,255,902
Annual employer contribution for pay-go cost	(380,229)
Annual employer contribution pre-funding	(850,000)
Change in NOO	1,025,673
NOO as of beginning of year	520,031
NOO as of end of year	$ 1,545,704
Percent of expense contributed	55%

The annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Fiscal Year Ended	Annual OPEB Cost	% Of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6/30/2015	$ 670,031	22%	$ 520,031
6/30/2016	2,255,902	55%	1,545,704

E. Funded Status and Funding Progress

As of June 30, 2016, the actuarial accrued liability for benefits was $18,420,599 of which $18,270,599 was unfunded.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, 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.

F. Actuarial Methods and Assumptions

The actuarially determined information presented here is based upon actuarial assumptions and substantive projected plan provisions and participant information furnished to the actuary by the plan sponsor. Calculations are based on the pattern of sharing of costs between the employer and plan members at the time of each valuation. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Measurement Date	June 30, 2015 with results actuarially rolled back to July 1, 2015 on a "no gain/no loss" basis
Discount Rate	8.0% funded The BOE participates in the TSBA GASB 45 Trust which is expected to have long term rate of return of 8.0% (net of expenses)
Payroll Growth	3.5% per year (for amortized purposes only)
Inflation Rate	3.0% per year
Cost Method	Projected Unit Credit with linear proration to decrement
Asset Method	Fair Market Value of Assets
Amortization	Level % of pay over 30 years based on a closed group for FY2015/16
Census Data	Census information was provided by the BOE as of September 2016. We have reviewed it for reasonableness and no material modifications were made
Health Care Coverage Election Rate	Group I active employees with current coverage electing BOE coverage: 80% Group I active employees with no coverage electing BOE sponsored life insurance: 97% Group II active employees with current coverage electing BOE stipend: 100% Group II active employees with no coverage electing BOE sponsored life insurance: 97%
Spousal Coverage	Based on actual coverage for current active employees. Husbands are assumed to be three years older than wives
Mortality	RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015

Interlocal Health Benefits Plan Asset Trust

The City of Bartlett and the Bartlett City Board of Education participates in the Interlocal Health Benefits Plan Asset Trust for healthcare benefits. Benefits are established and amended by an insurance committee created by Section 8-27-601, *Tennessee Code Annotated (TCA)* for local education employees. Members have the option of choosing between a Health Reimbursement Account (HRA) option, an Exclusive Provider Organization (EPO) option, or a basic option for healthcare benefits. The plan has a separately issued Comprehensive Annual Report (CAFR) and can be found on the state's website at http://www.comptroller.tn.gov/RA_MA_Financial/.

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in term of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. During the year ended June 30, 2016, the City of Bartlett and the Bartlett City Board of Education contributed premiums of $12,715,000 to the Interlocal Health Benefits Plan Asset Trust.

NOTE 10 – SUBSEQUENT EVENT

On July 12, 2016 the Board of Mayor and Aldermen (The Board) authorized the issuance of $1,127,500 in capital outlay notes. On August 12, 2016, the City issued a seven-year capital outlay note in the amount of $1,127,500 through the Tennessee Municipal Bond Fund. The note bears an interest rate of 1.940% with final maturity of August 1, 2023. Proceeds from the note were used to finance the acquisition of vehicles and equipment for the administrative, police, fire, codes enforcement, public works, and engineering departments of the City, the acquisition of parks and recreation vehicles and equipment for the parks department of the City, and roof replacement and cardio and aquatic wall replacement at the Bartlett Recreation Center as identified in the FY2017 Capital Improvement Program Budget.

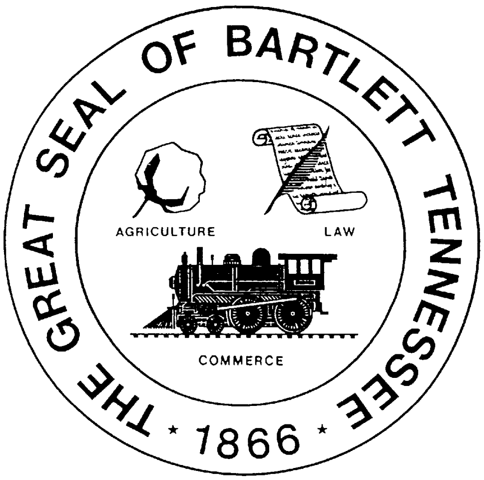
On June 16, 2016, the Board of Mayor and Aldermen (The Board) authorized a lease purchase agreement for the acquisition of computers for the Bartlett City Board of Education (The School Board) and payments over the term of the lease. The Board further executed an agreement with the School Board for reimbursement of payments of obligations under the lease agreement. On July 1, 2016, the City entered into a 48 month lease agreement with Apple, Inc. in the amount of $1,960,000. The price, at the discounted rate of 1.55% equates to a down payment of $500,000 and four additional payments of $374,161.64 each beginning July 15, 2016 and each July 15th thereafter, for a total sum of lease payments of $1,996,646.56.

On September 29, 2016, the City issued $6,550,000 General Obligation Refunding and Improvement Bonds, Series 2016, maturing September 1, 2036 with a true interest cost of 1.786%. The proceeds will be used to fund the (i) construction, repair, improvement and equipping of parks, recreation centers and facilities and other public buildings in the City; (ii) construction, repair and improvement of streets, roads, greenways and bridges, including sidewalks, signage, signalization and drainage improvements; (iii) acquisition of all property and payment of administrative costs incident to the above; (iv) refinancing outstanding General Obligation debt of the City; and (v) payment of costs related to issuance and sale of the Bonds. A portion of the Series 2016 Bonds will be used to refund $940,000 in General Obligation Improvement Bonds, Series 2009 (the Refunded Bonds). On September 29, 2016, $971,047.64 of bond proceeds was deposited with U.S. Bank, as escrow agent, to purchase investments authorized under Tennessee law sufficient to redeem the Refunded Bonds on September 1, 2017. By refunding these bonds the City will receive an economic gain of $158,700.94. The refunding will reduce the City's debt service payments on the Series 2009 debt by $192,287.22.

On November 30, 2016, the Bartlett City Board of Education purchased soccer fields for a purchase price of $315,000.

NOTE 11 – RESTATEMENT OF NET POSITION

During the fiscal year, management determined that $730,000 of sales tax was not recognized as revenue on the government-wide statement of activities for the year ended June 30, 2015, in accordance with GAAP. The effect of this adjustment increased beginning net position for governmental activities on the Statement of Activities by $730,000.


THE GREAT SEAL OF BARTLETT TENNESSEE
1866
AGRICULTURE
LAW
COMMERCE

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF OTHER POST EMPLOYEMENT BENEFITS FUNDING PROGRESS

For the Seven Years Ended June 30

CITY OF BARTLETT, TENNESSEE OPEB

Actuarial Valuation Date	Assets	Liability	Unfunded Liability - PUC	Ratio	Payroll	UAAL as a Percentage of Covered Payroll
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%
7/1/2014	2,333,209	15,486,232	13,153,023	15.1%	23,261,853	57%
7/1/2015	2,985,031	15,862,466	12,877,435	18.8%	23,261,853	55%
7/1/2016	3,668,743	24,790,094	21,121,351	14.8%	23,883,951	88%

BARTLETT CITY BOARD OF EDUCATION OPEB

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability - PUC	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2014	$ -	$ 7,254,303	$ 7,254,303	0%	N/A	N/A
7/1/2015	150,000	18,420,599	18,270,599	0.8%	41,712,685	43.8%

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF EMPLOYER CONTRIBUTIONS – EMPLOYEE RETIREMENT SYSTEM

Last Ten Fiscal Years June 30

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

Notes to the Schedule

Valuation date:

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

Methods and assumptions used to determine contribution rates:

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

* Only eight years available from actuarial valuation.

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years June 30

	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total pension liability									
Service cost	$ 2,263,398	$ 2,332,699	$ 2,231,818	$ 2,364,680	$ 2,359,896	$ 2,362,761	$ 2,326,555	$ 1,934,653	$ 1,837,053
Interest	6,606,832	6,224,029	5,799,696	5,556,860	5,232,466	4,917,355	4,530,703	4,264,320	3,930,864
Changes of benefit items	-	-	365,972	-	-	-	-	-	-
Differences between expected and actual experience	1,038,862	304,733	77,265	(229,653)	(871,985)	(779,458)	439,808	(735,149)	457,518
Changes in assumptions	1,090,182	-	-	(1,789,990)	-	-	-	-	-
Benefit payments	(3,387,978)	(3,195,130)	(2,816,982)	(2,664,082)	(2,395,115)	(2,299,188)	(2,141,702)	(1,914,027)	(1,777,381)
Net change in total pension liability	7,611,296	5,666,331	5,657,769	3,237,815	4,325,262	4,201,470	5,155,364	3,549,797	4,448,054
Total pension liability - beginning	88,653,384	82,987,053	77,329,284	74,091,469	69,766,207	65,564,737	60,409,373	56,859,576	52,411,522
Total pension liability - ending (a)	96,264,680	88,653,384	82,987,053	77,329,284	74,091,469	69,766,207	65,564,737	60,409,373	56,859,576
Plan fiduciary net position									
Contributions - employer	3,127,818	3,205,170	3,395,565	3,085,413	3,052,605	3,063,599	3,024,676	3,083,215	2,900,730
Contributions - employee	893,670	915,772	911,954	881,552	872,176	829,711	838,310	841,645	781,502
Net investment income	1,317,984	1,584,193	8,017,388	5,067,448	586,516	7,024,828	4,539,174	(8,050,523)	(5,062,514)
Benefit payments	(3,387,978)	(3,195,130)	(2,816,982)	(2,664,082)	(2,395,115)	(2,299,188)	(2,141,702)	(1,914,027)	(1,777,381)
Administrative expense	(260,895)	(279,158)	(220,734)	(200,461)	(195,550)	(173,945)	(182,840)	(209,980)	(290,817)
Net change in plan fiduciary net position	1,690,599	2,230,847	9,287,191	6,169,870	1,920,632	8,445,005	6,077,618	(6,249,670)	(3,448,480)
Plan fiduciary net position - beginning	64,662,479	62,431,632	53,144,441	46,974,571	45,053,939	36,608,934	30,531,316	36,780,986	40,229,466
Plan fiduciary net position - ending (b)	66,353,078	64,662,479	62,431,632	53,144,441	46,974,571	45,053,939	36,608,934	30,531,316	36,780,986
City's net pension liability - ending (a) - (b)	$ 29,911,602	$ 23,990,905	$ 20,555,421	$ 24,184,843	$ 27,116,898	$ 24,712,268	$ 28,955,803	$ 29,878,057	$ 20,078,590
Plan fiduciary net position as a percentage of the total pension liability	68.92%	72.93%	75.23%	68.72%	63.40%	64.58%	55.84%	50.54%	64.69%
Covered employee payroll	$ 22,505,784	$ 23,205,853	$ 22,101,474	$ 21,797,237	$ 21,569,182	$ 21,398,047	$ 20,923,074	$ 20,682,097	$ 19,130,652
City's net pension liability as a percentage of covered employee payroll	132.91%	103.38%	93.00%	110.95%	125.72%	115.49%	138.39%	144.46%	104.96%

* Only nine years of information was available from the actuarial valuation.

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF CHANGES IN NET PENSION LIABILTY AND RELATED RATIOS
DEFINED BENEFIT PLAN

Last Ten Fiscal Years June 30

	2016	2015
Total Pension Liability		
Service cost	$ 189,455	$ 54,492
Interest	2,915	-
Changes of benefit items	-	-
Differences between expected and actual experience	(5,166)	-
Changes in assumptions	-	-
Benefit payments	(9,519)	-
Net change in total pension liability	177,685	54,492
Total pension liability - beginning	54,492	-
Total pension liability - ending (a)	232,177	54,492
Plan Fiduciary Net Position		
Contributions - employer	97,392	28,315
Contributions - employee	97,392	28,315
Net investment income	5,687	1
Benefit payments	(9,519)	-
Administrative expense	(5,237)	-
Net change in plan fiduciary net position	185,715	56,631
Plan fiduciary net position - beginning	56,631	-
Plan fiduciary net position - ending (b)	242,346	56,631
City's net pension liability - ending (a) - (b)	$ (10,169)	$ (2,139)
Plan fiduciary net position as a percentage of the total pension liability	104.38%	103.93%
Covered employee payroll	$ 1,841,278	$ 544,418
City's net pension liability as a percentage of covered employee payroll	(.55%)	(.39%)

* Only two years of information was available from the actuarial valuation.

SCHEDULE OF CITY CONTRIBUTIONS
DEFINED BENEFIT PLAN

Last Ten Fiscal Years June 30

	2016	2015
Actuarially determined contribution	$ 92,064	$ 27,221
Contributions	97,392	28,315
Contribution deficiency	$ (5,328)	$ (1,094)
Covered employee payroll	$ 1,841,278	$ 544,418
Contributions as a percentage of covered employee payroll	5.29%	5.20%

* Only two years of information was available from the actuarial valuation.

