CITY OF BARTLETT
TENNESSEE

1866

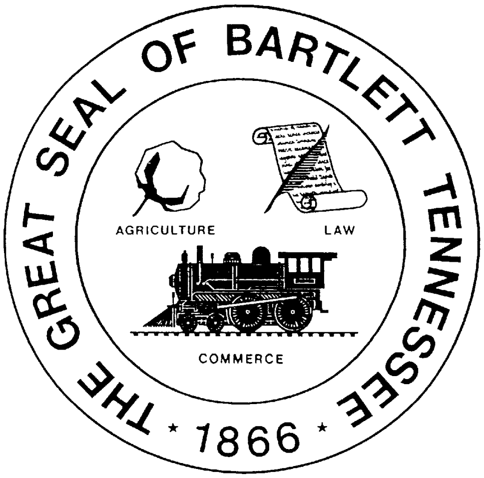
A. Keith McDonald, Mayor

Comprehensive Annual Financial Report
For The Fiscal Year Ended
June 30, 2017

Prepared by the City of Bartlett Finance Department

STATISTICAL INFORMATION SECTION (UNAUDITED)

GOVERNMENT AUDITING STANDARDS SECTION


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

INTRODUCTORY SECTION

City of Bartlett
A. Keith McDonald, Mayor

December 20, 2017

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, 2017, 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 Governmental 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 a 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, 2017 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, 2017. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

The City of Bartlett, incorporated on December 13, 1866, is located in Shelby County in the southwestern part of the state and celebrated its 150 year Sesquicentennial during the 2016 calendar year and 2017 fiscal year. The City currently occupies a land area of 32.30 square miles and serves an estimated population of 58,093. The City is empowered by state statutes to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, either by resolution for annexation by referendum or resolution by referendum by owners consent.

The City of Bartlett operates under a private act charter approved by the state legislature in 1993 and is authorized by charter and state law to operate a municipal school district. Policy-making and legislative authority are vested in a Board of Mayor and Aldermen (BMA) consisting of the Mayor and six Aldermen. The Board, among other things, is responsible for passing ordinances, adopting the budget and appointing committees. The Mayor is responsible for carrying out the policies and ordinances of the Board, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments with confirmation of the BMA. The Board of Mayor and (Six) Aldermen are elected to four-year terms by popular vote. 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 BMA to ensure adequate coverage of operating expenses and retirement of outstanding debt.

The Bartlett City Board of Education provides K-12 education to students within the jurisdiction of the City of Bartlett. The city school system is part of the Government of Bartlett, Tennessee and is reported as a blended component unit and special revenue fund in the City's Comprehensive Annual Financial Report. The Bartlett City Board of Education was created via state statute and local public referendum in the fall of 2013. School enrollment is made up of students residing within the corporate limits of the City. The first full year of instruction began in August 2014. Bartlett city municipal school system has the highest enrollment of students of all the municipal schools systems in Shelby County. Bartlett high school also has the largest grades 9-12 enrollment of any high school in the state of Tennessee. Our superintendent recently received the “Superintendent of the Year Award” and the school system is judged a Tennessee Department of Education Exemplary District.

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

The City administration annually prepares a plan of services for the upcoming fiscal year and the estimated cost of providing those services. All department heads of the City of Bartlett are required to submit requests for appropriation to the Finance Director. Initial requests are reviewed by the Mayor, Chief Administrative Officer, and finance staff. The resulting plan is then reviewed by the Board of Mayor and Aldermen and is formally adopted by the passage of a budget ordinance on three separate readings. The ordinance is adopted by fund, function (e.g. public safety) and department (e.g. police). Department heads may make transfers of appropriations within their department. Transfers of appropriations between departments require the approval of a budget amendment by the BMA. Strict budgetary compliance is maintained by the automated accounting system to assure effective fiscal management and accountability. All requests for purchases are checked by the budgetary control system to assure that funds are available. Purchase orders and contracts are encumbered prior to release to vendors. The system controls are maintained within cost center levels and are basically set up within the Personnel, Operations, and Capital categories. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriation budget has been adopted.

Factors Affecting Financial Condition

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

Local economy

During the fiscal year the City of Bartlett experienced overall growth in the local economy and has made steady growth in housing permits and commercial improvements. The City currently has a state certified population of 56,488, making it the tenth largest city in Tennessee. Projections show the City is expected to grow to over 62,000 by 2020. Current population estimates show Bartlett with 58,093 residents.

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. LA Fitness, a national chain facility for personal fitness is scheduled to open in early 2018. The City has also been able to recruit a Krispy Kreme franchise in the Stage Road/Bartlett Boulevard area which opened during the 2017 fiscal year. The City's retail strategy consultant has continued to assist in the recruitment of retail establishments for future growth. A recent initiative has secured a Chick-fil-A restaurant currently under construction and also expected to open in early 2018.

Retail sales in the fiscal year and the current year show continued growth as the economy has improved. As a measure of the state economy the state sales tax distribution to Bartlett has risen by over 26% in the last five years. Local sales tax collections were up almost 12% during the same time period. During the fiscal year 2017 the City issued 191 permits for new single family residence structures with a value of $46,272,215 for an average of $247,508 per residence. The City also issued 101 permits for commercial construction valued at $32,534,506, up over 67% from the previous year. The median household income in Bartlett is in excess of $62,000 and the city is expected to continue to be the retail center of north Shelby County. Emphasis is being made on bringing more retail establishments into the City.

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

The regional economy continues its steady growth in retail sales. After a 5% growth in sales tax in FY2017, the City has projected a modest 1.2% increase in local sales tax collections for FY2018. Collections from the City's additional ½ cent local sales tax were $4.34 million in FY2017 and projected to grow 4.6% for FY2018. The Board of Mayor and Aldermen has used this revenue source to provide local funding for the operation of the Bartlett Municipal School System, school crossing guards in the police department, maintenance of school property, and 50% salary for a health and safety officer for the city and schools. Property taxes remain a significant portion of the City's revenue source bringing in 47.9% of total revenue for the general fund. Collections remain strong with approximately 98.36% of property tax levy collected during the fiscal year just ended.

Long term capital improvements planning

The Board of Mayor and Aldermen adopts a Capital Improvements Program (CIP) that is a five year plan for capital expenditures to replace and improve the City's infrastructure and equipment. The program is reviewed and updated annually to revise project cost estimates and available revenue sources. Funding for capital improvement projects in the CIP is generally provided through issuance of general obligation and revenue bonds. The City issued $6.55 million in general obligation bonds in FY2017 for the City's FY2017 CIP projects and for the purpose of refunding $940,000 in Series 2009 G.O. debt. CIP projects in the water and sewer fund were funded through reserves in that fund for FY2017. Highlights of the program for 2017-2021 were:

- Road, Street, and Drainage improvement projects totaling $33.8 million to improve access and traffic flow in the City. $22 million of this amount will be for the widening and construction of Old Brownsville West highway while $10 million will be devoted to city wide paving projects.

- Water and Sewer improvements and upgrades totaling $6.7 million which includes water line extensions for Old Brownsville Road and Kirby Whitten, a new water tank, and sewer lines in annexed territory.
- Public safety buildings, parks improvements, vehicles and equipment including police cars, ambulances and fire trucks totaling $20.0 million. Major projects in this category include city hall and justice center renovations, a new city shop for $2.7 million and $4.6 million in improvements to W.J. Freeman Park.
- The City expects these projects to be funded through general obligation and revenue bonds, capital outlay notes, 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 2018 budget includes a budgeted use of $389,303 in fund balances in its special revenue funds and $170,090 in the utility fund. The City ended the 2017 fiscal year with over $28.5 million in General Fund balance. The FY2018 General Fund budget does not require the use of fund balance.

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

Major initiatives

During the year ended June 30, 2017, the City made $10.4 million in capital improvement expenditures including $1,545,986 in city wide overlay and paving projects, $1,203,835 on Fletcher Creek Greenway Phase I, $324,327 on Ellis Road Hill Removal for public safety purposes, $347,586 for fire truck and ambulance, $517,430 on other public safety equipment, and $778,882 on right-of-way for Old Brownsville West, which is scheduled for completion in FY2020 at a total cost of $22,000,000. The city-wide public radio system replacement, begun in FY2015, realized $3,003,661 in expenditures in FY 2017. This project was completed with the final cutover to the new system 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. City hall renovations continued in FY2017 with $602,573 expenditures with plans to spend up to $750,000 over the next three years.

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

A major initiative for the City of Bartlett and Bartlett Municipal Schools is the construction of a new high school. Design and architectural work began in July 2017 with completion scheduled for the summer of 2020. Funding for this initiative will be provided by the issuance of General Obligation bonds as noted below in the long term financial planning portion of this letter. Additional funding for fixtures and equipment will be provided by the Bartlett Municipal School Board. In total, the expected cost of the new high school will exceed $52 million and will be a significant addition to Bartlett's infrastructure and promote excellent education opportunities for area students.

Long term financial planning

The City's 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 2017. On September 19, 2017 the City issued $44,930,000 in general obligation refunding and improvement bonds to fund the various capital improvement projects including the FY2018 budget and to refund portions of the Series 2007 and Series 2009 general obligation bonds. $4,615,000 of bonds were issued for the purpose of financing 2018 CIP projects; $2,005,000 of bonds were issued to refund the Series 2007 and Series 2009 bonds as noted above; and $38,310,000 in bonds were issued to finance a new Bartlett High School with construction started in July 2017. The Bartlett BMA has planned for the retirement of the 2017 Series bonds with an incremental increase in the city's property tax rate and other resources.

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, 2016. This was the 28th 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.

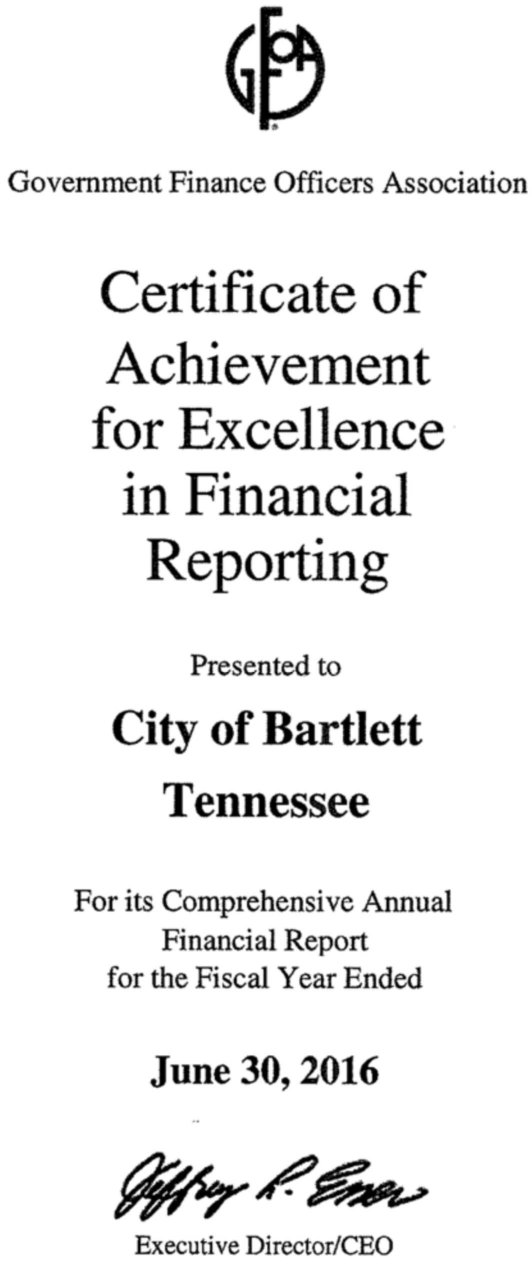
In addition, the City also received the GFOA Distinguished Budget Presentation Award for the 15th straight year for its annual budget document for the fiscal year beginning July 1, 2016. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient 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

CITY OF BARTLETT, TENNESSEE
GOVERNMENT FINANCE OFFICERS ASSOCIATION CERTIFICATE
As of June 30, 2017



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, 2016

Jeffrey R. Esser

Executive Director/CEO

CITY OF BARTLETT, TENNESSEE
ORGANIZATION CHART
June 30, 2017

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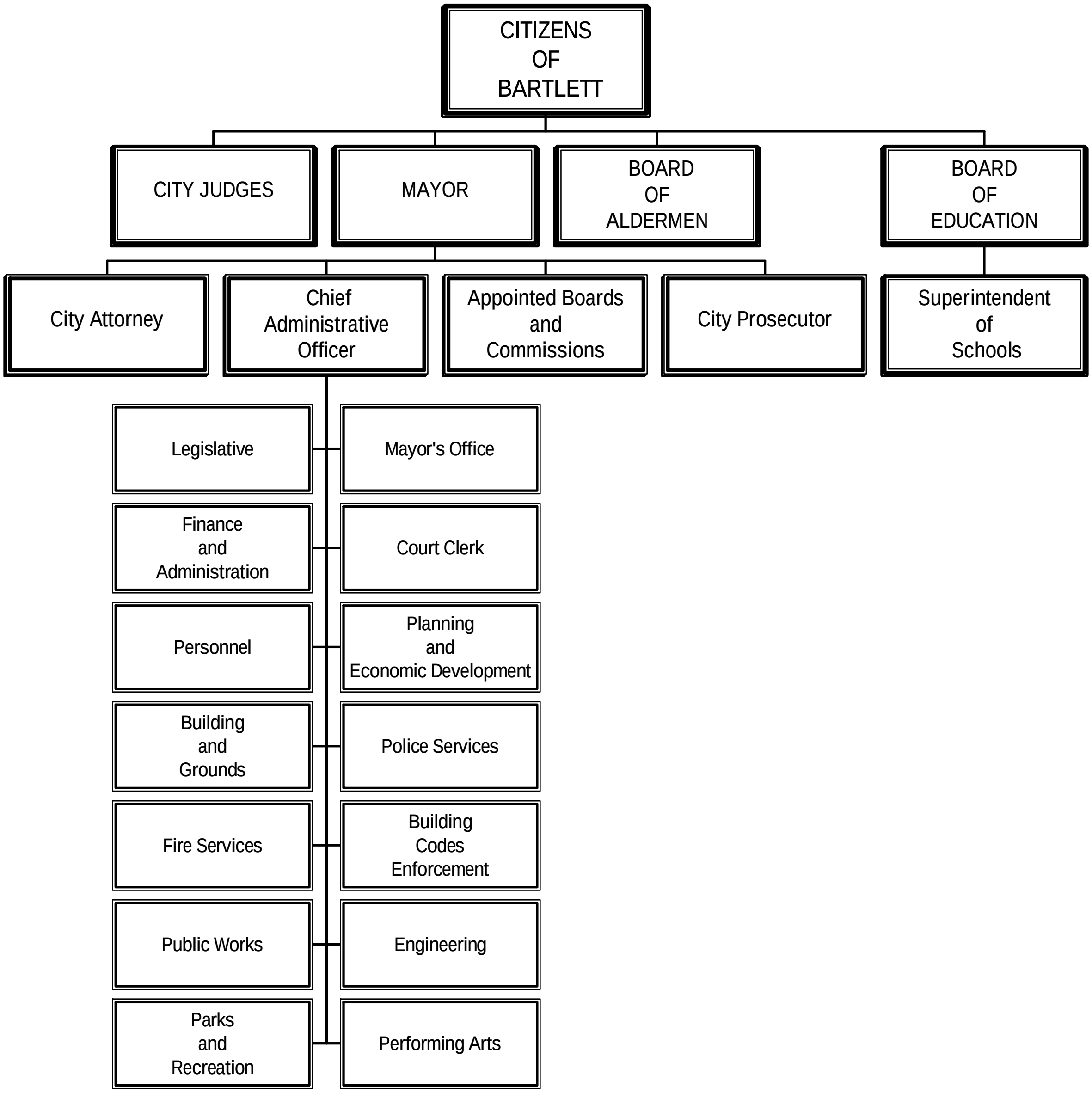


CITY OF BARTLETT, TENNESSEE
CITY AND BOARD OF EDUCATION OFFICIALS
June 30, 2017

MAYOR
A. Keith McDonald (2018*)

ALDERMEN

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

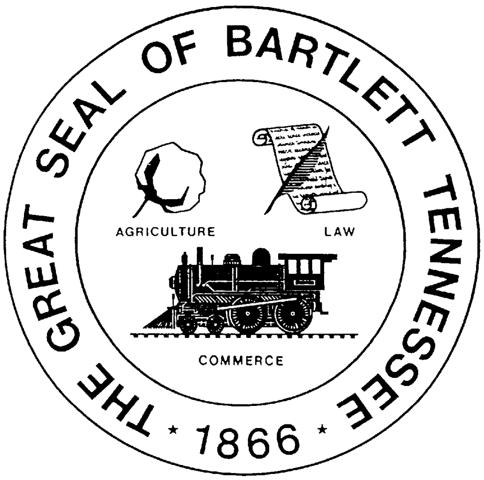
CITY OFFICIALS

Chief Administrative Officer	Mark S. Brown
City Attorney	Edward McKenney Jr.
Director of Finance	Dick Phebus**
Director of Personnel	Ted Archdeacon
Director of Planning and Economic Development	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	Shan Criswell
Director of the Performing Arts Center	Michael Bollinger
Director of Community Relations	Debbie Gelineau
Court Clerk	Bill Lloyd

BOARD OF EDUCATION OFFICIALS

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

* Date elected term expires
** Designated CMFO


THE GREAT SEAL OF BARTLETT TENNESSEE
★ 1866 ★
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COMMERCE

FINANCIAL SECTION

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, 2017, 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, 2017, 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

The City of Bartlett, Tennessee has adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 74, *Financial Reporting for Postemployment Benefit Plans*, in the fiscal year ended June 30, 2017. The implementation of the Statement modified note disclosures related to the City's and School's postemployment benefit plans and added additional required supplementary information schedules. In implementing this standard, the City determined that the fiduciary net position related to the Bartlett City Board of Education other postemployment benefit trust should also be included in the financial statements as a fiduciary fund. We draw attention to Note 1(E), which describes a restatement increasing the beginning net position of the School OPEB Fiduciary Fund by $1,003,398. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The introductory section, supporting schedules, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2017, 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 20, 2017

CITY OF BARTLETT, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2017

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, 2017. 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 $348,953,965 (net position). Of this amount, $20,018,742 (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 $10,822,171, due in large part to increases in capital assets, increases in cash and cash equivalents, and increases in receivables from other governments. These increases were offset slightly by increases in both current and long-term liabilities. Net position increased for governmental activities by $10,250,509 and increased for proprietary activities by $571,662.

- At June 30, 2017, the City's governmental funds reported combined ending fund balances of $66,855,043, an increase of $6,560,013 in comparison with the prior year. Approximately 86.9% of this amount is available for spending at the government's discretion (committed, assigned or unassigned fund balance). At June 30, 2017 unassigned fund balance for the General Fund was $27,106,310, or 61.6% of General Fund expenditures.

- The City's total debt increased by $3,323,802 (7.1%) during the current fiscal year. The City issued $6,550,000 in G.O. debt; $1,127,500 in Capital Outlay Notes; and $3,020,800 in capital lease obligations during the year. The City paid down $5,040,000 in existing general obligation bonds and water revenue bonds plus $680,000 in capital notes and $1,652,673 in capital lease obligations in FY 2017.

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 24-25 of this report.

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

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

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

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

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

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

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

- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, but provide more detail and additional information, such as cash flow analysis. The City uses enterprise funds to account for its Water and Sewer activities.

- Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its health insurance and worker's compensation services. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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 46-48 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 49-50 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 51-103 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 125-148 of this report.

Statistical Information: The statistical section, found on pages 160-182, 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 $348,953,965 at the close of the most recent fiscal year, an increase of $10,822,171, or 3.20 percent, from last year.

The largest portion of the City's net position (93.5%) 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		Totals	
	2017	2016	2017	2016	2017	2016
Current and other assets	$ 105,003,408	$ 89,906,209	$ 15,121,389	$ 14,986,245	$ 120,124,797	$ 104,892,454
Capital assets	298,577,481	287,678,582	66,563,560	66,782,625	365,141,041	354,461,207
Total Assets	403,580,889	377,584,791	81,684,949	81,768,870	485,265,838	459,353,661
Deferred Outflows of Resources	23,595,155	19,556,457	365,731	520,838	23,960,886	20,077,295
Long-term liabilities outstanding	103,762,184	91,866,197	13,954,482	14,964,474	117,716,666	106,830,671
Other liabilities	10,313,090	6,703,567	698,715	538,190	11,011,805	7,241,757
Total Liabilities	114,075,274	98,569,764	14,653,197	15,502,664	128,728,471	114,072,428
Deferred Inflows of Resources	31,505,511	27,226,734	38,777	-	31,544,288	27,226,734
Net Asset						
Invested in capital assets	268,541,209	263,277,473	57,820,422	57,533,711	326,361,631	320,811,184
Restricted	2,573,592	1,500,399	-	-	2,573,592	1,500,399
Unrestricted	10,480,458	6,566,878	9,538,284	9,253,333	20,018,742	15,820,211
Total Net Position	$ 281,595,259	$ 271,344,750	$ 67,358,706	$ 66,787,044	$ 348,953,965	$ 338,131,794

An additional portion of the City's net position (0.74%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($20,018,742) may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2017, 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 $10,480,458 as a component of net position while business-type activities reflected a positive component of $9,538,284. 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 $10,250,509 while business-type activities increased the City's net position by $571,662 resulting in a net increase of $10,822,171. Key elements of this increase are as follows:

- Additions to net position provided by governmental activities include an increase in cash and cash equivalents of $9,069,503, an increase in receivables, including due from other governments, of $6,163,503, and increases in capital assets of $10,898,899. Increases in liabilities and deferred inflows of resources of $19,784,287 offset a portion of the increases in assets and deferred outflows of resources.

- Reductions to net position were caused by increases to long-term debt, pension and OPEB liabilities, and other current liabilities of $14,656,043 and increases to deferred inflows of $4,317,554 from property taxes and pension changes from both governmental activities and business-type activities. The increase in net position for business-type activities was mostly due from a reduction of long-term debt of $1,332,627.

- Depreciation expense of $10,151,397 in governmental activities, including $4,124,072 from education activities, and $2,284,605 in business-type activities was also a factor in the overall change in net position.

Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for services	$ 19,371,379	$ 19,667,051	$ 8,416,266	$ 8,329,734	$ 27,787,645	$ 27,996,785
Operating grants and contributions	51,833,703	48,287,720	-	7,078	51,833,703	48,294,798
Capital grants and contributions	1,415,217	2,535,261	1,108,091	517,727	2,523,308	3,052,988
General Revenues:						
Property taxes	70,063,285	67,294,570	-	-	70,063,285	67,294,570
Intergovernmental	6,142,286	6,133,159	-	-	6,142,286	6,133,159
Interest on investments	64,163	30,646	19,950	9,822	84,113	40,468
Other revenue	261,327	3,741	39,955	6,638	301,282	10,379
Total Revenues	149,151,360	143,952,148	9,584,262	8,870,999	158,735,622	152,823,147
Expenses:						
General government	$ 8,175,577	$ 8,945,508	$ -	$ -	$ 8,175,577	$ 8,945,508
Public safety	29,948,247	28,907,473	-	-	29,948,247	28,907,473
Public works	16,123,280	17,226,976	-	-	16,123,280	17,226,976
Parks and recreation	4,668,957	4,603,219	-	-	4,668,957	4,603,219
Performing arts center	725,909	705,416	-	-	725,909	705,416
Recreation center	1,680,898	1,808,051	-	-	1,680,898	1,808,051
Education	76,913,672	77,495,002	-	-	76,913,672	77,495,002
Interest and fiscal charges	1,227,153	1,118,293	-	-	1,227,153	1,118,293
Water and sewer	-	-	8,449,758	7,860,001	8,449,758	7,860,001
Total Expenses	139,463,693	140,809,938	8,449,758	7,860,001	147,913,451	148,669,939
Increase/(Decrease) in net position before transfers	9,687,667	3,142,210	1,134,504	1,010,998	10,822,171	4,153,208
Transfers	562,842	571,666	(562,842)	(571,666)	-	-
Increase/(Decrease) in net position	10,250,509	3,713,876	571,662	439,332	10,822,171	4,153,208
Net position, July 1, 2016	271,344,750	266,900,874	66,787,044	66,347,712	338,131,794	333,248,586
Prior period adjustment	-	730,000	-	-	-	730,000
Net position, June 30, 2017	$ 281,595,259	$ 271,344,750	$ 67,358,706	$ 66,787,044	$ 348,953,965	$ 338,131,794

Governmental Activities: Current fiscal year revenues and transfers for the City's governmental activities were $149,151,360 compared to $143,952,148 last year. Expenses for the same period were $139,463,693 compared to $140,809,938 last year.

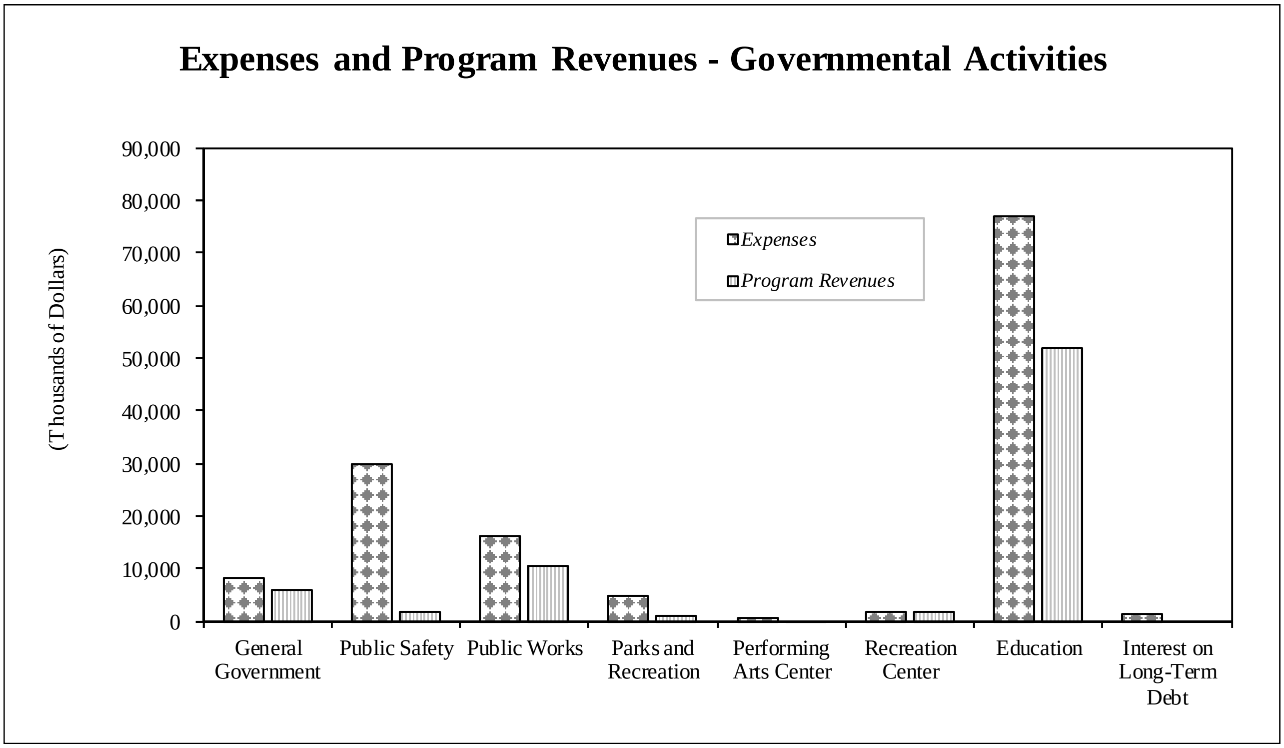
General and program revenue experienced a mixture of increases and decreases for the year; most notable of which are discussed below.

- The single largest source of governmental activity revenue in the prior year, operating grants and contributions, increased $3,545,983 to $51,833,703 in FY 2017. Education operating grants and contributions amounted to $47,814,322 of this amount.
- Capital grants and contributions was $1,415,217 in FY2017 with education activities receiving most of this amount.
- Property taxes increased $2,303,577 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 $513,294 over FY2016 from increased economic activity locally and state-wide.
- Investment income increased $33,517. The interest rates for authorized investments has increased marginally from previous years.

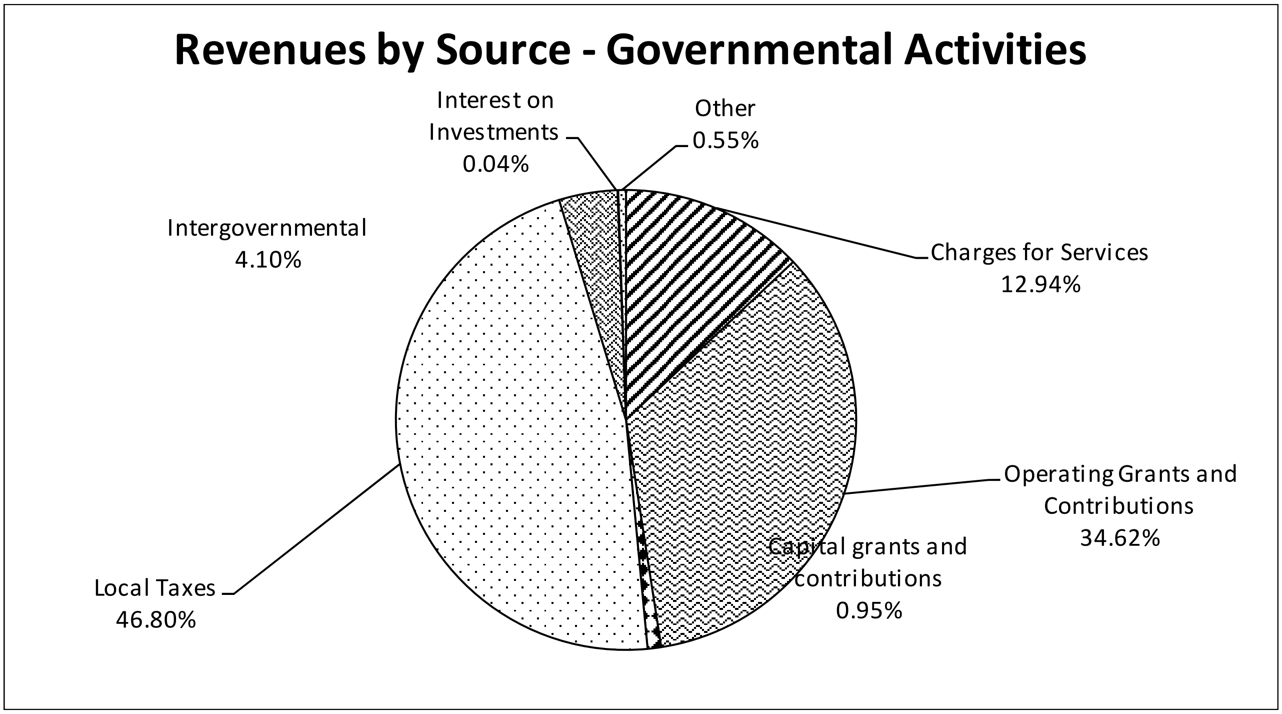
Each area of program revenues is discussed below.

- Charges for services decreased $295,672, or 1.5 percent from the previous year due primarily to decreases in public works and public safety activities.
- Operating grants and contributions increased $3,545,983, 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 decreased $1,120,044 over the previous year, primarily from capital grants for education reduction of $1,053,270 of this amount.

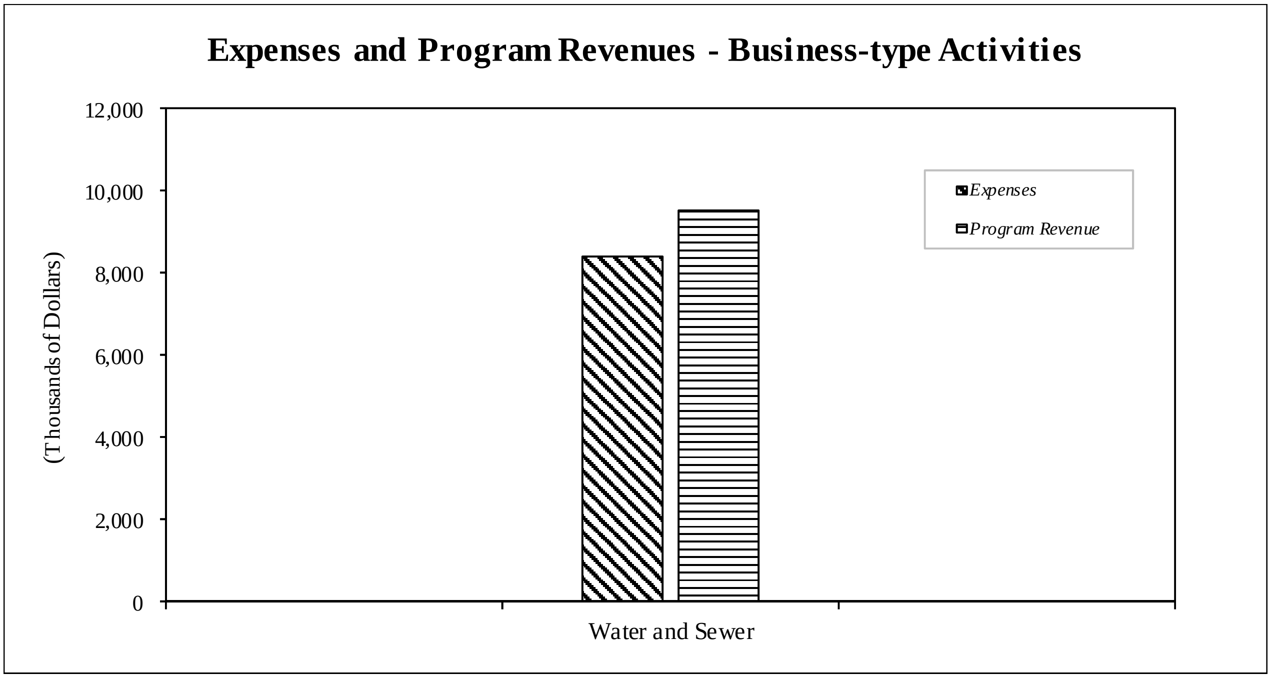
Expenses in governmental activities decreased $1,346,245 from the prior year. Increases in public safety expenses of $1,040,774 were offset by reductions in general government of $769,931; public works $1,103,696; recreation center of $127,153; and education of $581,330. Interest on long-term debt increased $108,860 over the prior year due to interest on capital lease and capital outlay notes issued during the year.

