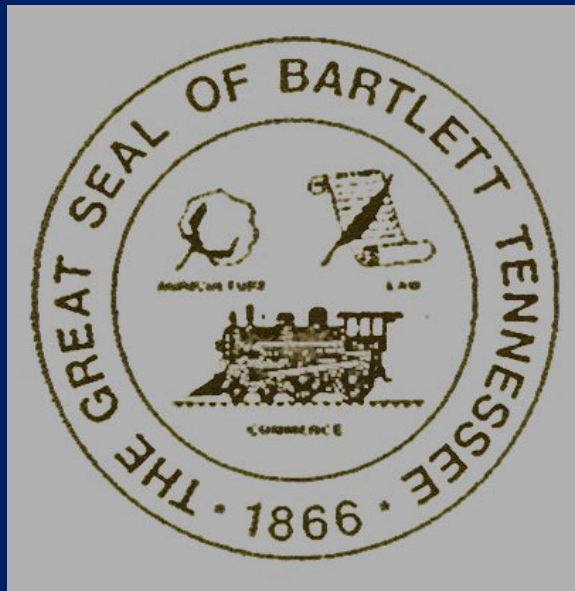
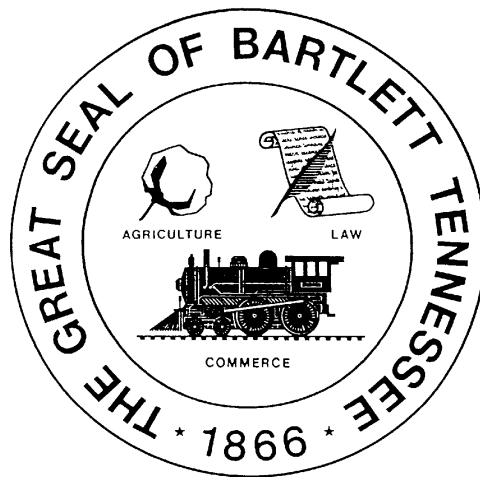


CITY OF BARTLETT TENNESSEE



Comprehensive Annual Financial Report
For The Fiscal Year Ended
June 30, 2020

CITY OF BARTLETT **TENNESSEE**



A. Keith McDonald, Mayor

Comprehensive Annual Financial Report **For The Fiscal Year Ended** **June 30, 2020**

Prepared by the City of Bartlett Finance Department

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INTRODUCTORY SECTION



City of Bartlett

A. Keith McDonald, Mayor

December 15, 2020

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, 2020, is hereby submitted as required by state statutes. These statutes require that all general purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) as set forth by the Government Accounting Standards Board (GASB) and have been audited by a firm of certified public accountants in accordance with the generally accepted government auditing standards.

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

The City's financial statements have been audited by Watkins Uiberall, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2020 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, 2020. 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 in Shelby County in the southwestern part of the state and celebrated its 150 year Sesquicentennial during the 2016 calendar year and 2017 fiscal year. The City currently occupies a land area of 32.30 square miles and serves an estimated population of 59,102. The City is empowered by state statutes to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, either by resolution for annexation by referendum or resolution by referendum by owners' consent.

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

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

The Bartlett City Board of Education provides K-12 education to students within the jurisdiction of the City of Bartlett. The city school system is part of the Government of Bartlett, Tennessee and is reported as a blended component unit and special revenue fund in the City's Comprehensive Annual Financial Report. The Bartlett City Board of Education was created via state statute and local public referendum in the fall of 2013. School enrollment is made up of students residing within the corporate limits of the City. The first full year of instruction began in August 2014. Bartlett city municipal school system has the highest enrollment of students of all the municipal school systems in Shelby County. Our superintendent recently received the "Superintendent of the Year Award" and the school system is judged a Tennessee Department of Education Exemplary District. The Bartlett City Board of Education developed plans in FY17 to build a new high school. The City's Board of Mayor and Aldermen approved this effort and issued \$44 million in general obligation bonds in October 2017 to help finance the project. Construction of the high school is scheduled to be completed during to the FY20-21 school year.

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

The City administration annually prepares a plan of services for the upcoming fiscal year and the estimated cost of providing those services. All department heads of the City of Bartlett are required to submit requests for appropriation to the Finance Director. Initial requests are reviewed by the Mayor, Chief Administrative Officer, and finance staff. The resulting plan is then reviewed by the Board of Mayor and Aldermen and is formally adopted by the passage of a budget ordinance on three separate readings. The ordinance is adopted by fund, function (e.g. public safety) and department (e.g. police). Department heads may make transfers of appropriations within their department. Transfers of appropriations between departments require the approval of a budget amendment by the BMA. Strict budgetary compliance is maintained by the automated accounting system to assure effective fiscal management and accountability. All requests for purchases are checked by the budgetary control system to assure that funds are available. Purchase orders and contracts are encumbered prior to release to vendors. The system controls are maintained within cost center levels and are set up within the Personnel, Operations, and Capital categories. Budget-to-actual comparisons are provided in this report for each major fund and individual governmental funds 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 a contraction in the local economy due to the onset of the novel coronavirus (COVID-19) virus and pandemic in March 2020. With the safer-at-home mandate nationally as well as locally, many businesses were forced to close temporarily resulting in a stagnant economy for the remainder of the

fiscal year. Many of the “essential” businesses were allowed to remain open which continued to generate local sales tax and business tax. However, retail businesses such as theaters and restaurants remained closed for weeks and sometimes months, causing significant revenue shortfalls in the City’s revenue streams. The City currently has a state certified population of 56,488, making it the tenth largest city in Tennessee. Projections show the City is expected to grow to over 62,000 by 2020. Current population estimates show Bartlett with 59,102 residents.

Bartlett has consistently been ranked among the best livable communities in the nation based on size with such accolades as; best cities for home ownership, safest cities, cities on the rise, best sports cities and best small cities to move to. Bartlett prides itself on having the highest homeownership among Tennessee’s top 10 cities. Within a ten mile radius of the intersection of I-40 and Germantown Parkway are over 15,000 businesses, 225,000 employees and 150,000 households. The average age is 37 with an average household income of just over \$80,000. Because of the business and retail mix coupled with the operation of its municipal school system, Bartlett is a favored choice for families moving into the northeast Shelby County suburb. Housing starts in the past five years has averaged 160 new residential permits per year with an average valuation of \$39.6 million per year. There are many residential districts in the city where we have seen a steady increase of activity since the sharp downturn in 2008. Current housing is at a premium due to the very successful Bartlett City School System. A high demand for affordable living exists in Bartlett due to its award winning school system and the construction of a new high school, which will enroll the highest number of 10-12 students of any single high school in the state of Tennessee. The City recently adopted an amendment to its zoning regulations that will allow mixed-use commercial and residential development which has become popular in fast growing cities in Tennessee.

Evidence of Bartlett’s workforce reliability and skills level is the growth of the medical advice industry over the past 20 years. Today, Bartlett can rightfully claim to be the epicenter of the Memphis medical device industry, which has the second largest concentration of orthopedic manufacturers in the nation. This industry is reliant on a skilled workforce operating highly sophisticated machinery. Bartlett City Schools recognizes the need to offer diverse career paths and is developing a very ambitious program that encourages students to pursue career training opportunities, especially CNC machining - thus complimenting the medical device industry’s need for a sustainable pipeline of skilled workers.

The Greater Memphis Medical Device Council assisted in working with the State of Tennessee to bring a 48,000 square foot campus of the Tennessee College of Applied Technology (TCAT) to Bartlett. The facility currently under construction at the northwest corner of Appling Road and Brother Boulevard with completion expected in calendar 2020. Bartlett High School currently has a dual enrollment program with the Tennessee College of Applied Technology (TCAT) for CNC training. Construction of this facility began in FY2020 and is scheduled for completion in FY2021. The facility has been dubbed the “Graduate School of Technical Education” and will provide high paying technical jobs for area students.

If evidence of sustained state and local sales tax is a measure of economic resiliency, the state and City of Bartlett have weathered the COVID-19 pandemic during the current fiscal year. Retail sales in the fiscal year and current calendar year show marginal growth over the prior year with overall sales tax growth of 2.7% from FY19 to FY20. During the fiscal year 2020 the City issued 26 permits for new single family residence structures with a value of \$6.1 million for an average of slightly over \$234,100 per residence. The City also issued 29 permits for commercial construction valued at \$14.2 million. During the fiscal year the city issued 123 business licenses for various retail startups in Bartlett as compared to 210 issued in FY2019. The median household income in Bartlett is more than \$62,000 and the city is expected to continue to be the retail center of north Shelby County.

Brims, Odyssey Medical, EMS, TCAT, TOPS Bar-B-Q, Freddy’s and Wimpy’s have all recently completed expansions or new location openings. Pinnacle Bank has recently opened a branch bank location on Kirby Whitten Road, providing another financial institution for area residents. Methodist Le Bonheur Healthcare recently proposed the acquisition of Saint Francis Hospital-Bartlett from Tenet Healthcare in a \$350 million merger which could have lasting effects on the City’s property tax base. Due to Methodist’s non-profit status, this acquisition would reduce property tax revenue from Saint Francis. The Federal Trade Commission has sued to block the merger which may stop the acquisition in the near future. The City continues to work with its retail consulting firm based in Birmingham. The firm provides market analysis, strategic planning, and retail recruitment services. This group has been successful in bringing a number of retail establishments and restaurants to the City. 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 pending any lasting economic effects of the COVID-19 pandemic.

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 plans to issue \$2.79 million in general obligation bonds in FY2021 for the City's FY2021 CIP projects. Projects in the water and sewer CIP fund will be funded through unspent funds from prior projects in that fund for FY2021. Highlights of the CIP program for fiscal years 2021-2025 were:

- Road, Street, and Drainage improvement projects totaling \$29.9 million to improve access and traffic flow in the City. \$2.9 million of this amount will be for the widening and construction of Old Brownsville West highway; \$8.4 million will be used for overlay of Elmore, St. Elmo, Yale Road, and Brunswick Road while \$14 million will be devoted to city wide paving projects.
- Water and Sewer improvements and upgrades totaling \$5.1 million which includes sewer line extensions for Hatch Lane Eagle's Nest, Westbrook Sewer Extension, an upgrade to the City's sewer plant #2, and sewer lines in annexation areas.
- Public safety buildings, parks improvements, vehicles and equipment including police cars, ambulances and fire trucks totaling \$11.1 million. Major projects in this category include city hall and justice center renovations, and \$4.6 million in parks and recreation facilities and equipment.
- The City obligated \$8,000,000 in FY17 to supplement construction costs and acquisition of its new high school including furniture and equipment. With completion of this project scheduled during FY2021, the Board of Mayor and Aldermen plan to issue 20-year notes to meet this obligation. Payment for these remaining costs for school construction will be made in FY2021.

Relevant financial policies

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 debt issued is within the parameters of the adopted debt limits as specified in the Board of Mayor and Aldermen's debt management policy.

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 2021 budget includes a budgeted use of \$1.83 million in the General Fund and \$5.3 million in fund balances of its special revenue funds including a planned use of \$4.55 million in the Bartlett City School Fund. The City's Utility Fund will use a surplus of \$430,643 to balance its budget for FY2021. The City ended the 2020 fiscal year with over \$29.7 million in General Fund balance. The Special Purpose School Fund ended FY2020 with a fund balance of \$35.4 million.

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. The City also takes advantage of an interest bearing sweep account at its main banking institution to generate interest income.

Major initiatives

During the year ended June 30, 2020, the City made \$41.5 million in capital improvement expenditures. The Bartlett school system incurred \$31.8 million of this expenditure for renovation and construction of a new high school and other small capital projects. The City's capital projects fund incurred the remaining \$9.7 million in costs including \$4.3 million in city wide overlay and other engineering projects, \$2.2 million on park projects, \$1.95 million on public safety and public works vehicles and equipment, and \$192,427 for administrative vehicles, city hall renovations, and improvements to Bartlett Performing Arts and Conference Center. The City has over \$26.4 million in budgeted but

not spent capital projects funds for major initiatives such as Old Brownsville West construction, paving of Brother-Yale and city-wide overlay projects. Construction of a new city shop for fleet maintenance is scheduled to continue in FY21 with \$4.46 million projected over the next year. City hall renovations are expected to continue with plans to spend up to \$476,000 over the next three years.

Improvements to the City's roadways remain a major initiative for both short-term and long-term financing. The City has proposed \$14 million in city-wide overlay projects in the next five years in addition to the improvements to Old Brownsville West and Brother-Yale arteries.

Long term financial planning

The City's bond ratings were affirmed as Aa1 by Moody's and AAA by Standard & Poor's rating agencies in September 2019. On October 17, 2019 the City issued \$6,560,000 in general obligation improvement bonds to fund the various capital improvement projects including the FY2020 budget. Additionally, the City issued \$2,440,000 in August 2019 to fund vehicles and equipment and \$2,000,000 in June 2020 to complete funding of the City's new fleet management shop. The City's CIP program calls for issuance of \$35 million in G.O. Bonds over the next 5 years. The City will use short-term capital outlay notes to fund \$7.8 million in equipment needs for the same period.

Awards and Acknowledgements

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bartlett for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. This was the 31st consecutive year that the City has received this prestigious award. 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 19th straight year for its annual budget document for the fiscal year beginning July 1, 2020. 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, 2020 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 the members of the department who assisted and contributed to this report, in addition to the City's independent certified public accountants, Watkins Uiberall, PLLC. Credit also must be given to the Mayor and Board of Aldermen for their support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Dick Phebus
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bartlett
Tennessee**

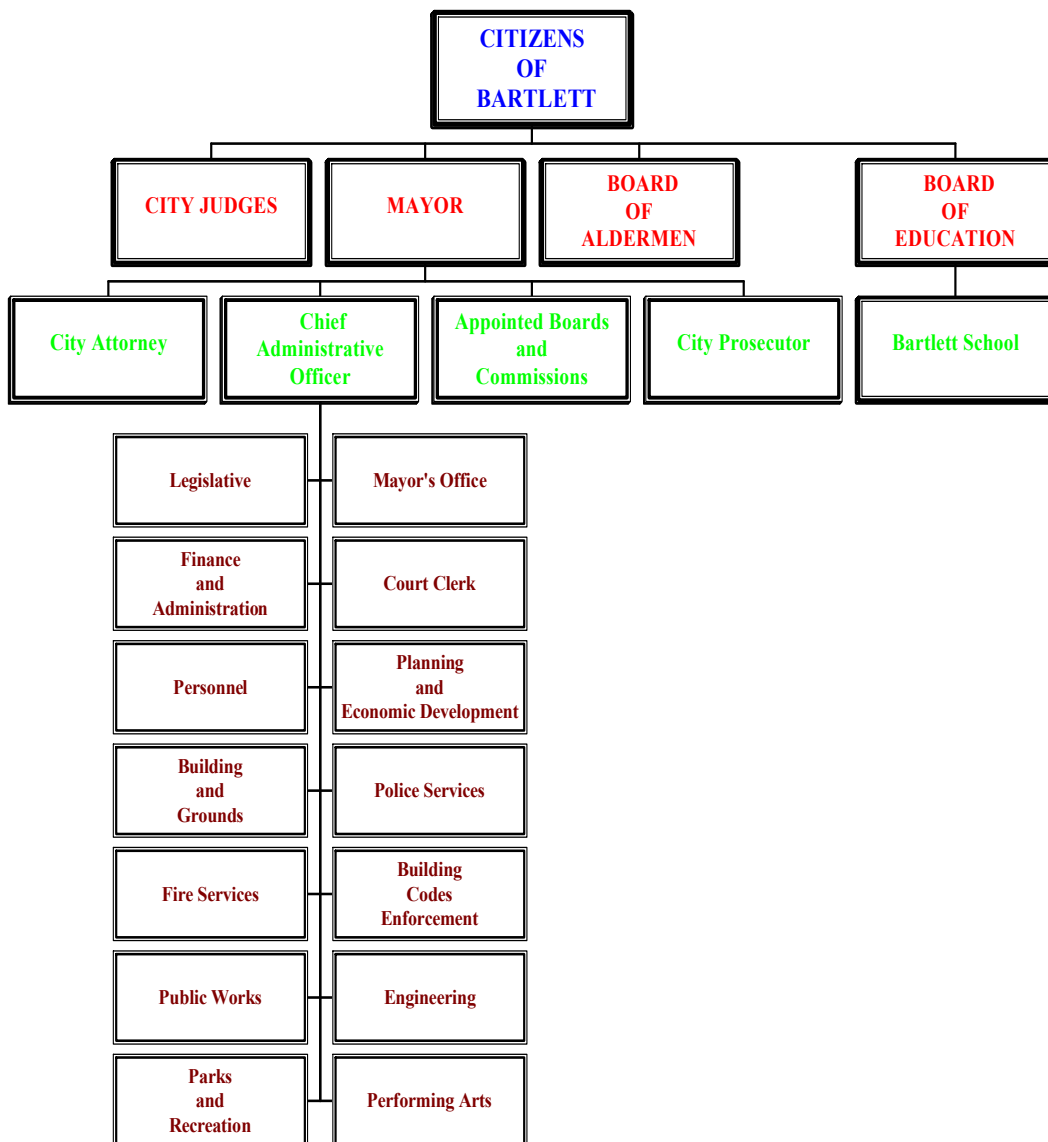
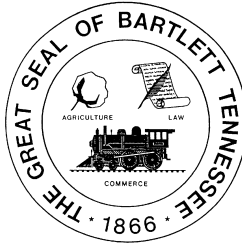
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF BARTLETT, TENNESSEE
ORGANIZATION CHART
June 30, 2020



CITY OF BARTLETT, TENNESSEE
CITY AND BOARD OF EDUCATION OFFICIALS
June 30, 2020

MAYOR

A. Keith McDonald (2022*)

ALDERMEN

Jack Young, Vice Mayor (2020*)
W.C. (Bubba) Pleasant, Register (2022*)
David Parsons (2022*)
Emily Elliott (2022*)
Bobby Simmons (2020*)
Paula Sedgwick (2020*)

CITY OFFICIALS

Chief Administrative Officer Mark S. Brown
City Attorney Edward McKenney Jr.
Director of Finance..... Dick Phebus**
Director of Personnel Ted Archdeacon
Director of Planning and Economic Development..... Kim Taylor
Director of Police Services..... Jeff Cox
Director of Fire Services Terry Wiggins
Director of Code Enforcement Jim Brown
Director of Public Works Mike Adams
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

Chairman David Cook
Vice-Chairman Bryan Woodruff
Board Member Erin Berry
Board Member Portia Tate
Board Member Shirley Jackson

BOARD OF EDUCATION ADMINISTRATION

Superintendent..... David Stephens
Chief Financial Officer..... Teresa Winter**

* Date elected term expires

** Designated CMFO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the statements of budgetary comparison for the general fund and general purpose school fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee, (the "City") as of and for the year ended June 30, 2020, 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bartlett's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supporting schedules, other 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, supporting 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, supporting 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, other 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 15, 2020 on our consideration of the City of Bartlett's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bartlett's internal control over financial reporting and compliance.