NOTES TO THE SCHEDULE

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry as normal
Amortization method used	Level dollar, closed
Remaining amortized periods	N/A
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3.5%, including inflation
Investment rate of return	5.0%, net of investment expenses, including inflation
Retirement age	Age 62
Mortality	IRS Applicable Mortality - Post Retirement Only
Withdrawals	None
Other information	Plan adopted effective July 1, 2014

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF BARTLETT CITY BOARD OF EDUCATION'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS

Last Ten Fiscal Years June 30

	2015
Total pension liability (asset)	
Service cost	$ 1,008,583
Interest	75,639
Changes in benefit terms	-
Differences between actual and expected experience	(399,645)
Change of assumptions	-
Benefit payments, including refunds of employee contributions	(124)
Net change in total pension liability	684,453
Total pension liability - beginning	-
Total pension liability - ending	684,453
Plan fiduciary net position	
Contributions - employer	655,197
Contributions - employee	353,386
Net investment income	16,348
Benefit payments, including refunds of employee contributions	(124)
Administrative expense	(12,132)
Net change in plan fiduciary net position	1,012,675
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending	1,012,675
Net Pension Liability (Asset)	$ (328,222)
Plan fiduciary net position as a percentage of total pension liability	147.95%
Covered payroll	$ 7,067,925
Net pension liability (asset) as a percentage of covered payroll	(4.64%)

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

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF BARTLETT CITY BOARD OF EDUCATION'S CONTRIBUTIONS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS

Last Ten Fiscal Year Ending June 30

	2016	2015
Actuarially determined contribution	$ 602,760	$ 655,197
Contributions in relation to the actuarially determined contribution	602,760	655,197
Contribution deficiency (excess)	$ -	$ -
Covered payroll	$ 6,502,301	$ 7,067,925
Contributions as a percentage of covered payroll	9.27%	9.27%

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

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	0 years
Asset valuation	10 year smoothed within a 20% corridor to market value
Inflation	3.0%
Salary increases	Graded salary ranges from 8.97% to 3.71% based on age, including inflation
Investment Rate of Return	7.5%, net of investment expenses, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.5%

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
BARTLETT CITY BOARD OF EDUCATION HYBRID WITH COST CONTROLS
PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS

Last Ten Fiscal Year Ending June 30

	2016
Total pension liability (asset)	
Service cost	$ 8,469
Interest	635
Changes in benefit terms	-
Differences between actual and expected experience	1,141
Change of assumptions	-
Benefit payments, including refunds of employee contributions	-
Net change in total pension liability	10,245
Total pension liability - beginning	-
Total pension liability - ending	10,245
Plan fiduciary net position	
Contributions - employer	4,840
Contributions - employee	6,049
Net investment income	183
Benefit payments, including refunds of employee contributions	(99)
Administrative expense	-
Net change in plan fiduciary net position	10,973
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending	10,973
Net Pension Liability (Asset)	$ (728)
Plan fiduciary net position as a percentage of total pension liability	107.11%
Covered payroll	$ 120,989
Net pension liability (asset) as a percentage of covered payroll	(.6%)

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

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF CONTRIBUTIONS
BARTLETT CITY BOARD OF EDUCATION HYBRID WITH COST CONTROLS PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS

Last Ten Fiscal Year Ending June 30

	2016	2015
Actuarially determined contribution	$ 26,795	$ 2,420
Contributions in relation to the actuarially determined contribution	26,795	4,840
Contribution deficiency (excess)	$ -	$ (2,420)
Covered payroll	$ 669,882	$ 120,989
Contributions as a percentage of covered payroll	4.00%	4.00%

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

NOTES TO THE SCHEDULE

Valuation date: Actuarially determined contribution rates for 2016 were calculated based on the July 1, 2013 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	N/A
Asset valuation	Fair market value
Inflation	3.0%
Salary increases	Graded salary ranges from 8.97% to 3.71% based on age, including inflation
Investment Rate of Return	7.5%, net of investment expenses, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.5%

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF BARTLETT CITY BOARD OF EDUCATION’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TEACHER LEGACY PENSION PLAN OF TCRS

Last Ten Fiscal Year Ending June 30

	2016	2015
Bartlett City Board of Education's proportion of the net pension liability (asset)	0.889434%	0.000000%
Bartlett City Board of Education's proportionate share of the net pension liability (asset)	$ 364,343	$ -
Bartlett City Board of Education's covered payroll	$ 33,295,992	$ -
Bartlett City Board of Educations' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	1.094254%	0.000000%
Plan fiduciary net position as a percentage of the total pension liability	99.81%	100.08%

*The amounts presented were determined as of June 30 of the prior fiscal year.

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

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF BARTLETT CITY BOARD OF EDUCATION'S CONTRIBUTIONS – TEACHER LEGACY PENSION PLAN OF TCRS

Last Ten Fiscal Year Ending June 30

	2016	2015	2014
Contractually required	$ 3,159,107	$ 3,009,957	$ -
Contribution in relation to the contractually required contribution	3,159,107	3,009,957	-
Contribution deficiency (excess)	$ -	$ -	$ -
Bartlett City Board of Education's covered payroll	$ 34,945,891	$ 33,295,992	$ -
Contributions as a percentage of Bartlett City Board of Education's covered payroll	9.04%	9.04%	0.00%

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

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF BARTLETT CITY BOARD OF EDUCATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) TEACHER RETIREMENT PENSION PLAN OF TCRS

Last Ten Fiscal Year Ending June 30

	2016
Bartlett City Board of Education's proportion of the net pension liability (asset)	0.267353%
Bartlett City Board of Education's proportionate share of the net pension liability (asset)	(10,755)
Bartlett City Board of Education's covered payroll	555,497
Bartlett City Board of Education's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-1.94%
Plan fiduciary net position as a percentage of the total pension liability	127.46%

*The amounts presented were determined as of June 30 of the prior fiscal year.

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

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF BARTLETT CITY BOARD OF EDUCATION'S CONTRIBUTIONS – TEACHER RETIREMENT PENSION PLAN OF TCRS

Last Ten Fiscal Year Ending June 30

	2016	2015
Contractually required	$ 78,901	$ 13,887
Contribution in relation to the contractually required contribution	78,901	22,220
Contribution deficiency (excess)	$ -	$ (8,333)
Bartlett City Board of Education's covered payroll	$ 1,972,539	$ 555,497
Contributions as a percentage of covered payroll	4.00%	4.00%

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

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CITY OF BARTLETT, TENNESSEE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

June 30, 2016

	Special Revenue Funds					
	State Street Aid Fund	Solid Waste Control Fund	Drug Enforcement Fund	General Improvement Fund	Drainage Control Fund	Parks Improvement Fund
ASSETS						
Cash and cash equivalents	$ 1,220,177	$ 681,414	$ 578,601	$ 371,290	$ 124,270	$ 702,738
Receivables, net						
Taxes	282,587	-	-	-	-	-
Other	267	638,810	-	68,627	-	-
Less allowance for doubtful accounts	-	(10,277)	-	(1,139)	-	-
Prepaid expenditures	-	-	-	134,873	-	-
Due from other governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total assets	$ 1,503,031	$ 1,309,947	$ 578,601	$ 573,651	$ 124,270	$ 702,738
LIABILITIES						
Accounts payable	$ 135,603	$ 119,205	$ 127,385	$ 352	$ -	$ -
Accrued payroll and vacation	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	135,603	119,205	127,385	352	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - grants	-	-	-	-	-	-
Unavailable revenue - other	267	48,816	-	5,063	-	-
Total deferred inflows of resources	267	48,816	-	5,063	-	-
FUND BALANCES						
Nonspendable	-	-	-	134,876	-	-
Restricted	435,922	-	451,216	-	-	-
Committed	-	-	-	-	-	-
Assigned	931,239	1,141,926	-	433,360	124,270	702,738
Total fund balance	1,367,161	1,141,926	451,216	568,236	124,270	702,738
Total liabilities, deferred inflows of resources and fund balances	$ 1,503,031	$ 1,309,947	$ 578,601	$ 573,651	$ 124,270	$ 702,738

DEA Task Force Fund	Grants Fund	Federal Projects Fund	School Nutrition Fund	Discretionary Grants Fund	Education Capital Fund	Debt Service Fund	Total Nonmajor Governmental Funds
$ 263,386	$ -	$ 101,836	$ 210,650	$ 34	$ 1,858,668	$ -	$ 6,113,064
-	-	-	-	-	-	554,431	837,018
-	544,166	-	-	-	-	-	1,251,870
-	-	-	-	-	-	-	(11,416)
-	-	-	-	-	-	-	134,873
-	-	212,849	-	24,673	-	-	237,522
-	-	-	28,920	-	-	-	28,920
$ 263,386	$ 544,166	$ 314,685	$ 239,570	$ 24,707	$ 1,858,668	$ 554,431	$ 8,591,851
$ -	$ 42,227	$ 17,215	$ -	$ 1,537	$ 178,706	$ -	$ 622,230
-	-	93,834	-	16,008	-	-	109,842
-	486,046	202,337	474	1,598	-	91,596	782,051
-	528,273	313,386	474	19,143	178,706	91,596	1,514,123
-	15,893	1,299	-	5,564	-	-	22,756
-	-	-	30,426	-	-	-	84,572
-	15,893	1,299	30,426	5,564	-	-	107,328
-	-	-	28,920	-	-	-	163,796
263,386	-	-	179,750	-	1,679,962	-	3,010,236
-	-	-	-	-	-	462,835	462,835
-	-	-	-	-	-	-	3,333,533
263,386	-	-	208,670	-	1,679,962	462,835	6,970,400
$ 263,386	$ 544,166	$ 314,685	$ 239,570	$ 24,707	$ 1,858,668	$ 554,431	$ 8,591,851

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2016

	Special Revenue Funds					
	State Street Aid Fund	Solid Waste Conrol Fund	Drug Enforcement Fund	General Improvement Fund	Drainage Control Fund	Parks Improvement Fund
REVENUES						
Taxes:						
Local sales taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental - state gas tax	1,553,074	-	-	-	-	-
Charges for services	91,116	5,850,744	-	645,644	24,500	41,650
Fines, forfeitures, and penalties	-	-	28,340	-	-	-
Federal, state, and other grants	-	4,929	-	-	-	-
Interest on investments	-	-	-	-	40	-
Program income	-	3,550	192,762	-	2,500	-
Other income	-	53,605	-	-	-	-
Total revenues	1,644,190	5,912,828	221,102	645,644	27,040	41,650
EXPENDITURES						
Street paving and repair	790,756	-	-	-	-	-
Solid waste control	-	6,014,574	-	-	-	-
Drug enforcement	-	-	280,203	-	-	-
Drainage control	-	-	-	-	95,244	-
General improvements	-	-	-	402,365	-	-
Street lighting	1,418,144	-	-	-	-	-
Education	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Total expenditures	2,208,900	6,014,574	280,203	402,365	95,244	-
Excess (deficiency) of revenues over expenditures	(564,710)	(101,746)	(59,101)	243,279	(68,204)	41,650
OTHER FINANCING SOURCES (USES)						
Proceeds from capital outlay	-	-	-	-	-	-
Transfers in	40,000	-	18,656	-	100,000	-
Transfers out	-	(200,000)	-	(260,000)	-	-
Total other financing sources and uses	40,000	(200,000)	18,656	(260,000)	100,000	-
Net change in fund balances	(524,710)	(301,746)	(40,445)	(16,721)	31,796	41,650
Fund balances - beginning	1,891,871	1,443,672	491,661	584,957	92,474	661,088
Fund balances - ending	$ 1,367,161	$ 1,141,926	$ 451,216	$ 568,236	$ 124,270	$ 702,738

DEA Task Force Fund	Grants Fund	Federal Projects Fund	School Nutrition Fund	Discretionary Grants Fund	Education Capital Fund	Debt Service Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 3,224,772	$ 3,224,772
-	-	-	-	-	-	-	1,553,074
-	-	-	1,186,523	-	-	-	7,840,177
-	-	-	-	-	-	-	28,340
-	2,180,239	4,079,756	1,391,894	525,052	-	-	8,181,870
144	-	-	-	-	-	-	184
71,410	172,199	-	-	-	-	-	442,421
-	-	-	-	-	2,452,170	-	2,505,775
71,554	2,352,438	4,079,756	2,578,417	525,052	2,452,170	3,224,772	23,776,613
-	-	-	-	-	-	-	790,756
-	-	-	-	-	-	-	6,014,574
-	-	-	-	-	-	-	280,203
-	-	-	-	-	-	-	95,244
213,598	366,127	-	-	-	-	-	982,090
-	-	-	-	-	-	-	1,418,144
-	-	4,007,040	2,396,982	517,346	-	-	6,921,368
-	-	-	-	-	-	3,314,000	3,314,000
-	-	-	-	-	-	819,981	819,981
-	-	-	-	-	-	68,716	68,716
-	-	-	-	-	772,208	-	772,208
213,598	366,127	4,007,040	2,396,982	517,346	772,208	4,202,697	21,477,284
(142,044)	1,986,311	72,716	181,435	7,706	1,679,962	(977,925)	2,299,329
-	-	-	-	-	-	-	-
-	-	-	-	-	-	880,000	1,038,656
-	(1,986,311)	(72,716)	-	(7,706)	-	-	(2,526,733)
-	(1,986,311)	(72,716)	-	(7,706)	-	880,000	(1,488,077)
(142,044)	-	-	181,435	-	1,679,962	(97,925)	811,252
405,430	-	-	27,235		-	560,760	6,159,148
$ 263,386	$ -	$ -	$ 208,670	$ -	$ 1,679,962	$ 462,835	$ 6,970,400

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
STATE STREET AID FUND				
Revenues:				
Intergovernmental/unrestricted - state gas tax	$ 1,520,000	$ 1,520,000	$ 1,553,074	$ 33,074
Charges for services	300,000	300,000	91,116	(208,884)
Total revenues	1,820,000	1,820,000	1,644,190	(175,810)
Expenditures:				
Street paving and repair	995,000	995,398	790,756	204,642
Street lighting	1,400,000	1,462,944	1,418,144	44,800
Total expenditures	2,395,000	2,458,342	2,208,900	249,442
Excess (deficiency) of revenues over expenditures	(575,000)	(638,342)	(564,710)	73,632
Other financing sources (uses):				
Transfers in	40,000	40,000	40,000	-
Net change in fund balance	(535,000)	(598,342)	(524,710)	73,632
Fund balance - beginning	1,891,871	1,891,871	1,891,871	-
Fund balance - ending	$ 1,356,871	$ 1,293,529	$ 1,367,161	$ 73,632
SOLID WASTE CONTROL FUND				
Revenues:				
Charges for services	$ 6,175,000	$ 6,175,000	$ 5,850,744	$ (324,256)
State recycling rebate	-	-	4,929	4,929
Other income	5,000	5,000	57,155	52,155
Total revenues	6,180,000	6,180,000	5,912,828	(267,172)
Expenditures:				
Personnel	2,833,124	2,895,124	2,894,685	439
Operations	2,210,028	2,148,028	1,895,976	252,052
Capital outlays	1,056,500	1,356,094	1,223,913	132,181
Total expenditures	6,099,652	6,399,246	6,014,574	384,672
Excess (deficiency) of revenues over expenditures	80,348	(219,246)	(101,746)	117,500
Other financing sources (uses):				
Transfers out	(200,000)	(200,000)	(200,000)	-
Net change in fund balance	(119,652)	(419,246)	(301,746)	117,500
Fund balance - beginning	1,443,672	1,443,672	1,443,672	-
Fund balance - ending	$ 1,324,020	$ 1,024,426	$ 1,141,926	$ 117,500

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	**Final**	**Amounts**	**(Negative)**
DRUG ENFORCEMENT FUND				
Revenues:				
Collection of fines and forfeitures	$ 33,500	$ 33,500	$ 28,340	$ (5,160)
Other	120,000	120,000	192,762	72,762
Total revenues	153,500	153,500	221,102	67,602
Expenditures:				
Personnel	59,000	108,000	107,970	30
Operations	173,100	160,137	110,405	49,732
Capital outlays	72,500	93,424	61,828	31,596
Total expenditures	304,600	361,561	280,203	81,358
Excess (deficiency) of revenues over expenditures	(151,100)	(208,061)	(59,101)	148,960
Other financing sources (uses):				
Transfers in	48,000	48,000	18,656	(29,344)
Total other financing sources (uses)	48,000	48,000	18,656	(29,344)
Net change in fund balance	(103,100)	(160,061)	(40,445)	119,616
Fund balance - beginning	491,661	491,661	491,661	-
Fund balance - ending	$ 388,561	$ 331,600	$ 451,216	$ 119,616
GENERAL IMPROVEMENT FUND				
Revenues:				
City service fees	$ 650,000	$ 650,000	$ 645,644	$ (4,356)
Expenditures:				
Street paving and repairs	1,500	1,500	-	1,500
Capital outlays	90,000	110,659	91,884	18,775
Operations	298,500	310,500	310,481	19
Total expenditures	390,000	422,659	402,365	20,294
Excess (deficiency) of revenues over expenditures	260,000	227,341	243,279	15,938
Other financing sources (uses):				
Transfers out	(260,000)	(260,000)	(260,000)	-
Net change in fund balance	-	(32,659)	(16,721)	15,938
Fund balance - beginning	584,957	584,957	584,957	-
Fund balance - ending	$ 584,957	$ 552,298	$ 568,236	$ 15,938