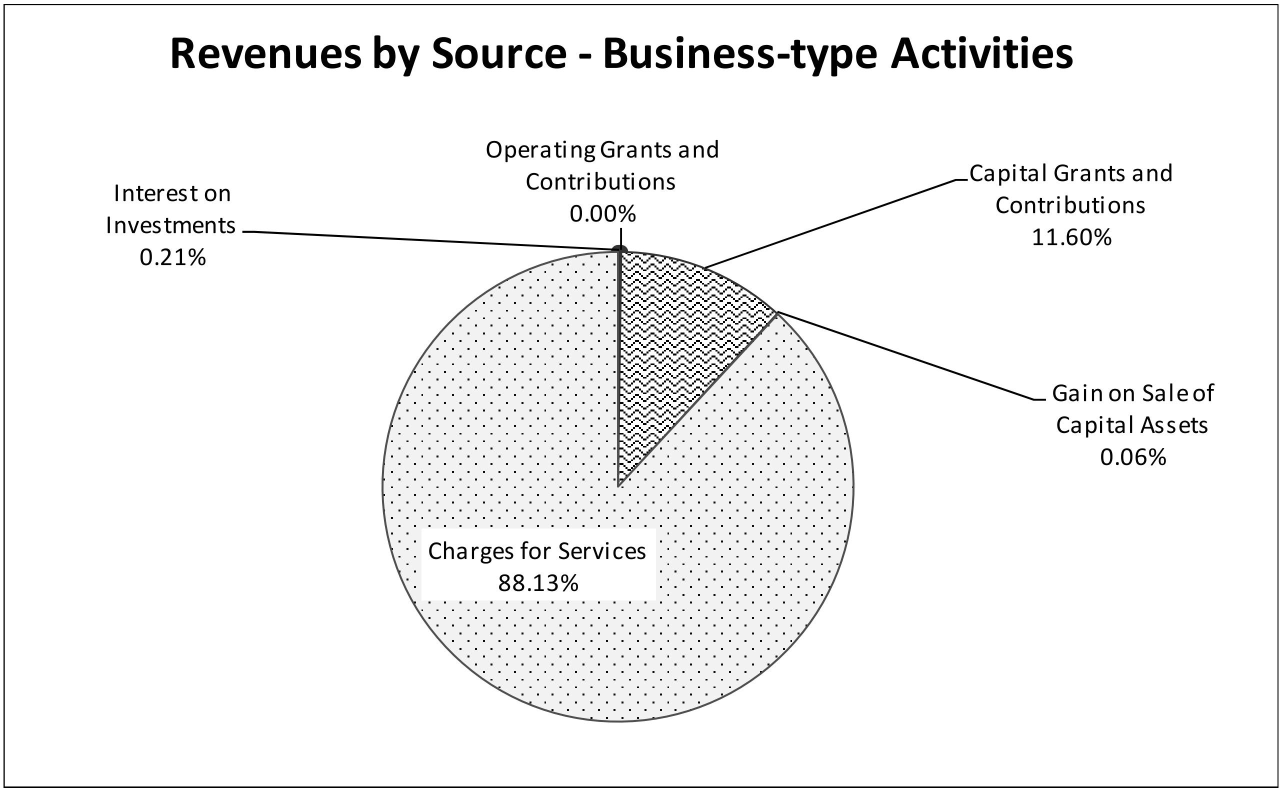


Expenses and Program Revenues - Governmental Activities



Business-type activities: Business-type activities increased the City's net position by $571,662. Charges for services increased slightly from prior year by $86,532; however expenses were $589,757 more than the previous year. Other revenue was $626,731 more than the previous year while transfers to governmental activities were $8,824 less than the previous year resulting in a net change from the prior year of $571,662.





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 $66,855,043, an increase of $6,560,013, in comparison with the prior year. Approximately 40.5% of this total amount ($27,106,310) 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 $27,106,310, while total fund balance reached $28,507,600. Other categories of fund balance for the General Fund were non-spendable ($217,498), restricted ($19,215), committed ($1,000,000) and assigned ($164,577). 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 61.5% of total General Fund expenditures, while total fund balance represents 64.7% of that same amount.

The fund balance of the City's General Fund decreased $356,030 to $28,507,600 during the current fiscal year. Key factors are as follows:

- Total revenues from taxes and other sources were up by $1,230,638 over the previous year. Local sales tax revenues accounted for 15% of this amount while charges for services accounted for approximately 13%. Intergovernmental revenues were up by $223,011 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 decreased $29,992; fines and forfeitures increased $320,269 while licenses and permits accounted for an increase of $144,317. Total revenues, transfers in and other financing sources were $48,719,928 for the fiscal year, an increase of $1,141,443 over the previous year.

- Expenditures for current activity in the General Fund increased by $2,064,186 with general government and public safety expenditures accounting for 82.0% of this increase. Other current activities combined for a net increase of $371,762. 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 $4,087,389 compared to a net financing use of $4,362,278 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 $49,075,958.

The general purpose school fund focuses on providing educational instruction for students enrolled in the City's municipal school system. At June 30, 2017 the fund had a fund balance of $24,040,338 which is restricted for educational expenditures. During the year, the fund had revenues of $75,959,934 from three major categories; property taxes ($23,523,102); local sales taxes ($9,361,525); and intergovernmental revenue ($41,387,004), which represents state of Tennessee education funding and Shelby County, Tennessee property and other tax allocations. The fund had expenditures of $70,946,985. Educational instruction accounted for $68,644,737 while debt service principal and interest on capital lease amounted to $2,302,248. Other financing sources and uses were comprised of issuance of capital lease ($3,020,800), and transfers in from the City's general fund ($2,389,962).

The capital projects fund focuses on revenues and expenditures for the acquisition, construction, and improvements of capital assets and infrastructure within the city. Revenues for the fund in FY2017 consisted of interest on investments and miscellaneous receipts of $44,996. Other finances resources consisted of $6,706,450 debt issuance and $205,667 premium on bonds issued. Expenditures on capital outlay projects totaled $10,524,743, consisting of city wide overlay projects, greenway projects, and parks and recreation projects. The results of activity in the capital projects fund was a decrease of $701,649 in fund balance to $8,428,872 at June 30, 2017.

Proprietary funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As the City completed the fiscal year its proprietary funds, which include both an enterprise fund and an internal service fund, had a combined net position of $67,358,706.

Unrestricted net position for the Water and Sewer fund at the end of the year amounted to $9,814,549. The total increase in net position for the Water and Sewer fund was $682,332. 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 $118,200. This was due to receipt of $118,200 in state grants for certified police and firemen. The difference between the original and final budget for expenditures increased by $166,886. General government budget was decreased by $104,610 mostly from professional services; public safety budget was increased by $146,796 due to salary supplements received from the state of Tennessee and miscellaneous charges in the fire department; public works was increase by $78,996 for grounds maintenance and animal control equipment; parks increased by $42,534 mostly for capital outlay; performing arts center increased $2,372 and recreation center increased $798. Transfers out to the City's capital projects fund was increased by $1,160,944 for purchase of land for Tennessee College of Applied Technology ($1,000,000) and for Bartlett school capital project expenditures.

- The General Fund revenues were $310,446 less than budgeted. The variance was due in part to local property, sales and other local tax collections falling short of the budget by $476,426. Intergovernmental revenue collections from the state of Tennessee exceeded the budget by $80,286. Building permits and other licenses were $116,222 more than budgeted. Charges for services were $30,358 less than budgeted projections while fines and penalties from the City's court system came in at $37,516 less than expected. Federal grants, donations, and interest on investments more $46,785 more than budgeted while other resources fell short of the budget amounts by $59,439. The city had estimated a planned use of fund balance of $1,133,607; however $0 of fund balance was used.

- General Fund expenditures were less than budgeted by $1,297,147. City department heads strive to control costs within the respective departments. The largest positive variance was in General Government of $441,977 while Parks and Recreation had a positive variance of $346,577. Cost savings were also achieved in Public Works of $236,511, Public Safety of $180,279, Performing Arts Center of $51,750, and Recreation Center of $40,053. The City's final budget projected a net reduction in fund balance of $76,023. Actual operations resulted in a use of fund balance of $356,030, or a negative variance in budget to actual of $280,007.

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, 2017 amounts to $365,141,041 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, roads, highways, construction in progress, and other infrastructure. The total increase in City's investment in capital assets for the current fiscal year was $10,679,834. Depreciation expense for the year was $12,436,002; $9,349,355 from buildings, improvements and infrastructure and $3,086,647 from equipment and vehicles.

	Governmental Activities		**Business-Type Activities**		**Totals**	
	2017	2016	2017	2016	2017	2016
Land	$ 12,707,862	$ 11,603,550	$ 1,376,444	$ 1,358,438	$ 14,084,306	$ 12,961,988
Buildings and improvements	190,795,351	190,999,728	86,601	41,921	190,881,952	191,041,649
Improvements other than buildings	4,063,233	1,905,414	62,144,848	63,071,066	66,208,081	64,976,480
Machinery and equipment	11,410,235	4,130,841	1,296,006	1,198,719	12,706,241	5,329,560
Vehicles	6,090,499	6,018,858	-	-	6,090,499	6,018,858
Infrastructure	68,680,556	68,539,499	-	-	68,680,556	68,539,499
Construction in progress	4,829,745	4,480,692	1,659,661	1,112,481	6,489,406	5,593,173
Total capital assets, net	$ 298,577,481	$ 287,678,582	$ 66,563,560	$ 66,782,625	$ 365,141,041	$ 354,461,207

Governmental activities saw an increase of $21,055,664 in acquisition of land, buildings, equipment, vehicles, and infrastructure during FY2017 with $853,759 in retirements. Business-type activities saw an increase of $2,089,761 in capital asset acquisitions with $85,537 in retirements. Additional information can be found in note 3(D) of this report.

Long-term debt: At the end of the current fiscal year, the City had total debt outstanding of $50,267,270. Of this amount $40,396,193 comprises debt backed by the full faith and credit of the government and capital outlay notes and $9,871,077 represents bonds secured primarily by a specified revenue source with a full faith and credit pledge.

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
General obligation bonds	$ 32,045,250	$ 29,247,448	$ -	$ -	$ 32,045,250	$ 29,247,448
Capital outlay note	3,842,500	3,293,000	-	-	3,842,500	3,293,000
General obligation note	946,000	1,005,000	-	-	946,000	1,005,000
Capital lease	3,562,443	2,194,316	-	-	3,562,443	2,194,316
Revenue bonds	-	-	9,170,077	10,459,704	9,170,077	10,459,704
Revenue note	-	-	701,000	744,000	701,000	744,000
Total debt	$ 40,396,193	$ 35,739,764	$ 9,871,077	$ 11,203,704	$ 50,267,270	$ 46,943,468

The City's total debt increased $3,323,802 or 7.1 percent during the current fiscal year. The City issued $6,550,000 in general obligation bonds during the year to fund the FY17 Capital Projects Program. The City also issued $1,127,500 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 $5,720,000 in debt through retirement of general obligation bonds, capital outlay notes, and revenue bond payments.

The City maintains an "AAA" rating from Standard & Poor's and an "Aa1" rating from Moody's for general obligation debt and water and sewer revenue debt. 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 3(E) 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 2018 fiscal year are discussed fully in the budget document and include:

- The City uses conservative revenue forecasts for budgeting purposes. The primary source of funds remains property taxes. The potential impact of economic conditions in the area has been taken into consideration in projecting resources.
- Property tax revenues were projected to increase approximately 24.8% due to an increase in the property tax rate plus overall growth in the tax base. The property tax rate for FY2018 is set at $1.83 per hundred of assessed valuation. The housing market in Bartlett has rebounded 170% since 2010, providing a 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 FY2018 increases in sales tax revenues FY2017 levels.
- Current service levels have been maintained in the General Fund in FY2018 by matching revenues and other financing sources to total expenditures. Additional full-time and part-part-time codes inspectors, six new police officers, and six new paramedics will be used to increase needed services in public safety activities.
- The City is continuing to monitor operations of its Water/Sewer Fund to determine if increased user fees or cost containment measures should be initiated in the near term.

- Bartlett City schools have been in operation for three full years. A new high school is now under construction. The City has issued $39 million in General Obligations Bonds to partially fund this project. A portion of the increased property tax revenues due to the tax increase will be designated for the repayment of bond principal and interest on the debt.
- The adopted budget for the Bartlett Municipal School System is $76.5 million in FY2018. The system operates 11 schools with projected enrollment of 8,300 students.
- The City adopted a General Fund operating budget of $52.7 million for FY2018 which is a $4.9 million increase from the FY2017 General Fund budget of $47.8 million. There is no scheduled use of unassigned fund balance in FY2018.

At June 30, 2017 the unassigned fund balance in the General Fund was $27,106,310

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, 2017, Fiscal Year 2017 and 2018 Budget Reports and other information about the City may be found on the City's website at www.cityofbartlett.org, as part of the City's commitment to transparency and our continuing usage of advancing technology and e-commerce.

CITY OF BARTLETT

TENNESSEE

BASIC FINANCIAL STATEMENTS

CITY OF BARTLETT, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activity	Total
ASSETS			
Cash and cash equivalents	$ 67,960,155	$ 14,558,183	$ 82,518,338
Receivables			
Taxes	24,663,257	-	24,663,257
Accounts receivable	4,119,984	866,971	4,986,955
Other	534,551	-	534,551
Less allowance for doubtful accounts	(2,918,507)	(32,423)	(2,950,930)
Due from other governments	9,863,608	-	9,863,608
Internal balances	276,265	(276,265)	-
Inventories	227,129	-	227,129
Prepaid items	121,060	4,923	125,983
Capital assets, not being depreciated	17,537,607	3,036,105	20,573,712
Capital assets, being depreciated, net	281,039,874	63,527,455	344,567,329
Net pension asset	155,906	-	155,906
Total assets	403,580,889	81,684,949	485,265,838
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	23,324,618	210,045	23,534,663
Deferred charge on refunding	270,537	155,686	426,223
Total deferred outflows of resources	23,595,155	365,731	23,960,886
LIABILITIES			
Accounts payable and accrued liabilities	5,472,486	401,584	5,874,070
Accrued interest payable	329,305	73,328	402,633
Accrued payroll	3,508,928	-	3,508,928
Unearned revenue	1,002,371	204,000	1,206,371
Noncurrent liabilities:			
Due within one year	6,113,890	1,084,803	7,198,693
Due in more than one year	42,600,378	8,922,094	51,522,472
Net pension liability	32,465,699	1,701,065	34,166,764
Net OPEB obligation	22,582,217	2,266,323	24,848,540
Total liabilities	114,075,274	14,653,197	128,728,471
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	23,257,365	-	23,257,365
Related to pension	8,248,146	38,777	8,286,923
Total deferred inflows of resources	31,505,511	38,777	31,544,288
NET POSITION			
Net investment in capital assets	268,541,209	57,820,422	326,361,631
Restricted for:			
Net pension asset	155,906	-	155,906
Solid waste	1,245,982	-	1,245,982
Drug enforcement	803,463	-	803,463
Public safety programs	19,215	-	19,215
Education	349,026	-	349,026
Unrestricted	10,480,458	9,538,284	20,018,742
Total net position	$ 281,595,259	$ 67,358,706	$ 348,953,965

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Primary government:							
Governmental Activities:							
General government	$ 8,175,577	$ 5,673,793	$ 18,312	$ -	$ (2,483,472)	$ -	$ (2,483,472)
Public safety	29,948,247	1,474,601	312,868	-	(28,160,778)	-	(28,160,778)
Public works	16,123,280	6,784,396	3,658,530	46,317	(5,634,037)	-	(5,634,037)
Parks and recreation	4,668,957	862,264	29,671	-	(3,777,022)	-	(3,777,022)
Performing arts center	725,909	174,851	-	-	(551,058)	-	(551,058)
Recreation center	1,680,898	1,579,736	-	-	(101,162)	-	(101,162)
Education	76,913,672	2,821,738	47,814,322	1,368,900	(24,908,712)	-	(24,908,712)
Interest on long-term debt	1,227,153	-	-	-	(1,227,153)	-	(1,227,153)
Total governmental activities	139,463,693	19,371,379	51,833,703	1,415,217	(66,843,394)	-	(66,843,394)
Business-type activity:							
Water and sewer	8,449,758	8,416,266	-	1,108,091	-	1,074,599	1,074,599
Total primary government	$ 147,913,451	$ 27,787,645	$ 51,833,703	$ 2,523,308	(66,843,394)	1,074,599	(65,768,795)
General revenues:							
Property taxes					43,589,225	-	43,589,225
Local option sales tax					23,469,320	-	23,469,320
Other taxes							
Wholesale liquor and beer taxes					1,144,936	-	1,144,936
Local gross receipts tax					1,005,156	-	1,005,156
Business, cable tv, and hotel-motel taxes					854,648	-	854,648
Intergovernmental revenues:							
State sales tax					4,681,624	-	4,681,624
State income tax					423,711	-	423,711
Other state revenue					1,036,951	-	1,036,951
Other revenue					199,262	39,955	239,217
Interest on investments					64,163	19,950	84,113
Gain on sale of capital assets					62,065	-	62,065
Transfers					562,842	(562,842)	-
Total general revenues and transfers					77,093,903	(502,937)	76,590,966
Change in net position					10,250,509	571,662	10,822,171
Net position - beginning					271,344,750	66,787,044	338,131,794
Net position - ending					$ 281,595,259	$ 67,358,706	$ 348,953,965

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	General Fund	General Purpose School Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 25,837,737	$ 23,676,963	$ 9,143,256	$ 7,716,278	$ 66,374,234
Receivables					
Taxes	24,138,005	-	-	525,252	24,663,257
Customer	3,407,038	-	-	712,946	4,119,984
Other	369,303	164,450	798	-	534,551
Less allowance for doubtful accounts	(2,897,526)	-	-	(20,981)	(2,918,507)
Due from other governments	3,170,800	5,693,582	-	999,226	9,863,608
Due from other funds	378,252	393,637	216,971	-	988,860
Inventory	197,112	-	-	30,017	227,129
Prepaid Items	20,386	-	-	100,674	121,060
Total assets	$ 54,621,107	$ 29,928,632	$ 9,361,025	$ 10,063,412	$ 103,974,176
LIABILITIES					
Accounts payable and accrued liabilities	$ 796,759	$ 570,453	$ 931,355	$ 2,928,379	$ 5,226,946
Accrued payroll	-	3,294,934	-	182,695	3,477,629
Due to other funds	7,922	6,831	-	974,107	988,860
Unearned revenue					
Recreation center	199,885	-	-	-	199,885
Developers	711,476	-	-	-	711,476
Property maintenance	85,810	-	-	-	85,810
BPAC	5,200	-	-	-	5,200
Total liabilities	1,807,052	3,872,218	931,355	4,085,181	10,695,806
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue					
Taxes	23,480,672	2,016,076	-	37,317	25,534,065
Court fines	688,372	-	-	-	688,372
Ambulance	137,411	-	-	-	137,411
Grants	-	-	-	997	997
Other	-	-	798	61,684	62,482
Total deferred inflows of resources	24,306,455	2,016,076	798	99,998	26,423,327
FUND BALANCES					
Nonspendable	217,498	-	-	130,691	348,189
Restricted	19,215	42,202	6,002,891	2,356,269	8,420,577
Committed	1,000,000	-	-	1,387,070	2,387,070
Assigned	164,577	23,998,136	2,425,981	2,004,203	28,592,897
Unassigned	27,106,310	-	-	-	27,106,310
Total fund balances	28,507,600	24,040,338	8,428,872	5,878,233	66,855,043
Total liabilities, deferred inflows of resources and fund balances	$ 54,621,107	$ 29,928,632	$ 9,361,025	$ 10,063,412	$ 103,974,176

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, 2017

Total fund balances, governmental funds		$ 66,855,043
Amounts reported for governmental activities in the statement of net position are different because:		
(1) Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		298,577,481
(2) Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned or unavailable in the funds.		3,165,962
(3) Long-term debt is not due and payable in the current period and, therefore is not reported in the funds.		
Less: bonds payable	(30,285,000)	
Less: capital notes payable	(4,788,500)	
Less: settlement obligation	(5,473,737)	
Less: capital leases payable	(3,562,443)	
Less: unamortized premiums and discounts on debt	(1,148,823)	
Add: deferred amount on refunding	270,537	(44,987,966)
(4) Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Less: accrued interest payable	(329,305)	
Less: compensated absences payable	(3,455,765)	(3,785,070)
(5) Net pension assets are not a financial resource in the current period and net pension liabilities and net other postemployment liabilities are not payable with current financial resources and, therefore, are not reported in the funds.		
Add: net pension asset	155,906	
Less: net pension liability	(32,465,699)	
Less: net other postemployment liability	(22,582,217)	(54,892,010)
(6) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	23,324,618	
Less: deferred inflows of resources related to pensions	(8,248,146)	15,076,472
(7) Internal service funds are used by management to charge the cost of health insurance, workers' compensation, and retiree health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		1,585,347
Net position of governmental activities		$ 281,595,259

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, 2017

	General Fund	General Purpose School Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	$ 19,681,097	$ 23,523,102	$ -	$ -	$ 43,204,199
Local sales taxes	13,819,277	9,361,525	-	3,233,019	26,413,821
Intergovernmental	6,142,286	41,387,004	-	1,368,900	48,898,190
Intergovernmental gas tax	-	-	-	1,563,497	1,563,497
Licenses and permits	1,842,422	-	-	-	1,842,422
Charges for services	4,182,826	1,612,612	-	7,886,773	13,682,211
Fines, forfeitures, and penalties	1,772,484	-	-	239,705	2,012,189
Federal, state and other grants	119,636	-	-	8,705,088	8,824,724
Donations	81,784	-	-	-	81,784
Interest on investments	42,665	-	21,346	152	64,163
Other	77,250	75,491	23,650	22,871	199,262
Total revenues	47,761,727	75,959,734	44,996	23,020,005	146,786,462
EXPENDITURES					
Current					
General government	7,152,839	-	-	-	7,152,839
Public safety	25,284,757	-	-	362,500	25,647,257
Public works	5,510,822	-	-	8,080,757	13,591,579
Parks and recreation	3,870,934	-	-	-	3,870,934
Performing arts center	587,870	-	-	-	587,870
Recreation center	1,623,146	-	-	-	1,623,146
Education	-	68,644,737	-	7,324,312	75,969,049
Debt Service					
Principal	-	2,130,730	-	3,477,000	5,607,730
Interest	-	171,518	-	930,579	1,102,097
Bond issuance costs	-	-	40,062	87,302	127,364
Capital outlays	-	-	10,484,681	5,019,727	15,504,408
Total expenditures	44,030,368	70,946,985	10,524,743	25,282,177	150,784,273
Excess (deficiency) of revenues over (under) expenditures	3,731,359	5,012,749	(10,479,747)	(2,262,172)	(3,997,811)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	3,020,800	6,706,450	-	9,727,250
Refunding bonds	-	-	-	971,048	971,048
Premium on bonds issued	-	-	205,667	-	205,667
Payment to escrow agent	-	-	-	(971,048)	(971,048)
Sale of capital assets	52,727	-	-	9,338	62,065
Transfers in	905,474	3,066,272	3,002,711	4,293,943	11,268,400
Transfers out	(5,045,590)	(2,389,962)	(136,730)	(3,133,276)	(10,705,558)
Total other financing sources and uses	(4,087,389)	3,697,110	9,778,098	1,170,005	10,557,824
Net change in fund balances	(356,030)	8,709,859	(701,649)	(1,092,167)	6,560,013
Fund balances - beginning	28,863,630	15,330,479	9,130,521	6,970,400	60,295,030
Fund balances - ending	$ 28,507,600	$ 24,040,338	$ 8,428,872	$ 5,878,233	$ 66,855,043

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, 2017

Net change in fund balance - total governmental funds		$ 6,560,013
Amounts reported for governmental activities in the statement of activities are different because:		
(1) Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays capitalize	21,055,664	
Depreciation expense	(10,151,397)	
Loss from the disposition of capital assets	(5,368)	10,898,899
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		624,453
(3) The issuance of long-term debt (e.g. bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 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.		
Add: principal payments on long-term debt	5,737,866	
Add: principal amount of bonds refunded	940,000	
Add: amortization of premiums and discounts	47,731	
Less: proceeds from debt issuance	(10,698,300)	
Less: premium on current year issuance	(205,667)	
Less: change in deferred amount on refunding debt	(57,198)	(4,235,568)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest payable	(87,312)	
Change in compensated absences	(29,210)	
Change in net pension asset	(193,968)	
Change in net pension liability	(3,908,711)	
Change in other postemployment benefits	(3,779,695)	
Change in deferred outflows related to pensions	4,095,896	
Change in deferred inflows related to pensions	133,952	(3,769,048)
(5) Internal service funds are used by management to charge the costs of health insurance, workmen's compensation, and retiree health insurance to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.		171,760
Change in net position of governmental activities		$ 10,250,509

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, 2017

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
PROPERTY TAXES				
Property tax	$ 18,700,000	$ 18,700,000	$ 18,554,600	$ (145,400)
Property tax - prior year	350,000	350,000	211,835	(138,165)
Payments in lieu of taxes	750,000	750,000	797,999	47,999
Property tax interest and penalties	130,000	130,000	116,663	(13,337)
Total property taxes	19,930,000	19,930,000	19,681,097	(248,903)
LOCAL TAXES				
Local sales tax	11,174,800	11,174,800	10,817,809	(356,991)
Wholesale beer and liquor tax	1,059,000	1,059,000	1,144,936	85,936
Gross receipts tax	900,000	900,000	1,005,156	105,156
Business tax	83,000	83,000	109,957	26,957
CATV franchise tax	630,000	630,000	559,239	(70,761)
Hotel tax	200,000	200,000	182,180	(17,820)
Total local taxes	14,046,800	14,046,800	13,819,277	(227,523)
INTERGOVERNMENTAL				
State of Tennessee shared taxes				
Sales	4,777,000	4,777,000	4,681,624	(95,376)
Income taxes	340,000	340,000	423,711	83,711
Beer tax	28,000	28,000	27,275	(725)
Liquor tax	85,000	85,000	81,990	(3,010)
Bank excise tax	7,000	7,000	14,501	7,501
Receipts in lieu of tax - TVA	670,000	670,000	665,165	(4,835)
Reimbursements	40,000	40,000	133,856	93,856
State road maintenance	115,000	115,000	114,164	(836)
Total state shared taxes	6,062,000	6,062,000	6,142,286	80,286
LICENSES AND PERMITS				
Automobile stickers	1,230,000	1,230,000	1,211,620	(18,380)
Beer and liquor licenses	18,500	18,500	21,470	2,970
Building and related permits	427,700	427,700	609,332	181,632
Total licenses and permits	1,676,200	1,676,200	1,842,422	166,222

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The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
CHARGES FOR SERVICES				
Publication fees	$ 1,000	$ 1,000	$ 1,400	$ 400
Library fees	69,500	69,500	65,744	(3,756)
BSMC rental fees	164,000	164,000	167,522	3,522
Police and fire charges	27,000	27,000	30,519	3,519
911 fees	-	-	162	162
Ambulance fees	1,150,000	1,150,000	1,171,258	21,258
City service fee	4,000	4,000	4,860	860
Animal Shelter fees	113,900	113,900	93,286	(20,614)
Trash removal and weed cutting fees	125,000	125,000	31,224	(93,776)
Parks and recreation charges	866,200	866,200	862,264	(3,936)
Performing arts center	224,200	224,200	174,851	(49,349)
Recreation center	1,468,384	1,468,384	1,579,736	111,352
Total charge for services	4,213,184	4,213,184	4,182,826	(30,358)
FINES, FORFEITURES, AND PENALTIES	1,810,000	1,810,000	1,772,484	(37,516)
FEDERAL AND STATE GRANTS	-	118,200	119,636	1,436
DONATIONS	64,100	64,100	81,784	17,684
INTEREST ON INVESTMENTS	15,000	15,000	42,665	27,665
OTHER	136,689	136,689	77,250	(59,439)
PLANNED USE OF FUND BALANCE	-	1,133,607	-	(1,133,607)
Total Revenues	47,953,973	49,205,780	47,761,727	(1,444,053)

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The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative				
Salaries	$ 207,867	$ 189,867	$ 176,357	$ 13,510
Benefits	85,432	85,432	73,715	11,717
Contractual services	155,000	78,000	52,330	25,670
Maintenance and equipment rental	-	-	378	(378)
Materials and supplies	3,000	3,000	1,359	1,641
Insurance	65,000	65,000	83,247	(18,247)
Other charges	260,200	224,200	184,962	39,238
Capital outlay	-	18,000	17,060	940
	776,499	663,499	589,408	74,091
Mayor's office				
Salaries	483,646	447,646	450,073	(2,427)
Benefits	178,622	178,622	169,413	9,209
Contractual services	76,000	73,500	55,846	17,654
Maintenance and equipment rental	4,400	4,400	2,766	1,634
Materials and supplies	14,350	14,350	8,841	5,509
Insurance	2,150	2,150	1,936	214
Other charges	52,533	52,533	35,377	17,156
Capital outlay	-	2,500	1,098	1,402
	811,701	775,701	725,350	50,351
Community relations				
Salaries	73,187	73,187	73,129	58
Benefits	32,366	32,366	29,018	3,348
Contractual services	52,500	52,500	53,862	(1,362)
Maintenance and equipment rental	17,200	20,217	16,560	3,657
Materials and supplies	80,100	118,225	110,175	8,050
Insurance	900	900	925	(25)
Other charges	56,348	56,348	44,658	11,690
	312,601	353,743	328,327	25,416
Finance and accounting				
Salaries	991,485	990,485	947,163	43,322
Benefits	357,399	357,399	350,382	7,017
Contractual services	88,500	89,500	91,122	(1,622)
Maintenance and equipment rental	2,200	2,200	1,949	251
Materials and supplies	13,600	13,600	10,811	2,789
Insurance	4,708	4,708	7,489	(2,781)
Other charges	45,700	45,700	43,891	1,809
Capital outlay	400	400	-	400
	1,503,992	1,503,992	1,452,807	51,185

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The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			**Variance with Final Budget - Positive (Negative)**
	Original	**Final**	**Actual Amounts**	
City Court				
Salaries	$ 679,143	$ 679,143	$ 660,849	$ 18,294
Benefits	242,839	242,839	246,156	(3,317)
Contractual services	51,000	42,000	32,970	9,030
Maintenance and equipment rental	3,000	3,000	1,693	1,307
Materials and supplies	6,700	6,700	6,049	651
Insurance	2,442	2,442	2,329	113
Other charges	11,276	11,276	8,690	2,586
Capital outlay	-	9,000	8,898	102
	996,400	996,400	967,634	28,766
Personnel				
Salaries	317,944	308,944	298,260	10,684
Benefits	173,978	163,978	163,660	318
Contractual services	21,900	21,900	12,494	9,406
Maintenance and equipment rental	3,000	3,000	1,730	1,270
Materials and supplies	7,300	7,300	4,887	2,413
Insurance	1,300	1,300	1,335	(35)
Other charges	8,236	8,236	7,449	787
Capital outlay	800	800	-	800
	534,458	515,458	489,815	25,643
Planning and economic development				
Salaries	287,411	302,411	297,715	4,696
Benefits	103,612	103,612	108,148	(4,536)
Contractual services	3,000	3,000	1,222	1,778
Maintenance and equipment rental	2,500	2,500	1,290	1,210
Materials and supplies	4,200	4,200	1,477	2,723
Insurance	1,129	1,129	1,104	25
Other charges	5,186	5,186	4,163	1,023
Capital outlay	-	4,000	3,433	567
	407,038	426,038	418,552	7,486
Building and grounds				
Salaries	76,039	76,039	70,112	5,927
Benefits	39,763	39,763	39,530	233
Contractual services	2,300	2,300	-	2,300
Maintenance and equipment rental	44,650	44,650	33,943	10,707
Materials and supplies	22,500	22,500	11,272	11,228
Insurance	10,750	10,750	10,170	580
Other charges	104,933	104,933	96,425	8,508
	300,935	300,935	261,452	39,483