Memphis, Tennessee
December 15, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Bartlett, Tennessee (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. 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 and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$330,522,147 (net position). Of this amount, (\$22,429,474) (unrestricted net position) resulting primarily from increases in liabilities related to pensions and OPEB liability.
- The City's total net position decreased by \$3,061,715. Net position for governmental activities decreased by \$3,709,454 while net position for business activities increased by \$647,739. While capital assets increased by \$23,520,164, due mostly to construction in progress, other assets decreased by \$9,942,729. Deferred outflows increased by \$17,201,283. Total liabilities increased \$29,140,440 and deferred inflows increased by \$4,835,249.
- At June 30, 2020, the City's governmental funds reported combined ending fund balances of \$82,798,961 a decrease of \$16,294,254 in comparison with the prior year. Approximately 83.76% of this amount is available for spending at the government's discretion (committed, assigned or unassigned fund balance). At June 30, 2020 unassigned fund balance for the General Fund was \$15,643,492, or 31.80% of General Fund expenditures.
- The City's total debt increased by \$3,566,456 (3.67%) during the current fiscal year. The City issued \$6,560,000 in G.O. debt; \$4,440,000 in Capital Outlay Notes. The City paid down \$5,165,000 in existing general obligation bonds and water revenue bonds plus \$1,330,000 in capital notes and \$1,513,951 in capital lease obligations in FY 2020.

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, education, and interest on long-term debt. 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 seventeen 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, the Capital Projects Fund, and the Education Capital Fund, all four 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, Capital Projects Fund, and Education Capital Fund (all major funds) to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 26-44 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 45-47 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 48-49 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 50-87 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. The RSI can be found on pages 88-107 of this report.

Combining and Individual Fund Statements and Schedules: Combining schedules provide detail in connection with non-major governmental and internal service funds referred to earlier. Individual fund statements provide greater detail for the General Fund. Combining and individual fund statements and schedules can be found on pages 108-135 of this report.

Statistical Information: The statistical section, found on pages xxx-by, 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 and deferred outflows exceeded liabilities and deferred inflows by \$330,522,147 at the close of the most recent fiscal year, a decrease of \$3,061,715, or 1.11 percent, from last year.

The largest portion of the City's net position (\$338,705,491) reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Condensed Statement of Net Position

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 135,101,578	\$ 145,601,544	\$ 13,532,793	\$ 12,975,556	\$ 148,634,371	\$ 158,577,100
Capital assets	352,089,808	327,747,843	65,791,070	66,612,219	417,880,878	394,360,062
Total assets	487,191,386	473,349,387	79,323,863	79,587,775	566,515,249	552,937,162
Deferred outflows of resources	49,273,041	32,903,240	2,226,655	1,395,173	51,499,696	34,298,413
Long-term liabilities outstanding	205,928,683	184,955,893	11,228,703	12,230,807	217,157,386	197,186,700
Other liabilities	21,238,654	13,071,004	1,499,371	629,871	22,738,025	13,700,875
Total liabilities	227,167,337	198,026,897	12,728,074	12,860,678	239,895,411	210,887,575
Deferred inflows of resources	46,881,408	42,098,594	717,979	665,544	47,599,387	42,764,138
Total deferred inflows	46,881,408	42,098,594	717,979	665,544	47,599,387	42,764,138
Net position:						
Net Investment in Capital Assets	279,366,819	246,674,617	59,338,672	59,169,879	338,705,491	305,844,496
Restricted	14,235,414	6,794,109	10,716	10,806	14,246,130	6,804,915
Unrestricted	(31,184,551)	12,658,410	8,755,077	8,276,041	(22,429,474)	20,934,451
Total net position	\$ 262,417,682	\$ 266,127,136	\$ 68,104,465	\$ 67,456,726	\$ 330,522,147	\$ 333,583,862

An additional portion of the City's net position (4.31%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position was a negative (\$22,429,474). This is made up of \$8,755,077 that may be used to meet the government's ongoing obligations to citizens and creditors for Business-Type Activities. Governmental activities resulted in a negative \$31,184,551 unrestricted net position due primarily from increases in liabilities and deferred inflows of resources for pension and OPEB liability.

At June 30, 2020, the City is able to report positive balances in two of the three categories of net position for the government as a whole. The City maintains a practice of providing adequate reserves for payment of debt service and capital projects while funding current operations with current revenue sources.

Changes in Net Position: Governmental activities decreased the City's net position by \$3,709,454 while Business-type activities increased the City's net position by \$647,739 resulting in a net decrease of \$3,061,715. Key elements of this decrease are as follows:

- Reductions to net position resulted partially from a decrease in cash and investments of \$9,942,729 and increases in capital assets of \$23,520,816. An increase in deferred outflows of resources of \$17,201,283 contributed to the overall increase in total assets and deferred outflows of \$30,779,370. This increase was offset by increases in liabilities and deferred inflows of resources of \$33,843,085. Liabilities increased by \$29,007,836 largely due to increases in pension and OPEB liability and increases in long-term liabilities. Deferred inflows increased \$4,835,249 also due to increases related to pension.
- Increase in net position for business-type activities of \$647,739 mostly due to increases in deferred inflows of resources related to OPEB.
- Depreciation expense of \$13,356,467 in governmental activities and \$2,669,618 in business-type activities was also a factor in the overall change in net position. Of the \$13,356,467 depreciation in governmental activities, \$5,696,001 was from education activities.

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for Services	\$ 18,596,123	\$ 19,483,131	\$ 9,285,812	\$ 8,320,764	\$ 27,881,935	\$ 27,803,895
Operating grants and contributions	57,545,919	56,980,922	-	-	57,545,919	56,980,922
Capital grants and contributions	8,538,604	3,705,487	541,088	417,438	9,079,692	4,122,925
General Revenues:						
Local taxes	78,511,518	78,822,113	-	-	78,511,518	78,822,113
Intergovernmental	6,463,739	6,362,513	-	-	6,463,739	6,362,513
Interest on investments	723,206	910,061	110,729	101,350	833,935	1,011,411
Other	204,946	542,263	71,424	27,923	276,370	570,186
Total revenues	<u>170,584,055</u>	<u>166,806,490</u>	<u>10,009,053</u>	<u>8,867,475</u>	<u>180,593,108</u>	<u>175,673,965</u>
Expenses						
General government	9,457,124	8,704,877	-	-	9,457,124	8,704,877
Public safety	34,869,812	33,365,314	-	-	34,869,812	33,365,314
Public works	22,445,292	22,057,199	-	-	22,445,292	22,057,199
Parks and recreation	5,745,030	5,376,867	-	-	5,745,030	5,376,867
Performing arts center	756,159	883,657	-	-	756,159	883,657
Recreation center	1,556,782	1,597,184	-	-	1,556,782	1,597,184
Education	97,342,298	92,755,009	-	-	97,342,298	92,755,009
Interest on long-term debt	2,711,546	2,655,578	-	-	2,711,546	2,655,578
Water and sewer	-	-	8,770,780	8,829,089	8,770,780	8,829,089
Total expenses	<u>174,884,043</u>	<u>167,395,685</u>	<u>8,770,780</u>	<u>8,829,089</u>	<u>183,654,823</u>	<u>176,224,774</u>
Changes in net position before transfers	(4,299,988)	(589,195)	1,238,273	38,386	(3,061,715)	(550,809)
Transfers	590,534	-	(590,534)	-	-	-
Change in net position	<u>(3,709,454)</u>	<u>(589,195)</u>	<u>647,739</u>	<u>38,386</u>	<u>(3,061,715)</u>	<u>(550,809)</u>
Net position, July 1, 2019	266,127,136	266,716,331	67,456,726	67,418,340	333,583,862	334,134,671
Net position - June 30, 2020	<u>\$ 262,417,682</u>	<u>\$ 266,127,136</u>	<u>\$ 68,104,465</u>	<u>\$ 67,456,726</u>	<u>\$ 330,522,147</u>	<u>\$ 333,583,862</u>

Governmental Activities: Current fiscal year revenues and transfers for the City's governmental activities were \$171,174,589 compared to \$166,806,490 last year. Expenses for the same period were \$174,884,043 compared to \$167,395,685 last year.

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

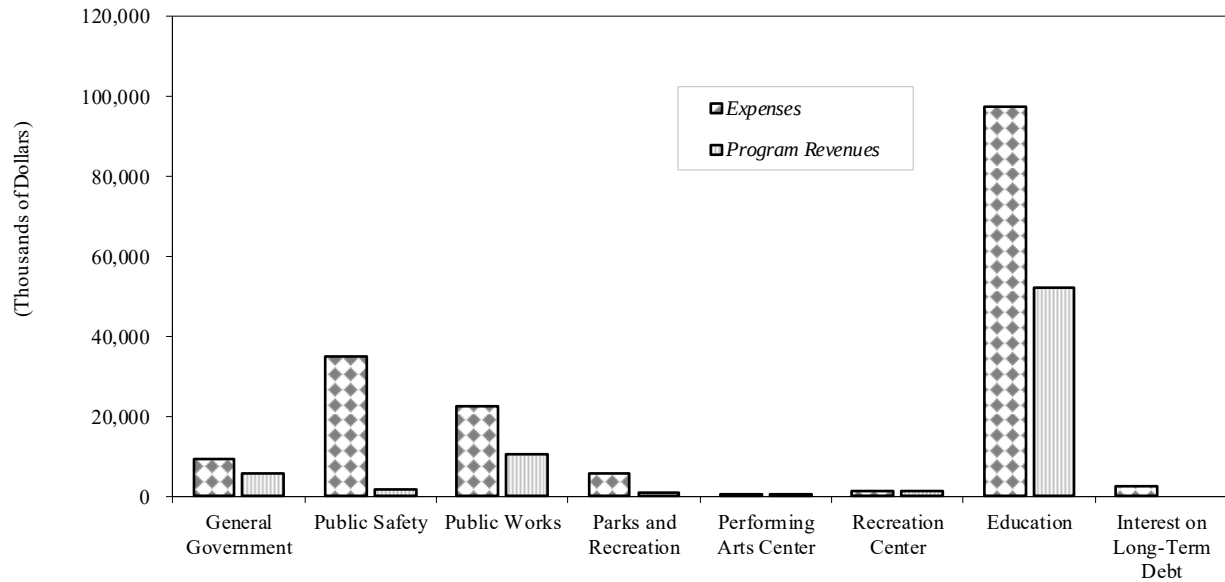
- The single largest source of governmental activity revenue was local taxes, decreasing \$310,595 from FY2019 to \$78,822,113 in FY 2020. Operating grants and contributions, the second largest revenue source, increased \$564,997 to \$57,545,919 in FY 2020. Education operating grants and contributions amounted to \$55,191,584 of this amount.
- Capital grants and contributions was \$8,535,604 in FY2020 with education activities receiving \$7,097,232 or 83.1% of this amount.
- Local taxes decreased \$310,595 during the year. Property taxes collections were down \$674,519 while local sales taxes increased \$847,940.
- The City's portion of state intergovernmental revenue increased by \$101,226, reflecting continued revenue growth at the state level. Investment income decreased \$186,855. The interest rates for authorized investments fell in the 3rd and 4th quarter of FY2020 resulting in this decrease.

Each area of program revenues is discussed below.

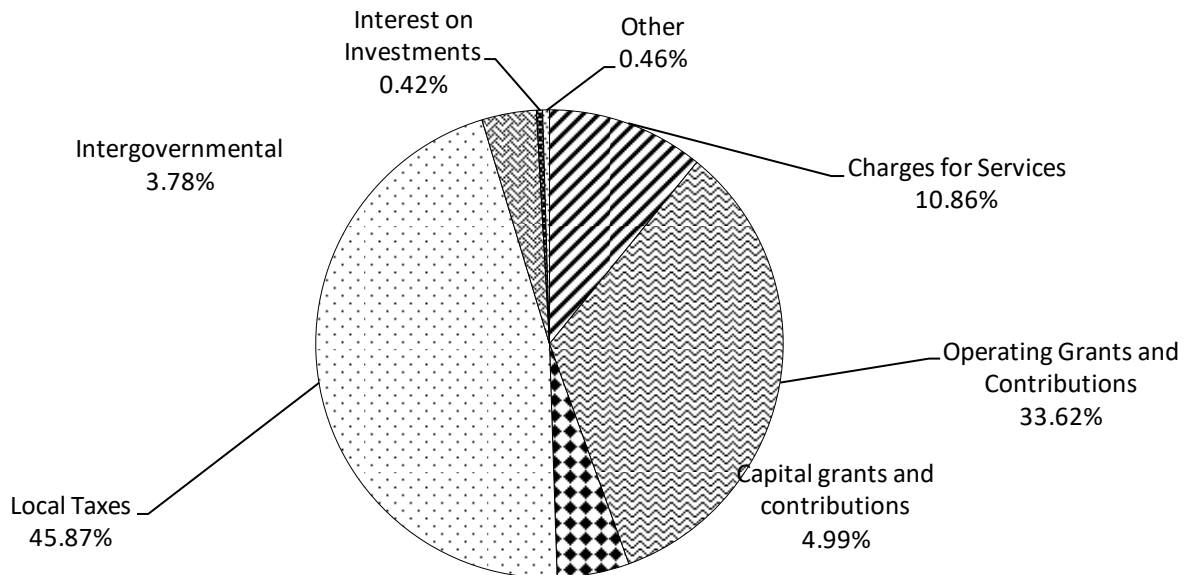
- Charges for services decreased \$887,008 from the previous year due to decreases in general government charges and reductions in parks and recreation charges and recreation fees. Education charges were down over \$700,000 due to decreased lunch fees caused by COVID closures at area city schools.
- Operating grants and contributions increased \$564,997, 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 were \$4,833,117 more than the previous year. The Bartlett City School System received \$7,097,232 in education grants from Shelby County, and increase of \$4,388,841 over the prior year.

Expenses in governmental activities increased \$7,488,358 from the prior year. Major contributors to this increase were education expense increases of \$4,587,289 coupled with increases in public safety of \$1,504,498 and general government expenses of \$752,247. Other primary governmental activities expenses in five additional categories accounted for the remaining increases of \$2,330,544.