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
DRAINAGE CONTROL FUND				
Revenues:				
Drainage control fees	$ 10,000	$ 10,000	$ 24,500	$ 14,500
Interest on investments	-	-	40	40
Other income	-	-	2,500	2,500
Total revenues	10,000	10,000	27,040	17,040
Expenditures:				
Personnel	88,913	88,913	80,921	7,992
Operations	26,850	26,850	14,323	12,527
Capital outlays	5,000	5,000	-	5,000
Total expenditures	120,763	120,763	95,244	25,519
Excess (deficiency) of revenues over expenditures	(110,763)	(110,763)	(68,204)	42,559
Other financing sources (uses)				
Transfers in	100,000	100,000	100,000	-
Net change in fund balance	(10,763)	(10,763)	31,796	42,559
Fund balance - beginning	92,474	92,474	92,474	-
Fund balance - ending	$ 81,711	$ 81,711	$ 124,270	$ 42,559
PARKS IMPROVEMENT FUND				
Revenues:				
Charges for services	$ -	$ -	$ 41,650	$ 41,650
Expenditures:				
Parks improvement	50,000	50,000	-	50,000
Net change in fund balance	(50,000)	(50,000)	41,650	91,650
Fund balance - beginning	661,088	661,088	661,088	-
Fund balance - ending	$ 611,088	$ 611,088	$ 702,738	$ 91,650

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
DEA TASK FORCE FUND				
Revenues:				
Program income	$ 120,000	$ 120,000	$ 71,410	$ (48,590)
Interest	500	500	144	(356)
Total revenues	120,500	120,500	71,554	(48,946)
Expenditures:				
Operating	44,900	44,900	1,586	43,314
Capital outlays	235,000	235,000	212,012	22,988
Total expenditures	279,900	279,900	213,598	66,302
Net change in fund balance	(159,400)	(159,400)	(142,044)	17,356
Fund balance - beginning	405,430	405,430	405,430	-
Fund balance - ending	$ 246,030	$ 246,030	$ 263,386	$ 17,356
GRANTS FUND				
Revenues:				
Federal and state grants	$ 5,370,024	$ 9,586,872	$ 2,180,239	$ (7,406,633)
Local grants	15,772	188,010	172,199	(15,811)
Total revenues	5,385,796	9,774,882	2,352,438	(7,422,444)
Expenditures:				
Operating	3,292	35,024	6,837	28,187
Capital outlays	880,272	1,032,005	359,290	672,715
Total expenditures	883,564	1,067,029	366,127	700,902
Excess (deficiency) of revenues over expenditures	4,502,232	8,707,853	1,986,311	(6,721,542)
Other financing sources (uses):				
Transfers out	(4,502,232)	(8,707,853)	(1,986,311)	6,721,542
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	$ -	$ -	$ -	$ -

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Federal Projects Fund				
Revenues:				
Federal and state grants	$ 316,069	$ 4,442,458	$ 4,079,756	$ (362,702)
Expenditures:				
Education	315,425	4,369,329	4,007,040	362,289
Excess (deficiency) of revenues over expenditures	644	73,129	72,716	(413)
Other financing sources (uses):				
Transfers out	(644)	(73,129)	(72,716)	413
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	$ -	$ -	$ -	$ -
School Nutrition Fund				
Revenues:				
Charges for services	$ 1,485,209	$ 1,485,209	$ 1,186,523	$ (298,686)
Federal and state grants	949,665	949,665	1,391,894	442,229
	2,434,874	2,434,874	2,578,417	143,543
Expenditures:				
Education	2,434,874	2,434,874	2,396,982	37,892
Net change in fund balance	-	-	181,435	181,435
Fund balance - beginning	27,235	27,235	27,235	-
Fund balance - ending	$ 27,235	$ 27,235	$ 208,670	$ 181,435

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, 2016

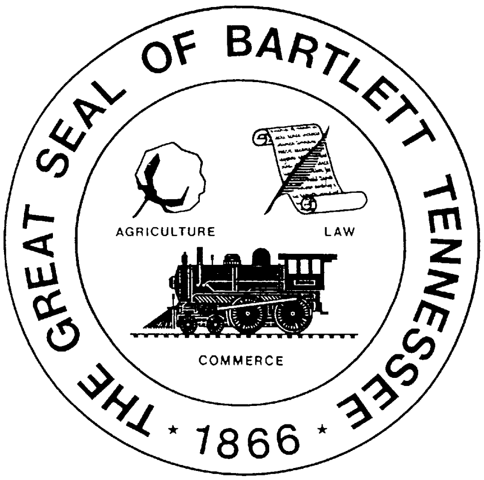
	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Discretionary Grants Fund				
Revenues:				
Federal and state grants	$ 537,550	$ 537,550	$ 525,052	$ (12,498)
Expenditures:				
Education	529,809	529,809	517,346	12,463
Excess (deficiency) of revenues over expenditures	7,741	7,741	7,706	(35)
Other financing sources (uses):				
Transfers out	(7,741)	(7,741)	(7,706)	35
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	$ -	$ -	$ -	$ -
Education Capital Fund				
Revenues:				
Intergovernmental revenue	$ 2,415,000	$ 2,415,000	$ 2,452,170	$ 37,170
Expenditures:				
Capital outlays	2,415,000	2,415,000	772,208	1,642,792
Excess (deficiency) of revenues over expenditures	-	-	1,679,962	1,679,962
Net change in fund balance	-	-	1,679,962	1,679,962
Fund balance - beginning	-	-	-	-
Fund balance - ending	$ -	$ -	$ 1,679,962	$ 1,679,962

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
DEBT SERVICE FUND				
Revenues:				
Local sales taxes	$ 3,165,000	$ 3,165,000	$ 3,224,772	$ 59,772
Expenditures:				
Principal	3,314,000	3,314,000	3,314,000	-
Interest	834,376	834,376	819,981	14,395
Bond issuance costs	65,700	65,700	68,716	(3,016)
Total expenditures	4,214,076	4,214,076	4,202,697	11,379
Excess (deficiency) of revenues over expenditures	(1,049,076)	(1,049,076)	(977,925)	71,151
Other financing sources (uses):				
Transfers in	915,000	915,000	880,000	(35,000)
Net change in fund balances	(134,076)	(134,076)	(97,925)	36,151
Fund balance - beginning	560,760	560,760	560,760	-
Fund balance - ending	$ 426,684	$ 426,684	$ 462,835	$ 36,151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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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Interest on investments	$ -	$ -	$ 11,200	$ 11,200
Other	-	-	2,606	2,606
Total revenues	-	-	13,806	13,806
EXPENDITURES				
Bond issue costs	-	-	34,621	(34,621)
	-	-	34,621	(34,621)
CIP Projects				
CIP Available Project Funds	198,716	12,481	-	12,481
Network Infrastructure	200,000	200,000	198,681	1,319
Public Radios System	3,000,000	4,410,000	1,406,284	3,003,716
Administrative Vehicles 2014	30,000	19,126	17,713	1,413
Administrative Vehicles 2016	30,000	30,000	-	30,000
Building/Infrastructure Improvements	26,196	26,196	19,992	6,204
City Hall Improvements	15,208	15,208	-	15,208
City Hall Renovations	400,000	400,000	44,200	355,800
Police Vehicles & Equipment 2015	46,862	2,862	2,862	-
Police Vehicles & Equipment 2016	374,000	374,000	374,000	-
Justice Center Maintenance	120,000	120,000	-	120,000
Police Parking Lot	8,019	2,433	2,433	-
Fire Aerial Truck 2015	772,950	755,869	755,690	179
Fire Ambulances 2015	160,000	160,000	-	160,000
Fire Ambulances 2016	180,000	187,586	-	187,586
Fire Buildings Improvements	77,267	77,267	75,049	2,218
Fire Training Facility	1,005,373	1,014,868	1,001,268	13,600
Bartlett Blvd. Overpass Rehab	412,066	412,066	143	411,923
Public Works Vehicles & Equip 2015	122,034	122,034	122,034	-
Public Works Vehicles & Equip 2016	434,500	434,500	396,098	38,402
Westbrook Road Bridge	244,856	244,856	1,056	243,800
Old Brownsville West R.O.W	1,030,000	5,150,000	388,710	4,761,290
Bartlett Road Bridge	792,008	807,008	753,724	53,284
Bartlett Blvd Bridge	600,000	600,000	-	600,000
O. Brownsville/Frank Crk Brdg Rehab	2,369,398	2,369,398	21,600	2,347,798
Stage Rd. Slope Taper Inlet	30,000	35,895	-	35,895
City Wide Overlay	30,668	780,668	627,381	153,287
Kirby Whitten Paving	1,850,042	1,660,042	887,816	772,226
Bond Default Hampton Grove Subdivision	47,372	47,372	-	47,372
Bond Default Montello Subdivision	2,798	2,798	-	2,798

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, 2016

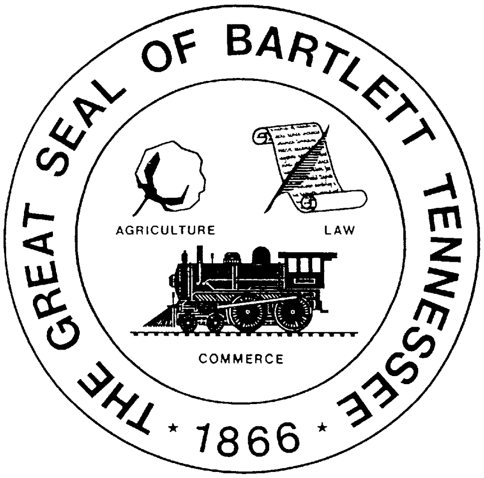
	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	**Final**	**Amounts**	**(Negative)**
Bond Default Gailyn Manor Phase I	$ 37,970	$ 37,970	$ -	$ 37,970
Bond Default Gailyn Manor Phase II	147,599	147,599	34,639	112,960
Bond Default Brookemeade	74,059	74,059	-	74,059
Bond Default Stonecrest	121,883	121,883	-	121,883
Bond Default Hampton Grove North	34,451	34,451	34,007	444
Bond Default Rockyford Ph E-2	30,000	30,000	-	30,000
Altruria & Memph. Arlington Signal	253,034	323,034	282,569	40,465
Fema Bartlett Blvd Slope Failure	124,943	124,943	17,120	107,823
Fletcher Creek Greenway Ph1	22,875	1,313,860	21,066	1,292,794
Ellis Road Hill Removal	50,000	55,000	53,301	1,699
Elmore Box	300,000	200,000	-	200,000
Parks Vehicles & Equipment 2015	87,120	87,120	87,120	-
Parks Vehicles & Equipment 2016	69,000	69,000	58,745	10,255
W.J. Freeman Park Project	20,370	20,370	18,567	1,803
Parks Maintenances 2015	76,241	76,241	76,241	-
Parks Maintenances 2016	200,000	200,000	35,536	164,464
Recreation Cntr Equip/Repairs 2014	18,210	18,210	17,206	1,004
Recreation Cntr Equip/Repairs 2015	119,721	81,486	71,169	10,317
Recreation Cntr Equip/Repairs 2016	130,500	130,500	32,908	97,592
Recreation Center Pool DH	346,000	346,000	8,000	338,000
Recreation Center Roof	75,000	75,000	23,850	51,150
Misc Drainage Improvements 2008	978	978	867	111
Misc Drainage Improvements 2010	49,958	49,958	42,812	7,146
Misc Drainage Improvements 2016	400,000	300,000	31,108	268,892
Total CIP projects expenditures	17,400,245	24,392,195	8,043,565	16,348,630
Total expenditures	17,400,245	24,392,195	8,078,186	16,314,009
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(17,400,245)	(24,392,195)	(8,064,380)	16,327,815

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	$ 7,238,367	$ 7,238,367	$ 6,164,000	$ (1,074,367)
Premium on bonds issued	-	-	895,732	895,732
Transfers in	5,504,885	11,104,885	3,432,721	(7,672,164)
Transfers out	(220,000)	(220,000)	(249,379)	(29,379)
Total other financing sources (uses)	12,523,252	18,123,252	10,243,074	(7,880,178)
Net change in fund balance	(4,876,993)	(6,268,943)	2,178,694	8,447,637
Fund balance - beginning	6,951,827	6,951,827	6,951,827	-
Fund balance - ending	$ 2,074,834	$ 682,884	$ 9,130,521	$ 8,447,637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CITY OF BARTLETT, TENNESSEE

COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS

June 30, 2016

	Health and Welfare Fund	Workmen's Compensation Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,081,587	$ 424,903	$ 1,506,490
Prepaid insurance	30,000	-	30,000
Total current assets	1,111,587	424,903	1,536,490
LIABILITIES			
Current liabilities:			
Accounts payable	280,865	7,633	288,498
NET POSITION			
Unrestricted	$ 830,722	$ 417,270	$ 1,247,992

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2016

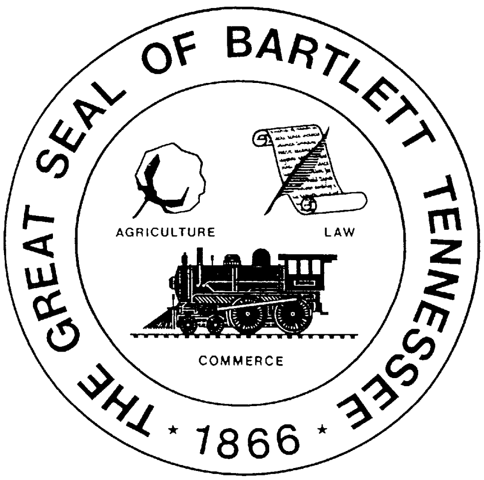
	Health and Welfare Fund	Workmen's Compensation Fund	Totals
OPERATING REVENUES:			
Charges for services	$ 1,507,471	$ 847,333	$ 2,354,804
City contributions	4,933,394	-	4,933,394
Total operating revenues	6,440,865	847,333	7,288,198
OPERATING EXPENSES:			
Workers' compensation claims	-	76,253	76,253
Insurance premiums	6,484,278	692,034	7,176,312
Professional services	10,000	-	10,000
Total operating expenses	6,494,278	768,287	7,262,565
Operating income (loss)	(53,413)	79,046	25,633
Net position - beginning	884,135	338,224	1,222,359
Net position - ending	$ 830,722	$ 417,270	$ 1,247,992

CITY OF BARTLETT, TENNESSEE

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2016

	Health and Welfare Fund	Workmen's Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	$ 6,440,865	$ 847,333	$ 7,288,198
Payments to suppliers	(6,483,764)	(771,934)	(7,255,698)
Net cash provided by (used for) operating activities	(42,899)	75,399	32,500
Net increase (decrease) in cash and cash equivalents	(42,899)	75,399	32,500
Cash and cash equivalents - beginning	1,124,486	349,504	1,473,990
Cash and cash equivalents - ending	$ 1,081,587	$ 424,903	$ 1,506,490
Reconciliation of operating income to net cash provided (used by) operating activities:			
Operating income (loss)	$ (53,413)	$ 79,046	$ 25,633
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Increase in prepaid insurance	(30,000)	-	(30,000)
Increase (decrease) in accounts payable	40,514	(3,647)	36,867
Net cash provided by (used for) operating activities	$ (42,899)	$ 75,399	$ 32,500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CITY OF BARTLETT, TENNESSEE