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The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Bartlett Station				
Salaries	$ 205,529	$ 205,529	$ 201,091	$ 4,438
Benefits	67,760	67,760	71,143	(3,383)
Contractual services	4,965	4,965	1,175	3,790
Maintenance and equipment rental	31,035	31,035	28,471	2,564
Materials and supplies	18,150	17,150	12,181	4,969
Insurance	9,473	9,473	8,661	812
Other charges	52,614	52,614	58,575	(5,961)
Capital outlay	-	1,000	983	17
	389,526	389,526	382,280	7,246
Library				
Contractual services	1,068,500	1,089,500	1,095,937	(6,437)
Maintenance and equipment rental	9,500	9,500	13,015	(3,515)
Materials and supplies	5,000	5,000	6,612	(1,612)
Insurance	10,708	10,708	9,807	901
Other charges	55,840	55,840	44,428	11,412
Capital outlay	28,500	10,748	2,948	7,800
	1,178,048	1,181,296	1,172,747	8,549
General services				
Salaries	219,279	220,379	217,747	2,632
Benefits	96,479	96,479	99,097	(2,618)
Contractual services	1,500	1,500	900	600
Maintenance and equipment rental	4,000	2,900	1,743	1,157
Materials and supplies	13,600	13,600	13,518	82
Insurance	1,620	1,620	2,664	(1,044)
Other charges	1,950	1,950	2,615	(665)
Capital outlay	800	800	267	533
	339,228	339,228	338,551	677
Bartlett Station committee				
Contractual services	20,000	20,000	13,174	6,826
Incentives and improvements	110,000	110,000	12,462	97,538
Other charges	19,000	19,000	280	18,720
	149,000	149,000	25,916	123,084
Total general government	7,699,426	7,594,816	7,152,839	441,977

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The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
PUBLIC SAFETY				
Police services				
Salaries	$ 9,136,501	$ 9,161,501	$ 9,134,013	$ 27,488
Benefits	3,871,186	3,871,186	3,897,917	(26,731)
Contractual services	80,000	80,000	93,076	(13,076)
Maintenance and equipment rental	248,700	249,130	319,439	(70,309)
Materials and supplies	531,500	518,802	407,887	110,915
Insurance	125,373	125,373	154,515	(29,142)
Other charges	241,000	308,800	285,360	23,440
Capital outlay	23,000	36,000	22,637	13,363
	14,257,260	14,350,792	14,314,844	35,948
Fire services				
Salaries	4,740,379	4,783,398	4,720,268	63,130
Benefits	1,995,148	1,995,148	2,058,080	(62,932)
Contractual services	38,000	19,295	15,244	4,051
Maintenance and equipment rental	129,000	147,400	149,985	(2,585)
Materials and supplies	142,300	132,300	132,720	(420)
Insurance	55,400	55,400	54,880	520
Other charges	97,300	126,300	121,007	5,293
Capital outlay	105,000	105,000	66,401	38,599
	7,302,527	7,364,241	7,318,585	45,656
Ambulance and medical services				
Salaries	1,738,846	1,718,846	1,689,594	29,252
Benefits	773,047	773,047	779,814	(6,767)
Contractual services	83,000	83,000	79,735	3,265
Maintenance and equipment rental	78,200	78,200	51,388	26,812
Materials and supplies	137,520	137,670	136,449	1,221
Insurance	17,000	17,000	13,474	3,526
Other charges	10,400	21,800	21,982	(182)
Capital outlay	32,000	32,000	29,689	2,311
	2,870,013	2,861,563	2,802,125	59,438
Codes enforcement				
Salaries	591,406	591,406	568,341	23,065
Benefits	231,425	231,425	227,105	4,320
Contractual services	4,800	4,800	4,522	278
Maintenance and equipment rental	10,700	10,700	8,506	2,194
Materials and supplies	21,100	21,100	16,667	4,433
Insurance	3,509	3,509	4,515	(1,006)
Other charges	23,500	23,500	19,396	4,104
Capital outlay	2,000	2,000	151	1,849
	888,440	888,440	849,203	39,237
Total public safety	25,318,240	25,465,036	25,284,757	180,279

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The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
PUBLIC WORKS				
Administrative				
Salaries	$ 325,697	$ 325,697	$ 320,151	$ 5,546
Benefits	121,563	121,563	124,639	(3,076)
Contractual services	800	800	1,062	(262)
Maintenance and equipment rental	100,790	100,790	100,254	536
Materials and supplies	6,300	6,300	4,995	1,305
Insurance	4,300	4,300	4,845	(545)
Other charges	21,800	21,800	22,261	(461)
Capital outlay	200	200	-	200
	581,450	581,450	578,207	3,243
Engineering				
Salaries	261,174	263,474	263,027	447
Benefits	92,476	92,476	92,827	(351)
Contractual services	7,300	7,900	4,446	3,454
Maintenance and equipment rental	8,640	8,640	6,894	1,746
Materials and supplies	10,600	8,300	8,283	17
Insurance	2,800	2,800	1,460	1,340
Other charges	8,950	8,950	6,819	2,131
	391,940	392,540	383,756	8,784
Inspection				
Salaries	340,704	340,704	334,212	6,492
Benefits	142,702	132,302	137,741	(5,439)
Contractual services	5,200	5,200	3,156	2,044
Maintenance and equipment rental	7,900	17,900	17,292	608
Materials and supplies	5,100	5,100	5,127	(27)
Insurance	4,650	4,650	6,281	(1,631)
Other charges	7,250	7,250	8,152	(902)
Capital outlay	-	400	400	-
	513,506	513,506	512,361	1,145
City shop				
Salaries	621,236	610,136	616,103	(5,967)
Benefits	281,940	281,940	273,871	8,069
Contractual services	2,500	2,500	403	2,097
Maintenance and equipment rental	17,300	28,300	25,888	2,412
Materials and supplies	33,250	33,250	35,417	(2,167)
Insurance	6,800	6,800	6,386	414
Other charges	23,918	23,918	26,444	(2,526)
Shop allocations	(325,325)	(325,325)	(333,590)	8,265
Capital outlay	500	600	569	31
	662,119	662,119	651,491	10,628

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The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
General maintenance of roads and drainage				
Salaries	$ 690,370	$ 690,370	$ 693,772	$ (3,402)
Benefits	385,925	402,925	399,048	3,877
Contractual services	8,250	8,250	7,525	725
Maintenance and equipment rental	70,000	70,000	58,271	11,729
Materials and supplies	214,350	197,350	178,247	19,103
Insurance	11,348	11,348	13,878	(2,530)
Other charges	37,300	37,300	37,497	(197)
Capital outlay	1,300	1,300	590	710
	1,418,843	1,418,843	1,388,828	30,015
Grounds maintenance				
Salaries	771,705	771,705	744,766	26,939
Benefits	303,229	303,229	305,140	(1,911)
Contractual services	500	500	403	97
Maintenance and equipment rental	172,775	224,775	160,590	64,185
Materials and supplies	59,200	59,200	53,620	5,580
Insurance	9,619	9,619	10,258	(639)
Other charges	9,653	9,653	9,454	199
	1,326,681	1,378,681	1,284,231	94,450
Animal control				
Salaries	365,750	365,750	347,270	18,480
Benefits	174,409	174,409	174,290	119
Contractual services	31,250	31,250	29,069	2,181
Maintenance and equipment rental	12,275	12,275	9,464	2,811
Materials and supplies	99,300	99,300	83,558	15,742
Insurance	5,414	5,414	4,692	722
Other charges	21,100	21,100	16,800	4,300
Capital outlay	64,300	90,696	46,805	43,891
	773,798	800,194	711,948	88,246
Total public works	5,668,337	5,747,333	5,510,822	236,511
PARKS AND RECREATION				
Parks and recreation				
Salaries	280,821	280,821	213,876	66,945
Benefits	105,430	105,430	76,368	29,062
Contractual services	1,800	1,800	717	1,083
Maintenance and equipment rental	1,100	1,100	3,187	(2,087)
Materials and supplies	7,000	7,000	4,682	2,318
Insurance	8,454	8,454	7,204	1,250
Other charges	4,180	4,180	2,639	1,541
	408,785	408,785	308,673	100,112

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The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Community center				
Salaries	$ 591,537	$ 591,537	$ 560,859	$ 30,678
Benefits	144,688	144,688	135,708	8,980
Contractual services	6,800	6,800	4,040	2,760
Maintenance and equipment rental	29,500	29,500	22,645	6,855
Materials and supplies	55,500	56,071	45,958	10,113
Insurance	10,117	10,117	8,399	1,718
Other charges	77,450	78,781	68,500	10,281
Capital outlay	181,000	194,351	124,054	70,297
	1,096,592	1,111,845	970,163	141,682
Athletics				
Salaries	393,573	393,573	358,260	35,313
Benefits	100,982	100,982	100,419	563
Contractual services	5,600	5,600	4,230	1,370
Maintenance and equipment rental	56,475	56,475	47,948	8,527
Materials and supplies	123,500	124,110	117,067	7,043
Insurance	9,692	9,692	11,065	(1,373)
Other charges	66,613	66,613	72,358	(5,745)
Capital outlay	7,600	7,600	6,873	727
	764,035	764,645	718,220	46,425
Parks maintenance				
Salaries	684,324	684,324	686,722	(2,398)
Benefits	256,405	256,405	253,042	3,363
Contractual services	-	-	340	(340)
Maintenance and equipment rental	234,123	230,123	194,098	36,025
Materials and supplies	105,100	107,127	105,130	1,997
Insurance	10,075	10,075	10,826	(751)
Other charges	11,582	11,582	12,680	(1,098)
Capital outlay	-	4,000	3,022	978
	1,301,609	1,303,636	1,265,860	37,776
School ground maintenance				
Salaries	109,878	109,878	107,946	1,932
Benefits	27,688	27,688	27,761	(73)
Contractual services	-	-	90	(90)
Maintenance and equipment rental	41,400	46,900	46,721	179
Materials and supplies	8,000	8,000	9,099	(1,099)
Insurance	649	649	956	(307)
Other charges	5,645	5,645	4,084	1,561
Capital outlay	45,000	64,144	47,649	16,495
	238,260	262,904	244,306	18,598

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The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Senior center				
Salaries	$ 199,250	$ 199,250	$ 194,874	$ 4,376
Benefits	90,357	90,357	93,317	(2,960)
Contractual services	10,400	10,400	12,235	(1,835)
Maintenance and equipment rental	7,040	7,040	7,435	(395)
Materials and supplies	18,100	18,100	15,935	2,165
Insurance	3,749	3,749	3,847	(98)
Other charges	36,800	34,300	33,614	686
Capital outlay	-	2,500	2,455	45
	365,696	365,696	363,712	1,984
Total parks and recreation	4,174,977	4,217,511	3,870,934	346,577
PERFORMING ARTS CENTER				
Salaries	385,890	385,890	370,174	15,716
Benefits	70,671	63,671	55,003	8,668
Contractual services	9,500	9,500	7,850	1,650
Maintenance and equipment rental	28,350	28,350	20,325	8,025
Materials and supplies	15,550	15,550	19,432	(3,882)
Insurance	10,887	10,887	9,774	1,113
Other charges	104,400	106,772	99,770	7,002
Capital outlay	12,000	19,000	5,542	13,458
Total performing arts center	637,248	639,620	587,870	51,750
RECREATION CENTER				
Salaries	997,976	997,976	979,999	17,977
Benefits	230,415	230,415	230,695	(280)
Contractual services	13,000	13,000	13,474	(474)
Maintenance and equipment rental	106,300	107,098	91,722	15,376
Materials and supplies	121,800	121,800	122,935	(1,135)
Insurance	18,810	18,810	17,989	821
Other charges	174,100	173,100	165,951	7,149
Capital outlay	-	1,000	381	619
Total recreation center	1,662,401	1,663,199	1,623,146	40,053
Total Expenditures	45,160,629	45,327,515	44,030,368	1,297,147

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The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ 2,793,344	$ 3,878,265	$ 3,731,359	$ (146,906)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	60,000	60,000	52,727	(7,273)
Transfers in	1,002,302	1,002,302	905,474	(96,828)
Transfers out	(3,855,646)	(5,016,590)	(5,045,590)	(29,000)
Total Other Financing Sources (Uses)	(2,793,344)	(3,954,288)	(4,087,389)	(133,101)
Net change in fund balances	$ -	$ (76,023)	(356,030)	$ (280,007)
Fund balances - beginning			28,863,630	
Fund balances - ending			$ 28,507,600	

The accompanying notes are an integral part of the financial statements

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

For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
PROPERTY TAXES				
Property tax	$ 21,808,630	$ 21,902,070	$ 23,147,640	$ 1,245,570
Property tax - prior year	477,008	691,673	375,462	(316,211)
Total property taxes	22,285,638	22,593,743	23,523,102	929,359
LOCAL TAXES				
Sales tax	10,712,315	8,369,122	9,358,253	989,131
Business tax	2,675	3,237	3,272	35
Total local taxes	10,714,990	8,372,359	9,361,525	989,166
INTERGOVERNMENTAL				
Mixed drink taxes	74,170	74,170	82,468	8,298
Basic Education Program	38,408,987	38,408,987	38,690,239	281,252
Career Ladder Program	175,800	175,800	186,675	10,875
Wheel tax	-	489,633	2,229,366	1,739,733
Other	256,128	256,128	198,256	(57,872)
Total intergovernmental	38,915,085	39,404,718	41,387,004	1,982,286
CHARGES FOR SERVICES	1,280,010	1,360,010	1,612,612	252,602
OTHER	263,000	317,166	75,491	(241,675)
Total Revenues	73,458,723	72,047,996	75,959,734	3,911,738
EXPENDITURES				
EDUCATION				
Board of education services				
Salaries	179,993	179,993	181,131	(1,138)
Benefits	836,203	836,203	701,774	134,429
Contractual services	785,084	798,584	675,950	122,634
Materials and supplies	1,500	1,500	288	1,212
Insurance	252,700	252,700	164,893	87,807
Other charges	741,193	797,693	75,127	722,566
	2,796,673	2,866,673	1,799,163	1,067,510
Office of superintendent				
Salaries	180,000	280,000	265,319	14,681
Benefits	50,906	50,906	74,102	(23,196)
Contractual services	-	55,500	44,468	11,032
Materials and supplies	11,000	2,000	1,406	594
Other charges	46,822	101,314	72,245	29,069
	288,728	489,720	457,540	32,180

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The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Office of principal				
Salaries	$ 4,669,413	$ 4,669,413	$ 4,191,770	$ 477,643
Benefits	1,445,395	1,445,395	1,083,731	361,664
Contractual services	12,000	12,000	10,800	1,200
Other charges	7,000	76,283	57,350	18,933
	6,133,808	6,203,091	5,343,651	859,440
Regular instruction				
Salaries	28,697,050	28,931,850	26,458,954	2,472,896
Benefits	8,565,167	8,065,167	6,737,474	1,327,693
Contractual services	125,000	150,000	123,945	26,055
Materials and supplies	919,380	1,067,985	992,365	75,620
Other charges	27,200	27,200	2,003	25,197
	38,333,797	38,242,202	34,314,741	3,927,461
Alternative education				
Salaries	223,770	223,770	194,545	29,225
Benefits	51,637	51,637	45,781	5,856
Contractual services	23,000	23,000	18,055	4,945
Materials and supplies	3,000	1,500	183	1,317
Other charges	1,500	3,000	1,820	1,180
	302,907	302,907	260,384	42,523
Special education				
Salaries	4,089,700	4,104,802	3,924,307	180,495
Benefits	1,277,766	1,150,824	1,085,159	65,665
Contractual services	278,000	369,860	292,593	77,267
Materials and supplies	21,000	40,980	37,880	3,100
	5,666,466	5,666,466	5,339,939	326,527
Technical education				
Salaries	963,979	963,979	917,942	46,037
Benefits	289,074	289,074	212,387	76,687
Materials and supplies	53,611	63,005	36,538	26,467
	1,306,664	1,316,058	1,166,867	149,191
Other student support				
Salaries	1,214,197	1,191,197	1,075,702	115,495
Benefits	359,892	324,892	316,511	8,381
Contractual services	125,000	125,000	236,687	(111,687)
Materials and supplies	7,423	65,423	85,584	(20,161)
Other charges	5,491	5,491	1,364	4,127
	1,712,003	1,712,003	1,715,848	(3,845)
Regular instruction support				
Salaries	1,083,586	1,083,586	1,082,768	818
Benefits	305,840	276,840	242,991	33,849
Materials and supplies	57,272	61,272	59,411	1,861
Other charges	48,695	64,415	67,859	(3,444)
	1,495,393	1,486,113	1,453,029	33,084

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The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE

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

GENERAL PURPOSE SCHOOL FUND

For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Special education support				
Salaries	$ 657,657	$ 669,006	$ 640,852	$ 28,154
Benefits	179,756	173,692	148,764	24,928
Contractual services	25,000	21,400	8,776	12,624
Materials and supplies	10,000	14,964	14,945	19
Other charges	49,522	54,222	42,252	11,970
	921,935	933,284	855,589	77,695
Technical education support				
Other charges	36,241	36,241	24,852	11,389
	36,241	36,241	24,852	11,389
Technology				
Salaries	642,425	642,425	655,214	(12,789)
Benefits	203,003	203,003	203,189	(186)
Contractual services	199,420	199,420	188,882	10,538
Materials and supplies	213,100	269,100	225,526	43,574
Other charges	2,134,246	2,578,246	3,779,060	(1,200,814)
	3,392,194	3,892,194	5,051,871	(1,159,677)
Fiscal services				
Salaries	243,335	295,835	288,140	7,695
Benefits	72,307	72,307	67,405	4,902
Contractual services	21,213	24,213	11,607	12,606
Materials and supplies	36,500	35,500	10,075	25,425
Other charges	45,044	45,044	15,334	29,710
	418,399	472,899	392,561	80,338
Human resources				
Salaries	333,095	333,095	334,155	(1,060)
Benefits	134,240	132,040	122,811	9,229
Contractual services	14,000	43,543	39,778	3,765
Materials and supplies	250	3,665	3,603	62
Other charges	21,300	20,542	13,662	6,880
	502,885	532,885	514,009	18,876
Accountability				
Salaries	-	-	42,155	(42,155)
Benefits	-	-	9,921	(9,921)
	-	-	52,076	(52,076)
Student services				
Salaries	247,925	363,925	320,314	43,611
Benefits	64,583	64,583	83,417	(18,834)
Contractual services	22,840	31,340	29,580	1,760
Materials and supplies	8,000	8,000	2,857	5,143
Other charges	27,580	27,580	9,426	18,154
	370,928	495,428	445,594	49,834

(CONTINUED ON NEXT PAGE)

The accompanying notes are an integral part of the financial statements

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

For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Health services				
Salaries	$ 482,000	$ 532,000	$ 722,794	$ (190,794)
Benefits	170,253	170,253	210,972	(40,719)
Materials and supplies	6,000	6,000	3,419	2,581
Other charges	-	-	563	(563)
	658,253	708,253	937,748	(229,495)
Transportation				
Contractual services	2,673,000	2,453,151	2,183,737	269,414
Other charges	354,509	354,509	222,548	131,961
	3,027,509	2,807,660	2,406,285	401,375
School safety				
Contractual services	-	30,000	29,995	5
	-	30,000	29,995	5
Shared services benefits				
Salaries	155,550	155,550	154,457	1,093
Benefits	42,175	42,175	34,043	8,132
Other charges	-	-	176	(176)
	197,725	197,725	188,676	9,049
Payroll				
Salaries	135,150	135,150	135,150	-
Benefits	37,134	37,134	23,136	13,998
	172,284	172,284	158,286	13,998
Planning				
Salaries	94,350	94,350	94,350	-
Benefits	23,634	23,634	20,810	2,824
Contractual services	500	500	-	500
Other charges	3,975	3,975	2,950	1,025
	122,459	122,459	118,110	4,349
Purchasing				
Salaries	195,840	195,840	92,305	103,535
Benefits	62,536	62,536	54,271	8,265
Materials and supplies	-	1,000	733	267
	258,376	259,376	147,309	112,067
Shared services technology				
Salaries	247,350	247,350	168,564	78,786
Benefits	88,177	88,177	50,491	37,686
Other charges	-	-	836	(836)
	335,527	335,527	219,891	115,636

(CONTINUED ON NEXT PAGE)

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	**Final**	**Actual Amounts**	
Operation of plant				
Salaries	$ 500,176	$ 500,176	$ 573,285	$ (73,109)
Benefits	167,153	167,153	152,881	14,272
Contractual services	1,518,322	1,907,122	1,831,422	75,700
Materials and supplies	14,000	74,000	17,054	56,946
Other charges	1,719,454	1,706,954	1,607,671	99,283
	3,919,105	4,355,405	4,182,313	173,092
Maintenance of plant				
Salaries	551,175	551,175	529,554	21,621
Benefits	153,664	153,664	146,695	6,969
Materials and supplies	395,500	564,200	342,211	221,989
	1,100,339	1,269,039	1,018,460	250,579
Safety				
Salaries	36,700	36,700	39,247	(2,547)
Benefits	13,675	13,675	6,663	7,012
Contractual services	5,500	5,500	3,915	1,585
Materials and supplies	250	1,450	-	1,450
Other charges	1,500	300	125	175
	57,625	57,625	49,950	7,675
Total education	73,528,223	74,963,517	68,644,737	6,318,780
DEBT SERVICE				
Principal	-	-	2,130,730	(2,130,730)
Interest	-	-	171,518	(171,518)
Total debt service	-	-	2,302,248	(2,302,248)
Total Expenditures	73,528,223	74,963,517	70,946,985	4,016,532
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(69,500)	(2,915,521)	5,012,749	7,928,270
OTHER FINANCING SOURCES (USES)				
Debt issuance	-	-	3,020,800	3,020,800
Transfers in	69,500	2,915,519	3,066,272	150,753
Transfers out	-	-	(2,389,962)	(2,389,962)
Total Other Financing Sources (Uses)	69,500	2,915,519	3,697,110	781,591
Net change in fund balances	$ -	$ (2)	8,709,859	$ 8,709,861
Fund balances - beginning			15,330,479	
Fund balances - ending			$ 24,040,338	

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

	Business-type Activity Enterprise Fund Water and Sewer Fund	Governmental Activities Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	$ 14,558,183	$ 1,585,921
Receivables		
Customers	866,971	-
Less allowance for doubtful accounts	(32,423)	-
Prepaid expenses	4,923	-
Total current assets	15,397,654	1,585,921
Noncurrent assets:		
Capital assets, not being depreciated	3,036,105	-
Capital assets, being depreciated, net	63,527,455	-
Total capital assets (net of accumulated depreciation)	66,563,560	-
Total assets	81,961,214	1,585,921
DEFERRED OUTFLOWS OF RESOURCES		
Related to pension	210,045	-
Deferred charges on refunding	155,686	-
Total deferred outflows of resources	365,731	-
LIABILITIES		
Current liabilities:		
Accounts payable	401,584	245,540
Accrued bond interest	73,328	-
Accrued payroll	-	31,299
Unearned revenue	204,000	-
Current portion of bonds and notes payable	1,065,000	-
Total current liabilities	1,743,912	276,839
Noncurrent liabilities:		
Bonds and notes payable, net of current portion, discounts, and premiums	8,806,077	-
Accrued compensated absences	135,820	-
Net pension liability	1,701,065	-
Other post employment benefits payable	2,266,323	-
Total noncurrent liabilities	12,909,285	-
Total liabilities	14,653,197	276,839
DEFERRED INFLOWS OF RESOURCES		
Related to pension	38,777	-
NET POSITION		
Net investment in capital assets	57,820,422	-
Unrestricted	9,814,549	1,309,082
Total net position	67,634,971	$ 1,309,082
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(276,265)	
Net position of the business-type activity	$ 67,358,706	

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, 2017

	Business-type Activity	Governmental Activities
	Enterprise Fund	
	Water and Sewer Fund	Internal Service Funds
Operating Revenues:		
Metered water sales	$ 4,033,101	$ -
Sewer service fee	3,558,989	-
Service connections fees	111,995	-
Forfeited discounts	303,738	-
Charges for services	49,007	2,475,238
Tower lease charges	359,436	-
Contributions	-	5,276,498
Other	39,955	-
Total operating revenues	8,456,221	7,751,736
Operating Expenses:		
Administrative and general	1,617,527	7,690,646
Pumping and filtering	1,476,306	-
Distribution system	1,920,890	-
Sewer lagoon	741,002	-
Depreciation	2,284,605	-
Total operating expenses	8,040,330	7,690,646
Operating income (loss)	415,891	61,090
Nonoperating Revenues (Expenses):		
Interest	19,950	-
Bond interest and fiscal charges	(264,143)	-
Loss on sale of capital assets	(34,615)	-
Total non-operating expenses	(278,808)	-
Income (loss) before contributions and transfers	137,083	61,090
Capital contributions - water taps	68,000	-
Capital contributions - sewer taps	66,938	-
Capital contributions - development	973,153	-
Transfers out	(562,842)	-
Change in net position	682,332	61,090
Total net position - beginning	66,952,639	1,247,992
Total net position - ending	$ 67,634,971	$ 1,309,082
Change in net position	$ 682,332	
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(110,670)	
Change in net position of the business-type activity	$ 571,662	

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, 2017

	Business-type Activity	Governmental Activities
	Enterprise Fund Water and Sewer Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 8,410,770	$ -
Receipts from interfund services provided	-	7,751,736
Payments to suppliers	(2,764,199)	(7,672,305)
Payments to employees	(2,330,791)	-
Other receipts	40,225	-
Net cash provided by operating activities	3,356,005	79,431
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer to other fund	(562,842)	-
CASH FLOW USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributions	1,108,091	-
Purchases of capital assets	(2,111,855)	-
Proceeds from sale of capital assets	11,700	-
Principal paid on capital debt	(1,303,000)	-
Interest paid on capital debt	(275,000)	-
Net cash used for capital and related financing activities	(2,570,064)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	19,950	-
Net increase (decrease) in cash and cash equivalents	243,049	79,431
Cash and cash equivalents - beginning of the year	14,315,134	1,506,490
Cash and cash equivalents - end of the year	$ 14,558,183	$ 1,585,921
Reconciliation of operating income to net cash from operating activities:		
Operating income	$ 415,891	$ 61,090
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	2,284,605	-
Pension expense in excess of employer contributions	474,544	-
Change in assets and liabilities		
Receivables	(5,968)	-
Prepaid expenses	3,203	30,000
Accounts payable	168,931	(12,692)
Accrued compensated absences	14,057	1,033
Deferred revenue	742	-
Net cash provided by operating activities	$ 3,356,005	$ 79,431
Noncash investing, capital, and financing activities:		
Transfer of capital assets	$ 46,317	$ -

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2017

	Employee Retirement Plan	Contributory Retirement Plan	City OPEB Fund	School OPEB Fund	Combined Agency Funds
ASSETS					
Cash and cash equivalents	$ 763,966	$ 34,503	$ 612,974	$ -	$ 1,606,982
Accounts receivable	-	-	-	500,000	-
Interest receivable	71,055	764	4,302	-	-
Inventory	-	-	-	-	26,481
Investments, at fair value:					
Mutual funds	69,822,356	574,045	3,640,210	1,136,793	-
Common stock	2,388,262	-	386,398	-	-
Mortgage-backed securities	2	-	-	-	-
Total investments	72,210,620	574,045	4,026,608	1,136,793	-
Total assets	73,045,641	609,312	4,643,884	1,636,793	$ 1,633,463
LIABILITIES					
Accounts payable	26,822	515	5,531	-	$ -
Bail bonds payable	-	-	-	-	111,674
Family assistance payable	-	-	-	-	34,479
J. Rainey volunteer fund payable	-	-	-	-	9,683
Due to student general fund	-	-	-	-	816,678
Due to student groups	-	-	-	-	660,949
Total liabilities	26,822	515	5,531	-	$ 1,633,463
NET POSITION					
Restricted for pensions	73,018,819	608,797	-	-	
Held in trust for OPEB benefits	-	-	4,638,353	1,636,793	
Total net position	$ 73,018,819	$ 608,797	$ 4,638,353	$ 1,636,793	

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2017

	Employee Retirement Plan	Contributory Retirement Plan	City OPEB Fund	School OPEB Fund
ADDITIONS				
Contributions:				
Employer	$ 3,326,960	$ 180,556	$ 1,260,999	$ 500,000
Plan members	870,940	180,556	-	-
Total contributions	4,197,900	361,112	1,260,999	500,000
Investment earnings (losses):				
Interest and dividends	1,679,160	6,989	81,017	137,907
Net appreciation in fair value of investments	4,874,641	29,590	318,172	-
Total investment earnings	6,553,801	36,579	399,189	137,907
Less investment expense	(192,170)	(3,242)	(133)	-
Net investment earnings	6,361,631	33,337	399,056	137,907
Total additions	10,559,531	394,449	1,660,055	637,907
DEDUCTIONS				
Benefits	3,786,828	21,825	-	-
Premiums	-	-	653,224	-
Administrative expense	79,705	5,859	32,433	4,512
Total deductions	3,866,533	27,684	685,657	4,512
Change in net position	6,692,998	366,765	974,398	633,395
Net position - beginning of the year, as previously reported	-	-	-	-
Prior period adjustment	-	-	-	1,003,398
Net position - beginning of the year, as restated	66,325,821	242,032	3,663,955	1,003,398
Net position - end of the year	$ 73,018,819	$ 608,797	$ 4,638,353	$ 1,636,793

The accompanying notes are an integral part of the financial statements

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of a government's operations. The City has one blended component unit (see details below). 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:

Bartlett City Board of Education ("Board of Education" or "Bartlett Schools") – 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 total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with the resources of the City. The Board of Education's general purpose fund, federal projects fund, nutrition fund, and discretionary grants fund are each reported as special revenue funds of the City. The Board of Education's capital projects fund is considered a nonmajor fund of the City. The Board of Education's student activity funds are an agency fund of the City. The Board of Education does not issue separate financial statements.

B. Basis of Presentation

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

1. Governmental Fund Financial Statements

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

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

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

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

c. **Capital Projects Fund** – These funds account for all the financing of major governmental fund capital asset purchases. A fund is maintained for City and the School capital improvement projects i.e. Capital Projects Fund and Education Capital Fund.

d. **Debt Service Fund** – The fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

2. Proprietary Fund Financial Statements

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

The proprietary funds of the City are described below:

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

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

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

3. Fiduciary Fund Financial Statements

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

a. **Pension (and Other Employee Benefit) Trust Fund** – These funds account for the activities and accumulation or resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans and other postemployment benefit plans. The City maintains two pension trust funds, the Employee Retirement Plan Fund and the Contributory Retirement Plan Fund which are used to account for the accumulation of resources to provide defined benefits to qualified employees upon retirement. In addition, the City and the School each use an Other Postemployment Benefits Fund ("City OPEB" and "School OPEB") to account for activity related to retiree group health and dental benefits.

b. **Agency Fund** – These funds report resources held by the City in a purely custodial capacity. The Bail Bond Fund accounts for bail funds by persons awaiting trial in City Court. The Family Assistance Fund is used to provide families with financial hardship with monies to pay their utility bills. The Jeanette Rainey Volunteer Fund is used to reward individuals that exhibit exemplary character in a voluntary effort benefitting the City. In addition, the School Activity Funds are used to account for cash and inventory held by the Bartlett City Board of Education on behalf of the school activity fund for the Bartlett City Schools. These funds were audited in a separate report and can be obtained by contacting the Bartlett City Board of Education.

C. Measurement Focus and Basis of Accounting

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

Measurement Focus

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

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

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

Basis of Accounting

The government-wide financial statements are presented using the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available to finance expenditures of the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose**,** the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or up to one year for grant revenues. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, other local taxes, and intergovernmental revenues. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are considered to be measureable and available only when cash is received by the City. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 1 year of year-end). Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The issuance of long-term debt is reported as other financing sources.

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

1. Deposits and investments

The City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents. Cash equivalents held by the trustee of the Employee Pension Plan Fund, the Employee Cash Balance Plan Fund, the City OPEB Fund, and the School OPEB Fund are included in cash and cash equivalents. Cash equivalents also include investments in the Local Government Investment Pool (“LGIP”) due to the short-term nature of their maturity.

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

2. Receivables

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

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

Property taxes receivable are recognized as of the date the City has an enforceable legal claim. Property taxes are reflected as revenues in the fiscal period for which they are levied, which is the subsequent fiscal year for the current fiscal year's assessment, provided they are received and collected within the current period or within 60 days following the fiscal year end (August 31). Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30. Delinquent taxes estimated to be collected subsequent to August 31 are included in the balance sheet as property taxes receivable and a deferred inflow of resources to reflect amounts that were not available as revenues at June 30, 2017. The property tax levy is without legal limit. The rate, as permitted by Tennessee State Law and City Charter, is set annually by the Board of Mayor and Aldermen and collected by the Finance Department.

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

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned as "unearned revenue". At the end of the current fiscal year, unavailable revenue principally represents amounts relating to property taxes.

3. Interfund Transactions

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.