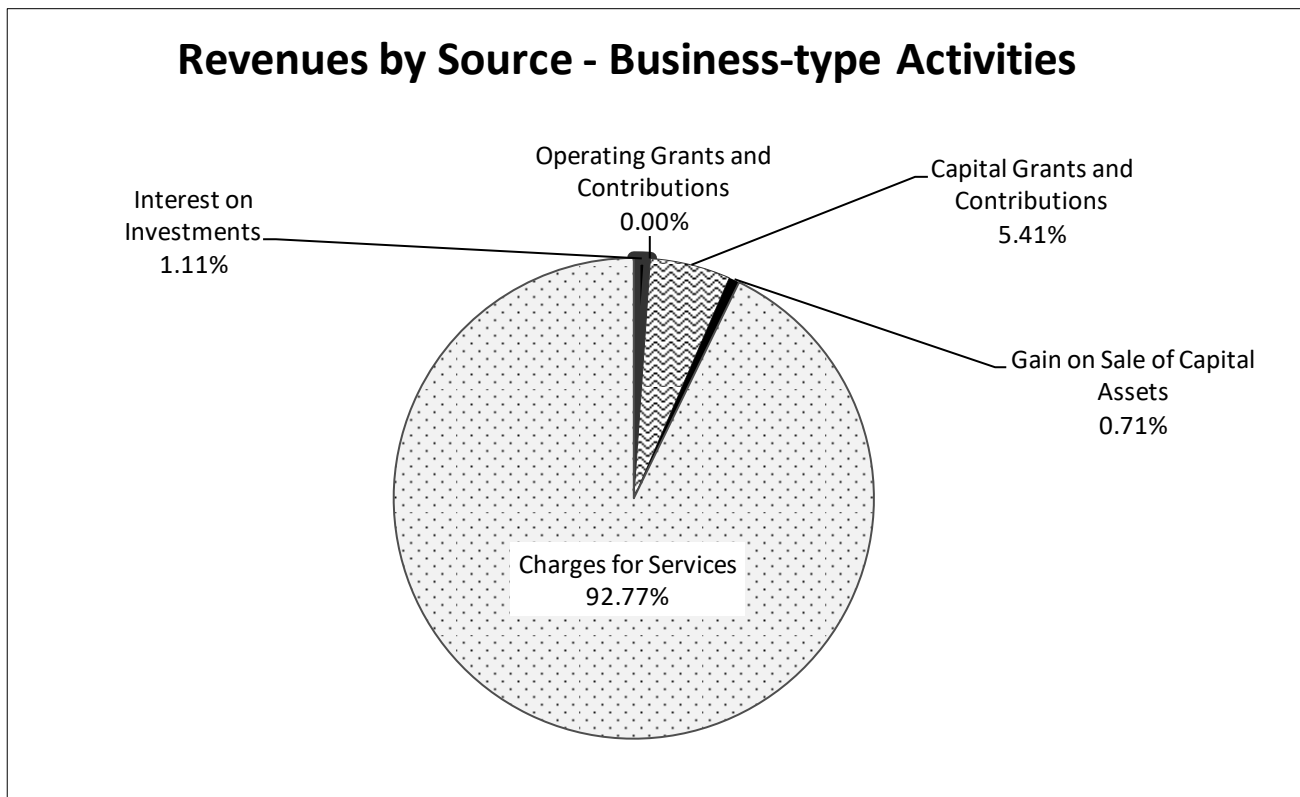
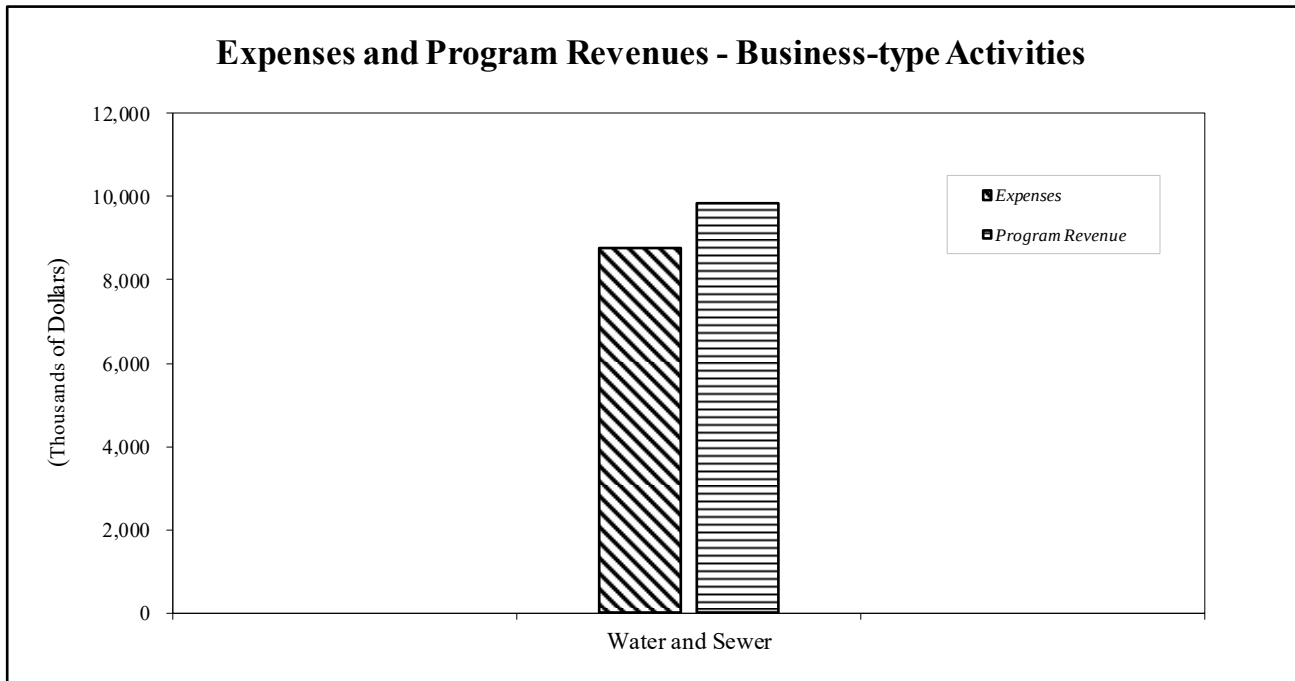
Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-type activities: Business-type activities increased the City's net position by \$647,739. Program revenues increased from prior year by \$1,088,698 while other general revenues increased by \$52,880. Expenses were \$58,309 less than the previous year resulting in a positive change in net position of \$647,739 from prior year. Net position at June 30, 2020 for business-type activity was \$68,104,465..



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 \$82,798,961, a decrease of \$16,294,254, in comparison with the prior year. Approximately 15.9% of this amount (\$13,148,232) constitutes restricted fund balance due to capital project fund restrictions while 14.9% (\$12,379,403) constitutes unassigned fund balance, which is available for spending at the government's discretion. Committed fund balance at June 30, 2020 was \$28,324,862 which includes a stabilization amount of \$11,995,012 for the General Fund equal to 20% of next fiscal year budgeted expenditures plus \$1,000,000 emergency funds and \$2,685,475 for debt service fund expenditures. The General Purpose School Fund also had \$11,895,249 in committed fund balance for existing capital projects. Governmental funds reported positive ending fund balances with the exception of the Schools Education Capital Project Fund of (\$3,264,089).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$15,643,492, while total fund balance reached \$29,733,370. Other categories of fund balance for the General Fund were non-spendable (\$169,780), restricted (\$26,046), committed (\$11,995,012) and assigned (\$1,899,040). Non-spendable includes inventories and prepaid items; restricted includes amounts constrained for a specific purpose such as police criminal seizures; committed includes amounts designated by the governing body for emergencies and contingencies described above; and assigned includes the use of General Fund reserves to satisfy current year encumbrances. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 31.8% of total General Fund expenditures, while total fund balance represents 60.4% of that same amount.

The fund balance of the City's General Fund decreased \$235,191 to \$29,733,370 during the current fiscal year. Key factors are as follows:

- Total revenues from taxes and other sources were down by \$1,434,515 or 2.6% over the previous year. Property tax revenue accounted for \$357,639 of this decrease. Local sales tax revenues were up \$497,550 from the prior year while charges for services decreased by \$973,813 due to COVID-19 related closures. Intergovernmental revenues were up by \$101,226 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 fines and forfeitures were down \$567,519 from prior year, again due to partial closure of court system due to COVID-19. Interest on investments decreased \$16,600. Total revenues, transfers in and other financing sources were \$54,468,049 for the fiscal year, a decrease of \$869,644 over the previous year.
- Expenditures for current activity in the General Fund increased by \$1,209,758 with general government and public safety expenditures accounting for 96.4% of this increase. Recreation center and performing arts activities accounted for a decrease of \$162,676 in expenditures while public works and parks combined for a net increase of \$206,128. Transfers out to other funds played a pivotal role in the change in the fund balance of the General Fund with a net financing use of \$5,513,753 compared to a net financing use of \$6,771,703 in the prior year. The net

financing use of funds included transfers to the City municipal school district of \$2,346,019; transfers to the Debt Service Fund of \$3,055,000; \$100,000 to the Drainage Fund; and \$12,765 to the DARE Program. Total expenditures and uses of funds were \$53,842,109.

The general purpose school fund focuses on providing educational instruction for students enrolled in the City's municipal school system. On June 30, 2020, the fund had a fund balance of \$35,379,156 all of which was restricted committed or assigned for educational purposes. During the year, the fund had revenues of \$83,375,611 from three major categories; Shelby County property taxes (\$24,240,523); local sales taxes (\$10,826,318); and intergovernmental revenue (\$47,241,083), which represents state of Tennessee education funding and Shelby County, Tennessee property and other tax allocations. Revenue from charges for services amounted to \$859,149. The fund had expenditures of \$78,537,135. Educational instruction accounted for \$76,537,666 while debt service principal and interest on capital lease amounted to \$2,153,978. Other financing sources and uses were comprised of transfers in from the City of Bartlett General Fund (\$2,346,019), and transfers from other non-major funds (\$332,869). Transfers out to other funds included \$6,373,898 to the school Education Capital Project Fund, \$1,000,000 to the City's Debt Service Fund for bond and interest payment on the City's 2017 Series general obligation bonds, and \$527,773 to other non-major governmental funds of the school system.

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 FY2020 consisted of interest on investments of \$301,217 and miscellaneous receipts of \$335. Other finances resources consisted of \$11,000,000 debt issuance, \$1,216,125 premium on bonds issued, and \$1,096,644 transfers in from the Solid Waste Fund and other Non-Major Governmental Funds. Expenditures in capital projects fund totaled \$9,734,318, consisting of administrative projects, public safety and public works projects, city wide overlay projects, greenway projects, and parks and recreation projects. Transfers out of the capital projects fund totaled \$15,240,991, included \$14,723,304 from Series 2017 bond funds to the schools Education Capital Projects Fund to defray construction expenses for the new Bartlett High School; \$461,851 to the City's Debt Service Fund from interest earnings; and \$55,836 to the General Fund. The results of activity in the capital projects fund was a decrease of \$11,360,988 in fund balance to \$14,302,928 on June 30, 2020.

The education capital fund focuses on revenues and expenditures for the acquisition, construction, and improvements of capital assets for the Bartlett school system. Revenues for the fund in FY2020 consisted of \$7,105,416 state sales tax, income tax, and other taxes. Transfers in of \$14,723,304 were from bond proceeds on deposit from the 2017 Series general obligation bond proceeds. Additional transfers in of \$6,373,898 came from the General Purpose School Fund. Expenditures for education capital outlay projects totaled \$31,807,714 for construction of the new Bartlett High School and other capital projects during the year. The results of activity in the education capital fund were a decrease of \$3,605,096 in fund balance to a negative balance of \$3,264,089 on June 30, 2020.

Proprietary funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As the City completed the fiscal year its proprietary funds, which include a water/sewer enterprise fund and an internal service fund, had a combined net position of \$70,162,111.

Unrestricted net position for the Water and Sewer fund at the end of the year amounted to \$9,389,117. The total increase in net position for the Water and Sewer fund was \$787,990. 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 \$313,816. This was due to receipt of \$144,000 in state grants for certified police and firemen, a planned use of fund balance of \$169,816 to cover general fund expenditures. The difference between the original and final budget for expenditures increased by \$437,035. Public safety budget was increased by \$280,473 due to salary supplements received from the state of Tennessee and miscellaneous charges in the fire department. Other small increases and decreases to various expenditure categories made up the difference.
- The General Fund revenues were \$2,009,413 less than budgeted. The variance was due to a \$392,438 shortfall in payments in lieu of tax, \$1,005,335 less service charges than budgeted, \$735,537 less fines and forfeitures than budgeted and not requiring the use of \$169,816 in budgeted fund balance. Property tax revenue was more than budgeted by \$206,746 while local tax collections were up by \$6,638. Intergovernmental revenue collections from the state of Tennessee exceeded the budget by \$136,739. Building permits and other licenses were \$40,741 less than budgeted. Federal grants, donations, and interest on investments more \$41,856 more than budgeted while other resources were less than budgeted amounts by \$49,524. The city had estimated a planned use of fund balance of \$169,816; however, as noted above, \$0 of fund balance was used.
- General Fund expenditures were less than budgeted by \$2,027,074. Due to COVID restrictions on travel, meetings, and other municipal services, department heads were instructed to cut expenditures where appropriate. The largest positive variance was in General Government of \$493,871 where all department saw actual expenditure reductions from budgeted amounts. Public Safety had a positive variance of \$311,533 while public works realized a budget variance of \$346,655. Parks and Recreation had a positive variance of \$477,356. Positive variances were also achieved in the Bartlett Performing Arts and Conference Center of \$129,050, and Recreation Center of \$268,609. The City's final budget projected a net decrease in fund balance of \$103,219. Actual operations resulted in net decrease in fund balance of \$235,191, a budget to actual negative variance of \$131,972.

Capital Asset and Debt Administration

Capital assets: The City's total capital assets for its governmental and business type activities as of June 30, 2020 amounts to \$417,880,878 (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 capital assets for the current fiscal year was \$23,520,816

Depreciation expense for the year was \$16,026,085; \$13,356,467 from governmental activities and \$2,669,618 from business-type activities.

Condensed Statement of Capital Assets (Net of Depreciation)

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 13,442,051	\$ 13,364,955	\$ 1,475,223	\$ 1,475,223	\$ 14,917,274	\$ 14,840,178
Buildings	223,122,812	186,545,146	70,589	76,368	223,193,401	186,621,514
Improvements other than bldgs.	5,683,348	6,287,906	62,449,670	63,892,467	68,133,018	70,180,373
Equipment	9,029,747	11,248,210	483,704	595,404	9,513,451	11,843,614
Vehicles	8,622,839	7,403,840	404,206	440,917	9,027,045	7,844,757
Infrastructure	63,625,965	64,835,595	-	-	63,625,965	64,835,595
Construction in progress	28,563,046	38,062,191	907,678	131,840	29,470,724	38,194,031
Total	\$ 352,089,808	\$ 327,747,843	\$ 65,791,070	\$ 66,612,219	\$ 417,880,878	\$ 394,360,062

Governmental activities saw an increase of \$87,104,540 in construction in progress, acquisition of land, buildings, equipment, vehicles, and infrastructure during FY2020 with \$50,128,937 in retirements. Business-type activities saw an increase of \$1,848,469 capital asset acquisitions with \$56,369 in retirements. Additional information can be found in note 6 on pages 62-63 of this report.

Long-term debt: At the end of the current fiscal year, the City had total debt outstanding of \$100,811,025. Of this amount \$94,160,863 comprises debt backed by the full faith and credit of the government and capital outlay notes and capital leases and \$6,650,162 represents bonds secured primarily by a specified revenue source with a full faith and credit pledge.

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

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	81,963,700	\$ 79,026,629	\$ -	\$ -	\$ 81,963,700	\$ 79,026,629
Capital Outlay note	8,635,000	5,411,000	-	-	8,635,000	5,411,000
General Obligation note	754,000	821,000	-	-	754,000	821,000
Capital Lease	2,808,163	4,322,114	-	-	2,808,163	4,322,114
Revenue bonds	-	-	6,091,162	7,054,826	6,091,162	7,054,826
Revenue note	-	-	559,000	609,000	559,000	609,000
Total	\$ 94,160,863	\$ 89,580,743	\$ 6,650,162	\$ 7,663,826	\$ 100,811,025	\$ 97,244,569

The City's total debt increased \$3,566,456 or 3.6 percent during the current fiscal year. The City issued \$6,560,000 in general obligation bonds during the year to fund the FY20 Capital Projects Program. The City also issued \$4,440,000 in seven-year capital outlay notes during the year to purchase vehicles and equipment. There were no new issues of water and sewer revenue bonds or capital outlay notes for business-type activities. The City retired \$8,011,951 in debt through retirement of general obligation bonds, capital outlay notes, revenue bond payments, and capital lease payments.

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

Additional information on the City's long-term debt can be found at note 7 of the notes to the financial statements on pages 65-67 of this report.

Economic Factors and Next Year's Budgets and Rates

Factors considered in preparing the City's budget for the 2021 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. The COVID-19 pandemic will continue to affect the city's revenue stream, especially in the areas of charges for services and court related revenue.
- Property tax revenues were projected to decrease approximately 3.3% due to an overall reduction in the tax base. The property tax rate for FY2021 is set at \$1.83 per hundred of assessed valuation.

The housing market in Bartlett remains strong for existing residential properties; however commercial property values will likely be appealed for future years as the effects of COVID-19 filter through appraisal process.

- Sales tax and other state shared revenue are projected to decrease due to lower retail sales in the State of Tennessee and locally; however current trends in sales tax collections may prove beneficial for the State and the City of Bartlett. Retail projections for growth in retail sales and consumer discretionary income in the region are guarded and may be flat for the next two years.
- Current service levels have been reduced in the General Fund in FY2021 by making eleven percent reductions in total expenditures. There are no increases in personnel positions for FY2021. The budget for FY2021 requires a planned use of fund balance in the General Fund of \$1,827,208 while service levels are maintained for all special revenue funds of the City.
- In FY2020, the City increased water and sewer minimum rates by \$2 each per customer per month to cover expected increased costs of operations. This is the first increase in water/sewer rates since 2012. Sanitation rates were also increased \$5 per month per customer for FY2020 to cover increased costs. For FY2021, there is no planned increase in either of these revenue streams.
- Bartlett City schools have been in operation for five full years. A new high school is now under construction, with completion scheduled for fall of calendar 2021. A portion of the City's property tax revenues has been designated for the repayment of bond principal and interest on the debt. The City will transfer \$3,555,000 to the Debt Service Fund for this purpose. Bartlett Municipal Schools budgets \$1,000,000 annually for retirement of school debt as well.
- The adopted budget for the Bartlett Municipal School System is \$91,001,428 in FY2021 and will require \$4.55 million from the General Purpose School Fund balance to fund the budget. The system operates 11 schools with projected enrollment of 8,300 students.
- The City adopted a General Fund operating budget of \$55.975 million for FY2021 which is a \$231,500 decrease from the FY2020 General Fund budget of \$55.2 million. There is a scheduled use of unassigned fund balance of \$1,827,208 in FY2020.