COMBINING BALANCE SHEET – AGENCY FUNDS

June 30, 2016

	Family Assistance Fund	Bail Bond Fund	Jeanette Rainey Volunteer Fund	School Activity Funds	Total Agency Funds
ASSETS					
Cash and cash equivalents	$ 32,948	$ 86,986	$ 9,723	$ 1,298,451	$ 1,428,108
Inventory	-	-	-	29,634	29,634
Total assets	$ 32,948	$ 86,986	$ 9,723	$ 1,328,085	$ 1,457,742
LIABILITIES					
Family assistance payable	$ 32,948	$ -	$ -	$ -	$ 32,948
Bail bonds payable	-	86,986	-	-	86,986
Jeanette Rainey volunteer payable	-	-	9,723	-	9,723
Due to student general fund	-	-	-	829,140	829,140
Due to student groups	-	-	-	498,945	498,945
Total liabilities	$ 32,948	$ 86,986	$ 9,723	$ 1,328,085	$ 1,457,742

CITY OF BARTLETT, TENNESSEE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS

For the Year Ended June 30, 2016

	Beginning Balance	Increases	Decreases	Ending Balance
Assets				
Family Assistance Fund				
Cash and cash equivalents	$ 33,593	$ 19,328	$ (19,973)	$ 32,948
Bail Bond Fund				
Cash and cash equivalents	35,010	390,151	(338,175)	86,986
Jeanette Rainey Volunteer Fund				
Cash and cash equivalents	10,013	10	(300)	9,723
School Activity Funds				
Cash	1,156,272	2,948,692	(2,806,513)	1,298,451
Inventory	35,093	136,018	(141,477)	29,634
	$ 1,269,981	$ 3,494,199	$ (3,306,438)	$ 1,457,742
Liabilities				
Family Assistance Fund				
Family assistance payable	$ 33,593	$ 19,328	$ (19,973)	$ 32,948
Bail Bond Fund				
Bail bonds payable	35,010	390,151	(338,175)	86,986
Jeanette Rainey Volunteer Fund				
Jeanette Rainey volunteer fund payable	10,013	10	(300)	9,723
School Activity Funds				
Due to student general fund	777,528	987,482	(935,870)	829,140
Due to student groups	413,837	2,011,289	(1,926,181)	498,945
	$ 1,269,981	$ 3,408,260	$ (3,220,499)	$ 1,457,742

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF BONDS OF PRINCIPAL OFFICIALS

June 30, 2016

	Amount of Bond*
A. Keith McDonald - Mayor	$ 150,000
Mark Brown - Chief Adminstrative Officer	$ 150,000
Ed McKenney, Jr. - City Attorney	$ 150,000
Jacquie Gore - Director of Citizen Services	$ 150,000
Debbie Gelineau - Director of Community Relations	$ 150,000
Dick Phebus, Finance Director & CMFOA Designee	$ 150,000
Bill Lloyd - Court Clerk	$ 150,000
Ted Archdeacon - 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
Jason Sykes - Director of Performing Arts Center	$ 150,000

CITY OF BARTLETT, TENNESSEE

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

June 30, 2016

Fiscal	Series 2015 Bonds		Series 2013 Bonds		Series 2012 Bonds		Series 2011 Bonds		Series 2010 Bonds		Series 2009 Bonds	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	$ 170,000	$ 209,250	$ 575,000	$ 102,769	$ 785,000	$ 212,913	$ 395,000	$ 43,594	$ 685,000	$ 102,363	$ 95,000	$ 56,687
2018	190,000	205,650	590,000	85,294	805,000	189,063	325,000	36,394	705,000	88,463	100,000	54,345
2019	190,000	199,950	615,000	67,219	830,000	164,538	325,000	29,894	720,000	74,213	100,000	51,745
2020	200,000	194,150	95,000	56,569	855,000	139,263	335,000	23,294	735,000	59,203	105,000	48,820
2021	205,000	190,100	100,000	53,644	625,000	117,063	335,000	15,756	745,000	42,547	110,000	45,512
2022	205,000	186,000	105,000	50,569	640,000	98,088	350,000	7,194	390,000	28,825	110,000	41,965
2023	210,000	181,850	105,000	47,419	660,000	78,588	55,000	2,131	245,000	20,734	115,000	38,166
2024	215,000	175,450	110,000	44,194	690,000	61,788	55,000	722	60,000	16,694	120,000	34,052
2025	225,000	166,650	115,000	40,819	700,000	47,450	-	-	65,000	14,894	125,000	29,641
2026	235,000	157,450	115,000	37,369	715,000	31,969	-	-	65,000	12,944	130,000	24,922
2027	245,000	146,625	120,000	33,844	110,000	22,481	-	-	70,000	10,875	130,000	19,982
2028	255,000	134,125	125,000	30,169	115,000	19,528	-	-	70,000	8,688	140,000	14,715
2029	270,000	121,000	125,000	26,419	115,000	16,509	-	-	75,000	6,375	145,000	9,050
2030	280,000	107,250	130,000	22,431	120,000	13,200	-	-	75,000	3,891	150,000	3,075
2031	295,000	92,875	135,000	17,956	125,000	9,525	-	-	75,000	1,313	-	-
2032	310,000	77,750	140,000	13,144	125,000	5,775	-	-	-	-	-	-
2033	325,000	61,875	145,000	8,066	130,000	5,775	-	-	-	-	-	-
2034	340,000	45,250	150,000	2,719	-	-	-	-	-	-	-	-
2035	360,000	27,750	-	-	-	-	-	-	-	-	-	-
2036	375,000	9,375	-	-	-	-	-	-	-	-	-	-
	$ 5,100,000	$ 2,690,375	$ 3,595,000	$ 740,613	$ 8,145,000	$ 1,233,516	$ 2,175,000	$ 158,979	$ 4,780,000	$ 492,022	$ 1,675,000	$ 472,677

CITY OF BARTLETT, TENNESSEE

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

June 30, 2016

Fiscal	Series 2007 Bonds		2008 Note Payable		Capital Outlay Notes		Capital Leases		Total	
Year	Principal	Interest	Principal	Interest*	Principal	Interest	Principal	Interest	Principal	Interest
2017	$ 135,000	$ 81,825	$ 59,000	$ 5,801	$ 578,000	$ 62,801	$ 779,425	$ 39,321	$ 4,256,425	$ 917,324
2018	140,000	76,325	61,000	5,458	590,000	51,103	794,847	23,900	4,300,847	815,995
2019	145,000	70,625	64,000	5,102	603,000	39,150	620,044	9,709	4,212,044	712,145
2020	155,000	64,586	67,000	4,729	615,000	26,953	-	-	3,162,000	617,567
2021	160,000	58,168	70,000	4,340	428,000	14,505	-	-	2,778,000	541,635
2022	165,000	51,505	73,000	3,932	317,000	6,633	-	-	2,355,000	474,711
2023	170,000	44,595	76,000	3,508	162,000	1,644	-	-	1,798,000	418,635
2024	180,000	37,332	80,000	3,065	-	-	-	-	1,510,000	373,297
2025	185,000	29,712	83,000	2,599	-	-	-	-	1,498,000	331,765
2026	195,000	21,733	87,000	2,116	-	-	-	-	1,542,000	288,503
2027	205,000	13,281	91,000	1,609	-	-	-	-	971,000	248,697
2028	210,000	4,463	95,000	1,080	-	-	-	-	1,010,000	212,768
2029	-	-	99,000	527	-	-	-	-	829,000	179,880
2030	-	-	-	-	-	-	-	-	755,000	149,847
2031	-	-	-	-	-	-	-	-	630,000	121,669
2032	-	-	-	-	-	-	-	-	575,000	96,669
2033	-	-	-	-	-	-	-	-	600,000	75,716
2034	-	-	-	-	-	-	-	-	490,000	47,969
	-	-	-	-	-	-	-	-	360,000	27,750
	-	-	-	-	-	-	-	-	375,000	9,375
	$ 2,045,000	$ 554,150	$ 1,005,000	$ 43,866	$ 3,293,000	$ 202,789	$ 2,194,316	$ 72,930	$ 34,007,316	$ 6,661,917

* - This is a variable rate loan. Interest rate assumed is 0.58% which was the rate for June 2016.

CITY OF BARTLETT, TENNESSEE

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

June 30, 2016

Fiscal	Series 2013 Bonds		Series 2012 Bonds		Series 2011 Bonds		Series 2010 Bonds		Series 2009 Bonds	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	$ 185,000	$ 49,771	$ 215,000	$ 79,131	$ 490,000	$ 41,513	$ 285,000	$ 39,119	$ 40,000	$ 24,532
2018	190,000	44,146	225,000	72,531	215,000	34,463	295,000	33,319	45,000	23,510
2019	190,000	38,446	235,000	65,631	225,000	30,063	295,000	27,419	45,000	22,340
2020	60,000	34,696	240,000	58,506	230,000	25,513	305,000	21,228	45,000	21,057
2021	60,000	32,896	250,000	51,156	230,000	20,913	310,000	14,306	45,000	19,674
2022	65,000	31,021	260,000	43,506	235,000	15,675	320,000	6,625	50,000	18,140
2023	65,000	29,071	265,000	35,631	240,000	9,738	100,000	1,315	50,000	16,452
2024	65,000	27,121	265,000	29,006	245,000	3,369	-	-	50,000	14,702
2025	70,000	25,096	275,000	23,434	-	-	-	-	55,000	12,811
2026	70,000	22,996	285,000	17,306	-	-	-	-	55,000	10,776
2027	70,000	20,896	65,000	13,247	-	-	-	-	60,000	8,590
2028	75,000	18,721	65,000	11,541	-	-	-	-	60,000	6,250
2029	75,000	16,321	70,000	9,769	-	-	-	-	60,000	3,865
2030	80,000	13,686	70,000	7,800	-	-	-	-	65,000	1,333
2031	80,000	10,966	75,000	5,625	-	-	-	-	-	-
2032	85,000	8,066	75,000	3,375	-	-	-	-	-	-
2033	90,000	4,894	75,000	1,125	-	-	-	-	-	-
2034	90,000	1,631	-	-	-	-	-	-	-	-
	$ 1,665,000	$ 430,441	$ 3,010,000	$ 528,320	$ 2,110,000	$ 181,247	$ 1,910,000	$ 143,331	$ 725,000	$ 204,032

CITY OF BARTLETT, TENNESSEE

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

June 30, 2016

Fiscal	Series 2007 Bonds		2008 Note Payable		Total	
Year	Principal	Interest	Principal	Interest*	Principal	Interest
2017	$ 45,000	$ 28,233	$ 43,000	$ 4,295	$ 1,303,000	$ 266,594
2018	50,000	26,333	45,000	4,045	1,065,000	238,347
2019	50,000	24,320	47,000	3,782	1,087,000	212,001
2020	50,000	22,270	50,000	3,508	980,000	186,778
2021	55,000	20,091	52,000	3,218	1,002,000	162,254
2022	55,000	17,809	54,000	2,915	1,039,000	135,691
2023	60,000	15,422	57,000	2,600	837,000	110,229
2024	60,000	12,932	59,000	2,269	744,000	89,399
2025	65,000	10,306	62,000	1,925	527,000	73,572
2026	65,000	7,544	64,000	1,565	539,000	60,187
2027	70,000	4,675	67,000	1,192	332,000	48,600
2028	75,000	1,594	70,000	802	345,000	38,908
2029	-	-	74,000	394	279,000	30,349
2030	-	-	-	-	215,000	22,819
2031	-	-	-	-	155,000	16,591
2032	-	-	-	-	160,000	11,441
2033	-	-	-	-	165,000	6,019
2034	-	-	-	-	90,000	1,631
	$ 700,000	$ 191,529	$ 744,000	$ 32,510	$ 10,864,000	$ 1,711,410

* - This is a variable rate loan. Interest rate assumed is 0.58% which was the rate for June 2016.

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF PRINCIPAL AND INTEREST MATURITIES
SETTLEMENT LIABILITY

June 30, 2016

	Settlement Liability		
	Principal	Interest	Total
2017	$ 478,059	$ 130,134	$ 608,193
2018	489,708	118,485	608,193
2019	501,641	106,552	608,193
2020	513,865	94,328	608,193
2021	526,387	81,806	608,193
2022	539,214	68,979	608,193
2023	552,354	55,839	608,193
2024	565,814	42,379	608,193
2025	579,601	28,592	608,193
2026	593,725	14,468	608,193
	$ 5,340,368	$ 741,562	$ 6,081,930

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF PROPERTY TAXES RECEIVABLE – GENERAL FUND

June 30, 2016

Year of Levy	
2016	$ 18,768,520
2015	249,287
2014	80,466
2013	47,737
2012	30,043
2011	23,699
2010	14,311
2009	9,528
2008	6,196
2007	3,057
2006	7,457
Total property tax receivable	$ 19,240,301

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, 2016

	Total	Current Year	Prior Years									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Property taxes receivable - beginning of year	$ 19,278,233	$ -	$18,606,509	$413,052	$106,635	$45,850	$28,670	$20,118	$13,316	$7,084	$3,940	$33,059
ADD:												
Tax levied:	18,768,520	$18,768,520	-	-	-	-	-	-	-	-	-	-
Adjustments	504,746	-	541,760	(5,555)	(22,384)	13	(80)	(3,181)	(5,756)	(71)	-	-
Total Additions	19,273,266	18,768,520	541,760	(5,555)	(22,384)	13	(80)	(3,181)	(5,756)	(71)	-	-
DEDUCT:												
Collections - Net of Refunds	(19,291,090)	-	(18,898,850)	(326,728)	(35,298)	(13,912)	(4,064)	(2,202)	2,085	(750)	(807)	(10,564)
Releases	(20,108)	-	(132)	(303)	(1,216)	(1,908)	(827)	(424)	(117)	(67)	(76)	(15,038)
Total Deductions	(19,311,198)	-	(18,898,982)	(327,031)	(36,514)	(15,820)	(4,891)	(2,626)	1,968	(817)	(883)	(25,602)
Property taxes receivable - end of year	19,240,301	18,768,520	249,287	80,466	47,737	30,043	23,699	14,311	9,528	6,196	3,057	7,457
Less: Allowance for uncollectibles	(488,472)	(375,370)	(22,854)	(16,266)	(13,655)	(17,096)	(15,120)	(7,763)	(5,423)	(4,693)	(2,778)	(7,454)
Property taxes receivable, net	$ 18,751,829	$ 18,393,150	$ 226,433	$ 64,200	$ 34,082	$ 12,947	$ 8,579	$ 6,548	$ 4,105	$ 1,503	$ 279	$ 3