Interfund transfers

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

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4. Inventories and prepaid items

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

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

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

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at estimated acquisition value at the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items put in place since 1980. The government was able to estimate the historical cost for the initial reporting of these assets through review of historical records, including subdivision bond summaries, contract documents, and capital project summaries.

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

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

6. Deferred outflows of resources

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

7. Compensated absences

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

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

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

8. Long-term obligations

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

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

9. Deferred inflows of resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an increase to net position that applies to a future period and is not recognized as an inflow of resources (revenue) until that time. The City has 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, and ambulance fees. In addition, deferred inflows of resources include those related to pensions.

10. Net Position and Fund balance

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

Net investment in capital assets – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

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

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

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

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

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

Assigned – amounts intended to be used by the City for a specific purpose, but are neither restricted nor committed. The intent shall be expressed by the Board of Mayor and Aldermen or a designee authorized by the Board of Mayor and Aldermen with authority to assign amounts. The nature of the actions necessary to remove or modify an assignment is not as rigid as required under a committed fund balance classification. The City Finance Director has been authorized to assign amounts in the general fund for a specific purpose in accordance with fund balance policy established by the Board of Mayor and Aldermen. The Bartlett City Board of Education has the authority to assign the fund balance for the School Funds. Amounts in excess of nonspendable, restricted, and committed fund balance in funds other than the general fund are reported as assigned fund balance.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the City to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance 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.

11. Pensions

The City maintains six defined benefit retirement plans. Two are sponsored by the City and the remaining four are sponsored by the Tennessee Consolidated Retirement System.

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

12. Fair Value Measurements

GASB Statement 72, Fair Value Measurement and Application, categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs include unadjusted quoted prices in active markets for identical assets or liabilities accessible at the measurement date. Level 2 inputs include quoted prices for similar assets or liabilities; quoted prices in inactive markets; or other inputs that can be corroborated by observable market data. Such inputs include market interest rates and volatilities, spreads and yield curves. Level 3 inputs are inputs which are unobservable for the asset or liability and rely on management's own assumptions that market participants would use in pricing the asset or liability.

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

13. Estimates

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

E – New Governmental Accounting Standards Board (GASB) Pronouncements

The City implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans,* in the fiscal year ending June 30, 2017. The implementation of the Statement modified note disclosures related to the City's OPEB plans and added additional required supplementary information schedules. In implementing this standard, it was determined that the School has fiduciary responsibilities with respect to its assets deposited with the TSBA Trust. Therefore, the School has recorded a prior period adjustment of $1,003,398 for the value of the School OPEB assets held in the TSBA Trust as of June 30, 2016.

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

The City adopted GASB Statement No. 77, *Tax Abatement Disclosures*, required for fiscal periods beginning after December 15, 2015. This Statement improves financial reporting by giving users of financial statements essential information regarding tax abatements that was not previously reported consistently or comprehensively.

The City adopted GASB Statement No. 82, *Pension Issues*, required for fiscal periods beginning after June 15, 2016, except for certain provisions effective for fiscal periods beginning after June 15, 2017. This Statement modifies the measure of payroll that is presented in the required supplementary information.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

The Board of Mayor and Aldermen annually approves the operating budgets of the general, special revenue, capital projects, debt service, and enterprise funds of the City. The capital projects plan is multi-year. The total budgets of these funds constitute legal spending limits, requiring ordinance amendment. Transfers within the funds are accomplished by resolution of the Board of Mayor and Aldermen to authorize expenditures of various grants received and to adjust the individual fund budgets as required within the total dollar limitations of the budget ordinance. While no supplemental appropriations were required during the year, the accompanying budgetary data has been revised for amendments authorized by resolution during the year. The Bartlett City Board of Education annually approves the operating budgets of the general purpose school fund, federal projects, school nutrition, discretionary grants, and education capital fund. Annual budgets are adopted on a basis consistent with Tennessee Code Annotated, which is not materially different than the modified accrual basis of accounting for all governmental funds.

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

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

B. Excess of expenditures over appropriations

For the year ended June 30, 2017, expenditures exceeded appropriations in the School Nutrition Fund by $12,072.

C. Deficit fund equity

As of June 30, 2017, none of the funds had a deficit fund balance.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits

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

Custodial Credit Risk
Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for custodial risk is to follow state guidelines. As of June 30, 2017, all bank deposits were entirely insured by federal depository insurance and collateralized by the Bank Collateral Pool of the State of Tennessee.

B. Investments

1. Primary Government Investments

Legal Provisions

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

The Tennessee Local Government Investment Pool ("LGIP") represents 100% of the primary government's investments at June 30, 2017. These investments are reported at amortized cost which approximates fair value and are included as cash equivalents.

2. Fiduciary Investments

The City administers four fiduciary funds whose investments are held by a third party trustee bank. Additionally, the City utilizes an advisor to select appropriate investment choices. In addition to investments allowed by the City, the fiduciary funds' investment policies authorize investments in mutual funds, common stocks, and other equities. The Pension Trust Fund's Investment Policy has been formally adopted by the City's Board of Mayor and Aldermen.

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, 2017.

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

The following table summarized fair value disclosures and measurements for fiduciary investments at June 30, 2017:

Investments at Fair Value	Level 1	Level 2	Level 3	Total
Fiduciary Activities:				
Common Stock	$ 414,198	$ -	$ -	$ 414,198
Equity mutual funds	46,163,290	-	-	46,163,290
Fixed income mutual funds	27,873,321	-	-	27,873,321
Private real estate fund	-	-	2,360,464	2,360,464
	$ 74,450,809	$ -	$ 2,360,464	$ 76,811,273

The table below set forth a summary of changes in the fair value of level 3 assets for the year ended June 30, 2017:

	Level 3
Balance, beginning of year	$ -
Shares purchased	2,300,000
Unrealized appreciation in estimated fair value	75,163
Management fees	(14,699)
Balance, end of year	$ 2,360,464

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

Credit Risk – The City has adopted the investment policy established by TCA 6-5-106 for investments other than those held for Pension and OPEB benefits. The City diversifies its investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. The City had no investments that comprised more than 5% of its total investments at June 30, 2017.

C. Interfund receivables, payables, and transfers

The composition of interfund balances as of June 30, 2017, is as follows:

	Interfund Receivable	Interfund Payable
Major Funds		
General Fund		
General Purpose School Fund	$ 6,831	$ 7,922
Grants Fund	13,142	-
Debt Service Fund	358,279	-
	378,252	7,922
General Purpose School Fund		
General Fund	7,922	6,831
Federal Projects Fund	340,687	-
School Nutrition Fund	474	-
Discretionary Grants Fund	44,554	-
	393,637	6,831
Capital Projects Fund		
Grants Fund	216,971	-
	216,971	-
Nonmajor Funds		
Grants Fund		
General Fund	-	13,142
Capital Projects Fund	-	216,971
Federal Projects Fund		
General Purpose School Fund	-	340,687
School Nutrition Fund		
General Purpose School Fund	-	474
Discretionary Grants Fund		
General Purpose School Fund	-	44,554
Debt Service Fund		
General Fund	-	358,279
	-	974,107
	$ 988,860	$ 988,860

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

The composition of interfund transfers for the year ended June 30, 2017 is as follows:

	Transfers In	Transfers Out
Major Funds		
General Fund		
General Purpose School Fund	$ -	$ 2,846,019
Capital Projects Fund	70,730	1,261,590
Water and Sewer	562,842	-
General Improvement Fund	261,000	-
Drug Enforcement Fund	-	21,000
Drainage Control Fund	-	100,000
Grants Fund	10,902	15,981
Education Capital Fund	-	801,000
	905,474	5,045,590
General Purpose School Fund		
General Fund	2,846,019	-
Federal Projects Fund	184,294	-
Discretionary Grants Fund	35,959	-
Education Capital Fund	-	2,389,962
	3,066,272	2,389,962
Capital Projects Fund		
General Fund	1,261,590	70,730
General Improvement Fund	130,000	-
Grants Fund	1,611,121	-
Debt Service Fund	-	66,000
	3,002,711	136,730
Water and Sewer Fund		
General Fund	-	562,842
	-	562,842
Nonmajor Funds		
State Street Aid Fund		
Debt Service Fund	-	700,000
Solid Waste Fund		
Debt Service Fund	-	200,000
General Improvement Fund		
General Fund	-	261,000
Capital Projects Fund	-	130,000
Drug Enforcement		
General Fund	21,000	-
Drainage Control		
General Fund	100,000	-
Grants Fund		
General Fund	15,981	10,902
Capital Projects Fund	-	1,611,121
Federal Projects Fund		
General Purpose School Fund	-	184,294
Discretionary Grants Fund		
General Purpose School Fund	-	35,959

	Transfers In	Transfers Out
Education Capital Fund		
General Fund	801,000	-
General Purpose School Fund	2,389,962	-
Debt Service Fund		
State Street Aid Fund	700,000	-
Solid Waste Fund	200,000	-
Capital Projects Fund	66,000	-
	4,293,943	3,133,276
	$ 11,268,400	$ 11,268,400

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.

D. Capital assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 11,603,550	$ 1,104,312	$ -	$ 12,707,862
Construction in progress	4,480,692	11,313,880	(10,964,827)	4,829,745
Total capital assets, not being depreciated	16,084,242	12,418,192	(10,964,827)	17,537,607
Capital assets, being depreciated:				
Buildings and improvements	210,948,654	4,095,858	-	215,044,512
Other improvements	6,311,399	2,464,319	-	8,775,718
Machinery and equipment	11,112,077	8,816,799	(135,332)	19,793,544
Vehicles	18,945,541	1,472,164	(796,435)	19,621,270
Infrastructure	113,255,434	2,831,167	-	116,086,601
Total capital assets, being depreciated	360,573,105	19,680,307	(931,767)	379,321,645
Less accumulated depreciation for:				
Buildings and improvements	(19,948,926)	(4,300,235)	-	(24,249,161)
Other improvements	(4,405,985)	(306,500)	-	(4,712,485)
Machinery and equipment	(6,981,236)	(1,514,986)	112,913	(8,383,309)
Vehicles	(12,926,683)	(1,387,840)	783,752	(13,530,771)
Infrastructure	(44,715,935)	(2,690,110)	-	(47,406,045)
Total accumulated depreciation	(88,978,765)	(10,199,671)	896,665	(98,281,771)
Total capital assets, being depreciated, net	271,594,340	9,480,636	(35,102)	281,039,874
Governmental activities capital assets, net	$ 287,678,582	$ 21,898,828	$ (10,999,929)	$ 298,577,481

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 1,358,438	$ 18,006	$ -	$ 1,376,444
Construction in progress	1,112,481	720,130	(172,950)	1,659,661
Total capital assets, not being depreciated	2,470,919	738,136	(172,950)	3,036,105
Capital assets, being depreciated:				
Buildings and improvements	74,585	49,420	-	124,005
Other improvements	100,276,234	1,121,552	-	101,397,786
Machinery and equipment	2,883,376	453,705	(180,128)	3,156,953
Total capital assets, being depreciated	103,234,195	1,624,677	(180,128)	104,678,744
Less accumulated depreciation for:				
Buildings and improvements	(32,664)	(4,740)	-	(37,404)
Other improvements	(37,205,168)	(2,047,770)	-	(39,252,938)
Machinery and equipment	(1,684,657)	(310,104)	133,814	(1,860,947)
Total accumulated depreciation	(38,922,489)	(2,362,614)	133,814	(41,151,289)
Total capital assets, being depreciated, net	64,311,706	(737,937)	(46,314)	63,527,455
Business-type activities capital assets, net	$ 66,782,625	$ 199	$ (219,264)	$ 66,563,560

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

Governmental Activities:	
General government	$ 346,222
Public safety	1,427,985
Public works	3,539,292
Parks and recreation	630,551
Performing arts center	83,275
Education	4,124,072
Total depreciation expense - governmental activities	$ 10,151,397
Business-type Activities:	$ 2,284,605

Construction and other significant commitments

The government has active construction projects as of June 30, 2017. At year-end the government's commitments with contractors are as follows:

Function/Activity	Commitment
City construction	
Major roads construction & improvement	$ 1,800,012
Building improvements	124,473
Vehicles and equipment	480,509
Utility construction and improvement	2,517,491
Education construction	
Building improvements	4,832,182
Vehicles and equipment	163,912
	$ 9,918,579

E. Long-Term Liabilities

1. Long-Term Debt

General obligation and revenue bonds

The City periodically issues general obligation bonds for the acquisition, construction, and improvement of major capital facilities and infrastructure. The bonds are generally issued as 15 to 20-year serial bonds. The City is not subject to any state or other law that limits the amount of net bonded debt a City may have outstanding; therefore, there is no legal debt margin or computation thereof. The City's full faith, credit and unlimited taxing power are pledged to the repayment of all general obligation bond principal and interest and the City is contingently liable for the repayment of revenue bond principal and interest.

On September 15, 2016, the City issued $6,550,000 General Obligation Improvement Bonds, Series 2016 at a premium of $205,667. The bonds have a true interest costs of 2.838% and have maturity dates ranging from September 2017 to September 2037. The proceeds of the Series 2016 Bonds totaled $6,775,604 (net of underwriter's discount) and were deposited with the City.

A portion of the Series 2016 Bonds was used to advance refund $940,000 in General Obligation Improvement Bonds, Series 2009 (the Refunded Bonds). On September 29, 2016, $971,048 of bond proceeds was deposited with U.S. Bank, as escrow agent, to purchase investments sufficient to redeem the interest and principal to advance refund the Series 2009 bonds on March 1, 2017 and September 1, 2017. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the refunded debt of $31,048 that will be charged over 6.0 years using the straight-line method. The remaining proceeds of the Series 2016 Bonds will be used to fund the costs of certain public improvement projects including parks, recreation centers and facilities and other public buildings within the City, and improvement of roads and other infrastructure. At June 30, 2017, the balance in the escrow account at U.S. Bank was $952,987.

General obligation capital outlay notes and other loans

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

On August 12, 2016, the City issued a seven-year capital outlay note in the amount of $1,127,500 in General Obligation Capital Outlay Notes, Series 2016. The note bears a fixed interest rate of 1.94% and matures on August 1, 2023. Proceeds of the note were used to purchase vehicles and equipment identified in the FY2017 Capital Improvement Program Budget.

Debt outstanding as of June 30, 2017 consisted of the following:

	Interest Rates	Maturity Date	Original Issue	Balance Outstanding at Year End
Governmental activities:				
General obligation bonds:				
2007 Serial Bonds	4.0-4.05	2028	$ 2,955,000	$ 1,910,000
2009 Serial Bonds	2.0-4.1	2023	2,220,000	640,000
2010 Serial Bonds	2.0-3.5	2031	7,925,000	4,095,000
2011 Serial Bonds	2.0-2.625	2024	4,545,000	1,780,000
2012 Serial Bonds	2.0-3.0	2033	9,865,000	7,360,000
2013 Serial Bonds	3.0-3.625	2034	4,690,000	3,020,000
2015 Serial Bonds	2.0-5.0	2036	5,100,000	4,930,000
2016 Serial Bonds	2.0-3.0	2037	6,550,000	6,550,000
			43,850,000	30,285,000
2008 TML note*	0.45	2029	1,350,000	946,000
Capital outlay notes				
Capital Note 2013 A	1.78	2020	1,300,000	577,000
Capital Note 2013 B	2.13	2021	770,500	456,000
Capital Note 2014	2.19	2022	1,041,000	760,000
Capital Note 2015	2.03	2023	1,064,000	922,000
Capital Note 2016	1.94	2024	1,127,500	1,127,500
			5,303,000	3,842,500
			$ 50,503,000	$ 35,073,500
Business-type activities:				
Revenue bonds:				
2007 Serial Bonds	4.0-4.05	2028	$ 1,015,000	$ 655,000
2009 Serial Bonds	2.0-4.1	2030	960,000	685,000
2010 Serial Bonds	2.0-2.65	2023	3,115,000	1,625,000
2011 Serial Bonds	2.0-2.75	2024	4,305,000	1,620,000
2012 Serial Bonds	2.0-3.0	2033	3,440,000	2,795,000
2013 Serial Bonds	3.0-3.625	2034	2,005,000	1,480,000
			14,840,000	8,860,000
2008 TML note*	0.94	2029	1,000,000	701,000
			$ 15,840,000	$ 9,561,000

*Variable rate Tennessee Municipal Bond Fund loan rate for June 30, 2017 was 0.94%

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

Years Ending June 30	Governmental Activities Principal	Governmental Activities Interest	Business-Type Activities Principal	Business-Type Activities Interest
2018	$3,885,500	$906,739	$ 1,065,000	$ 240,857
2019	3,987,000	808,398	1,087,000	214,350
2020	3,565,000	715,615	980,000	188,956
2021	3,189,000	631,357	1,002,000	164,251
2022	2,775,000	555,186	1,039,000	137,500
2023-2027	8,983,000	1,970,608	2,979,000	387,912
2028-2032	5,239,000	989,956	1,154,000	120,849
2033-2037	3,450,000	249,065	255,000	7,650
	$ 35,073,500	$ 6,826,924	$ 9,561,000	$ 1,462,325

2. Settlement Liability

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

Years Ending June 30	Amount
2018	$608,193
2019	608,193
2020	608,193
2021	608,193
2022	608,193
2023-2027	2,432,772
Total payments	$5,473,737
Less amount representing interest	(611,427)
	$ 4,862,310

3. Capital Leases

On May 23, 2017, the Board of Mayor and Aldermen (the Board) authorized a lease purchase agreement for the acquisition of computers for the Bartlett City Board of Education (the School Board) and payments over the term of the lease. The Board further executed an agreement with the School Board for reimbursement of payments of obligations under the lease agreement. On June 15, 2017, the City entered into a 48 month lease agreement in the amount of $1,060,800. The price, at a discounted rate of 2.59% equates to one annual payment of $235,000 on January 15, 2018 and three additional payments beginning on January 15, 2019 and each January 15th thereafter, for a total sum of lease payments of $1,081,379.

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

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

	Interest Rates	Maturity Date	Original Issue	Balance Outstanding at Year End
Governmental activities:				
Capital Lease 2014	3.341	2018	$ 702,101	$ 184,361
Capital Lease 2015	1.57	2019	2,940,000	1,230,528
Capital Lease 2017 A	1.64	2020	1,960,000	1,086,754
Capital Lease 2017 B	0.897	2021	1,060,800	1,060,800
			$ 6,662,901	$ 3,562,443

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

Years Ending June 30	Amount
2018	$1,427,908
2019	1,286,040
2020	656,288
2021	282,126
Total payments	$3,652,362
Less amount representing interest	(89,919)
	$ 3,562,443

4. Changes in long-term liabilities

A summary of long-term liability activity, including debt, for the year ended June 30, 2017 is as follows. Additional detailed information is available following the summary.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 27,515,000	$ 6,550,000	$ (3,780,000)	$ 30,285,000	$ 3,085,000
Capital outlay notes	3,293,000	1,127,500	(578,000)	3,842,500	739,500
Note payable	1,005,000	-	(59,000)	946,000	61,000
Settlement obligation	6,081,930	-	(608,193)	5,473,737	608,193
Capital lease payable	2,194,316	3,020,800	(1,652,673)	3,562,443	1,380,670
Unamortized premiums (discounts), net	990,887	205,667	(47,731)	1,148,823	-
Total long-term debt	41,080,133	10,903,967	(6,725,597)	45,258,503	5,874,363
Compensated absences	3,426,555	421,342	(392,132)	3,455,765	239,527
Net pension liability*	28,556,988	3,908,711	-	32,465,699	-
Net OPEB obligation*	18,802,521	3,779,696	-	22,582,217	-
	$ 91,866,197	$ 19,013,716	$ (7,117,729)	$ 103,762,184	$ 6,113,890
Business-type activities:					
Revenue bonds	$ 10,120,000	$ -	$ (1,260,000)	$ 8,860,000	$ 1,020,000
Note payable	744,000	-	(43,000)	701,000	45,000
Unamortized premiums	339,704	-	(29,627)	310,077	-
Total long-term debt	11,203,704	-	(1,332,627)	9,871,077	1,065,000
Compensated absences	101,461	34,359	-	135,820	19,803
Net pension liability*	1,718,956	-	(17,891)	1,701,065	-
Net OPEB obligation*	1,940,353	325,970	-	2,266,323	-
	$ 14,964,474	$ 360,329	$ (1,350,518)	$ 13,974,285	$ 1,084,803

*net increase (decrease) shown

For governmental activities, net pension liability, other postemployment benefits, and compensated absences are generally liquidated by the general fund. No interest was capitalized for the year ended June 30, 2017; interest incurred and charged to expense totaled $1,227,153. For the governmental activities and business-type activities, $6,262,750 of bond proceeds and capital notes were not spent as of June 30, 2017. As such, these proceeds were not included in the calculation of net investment in capital assets.

F. Deferred Loss on Refunding

The unamortized deferred loss on refunding relates to General Obligation Refunding Bonds for governmental activities and Water and Sewer Revenue Refunding Bonds for business-type activities. Deferred loss on refunding reported in the statement of net position at June 30, 2017 consists of the following:

	Governmental Activities	Business-Type Activities	Total
Series 2004	$ 1,437	$ -	$ 1,437
Series 2005	4,090	1,746	5,836
Series 2007	393	-	393
Series 2010	42,827	49,992	92,819
Series 2011	11,682	30,494	42,176
Series 2012	180,479	71,811	252,290
Series 2013	2,515	1,643	4,158
Series 2016	27,114	-	27,114
	$ 270,537	$ 155,686	$ 426,223

G. Fund Balances by Purpose

Following is more detailed information on the governmental fund balances:

	General Fund	General Purpose School Fund	Capital Projects Fund	Other Governmental Funds	Total
Nonspendable for:					
Inventory	$ 197,112	$ -	$ -	$ 30,017	$ 227,129
Prepaid expenditures	20,386	-	-	100,674	121,060
Total nonspendable fund balance	217,498	-	-	130,691	348,189
Restricted for:					
Capital projects	-	-	6,002,891	-	6,002,891
Solid Waste	-	-	-	1,245,982	1,245,982
Drug enforcement	-	-	-	490,096	490,096
DEA task force	-	-	-	313,367	313,367
Sexual offender registry program	14,844	-	-	-	14,844
Police Criminal Seizures	4,371	-	-	-	4,371
Education	-	42,202	-	306,824	349,026
Total restricted fund balance	19,215	42,202	6,002,891	2,356,269	8,420,577
Committed for:					
Emergency purposes	1,000,000	-	-	-	1,000,000
Capital projects	-	-	-	1,220,097	1,220,097
Debt service	-	-	-	166,973	166,973
Total committed fund balance	1,000,000	-	-	1,387,070	2,387,070
Assigned to:					
Capital projects	-	11,500,000	2,425,981	-	13,925,981
OPEB trust payments		2,000,000			2,000,000
Education		10,498,136	-	-	10,498,136
State street aid	-	-	-	810,102	810,102
General improvement	-	-	-	329,668	329,668
Drainage control	-	-	-	161,695	161,695
Parks improvement	-	-	-	702,738	702,738
Encumbrances	164,577	-	-	-	164,577
Total assigned fund balance	164,577	23,998,136	2,425,981	2,004,203	28,592,897
Unassigned	27,106,310	-	-	-	27,106,310
Total fund balances	$ 28,507,600	$ 24,040,338	$ 8,428,872	$ 5,878,233	$ 66,855,043

NOTE 4 – PENSIONS

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

I. Retirement System of the City of Bartlett Defined Benefit Plan ("Employee Pension Plan") – Employees of the City originally were eligible to participate in this plan. The plan, as amended on March 29, 2001, was created on July 1, 1989 with the transfer of assets from a defined contribution money purchase plan discontinued on June 30, 1989. Full-time employees hired before July 1, 2014 were eligible at date of employment as a condition of such employment. Effective June 30, 2014, the plan was closed to new employees, but continues to provide benefits to existing members.

II. City of Bartlett, Tennessee Retirement Plan ("Employee Cash Balance Plan") – Employees hired on or after July 1, 2014 and after are eligible for this plan and shall become a participant on the first day of hire.

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

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

III. Legacy Public Employee Retirement Plan ("BOE Legacy") – Certain administrative employees of the Bartlett City Board of Education with membership in TCRS prior to July 1, 2014 are included in this plan. This plan was closed to new membership on June 30, 2014, but continues to provide benefits to existing members. This is an agent multiple-employer pension plan.

IV. Hybrid Public Employee Retirement Plan ("BOE Hybrid") – Certain administrative employees of the Bartlett City Board of Education with membership in TCRS beginning on or after July 1, 2014 are included in this plan. This plan is a hybrid plan which features both a defined contribution element and a pension plan element. This is an agent multiple-employer pension plan.

V. Teacher Legacy Pension Plan ("Teacher Legacy") – Teachers with membership in TCRS prior to July 1, 2014 are included in this plan. The plan was closed to new membership on June 30, 2014, but continues to provide benefits to existing members. The plan is a cost sharing multiple-employer pension plan.

VI. Teacher Retirement Plan ("Teacher Hybrid") – Teachers with membership in TCRS beginning July 1, 2014 are included in this plan. The plan is a hybrid plan which features both a defined contribution element and a pension plan element. The plan is a cost sharing multiple-employer pension plan.

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

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

	Net Pension Asset	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources
Governmental Activities				
Employee Pension Plan	$ -	$ 3,261,782	$ 26,415,712	$ 602,171
Employee Cash Balance Plan	66,122	-	-	-
Legacy Public Employee Retirement Plan	33,859	1,470,801	-	310,835
Hybrid Public Employee Retirement Plan	9,256	106,076	-	-
Teacher Legacy Pension Plan	-	18,343,842	6,049,987	7,324,529
Teacher Retirement Plan	46,669	142,117	-	10,611
Total governmental activities	$ 155,906	$ 23,324,618	$ 32,465,699	$ 8,248,146
Business-type Activities				
Employee Pension Plan	$ -	$ 210,045	$ 1,701,065	$ 38,777

I. EMPLOYEE PENSION PLAN

A. General Information about the Pension Plan

Benefits Provided

Eligible 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.

Employees Covered by Benefit Terms

At July 1, 2017 (the date of the latest actuarial valuation), Employee Pension Plan membership consisted of:

Inactive employees or beneficiaries currently receiving benefits	162
Inactive employees entitled to but not yet receiving benefits	23
Active employees	426
	611

Contributions

Covered employees are required to contribute 4% of earnings to the retirement plan. Employer contributions are based on an actuarially determined rate. For the year ended June 30, 2017, the actuarially determined contribution (“ADC”) for the plan was $3,326,960 which equaled actual employer contributions of $3,326,960 based on a rate of 15.09 percent of covered payroll.

B. Assumptions

Actuarial assumptions
The total pension liability was determined as part of the July 1, 2016 actuarial valuation using the entry age normal level percent of pay cost method. Significant actuarial assumptions used in the valuation include:

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

The actuarial assumptions used in the July 1, 2016 valuation were based on results of an actuarial experience study for the period January 1, 2015 through July 1, 2016.

Investment Policy
The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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.

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

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

C. Net Pension Liability (Asset)

The components of the net pension liability of the Employee Pension Plan at June 30, 2017 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at 6/30/16	$ 96,264,680	$ 66,353,078	$ 29,911,602
Changes for the year:			
Service cost	2,228,857	-	2,228,857
Interest	7,161,402	-	7,161,402
Differences between expected and actual experience	(705,043)	-	(705,043)
Contributions - employer	-	3,326,960	(3,326,960)
Contributions - employees	-	870,940	(870,940)
Net investment income	-	6,566,084	(6,566,084)
Benefit payments, including refunds of employee contributions	(3,787,480)	(3,787,480)	-
Administrative expenses	-	(283,943)	283,943
Net changes	4,897,736	6,692,561	(1,794,825)
Balance at 6/30/17	$ 101,162,416	$ 73,045,639	$ 28,116,777

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:

	6.50%	7.50%	8.50%
Net pension liability	$ 41,644,930	$ 28,116,777	$ 16,821,767

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

Pension Expense

For the year ended June 30, 2017, the City recognized pension expense of $4,578,153.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	$ 1,078,529	$ 640,948
Net difference between projected and actual earnings on pension plan investments	2,393,298	-
Total	$ 3,471,827	$ 640,948

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

2019	1,145,128
2020	518,549
2021	(192,543)
2022	55,741
Thereafter	158,876

E. Payable to the Pension Plan

At June 30, 2017, the City reported a payable of $26,822 for the outstanding amount of contributions to the plan.

II. EMPLOYEE CASH BALANCE PLAN

A. General Information about the Pension Plan

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

Employees Covered by Benefit Terms
At June 30, 2017, Employee Cash Balance Plan membership consisted of:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	1
Active employees	99
	100

Contributions
Covered employees are required to contribute 5% of earnings to the retirement plan. Employer contributions are based on an actuarially determined rate. For the year ended June 30, 2017, the actuarially determined contribution (“ADC”) for the plan was $163,835 while actual employer contributions were $180,556 which is 5.51% of covered payroll.

B. Assumptions

Actuarial assumptions
The total pension liability was determined as part of the June 30, 2017 actuarial valuation using the entry age normal level percent of pay, actuarial cost method. Significant actuarial assumptions used in the valuation include:

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

Investment Policy
The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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.

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

Rate of Return
For the year ended June 30, 2017, the annual approximate rate of return on investments was 6.7%. The rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

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

C. Net Pension Liability (Asset)

The components of the net pension liability of the Employee Cash Balance Plan at June 30, 2017 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at 6/30/16	$ 232,177	$ 242,346	$ (10,169)
Changes for the year:			
Service cost	336,506	-	336,506
Interest	11,062	-	11,062
Differences between expected and actual experience	(14,657)	-	(14,657)
Contributions - employer	-	180,556	(180,556)
Contributions - employees	-	180,556	(180,556)
Net investment income	-	36,579	(36,579)
Benefit payments, including refunds of employee contributions	(21,897)	(21,897)	-
Administrative expenses	-	(8,827)	8,827
Net changes	311,014	366,967	(55,953)
Balance at 6/30/17	$ 543,191	$ 609,313	$ (66,122)

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 4.0%	Current Rate 5.0%	1% Increase 6.0%
Net pension liability (asset)	$ 82,517	$ (66,122)	$ (176,348)

D. Pension Expense

Pension Expense
For the year ended June 30, 2017, the City recognized pension expense of $124,603.

E. Payable to the Pension Plan

At June 30, 2017, the City reported a payable of $515 for the outstanding amount of contributions to the plan.

III. Legacy Public Employee Retirement Plan (BOE Legacy)

A. General Information about the Pension Plan

Benefits Provided
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, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	14
Inactive employees entitled to but not yet receiving benefits	38
Active employees	188
	240

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. The 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, 2017, the employer contributions for the BOE Legacy plan were $554,835 based on a rate of 9.27 percent of payroll. By law, employer contributions are required to be paid. The TCRS may intercept the Board of Education's state shared taxes if required employer contributions are not remitted. The employer'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. Assumptions

The Board of Education's net pension liability (asset) was measured as of June 30, 2016, 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, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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, 2016 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.

Investment Policy
The long-term expected rate of return on pension plan investments were established by the TCRS Board of Trustees in conjunction with the June 30, 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 the Board of Education will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

C. Net Pension Liability (Asset)

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at 6/30/15	$ 684,453	$ 1,012,675	$ (328,222)
Changes for the year:			
Service cost	211,152	-	211,152
Interest	66,678	-	66,678
Differences between expected and actual experience	969,248	-	969,248
Contributions - employer	-	602,127	(602,127)
Contributions - employees	-	324,772	(324,772)
Net investment income	-	40,582	(40,582)
Benefit payments, including refunds of employee contributions	(13,118)	(13,118)	-
Administrative expenses	-	(14,766)	14,766
Net changes	1,233,960	939,597	294,363
Balance at 6/30/16	$ 1,918,413	$ 1,952,272	$ (33,859)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate
The following presents the net pension liability (asset) of the Board of Education related to the BOE Legacy plan 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) or1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
Net pension liability (asset)	$ 290,986	$ (33,859)	$ (298,712)

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

Negative Pension Expense
For the year ended June 30, 2017, the Board of Education recognized negative pension expense of $47,070 related to the BOE Legacy plan.

Deferred Outflows of Resources and Deferred Inflows of Resources.
For the year ended June 30, 2017, the Board of Education reported deferred outflows of resources and deferred inflows of resources related to the BOE Legacy plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 848,092	$ 310,835
Net difference between projected and actual earnings on pension plan investments	67,874	-
Contributions subsequent to the measurement date of June 30, 2016	554,835	-
Total	$ 1,470,801	$ 310,835

The amounts shown above for "Contributions subsequent to the measurement date of June 30, 2016," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

2018	$	94,770
2019		94,770
2020		94,770
2021		94,770
2022		76,751
Thereafter		153,502

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

IV. Hybrid Public Employee Retirement Plan (BOE Hybrid)

A. General Information about the Pension Plan

Benefits Provided

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, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	6
Active employees	28
	34

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. The Board of Education 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 the Board of Education's state shared taxes if required employer contributions are not remitted. Employer contributions to the BOE Hybrid plan for the year ended June 30, 2017 were $70,809, which is 5.00 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. Assumptions

The Board of Education's net pension liability (asset) was measured as of June 30, 2016, 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, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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, 2016 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.