On June 30, 2020, the fund balance in the General Fund was \$29,733,370 while the unassigned fund balance was \$15,643,492.

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, 2020, Fiscal Year 2020 and 2021 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.

FINANCIAL SECTION

CITY OF BARTLETT

T E N N E S S E E

BASIC FINANCIAL STATEMENTS

CITY OF BARTLETT, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activity	Total
ASSETS			
Cash and cash equivalents	\$ 83,812,303	\$ 13,263,543	\$ 97,075,846
Receivables			
Taxes	26,362,254	-	26,362,254
Accounts receivable	3,622,104	910,315	4,532,419
Other	392,985	1,908	394,893
Less allowance for doubtful accounts	(2,793,033)	(42,509)	(2,835,542)
Due from other governments	10,857,054	-	10,857,054
Internal balances	634,040	(634,040)	-
Inventories	213,997	-	213,997
Prepaid items	84,081	22,860	106,941
Capital assets, not being depreciated	42,005,097	2,382,901	44,387,998
Capital assets, being depreciated, net	310,084,711	63,408,169	373,492,880
Net pension asset	11,510,896	10,716	11,521,612
Restricted investments	404,897	-	404,897
Total assets	487,191,386	79,323,863	566,515,249
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	19,857,912	670,980	20,528,892
Related to OPEB	29,273,970	1,474,546	30,748,516
Deferred charge on refunding	141,159	81,129	222,288
Total deferred outflows of resources	49,273,041	2,226,655	51,499,696
LIABILITIES			
Accounts payable and accrued liabilities	6,960,021	236,197	7,196,218
Accrued interest payable	993,828	52,674	1,046,502
Accrued payroll	3,974,687	-	3,974,687
Unearned revenue	507,190	184,652	691,842
Noncurrent liabilities:			
Due within one year	8,800,928	1,025,848	9,826,776
Due in more than one year			
Other liabilities	92,644,982	5,808,268	98,453,250
Net pension liability	35,422,081	2,359,357	37,781,438
Net OPEB liability	77,861,620	3,061,078	80,922,698
Total liabilities	227,165,337	12,728,074	239,893,411
DEFERRED INFLOWS OF RESOURCES			
Current property taxes assessed for subsequent period	24,515,887	-	24,515,887
Related to pension	12,806,411	170,090	12,976,501
Related to OPEB	9,559,110	547,889	10,106,999
Total deferred inflows of resources	46,881,408	717,979	47,599,387
NET POSITION			
Net investment in capital assets	279,366,819	59,338,672	338,705,491
Restricted for:			
Net pension assets	11,510,896	10,716	11,521,612
Stabilization reserve trust	404,897	-	404,897
Solid waste	882,420	-	882,420
Drug enforcement	769,520	-	769,520
Public safety programs	34,159	-	34,159
Education	424,644	-	424,644
Capital projects	208,878	-	208,878
Unrestricted	(31,184,551)	8,755,077	(22,429,474)
Total net position	\$ 262,417,682	\$ 68,104,465	\$ 330,522,147

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 9,457,124	\$ 4,910,021	\$ 31,168	\$ -	\$ (4,515,935)	\$ -	\$ (4,515,935)
Public safety	34,869,812	1,605,472	315,663	-	(32,948,677)	-	(32,948,677)
Public works	22,445,292	8,015,395	2,007,504	1,441,372	(10,981,021)	-	(10,981,021)
Parks and recreation	5,745,030	564,334	-	-	(5,180,696)	-	(5,180,696)
Performing arts center	756,159	178,131	-	-	(578,028)	-	(578,028)
Recreation center	1,556,782	1,425,277	-	-	(131,505)	-	(131,505)
Education	97,342,298	1,897,493	55,191,584	7,097,232	(33,155,989)	-	(33,155,989)
Interest on long-term debt	2,711,546	-	-	-	(2,711,546)	-	(2,711,546)
Total governmental activities	174,884,043	18,596,123	57,545,919	8,538,604	(90,203,397)	-	(90,203,397)
Business-type activity:							
Water and sewer	8,770,780	9,285,812	-	541,088	-	1,056,120	1,056,120
Total primary government	<u>\$ 183,654,823</u>	<u>\$ 27,881,935</u>	<u>\$ 57,545,919</u>	<u>\$ 9,079,692</u>	(90,203,397)	1,056,120	(89,147,277)
General revenues:							
Property taxes					49,431,037	-	49,431,037
Local option sales tax					25,979,954	-	25,979,954
Other taxes							
Wholesale liquor and beer taxes					1,233,833	-	1,233,833
Local gross receipts tax					1,064,409	-	1,064,409
Business, cable tv, and hotel-motel taxes					802,285	-	802,285
Intergovernmental revenues:							
State sales tax					5,146,344	-	5,146,344
State income tax					258,157	-	258,157
Other state revenue					1,059,238	-	1,059,238
Other revenue					168,191	69,404	237,595
Interest on investments					723,206	110,729	833,935
Gain on sale of capital assets					36,755	2,020	38,775
Transfers					590,534	(590,534)	-
Total general revenues and transfers					86,493,943	(408,381)	86,085,562
Change in net position					(3,709,454)	647,739	(3,061,715)
Net position - beginning					266,127,136	67,456,726	333,583,862
Net position - ending					<u>\$ 262,417,682</u>	<u>\$ 68,104,465</u>	<u>\$ 330,522,147</u>

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General Fund	General Purpose School Fund	Capital Projects Fund	Education Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 26,179,403	\$ 35,738,395	\$ 14,584,040	\$ -	\$ 5,495,580	\$ 81,997,418
Receivables						
Taxes	25,748,947	-	-	-	613,307	26,362,254
Customer	2,807,682	-	-	-	814,422	3,622,104
Other	359,920	21,399	6,328	-	5,338	392,985
Less allowance for doubtful accounts	(2,760,959)	-	-	-	(32,074)	(2,793,033)
Due from other governments	3,596,022	4,423,947	-	1,122,351	1,714,734	10,857,054
Due from other funds	6,832	316,718	795,987	-	-	1,119,537
Inventory	149,746	-	-	-	64,251	213,997
Prepaid Items	20,034	-	-	-	64,047	84,081
Restricted investments	-	404,897	-	-	-	404,897
Total assets	<u>\$ 56,107,627</u>	<u>\$ 40,905,356</u>	<u>\$ 15,386,355</u>	<u>\$ 1,122,351</u>	<u>\$ 8,739,605</u>	<u>\$ 122,261,294</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 686,698	\$ 29,953	\$ 1,077,099	\$ 4,386,440	\$ 404,202	\$ 6,584,392
Accrued payroll	-	3,789,360	-	-	166,677	3,956,037
Due to other funds	7,448	6,832	-	-	1,108,257	1,122,537
Unearned revenue						
Recreation center	97,987	-	-	-	-	97,987
Developers	46,108	-	-	-	72,342	118,450
Grants	-	-	-	-	204,411	204,411
Cafeteria balances	-	-	-	-	86,342	86,342
Total liabilities	838,241	3,826,145	1,077,099	4,386,440	2,042,231	12,170,156
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue						
Taxes	24,985,681	1,700,055	-	-	-	26,685,736
Court fines	409,031	-	-	-	-	409,031
Ambulance	90,366	-	-	-	-	90,366
Property maintenance	50,938	-	-	-	-	50,938
Grants	-	-	-	-	304	304
Other	-	-	6,328	-	49,474	55,802
Total deferred inflows of resources	25,536,016	1,700,055	6,328	-	49,778	27,292,177
FUND BALANCES						
Nonspendable	169,780	-	-	-	128,298	298,078
Restricted	26,046	404,897	10,632,592	-	2,084,697	13,148,232
Committed	11,995,012	11,895,249	-	-	4,434,601	28,324,862
Assigned	1,899,040	23,079,010	3,670,336	-	-	28,648,386
Unassigned	15,643,492	-	-	(3,264,089)	-	12,379,403
Total fund balances	<u>29,733,370</u>	<u>35,379,156</u>	<u>14,302,928</u>	<u>(3,264,089)</u>	<u>6,647,596</u>	<u>82,798,961</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 56,107,627</u>	<u>\$ 40,905,356</u>	<u>\$ 15,386,355</u>	<u>\$ 1,122,351</u>	<u>\$ 8,739,605</u>	<u>\$ 122,261,294</u>

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**

June 30, 2020

Total fund balances, governmental funds		\$ 82,798,961
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.		352,089,808
(2) Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned or unavailable in the funds.		2,776,290
(3) Long-term debt is not due and payable in the current period and, therefore is not reported in the funds.		
Less: bonds payable	(73,005,000)	
Less: capital notes payable	(9,389,000)	
Less: settlement obligation	(3,649,158)	
Less: capital leases payable	(2,808,163)	
Less: unamortized premiums and discounts on debt	(8,666,638)	
Add: deferred amount on refunding	141,159	(97,376,800)
(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	(993,828)	
Less: compensated absences payable	(3,927,951)	(4,921,779)
(5) Pension assets (liabilities) and other post-employment benefit (OPEB) liabilities result from the excess (deficiency) of trust assets over (under) total pension and OPEB liabilities. The amounts are not available for use in the current period; therefore, are not reported in the funds.		
Add: net pension asset	11,510,896	
Less: net pension liability	(35,422,081)	
Less: net other postemployment liability	(77,861,620)	(101,772,805)
(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	19,857,912	
Less: deferred inflows of resources related to pensions	(12,806,411)	
Add: deferred outflows of resources related to OPEB	29,273,970	
Less: deferred inflows of resources related to OPEB	(9,559,110)	26,766,361
(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.		2,057,646
Net position of governmental activities		<u>\$ 262,417,682</u>

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF REVENUES EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	General Fund	General Purpose School Fund	Capital Projects Fund	Education Capital Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 25,514,308	\$ 24,240,523	\$ -	\$ -	\$ -	\$ 49,754,831
Local sales taxes	14,649,502	10,826,318	-	-	3,560,128	29,035,948
Intergovernmental						
State sales, income, and other tax	6,463,739	47,241,083	-	7,105,416	-	60,810,238
State gas tax	-	-	-	-	2,007,504	2,007,504
Licenses and permits	1,543,948	-	-	-	-	1,543,948
Charges for services	3,677,555	859,149	-	-	9,020,651	13,557,355
Fines, forfeitures, and penalties	1,209,473	-	-	-	260,824	1,470,297
Federal, state and other grants	171,200	-	-	-	9,470,877	9,642,077
Donations	31,168	-	-	-	-	31,168
Interest on investments	240,288	157,938	301,217	-	23,763	723,206
Other	105,737	50,600	335	-	11,519	168,191
Total revenues	53,606,918	83,375,611	301,552	7,105,416	24,355,266	168,744,763
EXPENDITURES						
Current						
General government	8,171,785	-	-	-	-	8,171,785
Public safety	28,629,667	-	-	-	289,059	28,918,726
Public works	6,255,554	-	-	-	9,968,721	16,224,275
Parks and recreation	4,059,384	-	-	-	263,026	4,322,410
Performing arts center	595,584	-	-	-	-	595,584
Recreation center	1,477,483	-	-	-	-	1,477,483
Education	-	76,537,666	-	-	9,328,050	85,865,716
Debt Service						
Principal	-	2,027,816	-	-	5,518,000	7,545,816
Interest	-	126,162	-	-	3,009,943	3,136,105
Bond issuance costs	-	-	31,747	-	81,273	113,020
Capital outlays	-	2,491	9,702,571	31,807,714	-	41,512,776
Total expenditures	49,189,457	78,694,135	9,734,318	31,807,714	28,458,072	197,883,696
Excess (deficiency) of revenues over (under) expenditures	4,417,461	4,681,476	(9,432,766)	(24,702,298)	(4,102,806)	(29,138,933)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	11,000,000	-	-	11,000,000
Refunding bonds	-	-	-	-	-	-
Premium on bonds issued	-	-	1,216,125	-	-	1,216,125
Payment to escrow agent	-	-	-	-	-	-
Sale of capital assets	35,946	-	-	-	2,074	38,020
Transfers in	825,185	2,678,888	1,096,644	21,097,202	5,296,388	30,994,307
Transfers out	(5,513,783)	(7,901,671)	(15,240,991)	-	(1,747,328)	(30,403,773)
Total other financing sources and uses	(4,652,652)	(5,222,783)	(1,928,222)	21,097,202	3,551,134	12,844,679
Net change in fund balances	(235,191)	(541,307)	(11,360,988)	(3,605,096)	(551,672)	(16,294,254)
Fund balances - beginning	29,968,561	35,920,463	25,663,916	341,007	7,199,268	99,093,215
Fund balances - ending	\$ 29,733,370	\$ 35,379,156	\$ 14,302,928	\$ (3,264,089)	\$ 6,647,596	\$ 82,798,961

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, 2020

Net change in fund balance - total governmental funds			\$ (16,294,254)
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	40,772,029		
Depreciation expense	(13,356,467)		
Loss from the disposition of capital assets	<u>(3,073,597)</u>	24,341,965	
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(447,344)	
(3) The issuance of long-term debt (e.g. bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Add: principal payments on long-term debt	7,640,144		
Less: proceeds from debt issuance	(11,000,000)		
Less: premium on current year issuance	<u>(1,216,125)</u>	(4,575,981)	
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Amortization of premiums and discounts	509,726		
Amortization of deferred amount on refunding debt	(42,288)		
Change in accrued interest payable	(24,187)		
Change in compensated absences	<u>(240,075)</u>	203,176	
(5) Payments of contributions to the pension plans and OPEB plan are recorded as expenditures in the governmental funds. Pension expense and OPEB expense are recorded on an actuarially determined basis in the statement of activities.			
Difference between actual contributions and pension expense	(1,753,391)		
Difference between actual contributions and OPEB expense	<u>(5,132,494)</u>	(6,885,885)	
(6) 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.			
		(51,131)	
Change in net position of governmental activities		<u><u>\$ (3,709,454)</u></u>	

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES				
PROPERTY TAXES				
Property tax	\$ 24,500,000	\$ 24,500,000	\$ 24,568,278	\$ 68,278
Property tax - prior year	200,000	200,000	285,827	85,827
Payments in lieu of taxes	900,000	900,000	507,562	(392,438)
Property tax interest and penalties	100,000	100,000	152,641	52,641
Total property taxes	25,700,000	25,700,000	25,514,308	(185,692)
LOCAL TAXES				
Local sales tax	11,521,364	11,521,364	11,551,544	30,180
Wholesale beer and liquor tax	1,199,500	1,199,500	1,233,833	34,333
Gross receipts tax	1,100,000	1,100,000	1,064,409	(35,591)
Business tax	107,000	107,000	115,633	8,633
CATV franchise tax	540,000	540,000	547,919	7,919
Hotel tax	175,000	175,000	136,164	(38,836)
Total local taxes	14,642,864	14,642,864	14,649,502	6,638
INTERGOVERNMENTAL				
State of Tennessee shared taxes				
Sales	5,120,000	5,120,000	5,146,344	26,344
Income taxes	200,000	200,000	258,157	58,157
Beer tax	28,000	28,000	26,461	(1,539)
Liquor tax	95,000	95,000	95,421	421
Bank excise tax	10,000	10,000	52,245	42,245
Receipts in lieu of tax - TVA	700,000	700,000	717,441	17,441
Reimbursements	60,000	60,000	55,524	(4,476)
State road maintenance	114,000	114,000	112,146	(1,854)
Total state shared taxes	6,327,000	6,327,000	6,463,739	136,739
CHARGES FOR SERVICES				
Publication fees	1,500	1,500	600	(900)
Library fees	52,400	52,400	31,264	(21,136)
BSMC rental fees	155,900	155,900	88,672	(67,228)
Electronic traffic citation fees	9,600	9,600	4,413	(5,187)
Police and fire charges	32,000	32,000	18,424	(13,576)
911 fees	-	-	1,678	1,678
Ambulance fees	1,350,000	1,350,000	1,306,785	(43,215)
Animal Shelter fees	113,900	113,900	62,151	(51,749)
Trash removal and weed cutting fees	50,000	50,000	26,626	(23,374)
Parks and recreation charges	902,645	902,645	533,534	(369,111)
Performing arts center	247,445	247,445	178,131	(69,314)
Recreation center	1,767,500	1,767,500	1,425,277	(342,223)
Total charge for services	4,682,890	4,682,890	3,677,555	(1,005,335)

(CONTINUED ON NEXT PAGE)