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
Federal Awards						
U.S. Department of Justice						
Bulletproof Vest Partnership Program	16.607		$ 2,990	$ 3,580	$ 2,070	$ 1,480
Bulletproof Vest Partnership Program	16.607		350	350	-	-
Total Department of Justice			3,340	3,930	2,070	1,480
U.S. Department of Transportation/TN Dept of Transportation						
Highway Planning and Construction	20.205	090163	135,369	704,214	568,845	-
Highway Planning and Construction	20.205		278,495	988,259	710,122	358
Highway Planning and Construction	20.205	79PLM-F0-070	16,756	29,740	16,393	3,409
Highway Planning and Construction	20.205	79PLM-F1-221	8,625	14,818	17,045	10,852
Highway Planning and Construction	20.205	79LPLM-F3-225	22,726	37,686	282,569	267,609
Highway Planning and Construction	20.205		-	231,636	310,627	78,991
Subtotal - Program 20.205			461,971	2,006,353	1,905,601	361,219
State and Community Highway Safety	20.600	Z14GHS437	-	5,750	17,193	11,443
State and Community Highway Safety	20.600		7,668	54,005	46,337	-
Subtotal - Program 20.206			7,668	59,755	63,530	11,443
Total TDOT			469,639	2,066,108	1,969,131	372,662
U.S. Department of Homeland Security						
Disaster Grants - Public Assistance	97.036	FEMA-1979-DR-TN	36,895	18,523	12,840	31,212
U.S. Department of Housing and Urban Development						
US Dept of Housing and Urban Development CDBG Disaster Recovery 2011	14.269		135,500	277,286	191,735	49,949
US Dept of Housing and Urban Development CDBG Disaster Recovery 2011	14.269		-	2,140	2,140	-
Total U.S. Department of Housing and Urban Development			135,500	279,426	193,875	49,949

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
U.S. Department of Education/TN Department of Education						
Title I Grants to Local Education Agencies	84.010		$ 109,666	$ 1,183,696	$ 1,172,088	$ 98,058
Consolidated Admin	84.010		143	367,877	378,229	10,495
Subtotal - Title I-A			109,809	1,551,573	1,550,317	108,553
Title I Part D, Subpart 2	84.013		4,338	331,778	352,227	24,787
Consolidated Admin	84.013		-	32,416	33,998	1,582
Subtotal - Title I Part D			4,338	364,194	386,225	26,369
Title II Pt A Training and Recruiting	84.367		87,441	395,992	321,293	12,742
Consolidated Admin	84.367		-	-	-	-
Subtotal - Title II			87,441	395,992	321,293	12,742
Title III Pt A English Language Acquisition	84.365		662	38,286	37,624	-
Title III Immigrant Supplemental Funds	84.365		10,002	10,002	-	-
Subtotal - Title III			10,664	48,288	37,624	-
IDEA, Pt B	84.027		18,760	1,657,822	1,701,748	62,686
IDEA-Preschool	84.173		-	23,137	23,137	-
IDEA Part B Progress Monitoring Supplement	84.027		-	12,053	12,053	-
IDEA Part B Discretionary Award for Transition	84.027		-	39,909	42,409	2,500
Subtotal - Special Education Cluster			18,760	1,732,921	1,779,347	65,186
Coordinated School Health	84.397		3,616	89,589	89,627	3,654
Safe Schools	84.184		-	41,600	41,600	-
Total USDOE			234,628	4,224,157	4,206,033	216,504

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
U.S. Department of Health & Human Services						
Vol. Pre- K	93.558		$ 8,343	$ 166,563	$ 176,481	$ 18,261
U.S. Department of Agriculture/TN Department of Education						
School Breakfast Program	10.553		-	257,888	257,888	-
National School Lunch Program - Non-Cash Assistance	10.555		-	203,746	203,746	-
National School Lunch Program - Cash Assistance	10.555		-	1,071,852	1,071,852	-
Subtotal - National School Breakfast and Lunch Program			-	1,533,486	1,533,486	-
Healthy Hunger Free Kids Act	10.560		-	4,950	4,950	-
Total USDA			-	1,538,436	1,538,436	-
Total Federal Awards			888,345	8,297,143	8,098,866	690,068
State Financial Assistance						
Tennessee Arts Commission	N/A	3-G/08	(153)	-	153	-
Tennessee Emergency Management Agency	N/A		6,157	3,087	2,140	5,210
Arts Students Ticket Subsidies	N/A		-	803	803	-
Teacher Leader Network	N/A		-	3,000	5,758	2,758
Total State Financial Assistance			6,004	6,890	8,854	7,968
Total Federal Awards and State Financial Assistance			$ 894,349	$ 8,304,033	$ 8,107,720	$ 698,036

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2016

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, Tennessee (the City) under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 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 either OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the Uniform Guidance, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

There were no federal awards passed through to subreceipients.

The City has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

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	$ 8,294,670
Less: Deferred revenue at the fund level	(24,036)
Less: Non-federal and non-state grants	(162,914)
Total federal awards and state financial assistance	$ 8,107,720

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.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information generally include the 10-year period 2007-2016

CITY OF BARTLETT, TENNESSEE

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Government activities										
Net Investment in Capital Assets	$ 98,573,298	$ 100,172,375	$ 99,381,535	$ 97,005,354	$ 87,234,488	$ 93,659,549	$ 98,790,350	$ 266,223,904	$ 265,573,498	$ 263,277,473
Restricted for:										
Debt Service	787,628	1,287,085	490,192	411,309	580,372	952,372	904,127	-	-	-
Streets	2,740,016	3,054,670	2,197,575	2,045,558	570,891	803,065	1,088,408	739,690	960,632	435,923
Park improvements					706,523	665,100	665,100	-	-	-
Capital projects								7,396,522	4,941,960	-
DEA task force								423,553	405,430	263,386
Drug Enforcement					449,086	585,392	598,242	492,275	491,661	451,216
Other purposes					235,451	321,684	337,328	16,199	-	349,874
Unrestricted	21,676,916	22,062,263	22,834,414	16,152,717	20,914,652	12,119,658	4,698,411	(1,300,457)	(5,472,307)	6,566,878
Total government activities net position	$ 123,777,858	$ 126,576,393	$ 124,903,716	$ 115,614,938	$ 110,691,463	$ 109,106,820	$ 107,081,966	$ 273,991,686	$ 266,900,874	$ 271,344,750
Business-type activities										
Net Investment in Capital Assets	$ 55,858,400	$ 57,258,511	$ 57,703,738	$ 57,110,451	$ 56,092,212	$ 58,771,208	$ 58,727,263	$ 57,051,033	$ 57,658,219	$ 57,533,711
Restricted - Capital projects								2,621,366	1,965,536	-
Unrestricted	9,799,498	9,534,033	8,380,713	7,081,221	7,544,300	6,458,394	7,274,487	6,932,427	6,723,957	9,253,333
Total business-type activities net position	$ 65,657,898	$ 66,792,544	$ 66,084,451	$ 64,191,672	$ 63,636,512	$ 65,229,602	$ 66,001,750	$ 66,604,826	$ 66,347,712	$ 66,787,044
Primary government										
Net Investment in Capital Assets	$ 154,431,698	$ 157,430,886	$ 157,085,273	$ 154,115,805	$ 143,326,700	$ 152,430,757	$ 157,517,613	$ 323,274,937	$ 323,231,717	$ 320,811,184
Restricted for:										
Debt Service	787,628	1,287,085	490,192	411,309	580,372	952,372	904,127	-	-	-
Streets/Public works	2,740,016	3,054,670	2,197,575	2,045,558	570,891	803,065	1,088,408	739,690	960,632	435,923
Park improvements					706,523	665,100	665,100	-	-	-
Capital projects								10,017,888	6,907,496	-
DEA task force								423,553	405,430	263,386
Drug enforcement					449,086	585,392	598,242	492,275	491,661	451,216
Other purposes					235,451	321,684	337,328	16,199	-	349,874
Unrestricted	31,476,414	31,596,296	31,215,127	23,233,938	28,458,952	18,578,052	11,972,898	5,631,970	1,251,650	15,820,211
Total primary government net position	$ 189,435,756	$ 193,368,937	$ 190,988,167	$ 179,806,610	$ 174,327,975	$ 174,336,422	$ 173,083,716	$ 340,596,512	$ 333,248,586	$ 338,131,794

CITY OF BARTLETT, TENNESSEE

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	$ 6,072,578	$ 6,146,033	$ 6,881,987	$ 7,711,577	$ 7,016,910	$ 7,508,236	$ 7,544,128	$ 7,751,978	$ 8,194,427	$ 8,945,508
Public safety	18,764,451	19,489,332	22,891,377	26,256,730	24,532,698	25,841,866	24,315,277	28,251,298	27,217,650	28,907,473
Public works	10,898,616	14,018,688	14,742,339	14,432,134	15,767,322	15,148,440	18,568,846	14,394,975	15,190,501	17,226,976
Parks and recreation	3,628,496	3,813,114	4,091,798	4,246,207	4,319,311	4,369,653	3,899,743	3,950,132	4,277,840	4,603,219
Performing arts center	531,287	554,099	543,258	630,035	773,715	597,215	584,528	660,053	645,051	705,416
Recreation center	1,449,420	1,395,700	1,740,618	1,820,873	1,718,237	1,752,728	1,596,531	1,637,281	1,618,553	1,808,051
Education	-	-	-	-	-	-	-	7,795,442	69,978,551	77,495,002
Interest on long-term debt	1,011,629	1,073,576	1,012,600	976,084	927,525	757,919	1,119,654	852,897	894,813	1,118,293
Total government activities expenses	42,356,477	46,490,543	51,903,977	56,073,640	55,055,718	55,976,057	57,628,707	65,294,056	128,017,386	140,809,938
Business-type activities:										
Water and sewer	6,681,378	6,861,747	7,217,654	7,875,448	7,275,464	7,508,717	7,614,786	7,407,082	7,694,263	7,860,001
Total primary government expenses	$ 49,037,855	$ 53,352,290	$ 59,121,631	$ 63,949,088	$ 62,331,182	$ 63,484,774	$ 65,243,493	$ 72,701,138	$ 135,711,649	$ 148,669,939
Program Revenues										
Governmental activities:										
General government	$ 2,888,013	$ 2,897,835	$ 3,695,591	$ 3,719,823	$ 2,987,511	$ 3,368,184	$ 3,378,393	$ 3,266,878	$ 3,253,548	$ 3,196,065
Public safety	1,978,286	1,763,428	1,568,950	1,689,385	1,660,752	1,695,470	1,608,651	1,819,317	2,247,713	2,758,987
Public works	5,509,626	5,912,018	6,130,611	5,942,462	5,942,888	5,872,537	6,152,226	7,280,921	9,595,679	8,071,894
Parks and recreation	905,401	999,875	993,003	935,433	966,105	927,648	916,375	884,942	912,682	934,943
Performing arts center	265,246	270,559	250,636	278,161	267,997	274,638	262,696	289,071	288,091	193,275
Recreation center	1,920,327	1,920,572	1,827,796	1,669,614	1,588,369	1,532,690	1,552,083	1,485,382	1,460,396	1,501,587
Education	-	-	-	-	-	-	-	-	777,380	3,010,331
Operating grants and contributions	674,122	561,296	1,941,514	1,193,165	3,070,185	3,349,489	3,274,028	2,758,332	44,118,649	48,287,720
Capital grants and contributions	-	-	870,185	168,069	337,368	559,499	526,768	174,543,318	-	2,535,261
Total government activities revenues	14,141,021	14,325,583	17,278,286	15,596,112	16,821,175	17,580,155	17,671,220	192,328,161	62,654,138	70,490,063
Business-type activities:										
Water and sewer	9,223,712	7,612,974	6,141,851	6,039,052	6,294,620	8,745,547	8,432,753	8,374,269	8,294,446	8,329,734
Operating grants and contributions	1,260,413	429,088	590,610	195,843	233,559	138,595	39,801	41,903	25,090	7,078
Capital grants and contributions	-	-	-	-	462,965	482,843	185,720	184,388	715,368	517,727
Total business-type activities revenues	10,484,125	8,042,062	6,732,461	6,234,895	6,991,144	9,366,985	8,658,274	8,600,560	9,034,904	8,854,539
Total primary government program revenues	$ 24,625,146	$ 22,367,645	$ 24,010,747	$ 21,831,007	$ 23,812,319	$ 26,947,140	$ 26,329,494	$ 200,928,721	$ 71,689,042	$ 79,344,602

(Continued)

CITY OF BARTLETT, TENNESSEE

CHANGES IN NET POSITION

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (expense)/revenue										
Governmental activities	$ (28,215,456)	$ (32,164,960)	$ (34,625,691)	$ (40,477,528)	$ (38,234,543)	$ (38,395,902)	$ (39,957,487)	$ 127,034,105	$ (65,363,248)	$ (70,319,875)
Business-type activities	3,802,747	1,180,315	(485,193)	(1,640,553)	(284,320)	1,858,268	1,043,488	1,193,478	1,340,641	994,538
Total primary government net expense	$ (24,412,709)	$ (30,984,645)	$ (35,110,884)	$ (42,118,081)	$ (38,518,863)	$ (36,537,634)	$ (38,913,999)	$ 128,227,583	$ (64,022,607)	$ (69,325,337)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	$ 15,189,418	$ 14,823,724	$ 17,570,811	$ 18,083,999	$ 17,819,265	$ 17,781,386	$ 18,103,072	$ 19,151,409	$ 40,991,528	$ 41,285,648
Local sales taxes	11,346,090	11,447,876	10,362,031	10,240,841	10,583,911	11,288,513	14,231,775	15,356,572	23,933,578	23,068,693
Intergovernmental/unrestricted	5,472,144	5,910,366	4,050,633	5,246,434	4,072,733	4,691,816	4,731,793	4,957,503	5,588,354	9,073,388
Interest on investments	1,000,014	801,765	229,974	83,058	108,663	95,808	73,821	36,503	29,213	30,646
Gain (Loss) on sale of assets	8,083	52,947	22,051	18,301	-	-	-	28,391	22,372	(111,182)
Other	334,463	276,917	396,481	462,593	422,661	1,964,827	500,009	350,473	505,241	114,923
Transfers	249,537	311,553	321,033	300,184	303,835	296,566	292,163	308,367	605,061	571,666
Total government activities	33,599,749	33,625,148	32,953,014	34,435,410	33,311,068	36,118,916	37,932,633	40,189,218	71,675,347	74,033,782
Business-type activities:										
Interest on investments	321,719	265,884	97,117	45,045	32,995	25,379	20,823	11,881	5,170	9,822
Other	-	-	1,016	2,913	-	6,009	-	-	1,987	6,638
Transfers	(249,537)	(311,553)	(321,033)	(300,184)	(303,835)	(296,566)	(292,163)	(308,367)	(605,061)	(571,666)
Total primary government	$ 33,671,931	$ 33,579,479	$ 32,730,114	$ 34,183,184	$ 33,040,228	$ 35,853,738	$ 37,661,293	$ 39,892,732	$ 71,077,443	$ 73,478,576
Change in Net Position										
Governmental activities	5,384,293	1,460,188	(1,672,677)	(6,042,118)	(4,923,475)	(2,276,986)	(2,024,854)	167,223,323	6,312,099	3,713,907
Business-type activities	3,874,929	1,134,646	(708,093)	(1,892,779)	(555,160)	1,593,090	772,148	896,992	742,737	439,332
Total primary government	$ 9,259,222	$ 2,594,834	$ (2,380,770)	$ (7,934,897)	$ (5,478,635)	$ (683,896)	$ (1,252,706)	$ 168,120,315	$ 7,054,836	$ 4,153,239