Investment Policy
The long-term expected rate of return on pension plan investments were established by the TCRS Board of Trustees in conjunction with the June 30, 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 the Board of Education will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

C. Net Pension Liability (Asset)

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at 6/30/15	$ 10,245	$ 10,973	$ (728)
Changes for the year:			
Service cost	13,325	-	13,325
Interest	1,768	-	1,768
Differences between expected and actual experience	35,669	-	35,669
Contributions - employer	-	26,795	(26,795)
Contributions - employees	-	33,494	(33,494)
Net investment income	-	1,101	(1,101)
Benefit payments, including refunds of employee contributions	-	-	-
Administrative expenses	-	(2,100)	2,100
Net changes	50,762	59,290	(8,528)
Balance at 6/30/16	$ 61,007	$ 70,263	$ (9,256)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate
The following presents the net pension liability (asset) of the Board of Education related to the BOE Legacy plan 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) or1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
Net pension liability (asset)	$ 6,034	$ (9,256)	$ (20,915)

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

Negative Pension Expense
For the year ended June 30, 2017, the Board of Education recognized negative pension expense of $15,795 related to the BOE Hybrid plan.

Deferred Outflows of Resources and Deferred Inflows of Resources.
For the year ended June 30, 2017, the Board of Education reported deferred outflows of resources and deferred inflows of resources related to the BOE Hybrid plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 33,610	$ -
Net difference between projected and actual earnings on pension plan investments	1,657	-
Contributions subsequent to the measurement date of June 30, 2016	70,809	-
Total	$ 106,076	$ -

The amounts shown above for “Contributions subsequent to the measurement date of June 30, 2016,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

2018	$ 3,511
2019	3,511
2020	3,511
2021	3,467
2022	3,086
Thereafter	18,174

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

V. Teacher Legacy Pension Plan (Teacher Legacy)

A. General Information about the Pension Plan

Benefits Provided
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. 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 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 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 to the Teacher Legacy plan for the year ended June 30, 2017 were $3,129,243, 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. Assumptions

Actuarial Assumptions
The total pension liability as of June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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, 2016 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.

Investment Policy
The long-term expected rate of return on pension plan investments were established by the TCRS Board of Trustees in conjunction with the June 30, 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 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 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.

C. Pension Liabilities (Assets)

Pension Liabilities (Assets)

At June 30, 2017, the Board of Education reported a liability of $6,049,987 for its proportionate share of the net pension liability related to the Teacher Legacy plan. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial value as of that date. The Board of Education's proportion of the net pension liability was based on Board of Education's share of contributions to the Teacher Legacy plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Board of Education's proportion was 0.968084 percent. The proportion measured as of June 30, 2015 was 0.889434 percent.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents proportionate share of the net pension liability (asset) of the Board of Education related to the Teacher Legacy plan 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) or1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
Proportionate share of the net pension liability (asset)	$ 33,221,517	$ 6,049,987	$ (16,457,684)

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

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

Pension Expense
For the year ended June 30, 2017, the Board of Education recognized pension expense of $2,734,435 related to the Teacher Legacy plan.

Deferred Outflows of Resources and Deferred Inflows of Resources
For the year ended June 30, 2017, the Board of Education reported deferred outflows of resources and deferred inflows of resources related to the Teacher Legacy plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 254,605	$ 7,324,529
Net difference between projected and actual earnings on pension plan investments	6,754,892	-
Changes in proportion of net pension liability (asset)	8,205,102	-
Contributions subsequent to the measurement date of June 30, 2016	3,129,243	-
Total	$ 18,343,842	$ 7,324,529

The Board of Education employer contributions of $3,129,243, 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the years ending June 30:

2018	$ 889,398
2019	889,398
2020	4,129,715
2021	2,339,556
2022	(357,996)
Thereafter	-

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

VI. Teacher Retirement Plan (Teacher Hybrid)

A. General Information about the Pension Plan

Benefits Provided
Members are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. 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. 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 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 Hybrid 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 to the Teacher Hybrid plan for the year ended June 30, 2017 were $129,954, 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. Assumptions

Actuarial Assumptions
The total pension liability as of June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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, 2016 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.

Investment Policy
The long-term expected rate of return on pension plan investments were established by the TCRS Board of Trustees in conjunction with the June 30, 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 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 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.

C. Pension Liabilities (Assets)

Pension Liabilities (Assets)
At June 30, 2017, the Board of Education reported an asset of $46,669 for its proportionate share of the net pension asset related to the Teacher Hybrid plan. The net pension asset was measured as of June 30, 2016, and the total pension asset used to calculate the net pension asset was determined by an actuarial value as of that date. The Board of Education's proportion of the net pension asset was based on Board of Education's share of contributions to the Teacher Hybrid plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Board of Education's proportion was 0.448296 percent. The proportion measured as of June 30, 2015 was 0.261835 percent.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate
The following presents proportionate share of the net pension liability (asset) of the Board of Education related to the Teacher Hybrid plan 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) or1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
Proportionate share of the net pension liability (asset)	$ 22,038	$ (46,669)	$ (97,292)

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

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

Pension Expense
For the year ended June 30, 2017, the Board of Education recognized pension expense of $38,636 related to the Teacher Hybrid plan.

Deferred Outflows of Resources and Deferred Inflows of Resources
For the year ended June 30, 2017, the Board of Education reported deferred outflows of resources and deferred inflows of resources related to the Teacher Hybrid plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,522	$ 5,381
Net difference between projected and actual earnings on pension plan investments	7,641	-
Changes in proportion of net pension liability (asset)	-	5,230
Contributions subsequent to the measurement date of June 30, 2016	129,954	-
Total	$ 142,117	$ 10,611

The Board of Education employer contributions of $129,954, 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the years ending June 30:

2018	$ 1,453
2019	1,453
2020	1,453
2021	1,089
2022	(548)
Thereafter	(3,348)

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

NOTE 5 – DEFINED CONTRIBUTION EMPLOYEE BENEFIT PLAN

The Teacher Retirement Plan and the Hybrid Public Employee Retirement Plan (the Hybrid Plans) provide a combination of a defined benefit plan and a defined contribution plan. The defined benefit portion of the Hybrid Plans are managed by TCRS. The defined contribution assets are deposited into the State's 401(k) plan where the employee manages the investments within the 401(k) plan. Public school teachers may, at their option, contribute 2% of their salaries and employers are required to contribute 5% of those salaries to the defined contribution (401(k)) portion of the Hybrid plans. Contributions are made on a tax-deferred basis. During 2017, the Board of Education's employer contribution to the Hybrid Plans was $315,692.

NOTE 6 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

In addition to the pension benefits described in Note 4, the City and Board of Education each administer a single-employer defined benefit other postemployment plan to provide health care benefits to certain employees and elected officials under the provisions of the Retirement System of the City of Bartlett i.e. City of Bartlett, Tennessee Other Postemployment Benefit Plan and Bartlett City Board of Education Other Postemployment Benefit Plan.

Basis of Accounting
The OPEB plans' financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Plan member contributions are recognized in the period that the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment in accordance with terms of the OPEB plan. Neither OPEB plan issues a separate, audited financial statement.

Method Used to Value Investments
OPEB plan investments are reported at fair market value.

I. CITY OF BARTLETT, TENNESSEE OPEB

A. General Information about the OPEB Plan

Benefits Provided
The Plan provides healthcare and dental benefits for retirees through the City's health insurance plans, which cover active and retired participants. Certain employees and elected officials who have at least 15 years of service and who have attained the age of 55 are eligible to participate. 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 benefit provisions and contribution requirements are established and may be amended by the Board of Mayor and Aldermen.

Employees Covered by Benefit Terms
At June 30, 2017, the membership consisted of:

Inactive employees or beneficiaries currently receiving benefits	145
Active employees	494
	639

Contributions
The City has adopted a contributory OPEB plan for its employees requiring employee contributions to be made in accordance with the employee's age and employment status. The City is required to contribute the remaining amounts

to meet the minimum funding requirement. The City's intent is to partially fund the annual required contribution and pay for the pay-go costs from the general fund. Employer contributions are based on an actuarially determined rate. For the year ended, June 30, 2017, the actuarially determined contribution for the plan was $4,008,792 which exceeded employer contributions to the plan of $1,260,999 by $2,747,793.

B. Assumptions

The annual required contribution for the current year was determined as part of the July 1, 2016 actuarial valuation using the entry age normal level percent of pay actuarial cost method.

Inflation	2.5%
Salary increases	3.5%
Investment rate of return	5.0%, net of investment expense, including inflation
Mortality table	RP-2000 with 2% load for expected mortality improvement
Health care cost trend rate	8.0% initial rate, 4.0% ultimate rate, 9 year grading period

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

Investment Policy

The long-term expected rate of return on OPEB plan investments were established by the Retirement Plan Committee. 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
Equity	6.40%	33%
Fixed income	2.60%	37%
Short-term securities	2.03%	30%
		100%

Rate of Return

For the year ended June 30, 2017, the annual money-weighted rate of return on investment was 9.34 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The long-term expected rate of return on OPEB plan investments was established by weighted the 10 year expected rate of return by the target asset allocation.

Discount Rate Information

The discount rate used in valuing OPEB liabilities in funded plans as of the measurement date must be based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that they are sufficient to pay for projected benefit payments and the OPEB plan assets are invested using a strategy that will achieve that return. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) must be used. The final equivalent single discount rate as of June 30, 2017 is 5.0% with the assumption that the City of Bartlett will eventually pay the pay-go costs out of the OPEB Trust at the time the Trust is expected to be sufficient to finance all future benefit payments.

C. Net OPEB Liability

The components of the City’s net OPEB liability at June 30, 2017, were as follows:

Total OPEB liability	$ 29,866,371
Plan fiduciary net position	4,643,884
City's net OPEB liability	$ 25,222,487
Plan fiduciary net position as a percentage of total OPEB liability	15.5%

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

The following presents the City’s net OPEB liability (asset) calculated using the discount rate of 5.0 percent, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.0 percent) or1-percentage-point higher (6.0 percent) than the current rate:

	1% Decrease 4.00%	Current Rate 5.00%	1% Increase 6.00%
Net OPEB liability (asset)	$ 32,893,403	$ 25,222,487	$ 21,211,073

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

The following presents the City’s net OPEB liability (asset) calculated using the healthcare cost trend rate of 8.0 percent decreasing to 4.0 percent as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0 percent decreasing to 3.0 percent) or1-percentage-point higher (9.0 percent decreasing to 5.0%) than the current rate:

	1% Decrease (7% to 3%)	Current Rate (8% to 4%)	1% Increase (9% to 5%)
Net OPEB liability (asset)	$ 21,851,426	$ 25,222,487	$ 29,184,686

D. Employer Disclosures

Annual OPEB Cost and Net OPEB Obligation

The City’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a funding level that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The City's annual OPEB cost and net OPEB obligation for the current year were as follows:

Annual required contribution (ARC)	$ 5,416,668
Interest on net OPEB obligation	959,858
Adjustment to annual required contribution	(2,367,734)
Annual OPEB cost	4,008,792
Contributions or payments made	(1,260,999)
Increase in net OPEB obligation	2,747,793
Net OPEB obligation, beginning of year	19,197,168
Net OPEB obligation, end of year	$ 21,944,961

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
6/30/2015	$2,419,210	48.5%	$ 17,930,181
6/30/2016	2,481,458	48.9%	19,197,168
6/30/2017	4,008,792	31.4%	21,944,961

Funding Status and Funding Progress

As of June 30, 2017, the plan was 17.6% funded. The actuarial accrued liability for benefits was $26,420,988, and the actuarial value of assets was $4,643,884, resulting in an unfunded actuarial accrued liability (UAAL) of $21,777,104. The covered payroll (annual payroll of active employees covered by the plan) was $24,384,565, and the ratio of UAAL to covered payroll was 89%. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarially accrued liability for benefits.

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 remaining as of June 30, 2017 is 14 years.

E. Payable to the Pension Plan

At June 30, 2017, the City reported a payable of $5,531 for the outstanding amount of contributions to the plan.

II. BARTLETT CITY BOARD OF EDUCATION OPEB

A. General Information about the OPEB Plan

Benefits Provided

Legacy employees that qualify for retirement benefits under the TCRS may be 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 premium charged to retirees is the portion of premiums not covered by the Bartlett Board of Education explicit subsidy. The Bartlett Board of Education has established benefit provisions and contribution obligations.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	29
Inactive employees entitled to but not yet receiving benefits	9
Active employees	783
	821

Contributions

Bartlett City Board of Education's intent is to partially fund the annual required contribution and pay for the pay-go costs from the general purpose school fund until the Trust balance is sufficient to meet future benefit payments. Employer contributions are based on an actuarially determined rate. For the year ended June 30, 2017, the actuarially determined contribution for the plan was $2,245,129 which exceeded the employer contributions to the plan of $914,449 by $1,330,680.

B. Assumptions

Actuarial Assumptions

The annual required contribution for the current year was determined as part of the June 30, 2016 actuarial valuation using the entry age normal level percent of pay actuarial cost method. Liabilities are based on an actuarial valuation date of July 1, 2016 and actuarially rolled forward to June 30, 2017 on a "no loss/no gain" basis.

Inflation	3.0%
Salary increases	Graded salary ranges from 9.0% to 3.7% based on age
Investment rate of return	8.0%, net of investment expense, including inflation
Mortality table	RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015
Health care cost trend rate	8.5% initial rate, 5.0% ultimate rate

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

Investment Policy

The Bartlett City Board of Education has placed funds with the Tennessee School Board Association OPEB Trust ("TSBA OPEB Trust") to be used to pre-fund a portion of the OPEB liability. The assets of the TSBA OPEB Trust are commingled with other participant's funds for investment purposes, but are held in an irrevocable trust for each plan participant and may be used only for the payment of benefits to the members of the plan in accordance with the terms of their plan. The

TSBA OPEB Trust's policy in regard to allocation of invested assets is established and may be amended by the TSBA OPEB Trust Board of Trustees by a majority vote of its members. The TSBA OPEB Trust obtains an annual audit, which may be obtained from the TSBA at 525 Brick Church Park Drive, Nashville, TN 37207; however, the audit for the year ended June 30, 2017, was not available from other auditors as of the date of this report.

It is the policy of the TSBA OPEB Trust Board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The long-term expected rate of return on OPEB plan investments was determined considering several factors including a 7-year strategic return estimate and a 7 to 20 year secular return estimate. These estimates averaged together produce a long-term expected rate of return of 6.8%. The following was the Board's adopted asset allocation policy as of June 30, 2017:

Asset Class	Target Asset Allocation	Maximum Allocation	Minimum Allocation
Equity	65%	65%	35%
Fixed Income	35%	65%	20%
Alternatives	0%	35%	0%

Rate of Return
For the year ended June 30, 2017, the annual money-weighted rate of return on investment was 13.61 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The long-term expected rate of return on OPEB plan investments was established by weighting the 10 year expected rate of return by the target asset allocation.

Discount Rate Information
The discount rate used in valuing OPEB liabilities in funded plans as of the measurement date must be based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that they are sufficient to pay for projected benefit payments and the OPEB plan assets are invested using a strategy that will achieve that return. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) must be used. The final equivalent single discount rate as of June 30, 2017 is 8.0% with the assumption that Bartlett City Board of Education will eventually pay the pay-go costs out of the OPEB Trust at the time the Trust is expected to be sufficient to finance all future benefit payments.

C. Net OPEB Liability

The components of the School's net OPEB liability at June 30, 2017 were as follows:

Total OPEB liability	$ 23,610,886
Plan fiduciary net position	1,636,793
School's net OPEB liability	$ 21,974,093
Plan fiduciary net position as a percentage of total OPEB liability	6.9%

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

The following presents the City's net OPEB liability (asset) calculated using the discount rate of 5.0 percent, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.0 percent) or1-percentage-point higher (6.0 percent) than the current rate:

	1% Decrease 7.00%	Current Rate 8.00%	1% Increase 9.00%
Net OPEB liability (asset)	$ 25,401,367	$ 21,974,093	$ 19,147,557

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

The following presents the City's net OPEB liability (asset) calculated using the healthcare cost trend rate of 8.0 percent decreasing to 4.0 percent as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0 percent decreasing to 3.0 percent) or1-percentage-point higher (9.0 percent decreasing to 5.0%) than the current rate:

	1% Decrease (7.5% to 4%)	Current Rate (8.5% to 5%)	1% Increase (9.5% to 6%)
Net OPEB liability (asset)	$ 18,853,172	$ 21,974,093	$ 25,882,844

D. Employer Disclosures

Annual OPEB Cost and Net OPEB Obligation

The School's annual OPEB cost and net OPEB obligation to the Trust for the current year were as follows:

Annual required contribution (ARC)	$ 2,245,129
Interest on net OPEB obligation	123,656
Adjustment to annual required contribution	(96,463)
Annual OPEB cost	2,272,322
Contributions or payments made	(914,449)
Increase in net OPEB obligation	1,357,873
Net OPEB obligation, beginning of year	1,545,704
Net OPEB obligation, end of year	$ 2,903,577

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
6/30/2015	$ 670,031	22.4%	$ 520,031
6/30/2016	2,255,902	54.5%	1,545,704
6/30/2017	2,272,322	40.2%	2,903,577

Funding Status and Funding Progress

As of June 30, 2017, the plan was 5.2% funded. The actuarial accrued liability for benefits was $19,441,111, and the actuarial value of assets was $1,003,398, resulting in an unfunded actuarial accrued liability (UAAL) of $18,437,713. The covered payroll (annual payroll of active employees covered by the plan) was $24,384,565, and the ratio of UAAL to covered payroll was 75.6%. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarially accrued liability for benefits.

Amortization of Net OPEB Obligation

The unfunded actuarially accrued liability is being amortized as a level percent of pay over 30 years on a closed basis.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Lease Revenues

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

Years Ending June 30	**Amount**
2018	$ 350,137
2019	240,560
2020	216,768
2021	101,735
2022	39,569
Thereafter	39,992
Total	$ 988,761

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

Contracts

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

Legal Contingencies

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

NOTE 8 - 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. The City considers it more economically feasible to participate in a public entity risk pool as opposed to purchasing commercial insurance for certain general liability, workers' compensation, and property and casualty insurance. As such, the City participates in the Tennessee Municipal League Risk Management Pool (TML), which is a public entity risk pool consisting of member political subdivisions of the State of Tennessee. Each political subdivision that has participated in the TML pool is subject to assessment if the funds it paid as premiums are insufficient to meet the obligations of the TML pool. The TML pool may reinsure through the Local Government Reinsurance Fund of Tennessee or a commercial insurance company.

The City continues to carry commercial insurance for all other risks of loss, including certain general liability and property and casualty insurance. The City has replacement cost insurance, including earthquake coverage, on all buildings and on mobile equipment and vehicles costing more than $25,000 each.

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

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:

	2017	2016
Unpaid claims, beginning of fiscal year	$ -	$ -
Claims incurred during the year	100,864	76,253
Claims payments	(100,864)	(76,253)
Unpaid claims, end of fiscal year	$ -	$ -

Health Insurance

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

The City and the School are only liable for their portion of plan premiums plus any outstanding capital requirements from the Interlocal Health Plan. The liability for any incurred-but-not-reported claims is borne by the Interlocal Health Plan and not by the individual members. During the year ended June 30, 2017, the City of Bartlett and the Bartlett City Board of Education contributed premiums of $6,491,513 and $7,124,261, respectively to the Interlocal Health Benefits Plan Asset Trust.

NOTE 10 – TAX ABATEMENTS

The City of Bartlett currently offers the following tax abatement programs:

The State of Tennessee, through existing state statute, provides that the property of housing authorities shall be exempt from all taxes and special assessments of the state or any city or county or political subdivision thereof. In lieu of such taxes, a housing authority agrees to make payments to any political subdivision of the state for services and improvements furnished by the city or county. The Health and Housing Facility Board of the County of Shelby Tennessee has entered into lease agreements dated December 1, 1988 and again on June 23, 2016 with Ava Maria Home, a Tennessee nonprofit corporation, located in Shelby County Tennessee and the City of Bartlett. The terms of the lease provide the exemption from property taxes for both Shelby County and the City of Bartlett in return for the Home to pay certain revenues, leases, rents, and profits to the issuer of Revenues Bonds Series 1998A and Series 2016A and 2016B from the date of execution for as long as the bonds are outstanding.

Chapter 53 of T.C.A. title 7 authorizes the incorporation in municipalities in this state of public corporations to finance, acquire, own, lease, or dispose of properties, to the end that such corporations may be able to maintain and increase employment opportunities among other stated goals. The Bartlett Industrial Development Board (IDB) was chartered in January 1983 for this purpose. In cooperation with the City of Bartlett and Shelby County the IDB utilizes this authority to encourage industries and manufacturers to locate in Bartlett for the purpose of providing employment opportunities and providing growth in the city's property tax base. Expansion of existing facilities within the city or relocation of operations into the city can also be considered as confirming promises to improve the economic development within the city. These payment-in-lieu-of-tax (PILOT) lease agreements between the Bartlett IDB and the industries allow for the reduction of real and personal property taxes for three or more years, depending on the project criteria as established by the Bartlett IDB. In return for this property tax abatement, the industries commit to hiring a certain number of employees over the term of the agreement and/or making improvements to the facilities. During FY17, the Bartlett IDB had four lease agreements with industries that meet the criteria of the PILOT program described above.

A number of entities located in Shelby County enter into lease or economic development activities which allow for the abatement of real and personal property taxes by the county for the purpose of providing incentives for corporations and industries to locate within the county. The abatement of these taxes flow through to the school systems within Shelby County because property taxes are shared with the systems based on the average daily attendance (ADA) percentage of students within the county. The Bartlett City School System shares 6.07% of all property taxes shared with school systems within the county. The abatement of these taxes results from operations and authority of the following jointly governed organizations.

- The Memphis Center City Revenue Finance Corporation (CCRFC) is a state-chartered industrial development board. The CCRFC is authorized by Tennessee statute to finance, own, lease, and dispose of properties in order to maintain and increase employment opportunities and increase the quantity of housing in the Center City. The CCRFC is also charged with promoting industry, trade, commerce, tourism, and inducing related enterprises to remain in or locate to the Center City. In this effort the CCRFC can grant Payment in Lieu of Taxes (PILOT) tax freezes to property owners who plan to improve or redevelop their property.

- The Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby Tennessee (EDGE) focuses on developing and fostering public/private partner ships to create jobs, grow the local economy, spark innovation, an encourage entrepreneurship. One of EDGE's programs to promote development is the Payment in Lieu of Taxes (PILOT) incentive. In return for commitment to contract with minority/women owned firms and small businesses to create or retain jobs with specific payroll and benefits the applicant receives a temporary, partial abatement of future real and/or personal property taxes.

- The Health, Housing and Education Facilities Board and the Industrial Development Board of Shelby County Tennessee provide a payment in lieu of taxes (PILOT) program as a financial incentive designed to encourage new construction and rehabilitation of affordable multi-family housing through property tax relief for a period for housing within the city limits of Memphis Tennessee. To be eligible for a PILOT, the value of renovations, site improvements or new construction must be equal to or greater that 50% of the property acquisition cost. Twenty percent (20%) of the applicant's units must be occupied by individuals whose income is 50% or less of the median gross income or 40% or more of the units must be occupied by individuals whose income is 60% or less of the median gross income. The purpose of the program is to benefit low and moderate income tenants. Properties included in this program are subject to quarterly reporting and monitoring for compliance with both the terms of the program and other fair housing practices.

- The cities of Arlington, Bartlett, Collierville, Germantown, and Millington each have created Industrial Development Boards that have the authority to enter into lease agreements with commercial and industrial businesses to provide payment in lieu of taxes (PILOT) programs as a financial incentive to locate with the city limits or make improvements to existing property. These payment-in-lieu-of-tax (PILOT) lease agreements between the respective IDBs and the industries allow for the reduction of real and personal property taxes for three or more years, depending on the project criteria as established by each IDB. In return for this property tax abatement, the industries commit to hiring a certain number of employees over the term of the agreement and/or make significant improvements to the property. In addition to the abatement of city property taxes for each industry, the IDBs also abate county property taxes that would otherwise be shared with each city's municipal school system based on average daily attendance. The city of Bartlett's municipal school system would share 6.07% of these property taxes which would be submitted to Shelby County.

Information relevant to the disclosure of these programs for the year ended June 30, 2017 is:

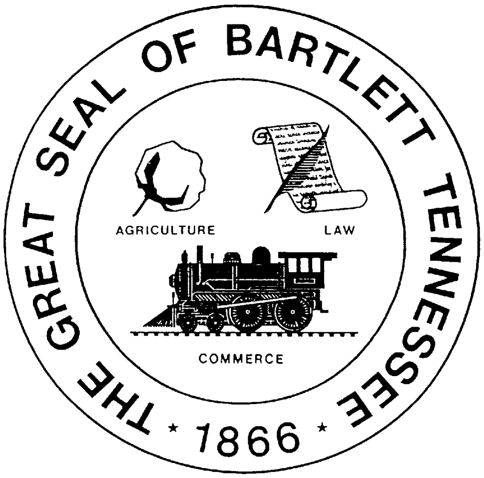
Tax Abatement Program	Amount of Taxes Abated during 2017
City of Bartlett Taxes Abated from City Tax Programs	
Health and Housing Facility Board of the County of Shelby Tennessee	$55,695
Bartlett Industrial Development Board	118,016
Bartlett Municipal School Taxes Abated from Shelby County Property Taxes	
Memphis Center City Revenue Finance	546,094
Memphis/Shelby County EDGE Program	1,527,351
Health, Housing and Education Board	247,859
Municipal Industrial Development Boards	256,136
Total Tax Abatements for 2017	$2,751,151

NOTE 11 – SUBSEQUENT EVENTS

On June 13, 2017 the Board authorized the issuance of $1,969,150 in capital outlay notes. On July 20, 2017, the City issued a seven-year capital outlay note in the amount of $1,969,150 through the Tennessee Municipal Bond Fund. The note bears an interest rate of 2.33% with final maturity of August 1, 2024. Proceeds from the note were used to finance certain public works projects, consisting of the acquisition of vehicles and equipment for the police, fire, codes enforcement, public works, engineering, and departments of the City, the acquisition of parks and recreation vehicles and equipment for the parks department of the City, plus recreation equipment, and renovations to parks department facilities, the acquisition of all other property real and personal appurtenant thereto and connected with such work, and to pay all legal, fiscal, administrative, and engineering costs incident thereto.

A portion of the Series 2016 bonds, issued on September 15, 2016, provided funds to advance refund $940,000 in General Obligation Improvement Bonds, Series 2009. On September 1, 2017, these bonds were retired, using $952,987 on deposit in an escrow account with US Bank.

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


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

CITY OF BARTLETT

TENNESSEE

REQUIRED SUPPLEMENTARY INFORMATION

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability										
Service cost	$ 2,228,857	$ 2,263,398	$ 2,332,699	$ 2,231,818	$ 2,364,680	$ 2,359,896	$ 2,362,761	$ 2,326,555	$ 1,934,653	$ 1,837,053
Interest	7,161,402	6,606,832	6,224,029	5,799,696	5,556,860	5,232,466	4,917,355	4,530,703	4,264,320	3,930,864
Changes of benefit items	-	-	-	365,972	-	-	-	-	-	-
Differences between expected and actual experience	(705,043)	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	(3,787,480)	(3,387,978)	(3,195,130)	(2,816,982)	(2,664,082)	(2,395,115)	(2,299,188)	(2,141,702)	(1,914,027)	(1,777,381)
Net change in total pension liability	4,897,736	7,611,296	5,666,331	5,657,769	3,237,815	4,325,262	4,201,470	5,155,364	3,549,797	4,448,054
Total pension liability - beginning	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	52,411,522
Total pension liability - ending	$ 101,162,416	$ 96,264,680	$ 88,653,384	$ 82,987,053	$ 77,329,284	$ 74,091,469	$ 69,766,207	$ 65,564,737	$ 60,409,373	$ 56,859,576
Plan Fiduciary Net Position										
Contributions - employer	3,326,960	3,127,818	3,205,170	3,395,565	3,085,413	3,052,605	3,063,599	3,024,676	3,083,215	2,900,730
Contributions - employee	870,940	893,670	915,772	911,954	881,552	872,176	829,711	838,310	841,645	781,502
Net investment income	6,566,084	1,317,984	1,584,193	8,017,388	5,067,448	586,516	7,024,828	4,539,174	(8,050,523)	(5,062,514)
Benefit payments	(3,787,480)	(3,387,978)	(3,195,130)	(2,816,982)	(2,664,082)	(2,395,115)	(2,299,188)	(2,141,702)	(1,914,027)	(1,777,381)
Administrative expense	(283,943)	(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	6,692,561	1,690,599	2,230,847	9,287,191	6,169,870	1,920,632	8,445,005	6,077,618	(6,249,670)	(3,448,480)
Plan fiduciary net position - beginning	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	40,229,466
Plan fiduciary net position - ending	$ 73,045,639	$ 66,353,078	$ 64,662,479	$ 62,431,632	$ 53,144,441	$ 46,974,571	$ 45,053,939	$ 36,608,934	$ 30,531,316	$ 36,780,986
Net pension liability	$ 28,116,777	$ 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	72.21%	68.93%	72.94%	75.23%	68.72%	63.40%	64.58%	55.84%	50.54%	64.69%
Covered payroll	$ 22,042,673	$ 22,505,784	$ 23,205,853	$ 22,101,474	$ 21,797,237	$ 21,569,182	$ 21,398,047	$ 20,923,074	$ 20,682,097	$ 19,130,652
Net pension liability as a percentage of covered payroll	127.56%	132.91%	103.38%	93.00%	110.95%	125.72%	115.49%	138.39%	144.46%	104.96%

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	$ 3,326,960	$ 3,089,675	$ 3,042,488	$ 3,395,590	$ 3,787,195	$ 3,581,767	$ 3,323,279	$ 3,675,765	$ 2,889,590
Contributions	3,326,960	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 (surplus)	$ -	$ (38,143)	$ (162,682)	$ 25	$ 701,482	$ 529,591	$ 259,680	$ 651,089	$ (193,625)
Covered payroll	$ 22,042,673	$ 22,505,784	$ 23,205,853	$ 22,101,474	$ 21,797,237	$ 21,569,182	$ 21,398,047	$ 20,923,074	$ 20,682,097
Contributions as a percentage of covered payroll	15.09%	13.90%	13.81%	15.36%	14.16%	14.15%	14.32%	14.46%	14.91%

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

NOTE 1 - VALUATION DATE

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

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

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

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

	2017	2016	2015
Total Pension Liability			
Service cost	$ 336,506	$ 189,455	$ 54,492
Interest	11,062	2,915	-
Changes of benefit items	-	-	-
Differences between expected and actual experience	(14,657)	(5,166)	-
Changes in assumptions	-	-	-
Benefit payments	(21,897)	(9,519)	-
Net change in total pension liability	311,014	177,685	54,492
Total pension liability - beginning	232,177	54,492	-
Total pension liability - ending	$ 543,191	$ 232,177	$ 54,492
Plan Fiduciary Net Position			
Contributions - employer	$ 180,556	$ 97,392	$ 28,315
Contributions - employee	180,556	97,392	28,315
Net investment income	36,579	5,687	1
Benefit payments	(21,897)	(9,519)	-
Administrative expense	(8,827)	(5,237)	-
Net change in plan fiduciary net position	366,967	185,715	56,631
Plan fiduciary net position - beginning	242,346	56,631	-
Plan fiduciary net position -ending	$ 609,313	$ 242,346	$ 56,631
Net pension liability (asset)	$ (66,122)	$ (10,169)	$ (2,139)
Plan fiduciary net position as a percentage of the total pension liability	112.17%	104.38%	103.93%
Covered payroll	$ 3,276,689	$ 1,841,278	$ 544,418
Net pension liability as a percentage of covered payroll	-2.02%	-0.55%	-0.39%

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

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

	2017	2016	2015
Actuarially determined contribution	$ 163,835	$ 92,064	$ 27,221
Contributions	180,556	97,392	28,315
Contribution deficiency (surplus)	$ (16,721)	$ (5,328)	$ (1,094)
Covered payroll	$ 3,276,689	$ 1,841,278	$ 544,418
Contributions as a percentage of covered payroll	5.51%	5.29%	5.20%

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

NOTE 1 - VALUATION DATE

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

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

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

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

	Annual Money-Weighted Rate of Return Net of Investment Expenses
2017	6.7%
2016	0.3%
2015	0.0%

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

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

	2016	2015
Total Pension Liability		
Service cost	$ 211,152	$ 1,008,583
Interest	66,678	75,639
Changes of benefit items	-	-
Differences between expected and actual experience	969,248	(399,645)
Changes in assumptions	-	-
Benefit payments	(13,118)	(124)
Net change in total pension liability	1,233,960	684,453
Total pension liability - beginning	684,453	-
Total pension liability - ending	$ 1,918,413	$ 684,453
Plan Fiduciary Net Position		
Contributions - employer	$ 602,127	$ 655,197
Contributions - employee	324,772	353,386
Net investment income	40,582	16,348
Benefit payments	(13,118)	(124)
Administrative expense	(14,766)	(12,132)
Net change in plan fiduciary net position	939,597	1,012,675
Plan fiduciary net position - beginning	1,012,675	-
Plan fiduciary net position -ending	$ 1,952,272	$ 1,012,675
Net pension liability (asset)	$ (33,859)	$ (328,222)
Plan fiduciary net position as a percentage of the total pension liability	101.76%	147.95%
Covered payroll	$ 6,501,043	$ 7,067,925
Net pension liability as a percentage of covered payroll	-0.52%	-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 future fiscal years until 10 years of information is available.