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
LICENSES AND PERMITS				
Automobile stickers	\$ 1,220,000	\$ 1,220,000	\$ 1,211,989	\$ (8,011)
Building and related permits	372,700	372,700	331,959	(40,741)
Total licenses and permits	1,592,700	1,592,700	1,543,948	(48,752)
FINES, FORFEITURES, AND PENALTIES	1,945,000	1,945,000	1,209,473	(735,527)
FEDERAL, STATE, AND OTHER GRANTS	16,000	160,000	171,200	11,200
DONATIONS	20,800	20,800	31,168	10,368
INTEREST ON INVESTMENTS	220,000	220,000	240,288	20,288
OTHER	155,261	155,261	105,737	(49,524)
PLANNED USE OF FUND BALANCE	-	169,816	-	(169,816)
Total Revenues	55,302,515	55,616,331	53,606,918	(2,009,413)
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative				
Salaries	216,083	216,083	195,733	20,350
Benefits	97,130	97,130	88,262	8,868
Contractual services	176,000	135,500	87,426	48,074
Materials and supplies	3,000	3,000	64,192	(61,192)
Insurance	87,974	87,974	107,351	(19,377)
Other charges	285,200	333,486	261,884	71,602
	865,387	873,173	804,848	68,325
Mayor's office				
Salaries	471,693	471,693	455,823	15,870
Benefits	191,129	191,129	199,236	(8,107)
Contractual services	76,000	76,000	44,696	31,304
Maintenance and equipment rental	4,200	4,200	2,889	1,311
Materials and supplies	14,850	14,850	6,474	8,376
Insurance	1,900	1,900	1,653	247
Other charges	54,100	54,100	39,044	15,056
Capital outlay	600	600	91	509
	814,472	814,472	749,906	64,566

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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, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Community relations				
Salaries	\$ 86,247	\$ 86,247	\$ 86,245	\$ 2
Benefits	34,825	39,825	39,461	364
Contractual services	57,000	57,000	45,139	11,861
Maintenance and equipment rental	31,200	31,200	22,316	8,884
Materials and supplies	58,300	58,300	64,317	(6,017)
Insurance	900	900	758	142
Other charges	63,348	58,348	29,910	28,438
	<u>331,820</u>	<u>331,820</u>	<u>288,146</u>	<u>43,674</u>
Finance and accounting				
Salaries	1,134,743	1,053,743	1,039,151	14,592
Benefits	448,614	448,614	440,022	8,592
Contractual services	95,000	95,000	82,024	12,976
Maintenance and equipment rental	1,400	1,400	863	537
Materials and supplies	17,200	17,200	24,208	(7,008)
Insurance	6,094	6,094	6,180	(86)
Other charges	47,050	57,050	59,563	(2,513)
Capital outlay	1,000	2,000	1,293	707
	<u>1,751,101</u>	<u>1,681,101</u>	<u>1,653,304</u>	<u>27,797</u>
City Court				
Salaries	763,170	763,170	713,920	49,250
Benefits	283,849	283,849	297,737	(13,888)
Contractual services	49,500	48,500	27,538	20,962
Maintenance and equipment rental	10,700	10,700	10,189	511
Materials and supplies	6,700	6,700	4,469	2,231
Insurance	2,003	2,003	2,005	(2)
Other charges	10,900	10,900	9,559	1,341
Capital outlay	2,600	3,600	2,616	984
	<u>1,129,422</u>	<u>1,129,422</u>	<u>1,068,033</u>	<u>61,389</u>
Personnel				
Salaries	331,577	331,577	329,952	1,625
Benefits	186,446	186,446	161,882	24,564
Contractual services	23,400	18,900	5,482	13,418
Maintenance and equipment rental	5,000	5,000	3,863	1,137
Materials and supplies	9,275	9,275	3,632	5,643
Insurance	1,307	1,307	1,132	175
Other charges	8,510	8,510	7,678	832
Capital outlay	200	4,700	4,500	200
	<u>565,715</u>	<u>565,715</u>	<u>518,121</u>	<u>47,594</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Planning and economic development				
Salaries	\$ 332,191	\$ 332,191	\$ 293,385	\$ 38,806
Benefits	145,881	145,881	140,846	5,035
Contractual services	4,200	4,200	1,456	2,744
Maintenance and equipment rental	1,900	1,900	1,131	769
Materials and supplies	5,500	5,500	2,950	2,550
Insurance	1,233	1,233	1,014	219
Other charges	5,650	5,650	3,696	1,954
	<u>496,555</u>	<u>496,555</u>	<u>444,478</u>	<u>52,077</u>
Building and grounds				
Salaries	111,025	111,025	114,216	(3,191)
Benefits	53,769	60,769	57,144	3,625
Contractual services	500	500	-	500
Maintenance and equipment rental	52,500	222,316	200,531	21,785
Materials and supplies	23,000	16,000	13,018	2,982
Insurance	10,950	10,950	10,570	380
Other charges	116,000	116,000	105,178	10,822
	<u>367,744</u>	<u>537,560</u>	<u>500,657</u>	<u>36,903</u>
Bartlett Station Municipal Center				
Salaries	212,457	212,457	212,873	(416)
Benefits	90,326	93,826	92,953	873
Contractual services	2,500	2,500	713	1,787
Maintenance and equipment rental	33,500	57,500	70,263	(12,763)
Materials and supplies	11,650	11,650	7,915	3,735
Insurance	9,400	9,400	9,642	(242)
Other charges	59,980	59,980	52,442	7,538
	<u>419,813</u>	<u>447,313</u>	<u>446,801</u>	<u>512</u>
Library				
Contractual services	1,194,960	1,194,960	1,190,994	3,966
Maintenance and equipment rental	9,000	10,564	12,914	(2,350)
Materials and supplies	6,400	6,400	4,734	1,666
Insurance	10,560	10,560	10,201	359
Other charges	44,000	44,000	36,865	7,135
Capital outlay	120,440	120,440	77,985	42,455
	<u>1,385,360</u>	<u>1,386,924</u>	<u>1,333,693</u>	<u>53,231</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
General services				
Salaries	\$ 199,593	\$ 199,593	\$ 177,448	\$ 22,145
Benefits	96,708	96,708	105,182	(8,474)
Contractual services	1,200	1,200	249	951
Maintenance and equipment rental	4,000	4,000	3,182	818
Materials and supplies	15,700	15,700	14,903	797
Insurance	2,200	2,200	1,667	533
Other charges	1,800	1,800	2,140	(340)
Capital outlay	1,400	1,400	1,089	311
	<u>322,601</u>	<u>322,601</u>	<u>305,860</u>	<u>16,741</u>
Bartlett Station Commission				
Contractual services	20,000	20,000	16,097	3,903
Incentives and improvements	45,000	45,000	35,533	9,467
Other charges	14,000	14,000	6,308	7,692
	<u>79,000</u>	<u>79,000</u>	<u>57,938</u>	<u>21,062</u>
Total general government	<u>8,528,990</u>	<u>8,665,656</u>	<u>8,171,785</u>	<u>493,871</u>
PUBLIC SAFETY				
Police services				
Salaries	10,226,257	10,242,457	10,220,950	21,507
Benefits	4,506,519	4,671,519	4,689,533	(18,014)
Contractual services	124,000	91,000	79,189	11,811
Maintenance and equipment rental	255,500	255,500	251,991	3,509
Materials and supplies	545,000	494,955	444,305	50,650
Insurance	146,855	146,855	130,871	15,984
Other charges	277,100	384,431	356,366	28,065
Capital outlay	25,500	50,000	34,343	15,657
	<u>16,106,731</u>	<u>16,336,717</u>	<u>16,207,548</u>	<u>129,169</u>
Fire services				
Salaries	4,919,130	4,919,130	4,867,897	51,233
Benefits	2,264,357	2,379,357	2,427,106	(47,749)
Contractual services	34,600	34,600	20,896	13,704
Maintenance and equipment rental	140,400	140,400	159,877	(19,477)
Materials and supplies	168,450	168,485	150,244	18,241
Insurance	54,400	54,400	50,937	3,463
Other charges	97,100	145,900	133,954	11,946
Capital outlay	132,000	133,104	103,856	29,248
	<u>7,810,437</u>	<u>7,975,376</u>	<u>7,914,767</u>	<u>60,609</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Ambulance and medical services				
Salaries	\$ 2,230,107	\$ 2,115,107	\$ 2,039,076	\$ 76,031
Benefits	1,027,303	1,027,303	1,038,001	(10,698)
Contractual services	122,500	122,500	91,669	30,831
Maintenance and equipment rental	83,000	83,000	60,236	22,764
Materials and supplies	186,910	164,258	174,388	(10,130)
Insurance	18,500	18,500	17,264	1,236
Other charges	12,100	35,300	63,855	(28,555)
Capital outlay	32,000	32,000	20,351	11,649
	<u>3,712,420</u>	<u>3,597,968</u>	<u>3,504,840</u>	<u>93,128</u>
Codes enforcement				
Salaries	675,786	675,786	659,756	16,030
Benefits	284,326	284,326	291,031	(6,705)
Contractual services	7,800	7,800	6,989	811
Maintenance and equipment rental	9,700	9,700	9,459	241
Materials and supplies	21,600	21,600	15,315	6,285
Insurance	4,560	4,560	4,215	345
Other charges	25,722	25,722	15,348	10,374
Capital outlay	1,645	1,645	399	1,246
	<u>1,031,139</u>	<u>1,031,139</u>	<u>1,002,512</u>	<u>28,627</u>
Total public safety	<u>28,660,727</u>	<u>28,941,200</u>	<u>28,629,667</u>	<u>311,533</u>
PUBLIC WORKS				
Administrative				
Salaries	331,753	331,753	335,920	(4,167)
Benefits	128,993	168,993	162,957	6,036
Contractual services	5,200	5,200	795	4,405
Maintenance and equipment rental	100,700	100,700	100,605	95
Materials and supplies	9,150	9,213	5,156	4,057
Insurance	3,350	3,350	3,263	87
Other charges	22,350	22,350	11,265	11,085
Capital outlay	600	748	738	10
	<u>602,096</u>	<u>642,307</u>	<u>620,699</u>	<u>21,608</u>
Engineering				
Salaries	279,384	279,384	281,775	(2,391)
Benefits	106,406	119,406	116,020	3,386
Contractual services	7,800	7,800	1,496	6,304
Maintenance and equipment rental	17,500	17,500	7,192	10,308
Materials and supplies	11,450	11,450	8,548	2,902
Insurance	1,900	1,900	1,382	518
Other charges	8,500	8,500	6,701	1,799
Capital outlay	500	500	370	130
	<u>433,440</u>	<u>446,440</u>	<u>423,484</u>	<u>22,956</u>

(CONTINUED ON NEXT PAGE)

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

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Inspection				
Salaries	\$ 414,788	\$ 414,788	\$ 410,253	\$ 4,535
Benefits	191,945	203,945	208,201	(4,256)
Contractual services	5,200	5,200	2,782	2,418
Maintenance and equipment rental	10,700	10,700	9,925	775
Materials and supplies	5,600	5,600	2,482	3,118
Insurance	6,800	6,800	6,466	334
Other charges	10,300	10,300	9,033	1,267
Capital outlay	-	1,000	579	421
	<u>645,333</u>	<u>658,333</u>	<u>649,721</u>	<u>8,612</u>
City shop				
Salaries	667,532	667,532	659,044	8,488
Benefits	332,026	332,026	326,490	5,536
Contractual services	1,500	1,500	732	768
Maintenance and equipment rental	19,300	19,300	7,065	12,235
Materials and supplies	38,150	38,150	31,241	6,909
Insurance	6,900	6,900	6,228	672
Other charges	25,033	25,033	31,875	(6,842)
Shop allocations	(325,325)	(325,325)	(333,950)	8,625
Capital outlay	8,500	8,500	1,620	6,880
	<u>773,616</u>	<u>773,616</u>	<u>730,345</u>	<u>43,271</u>
General maintenance of roads and drainage				
Salaries	800,200	800,200	811,714	(11,514)
Benefits	520,210	507,210	485,203	22,007
Contractual services	9,250	9,250	3,790	5,460
Maintenance and equipment rental	82,500	82,780	75,276	7,504
Materials and supplies	247,750	251,650	236,420	15,230
Insurance	14,000	14,000	13,022	978
Other charges	41,700	42,600	19,582	23,018
Capital outlay	4,000	4,000	3,515	485
	<u>1,719,610</u>	<u>1,711,690</u>	<u>1,648,522</u>	<u>63,168</u>
Grounds maintenance				
Salaries	856,958	816,958	783,197	33,761
Benefits	343,535	343,535	341,216	2,319
Contractual services	1,000	1,000	215	785
Maintenance and equipment rental	216,220	216,220	203,354	12,866
Materials and supplies	79,000	79,000	50,624	28,376
Insurance	11,500	11,500	9,299	2,201
Other charges	10,733	10,733	10,134	599
Capital outlay	18,500	18,500	17,346	1,154
	<u>1,537,446</u>	<u>1,497,446</u>	<u>1,415,385</u>	<u>82,061</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Animal control				
Salaries	\$ 401,607	\$ 401,607	\$ 393,417	\$ 8,190
Benefits	209,695	212,695	220,776	(8,081)
Contractual services	32,700	32,700	21,511	11,189
Maintenance and equipment rental	96,475	93,475	36,851	56,624
Materials and supplies	97,900	97,900	69,101	28,799
Insurance	5,100	5,100	4,649	451
Other charges	22,200	22,200	17,509	4,691
Capital outlay	6,700	6,700	3,584	3,116
	<u>872,377</u>	<u>872,377</u>	<u>767,398</u>	<u>104,979</u>
 Total public works	 <u>6,583,918</u>	 <u>6,602,209</u>	 <u>6,255,554</u>	 <u>346,655</u>
 PARKS AND RECREATION				
Parks and recreation				
Salaries	217,367	297,367	266,915	30,452
Benefits	82,288	82,288	110,767	(28,479)
Contractual services	2,400	2,400	2,058	342
Maintenance and equipment rental	1,500	1,500	1,179	321
Materials and supplies	5,450	5,450	1,488	3,962
Insurance	7,500	7,500	6,525	975
Other charges	3,868	3,868	2,378	1,490
	<u>320,373</u>	<u>400,373</u>	<u>391,310</u>	<u>9,063</u>
Community center				
Salaries	616,869	536,869	478,065	58,804
Benefits	149,213	149,213	139,101	10,112
Contractual services	5,300	5,300	7,104	(1,804)
Maintenance and equipment rental	32,500	32,500	23,044	9,456
Materials and supplies	54,900	54,900	45,787	9,113
Insurance	8,800	8,800	7,766	1,034
Other charges	73,950	73,950	55,681	18,269
Capital outlay	7,000	7,000	6,925	75
	<u>948,532</u>	<u>868,532</u>	<u>763,473</u>	<u>105,059</u>
Athletics				
Salaries	404,092	404,092	364,731	39,361
Benefits	117,474	117,474	117,397	77
Contractual services	6,000	6,000	3,379	2,621
Maintenance and equipment rental	44,700	44,700	30,337	14,363
Materials and supplies	125,400	125,400	77,824	47,576
Insurance	14,000	14,000	17,712	(3,712)
Other charges	76,528	76,528	80,797	(4,269)
Capital outlay	24,000	24,000	2,638	21,362
	<u>812,194</u>	<u>812,194</u>	<u>694,815</u>	<u>117,379</u>

(CONTINUED ON NEXT PAGE)

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Parks maintenance				
Salaries	\$ 828,610	\$ 828,610	\$ 787,457	\$ 41,153
Benefits	368,453	368,453	343,379	25,074
Contractual services	2,600	2,600	651	1,949
Maintenance and equipment rental	270,720	270,720	233,987	36,733
Materials and supplies	142,100	142,205	93,909	48,296
Insurance	11,900	11,900	8,557	3,343
Other charges	11,833	11,833	12,165	(332)
	<u>1,636,216</u>	<u>1,636,321</u>	<u>1,480,105</u>	<u>156,216</u>
School ground maintenance				
Salaries	162,164	162,164	130,569	31,595
Benefits	59,297	59,297	57,348	1,949
Contractual services	50	50	-	50
Maintenance and equipment rental	63,500	63,500	43,046	20,454
Materials and supplies	9,050	9,050	9,677	(627)
Insurance	1,400	1,400	1,034	366
Other charges	3,047	3,047	2,290	757
Capital outlay	55,000	55,000	52,184	2,816
	<u>353,508</u>	<u>353,508</u>	<u>296,148</u>	<u>57,360</u>
Senior center				
Salaries	227,208	227,208	212,866	14,342
Benefits	118,589	118,589	117,422	1,167
Contractual services	13,500	13,500	11,219	2,281
Maintenance and equipment rental	7,300	7,300	6,403	897
Materials and supplies	17,900	17,900	11,962	5,938
Insurance	4,075	4,075	3,517	558
Other charges	34,040	34,040	33,838	202
Capital outlay	43,200	43,200	36,306	6,894
	<u>465,812</u>	<u>465,812</u>	<u>433,533</u>	<u>32,279</u>
Total parks and recreation	<u>4,536,635</u>	<u>4,536,740</u>	<u>4,059,384</u>	<u>477,356</u>
PERFORMING ARTS CENTER				
Salaries	452,023	452,023	384,315	67,708
Benefits	56,876	56,876	48,287	8,589
Contractual services	21,250	21,250	20,141	1,109
Maintenance and equipment rental	30,100	30,100	18,856	11,244
Materials and supplies	19,500	19,500	8,290	11,210
Insurance	10,500	10,500	10,381	119
Other charges	134,385	133,385	105,009	28,376
Capital outlay	-	1,000	305	695
Total performing arts center	<u>724,634</u>	<u>724,634</u>	<u>595,584</u>	<u>129,050</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
RECREATION CENTER				
Salaries	\$ 999,031	\$ 999,031	\$ 866,863	\$ 132,168
Benefits	245,461	245,461	241,975	3,486
Contractual services	12,500	12,500	5,027	7,473
Maintenance and equipment rental	103,000	104,500	84,682	19,818
Materials and supplies	167,300	167,300	103,800	63,500
Insurance	18,500	18,500	16,742	1,758
Other charges	198,800	198,800	158,394	40,406
Total recreation center	1,744,592	1,746,092	1,477,483	268,609
Total Expenditures	50,779,496	51,216,531	49,189,457	2,027,074
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,523,019	4,399,800	4,417,461	17,661
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	70,000	70,000	35,946	(34,054)
Transfers in	941,000	961,000	825,185	(135,815)
Transfers out	(5,534,019)	(5,534,019)	(5,513,783)	20,236
Total Other Financing Sources (Uses)	(4,523,019)	(4,503,019)	(4,652,652)	(149,633)
Net change in fund balances	\$ -	\$ (103,219)	(235,191)	\$ (131,972)
Fund balances - beginning			29,968,561	
Fund balances - ending			<u>\$ 29,733,370</u>	