CITY OF BARTLETT, TENNESSEE

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund										
Reserved	$ 509,527	$ 412,714	$ 463,388	$ 403,937	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	11,987,145	14,752,382	14,993,801	16,082,051	-	-	-	-	-	-
Nonspendable	-	-	-	-	213,718	187,260	207,569	249,296	228,952	206,905
Restricted	-	-	-	-	-	-	14,664	16,199	17,332	18,651
Committed	-	-	-	-	-	1,100,000	1,000,000	1,000,000	1,756,561	1,000,000
Assigned	-	-	-	-	1,777,509	797,474	905,070	211,416	161,226	76,021
Unassigned	-	-	-	-	15,684,006	16,655,499	21,768,560	24,211,101	26,496,930	27,562,053
Total General Fund	$ 12,496,672	$ 15,165,096	$ 15,457,189	$ 16,485,988	$ 17,675,233	$ 18,740,233	$ 23,895,863	$ 25,688,012	$ 28,661,001	$ 28,863,630
All other governmental funds										
Reserved	$ 5,197,034	$ 3,538,529	$ 4,462,446	$ 3,208,614	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	2,196,379	2,624,208	2,432,421	1,981,071	-	-	-	-	-	-
Solid waste fund	-	-	549,162	999,772	-	-	-	-	-	-
Capital projects fund	2,717,766	4,581,609	2,553,729	5,078,724	-	-	-	-	-	-
Nonspendable	-	-	-	-	3,500	-	-	-	100,013	163,796
Restricted	-	-	-	-	8,142,957	6,047,897	6,986,500	9,052,040	13,117,429	24,033,178
Committed	-	-	-	-	1,072,950	1,523,263	904,127	671,538	560,760	462,835
Assigned	-	-	-	-	3,362,502	7,055,831	7,252,608	5,699,177	5,650,519	6,771,591
Unassigned	-	-	-	-	(21,503)	(17,422)	-	-	-	-
Total all other governmental funds	$ 10,111,179	$ 10,744,346	$ 9,997,758	$ 11,268,181	$ 12,560,406	$ 14,609,569	$ 15,143,235	$ 15,422,755	$ 19,428,721	$ 31,431,400
Total governmental funds	$ 22,607,851	$ 25,909,442	$ 25,454,947	$ 27,754,169	$ 30,235,639	$ 33,349,802	$ 39,039,098	$ 41,110,767	$ 48,089,722	$ 60,295,030

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)

Revenues	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Taxes										
Property taxes	$ 13,982,802	$ 17,076,772	$ 17,214,579	$ 17,963,040	$ 17,976,858	$ 17,767,922	$ 18,441,025	$ 19,156,626	$ 41,047,854	$ 41,565,572
Local sales taxes	11,346,090	11,447,876	10,362,031	10,240,841	10,491,343	11,288,513	14,231,775	15,356,572	23,933,578	26,337,729
Intergovernmental	5,472,144	5,910,366	5,389,404	5,246,434	5,550,454	6,296,770	6,326,051	6,477,269	43,537,763	45,630,720
Licenses and permits	2,022,104	1,649,327	1,425,783	1,479,812	1,512,694	1,532,178	1,477,028	1,591,717	1,705,373	1,698,105
Charges for services	9,001,671	9,719,205	9,912,159	9,636,103	9,499,172	9,329,329	9,563,056	10,679,567	12,901,463	13,685,642
Fines, forfeitures and penalties	1,688,409	1,623,563	2,057,354	1,987,336	1,827,808	1,932,544	1,934,970	1,767,846	1,618,173	1,480,555
Federal and state grants	485,233	381,503	224,465	777,551	2,051,424	2,175,900	1,703,270	1,205,191	6,188,421	8,294,670
Donations	90,889	30,656	21,528	15,715	13,226	12,400	14,670	23,366	33,570	111,776
Interest on investments	931,673	750,659	220,482	82,278	106,933	95,772	73,814	36,503	29,213	30,646
Program income	-	-	-	-	-	-	-	-	505,241	442,421
Other	334,463	276,917	396,481	462,593	339,138	1,897,652	495,267	350,473	575,805	2,558,994
Total revenues	45,355,478	48,866,844	47,224,266	47,891,703	49,369,050	52,328,980	54,260,926	56,645,130	132,076,454	141,836,830
Expenditures										
General government	5,749,891	5,967,027	5,992,322	6,314,723	5,921,099	6,360,953	6,871,755	7,259,574	7,083,713	7,348,641
Public safety	17,827,289	19,150,132	20,399,914	21,050,533	21,504,877	22,191,861	22,878,768	23,573,426	23,858,657	24,292,717
Public works	10,953,524	11,894,956	11,501,238	10,481,199	12,242,078	10,569,373	12,252,056	12,162,351	12,141,119	13,943,561
Parks and recreation	3,174,928	3,356,605	3,834,751	3,298,906	3,554,826	3,381,304	3,297,743	3,445,809	3,578,079	3,761,631
Performing arts center	525,744	549,875	539,899	579,361	562,989	558,610	543,778	622,298	546,657	561,926
Recreation center	1,353,908	1,431,086	1,437,412	1,425,701	1,448,045	1,513,102	1,490,018	1,544,921	1,528,253	1,638,717
Education	-	-	-	-	-	-	-	1,444,226	69,875,388	74,570,641
Debt Service										
Principal	2,294,860	2,367,190	2,520,800	2,562,180	2,394,850	2,112,330	2,814,000	3,339,000	3,993,038	5,203,158
Interest	927,552	982,739	972,113	931,908	910,148	864,423	807,602	789,595	799,912	857,787
Bond issuance cost	40,631	53,141	13,851	59,866	103,204	63,812	125,193	101,551	9,525	103,337
Other	-	-	-	-	-	-	-	198,904	-	-
Capital Outlay	4,998,447	4,469,523	1,576,513	2,403,481	3,746,887	5,553,028	5,025,385	3,933,151	4,053,692	8,043,565
Total expenditures	47,846,774	50,222,274	48,788,813	49,107,858	52,389,003	53,168,796	56,106,298	58,414,806	127,468,033	140,325,681
Excess (deficiency) of revenues over (under) expenditures	**(2,491,296)**	**(1,355,430)**	**(1,564,547)**	**(1,216,155)**	**(3,019,953)**	**(839,816)**	**(1,845,372)**	**(1,769,676)**	**4,608,421**	**1,511,149**

CITY OF BARTLETT, TENNESSEE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other financing sources (uses)										
Transfers in	1,949,007	3,453,333	2,104,194	2,241,196	1,762,329	2,620,929	2,453,623	3,862,953	5,341,403	8,757,452
Transfers out	(1,699,470)	(3,141,780)	(1,783,161)	(1,941,012)	(1,458,494)	(2,324,363)	(2,161,460)	(3,554,586)	(4,736,342)	(8,185,786)
Debt Proceeds-General Obligation	3,408,000	2,955,001	766,968	3,189,588	5,085,000	3,376,500	4,890,000	3,304,445	1,743,101	9,104,000
Refunding bond issued	-	-	-	-	3,315,000	1,860,000	6,275,000	2,510,000	-	-
Premium (Discount) on bond issued	12,726	(827)	-	7,304	115,971	157,460	612,570	225,221	-	895,732
Payment to refunded bond escrow agent	-	-	-	-	(3,329,241)	(1,885,494)	(6,590,897)	(2,535,079)	-	-
Capital leases			-	-	-	-	-	-	-	-
Sale of capital assets	16,442	52,947	22,051	18,301	10,858	148,947	89,269	28,391	22,372	122,761
Total other financing sources (uses)	3,686,705	3,318,674	1,110,052	3,515,377	5,501,423	3,953,979	5,568,105	3,841,345	2,370,534	10,694,159
Net change in fund balances	$ 1,195,409	$ 1,963,244	$ (454,495)	$ 2,299,222	$ 2,481,470	$ 3,114,163	$ 3,722,733	$ 2,071,669	$ 6,978,955	$ 12,205,308
Debt Service as a percentage of noncapital expenditures	**7.5%**	**7.3%**	**7.6%**	**7.6%**	**6.7%**	**5.9%**	**6.9%**	**7.5%**	**3.9%**	**4.6%**

CITY OF BARTLETT, TENNESSEE

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

	Real Property								
	Residential Property	Farm Property	Commercial Property	Public Utilities Property	Commercial Personal Property	Total Taxable Assessed Value	Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
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%
2014	790,943,125	3,923,425	292,745,380	11,954,325	49,061,100	1,148,627,355	1.62	4,099,378,236	28.02%
2015	796,465,875	3,922,700	279,411,507	12,181,492	51,606,320	1,143,587,894	1.62	4,097,084,367	27.91%
2016	805,356,975	3,628,475	280,738,592	11,736,707	46,644,450	1,148,105,199	1.62	4,117,440,767	27.88%

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

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

CITY OF BARTLETT, TENNESSEE

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

	(Per $100 of Assessed Valuation)					
	City	County				Total Direct
Fiscal Year	Direct Rate	General Fund	Education	Debt Service	Rural School Bonds	& Overlapping Rates
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
2014	1.62	1.45	2.14	0.79	0.04	6.04
2015	1.62	1.45	2.14	0.78	-	5.99
2016	1.62	1.45	2.14	0.78	-	5.99

Notes:

All property in Shelby County was reappraised for the 2009 and 2013 tax years.
Next reappraisal for property in Shelby County is tax year 2017.
There is no allocation for City Direct Rate property tax rate.

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

CITY OF BARTLETT, TENNESSEE

PRINCIPAL PROPERTY TAX PAYERS

CURRENT AND TEN YEARS AGO

	FY 2016			FY 2007		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Tenet Healthcare Corp.	$ 32,468,153	1	2.83%	$ 18,376,320	2	1.76%
Brother International	31,731,255	2	2.76%	27,072,400	1	2.60%
PASSCO Legends LLC	11,120,000	3	0.97%	8,637,080	4	0.83%
Robinwood Retirement Community	7,161,960	4	0.62%			
WNI/Tennessee LP	6,423,120	5	0.56%	7,017,200	6	0.67%
Bell South Telecommunications	6,393,170	6	0.56%	10,523,231	3	1.01%
UHS of Lakeside INC	6,007,360	7	0.52%	7,562,560	5	0.73%
Kroger Limited Partnership	5,885,000	8	0.51%			
Belvedere Apartments INC	5,240,000	9	0.46%			
Walmart Real Estate Trust	5,203,120	10	0.45%	4,800,000	8	0.46%
Quail Appartments LP				6,300,880	7	0.60%
Lowes Home Centers INC				4,413,280	9	0.42%
Brobel				3,358,480	10	0.32%
Totals	**$ 117,633,138**		**10.25%**	**$ 98,061,431**		**9.40%**

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
2016	18,606,509	18,357,222	98.66%	-	18,357,222	98.66%	249,287
2015	18,542,430	18,129,378	97.77%	332,586	18,461,964	99.57%	80,466
2014	18,622,604	18,197,864	97.72%	377,003	18,574,867	99.74%	47,737
2013	17,002,029	16,197,954	95.27%	774,032	16,971,986	99.82%	30,043
2012	17,016,533	16,375,709	96.23%	617,125	16,992,834	99.86%	23,699
2011	16,959,601	16,416,548	96.80%	528,742	16,945,290	99.92%	14,311
2010	16,889,691	16,222,853	96.05%	657,310	16,880,163	99.94%	9,528
2009	16,512,787	15,188,328	91.98%	1,318,263	16,506,591	99.96%	6,196
2008	16,032,561	15,501,311	96.69%	528,193	16,029,504	99.98%	3,057
2007	13,337,267	12,898,750	96.71%	431,060	13,329,810	99.94%	7,457

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

CITY OF BARTLETT, TENNESSEE

TAXABLE SALES BY CATEGORY

LAST TEN CALENDAR YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Apparel & Accessories	$ 6,185,927	$ 7,795,639	$ 7,927,804	$ 7,236,266	$ 6,964,217	$ 6,552,552	$ 7,320,187	$ 7,219,358	$ 6,908,814	$ 6,426,432
General Merchandise	180,394,277	188,367,395	187,097,170	186,397,564	182,996,084	180,444,412	184,429,439	182,661,578	180,054,366	181,438,039
Food Stores	83,238,510	90,850,188	92,753,194	91,300,913	89,692,964	94,225,750	98,885,240	104,465,717	109,835,482	114,039,735
Eating & Drinking Places	58,237,164	61,878,927	61,383,105	63,744,573	62,454,566	65,120,356	69,029,684	69,991,843	76,407,663	80,766,538
Furniture Stores	19,890,999	19,079,129	17,663,833	11,738,317	12,757,864	14,248,753	13,108,868	14,014,358	14,989,790	14,401,648
Building Materials	83,988,276	120,249,335	58,115,255	44,961,710	46,657,984	45,407,128	45,561,130	47,280,575	48,112,941	48,652,167
MV Dealers & Serv. Stations	35,621,226	40,903,219	42,329,861	38,041,811	40,423,739	41,379,659	44,781,673	46,905,576	45,884,293	49,148,765
Other Retail	64,426,759	66,467,209	64,731,620	61,241,302	55,754,890	57,317,368	61,008,643	58,419,734	59,839,032	68,801,657
All Other Outlets	106,583,418	119,669,533	120,455,100	119,525,964	120,365,454	130,931,521	138,042,558	144,207,920	157,990,801	164,781,784
Total	$ 638,566,556	$ 715,260,574	$ 652,456,942	$ 624,188,420	$ 618,067,762	$ 635,627,499	$ 662,167,422	$ 675,166,659	$ 700,023,182	$ 728,456,765

Source: Tennessee Department of Revenue, Research Division

Note: Figures subject to revision due to amended taxpayer returns.

CITY OF BARTLETT, TENNESSEE

DIRECT AND OVERLAPPING SALES TAX RATES

LAST TEN FISCAL YEARS

Year	City Direct Rate	Shelby County	State of Tennessee
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%
2014	1.625%	1.125%	7.00%
2015	1.625%	1.125%	7.00%
2016	1.625%	1.125%	7.00%

Source: City of Bartlett Finance Department

Note: Local option tax can be changed by referendum up to the maximum allowed by state law - currently 2.75%

CITY OF BARTLETT, TENNESSEE

LOCAL SALES TAX REVENUE BY INDUSTRY

FISCAL YEARS 2007 AND 2016

	Fiscal Year 2007				Fiscal Year 2016			
Sector	**Number of Filers**	**Percentage of Total**	**Tax Liability**	**Percentage of Total**	**Number of Filers**	**Percentage of Total**	**Tax Liability**	**Percentage of Total**
Retail Trade	524	56.83%	$ 12,374,659	82.90%	399	44.63%	$ 15,910,424	78.43%
Services	230	24.95%	1,133,369	7.59%	222	24.83%	1,875,238	9.24%
Manufacturing	42	4.56%	684,198	4.58%	47	5.26%	241,464	1.19%
Wholesale Trade	69	7.48%	529,732	3.55%	50	5.59%	1,604,339	7.91%
Construction	21	2.28%	47,331	0.32%	21	2.35%	94,478	0.47%
Finance Insurance Real Estate	3	0.33%	3,418	0.02%	8	0.89%	592	0.00%
Transportation and Utilites	8	0.87%	73,101	0.49%	4	0.45%	105,274	0.52%
Agriculture	4	0.43%	18,672	0.13%	7	0.78%	26,968	0.13%
Other, Non Classified	21	2.28%	62,047	0.42%	136	15.21%	427,675	2.11%
Total	922	100.00%	$ 14,926,527	100.00%	894	100.00%	$ 20,286,452	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. Changes in local telecommunications sourcing rules in 2003 reduced the number of taxpayers reporting in Transportation and Utilities.
4. Does not include Bartlett's share of county clerk or out-of-state taxpayer amounts.