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

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

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

NOTE 1 - VALUATION DATE

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

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
HYBRID PUBLIC EMPLOYEE PENSION PLAN OF TCRS

Last Ten Fiscal Years June 30

	2016	2015
Total Pension Liability		
Service cost	$ 13,325	$ 8,469
Interest	1,768	635
Changes of benefit items	-	-
Differences between expected and actual experience	35,669	1,141
Changes in assumptions	-	-
Benefit payments	-	-
Net change in total pension liability	50,762	10,245
Total pension liability - beginning	10,245	-
Total pension liability - ending	$ 61,007	$ 10,245
Plan Fiduciary Net Position		
Contributions - employer	$ 26,795	$ 4,840
Contributions - employee	33,494	6,049
Net investment income	1,101	183
Benefit payments	-	-
Administrative expense	(2,100)	(99)
Net change in plan fiduciary net position	59,290	10,973
Plan fiduciary net position - beginning	10,973	-
Plan fiduciary net position -ending	$ 70,263	$ 10,973
Net pension liability (asset)	$ (9,256)	$ (728)
Plan fiduciary net position as a percentage of the total pension liability	115.17%	107.11%
Covered payroll	$ 669,882	$ 120,989
Net pension liability as a percentage of covered payroll	-1.38%	-0.60%

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

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

	2017	2016	2015
Actuarially determined contribution	$ 25,491	$ 13,397	$ 2,420
Contributions	70,809	26,795	4,840
Contribution deficiency (surplus)	$ (45,318)	$ (13,398)	$ (2,420)
Covered payroll	$ 1,416,170	$ 669,882	$ 120,989
Contributions as a percentage of covered payroll	5.00%	4.00%	4.00%

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

NOTE 1 - VALUATION DATE

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

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

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

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

	2016	2015	2014
Proportion of the net pension liability (asset)	0.968084%	0.889434%	0.000000%
Proportionate share of the net pension liability (asset)	$ 6,049,987	$ 364,343	$ -
Covered payroll	$ 34,945,891	$ 33,295,992	$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	17.31%	1.09%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	97.14%	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 future fiscal years until 10 years of information is available.

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

	2017	2016	2015
Contractually required	$ 3,129,243	$ 3,159,107	$ 3,009,957
Contribution in relation to the contractually required contribution	3,129,243	3,159,107	3,009,957
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 34,615,492	$ 34,945,891	$ 33,295,992
Contributions as a percentage of covered payroll	9.04%	9.04%	9.04%

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
TEACHER RETIREMENT PLAN OF TCRS

Last Ten Fiscal Years June 30*

	2016	2015
Proportion of the net pension liability (asset)	0.448296%	0.267353%
Proportionate share of the net pension liability (asset)	$ (46,669)	$ (10,755)
Covered payroll	$ 1,972,539	$ 555,497
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-2.37%	-1.94%
Plan fiduciary net position as a percentage of the total pension liability	121.88%	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 future fiscal years until 10 years of information is available.

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

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

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

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability - PUC	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2008	$ 631,851	$ 64,231,073	$ 63,599,222	1.0%	$ 20,682,097	308%
7/1/2009*	624,167	68,971,214	68,347,047	0.9%	20,923,074	327%
7/1/2010	566,339	17,867,243	17,300,904	3.2%	21,398,047	81%
7/1/2011*	623,056	19,266,337	18,643,281	3.2%	21,536,382	87%
7/1/2012	1,205,847	17,461,310	16,255,463	6.9%	21,797,237	75%
7/1/2013*	1,754,053	17,717,752	15,963,699	9.9%	21,797,237	73%
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%
7/1/2017*	4,643,884	26,420,988	21,777,104	17.6%	24,384,565	89%

*Projected from previous valuation.

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
CITY OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Ten Fiscal Years June 30

	2017
Total OPEB Liability	
Service cost	$ 720,694
Interest	1,439,231
Changes of benefit items	-
Differences between expected and actual experience	(26,865)
Changes in assumptions	-
Benefit payments	(653,224)
Net change in total OPEB liability	1,479,836
Total OPEB liability - beginning	28,386,535
Total OPEB liability - ending	$ 29,866,371
Plan Fiduciary Net Position	
Contributions - employer	$ 1,260,999
Contributions - employee	-
Net investment income	399,190
Benefit payments	(653,224)
Administrative expense	(31,824)
Net change in plan fiduciary net position	975,141
Plan fiduciary net position - beginning	3,668,743
Plan fiduciary net position -ending	$ 4,643,884
Net OPEB liability (asset)	$ 25,222,487
Plan fiduciary net position as a percentage of the total OPEB liability	15.55%
Covered payroll	$ 24,384,565
Net OPEB liability as a percentage of covered payroll	103.44%

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

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

	2017
Actuarially determined contribution	$ 4,008,792
Contributions	1,260,999
Contribution deficiency (surplus)	$ 2,747,793
Covered payroll	$ 24,384,565
Contributions as a percentage of covered payroll	5.17%

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

NOTE 1 - VALUATION DATE

July 1, 2016 with results actuarially rolled forward to June 30, 2017 on a "no loss/no gain" basis.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	5 years
Asset valuation method	Market value
Inflation	2.5%
Healthcare cost trend rates	8% initial, decreasing to an ultimate rate of 4%, 9 year grading
Salary increases	3.5%
Investment rate of return	5.0%, net of investment expenses, including inflation
Withdrawal rates	T-5 Actuaries Pension Handbook
Mortality	RP-2000 Mortality Table with 2% load for expected mortality improvement

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

	Annual Money-Weighted Rate of Return Net of Investment Expenses
2017	9.34%

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

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

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	0.0%	N/A	N/A
7/1/2015	150,000	18,420,599	18,270,599	0.8%	41,712,685	43.8%
7/1/2016	1,003,398	19,441,111	18,437,713	5.2%	43,172,629	42.7%

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

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

	2017
Total OPEB Liability	
Service cost	$ 1,130,118
Interest	1,790,381
Changes of benefit items	-
Differences between expected and actual experience	(1,478,154)
Changes in assumptions	-
Benefit payments	(414,449)
Net change in total OPEB liability	1,027,896
Total OPEB liability - beginning	22,582,990
Total OPEB liability - ending	$ 23,610,886
Plan Fiduciary Net Position	
Contributions - employer	$ 914,449
Contributions - employee	-
Net investment income	137,453
Benefit payments	(414,449)
Administrative expense	(4,058)
Net change in plan fiduciary net position	633,395
Plan fiduciary net position - beginning	1,003,398
Plan fiduciary net position -ending	$ 1,636,793
Net OPEB liability (asset)	$ 21,974,093
Plan fiduciary net position as a percentage of the total OPEB liability	6.93%
Covered payroll	$ 43,172,629
Net OPEB liability as a percentage of covered payroll	50.90%

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

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

		2017
Actuarially determined contribution	$	2,245,129
Contributions		914,449
Contribution deficiency (surplus)	$	1,330,680
Covered payroll	$	43,172,629
Contributions as a percentage of covered payroll		2.12%

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

NOTE 1 - VALUATION DATE

July 1, 2016 with results actuarially rolled forward to June 30, 2017 on a "no loss/no gain" basis.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation method	Market value
Inflation	3.0%
Healthcare cost trend rates	7.5% initial, decreasing to an ultimate rate of 4%
Salary increases	Graded salary ranges from 9.0% to 3.7% based on age, including inflation
Investment rate of return	8.0%, net of investment expenses, including inflation
Mortality	SOA RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015

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

	Annual Money-Weighted Rate of Return Net of Investment Expenses
2017	13.61%

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

FUND STATEMENTS

CITY OF BARTLETT

TENNESSEE

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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

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

CITY OF BARTLETT

TENNESSEE

COMBINING NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

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

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

Debt Service Fund - The Debt Service Fund accounts for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs.

CITY OF BARTLETT, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

	Special Revenue Funds						
	State Street Aid Fund	**Solid Waste Control Fund**	**General Improvement Fund**	**Drug Enforcement Fund**	**Drainage Control Fund**	**Parks Improvement Fund**	**DEA Task Force Fund**
ASSETS							
Cash and cash equivalents	$ 670,514	$ 785,008	$ 268,627	$ 562,080	$ 161,695	$ 702,738	$ 313,969
Receivables							
Taxes	-	-	-	-	-	-	-
Customer	-	644,347	68,599	-	-	-	-
Less allowance for doubtful accounts	-	(18,858)	(2,123)	-	-	-	-
Due from other governments	271,791	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Prepaid Items	-	-	100,674	-	-	-	-
Total assets	$ 942,305	$ 1,410,497	$ 435,777	$ 562,080	$ 161,695	$ 702,738	$ 313,969
LIABILITIES							
Accounts payable and accrued liabilities	$ 132,203	$ 108,213	$ 53	$ 71,984	$ -	$ -	$ 602
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	132,203	108,213	53	71,984	-	-	602
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue							
Taxes	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-
Other	-	56,302	5,382	-	-	-	-
Total deferred inflows of resources	-	56,302	5,382	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	100,674	-	-	-	-
Restricted	-	1,245,982	-	490,096	-	-	313,367
Committed	-	-	-	-	-	-	-
Assigned	810,102	-	329,668	-	161,695	702,738	-
Total fund balances	810,102	1,245,982	430,342	490,096	161,695	702,738	313,367
Total liabilities, deferred inflows of resources and fund balances	$ 942,305	$ 1,410,497	$ 435,777	$ 562,080	$ 161,695	$ 702,738	$ 313,969

(CONTINUED ON NEXT PAGE)

CITY OF BARTLETT, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

	Special Revenue Funds						
	Grants Fund	Federal Projects Fund	School Nutrition Fund	Discretionary Grants Fund	Education Capital Fund	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS							
Cash and cash equivalents	$ -	$ 78,443	$ 393,825	$ 13,282	$ 3,766,097	$ -	$ 7,716,278
Receivables							
Taxes	-	-	-	-	-	525,252	525,252
Customer	-	-	-	-	-	-	712,946
Less allowance for doubtful accounts	-	-	-	-	-	-	(20,981)
Due from other governments	233,713	444,166	-	49,556	-	-	999,226
Inventory	-	-	30,017	-	-	-	30,017
Prepaid Items	-	-	-	-	-	-	100,674
Total assets	$ 233,713	$ 522,609	$ 423,842	$ 62,838	$ 3,766,097	$ 525,252	$ 10,063,412
LIABILITIES							
Accounts payable and accrued liabilities	$ 3,600	$ 9,952	$ 49,210	$ 6,562	$ 2,546,000	$ -	$ 2,928,379
Accrued payroll	-	171,970	-	10,725	-	-	182,695
Due to other funds	230,113	340,687	474	44,554	-	358,279	974,107
Total liabilities	233,713	522,609	49,684	61,841	2,546,000	358,279	4,085,181
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue							
Taxes	-	-	37,317	-	-	-	37,317
Grants	-	-	-	997	-	-	997
Other	-	-	-	-	-	-	61,684
Total deferred inflows of resources	-	-	37,317	997	-	-	99,998
FUND BALANCES							
Nonspendable	-	-	30,017	-	-	-	130,691
Restricted	-	-	306,824	-	-	-	2,356,269
Committed	-	-	-	-	1,220,097	166,973	1,387,070
Assigned	-	-	-	-	-	-	2,004,203
Total fund balances	-	-	336,841	-	1,220,097	166,973	5,878,233
Total liabilities, deferred inflows of resources and fund balances	$ 233,713	$ 522,609	$ 423,842	$ 62,838	$ 3,766,097	$ 525,252	$ 10,063,412

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	Special Revenue Funds						
	State Street Aid Fund	**Solid Waste Control Fund**	**General Improvement Fund**	**Drug Enforcement Fund**	**Drainage Control Fund**	**Parks Improvement Fund**	**DEA Task Force Fund**
REVENUES							
Taxes							
Local sales taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental - state gas tax	1,563,497	-	-	-	-	-	-
Intergovernmental - grants	-	-	-	-	-	-	-
Intergovernmental - other	-	-	-	-	-	-	-
Charges for services	40,540	5,935,525	653,656	-	17,500	-	-
Fines, forfeitures, and penalties	-	-	-	187,014	-	-	52,691
Federal, state and other grants	267	10,764	-	-	-	-	-
Interest on investments	-	-	-	-	40	-	112
Other	-	3,975	-	3,674	14,750	-	-
Total revenues	1,604,304	5,950,264	653,656	190,688	32,290	-	52,803
EXPENDITURES							
Current							
Public safety	-	-	-	172,808	-	-	2,910
Public works	1,461,363	5,655,458	400,550	-	94,865	-	-
Education	-	-	-	-	-	-	-
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-
Total expenditures	1,461,363	5,655,458	400,550	172,808	94,865	-	2,910
Excess (deficiency) of revenues over (under) expenditures	142,941	294,806	253,106	17,880	(62,575)	-	49,893
OTHER FINANCING SOURCES (USES)							
Refunding bonds	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-
Sale of capital assets	-	9,250	-	-	-	-	88
Transfers in	-	-	-	21,000	100,000	-	-
Transfers out	(700,000)	(200,000)	(391,000)	-	-	-	-
Total other financing sources and uses	(700,000)	(190,750)	(391,000)	21,000	100,000	-	88
Net change in fund balances	(557,059)	104,056	(137,894)	38,880	37,425	-	49,981
Fund balances - beginning	1,367,161	1,141,926	568,236	451,216	124,270	702,738	263,386
Fund balances - ending	$ 810,102	$ 1,245,982	$ 430,342	$ 490,096	$ 161,695	$ 702,738	$ 313,367

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CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	Special Revenue Funds						
	Grants Fund	Federal Projects Fund	School Nutrition Fund	Discretionary Grants Fund	Education Capital Fund	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES							
Taxes							
Local sales taxes	$ -	$ -	$ -	$ -	$ -	$ 3,233,019	$ 3,233,019
Intergovernmental - state gas tax	-	-	-	-	-	-	1,563,497
Intergovernmental - grants	-	-	-	-	1,368,900	-	1,368,900
Intergovernmental - other	-	-	-	-	-	-	-
Charges for services	-	-	1,239,552	-	-	-	7,886,773
Fines, forfeitures, and penalties	-	-	-	-	-	-	239,705
Federal, state and other grants	2,260,873	4,541,756	1,357,689	533,739	-	-	8,705,088
Interest on investments	-	-	-	-	-	-	152
Other	472	-	-	-	-	-	22,871
Total revenues	2,261,345	4,541,756	2,597,241	533,739	1,368,900	3,233,019	23,020,005
EXPENDITURES							
Current							
Public safety	186,782	-	-	-	-	-	362,500
Public works	468,521	-	-	-	-	-	8,080,757
Education	-	4,357,462	2,469,070	497,780	-	-	7,324,312
Debt Service							
Principal	-	-	-	-	-	3,477,000	3,477,000
Interest	-	-	-	-	-	930,579	930,579
Bond issuance costs	-	-	-	-	-	87,302	87,302
Capital outlays	-	-	-	-	5,019,727	-	5,019,727
Total expenditures	655,303	4,357,462	2,469,070	497,780	5,019,727	4,494,881	25,282,177
Excess (deficiency) of revenues over (under) expenditures	1,606,042	184,294	128,171	35,959	(3,650,827)	(1,261,862)	(2,262,172)
OTHER FINANCING SOURCES (USES)							
Refunding bonds	-	-	-	-	-	971,048	971,048
Payment to escrow agent	-	-	-	-	-	(971,048)	(971,048)
Sale of capital assets	-	-	-	-	-	-	9,338
Transfers in	15,981	-	-	-	3,190,962	966,000	4,293,943
Transfers out	(1,622,023)	(184,294)	-	(35,959)	-	-	(3,133,276)
Total other financing sources and uses	(1,606,042)	(184,294)	-	(35,959)	3,190,962	966,000	1,170,005
Net change in fund balances	-	-	128,171	-	(459,865)	(295,862)	(1,092,167)
Fund balances - beginning	-	-	208,670	-	1,679,962	462,835	6,970,400
Fund balances - ending	$ -	$ -	$ 336,841	$ -	$ 1,220,097	$ 166,973	$ 5,878,233

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE STREET AID FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
Intergovernmental - state gas tax				
Gas motor fuel	$ 1,580,000	$ 1,580,000	$ 1,068,694	$ (511,306)
Gas 1989	-	-	173,250	173,250
Gas 3 cent	-	-	321,553	321,553
Charges for services	250,000	250,000	40,540	(209,460)
Grants	-	-	267	267
Planned use of fund balance	565,000	565,000	-	(565,000)
Total Revenues	2,395,000	2,395,000	1,604,304	(790,696)
EXPENDITURES:				
Public Works				
Materials and supplies	1,500,000	1,525,447	1,370,925	154,522
Capital outlay	195,000	236,222	90,438	145,784
Total Expenditures	1,695,000	1,761,669	1,461,363	300,306
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	700,000	633,331	142,941	(490,390)
OTHER FINANCING SOURCES (USES)				
Transfers out	(700,000)	(700,000)	(700,000)	-
Net change in fund balances	$ -	$ (66,669)	(557,059)	$ (490,390)
Fund balances - beginning			1,367,161	
Fund balances - ending			$ 810,102	

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SOLID WASTE CONTROL FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Charges for services	$ 6,148,000	$ 6,148,000	$ 5,935,525	$ (212,475)
Federal, state and other grants	5,000	5,000	10,764	5,764
Other Income	4,049	4,049	3,975	(74)
Total Revenues	6,157,049	6,157,049	5,950,264	(206,785)
EXPENDITURES:				
Public Works				
Salaries	2,085,882	2,085,882	2,036,903	48,979
Benefits	937,500	937,500	900,952	36,548
Contractual services	1,000,300	1,000,300	936,484	63,816
Maintenance and equipment rental	607,800	607,800	553,434	54,366
Materials and supplies	379,800	379,800	321,407	58,393
Insurance	50,647	50,647	50,579	68
Other charges	45,120	45,120	52,270	(7,150)
Capital outlay	850,000	856,200	803,429	52,771
Total Expenditures	5,957,049	5,963,249	5,655,458	307,791
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	200,000	193,800	294,806	101,006
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	9,250	9,250
Transfers out	(200,000)	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	(200,000)	(200,000)	(190,750)	9,250
Net change in fund balances	$ -	$ (6,200)	104,056	$ 110,256
Fund balances - beginning			1,141,926	
Fund balances - ending			$ 1,245,982	

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL IMPROVEMENT FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Charges for services	$ 662,500	$ 662,500	$ 653,656	$ (8,844)
Planned use of fund balance	-	130,000	-	(130,000)
Total Revenues	662,500	792,500	653,656	(138,844)
EXPENDITURES:				
Public Works				
Contractual services	2,000	2,000	-	2,000
Maintenance and equipment rental	232,000	277,000	278,438	(1,438)
Materials and supplies	1,000	1,000	280	720
Other charges	31,500	31,500	32,520	(1,020)
Capital outlay	135,000	90,000	89,312	688
Total Expenditures	401,500	401,500	400,550	950
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	261,000	391,000	253,106	(137,894)
OTHER FINANCING SOURCES (USES)				
Transfers out	(261,000)	(391,000)	(391,000)	-
Net change in fund balances	$ -	$ -	(137,894)	$ (137,894)
Fund balances - beginning			568,236	
Fund balances - ending			$ 430,342	

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DRUG ENFORCEMENT FUND
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines, forfeitures, and penalties	$ 153,000	$ 153,000	$ 187,014	$ 34,014
Other Income	1,000	1,000	3,674	2,674
Planned use of fund balance	138,400	138,400	-	(138,400)
Total Revenues	292,400	292,400	190,688	(101,712)
EXPENDITURES:				
Public Safety				
Salaries	70,000	70,000	52,973	17,027
Benefits	8,000	8,000	3,872	4,128
Contractual services	32,500	32,500	6,366	26,134
Maintenance and equipment rental	15,000	15,000	5,131	9,869
Materials and supplies	53,000	53,000	31,464	21,536
Insurance	-	-	-	-
Other charges	61,900	61,900	19,425	42,475
Capital outlay	94,000	94,000	53,577	40,423
Total Expenditures	334,400	334,400	172,808	161,592
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(42,000)	(42,000)	17,880	59,880
OTHER FINANCING SOURCES (USES)				
Transfers in	42,000	42,000	21,000	(21,000)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	42,000	42,000	21,000	(21,000)
Net change in fund balances	$ -	$ -	38,880	$ 38,880
Fund balances - beginning			451,216	
Fund balances - ending			$ 490,096	

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DRAINAGE CONTROL FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Charges for services	$ 2,000	$ 2,000	$ 17,500	$ 15,500
Interest income	-	-	40	40
Other Income	-	-	14,750	14,750
Planned use of fund balance	13,711	13,711	-	(13,711)
Total Revenues	15,711	15,711	32,290	16,579
EXPENDITURES:				
Public Works				
Salaries	64,372	64,372	57,962	6,410
Benefits	24,089	24,089	24,762	(673)
Contractual services	17,150	14,150	3,319	10,831
Materials and supplies	750	750	53	697
Other charges	9,350	9,350	4,410	4,940
Capital outlay	-	5,000	4,359	641
Total Expenditures	115,711	117,711	94,865	22,846
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(100,000)	(102,000)	(62,575)	39,425
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
Net change in fund balances	$ -	$ (2,000)	37,425	$ 39,425
Fund balances - beginning			124,270	
Fund balances - ending			$ 161,695	

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEA TASK FORCE FUND
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines, forfeitures, and penalties	$ 100,000	$ 100,000	$ 52,691	$ (47,309)
Interest income	500	500	112	(388)
Total Revenues	100,500	100,500	52,803	(47,697)
EXPENDITURES:				
Public Safety				
Salaries	-	-	-	-
Benefits	-	-	-	-
Contractual services	25,000	25,000	905	24,095
Maintenance and equipment rental	3,200	3,200	-	3,200
Materials and supplies	6,000	6,000	-	6,000
Insurance	-	-	-	-
Other charges	5,200	5,200	2,005	3,195
Capital outlay	61,100	61,100	-	61,100
Total Expenditures	100,500	100,500	2,910	97,590
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	49,893	49,893
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	88	88
Net change in fund balances	$ -	$ -	49,981	$ 49,981
Fund balances - beginning			263,386	
Fund balances - ending			$ 313,367	

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GRANTS FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Grants	$ 7,422,682	$ 8,097,703	$ 2,260,873	$ (5,836,830)
Other Income	-	52,688	472	(52,216)
Total Revenues	7,422,682	8,150,391	2,261,345	(5,889,046)
EXPENDITURES:				
Public Safety				
Police				
Materials and supplies	3,903	11,044	10,982	62
Fire				
Salaries	-	136,010	149,607	(13,597)
Contractual services	-	39,790	26,193	13,597
Public Works				
Materials and supplies	15,893	15,893	15,893	-
Other charges	672,765	1,094,265	452,628	641,637
Total Expenditures	692,561	1,297,002	655,303	641,699
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,730,121	6,853,389	1,606,042	(5,247,347)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	15,981	15,981	-
Transfers out	(2,142,589)	(2,278,360)	(1,622,023)	656,337
Total Other Financing Sources (Uses)	(2,142,589)	(2,262,379)	(1,606,042)	656,337
Net change in fund balances	$ 4,587,532	$ 4,591,010	-	$ (4,591,010)
Fund balances - beginning			-	
Fund balances - ending			$ -	

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL PROJECTS FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Grants	$ 4,229,408	$ 5,367,603	$ 4,541,756	$ (825,847)
EXPENDITURES:				
Education				
Regular instruction				
Salaries	1,706	1,706	1,706	-
Benefits	130	130	130	-
Special education support				
Materials and supplies	10,566	-	-	-
Regular instruction support				
Salaries	203,784	126,909	124,511	2,398
Benefits	61,001	34,125	32,030	2,095
Materials and supplies	-	9,819	7,776	2,043
Other charges	-	1,925	1,423	502
Special education support				
Salaries	1,236,880	1,408,352	1,334,722	73,630
Benefits	444,485	498,786	342,933	155,853
Contractual services	2,500	174,059	39,362	134,697
Materials and supplies	55,753	120,808	67,221	53,587
Other charges	13,010	54,653	8,725	45,928
Technology				
Salaries	55,806	161,468	150,331	11,137
Benefits	17,029	52,148	49,293	2,855
Fiscal services				
Salaries	73,200	57,770	58,140	(370)
Benefits	19,939	10,735	9,998	737
Other charges	-	1,920	643	1,277
Accountability				
Salaries	1,254,623	1,231,995	1,164,727	67,268
Benefits	273,580	244,683	219,645	25,038
Contractual services	67,833	83,960	80,794	3,166
Materials and supplies	238,324	660,759	606,907	53,852
Other charges	61,824	202,597	56,445	146,152
Total Expenditures	4,091,973	5,139,307	4,357,462	781,845
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	137,435	228,296	184,294	(44,002)
OTHER FINANCING SOURCES (USES)				
Transfers out	(137,442)	(228,296)	(184,294)	44,002
Net change in fund balances	$ (7)	$ -	-	$ -
Fund balances - beginning			-	
Fund balances - ending			$ -	

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SCHOOL NUTRITION FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget - Positive (Negative)**
REVENUES				
Charges for services	$ 2,151,000	$ 2,151,000	$ 1,239,552	$ (911,448)
Grants	-	-	1,357,689	1,357,689
Other income	306,000	306,000	-	(306,000)
Total Revenues	2,457,000	2,457,000	2,597,241	140,241
EXPENDITURES:				
Education				
Cafeteria				
Salaries	1,080,730	1,008,130	1,018,837	(10,707)
Benefits	243,773	241,273	219,834	21,439
Contractual services	130,000	133,749	135,927	(2,178)
Materials and supplies	991,497	1,062,846	1,088,189	(25,343)
Other charges	11,000	11,000	6,283	4,717
Total Expenditures	2,457,000	2,456,998	2,469,070	(12,072)
Net change in fund balances	$ -	$ 2	128,171	$ 128,169
Fund balances - beginning			208,670	
Fund balances - ending			$ 336,841	

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISCRETIONARY GRANTS FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Grants	$ 576,868	$ 533,959	$ 533,739	$ (220)
EXPENDITURES:				
Education				
Regular instruction				
Salaries	187,137	176,836	175,830	1,006
Benefits	66,691	53,791	52,355	1,436
Contractual services	76,320	77,820	77,820	-
Materials and supplies	2,348	21,503	21,266	237
Other charges	8,076	10,998	9,929	1,069
Regular instruction support				
Salaries	30,070	1,283	1,500	(217)
Benefits	5,022	218	241	(23)
Contractual services	15,000	16,264	16,173	91
Materials and supplies	13,819	3,800	3,797	3
Other charges	9,369	8,556	8,548	8
Health services				
Salaries	75,000	75,000	75,000	-
Benefits	12,838	12,838	12,922	(84)
Materials and supplies	1,042	1,042	994	48
Other charges	1,120	1,120	1,085	35
Safety				
Contractual services	25,000	25,000	25,000	-
Materials and supplies	15,580	15,580	15,320	260
Total Expenditures	544,432	501,649	497,780	3,869
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	32,436	32,310	35,959	3,649
OTHER FINANCING SOURCES (USES)				
Transfers out	(32,436)	(32,310)	(35,959)	(3,649)
Net change in fund balances	$ -	$ -	-	$ -
Fund balances - beginning			-	
Fund balances - ending			$ -	

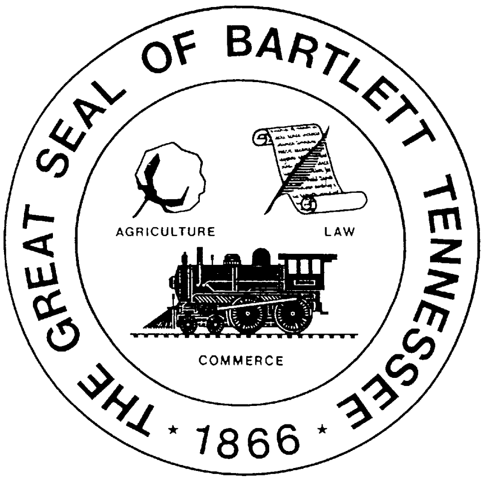
CITY OF BARTLETT, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EDUCATION CAPITAL FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
Intergovernmental	$ 450,000	$ 5,989,595	$ 1,368,900	$ (4,620,695)
EXPENDITURES:				
Capital outlay	449,993	5,989,586	5,019,727	969,859
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7	9	(3,650,827)	(3,650,836)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	3,190,962	3,190,962
Net change in fund balances	$ 7	$ 9	(459,865)	$ (459,874)
Fund balances - beginning			1,679,962	
Fund balances - ending			$ 1,220,097	

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

For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Local sales taxes	$ 3,338,400	$ 3,338,400	$ 3,233,019	$ (105,381)
Planned use of fund balance	231,303	231,303	-	(231,303)
Total Revenues	3,569,703	3,569,703	3,233,019	(336,684)
EXPENDITURES:				
Debt Service				
Principal	3,477,000	3,477,000	3,477,000	-
Interest	985,203	985,203	930,579	54,624
Bond issuance costs	73,500	73,500	87,302	(13,802)
Total Expenditures	4,535,703	4,535,703	4,494,881	40,822
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(966,000)	(966,000)	(1,261,862)	(295,862)
OTHER FINANCING SOURCES (USES)				
Refunding bonds	-	-	971,048	971,048
Payments to escrow agent	-	-	(971,048)	(971,048)
Transfers in	966,000	966,000	966,000	-
Total Other Financing Sources (Uses)	966,000	966,000	966,000	-
Net change in fund balances	$ -	$ -	(295,862)	$ (295,862)
Fund balances - beginning			462,835	
Fund balances - ending			$ 166,973	


THE GREAT SEAL OF BARTLETT TENNESSEE
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CAPITAL PROJECTS

CITY OF BARTLETT

TENNESSEE

CAPITAL PROJECTS FUND

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest income	$ -	$ -	$ 21,346	$ 21,346
Other income	-	50,000	23,650	(26,350)
Planned use of fund balance	-	-	-	-
Total Revenues	-	50,000	44,996	(5,004)
EXPENDITURES:				
Debt Service				
Debt issuance costs	-	-	40,062	(40,062)
Capital Outlay				
Administrative				
CIP Available Project Funds	12,481	31,028	-	31,028
Network Infrastructure	1,319	-	-	-
Public Radios System	3,003,716	3,115,306	3,003,661	111,645
Administrative Vehicles 2014	1,413	1,413	1,413	-
Administrative Vehicles 2016	30,000	20,855	20,855	-
Building/Infrastructure Improvements	6,204	-	-	-
City Hall Improvements	15,208	-	-	-
City Hall Renovations	355,800	602,800	602,573	227
TCAT Land Acquisition	-	1,000,000	-	1,000,000
Public Safety				
Police Vehicles & Equipment 2017	335,000	359,124	329,561	29,563
Justice Center Maintenance	120,000	95,876	95,876	-
Fire Aerial Truck 2015	179	-	-	-
Fire Ambulances 2015	160,000	160,000	160,000	-
Fire Ambulances 2016	187,586	187,586	187,586	-
Fire Vehicles & Equipment 2017	64,000	63,795	63,795	-
Fire Buildings Improvements	2,218	2,100	2,100	-
Fire Training Facility	13,600	13,600	3,667	9,933
Code Enforcement Vehicle	25,000	22,431	22,431	-
Public Works				
Bartlett Blvd. Overpass Rehab	411,923	1,011,923	17,544	994,379
Public Works Vehicles & Equip 2016	38,402	38,402	38,402	-
Public Works Vehicles & Equip 2017	373,500	379,925	218,063	161,862
City Shop	250,000	250,000	-	250,000

(CONTINUED ON NEXT PAGE)