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
PROPERTY TAXES				
Property tax	\$ 24,031,251	\$ 24,031,251	\$ 23,486,351	\$ (544,900)
Property tax - prior year	456,724	456,724	349,242	(107,482)
Payments in lieu of tax	403,683	403,683	404,930	1,247
Total property taxes	24,891,658	24,891,658	24,240,523	(651,135)
LOCAL TAXES				
Sales tax	13,031,141	13,031,141	10,823,749	(2,207,392)
Business tax	2,813	2,813	2,569	(244)
Total local taxes	13,033,954	13,033,954	10,826,318	(2,207,636)
INTERGOVERNMENTAL				
State of Tennessee shared taxes				
Mixed drink taxes	89,056	89,056	95,421	6,365
Basic education program	44,603,000	44,603,000	44,650,223	47,223
Career ladder program	166,800	166,800	107,917	(58,883)
Wheel tax	1,884,187	1,884,187	2,387,177	502,990
Other	118,872	118,872	345	(118,527)
Total intergovernmental	46,861,915	46,861,915	47,241,083	379,168
CHARGES FOR SERVICES	701,227	701,227	859,149	157,922
INTEREST ON INVESTMENTS	180,000	180,000	157,938	(22,062)
OTHER	-	-	50,600	50,600
Total Revenues	85,668,754	85,668,754	83,375,611	(2,293,143)
EXPENDITURES				
EDUCATION				
Regular Instruction				
Salaries	31,319,624	31,423,847	29,884,224	1,539,623
Benefits	10,300,093	10,335,870	8,742,724	1,593,146
Contractual services	387,200	380,020	154,838	225,182
Materials and supplies	1,609,644	1,616,824	1,414,091	202,733
Other charges	1,994,990	1,994,990	327,768	1,667,222
	45,611,551	45,751,551	40,523,645	5,227,906
Alternative Education				
Salaries	398,073	398,073	350,854	47,219
Benefits	102,502	102,502	89,230	13,272
Contractual services	28,000	28,000	33,074	(5,074)
Materials and supplies	-	-	500	(500)
Other charges	-	-	896	(896)
	528,575	528,575	474,554	54,021

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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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Special Education				
Salaries	\$ 4,668,961	\$ 4,774,095	\$ 4,810,940	\$ (36,845)
Benefits	1,605,059	1,659,925	1,618,996	40,929
Contractual services	81,346	81,346	29,935	51,411
Materials and supplies	145,254	145,254	92,540	52,714
Other charges	300,000	-	2,153	(2,153)
	<u>6,800,620</u>	<u>6,660,620</u>	<u>6,554,564</u>	<u>106,056</u>
Technical Education				
Salaries	1,098,846	1,098,846	1,085,156	13,690
Benefits	359,784	359,784	285,856	73,928
Materials and supplies	40,273	40,273	23,544	16,729
Other charges	-	-	258	(258)
	<u>1,498,903</u>	<u>1,498,903</u>	<u>1,394,814</u>	<u>104,089</u>
Student Services				
Salaries	579,695	579,695	578,153	1,542
Benefits	154,660	154,660	172,407	(17,747)
Contractual services	40,250	41,350	60,246	(18,896)
Materials and supplies	15,000	15,000	6,020	8,980
Other charges	50,780	49,680	27,098	22,582
	<u>840,385</u>	<u>840,385</u>	<u>843,924</u>	<u>(3,539)</u>
Health Services				
Salaries	642,157	642,157	592,250	49,907
Benefits	236,099	236,099	160,192	75,907
Materials and supplies	10,000	10,000	10,067	(67)
Other charges	5,000	5,000	1,060	3,940
	<u>893,256</u>	<u>893,256</u>	<u>763,569</u>	<u>129,687</u>
Other Student Support				
Salaries	1,482,626	1,482,626	1,280,577	202,049
Benefits	477,425	477,425	392,788	84,637
Contractual services	-	-	100,046	(100,046)
Materials and supplies	11,000	11,705	4,529	7,176
Other charges	13,000	12,295	1,004	11,291
	<u>1,984,051</u>	<u>1,984,051</u>	<u>1,778,944</u>	<u>205,107</u>
Regular Instruction Support				
Salaries	1,526,504	1,526,504	1,408,662	117,842
Benefits	460,663	460,663	375,363	85,300
Materials and supplies	76,809	76,809	77,007	(198)
Other charges	269,735	269,735	244,780	24,955
	<u>2,333,711</u>	<u>2,333,711</u>	<u>2,105,812</u>	<u>227,899</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Special Education Support				
Salaries	\$ 803,652	\$ 885,427	\$ 859,020	\$ 26,407
Benefits	228,407	245,514	233,402	12,112
Contractual services	75,000	91,170	91,533	(363)
Materials and supplies	22,000	22,640	20,741	1,899
Other charges	51,300	45,881	28,887	16,994
	<u>1,180,359</u>	<u>1,290,632</u>	<u>1,233,583</u>	<u>57,049</u>
Technical Education Support				
Salaries	96,709	96,709	99,643	(2,934)
Benefits	26,398	26,398	33,687	(7,289)
	<u>123,107</u>	<u>123,107</u>	<u>133,330</u>	<u>(10,223)</u>
Technology				
Salaries	696,069	696,069	801,946	(105,877)
Benefits	221,898	221,898	263,174	(41,276)
Contractual services	36,800	36,800	20,105	16,695
Materials and supplies	237,375	201,375	128,180	73,195
Other charges	647,700	683,700	467,360	216,340
	<u>1,839,842</u>	<u>1,839,842</u>	<u>1,680,765</u>	<u>159,077</u>
Board of Education Services				
Salaries	197,617	197,617	197,694	(77)
Benefits	1,249,785	1,249,785	1,022,949	226,836
Contractual services	984,981	982,456	665,288	317,168
Materials and supplies	10,000	10,000	890	9,110
Insurance	347,000	347,000	217,169	129,831
Other charges	1,801,092	1,803,617	30,568	1,773,049
	<u>4,590,475</u>	<u>4,590,475</u>	<u>2,134,558</u>	<u>2,455,917</u>
Office of Superintendent				
Salaries	280,063	280,063	280,693	(630)
Benefits	72,887	72,887	91,792	(18,905)
Contractual services	251,000	140,727	29,792	110,935
Materials and supplies	35,000	33,500	606	32,894
Other charges	56,150	57,650	63,028	(5,378)
	<u>695,100</u>	<u>584,827</u>	<u>465,911</u>	<u>118,916</u>
Office of Principal				
Salaries	5,047,339	5,047,339	4,813,361	233,978
Benefits	1,663,181	1,648,781	1,452,351	196,430
Contractual services	-	14,400	14,400	-
Other charges	70,000	70,000	51,163	18,837
	<u>6,780,520</u>	<u>6,780,520</u>	<u>6,331,275</u>	<u>449,245</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Fiscal Services				
Salaries	\$ 1,109,011	\$ 1,109,011	\$ 843,019	\$ 265,992
Benefits	313,079	313,079	186,366	126,713
Contractual services	99,925	99,925	76,023	23,902
Materials and supplies	118,520	118,520	20,594	97,926
Other charges	51,310	51,310	11,297	40,013
	<u>1,691,845</u>	<u>1,691,845</u>	<u>1,137,299</u>	<u>554,546</u>
Human Resources				
Salaries	396,468	396,468	427,005	(30,537)
Benefits	116,535	116,535	114,016	2,519
Contractual services	74,000	74,000	73,242	758
Materials and supplies	2,000	2,000	1,969	31
Other charges	22,500	22,500	7,657	14,843
	<u>611,503</u>	<u>611,503</u>	<u>623,889</u>	<u>(12,386)</u>
Operation of Plant				
Salaries	682,031	682,031	716,950	(34,919)
Benefits	218,396	218,396	233,267	(14,871)
Contractual services	1,608,875	1,617,200	1,590,927	26,273
Materials and supplies	122,000	125,675	196,373	(70,698)
Other charges	2,153,427	2,141,427	1,676,870	464,557
	<u>4,784,729</u>	<u>4,784,729</u>	<u>4,414,387</u>	<u>370,342</u>
Maintenance of plant				
Salaries	641,872	641,872	702,613	(60,741)
Benefits	189,190	189,190	179,666	9,524
Contractual services	126,000	136,000	135,994	6
Materials and supplies	426,500	416,500	394,353	22,147
Other charges	5,000	5,000	2,059	2,941
	<u>1,388,562</u>	<u>1,388,562</u>	<u>1,414,685</u>	<u>(26,123)</u>
Transportation				
Contractual services	3,136,660	3,136,660	2,288,426	848,234
Other charges	435,000	435,000	239,732	195,268
	<u>3,571,660</u>	<u>3,571,660</u>	<u>2,528,158</u>	<u>1,043,502</u>
Total education	<u>87,748,754</u>	<u>87,748,754</u>	<u>76,537,666</u>	<u>11,211,088</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
DEBT SERVICE				
Principal	\$ -	\$ -	\$ 2,027,816	\$ (2,027,816)
Interest	-	-	126,162	(126,162)
Total debt service	-	-	2,153,978	(2,153,978)
CAPITAL OUTLAY	1,000,000	1,000,000	2,491	997,509
Total Expenditures	88,748,754	88,748,754	78,694,135	10,054,619
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,080,000)	(3,080,000)	4,681,476	7,761,476
OTHER FINANCING SOURCES (USES)				
Transfers in	580,000	580,000	2,678,888	2,098,888
Transfers out	-	-	(7,901,671)	(7,901,671)
Total Other Financing Sources (Uses)	580,000	580,000	(5,222,783)	(5,802,783)
Net change in fund balances	<u>\$ (2,500,000)</u>	<u>\$ (2,500,000)</u>	(541,307)	<u>\$ 1,958,693</u>
Fund balances - beginning			35,920,463	
Fund balances - ending			<u>\$ 35,379,156</u>	

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

CITY OF BARTLETT, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Business-Type Activity <u>Enterprise Fund</u> Water and Sewer Fund	Governmental Activities <u>Internal Service Funds</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 13,263,543	\$ 1,814,885
Receivables		
Customers	910,315	-
Other	1,908	-
Less allowance for doubtful accounts	(42,509)	-
Prepaid expenses	22,860	-
Total current assets	14,156,117	1,814,885
Noncurrent assets:		
Capital assets, not being depreciated	2,382,901	-
Capital assets, being depreciated, net	63,408,169	-
Total capital assets (net of accumulated depreciation)	65,791,070	-
Net pension asset	10,716	-
Total assets	79,957,903	1,814,885
DEFERRED OUTFLOWS OF RESOURCES		
Related to pension	670,980	-
Related to OPEB	1,474,546	-
Deferred charges on refunding	81,129	-
Total deferred outflows of resources	2,226,655	-
LIABILITIES		
Current liabilities:		
Accounts payable	236,197	372,629
Accrued bond interest	52,674	-
Accrued payroll	-	18,650
Unearned revenue	184,652	-
Current portion of bonds and notes payable	1,002,000	-
Total current liabilities	1,475,523	391,279
Noncurrent liabilities:		
Bonds and notes payable, net of current portion, discounts, and premiums	5,648,162	-
Accrued compensated absences	183,954	-
Net pension liability	2,359,357	-
Net OPEB liability	3,061,078	-
Total noncurrent liabilities	11,252,551	-
Total liabilities	12,728,074	391,279
DEFERRED INFLOWS OF RESOURCES		
Related to pension	170,090	-
Related to OPEB	547,889	-
Total deferred inflows of resources	717,979	-
NET POSITION		
Net investment in capital assets	59,338,672	-
Restricted	10,716	-
Unrestricted	9,389,117	1,423,606
Total net position	68,738,505	\$ 1,423,606
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(634,040)	
Net position of the business-type activity	\$ 68,104,465	

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, 2020

	Business-Type Activity	Governmental Activities
	Enterprise Fund	
	Water and Sewer Fund	Internal Service Funds
Operating Revenues:		
Metered water sales	\$ 4,443,510	\$ -
Sewer service fee	3,992,629	-
Service connections fees	89,536	-
Forfeited discounts	323,276	-
Charges for services	69,732	3,006,411
Tower lease charges	367,129	-
Contributions	-	7,329,259
Other	69,404	-
Total operating revenues	<u>9,355,216</u>	<u>10,335,670</u>
Operating Expenses:		
Administrative and general	1,735,744	10,544,003
Pumping and filtering	1,483,220	-
Distribution system	1,818,142	-
Sewer lagoon	743,137	-
Depreciation	2,669,618	-
Total operating expenses	<u>8,449,861</u>	<u>10,544,003</u>
Operating income (loss)	905,355	(208,333)
Nonoperating Revenues (Expenses):		
Interest	110,729	16,951
Bond interest and fiscal charges	(180,668)	-
Gain on sale of capital assets	2,020	-
Total non-operating expenses	<u>(67,919)</u>	<u>16,951</u>
Income (loss) before contributions and transfers	837,436	(191,382)
Capital contributions - water taps	97,339	-
Capital contributions - sewer taps	98,917	-
Capital contributions - development	344,832	-
Transfers out	(590,534)	-
Change in net position	<u>787,990</u>	<u>(191,382)</u>
Total net position - beginning, as originally reported	<u>67,950,515</u>	<u>1,614,988</u>
Total net position - ending	<u>\$ 68,738,505</u>	<u>\$ 1,423,606</u>
Change in net position	\$ 787,990	
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(140,251)	
Change in net position of the business-type activity	<u>\$ 647,739</u>	

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2020

	Business-Type Activity	Governmental Activities
	Enterprise Fund Water and Sewer Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 9,261,349	\$ -
Receipts from interfund services provided	-	10,335,670
Payments to suppliers	(3,059,885)	(10,536,142)
Payments to employees	(2,670,176)	-
Other receipts	67,899	-
Net cash from operating activities	3,599,187	(200,472)
CASH FLOW USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributions	541,088	-
Purchases of capital assets	(1,848,469)	-
Proceeds from sale of capital assets	2,020	-
Principal paid on capital debt	(980,000)	-
Interest paid on capital debt	(196,826)	-
Net cash used for capital and related financing activities	(2,482,187)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	110,729	16,951
Net increase (decrease) in cash and cash equivalents	637,195	(183,521)
Cash and cash equivalents - beginning of the year	12,626,348	1,998,406
Cash and cash equivalents - end of the year	\$ 13,263,543	\$ 1,814,885
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 905,355	\$ (208,333)
Adjustments to reconcile operating income to net cash from (used for) operating activities:		
Depreciation	2,669,618	-
Pension expense in excess of employer contributions	185,407	-
Change in assets and liabilities		
Receivables	(44,967)	-
Prepaid expenses	(15,416)	-
Accounts payable	(169,131)	11,454
Accrued compensated absences	49,322	(3,593)
Deferred revenue	18,999	-
Net cash provided by operating activities	\$ 3,599,187	\$ (200,472)

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2020

	Pension and OPEB Trust Funds	Combined Agency Funds
ASSETS		
Cash and cash equivalents	\$ 2,106,993	\$ 2,225,375
Accounts receivable	-	-
Interest receivable	105,953	-
Due from other funds	-	3,000
Inventory	-	30,073
Investments		
Common stock	1,229,354	-
Exchange traded funds	747,213	-
Mutual funds	92,944,486	-
Private real estate fund	2,936,562	-
Alternative investments	179,077	-
Total investments	<u>98,036,692</u>	<u>-</u>
Total assets	100,249,638	<u><u>\$ 2,258,448</u></u>
LIABILITIES		
Accounts payable	100,176	\$ -
Bail bonds payable	-	129,535
Family assistance payable	-	44,670
J. Rainey volunteer fund payable	-	9,376
Due to student general fund	-	971,560
Due to student groups	-	1,103,307
Total liabilities	<u>100,176</u>	<u><u>\$ 2,258,448</u></u>
NET POSITION		
Restricted for pensions	89,701,161	
Restricted for OPEBs	10,448,301	
Total net position	<u><u>\$ 100,149,462</u></u>	

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2020

	<u>Pension and OPEB Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 6,283,061
Plan members	<u>1,191,294</u>
Total contributions	7,474,355
Investment earnings (losses):	
Interest and dividends	2,414,221
Net appreciation in fair value of investments	<u>3,135,091</u>
Total investment earnings	<u>5,549,312</u>
 Total additions	 13,023,667
DEDUCTIONS	
Benefits	6,376,334
Administrative expense	<u>423,066</u>
Total deductions	<u>6,799,400</u>
 Change in net position	 6,224,267
Net position - beginning of the year	<u>93,925,195</u>
Net position - end of the year	<u><u>\$ 100,149,462</u></u>

The accompanying notes are an integral part of the financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Bartlett, Tennessee (the "City") operates under a Board of Mayor and Aldermen form of government. 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 financially accountable. However, currently there are no component units. The financial statements of the City include the financial statements of Bartlett City Board of Education ("Board of Education" or "Bartlett Schools"). The Board of Education's general purpose fund, federal projects fund, nutrition fund, and discretionary grants fund are each reported as special revenue funds of the City and the Board of Education's capital projects fund is considered a capital projects fund of the City. The Board of Education's OPEB trust fund represents a fiduciary fund of the City and the school activity funds are an agency fund of the City.