CITY OF BARTLETT, TENNESSEE

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	Governmental Activities				Business-Type Activities				
Fiscal Year	General Obligation Bonds	General Obligation Note	Capital Note	Capital Lease	Revenue Bonds	Revenue Note	Total Primary Government	Percentage of Personal Income	Per Capita
2007	23,678,733	-	1,867,850	-	15,165,000	-	40,711,583	3.27%	867
2008	24,736,573	-	1,420,660	-	15,272,413	-	41,429,646	3.03%	846
2009	22,681,843	26,468	1,695,360	-	14,405,000	117,452	38,926,123	2.78%	794
2010	22,994,843	953,055	1,076,180	-	14,355,000	203,251	39,582,329	2.73%	808
2011	25,862,312	908,055	1,176,330	-	13,490,000	170,251	41,606,948	2.53%	762
2012	27,166,228	861,055	1,327,500	-	12,410,000	135,251	41,900,034	2.52%	767
2013	29,085,958	812,055	2,097,500	-	12,475,000	99,251	44,569,764	2.68%	816
2014	28,876,934	1,115,001	2,135,000	-	13,053,912	826,000	46,006,847	2.74%	814
2015	26,177,752	1,061,000	2,657,000	535,256	11,809,309	786,000	43,026,317	2.36%	762
2016	29,247,448	1,005,000	3,293,000	2,194,316	10,459,704	744,000	46,943,468	2.50%	831

Notes:

Governmental G.O.Note of $1,005,000 with variable interest rate is for general improvements. Interest rate at 6/30/16 was 0.58%.

Governmental Capital Notes totaled $3,293,000 at June 30, 2016. Four (4) separate notes made up this amount with fixed interest rates ranging from 1.78% to 2.19%. These notes were for equipment purchases in the City's CIP program.

Governmental Capital Leases totaled $2,194,316 at June 30, 2016. These leases were for laptop computers for students enrolled in the Bartlett City School System.

CITY OF BARTLETT, TENNESSEE

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Capital Note	Capital Lease	General Obligation Note	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2007	23,678,733	1,867,850	-	-	25,546,583	0.69%	544
2008	24,736,573	1,420,660	-	-	26,157,233	0.69%	534
2009	22,681,843	1,695,360	-	26,468	24,403,671	0.62%	498
2010	22,994,843	1,076,180	-	953,055	25,024,078	0.60%	511
2011	25,862,312	1,176,330	-	908,055	27,946,697	0.68%	512
2012	27,166,228	1,327,500	-	861,055	29,354,783	0.71%	538
2013	29,085,958	2,097,500	-	812,055	31,995,513	0.78%	586
2014	28,876,934	2,135,000	-	1,115,000	32,126,934	0.78%	569
2015	26,177,752	2,657,000	535,256	1,061,000	30,431,008	0.74%	539
2016	29,247,448	3,293,000	2,194,316	1,005,000	35,739,764	0.87%	633

CITY OF BARTLETT, TENNESSEE

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2016

Name of Government Unit	Debt Outstanding	Percentage Applicable to Bartlett (1)	Overlapping Debt (2)
City Net General Obligation Debt	$ 30,431,008	100.00%	$ 30,431,008
Shelby County	1,005,348,671	6.87%	69,017,748
Totals Direct and Overlapping Debt	**$ 1,035,779,679**		**$ 99,448,756**

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

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

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

The City of Bartlett has no legal debt limit

CITY OF BARTLETT, TENNESSEE

STATEMENT OF DEBT

As of June 30, 2016

General Obligation Bonded Debt:		
Existing G.O. Bonds	$ 27,515,000	
Total Public Improvement Bonded Debt		$ 27,515,000
Existing Water and Sewer Bonds[1]	$ 10,120,000	
Total Water and Sewer Bonded Debt		$ 10,120,000
Total Bonded Debt		37,635,000
Less Self Supporting Debt		(10,120,000)
Net Bonded Debt		$ 27,515,000
Net Overlapping Bonded Debt		$ 68,312,202
Less: Self-Supporting Bonded Debt		-
Net Overlapping Bonded Debt		68,312,202
Bonded Debt Outstanding Including Overlapping Bonded Debt		105,947,202
Net Bonded Debt Outstanding Including Net Overlapping Bonded Debt		$ 95,827,202

	City of Bartlett	**City and Net Overlapping**
Net Direct Debt Per Capita	$ 487	$ 1,696
Total Debt Per Capita	666	1,876
Net Debt / Actual Value	0.67%	2.34%
Total Debt / Actual Value	0.92%	2.59%
Net Debt / Assessed Value	2.42%	8.43%
Total Debt / Assessed Value	3.31%	9.32%

	Bartlett	**Shelby County**
FY 2015 Assessed Value	$1,136,368,492	$ 16,723,901,740
FY 2015 Appraised Value	$4,096,101,300	$ 57,686,419,700
2014 Estimated Population[2]	58,264	938,803

Shelby County's unaudited Net Bonded Debt as of June 30, 2016	$ 1,005,348,671

Bartlett's Assessed Value as a Percentage of Shelby County's Assessed Value: 6.79%

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

[2] Source: U.S. Census Bureau

CITY OF BARTLETT, TENNESSEE

WATER AND SEWER REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year	Utility Service Charges	Less: Operating Expenses (1)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
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	8,658,274	5,162,390	3,495,884	1,181,000	334,159	1,515,159	2.31
2014	8,600,560	4,897,158	3,703,402	1,203,000	309,680	1,512,680	2.45
2015	8,319,536	5,252,452	3,067,084	1,255,000	321,627	1,576,627	1.95
2016	8,336,812	5,330,520	3,006,292	1,362,000	293,949	1,655,949	1.82

(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

Fiscal Year	**Population** (2)		**Personal Income (Thousands of $)**	**Per Capita Personal Income** (4)	**Unemployment Rate** (3)	
2007	46,954	(3)	1,243,614	52,165	3.7%	(5)
2008	49,000		1,366,711	54,778	5.5%	(5)
2009	49,000		1,401,567	57,512	7.4%	(5)
2010	49,000		1,450,510	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)
2014	56,488		1,676,560	62,840	7.0%	(5)
2015	56,488		1,826,608	63,468	5.9%	(5)
2016	56,488		1,874,362	64,103	4.6%	(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

	2016			2007		
Taxpayer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Youth Villages	897	1	3.07%			
Saint Francis Hospital-Bartlett	546	2	1.87%	315	5	1.32%
The City of Bartlett	523	3	1.79%	565	2	2.37%
Covenant Dove	502	4	1.72%			
Brother International\Brother USA	500	5	1.71%	1,000	1	4.19%
Lakeside Behavioral Health	469	6	1.60%			
USDA Cotton Classing Division	450	7	1.54%	400	3	1.68%
Wal-Mart Supercenter	420	8	1.44%	394	4	1.65%
United Parcel Service	275	9	0.94%	275	6	1.15%
Kele Inc.	200	10	0.68%	206	7	0.86%
The Kroger Company				200	8	0.84%
Sam's Wholesale Club				200	9	0.84%
The King's Daughter & Sons Home				160	10	0.67%
Total	4,782		16.35%	3,715		15.58%

Source: Bartlett Chamber of Commerce

CITY OF BARTLETT, TENNESSEE

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Department										
General Fund										
Legislative Board	4	3	3	3	3	3	3	3	3	3
Mayor's Office	12	14	15	15	16	16	15	16	15	15
Finance	14	14	14	13	13	14	13	15	15	16
City Court	11	11	13	11	11	12	12	12	12	12
Personnel	5	4	4	4	4	4	4	4	4	4
Planning	5	4	4	3	3	3	3	4	4	4
Police										
Officers	98	105	110	110	110	108	111	111	113	113
Civilians	33	36	38	38	39	39	38	41	41	41
Fire Services and Ambulance										
Firefighters & Officers	93	94	94	94	93	94	94	96	95	97
Civilians	1	1	1	1	2	2	2	1	1	1
Codes Enforcement	12	12	11	11	9	9	9	10	10	10
Public Works	52	53	54	52	53	53	53	56	59	60
Engineering	11	11	12	10	10	8	8	8	8	7
Parks & Recreation	81	80	78	74	74	76	75	73	73	75
Performing Arts	3	4	3	3	3	3	3	3	3	4
Special Revenue Funds										
General Purpose School Fund	0	0	0	0	0	0	0	0	801	802
Solid Waste Fund	37	38	38	38	38	36	39	41	41	42
Drainage Control Fund	1	1	1	1	1	1	1	1	1	1
Utility Fund										
Administration	11	12	11	11	11	6	7	7	6	7
Water & Wastewater Services	15	15	15	15	15	20	20	20	19	21
Plant Operations	5	5	5	5	5	4	6	5	5	5
Sewer Lagoon	4	4	4	4	3	3	2	4	4	4
Total	508	521	528	516	516	514	518	531	1333	1344

Source: City of Bartlett Finance Department and Personnel Department.

CITY OF BARTLETT, TENNESSEE

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Residential permits issued	344	159	75	99	72	107	139	179	218	216
Commercial permits issued	111	94	71	59	88	93	72	86	80	87
Fire										
Emergency responses	3,663	3,776	3,832	4,178	3,749	4,022	4,322	4,633	4,669	5,009
Structure fires	45	57	42	49	69	56	38	40	48	33
Inspections	3,369	3,449	2,213	2,203	2,277	2,297	3,400	3,242	4,299	3,568
Refuse collection										
Total refuse collected (tons)	44,105	44,824	45,246	56,166	44,606	46,668	45,717	54,110	49,391	52,048
Refuse taken to landfill	26,391	27,015	25,743	25,714	25,161	26,511	27,167	28,128	31,296	30,767
Library										
Volumes in collections	84,666	99,256	102,013	101,158	101,672	102,783	104,537	108,138	107,689	110,740
Total volumes borrowed	302,272	297,581	363,367	359,367	340,156	330,717	313,089	300,081	276,631	273,034
Water										
New connections	475	153	81	66	119	190	171	11	235	269
Water customers	19,741	19,894	19,975	20,041	20,160	20,350	20,521	20,532	20,767	21,036
Sewer										
Sewer customers	18,132	18,444	18,624	18,757	19,098	19,314	19,517	19,266	19,679	19,776

Source: Indicators provided from internal departmental records.

CITY OF BARTLETT, TENNESSEE

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

LAST TEN YEARS

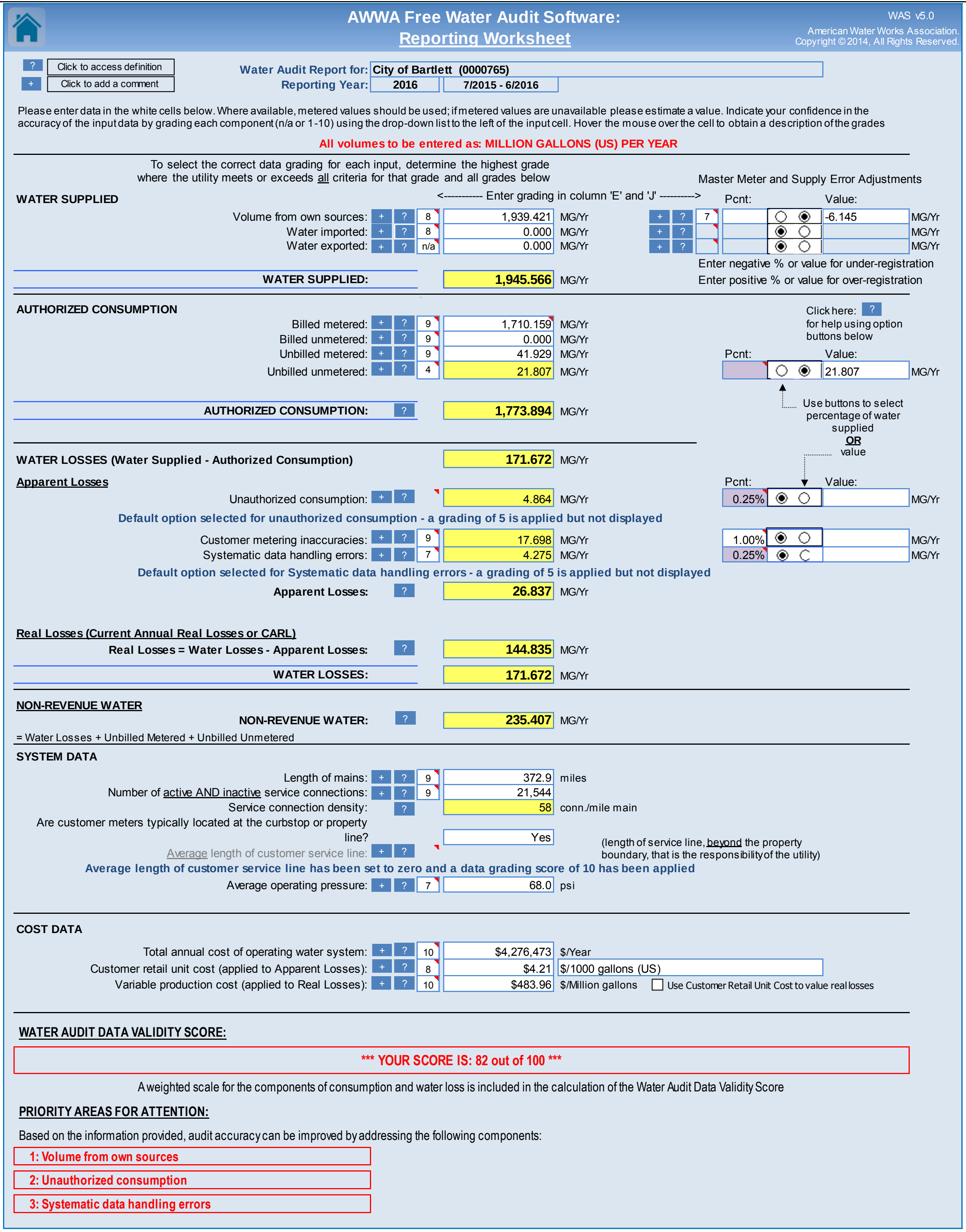
Function/Program	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Police Stations	1	2	2	2	2	2	2	2	2	2
Fire Stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Streets (miles)	268	277	277	277	277	277	301	301	301	301
Parks & Recreation										
Acreage	671	688	706	706	736	736	736	736	736	736
Parks #										
Developed	24	24	24	24	25	25	25	25	25	25
Undeveloped	2	2	3	3	3	3	3	3	3	3
Tennis courts	14	14	14	14	14	14	14	14	14	14
Baseball fields	17	17	17	17	18	18	18	18	18	18
Walking trails(miles)	11	12	12	12	12	12	12	12	12	14
School Buildings	-	-	-	-	-	-	-	11	11	11
Water										
Water lines (miles)	331	370	371	371	371	371	372	372	372	372
Water connections	19,741	19,894	19,975	20,041	20,160	20,350	20,521	20,532	20,767	21,036
Water plants	4	4	4	4	4	4	4	4	4	4
Storage tanks	9	9	9	9	9	10	10	10	10	10
Wastewater										
Sanitary sewers (miles)	313	313	316	349	349	349	353	353	353	353
Sewer connections	18,132	18,444	18,624	18,757	19,098	19,314	19,517	19,266	19,679	19,776