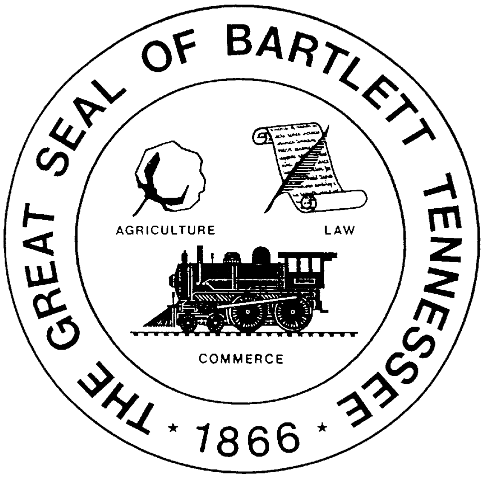
CITY OF BARTLETT, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Engineering				
Westbrook Road Bridge	$ 243,800	$ 683,800	$ 185,732	$ 498,068
Westbrook Bridge Rehab	500,000	-	-	-
Engineering Vehicles 2017	48,000	48,000	-	48,000
Old Brownsville West R.O.W	4,761,290	4,761,290	778,882	3,982,408
Bartlett Road Bridge	53,284	-	-	-
Bartlett Blvd. Bridge	600,000	-	-	-
O. Brownsville/Frank Crk Brdg Rehab	2,347,798	2,247,798	8,433	2,239,365
Stage Rd. Slope Taper Inlet	35,895	4,535	4,535	-
City Wide Overlay	153,287	116,586	116,586	-
Kirby Whitten Paving	772,226	-	-	-
Bond Default Hampton Grove Subdivision	47,372	47,372	-	47,372
Bond Default Montello Subdivision	2,798	2,798	-	2,798
Bond Default Gailyn Manor Phase I	37,970	37,970	-	37,970
Bond Default Gailyn Manor Phase II	112,960	112,960	1,823	111,137
Bond Default Brookemeade	74,059	74,059	-	74,059
Bond Default Stonecrest	121,883	121,883	89,562	32,321
Bond Default Hampton Grove North	445	445	(507)	952
Bond Default Rockyford Ph. E-2	30,000	30,000	-	30,000
Altruria & Memphis. Arlington Signal	40,465	40,465	14,380	26,085
FEMA Bartlett Blvd Slope Failure	107,823	-	-	-
Fletcher Creek Greenway Ph1	1,292,794	1,292,794	1,203,835	88,959
Fletcher Creek Greenway Ph2	150,000	150,000	94	149,906
Ellis Road Hill Removal	751,699	861,699	324,327	537,372
Elmore Box	200,000	200,000	-	200,000
Brother & Stage Left Turn	40,000	-	-	-
City Wide Overlay P2	2,000,000	2,036,700	1,429,400	607,300
Misc. Drainage Improvements 2008	112	112	112	-
Misc. Drainage Improvements 2010	7,146	7,146	7,146	-
Misc. Drainage Improvements 2016	268,892	300,252	62,801	237,451
Misc. Drainage Improvements 2017	400,000	400,000	-	400,000
Parks & Recreation				
Parks Vehicles & Equipment 2016	10,255	-	-	-
W.J. Freeman Park Project	1,159,803	1,210,058	365,112	844,946
Parks Maintenances 2016	164,464	164,464	164,464	-
Parks Maintenances 2017	245,000	245,000	240,685	4,315
Parks Restroom Renovations-ADA	350,000	420,000	113,455	306,545
Recreation Cntr Equip/Repairs 2014	1,004	1,004	1,004	-
Recreation Cntr Equip/Repairs 2015	10,317	10,317	10,317	-
Recreation Cntr Equip/Repairs 2016	97,592	97,592	34,138	63,454
Recreation Cntr Equip/Repairs 2017	282,000	212,000	195,210	16,790
Recreation Center Pool DH	338,000	338,000	338,000	-
Recreation Center Roof	51,150	51,150	27,628	23,522
Total Expenditures	23,319,132	23,684,413	10,524,743	13,159,670

(CONTINUED ON NEXT PAGE)

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$(23,319,132)	$(23,634,413)	$(10,479,747)	$ 13,154,666
OTHER FINANCING SOURCES (USES)				
Issuance of debt	6,850,500	6,850,500	6,706,450	(144,050)
Premium on bonds issued	-	-	205,667	205,667
Transfers in	7,672,164	8,122,661	3,002,711	(5,119,950)
Transfers out	(66,000)	(66,000)	(136,730)	(70,730)
Total Other Financing Sources (Uses)	14,456,664	14,907,161	9,778,098	(5,129,063)
Net change in fund balances	$ (8,862,468)	$ (8,727,252)	(701,649)	$ 8,025,603
Fund balances - beginning			9,130,521	
Fund balances - ending			$ 8,428,872	



THE GREAT SEAL OF BARTLETT TENNESSEE

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CITY OF BARTLETT

TENNESSEE

INTERNAL SERVICE FUNDS

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

- Health & Welfare Fund
- Workmen's Compensation Fund

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2017

	Health and Welfare Fund	Workmen's Compensation Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,104,091	$ 481,830	$ 1,585,921
LIABILITIES			
Current liabilities:			
Accounts payable	241,422	4,118	245,540
Accrued payroll	31,299	-	31,299
Total current liabilities	272,721	4,118	276,839
NET POSITION			
Unrestricted	$ 831,370	$ 477,712	$ 1,309,082

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2017

	Health and Welfare Fund	Workmen's Compensation Fund	Total
OPERATING REVENUES			
Charges for services	$ 1,632,057	$ 843,181	$ 2,475,238
City contributions	5,276,498	-	5,276,498
Total Revenues	6,908,555	843,181	7,751,736
OPERATING EXPENSES:			
Administrative and General			
Workers' compensation claims	-	100,864	100,864
Insurance premiums	6,895,088	681,875	7,576,963
Professional services	10,000	-	10,000
Other expenses	2,819	-	2,819
Total Operating Expenses	6,907,907	782,739	7,690,646
Operating income	648	60,442	61,090
Fund balances - beginning	830,722	417,270	1,247,992
Fund balances - ending	$ 831,370	$ 477,712	$ 1,309,082

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2017

	Health and Welfare Fund	Workmen's Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	$ 6,908,555	$ 843,181	$ 7,751,736
Payments to suppliers	(6,886,051)	(786,254)	(7,672,305)
Net increase in cash and cash equivalents	22,504	56,927	79,431
Cash and cash equivalents - beginning	1,081,587	424,903	1,506,490
Cash and cash equivalents - ending	$ 1,104,091	$ 481,830	$ 1,585,921
Reconciliation of operating income to net cash from operating activities			
Operating income (loss)	$ 648	$ 60,442	$ 61,090
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	(9,177)	(3,515)	(12,692)
Increase (decrease) in accrued payroll	1,033	-	1,033
Net cash provided by (used for) operating activities	$ 22,504	$ 56,927	$ 79,431

CITY OF BARTLETT

TENNESSEE

FIDUCIARY FUNDS

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

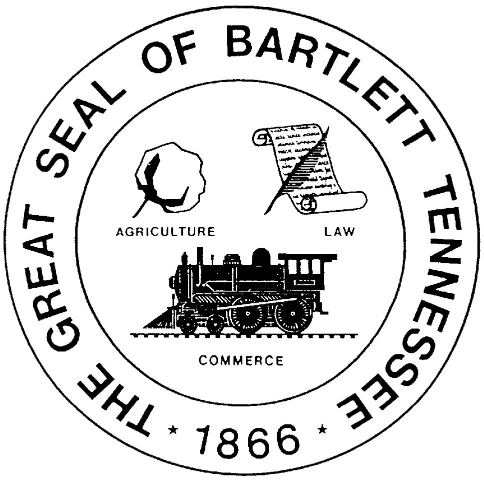
Family Assistance Fund - Agency Fund
Bail Bond Fund - Agency Fund
Jeanette Rainey Volunteer Fund - Agency Fund
School Activity Funds - Agency Funds

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2017

	Bail Bond Fund	Family Assistance Fund	J. Rainey Volunteer Fund	School Activity Fund	Total Funds
ASSETS					
Cash and cash equivalents	$ 111,674	$ 34,479	$ 9,683	$ 1,451,146	$ 1,606,982
Inventory	-	-	-	26,481	26,481
Total assets	$ 111,674	$ 34,479	$ 9,683	$ 1,477,627	$ 1,633,463
LIABILITIES					
Bail bonds payable	$ 111,674	$ -	$ -	$ -	$ 111,674
Family assistance payable	-	34,479	-	-	34,479
J. Rainey volunteer fund payable	-	-	9,683	-	9,683
Due to student general fund	-	-	-	816,678	816,678
Due to student groups	-	-	-	660,949	660,949
Total liabilities	$ 111,674	$ 34,479	$ 9,683	$ 1,477,627	$ 1,633,463

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2017

	Beginning Balance	Increases	Decreases	Ending Balance
Assets				
Bail Bond Fund				
Cash and cash equivalents	$ 86,986	$ 428,812	$ (404,124)	$ 111,674
Family Assistance Fund				
Cash and cash equivalents	32,948	14,521	(12,990)	34,479
Jeanette Rainey Volunteer Fund				
Cash and cash equivalents	9,723	10	(50)	9,683
School Activity Funds				
Cash	1,298,451	3,247,892	(3,095,197)	1,451,146
Inventory	29,634	87,667	(90,820)	26,481
	$ 1,457,742	$ 3,778,902	$ (3,603,181)	$ 1,633,463
Liabilities				
Bail Bond Fund				
Bail bonds payable	$ 86,986	$ 428,812	$ (404,124)	$ 111,674
Family Assistance Fund				
Family assistance payable	32,948	14,521	(12,990)	34,479
Jeanette Rainey Volunteer Fund				
Jeanette Rainey volunteer fund payable	9,723	10	(50)	9,683
School Activity Funds				
Due to student general fund	829,140	990,030	(1,002,492)	816,678
Due to student groups	498,945	2,300,554	(2,138,550)	660,949
	$ 1,457,742	$ 3,733,927	$ (3,558,206)	$ 1,633,463


THE GREAT SEAL OF BARTLETT TENNESSEE
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CITY OF BARTLETT

TENNESSEE

SUPPORTING SCHEDULES

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BONDS AND NOTES PAYABLE - GOVERNMENTAL FUNDS
June 30, 2017

Fiscal	Series 2016 Bonds		Series 2015 Bonds		Series 2013 Bonds		Series 2012 Bonds		Series 2011 Bonds	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 230,000	$ 135,100	$ 190,000	$ 205,650	$ 590,000	$ 85,294	$ 805,000	$ 189,063	$ 325,000	$ 36,394
2019	240,000	129,200	190,000	199,950	615,000	67,219	830,000	164,538	325,000	29,894
2020	245,000	123,150	200,000	194,150	95,000	56,569	855,000	139,263	335,000	23,294
2021	250,000	116,950	205,000	190,100	100,000	53,644	625,000	117,063	335,000	15,756
2022	255,000	110,650	205,000	186,000	105,000	50,569	640,000	98,088	350,000	7,194
2023	260,000	105,500	210,000	181,850	105,000	47,419	660,000	78,588	55,000	2,131
2024	380,000	99,100	215,000	175,450	110,000	44,194	690,000	61,788	55,000	722
2025	390,000	91,400	225,000	166,650	115,000	40,819	700,000	47,450	-	-
2026	400,000	83,500	235,000	157,450	115,000	37,369	715,000	31,969	-	-
2027	400,000	75,500	245,000	146,625	120,000	33,844	110,000	22,481	-	-
2028	415,000	67,350	255,000	134,125	125,000	30,169	115,000	19,528	-	-
2029	425,000	58,950	270,000	121,000	125,000	26,419	115,000	16,509	-	-
2030	430,000	50,400	280,000	107,250	130,000	22,431	120,000	13,200	-	-
2031	300,000	43,100	295,000	92,875	135,000	17,956	125,000	9,525	-	-
2032	305,000	37,050	310,000	77,750	140,000	13,144	125,000	5,775	-	-
2033	310,000	30,900	325,000	61,875	145,000	8,066	130,000	1,950	-	-
2034	320,000	24,600	340,000	45,250	150,000	2,719	-	-	-	-
2035	325,000	17,988	360,000	27,750	-	-	-	-	-	-
2036	330,000	11,028	375,000	9,375	-	-	-	-	-	-
2037	340,000	3,740	-	-	-	-	-	-	-	-
	$ 6,550,000	$ 1,415,155	$ 4,930,000	$ 2,481,125	$ 3,020,000	$ 637,844	$ 7,360,000	$ 1,016,778	$ 1,780,000	$ 115,385

* This is a variable rate loan. Annual interest rate assumed is 0.94% which is based on the June 2017 interest rate.

(CONTINUED ON NEXT PAGE)

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BONDS AND NOTES PAYABLE - GOVERNMENTAL FUNDS
June 30, 2017

Fiscal	Series 2010 Bonds		Series 2009 Bonds		Series 2007 Bonds		2008 Note Payable		Total	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest*	Principal	Interest
2018	$ 705,000	$ 88,463	$ 100,000	$ 18,163	$ 140,000	$ 76,325	$ 61,000	$ 8,846	$ 3,146,000	$ 843,298
2019	720,000	74,213	100,000	15,563	145,000	70,625	64,000	8,269	3,229,000	759,471
2020	735,000	59,203	105,000	12,638	155,000	64,586	67,000	7,666	2,792,000	680,519
2021	745,000	42,547	110,000	9,330	160,000	58,168	70,000	7,033	2,600,000	610,591
2022	390,000	28,825	110,000	5,782	165,000	51,505	73,000	6,373	2,293,000	544,986
2023	245,000	20,734	115,000	1,984	170,000	44,595	76,000	5,684	1,896,000	488,485
2024	60,000	16,694	-	-	180,000	37,332	80,000	4,968	1,770,000	440,248
2025	65,000	14,894	-	-	185,000	29,712	83,000	4,212	1,763,000	395,137
2026	65,000	12,944	-	-	195,000	21,733	87,000	3,429	1,812,000	348,394
2027	70,000	10,875	-	-	205,000	13,281	91,000	2,609	1,241,000	305,215
2028	70,000	8,688	-	-	210,000	4,463	95,000	1,750	1,285,000	266,073
2029	75,000	6,375	-	-	-	-	99,000	854	1,109,000	230,107
2030	75,000	3,891	-	-	-	-	-	-	1,035,000	197,172
2031	75,000	1,313	-	-	-	-	-	-	930,000	164,769
2032	-	-	-	-	-	-	-	-	880,000	133,719
2033	-	-	-	-	-	-	-	-	910,000	102,791
2034	-	-	-	-	-	-	-	-	810,000	72,569
2035	-	-	-	-	-	-	-	-	685,000	45,738
2036	-	-	-	-	-	-	-	-	705,000	20,403
2037	-	-	-	-	-	-	-	-	340,000	3,740
	$ 4,095,000	$ 389,659	$ 640,000	$ 63,460	$ 1,910,000	$ 472,325	$ 946,000	$ 61,693	$ 31,231,000	$ 6,653,424

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
CAPITAL OUTLAY NOTES - GOVERNMENTAL FUNDS
June 30, 2017

Fiscal	2012 Capital Note		2013 Capital Note		2014 Capital Note		2015 Capital Note		2016 Capital Note		Total	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	$189,000	$ 8,588	$110,000	$ 8,540	$ 145,000	$ 15,056	$ 146,000	$ 17,234	$ 149,500	$ 20,423	$ 739,500	$ 69,841
2019	192,000	5,197	113,000	6,165	149,000	11,837	149,000	14,240	155,000	17,470	758,000	54,909
2020	196,000	1,744	115,000	4,738	152,000	8,541	152,000	11,185	158,000	14,434	773,000	40,642
2021	-	-	118,000	1,257	155,000	5,179	155,000	8,079	161,000	11,339	589,000	25,854
2022	-	-	-	-	159,000	1,741	158,000	4,892	165,000	8,177	482,000	14,810
2023	-	-	-	-	-	-	162,000	1,644	168,000	4,947	330,000	6,591
2024	-	-	-	-	-	-	-	-	171,000	1,659	171,000	1,659
2025	$577,000	$15,529	$456,000	$20,700	$ 760,000	$ 42,354	$ 922,000	$ 57,274	$1,127,500	$ 78,449	$3,842,500	$214,306

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BARTLETT CITY BOARD OF EDUCATION LONG-TERM DEBT - GOVERNMENTAL FUNDS
June 30, 2017

Fiscal	2014 Capital Lease		2015 Capital Lease		2016 Capital Lease		2017 Capital Lease		Total	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 184,363	$ 4,632	$ 610,484	$ 19,268	$ 356,392	$ 17,769	$ 229,431	$ 5,569	$ 1,380,670	$ 47,238
2019	-	-	620,044	9,709	362,220	11,942	274,644	7,482	1,256,908	29,133
2020	-	-	-	-	368,142	6,020	277,116	5,011	645,258	11,031
2021	-	-	-	-	-	-	279,607	2,516	279,607	2,516
	$ 184,363	$ 4,632	$ 1,230,528	$ 28,977	$ 1,086,754	$ 35,731	$ 1,060,798	$ 20,578	$ 3,562,443	$ 89,918

Fiscal	Shelby County Settlement Obligation		
Year	Principal	Interest	Total
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	593,726	14,467	608,193
	$ 4,862,310	$ 611,427	$ 5,473,737

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BONDS AND NOTE PAYABLE - WATER AND SEWER FUND
June 30, 2017

	Series 2013 Bonds		Series 2012 Bonds		Series 2011 Bonds		Series 2010 Bonds	
Fiscal Year	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2018	$ 190,000	$ 44,146	$ 225,000	$ 72,531	$ 215,000	$ 34,463	$ 295,000	$ 33,319
2019	190,000	38,446	235,000	65,631	225,000	30,063	295,000	27,419
2020	60,000	34,696	240,000	58,506	230,000	25,513	305,000	21,228
2021	60,000	32,896	250,000	51,156	230,000	20,913	310,000	14,306
2022	65,000	31,021	260,000	43,506	235,000	15,675	320,000	6,625
2023	65,000	29,071	265,000	35,631	240,000	9,738	100,000	1,315
2024	65,000	27,121	265,000	29,006	245,000	3,369	-	-
2025	70,000	25,096	275,000	23,434	-	-	-	-
2026	70,000	22,996	285,000	17,306	-	-	-	-
2027	70,000	20,896	65,000	13,247	-	-	-	-
2028	75,000	18,721	65,000	11,541	-	-	-	-
2029	75,000	16,321	70,000	9,769	-	-	-	-
2030	80,000	13,686	70,000	7,800	-	-	-	-
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	-	-	-	-	-	-
	$ 1,480,000	$ 380,670	$ 2,795,000	$ 449,189	$ 1,620,000	$ 139,734	$ 1,625,000	$ 104,212

* This is a variable rate loan. Annual interest rate assumed is 0.94% which is based on the June 2017 interest rate.

(CONTINUED ON NEXT PAGE)

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BONDS AND NOTE PAYABLE - WATER AND SEWER FUND
June 30, 2017

	Series 2009 Bonds		Series 2007 Bonds		2008 Note Payable		Total	
Fiscal Year	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest***	**Principal**	**Interest**
2018	$ 45,000	$ 23,510	$ 50,000	$ 26,333	$ 45,000	$ 6,555	$ 1,065,000	$ 240,857
2019	45,000	22,340	50,000	24,320	47,000	6,131	1,087,000	214,350
2020	45,000	21,057	50,000	22,270	50,000	5,686	980,000	188,956
2021	45,000	19,674	55,000	20,091	52,000	5,215	1,002,000	164,251
2022	50,000	18,140	55,000	17,809	54,000	4,724	1,039,000	137,500
2023	50,000	16,452	60,000	15,422	57,000	4,214	837,000	111,843
2024	50,000	14,702	60,000	12,932	59,000	3,676	744,000	90,806
2025	55,000	12,811	65,000	10,306	62,000	3,119	527,000	74,766
2026	55,000	10,776	65,000	7,544	64,000	2,536	539,000	61,158
2027	60,000	8,590	70,000	4,675	67,000	1,931	332,000	49,339
2028	60,000	6,250	75,000	1,594	70,000	1,299	345,000	39,405
2029	60,000	3,865	-	-	74,000	638	279,000	30,593
2030	65,000	1,333	-	-	-	-	215,000	22,819
2031	-	-	-	-	-	-	155,000	16,591
2032	-	-	-	-	-	-	160,000	11,441
2033	-	-	-	-	-	-	165,000	6,019
2034	-	-	-	-	-	-	90,000	1,631
	$ 685,000	$ 179,500	$ 655,000	$ 163,296	$ 701,000	$ 45,724	$ 9,561,000	$ 1,462,325

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE - GENERAL FUND
For the Year Ended June 30, 2017

			Prior Years									
	Total	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Property taxes receivable - beginning of year	$ 19,329,590	$ -	$18,768,520	$322,717	$86,545	$47,737	$30,043	$23,698	$14,311	$9,528	$6,196	$20,295
Add:												
Tax levied:	24,189,611	$23,595,417	594,194	-	-	-	-	-	-	-	-	-
Adjustments	(20,031)	-	(9,105)	(2,777)	(7,266)	(4,898)	-	-	4,015	-	-	-
Total Additions	24,169,580	23,595,417	585,089	(2,777)	(7,266)	(4,898)	-	-	4,015	-	-	-
Deduct:												
Collections - Net of Refunds	(19,322,733)	-	(19,041,960)	(224,565)	(28,314)	(3,624)	(4,250)	(3,421)	(6,126)	(512)	(8)	(9,953)
Releases	(38,427)	-	(3,927)	(4,207)	(5,319)	(6,709)	(5,831)	(3,965)	(2,593)	(1,663)	(1,816)	(2,397)
Total Deductions	(19,361,160)	-	(19,045,887)	(228,772)	(33,633)	(10,333)	(10,081)	(7,386)	(8,719)	(2,175)	(1,824)	(12,350)
Property taxes receivable - end of year	24,138,010	23,595,417	307,722	91,168	45,646	32,506	19,962	16,312	9,607	7,353	4,372	7,945
Less: Allowance for uncollectibles	(585,505)	(471,908)	(26,690)	(15,883)	(10,605)	(17,243)	(10,913)	(11,069)	(5,596)	(4,347)	(3,555)	(7,696)
Property taxes receivable, net	$ 23,552,505	$ 23,123,509	$ 281,032	$ 75,285	$ 35,041	$ 15,263	$ 9,049	$ 5,243	$ 4,011	$ 3,006	$ 817	$ 249

Delinquent Taxes

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF BONDS OF PRINCIPAL OFFICIALS
June 30, 2017

	Amount of Bond/Issuance*
Mayor	
A. Keith McDonald	$ 150,000
Six Aldermen (each)*	
Jack Young	150,000
W.C. (Bubba) Pleasant	150,000
David Parsons	150,000
Emily Elliott	150,000
Bobby Simmons	150,000
Paula Sedgwick	150,000
City Administrative Officer*	
Mark Brown	150,000
City Attorney	
Ed McKenney, Jr.	150,000
Director of Community Relations	
Debbie Gelineau	150,000
Finance Director & CMFOA Designee	
Dick Phebus	150,000
Court Clerk	
Bill Lloyd	150,000
Director of Planning and Economic Development	
Terry Emerick	150,000
Director of Police Services	
Gary Rikard	150,000
Director of Fire Services	
Terry Wiggins	150,000
Director of Code Enforcement	
Jim Brown	150,000
Director of Public works	
Bill Yearwood	150,000
Director of Engineering	
Rick McClanahan	150,000
Director of Parks and Recreation	
Shan Criswell	150,000
Director of Performing Arts Center	
Michael Bollinger	150,000

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF UTILITY RATE STRUCTURE AND NUMBER OF CUSTOMERS
June 30, 2017

As of June 30, 2017, City of Bartlett, Tennessee served approximately 21,083 water customers and 19,787 sewer customers and had the following rate structure in place:

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

Water			Sewer		
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
					-

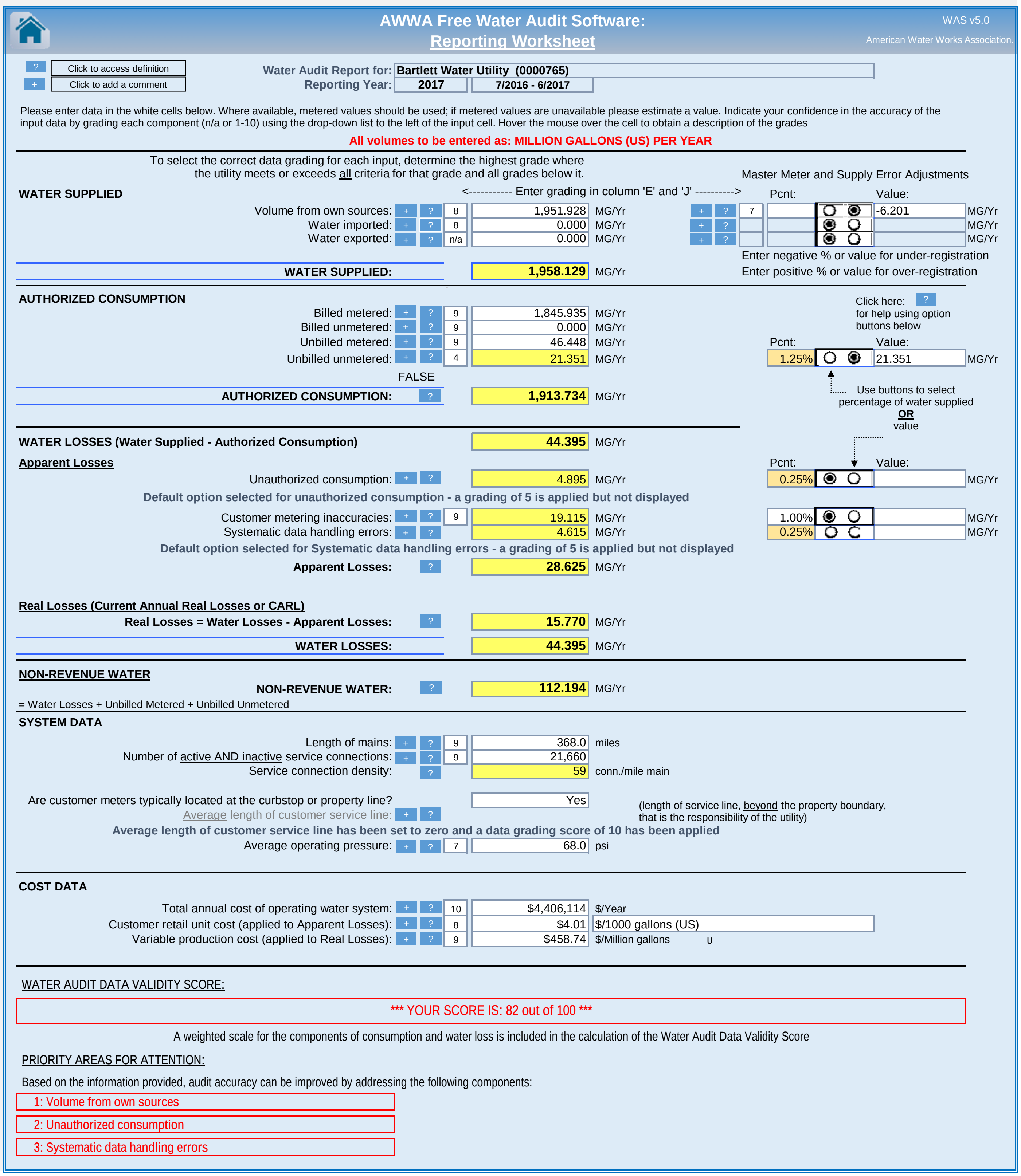
Commercial, city customers (volume charge is 1,000 gal):

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF UNACCOUNTED FOR WATER
For the Year Ended June 30, 2017



AWWA Free Water Audit Software:
Reporting Worksheet

American Water Works Association.

? Click to access definition
\+ Click to add a comment

Water Audit Report for: **Bartlett Water Utility (0000765)**
Reporting Year: **2017** **7/2016 - 6/2017**

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 it.

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

Master Meter and Supply Error Adjustments

WATER SUPPLIED

	Grade	Value	Unit		Grade	Pcnt:		Value:	
Volume from own sources:	8	1,951.928	MG/Yr	+ ?	7		○ ●	-6.201	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: **1,958.129** MG/Yr

AUTHORIZED CONSUMPTION

Click here: ? for help using option buttons below

	Grade	Value	Unit	Pcnt:		Value:
Billed metered:	9	1,845.935	MG/Yr			
Billed unmetered:	9	0.000	MG/Yr			
Unbilled metered:	9	46.448	MG/Yr			
Unbilled unmetered:	4	21.351	MG/Yr	1.25%	○ ●	21.351 MG/Yr

FALSE

Use buttons to select percentage of water supplied **OR** value

AUTHORIZED CONSUMPTION: **1,913.734** MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption) **44.395** MG/Yr

Apparent Losses

	Grade	Value	Unit	Pcnt:		Value:
Unauthorized consumption:		4.895	MG/Yr	0.25%	● ○	MG/Yr

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

Customer metering inaccuracies:	9	19.115	MG/Yr	1.00%	● ○	MG/Yr
Systematic data handling errors:		4.615	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: **28.625** MG/Yr

Real Losses (Current Annual Real Losses or CARL)
Real Losses = Water Losses - Apparent Losses: **15.770** MG/Yr

WATER LOSSES: **44.395** MG/Yr

NON-REVENUE WATER
NON-REVENUE WATER: **112.194** MG/Yr
= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	9	368.0	miles
Number of active AND inactive service connections:	9	21,660	
Service connection density:		59	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

Average operating pressure: 7 68.0 psi

COST DATA

Total annual cost of operating water system:	10	$4,406,114	$/Year
Customer retail unit cost (applied to Apparent Losses):	8	$4.01	$/1000 gallons (US)
Variable production cost (applied to Real Losses):	9	$458.74	$/Million gallons

WATER AUDIT DATA VALIDITY SCORE:

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

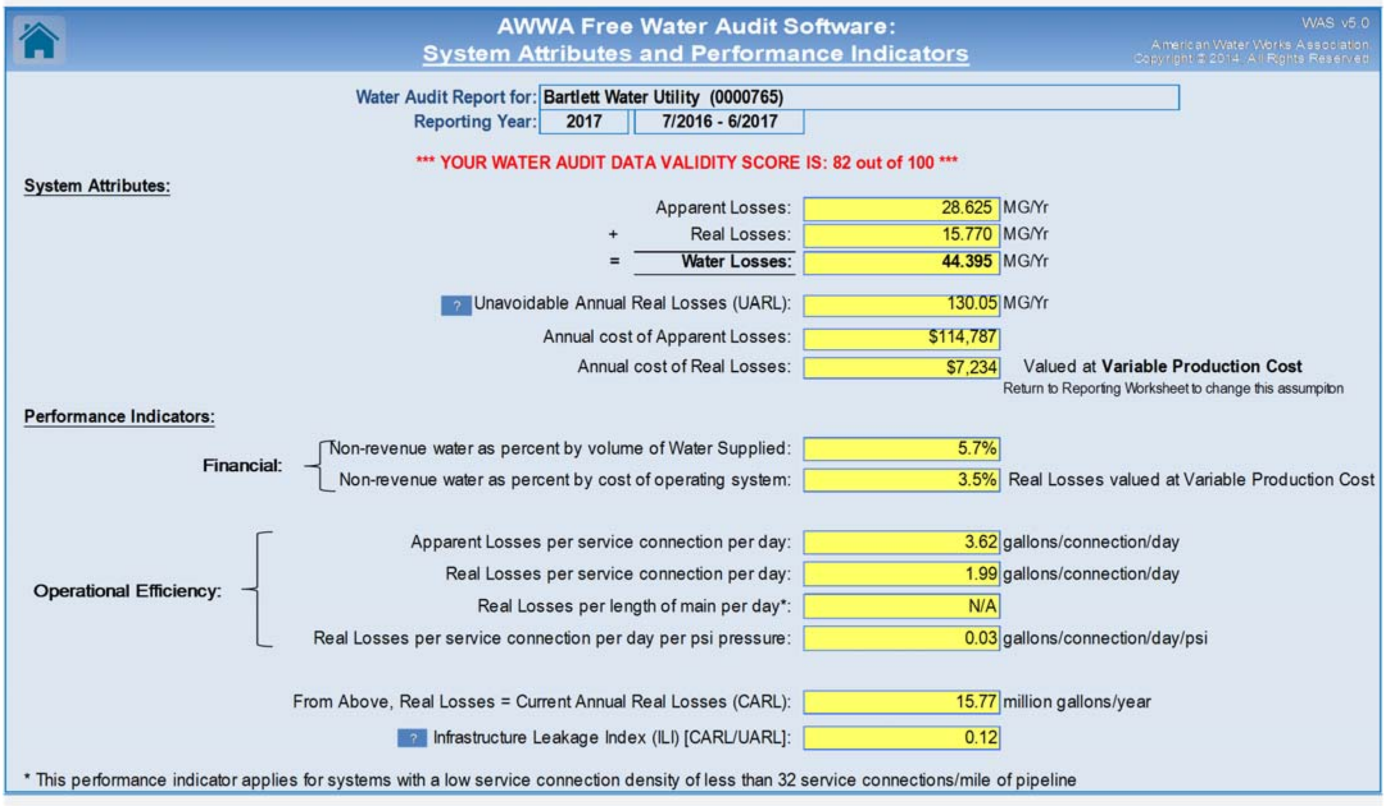
A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

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 (CONTINUED)
For the Year Ended June 30, 2017



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: **Bartlett Water Utility (0000765)**
Reporting Year: **2017** **7/2016 - 6/2017**

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

System Attributes:

	Apparent Losses:	28.625	MG/Yr
+	Real Losses:	15.770	MG/Yr
=	**Water Losses:**	**44.395**	MG/Yr
	Unavoidable Annual Real Losses (UARL):	130.05	MG/Yr
	Annual cost of Apparent Losses:	$114,787	
	Annual cost of Real Losses:	$7,234	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:	5.7%	
	Non-revenue water as percent by cost of operating system:	3.5%	Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	3.62	gallons/connection/day
	Real Losses per service connection per day:	1.99	gallons/connection/day
	Real Losses per length of main per day*:	N/A	
	Real Losses per service connection per day per psi pressure:	0.03	gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	15.77	million gallons/year
	Infrastructure Leakage Index (ILI) [CARL/UARL]:	0.12	

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

STATISTICAL SECTION

CITY OF BARTLETT, TENNESSEE
STATISTICAL INFORMATION SECTION
For the Year Ended June 30, 2017

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.