B. Basis of Presentation

1. 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 regarding 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.

2. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City has presented all major funds that met the quantitative or qualitative qualifications to be reported as a major fund as separate columns in the fund financial statements. The City's major funds are as follows:

Major Governmental Funds: General Fund, General Purpose School Fund, Capital Projects Fund, Education Capital Fund.

Major Proprietary Fund: Water and Sewer Fund

Detailed descriptions of these funds are presented below.

3. *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, E-Citation 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 the 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.

4. *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 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and Welfare Fund and Worker's Compensation Fund.

5. *Fiduciary Fund Financial Statements*

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

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

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 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 measurable and available only when cash is received by the City. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 1 year of year-end). Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The issuance of long-term debt is reported as other financing sources.

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

1. Deposits and investments

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

Investments, including pension and other postemployment benefit investments held in fiduciary funds, are reported at fair value except for investments measured using Net Asset Value ("NAV") per share which have no readily determinable fair value and have been determined using amortized cost which approximates fair value. The LGIP qualifies as a 2a7-like pool and is reported at amortized cost using a Stable Net Asset Value which approximates fair value.

Restricted investments consist of assets held in an irrevocable trust for future TCRS pension benefits.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Receivables

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

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, 2020. The property tax levy is without legal limit. The rate, as permitted by Tennessee State Law and City Charter, is set annually by the Board of Mayor and Aldermen, and collected by the Finance Department.

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

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

3. Interfund Transactions

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

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

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

4. Inventories and prepaid items

Inventories consist of expendable supplies held for consumption and are valued at cost. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 more than 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 will not be recognized as an outflow of resources (expense) until then. The City has qualifying items for reporting in this category. The unamortized discount on refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Other deferred outflows of resources include those related to pension and OPEB changes and employer contributions to the pension plan after the measurement date.

7. Compensated absences

Compensated absences for accumulated unpaid vacation are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, because 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 several types of items that qualify for reporting in this category. These items are amounts in the governmental funds that were receivable and measurable at year-end but were not available to finance expenditures for the current year. This includes unavailable revenues from property taxes and other revenues. In addition, deferred inflows of resources include those related to pension and OPEB changes.

10. Net Position and Fund balance

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

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

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

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

In the fund financial statements, governmental funds report fund balances in classifications that 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. The classifications 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. In other governmental funds, the classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

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

11. Pensions and Other Postemployment Benefits

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

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

12. Fair Value Measurements

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets and liabilities recorded at fair value in the statements of net position are categorized based on the level of judgment associated with the inputs used to measure their value. The three categories of level inputs are as follows: Level 1 inputs include unadjusted quoted prices in active markets for identical assets or liabilities accessible at the measurement date; Level 2 inputs include quoted prices for similar assets or liabilities; quoted prices for identical or similar assets or liabilities 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

GASB Statement No. 84, *Fiduciary Activities* was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The requirements of GASB Statement No. 84 are effective for fiscal year 2021. The City of Bartlett is currently evaluating the impact of GASB Statement No. 84 may have on its financial statements.

GASB Statement No. 87, *Leases* was issued to increase the usefulness of financial statements by requiring reporting of certain lease liabilities that currently are not reported, enhance comparability by requiring lessees and lessors to report leases under a single model, and enhance the usefulness of information by requiring notes to the financial statements regarding leasing arrangements. The requirements of GASB Statement No. 87 are effective for fiscal year 2022. The City of Bartlett is currently evaluating the impact of GASB Statement No. 87 may have on its financial statements.

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 fund, school nutrition fund, and discretionary grants fund. The School education capital projects fund is appropriated on a project-length basis and appropriations do not lapse until completion of the project. Because of the project nature of this fund, a budgetary comparison schedule on an annual basis do not provide meaningful information and, accordingly, is not presented in the accompanying financial statements. Annual budgets are adopted on a basis consistent with Tennessee Code Annotated, which is not materially different than the modified accrual basis of accounting for all governmental funds.

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

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

B. Excess of expenditures over appropriations

For the year ended June 30, 2020, no funds had expenditures that exceed appropriations.

C. Deficit fund equity

As of June 30, 2020, the Education Capital Fund had a deficit balance of \$3,264,089 due to the timing of expenditures and reimbursements of expenditures.

NOTE 3 - DEPOSITS

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

Custodial Risk – Custodial risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for custodial risk is to follow state guidelines. As of June 30, 2020, all bank deposits were entirely insured by federal depository insurance and collateralized by the Bank Collateral Pool of the State of Tennessee.

NOTE 4 - INVESTMENTS

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

The School is a member of the Tennessee Consolidated Retirement System ("TCRS") Stabilization Reserve Trust. The School has placed funds into the irrevocable trust as authorized by 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 trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the School or City. The trust is authorized to make investments as directed by the TCRS Board of Trustees. The School may not impose restrictions on investments placed by the trust on their behalf.

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.

A. Primary Government Investments

The Tennessee Local Government Investment Pool ("LGIP") represents 100% of the primary government's investments at June 30, 2020. These investments are reported at amortized cost which approximates fair value and are included as cash equivalents.

NOTE 4 – INVESTMENTS (CONTINUED)

B. Restricted Investments – TCRS Stabilization Reserve Trust

Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust ("TRGT"). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares. For further information concerning the School Department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag19091.pdf>. The following table summarizes fair value disclosures and measurements for Bartlett School's investments held by the TRGT on its behalf June 30, 2020:

Investments at Fair Value	Level 1	Level 2	Level 3	NAV	Total
U.S. equity	\$ 125,518	\$ -	\$ -	\$ -	\$ 125,518
Developed market international equity	56,686	-	-	-	56,686
Emerging market international equity	16,196	-	-	-	16,196
U.S. fixed income	-	80,980	-	-	80,980
Short-term securities	-	4,049	-	-	4,049
Real estate	-	-	40,488	-	40,488
Private equity and strategic lending	-	-	-	80,980	80,980
Total restricted investments	<u>\$ 198,400</u>	<u>\$ 85,029</u>	<u>\$ 40,488</u>	<u>\$ 80,980</u>	<u>\$ 404,897</u>

C. Fiduciary Investments

The City administers three fiduciary funds and Bartlett Schools administers one fiduciary fund whose investments are held by a third party trustee bank. Additionally, the City and Bartlett Schools utilizes an advisor to select appropriate investment choices. The following table summarizes fair value disclosures and measurements for fiduciary investments at June 30, 2020:

Investments at Fair Value	Level 1	Level 2	Level 3	NAV	Total
Fiduciary Activities:					
Common stock	\$ 1,229,354	\$ -	\$ -	\$ -	\$ 1,229,354
Exchange traded funds	747,213	-	-	-	747,213
Equity mutual funds	53,777,159	-	-	-	53,777,159
Fixed income mutual funds	39,167,327	-	-	-	39,167,327
Alternative mutual funds	-	-	-	-	-
Private real estate fund	-	-	2,936,562	-	2,936,562
Alternative investments	-	-	179,077	-	179,077
	<u>\$ 94,921,053</u>	<u>\$ -</u>	<u>\$ 3,115,639</u>	<u>\$ -</u>	<u>\$ 98,036,692</u>

The table below set forth a summary of changes in the fair value of level 3 assets for the year ended June 30, 2020:

	Level 3
Balance, beginning of year	\$ 2,761,402
Shares purchased	182,000
Dividends received and reinvested	148,224
Unrealized appreciation in estimated fair value	60,157
Management fees	(36,144)
Balance, end of year	<u>\$ 3,115,639</u>

NOTE 4 – INVESTMENTS (CONTINUED)

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, 2020:

- *Short-term securities*: generally, include investments in money market-type securities reported at cost plus accrued interest.
- *Equity and equity derivative securities*: Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Level 2 are securities whose values are derived daily from associated traded securities. Level 3 are valued with last trade data having limited trading volume.
- *US Treasury Bills, Bonds, Notes and Futures*: Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.
- *Real estate investments*: Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute ("MAI"), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.
- *Private mutual funds, traditional private equity funds, strategic lending funds and real estate funds*: Those funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

Risks and Uncertainties – The fiduciary fund trust's and TRGT's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Bartlett School's does not have the ability to limit TRGT investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City and Bartlett Schools 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 and Bartlett Schools 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.

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investments in the LGIP are held by the State Treasury, not in the name of the City. The third party bank is also a participant in the State collateral pool. Pursuant to the trust agreements, investments are held in the TRGT and each fiduciary trust are for the benefit of the City of Bartlett and Bartlett Schools to pay retirement benefits of their respective employees.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Bartlett Schools does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. Bartlett Schools places no limit on the amount the TRGT may invest in one issuer. The City and Bartlett Schools have 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 fiduciary fund investment portfolios 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, 2020.

NOTE 5 – INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2020, is as follows:

	Payable Fund			
	Major Funds		Aggregate	
	General	Purpose School	Nonmajor Governmental	Total
Receivable Fund				
Major Fund				
General	\$ -	\$ 6,832	\$ -	\$ 6,832
General Purpose School	4,448	-	312,270	316,718
Capital Projects	-	-	795,987	795,987
Agency Funds	3,000	-	-	3,000
Total	\$ 7,448	\$ 6,832	\$ 1,108,257	\$ 1,122,537

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, 2020 is as follows:

	Transfer In					
	Major Funds					
	General	General Purpose School	Capital Projects	Education Capital Projects	Aggregate Nonmajor Governmental	Total
Transfer Out	General					
Major funds						
General	\$ -	\$ 2,346,019	\$ -	\$ -	\$ 3,167,764	\$ 5,513,783
General Purpose School	-	-	-	6,373,898	1,527,773	7,901,671
Capital Projects	55,836	-	-	14,723,304	461,851	15,240,991
Utility	590,534	-	-	-	-	590,534
Aggregate Nonmajor Governmental	178,815	332,869	1,096,644	-	139,000	1,747,328
Total	\$ 825,185	\$ 2,678,888	\$ 1,096,644	\$ 21,097,202	\$ 5,296,388	\$ 30,994,307

Transfers from the general fund were made to provide sufficient positive fund balance within the special revenue and enterprise funds and to provide capital project funding. Transfers from the general purpose school fund were made to provide sufficient positive fund balance within the other School special revenue funds. Transfers out of the utility fund represent payments in lieu of taxes that are not payments for, and are not reasonably equivalent in value to, services provided.

Unrestricted cash in the various funds of the City are pooled in one fund for investment purposes. At each month-end, the interfund balances reflect each fund's portion of the cash/investment pool. Interest income is allocated to each fund based on the interfund balances at the end of the month.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,364,955	\$ 77,096	\$ -	\$ 13,442,051
Construction in progress	38,062,191	36,833,366	(46,332,511)	28,563,046
Total capital assets, not being depreciated	51,427,146	36,910,462	(46,332,511)	42,005,097
Capital assets, being depreciated:				
Buildings and improvements	218,868,536	44,606,880	(3,256,186)	260,219,230
Other improvements	12,013,337	46,171	(322)	12,059,186
Furniture and equipment	24,413,284	1,035,231	(150,899)	25,297,616
Motorized equipment	22,687,259	2,935,453	(389,019)	25,233,693
Infrastructure	117,734,685	1,570,343	-	119,305,028
Total capital assets, being depreciated	395,717,101	50,194,078	(3,796,426)	442,114,753
Less accumulated depreciation for:				
Buildings and improvements	(32,323,390)	(5,092,249)	319,221	(37,096,418)
Other improvements	(5,725,431)	(650,407)	-	(6,375,838)
Furniture and equipment	(13,165,074)	(3,159,018)	56,223	(16,267,869)
Motorized equipment	(15,283,419)	(1,674,820)	347,385	(16,610,854)
Infrastructure	(52,899,090)	(2,779,973)	-	(55,679,063)
Total accumulated depreciation	(119,396,404)	(13,356,467)	722,829	(132,030,042)
Total capital assets, being depreciated, net	276,320,697	36,837,611	(3,073,597)	310,084,711
Governmental activities capital assets, net	\$ 327,747,843	\$ 73,748,073	\$ (49,406,108)	\$ 352,089,808
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,475,223	\$ -	\$ -	\$ 1,475,223
Construction in progress	131,840	775,838	-	907,678
Total capital assets, not being depreciated	1,607,063	775,838	-	2,382,901
Capital assets, being depreciated:				
Buildings and improvements	125,315	-	-	125,315
Other improvements	107,419,905	933,777	-	108,353,682
Furniture and equipment	1,717,455	79,701	-	1,797,156
Motorized equipment	1,592,926	59,153	(56,369)	1,595,710
Total capital assets, being depreciated	110,855,601	1,072,631	(56,369)	111,871,863
Less accumulated depreciation for:				
Buildings and improvements	(48,947)	(5,779)	-	(54,726)
Other improvements	(43,527,438)	(2,376,574)	-	(45,904,012)
Furniture and equipment	(1,122,051)	(191,401)	-	(1,313,452)
Motorized equipment	(1,152,009)	(95,864)	56,369	(1,191,504)
Total accumulated depreciation	(45,850,445)	(2,669,618)	56,369	(48,463,694)
Total capital assets, being depreciated, net	65,005,156	(1,596,987)	-	63,408,169
Business-type activities capital assets, net	\$ 66,612,219	\$ (821,149)	\$ -	\$ 65,791,070

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General government	\$ 381,826
Public safety	2,113,536
Public works	3,967,293
Parks and recreation	1,082,717
Performing arts center	115,094
Education	5,696,001
Total depreciation expense - governmental activities	<u>\$ 13,356,467</u>
Business-type Activities:	<u>\$ 2,669,618</u>

Construction and other significant commitments

The government has active construction projects as of June 30, 2020. At year end the government's commitments with contractors are as follows:

<u>Function/Activity</u>	<u>Commitment</u>
City construction	
Major roads construction & improvement	\$ 15,050,553
Building improvements	4,913,530
Vehicles and equipment	384,833
Utility construction and improvement	1,352,099
Education construction	
Building improvements	7,315,946
	<u>\$ 29,016,961</u>

NOTE 7 – LONG-TERM LIABILITIES

1. Long-Term Debt

General obligation and revenue bonds

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

On October 17, 2019, the City issued \$6,560,000 in General Obligation Bonds, Series 2019, with a premium of \$1,216,125 and a true interest cost of 2.39% and final maturity of September 1, 2039. The proceeds will be used to fund, in whole or in part, the (i) acquisition of land for and construction, repair, renovation, improvement and equipping of public buildings and facilities, including but not limited to City Hall, a municipal vehicle storage facility and parks and recreation facilities; (ii) design, construction, repair and improvement of streets, roads, greenways and bridges, including sidewalks, signage, signalization, drainage improvements, other streetscape improvements and acquisition of rights-of-ways in connection therewith; (iii) acquisition of all property, real or personal, appurtenant to the foregoing; (iv) payment of architectural, engineering, legal, fiscal and administrative costs incident to the foregoing; (v) reimbursement to the City for funds previously expended for any of the foregoing, and (vi) payment of costs related to issuance and sale of the Bonds.

Notes from direct borrowings

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. The City's outstanding capital outlay notes contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment.

On July 30, 2019, and again on September 12, 2019, the City issued seven-year capital outlay notes in the amount of \$1,410,000 and \$1,030,000 respectively, through the Tennessee Municipal Alternative Loan Fund. The notes bear an interest rate of 3.14% each with final maturity of August 1, 2026. On June 26, 2020, the City issued an eight-year capital outlay note in the amount of \$2,000,000 through the Tennessee Municipal Alternative Loan Fund. The note bears an interest rate of 2.05% with a final maturity of June 1, 2029. Proceeds from the notes will be used to finance certain public works projects, consisting of the acquisition of vehicles and other equipment for the police, fire, codes enforcement, public works, engineering, and parks and recreation departments of the City's Recreation Center and Senior Center and Performing Arts Conference Center, 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.

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%.

Capital Leases

The City has entered into several 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 .897% to .900%. The cumulative amount of assets acquired under all capital leases amounted to \$4,572,425.