Source: City of Bartlett Functional Departments

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF UNACCOUNTED FOR WATER

June 30, 2016



AWWA Free Water Audit Software:
Reporting Worksheet

WAS v5.0
American Water Works Association.
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Water Audit Report for: City of Bartlett (0000765)
Reporting Year: 2016 7/2015 - 6/2016

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

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

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

<----------- Enter grading in column 'E' and 'J' ---------->

WATER SUPPLIED

	Grade	Value	Unit	Master Meter and Supply Error Adjustments: Grade	Pcnt:		Value:	
Volume from own sources:	8	1,939.421	MG/Yr	7		○ ●	-6.145	MG/Yr
Water imported:	8	0.000	MG/Yr			● ○		MG/Yr
Water exported:	n/a	0.000	MG/Yr			● ○		MG/Yr

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

WATER SUPPLIED: 1,945.566 MG/Yr

AUTHORIZED CONSUMPTION

Click here: ? for help using option buttons below

	Grade	Value	Unit	Pcnt:		Value:	
Billed metered:	9	1,710.159	MG/Yr				
Billed unmetered:	9	0.000	MG/Yr				
Unbilled metered:	9	41.929	MG/Yr				
Unbilled unmetered:	4	21.807	MG/Yr		○ ●	21.807	MG/Yr

Use buttons to select percentage of water supplied OR value

AUTHORIZED CONSUMPTION: 1,773.894 MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption) 171.672 MG/Yr

Apparent Losses

	Grade	Value	Unit	Pcnt:		Value:	
Unauthorized consumption:		4.864	MG/Yr	0.25%	● ○		MG/Yr

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

	Grade	Value	Unit	Pcnt:		Value:	
Customer metering inaccuracies:	9	17.698	MG/Yr	1.00%	● ○		MG/Yr
Systematic data handling errors:	7	4.275	MG/Yr	0.25%	● ○		MG/Yr

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

Apparent Losses: 26.837 MG/Yr

Real Losses (Current Annual Real Losses or CARL)
Real Losses = Water Losses - Apparent Losses: 144.835 MG/Yr

WATER LOSSES: 171.672 MG/Yr

NON-REVENUE WATER
NON-REVENUE WATER: 235.407 MG/Yr
= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

	Grade	Value	Unit
Length of mains:	9	372.9	miles
Number of active AND inactive service connections:	9	21,544	
Service connection density:		58	conn./mile main
Are customer meters typically located at the curbstop or property line?		Yes	
Average length of customer service line:			(length of service line, beyond the property boundary, that is the responsibility of the utility)

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

	Grade	Value	Unit
Average operating pressure:	7	68.0	psi

COST DATA

	Grade	Value	Unit
Total annual cost of operating water system:	10	$4,276,473	$/Year
Customer retail unit cost (applied to Apparent Losses):	8	$4.21	$/1000 gallons (US)
Variable production cost (applied to Real Losses):	10	$483.96	$/Million gallons ☐ Use Customer Retail Unit Cost to value real losses

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:

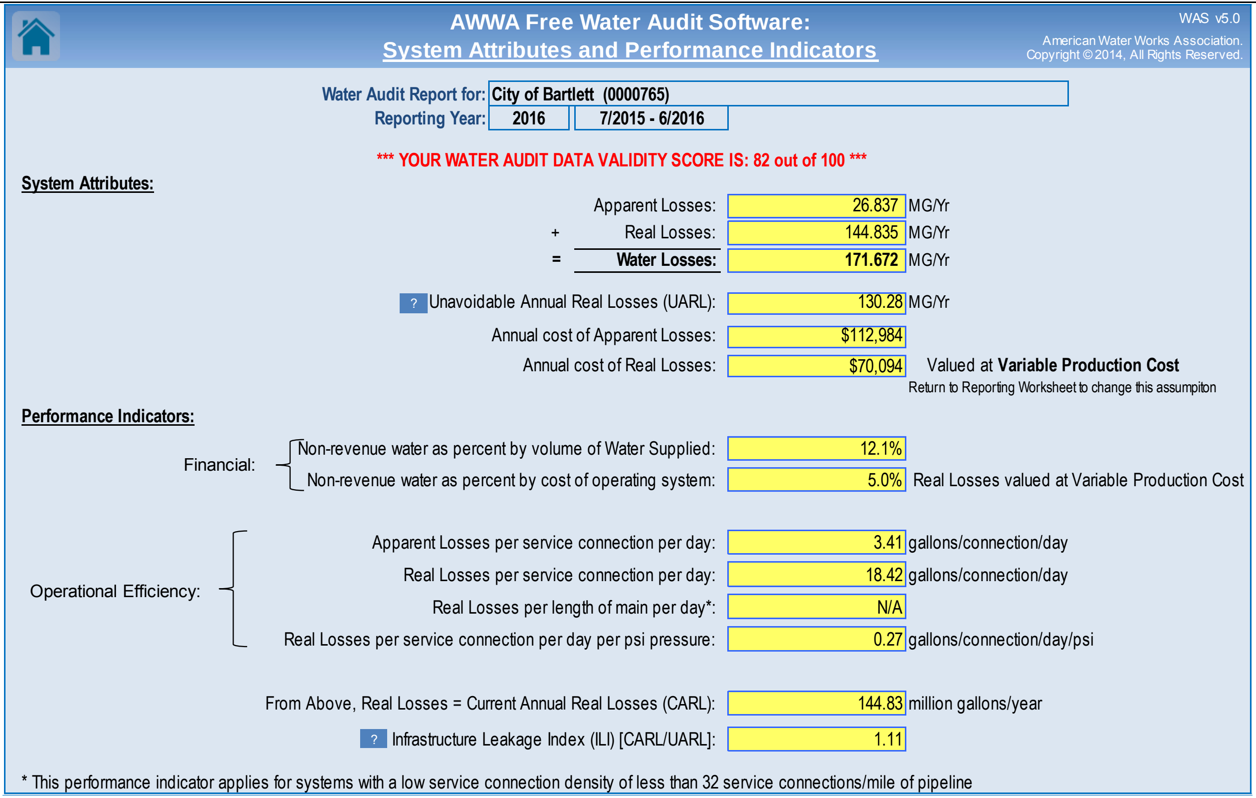
Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Volume from own sources
2: Unauthorized consumption
3: Systematic data handling errors

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF UNACCOUNTED FOR WATER

June 30, 2016



AWWA Free Water Audit Software:
System Attributes and Performance Indicators

WAS v5.0
American Water Works Association.
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Water Audit Report for: **City of Bartlett (0000765)**
Reporting Year: **2016** **7/2015 - 6/2016**

***** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 82 out of 100 *****

System Attributes:

	Apparent Losses:	26.837	MG/Yr
+	Real Losses:	144.835	MG/Yr
=	**Water Losses:**	**171.672**	MG/Yr
	? Unavoidable Annual Real Losses (UARL):	130.28	MG/Yr
	Annual cost of Apparent Losses:	$112,984	
	Annual cost of Real Losses:	$70,094	Valued at **Variable Production Cost** Return to Reporting Worksheet to change this assumpiton

Performance Indicators:

Financial:	Non-revenue water as percent by volume of Water Supplied:	12.1%	
	Non-revenue water as percent by cost of operating system:	5.0%	Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	3.41	gallons/connection/day
	Real Losses per service connection per day:	18.42	gallons/connection/day
	Real Losses per length of main per day*:	N/A	
	Real Losses per service connection per day per psi pressure:	0.27	gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	144.83	million gallons/year
	? Infrastructure Leakage Index (ILI) [CARL/UARL]:	1.11	

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF UTILITY RATES

June 30, 2016

Water **Sewer**

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

Gallons	Base Charge	Volume Charge	Gallons	Base Charge	Volume Charge
First 2,000 gallons	$ 5.80	$ -	First 2,000 gallons	$ 6.19	$ -
Over 2,000 gallons/1,000 gal.	-	1.800	Over 2,000 gallons/1,000 gal.	-	1.640
					-

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

Gallons	Base Charge	Volume Charge	Gallons	Base Charge	Volume Charge
First 2,000 gallons	$ 8.70	$ -	First 2,000 gallons	$ 9.09	$ -
Over 2,000 gallons/1,000 gal.	-	2.700	Over 2,000 gallons/1,000 gal.	-	1.790
					-

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

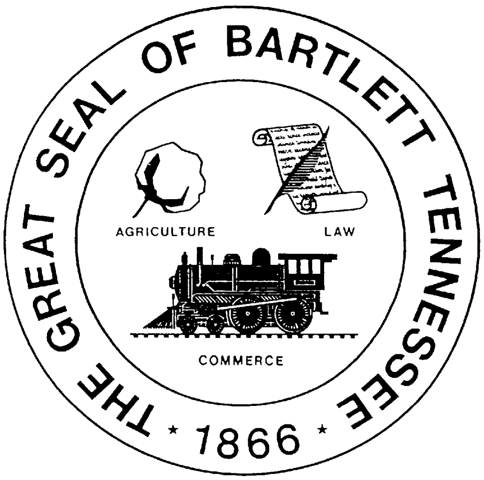
Gallons	Base Charge	Volume Charge	Gallons	Base Charge	Volume Charge
First 2,000 gallons	$ 10.88	$ -	First 2,000 gallons	$ 14.89	$ -
Over 2,000 gallons/1,000 gal.	-	2.100	Over 2,000 gallons/1,000 gal.	-	1.790

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

Gallons	Base Charge	Volume Charge	Gallons	Base Charge	Volume Charge
First 2,000 gallons	$ 15.59	$ -	First 2,000 gallons	$ 22.14	$ -
Over 2,000 gallons/1,000 gal.	-	3.150	Over 2,000 gallons/1,000 gal.	-	1.930

<u>Number of Customers at Year-end:</u>

Water	21,083
Sewer	19,787


THE GREAT SEAL OF BARTLETT TENNESSEE
AGRICULTURE
LAW
COMMERCE
★ 1866 ★

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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 general purpose school fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee (the "City"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 21, 2016

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses: 2016-001, Prior Period Adjustment, and 2016-002, Recording Sales Tax Revenue.

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*.

Response to Finding

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

Purpose of this Report

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

Watkins Uiberall, PLLC

Memphis, Tennessee
December 21, 2016

Watkins Uiberall, PLLC

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Bartlett, Tennessee (the "City")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards,* issued by the Comptroller General of the United States*;* and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Watkins Uiberall, PLLC

Memphis, Tennessee
December 21, 2016

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2016

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. Material weaknesses disclosed during the audit of the financial statements reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in* Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported.
5. The auditor's report on compliance for the major federal award program for the City expresses an unmodified opinion on the major program.
6. There were no audit findings required to be reported in accordance with 2 CFR Section 200.516(a)
7. The program tested as a major program was CFDA number 84.010 Title I Grants to Local Education Agencies.
8. The threshold for distinguishing between Type A and B programs was $750,000.
9. The City qualifies as a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS

2016-001 Prior Period Adjustment

Condition: A prior period adjustment was required to adjust beginning governmental activities net position on the statement of activities related to sales tax revenue for Bartlett City Schools that was not recognized in the prior fiscal year.

Criteria: Internal controls should be in place that provide reasonable assurance that revenue recognition is complete and accurate for financial reporting.

Cause: Management of Bartlett City Schools was not aware of the existence of the unrecognized sales tax revenue and receivable (which pass through Shelby County, Tennessee) until subsequent to the year-end reporting period for the year ended June 30, 2015.

Effect: Beginning governmental activities net position was understated by $730,000.

Recommendation: We recommend that the Bartlett City Schools management review their internal controls to ensure all pass through revenues from Shelby County, Tennessee are appropriately reflected in governmental activities in the correct fiscal year and on a timely basis.

Views of Responsible Officials and Planned Corrective Actions: It was management's understanding that revenue received more than 60 days after the close of the fiscal year should not be accrued since completed CAFR for 2014-15 included only 11 months of sales tax. Assuming that was the appropriate treatment for sales tax, only 11 months were booked for FY 2015-16. Bartlett City Schools notified Watkins Uiberall of the 12th month of sales tax for FY 2014-15 after being told that not recording the June sales tax in FY 2015-16 would result in an audit finding in FY16.

2016-002 Recording Sales Tax Revenue

Condition: An adjusting entry was made to record May and June 2016 sales tax revenue received from Shelby County, Tennessee.

Criteria: Internal controls should be in place that provides reasonable assurance that revenue recognition is complete and accurate for financial reporting.

Cause: Management of Bartlett City Schools was not aware that two months of sales tax was not recorded until subsequent to June 30, 2016.

Effect: An entry was made to record $1,628,000 as due from other governments, $798,000 as unavailable revenue, and $830,000 as revenue.

Recommendation: We recommend that the Bartlett City Schools management review their internal controls to ensure all pass through revenues from Shelby County, Tennessee are appropriately reflected in the funds on a timely basis.

Views of Responsible Officials and Planned Corrective Actions: Following the same procedure as FY 2015, June sales tax was not accrued because it was not received until September 9, 2016, more than 60 days after the close of the fiscal year. This was consistent treatment with the prior year. Management has discussed sales tax accruals with the auditors and it will be accrued properly going forward.

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

NONE

CITY OF BARTLETT, TENNESSEE

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

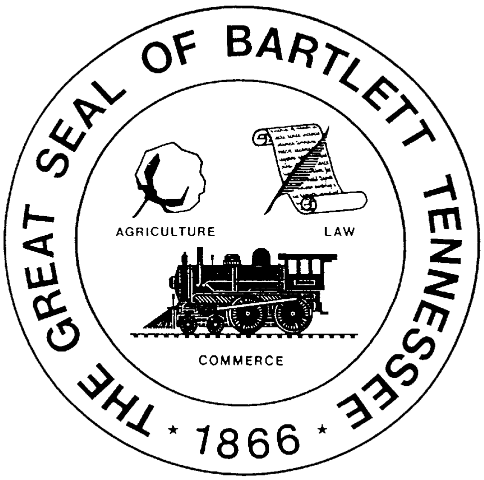
For the Year Ended June 30, 2016

PRIOR YEAR FINDINGS FINANCIAL STATEMENT AUDIT

NONE

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE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