Contents	**Page**
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.	**160**
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	**166**
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	**173**
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the enviroment within which the City's finacial activities take place, to help make comparisons over time and with other governments.	**178**
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	**180**

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information generally include the 10-year period 2008-2017.

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Government activities										
Net Investment in Capital Assets	$ 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	$ 268,541,209
Restricted for:										
Debt Service	1,287,085	490,192	411,309	580,372	952,372	904,127	-	-	-	
Streets	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	313,367
Drug Enforcement	-	-	-	449,086	585,392	598,242	492,275	491,661	451,216	490,096
Education	-	-	-	-	-	-	-	-	-	349,026
Other purposes	-	-	-	235,451	321,684	337,328	16,199	-	349,874	1,421,103
Unrestricted	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	10,480,458
Total government activities net position	$ 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	$ 281,595,259
Business-type activities										
Net Investment in Capital Assets	$ 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	$ 57,820,422
Restricted - Capital projects	-	-	-	-	-	-	2,621,366	1,965,536	-	-
Unrestricted	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	9,538,284
Total business-type activities net position	$ 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	$ 67,358,706
Primary government										
Net Investment in Capital Assets	$ 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	$ 326,361,631
Restricted for:										
Debt Service	1,287,085	490,192	411,309	580,372	952,372	904,127	-	-	-	-
Streets/Public works	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	313,367
Drug enforcement	-	-	-	449,086	585,392	598,242	492,275	491,661	451,216	490,096
Education	-	-	-	-	-	-	-	-	-	349,026
Other purposes	-	-	-	235,451	321,684	337,328	16,199	-	349,874	1,421,103
Unrestricted	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	20,018,742
Total primary government net position	$ 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	$ 348,953,965

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	$ 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	$8,175,577
Public safety	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	29,948,247
Public works	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	16,123,280
Parks and recreation	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	4,668,957
Performing arts center	554,099	543,258	630,035	773,715	597,215	584,528	660,053	645,051	705,416	725,909
Recreation center	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	1,680,898
Education	-	-	-	-	-	-	7,795,442	69,978,551	77,495,002	76,913,672
Interest on long-term debt	1,073,576	1,012,600	976,084	927,525	757,919	1,119,654	852,897	894,813	1,118,293	1,227,153
Total government activities expenses	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	139,463,693
Business-type activities:										
Water and sewer	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	8,449,758
Total primary government expenses	$ 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	$147,913,451
Program Revenues										
Governmental activities:										
General government	$ 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	$ 5,673,793
Public safety	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	1,474,601
Public works	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	6,784,396
Parks and recreation	999,875	993,003	935,433	966,105	927,648	916,375	884,942	912,682	934,943	862,264
Performing arts center	270,559	250,636	278,161	267,997	274,638	262,696	289,071	288,091	193,275	174,851
Recreation center	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	1,579,736
Education	-	-	-	-	-	-	-	777,380	3,010,331	2,821,738
Operating grants and contributions	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	51,833,703
Capital grants and contributions	-	870,185	168,069	337,368	559,499	526,768	174,543,318	-	2,535,261	1,415,217
Total government activities revenues	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	72,620,299
Business-type activities:										
Water and sewer	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	8,416,266
Operating grants and contributions	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	1,108,091
Total business-type activities revenues	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	9,524,357
Total primary government program revenues	$ 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	82,144,656
Net (expense)/revenue										
Governmental activities	$ (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)	(66,843,394)
Business-type activities	1,180,315	(485,193)	(1,640,553)	(284,320)	1,858,268	1,043,488	1,193,478	1,340,641	994,538	1,074,599
Total primary government net expense	$ (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)	(65,768,795)

(Continued on next page)

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	$ 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	$ 43,589,225
Local sales taxes	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	23,469,320
Intergovernmental/unrestricted	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	9,147,026
Interest on investments	801,765	229,974	83,058	108,663	95,808	73,821	36,503	29,213	30,646	64,163
Gain (Loss) on sale of assets	52,947	22,051	18,301	-	-	-	28,391	22,372	(111,182)	62,065
Other	276,917	396,481	462,593	422,661	1,964,827	500,009	350,473	505,241	114,923	199,262
Transfers	311,553	321,033	300,184	303,835	296,566	292,163	308,367	605,061	571,666	562,842
Total government activities	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	77,093,903
Business-type activities:										
Interest on investments	265,884	97,117	45,045	32,995	25,379	20,823	11,881	5,170	9,822	19,950
Other	-	1,016	2,913	-	6,009	-	-	1,987	6,638	39,955
Transfers	(311,553)	(321,033)	(300,184)	(303,835)	(296,566)	(292,163)	(308,367)	(605,061)	(571,666)	(562,842)
Total primary government	$ 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	$ 76,590,966
Change in Net Position										
Governmental activities	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	10,250,509
Business-type activities	1,134,646	(708,093)	(1,892,779)	(555,160)	1,593,090	772,148	896,992	742,737	439,332	571,662
Total primary government	$ 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	$ 10,822,171

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Reserved	$ 412,714	$ 463,388	$ 403,937	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	14,752,382	14,993,801	16,082,051	-	-	-	-	-	-	-
Nonspendable	-	-	-	213,718	187,260	207,569	249,296	228,952	206,905	217,498
Restricted	-	-	-	-	-	14,664	16,199	17,332	18,651	19,215
Committed	-	-	-	-	1,100,000	1,000,000	1,000,000	1,756,561	1,000,000	1,000,000
Assigned	-	-	-	1,777,509	797,474	905,070	211,416	161,226	76,021	164,577
Unassigned	-	-	-	15,684,006	16,655,499	21,768,560	24,211,101	26,496,930	27,562,053	27,106,310
Total General Fund	$ 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	$ 28,507,600
All other governmental funds										
Reserved	$ 3,538,529	$ 4,462,446	$ 3,208,614	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	2,624,208	2,432,421	1,981,071	-	-	-	-	-	-	-
Solid waste fund	-	549,162	999,772	-	-	-	-	-	-	-
Capital projects fund	4,581,609	2,553,729	5,078,724	-	-	-	-	-	-	-
Nonspendable	-	-	-	3,500	-	-	-	100,013	163,796	130,691
Restricted	-	-	-	8,142,957	6,047,897	6,986,500	9,052,040	13,117,429	24,033,178	8,401,362
Committed	-	-	-	1,072,950	1,523,263	904,127	671,538	560,760	462,835	1,387,070
Assigned	-	-	-	3,362,502	7,055,831	7,252,608	5,699,177	5,650,519	6,771,591	28,428,320
Unassigned	-	-	-	(21,503)	(17,422)	-	-	-	-	-
Total all other governmental funds	$ 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	$ 38,347,443
Total governmental funds	$ 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	$ 66,855,043

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes										
Property taxes	$ 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	$ 43,204,199
Local sales taxes	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	26,413,821
Intergovernmental	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	50,461,687
Licenses and permits	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	1,842,422
Charges for services	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	13,682,211
Fines, forfeitures and penalties	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	2,012,189
Federal and state grants	381,503	224,465	777,551	2,051,424	2,175,900	1,703,270	1,205,191	6,188,421	8,294,670	8,824,724
Donations	30,656	21,528	15,715	13,226	12,400	14,670	23,366	33,570	111,776	81,784
Interest on investments	750,659	220,482	82,278	106,933	95,772	73,814	36,503	29,213	30,646	64,163
Program income	-	-	-	-	-	-	-	505,241	442,421	-
Other	276,917	396,481	462,593	339,138	1,897,652	495,267	350,473	575,805	2,558,994	199,262
Total revenues	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	146,786,462
Expenditures										
General government	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	7,152,839
Public safety	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	25,647,257
Public works	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	13,591,579
Parks and recreation	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	3,870,934
Performing arts center	549,875	539,899	579,361	562,989	558,610	543,778	622,298	546,657	561,926	587,870
Recreation center	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	1,623,146
Education	-	-	-	-	-	-	1,444,226	69,875,388	74,570,641	75,969,049
Debt Service										
Principal	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	5,607,730
Interest	982,739	972,113	931,908	910,148	864,423	807,602	789,595	799,912	857,787	1,102,097
Bond issuance cost	53,141	13,851	59,866	103,204	63,812	125,193	101,551	9,525	103,337	127,364
Other	-	-	-	-	-	-	198,904	-	-	-
Capital Outlay	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	15,504,408
Total expenditures	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	150,784,273
Excess (deficiency) of revenues over (under) expenditures	**(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**	**(3,997,811)**

(Continued on next page)

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

	2008	**2009**	**2010**	**2011**	**2012**	**2013**	2014	2015	2016	2017
Other financing sources (uses)										
Transfers in	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	11,268,400
Transfers out	(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)	(10,705,558)
Debt Proceeds-General Obligation	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	10,698,298
Refunding bond issued	-	-	-	3,315,000	1,860,000	6,275,000	2,510,000	-	-	-
Premium (Discount) on bond issued	(827)	-	7,304	115,971	157,460	612,570	225,221	-	895,732	205,667
Payment to refunded bond escrow ager	-	-	-	(3,329,241)	(1,885,494)	(6,590,897)	(2,535,079)	-	-	(971,048)
Capital leases		-	-	-	-	-	-	-	-	-
Sale of capital assets	52,947	22,051	18,301	10,858	148,947	89,269	28,391	22,372	122,761	62,065
Total other financing sources (uses)	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	10,557,824
Net change in fund balances	$ 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	$ 6,560,013
Debt Service as a percentage of noncapital expenditures	**7.3%**	**7.6%**	**7.6%**	**6.7%**	**5.9%**	**6.9%**	**7.5%**	**3.9%**	**4.6%**	**5.2%**

CITY OF BARTLETT, TENNESSEE

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

	Real Property				Commercial Personal Property	Total Taxable Assessed Value	Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Farm Property	Commercial Property	Public Utilities Property					
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%
2017	816,270,975	3,489,325	281,659,297	11,621,065	45,394,340	1,158,435,002	1.62	4,158,397,609	27.86%

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
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
2017	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 2017			FY 2008		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Tenet Healthcare Corp.	$ 39,263,531	1	3.39%	$ 18,376,320	2	1.72%
Brother International	31,178,430	2	2.69%	27,072,400	1	2.54%
PASSCO Legends LLC	11,120,000	3	0.96%	8,367,080	4	0.78%
Robinwood Retirement Community	7,161,960	4	0.62%	-		
Branch Bartlett Association LP	6,423,120	5	0.55%	7,017,200	6	0.66%
UHS of Lakeside INC	6,007,360	6	0.52%	5,949,520	8	0.56%
Kroger Limited Partnership	5,873,930	7	0.51%	-		0.00%
Bell South Telecommunications	5,627,984	8	0.49%	9,439,592	3	0.88%
Belvedere Apartments INC	5,240,000	9	0.45%	6,300,880	7	0.59%
Walmart Real Estate Trust	5,203,120	10	0.45%	4,808,000	9	0.45%
Bartlett Logistics One LLC	-		0.00%	8,150,240	5	0.76%
Lowes Home Centers INC	-		0.00%	4,417,280	10	0.41%
Totals	**$ 123,099,435**		**10.63%**	**$ 99,898,512**		**9.36%**

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
2017	18,768,520	18,460,798	98.36%	-	18,460,798	98.36%	307,722
2016	18,606,509	18,357,222	98.66%	158,119	18,515,341	99.51%	91,168
2015	18,542,430	18,129,378	97.77%	367,406	18,496,784	99.75%	45,646
2014	18,622,604	18,197,864	97.72%	392,234	18,590,098	99.83%	32,506
2013	17,002,029	16,197,954	95.27%	784,113	16,982,067	99.88%	19,962
2012	17,016,533	16,375,709	96.23%	624,512	17,000,221	99.90%	16,312
2011	16,959,601	16,416,548	96.80%	533,446	16,949,994	99.94%	9,607
2010	16,889,691	16,222,853	96.05%	659,485	16,882,338	99.96%	7,353
2009	16,512,787	15,188,328	91.98%	1,320,087	16,508,415	99.97%	4,372
2008	16,032,561	15,501,311	96.69%	523,305	16,024,616	99.95%	7,945

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

CITY OF BARTLETT, TENNESSEE
Local Taxable Sales by Category
Last Ten Calendar Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Apparel & Accessories	$ 7,795,639	$ 7,927,804	$ 7,236,266	$ 6,964,217	$ 6,552,552	$ 7,320,187	$ 7,219,358	$ 6,909,183	$ 6,426,432	$ 6,458,641
General Merchandise	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	179,850,866
Food Stores	90,850,188	92,753,194	91,300,913	89,692,964	94,225,750	98,885,240	104,465,717	109,889,286	114,039,735	117,244,949
Eating & Drinking Places	61,878,927	61,383,105	63,744,573	62,454,566	65,120,356	69,029,684	69,991,843	76,419,477	80,766,538	83,220,815
Furniture Stores	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	15,929,942
Building Materials	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	50,573,946
MV Dealers & Serv. Station	40,903,219	42,329,861	38,041,811	40,423,739	41,379,659	44,781,673	46,905,576	45,884,447	49,148,765	51,534,694
Other Retail	66,467,209	64,731,620	61,241,302	55,754,890	57,317,368	61,008,643	58,419,734	59,952,539	68,801,657	72,686,210
All Other Outlets	119,669,533	120,455,100	119,525,964	120,365,454	130,931,521	138,042,558	144,207,920	158,111,643	164,781,784	173,014,542
Total	$ 715,260,574	$ 652,456,942	$ 624,188,420	$ 618,067,762	$ 635,627,499	$ 662,167,422	$ 675,166,659	$ 700,323,672	$ 728,456,765	$ 750,514,605

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
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%
2017	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 2008 and 2017

	Fiscal Year 2008				Fiscal Year 2017			
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	540	55.16%	$ 13,233,541	83.03%	413	40.61%	$ 15,897,410	77.89%
Services	256	26.15%	1,265,843	7.94%	248	24.39%	1,835,968	9.00%
Manufacturing	52	5.31%	132,313	0.83%	59	5.80%	271,059	1.33%
Wholesale Trade	73	7.46%	1,076,057	6.75%	58	5.70%	1,626,029	7.97%
Construction	27	2.76%	70,725	0.44%	23	2.26%	76,936	0.38%
Finance Insurance Real Estate	3	0.31%	1,518	0.01%	9	0.88%	467	0.00%
Transportation and Utilites	7	0.72%	71,016	0.45%	5	0.49%	106,514	0.52%
Agriculture	6	0.61%	26,640	0.17%	9	0.88%	34,439	0.17%
Other, Non Classified	15	1.53%	60,864	0.38%	193	18.98%	560,206	2.74%
Total	979	100.00%	$ 15,938,517	100.00%	1017	100.00%	$ 20,409,028	100.00%

Source: Tennessee Department of Revenue, Research Division.

Notes:

1. Figures subject to revision due to amended taxpayer returns.
2. Figures represent local sales tax collected by taxpayers during the period, not disbursements from the Department of Revenue. Thus, amounts presented above do not match to amounts reflected within the financial report.
3. Does not include Bartlett's share of county clerk or out-of-state taxpayer amounts.

CITY OF BARTLETT, TENNESSEE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	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
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
2017	32,045,250	946,000	3,842,500	3,562,443	9,170,077	701,000	50,267,270	2.60%	865

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

CITY OF BARTLETT, TENNESSEE

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Capital Note	Capital Lease	General Obligation Note	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
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
2017	32,045,250	3,842,500	3,562,443	946,000	40,396,193	0.97%	695

CITY OF BARTLETT, TENNESSEE
Direct and Overlapping Governmental Activities Debt
As of June 30, 2017

Name of Government Unit	Debt Outstanding	Percentage Applicable to Bartlett (1)	Overlapping Debt (2)
City Net General Obligation Debt	$ 40,396,193	100.00%	$ 40,396,193
Shelby County	989,746,533	6.87%	67,956,753
Totals Direct and Overlapping Debt	**$ 1,030,142,726**		**$ 108,352,946**

(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, 2017

General Obligation Bonded Debt:		
Existing G.O. Bonds	$ 30,285,000	
Total Public Improvement Bonded Debt		$ 30,285,000
Existing Water and Sewer Bonds[1]	$ 8,860,000	
Total Water and Sewer Bonded Debt		$ 8,860,000
Total Bonded Debt		39,145,000
Less Self Supporting Debt		(8,860,000)
Net Bonded Debt		$ 30,285,000
Net Overlapping Bonded Debt		$ 67,275,032
Less: Self-Supporting Bonded Debt		-
Net Overlapping Bonded Debt		67,275,032
Bonded Debt Outstanding Including Overlapping Bonded Debt		106,420,032
Net Bonded Debt Outstanding Including Net Overlapping Bonded Debt		$ 97,560,032

	City of Bartlett	**City and Net Overlapping**
Net Direct Debt Per Capita	$ 536	$ 1,727
Total Debt Per Capita	693	1,884
Net Debt / Actual Value	0.73%	2.36%
Total Debt / Actual Value	0.95%	2.57%
Net Debt / Assessed Value	2.64%	8.51%
Total Debt / Assessed Value	3.41%	9.28%

	Bartlett	**Shelby County**
FY 2016 Assessed Value	$1,146,813,937	$ 16,871,863,015
FY 2016 Appraised Value	$4,137,268,400	$ 58,180,798,100
2016 Estimated Population[2]	58,264	938,803

Shelby County's unaudited Net Bonded Debt as of June 30, 2017	$ 989,746,533

Bartlett's Assessed Value as a Percentage of Shelby County's Assessed Value: 6.80%

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

2. Source: U.S. Census Bureau

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

Fiscal Year	Utility Service Charges	Less: Operating Expenses (1)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
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
2017	8,456,221	5,731,406	2,724,815	1,303,000	275,000	1,578,000	1.73

(1) Excludes depreciation expense.

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

CITY OF BARTLETT, TENNESSEE
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (2)	Personal Income (Thousands of $)	Per Capita Personal Income (3)	Unemployment Rate (4)	
2008	49,000	1,366,711	54,778	5.5%	(4)
2009	49,000	1,401,567	57,512	7.4%	(4)
2010	49,000	1,450,510	60,388	8.1%	(4)
2011	54,613	1,646,770	60,991	8.0%	(4)
2012	54,613	1,663,854	61,601	6.8%	(4)
2013	54,613	1,663,071	62,217	7.6%	(4)
2014	56,488	1,676,560	62,840	7.0%	(4)
2015	56,488	1,826,608	63,468	5.9%	(4)
2016	56,488	1,875,644	64,103	4.7%	(4)
2017	58,107	1,934,541	64,744	3.8%	(4)

Sources:

(1) Estimated Unless otherwise noted

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

(3) U.S. Census Bureau

(4) Tennessee Department of Labor

CITY OF BARTLETT, TENNESSEE

Principal Employers

Current Year and Ten Years Ago

	2017			2008		
Taxpayer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Bartlett City Schools	918	1	3.07%			
Youth Villages	697	2	2.33%			
Brother International\Brother USA	650	3	2.18%	1,000	1	4.01%
Saint Francis Hospital-Bartlett	610	4	2.04%	315	5	1.26%
The City of Bartlett	553	5	1.85%	510	2	2.04%
Covenant Dove	502	6	1.68%			
Lakeside Behavioral Health	469	7	1.57%			
USDA Cotton Classing Division	420	8	1.41%	400	3	1.60%
Wal-Mart Supercenter	420	9	1.41%	394	4	1.58%
United Parcel Service	275	10	0.92%	275	6	1.10%
Kele Inc.				206	7	0.83%
The Kroger Company				200	8	0.80%
Sam's Wholesale Club				200	9	0.80%
The King's Daughter & Sons Home				160	10	0.64%
Total	5,514		18.45%	3,660		14.67%

Source: Bartlett Chamber of Commerce

CITY OF BARTLETT, TENNESSEE
OTHER REVENUE SOURCES
As of June 30, 2017

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

CITY SERVICE FEE

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

GENERAL SALES TAX

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

On August 2, 2012, the City held a referendum to increase the local option sales tax in the town by 0.5% to 2.75%. The City uses the funds generated by the sales tax increase to provide a portion of the funding for the City’s new school system as discussed in the “Education” section herein. Collections from the City’s additional ½ cent local sales tax were $4.35 million in FY 2017.

BEER SALES TAX

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

ALCOHOLIC BEVERAGE TAX

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

AUTO REGISTRATION FEE

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

FRANCHISE TAXES

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

GROSS RECEIPTS TAX

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

SANITATION FEE

In FY 2014, The City assessed a $24.00 per month sanitation fee on all residents. The City collected $5,435,816 and $5,601,005 in Solid Waste collection fees in fiscal year 2014 and 2015, respectively. Effective July 1, 2015, the City increased the sanitation fee from $24 to $25. Solid Waste collection fees totaled $5,849,395 and $5,919,364 in fiscal year 2016 and 2017 respectively.

STATE TAX REVENUE (LOCAL SHARE)

(1) State Sales Tax - A 7% sales tax is imposed on the gross proceeds from retail sale or use of tangible property or service. A portion is returned to the City on a per capita basis.

(2) Gasoline Taxes - The City receives a portion of the State imposed gasoline tax for street purposes.

(3) State Income Tax - The City receives nominal income from this source, which is a tax on dividends on stock and interest on bonds. The tax rate is 6%, reduced to 4% on such earnings from corporations with 75% or more of their property subject to Tennessee ad valorem taxes.

(4) Other State Taxes - The City also receives revenues derived from other miscellaneous state taxes including Liquor by the Drink Tax and TVA in-Lieu-of-Tax Payments.

CHARGES FOR SERVICES

The City has substantially expanded its parks and recreation programs. Charges for services of these programs, which in the past have been negligible will account for an increasing portion of the budget over the next couple years. In fiscal year 2017, Parks and Recreation received $2,442,000 for charges for services. This represented approximately 63.09% of the parks and recreation operating budget.

CITY OF BARTLETT, TENNESSEE

Full-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Department										
General Fund										
Legislative Board	3	3	3	3	3	3	3	3	3	3
Mayor's Office	14	15	15	16	16	15	16	15	15	14
Finance	14	14	13	13	14	13	15	15	16	16
City Court	11	13	11	11	12	12	12	12	12	12
Personnel	4	4	4	4	4	4	4	4	4	5
Planning	4	4	3	3	3	3	4	4	4	4
Police										
Officers	105	110	110	110	108	111	111	113	113	119
Civilians	36	38	38	39	39	38	41	41	41	42
Fire Services and Ambulance										
Firefighters & Officers	94	94	94	93	94	94	96	95	97	99
Civilians	1	1	1	2	2	2	1	1	1	1
Codes Enforcement	12	11	11	9	9	9	10	10	10	11
Public Works	53	54	52	53	53	53	56	59	60	60
Engineering	11	12	10	10	8	8	8	8	7	8
Parks & Recreation	80	78	74	74	76	75	73	73	75	74
Performing Arts	4	3	3	3	3	3	3	3	4	4
Special Revenue Funds										
General Purpose School Fund	0	0	0	0	0	0	0	784	805	813
Solid Waste Fund	38	38	38	38	36	39	41	41	42	41
Drainage Control Fund	1	1	1	1	1	1	1	1	1	1
Utility Fund										
Administration	12	11	11	11	6	7	7	6	7	7
Water & Wastewater Services	15	15	15	15	20	20	20	19	21	20
Plant Operations	5	5	5	5	4	6	5	5	5	6
Sewer Lagoon	4	4	4	3	3	2	4	4	4	4
Total	521	528	516	516	514	518	531	1316	1347	1364

Source: City of Bartlett Finance Department and Personnel Department.

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Residential permits issued	159	75	99	72	107	139	179	218	216	191
Commercial permits issued	94	71	59	88	93	72	86	80	87	111
Fire										
Emergency responses	3,776	3,832	4,178	3,749	4,022	4,322	4,633	4,669	5,009	5,247
Structure fires	57	42	49	69	56	38	40	48	33	32
Inspections	3,449	2,213	2,203	2,277	2,297	3,400	3,242	4,299	3,568	2,650
Refuse collection										
Total refuse collected (tons)	44,824	45,246	56,166	44,606	46,668	45,717	54,110	49,391	52,048	52,098
Refuse taken to landfill	27,015	25,743	25,714	25,161	26,511	27,167	28,128	31,296	30,767	31,262
Library										
Volumes in collections	99,256	102,013	101,158	101,672	102,783	104,537	108,138	107,689	110,740	110,011
Total volumes borrowed	297,581	363,367	359,367	340,156	330,717	313,089	300,081	276,631	273,034	251,976
Water										
New connections	153	81	66	119	190	171	11	235	269	180
Water customers	19,894	19,975	20,041	20,160	20,350	20,521	20,532	20,767	21,036	21,216
Sewer										
Sewer customers	18,444	18,624	18,757	19,098	19,314	19,517	19,266	19,679	19,776	19,971

Source: Indicators provided from internal departmental records.

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police Stations	2	2	2	2	2	2	2	2	2	2
Fire Stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Streets (miles)	277	277	277	277	277	301	301	301	301	301
Parks & Recreation										
Acreage	688	706	706	736	736	736	736	736	736	736
Parks #										
Developed	24	24	24	25	25	25	25	25	25	25
Undeveloped	2	3	3	3	3	3	3	3	3	3
Tennis courts	14	14	14	14	14	14	14	14	14	14
Baseball fields	17	17	17	18	18	18	18	18	18	18
Walking trails(miles)	12	12	12	12	12	12	12	12	14	14
School Buildings	-	-	-	-	-	-	11	11	11	11
Water										
Water lines (miles)	370	371	371	371	371	372	372	372	372	372
Water connections	19,894	19,975	20,041	20,160	20,350	20,521	20,532	20,767	21,036	21,216
Water plants	4	4	4	4	4	4	4	4	4	4
Storage tanks	9	9	9	9	10	10	10	10	10	10
Wastewater										
Sanitary sewers (miles)	313	316	349	349	349	353	353	353	353	353
Sewer connections	18,444	18,624	18,757	19,098	19,314	19,517	19,266	19,679	19,776	19,971

Source: City of Bartlett Functional Departments

COMPLIANCE SECTION

CITY OF BARTLETT

TENNESSEE

GOVERNMENT AUDITING STANDARDS SECTION

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2017

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 Agriculture/TN Department of Education						
Child Nutrition Cluster						
School Breakfast Program	10.553		$ -	$ 251,846	$ 251,846	$ -
National School Lunch Program - Non-Cash Assistance	10.555		-	184,318	184,318	-
National School Lunch Program - Cash Assistance	10.555		-	1,105,842	1,105,842	-
Subtotal - CFDA 10.555			-	1,290,160	1,290,160	-
Total Child Nutrition Cluster / U.S. Department of Agriculture			-	1,542,006	1,542,006	-
U.S. Department of Housing and Urban Development/ TN Dept. of Economic and Community Development						
Community Development Block Grants	14.218	33004-07315 43867	49,949	498,657	448,708	-
Community Development Block Grants	14.218		-	-	150	150
Total U.S. Department of Housing and Urban Development			49,949	498,657	448,858	150
U.S. Department of Justice						
Bulletproof Vest Partnership Program	16.607		1,480	5,519	8,631	4,592
U.S. Department of Transportation/TN Dept. of Transportation						
Highway Planning and Construction Cluster						
Highway Planning and Construction	20.205	170007 STP-M-9419(9)	-	-	75	75
Highway Planning and Construction	20.205	90171 STP-M-9409(122)	3,409	935,571	962,668	30,506
Highway Planning and Construction	20.205	110050 STP-M-9419(8)	10,852	7,903	6,566	9,515
Highway Planning and Construction	20.205	110051 STP-M-4384(5)	267,609	281,989	14,380	-
Highway Planning and Construction	20.205	130225 STP-M-5131(10)	358	358	-	-
Highway Planning and Construction	20.205	60087 STP-M-9419(2)	78,991	529,547	622,973	172,417
Subtotal - Highway Planning and Construction Cluster			361,219	1,755,368	1,606,662	212,513
State and Community Highway Safety	20.600	PT-17-04/402 Z17THS004	-	3,575	11,804	8,229
National Priority Safety Programs	20.616	M5HVE-16-03 Z16GHS018	11,443	12,890	1,447	-
Total U.S. Department of Transportation			372,662	1,771,833	1,619,913	220,742
U.S. Department of Education - Direct Program						
Safe and Drug-Free Schools and Communities National Programs	84.184		-	35,236	40,320	5,084

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2017

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		$ 132,743	$ 2,261,117	$ 2,192,888	$ 64,514
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013		1,743	36,718	34,977	2
Special Education Cluster (IDEA)						
Special Education - Grants to States	84.027		65,186	1,607,030	1,880,452	338,608
Special Education - Preschool Grants	84.173		-	36,367	36,367	-
Subtotal - Special Education Cluster (IDEA)			65,186	1,643,397	1,916,819	338,608
English Language Acquisition State Grants	84.365		20	36,738	37,129	411
Improving Teacher Quality State Grants	84.367		13,157	330,489	318,851	1,519
Education Technology State Grants	84.386		3,654	91,129	90,000	2,525
Preschool Development Grants	84.419		-	2,000	2,000	-
Total U.S. Department of Education			216,503	4,436,824	4,632,984	412,663
U.S. Department of Health & Human Services/TN Dept. of Education						
Temporary Assistance for Needy Families	93.558		18,261	181,176	175,912	12,997
Child Care and Development Block Grant	93.575		-	-	39,110	39,110
Total U.S. Department of Health & Human Services			18,261	181,176	215,022	52,107
U.S. Department of Homeland Security/TN Emergency Management Agency						
Disaster Grants - Public Assistance	97.036	FEMA-1979-DR-TN	31,212	31,212	-	-
Hazard Mitigation Grant	97.039	4171DRTNP00000005	-	-	1,414	1,414
Hazard Mitigation Grant	97.039	4189DRTNP00000005	-	-	1,414	1,414
Subtotal - CFDA 97.039			-	-	2,828	2,828
Assistance to Firefighters Grant	97.044	EMW-205-FO-03731	-	159,819	159,819	-
Total U.S. Department of Homeland Security			31,212	191,031	162,647	2,828
Total Federal Awards			690,067	8,627,046	8,630,061	693,082

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
State Financial Assistance						
Teacher Leader Network	N/A		$ 2,758	$ 7,000	$ 4,242	$ -
Ready to be Ready Coaching Network	N/A		-	3,142	4,666	1,524
Arts Students Ticket Subsidies	N/A		-	729	729	-
TAC Arts 360	N/A		-	-	27,426	27,426
TN Dept. of Environment and Conservation	N/A		-	-	4,459	4,459
Tennessee Emergency Management Agency 2011	N/A	FEMA-1979-DR-TN	5,210	5,365	155	-
Tennessee Dept. of Military, TEMA Hazard Mitigation Grant Program	N/A	HMGP-4171-0006 34101-22317	-	-	236	236
Tennessee Dept. of Military, TEMA Hazard Mitigation Grant Program	N/A	HMGP-4189-0002 34101-20417	-	-	236	236
Total State Financial Assistance			7,968	16,236	42,149	33,881
Total Federal Awards and State Financial Assistance			$ 698,035	$ 8,643,282	$ 8,672,210	$ 726,963

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state grant activity of the City of Bartlett, Tennessee (the City) under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE TO THE FINANCIAL STATEMENTS

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

Total grant revenue per governmental funds financial statements	$ 8,824,724
Less: Non-federal and non-state grants	(141,750)
Total federal awards and state financial assistance	$ 8,682,974

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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, 2017, 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 20, 2017

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency: 2017-001, Sales Tax Receivable.

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 20, 2017

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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, 2017. 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, 2017.

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 20, 2017

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Bartlett, Tennessee (the "City") were prepared in accordance with accounting principles generally accepted in the United State of America.

2. A significant deficiency disclosed during the audit of the financial statements is reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in* Accordance with *Government Auditing Standards*.

3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No significant deficiencies in internal control over major federal award programs are reported.

5. The auditor's report on compliance for the major federal award program for the City expresses an unmodified opinion on the major program.

6. There were no audit findings required to be reported in accordance with 2 CFR Section 200.516(a)

7. The programs tested as a major programs were:

   CFDA number 84.010 Title I Grants to Local Education Agencies.
   CFDA number 20.205 Highway Planning and Construction

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

2017-001 Sales Tax Receivable

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

Criteria: Internal controls should include procedures to properly reconcile due from other governments in order to provide reasonable assurance of proper revenue recognition.

Cause: The client reversed a fiscal 2015/2016 accrual for unrecognized property taxes by erroneously reducing current year sales tax revenue instead of due from other governments.

Effect: Unavailable revenue and sales tax revenue for the General Purpose School Fund were misstated.

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

Views of Responsible Officials and Planned Corrective Actions: Bartlett City Board of Education agrees with the finding and will improve reconciliation procedures going forward.

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

None reported.

CITY OF BARTLETT, TENNESSEE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2017

A. PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

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.

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.

Current Status: The recommendation was adopted in fiscal year 2017. No similar findings were noted in the fiscal year 2017 audit.

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.

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.

Current Status: The recommendation was adopted in fiscal year 2017. No similar findings were noted in the fiscal year 2017 audit.

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

None reported.