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Debt outstanding as of June 30, 2020 consisted of the following:

	Interest Rates	Maturity Date	Original Issue	Balance Outstanding at Year End
Governmental activities:				
<u>Payable through debt service fund</u>				
General obligation bonds:				
2010 Serial Bonds	2.0 - 3.5%	12/1/2030	\$ 7,925,000	\$ 1,935,000
2011 Serial Bonds	2.0 - 2.625%	6/30/2031	4,545,000	795,000
2012 Serial Bonds	2.0 - 3.0%	9/1/2032	9,865,000	4,870,000
2013 Serial Bonds	3.0 - 3.625%	9/1/2033	4,690,000	1,720,000
2015 Serial Bonds	2.0 - 5.0%	9/1/2035	5,100,000	4,350,000
2016 Serial Bonds	2.0 - 3.0%	9/1/2036	6,550,000	5,835,000
2017 Serial Bonds	4.0 - 5.0%	9/1/2037	44,930,000	41,810,000
2018 Serial Bonds	4.0 - 5.0%	9/1/2038	5,295,000	5,130,000
2019 Serial Bonds	4.0 - 5.0%	9/1/2039	6,560,000	6,560,000
			<u>95,460,000</u>	<u>73,005,000</u>
Notes from direct borrowings:				
2008 TML Note*	*0.27%	5/25/2029	\$ 1,350,000	\$ 754,000
Capital Note 2013 B	2.13%	9/1/2020	770,500	118,000
Capital Note 2014	2.19%	9/1/2021	1,041,000	314,000
Capital Note 2015	2.03%	8/1/2022	1,064,000	475,000
Capital Note 2016	1.94%	8/1/2023	1,127,500	665,000
Capital Note 2017	2.33%	8/1/2024	1,969,150	1,442,000
Capital Note 2018	3.49%	8/1/2025	1,355,000	1,181,000
Capital Note 2019	3.14%	8/1/2026	1,410,000	1,410,000
Capital Note 2019	3.14%	8/1/2026	1,030,000	1,030,000
Capital Note 2020	2.05%	6/1/2028	2,000,000	2,000,000
			<u>13,117,150</u>	<u>9,389,000</u>
<u>Payable through general purpose school fund</u>				
Settlement Liability	2.41%	11/1/2025	\$ 6,351,216	\$ 3,649,158
Capital Leases:				
Capital Lease 2017 B	0.897%	1/15/2021	\$ 1,060,800	\$ 279,617
Capital Lease 2018	0.900%	9/1/2021	5,031,856	2,528,546
Total capital leases			<u>6,092,656</u>	<u>2,808,163</u>
			<u>\$ 116,019,806</u>	<u>\$ 85,956,163</u>
Business-type activities:				
<u>Payable through utility fund</u>				
Revenue bonds:				
2007 Serial Bonds	4.0 - 4.05%	9/1/2027	\$ 1,015,000	\$ 505,000
2009 Serial Bonds	2.0 - 4.1%	9/1/2029	960,000	550,000
2010 Serial Bonds	2.0 - 2.65%	9/1/2032	3,115,000	730,000
2011 Serial Bonds	2.0 - 2.75%	9/1/2033	4,305,000	950,000
2012 Serial Bonds	2.0 - 3.0%	9/1/2035	3,440,000	2,095,000
2013 Serial Bonds	3.0 - 3.625%	9/1/2036	2,005,000	1,040,000
			<u>14,840,000</u>	<u>5,870,000</u>
Notes from direct borrowings:				
2008 TML note*	*0.27%	5/25/2029	1,000,000	559,000
			<u>\$ 15,840,000</u>	<u>\$ 6,429,000</u>

*Variable rate Tennessee Municipal Bond Fund loan rate for June 30, 2020 was .27%

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

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

Years Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 4,315,000	\$ 2,868,035	\$ 950,000	\$ 159,036
2022	4,100,000	2,708,051	985,000	132,776
2023	3,800,000	2,552,447	780,000	107,631
2024	3,775,000	2,400,923	685,000	87,132
2025	3,875,000	2,248,063	465,000	71,647
2026-2030	18,985,000	8,789,317	1,435,000	196,910
2031-2035	20,405,000	4,731,386	570,000	35,682
2036-2040	13,750,000	923,242	-	-
	<u>\$ 73,005,000</u>	<u>\$ 27,221,464</u>	<u>\$ 5,870,000</u>	<u>\$ 790,814</u>

Annual debt service requirements to maturity for notes from direct borrowings are as follows:

Years Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 1,650,000	\$ 207,854	\$ 52,000	\$ 1,509
2022	1,590,000	171,817	54,000	1,369
2023	1,468,000	134,640	57,000	1,224
2024	1,343,000	99,925	59,000	1,069
2025	1,205,000	67,609	62,000	910
2026-2029	2,133,000	64,800	275,000	1,884
	<u>\$ 9,389,000</u>	<u>\$ 746,645</u>	<u>\$ 559,000</u>	<u>\$ 7,965</u>

Future payments under the settlement liability and capital leases are as follows:

Years Ending June 30	Settlement Liability	Capital Leases
2021	\$ 608,193	\$ 1,559,922
2022	608,193	1,284,848
2023	608,193	-
2024	608,193	-
2025	608,193	-
2026	608,193	-
Total payments	3,649,158	2,844,770
Less amount representing interest	(292,062)	(36,607)
Present value of minimum payments	<u>\$ 3,357,096</u>	<u>\$ 2,808,163</u>

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

2. Changes in long-term liabilities

A summary of long-term liability activity, including debt, for the year ended June 30, 2020 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	\$ 70,680,000	\$ 6,560,000	\$ (4,235,000)	\$ 73,005,000	\$ 4,315,000
Unamortized premiums	8,346,629	1,216,125	(604,054)	8,958,700	-
Total bonds	79,026,629	7,776,125	(4,839,054)	81,963,700	4,315,000
Notes from direct borrowings	6,232,000	4,440,000	(1,283,000)	9,389,000	1,650,000
Settlement obligation	4,257,351	-	(608,193)	3,649,158	608,193
Unamortized discount	(386,390)	-	94,328	(292,062)	-
Total settlement obligation	3,870,961	-	(513,865)	3,357,096	608,193
Capital lease payable	4,322,114	-	(1,513,951)	2,808,163	1,534,713
Total long-term debt	93,451,704	12,216,125	(8,149,870)	97,517,959	8,107,906
Compensated absences	3,687,876	579,818	(339,743)	3,927,951	693,022
	<u>\$ 97,139,580</u>	<u>\$ 12,795,943</u>	<u>\$ (8,489,613)</u>	<u>\$ 101,445,910</u>	<u>\$ 8,800,928</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds	\$ 6,800,000	\$ -	\$ (930,000)	\$ 5,870,000	\$ 950,000
Unamortized premiums	254,826	-	(33,664)	221,162	-
Total bonds	7,054,826	-	(963,664)	6,091,162	950,000
Notes from direct borrowings	609,000	-	(50,000)	559,000	52,000
Total long-term debt	7,663,826	-	(1,013,664)	6,650,162	1,002,000
Compensated absences	134,632	49,322	-	183,954	23,848
	<u>\$ 7,798,458</u>	<u>\$ 49,322</u>	<u>\$ (1,013,664)</u>	<u>\$ 6,834,116</u>	<u>\$ 1,025,848</u>

For governmental activities, compensated absences are generally liquidated by the general fund and general purpose school fund.

NOTE 8 – DEFERRED LOSS ON REFUNDING

The unamortized deferred loss on refunding relates to General Obligation Refunding Bonds for governmental activities and Water and Sewer Revenue Refunding Bonds for business-type activities. Deferred loss on refunding reported in the statement of net position at June 30, 2020 consists of the following:

	Governmental Activities	Business-Type Activities	Total
Series 2004	\$ 789	\$ -	\$ 789
Series 2005	2,470	-	2,470
Series 2007	285	-	285
Series 2010	14,279	20,497	34,776
Series 2011	5,310	15,467	20,777
Series 2012	106,643	45,165	151,808
Series 2016	11,383	-	11,383
	<u>\$ 141,159</u>	<u>\$ 81,129</u>	<u>\$ 222,288</u>

NOTE 9 – FUND BALANCES BY PURPOSE

Following is more detailed information on the government-wide fund balances including a calculation of the net investment in capital assets:

	Governmental Activities	Business-Type Activities	Total
Capital assets, net of accumulated depreciation	\$ 352,089,808	\$ 65,791,070	\$ 417,880,878
Deferred loss on refunding	141,159	81,129	222,288
Total outstanding balance of capital debt	(83,287,862)	(6,533,527)	(89,821,389)
Unspent bond proceeds related to debt	10,423,714	-	10,423,714
Net investment in capital assets	<u>\$ 279,366,819</u>	<u>\$ 59,338,672</u>	<u>\$ 338,705,491</u>

Following is more detailed information on the governmental fund balances:

	General Fund	General Purpose School Fund	Capital Projects Fund	Education Capital Fund	Nonmajor Governmental Funds	Total
Nonspendable for:						
Inventory	\$ 149,746	\$ -	\$ -	\$ -	\$ 64,251	\$ 213,997
Prepaid expenditures	20,034	-	-	-	64,047	84,081
Total nonspendable fund balance	169,780	-	-	-	128,298	298,078
Restricted for:						
Capital projects	-	-	10,632,592	-	-	10,632,592
Solid Waste	-	-	-	-	882,420	882,420
Drug enforcement	-	-	-	-	408,818	408,818
DEA task force	-	-	-	-	360,702	360,702
E-citation	-	-	-	-	8,113	8,113
Sexual offender registry program	19,572	-	-	-	-	19,572
Police Criminal Seizures	6,474	-	-	-	-	6,474
Stabilization reserve trust	-	404,897	-	-	-	404,897
Education	-	-	-	-	424,644	424,644
Total restricted fund balance	26,046	404,897	10,632,592	-	2,084,697	13,148,232
Committed for:						
Financial Stabilization	10,995,012	-	-	-	-	10,995,012
Emergency purposes	1,000,000	-	-	-	-	1,000,000
State street aid	-	-	-	-	766,655	766,655
General improvement	-	-	-	-	102,377	102,377
Drainage control	-	-	-	-	220,006	220,006
Parks improvement	-	-	-	-	660,088	660,088
Capital projects	-	11,895,249	-	-	-	11,895,249
Debt service	-	-	-	-	2,685,475	2,685,475
Total committed fund balance	11,995,012	11,895,249	-	-	4,434,601	28,324,862
Assigned to:						
Capital projects	-	5,510,000	3,670,336	-	-	9,180,336
OPEB trust payments	-	2,000,000	-	-	-	2,000,000
Education	-	14,569,010	-	-	-	14,569,010
Debt service	-	1,000,000	-	-	-	1,000,000
Encumbrances	1,899,040	-	-	-	-	1,899,040
Total assigned fund balance	1,899,040	23,079,010	3,670,336	-	-	28,648,386
Unassigned	15,643,492	-	-	(3,264,089)	-	12,379,403
Total fund balances	<u>\$ 29,733,370</u>	<u>\$ 35,379,156</u>	<u>\$ 14,302,928</u>	<u>\$ (3,264,089)</u>	<u>\$ 6,647,596</u>	<u>\$ 82,798,961</u>

As of June 30, 2020, the general fund assigned fund balance of \$1,899,040 for encumbrances consisting of outstanding purchase orders to be paid in the subsequent year for operations and maintenance items.

NOTE 10 – PENSIONS

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

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

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

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

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

The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly 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.

NOTE 10 – PENSIONS (CONTINUED)

The net pension assets, deferred outflows of resources related to pensions, net pension liabilities, deferred inflows of resources related to pensions, and pension expense 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	Pension Expense
Governmental Activities					
Employee Pension Plan	\$ -	\$ 10,071,097	\$ 35,412,840	\$ 2,478,134	\$ 5,333,674
Employee Cash Balance Plan	222,921	-	-	103,721	365,636
BOE Legacy Plan	-	1,376,366	9,241	372,687	597,870
BOE Hybrid Plan	111,936	203,133	-	4,566	17,705
Teacher Legacy Plan	10,832,852	8,026,231	-	9,733,123	3,484,347
Teacher Hybrid Plan	343,187	181,085	-	114,180	104,092
Total governmental activities	\$ 11,510,896	\$ 19,857,912	\$ 35,422,081	\$ 12,806,411	\$ 9,903,324
Business-Type Activities					
Employee Pension Plan	\$ -	\$ 670,980	\$ 2,359,357	\$ 165,104	\$ 355,352
Employee Cash Balance Plan	10,716	-	-	4,986	17,301
Total business-type activities	\$ 10,716	\$ 670,980	\$ 2,359,357	\$ 170,090	\$ 372,653
Totals	\$ 11,521,612	\$ 20,528,892	\$ 37,781,438	\$ 12,976,501	\$ 10,275,977

For governmental activities, pension liability is generally liquidated by the general and general purpose school funds.

A. General Information about the Pension Plans**Benefits Provided**

Under the Employee Pension Plan, members are eligible to retire with an unreduced benefit at age 55 with 25 years of service credit or age 65 with 5 years of service credit. A reduced early retirement benefit is available at age 55 with 15 years of service credit. The retirement benefit is calculated at 2.5% of average compensation during the highest consecutive 3 years of service multiplied by years of credit service not in excess of 25 plus 1% of average compensation multiplied by years of service greater than 25 but less than 35, with a maximum benefit of 72.5% of average compensation. Employees are 100% vested only after 5 years of service. A variety of death benefits are available under various eligibility criteria.

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

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

NOTE 10 – PENSIONS (CONTINUED)

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%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A 1% COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Plan and Teacher Hybrid Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, under the BOE Hybrid Plan, Teacher Legacy Plan, and Teacher Hybrid Plan, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Employees Covered by Benefit Terms

The City Employee Pension Plan and Employee Cash Balance Plan have a measurement date of June 30, 2020 while the School TCRS Plans have a measurement date of June 30, 2019. As of the respective plan measurement dates, the following employees were covered by the benefit terms of the agent plans:

	City Pension Plan	City Cash Balance Plan	School TCRS BOE	
			Legacy Plan	Hybrid Plan
Inactive employees or beneficiaries currently receiving benefits	206	-	33	-
Inactive employees entitled to but not yet receiving benefits	37	4	53	33
Active employees	313	199	147	88
	<u>556</u>	<u>203</u>	<u>233</u>	<u>121</u>

Contributions

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

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

Employer contributions to each plan for the year ended June 30, 2020 were as follows:

	City Pension Plan	City Cash Balance Plan	School TCRS BOE		School TCRS Teacher	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
Employer contributions	\$ 3,651,439	\$ 331,144	\$ 491,056	\$ 75,594	\$ 3,784,489	\$ 154,931
Covered payroll	19,717,906	8,140,394	5,297,253	3,669,586	35,604,570	7,635,009
As a percentage of covered payroll	18.52%	4.07%	9.27%	2.06%	10.63%	2.03%

For the year ended June 30, 2020, employer contributions to the School TCRS BOE Hybrid Plan and School TCRS Teacher Hybrid Plan included contributions to the Pension Stabilization Reserve Trust of 1.66% and 1.87%, respectively, of covered payroll.

NOTE 10 – PENSIONS (CONTINUED)

B. Actuarial Assumptions

City Administered Employee Pension Plan

The total pension liability was determined as part of the June 30, 2020 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%, compounded annually
Investment rate of return	7.25%, net of investment expense, including inflation
Mortality table	Pub G-2010 for general employees ages 18-54 Pub-2010 for healthy employees over age 54

Investment Policy

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

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

Rate of Return

For the year ended June 30, 2020, the annual approximate rate of return on investments was 6.3%. The rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that 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.

NOTE 10 – PENSIONS (CONTINUED)

City Administered Employee Cash Balance Plan

The total pension liability was determined as part of the June 30, 2020 actuarial valuation using the entry age normal level percent of pay, actuarial cost method. Significant actuarial assumptions used in the valuation include:

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

Investment Policy

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

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

Rate of Return

For the year ended June 30, 2020, the annual approximate rate of return on investments was 3.9%. The rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts invested.

Discount Rate

The discount rate used to measure the total pension liability was 5%. 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.

NOTE 10 – PENSIONS (CONTINUED)

TCRS Administered Pension Plans

The total pension liability as of June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	7.25%, net of investment expense, including inflation
Cost-of-Living Adjustment	2.25%
Mortality rates	Actual experience including an adjustment for anticipated movement

The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to reflect more closely 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, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5%. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25% based on a blending of the factors described above.

Discount Rate

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

NOTE 10 – PENSIONS (CONTINUED)

C. Net Pension Liability (Asset)

The net pension liability (asset) for each City administered plan was measured as of June 30, 2020 and each TCRS administered plan was measured as of June 30, 2019. The total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of the respective dates. The components of the net pension liability (asset) as of those dates are as follows:

	Agent Plans				Cost-Sharing Plans	
	City Pension Plan	City Cash Balance Plan	School TCRS BOE		School TCRS Teacher	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
Total Pension Liability						
Service cost	\$ 2,099,489	\$ 830,971	\$ 743,726	\$ 136,703		
Interest	8,648,715	86,538	323,199	31,858		
Differences between expected and actual experience	(1,790,849)	(53,898)	440,708	53,140		
Changes in assumptions	-	-	-	-		
Benefit payments, including refunds	(5,030,172)	(49,066)	(43,649)	(6,516)		
Net change in total pension liability	3,927,183	814,545	1,463,984	215,185		
Total pension liability - beginning	120,737,671	1,760,322	3,736,011	305,970		
Total pension liability - ending	124,664,854	2,574,867	5,199,995	521,155		
Plan Fiduciary Net Position						
Contributions - employer	\$ 3,651,439	\$ 331,144	\$ 510,500	\$ 44,011		
Contributions - employee	763,000	428,294	275,352	134,180		
Net investment income	5,134,060	92,561	334,471	38,186		
Benefit payments	(5,030,172)	(49,066)	(43,649)	(6,516)		
Administrative expense	(343,707)	(22,729)	(13,599)	(7,566)		
Net change in plan fiduciary net position	4,174,620	780,204	1,063,075	202,295		
Plan fiduciary net position - beginning	82,718,037	2,028,300	4,127,679	430,796		
Plan fiduciary net position - ending	86,892,657	2,808,504	5,190,754	633,091		
Net pension liability (asset)	\$ 37,772,197	\$ (233,637)	\$ 9,241	\$ (111,936)		
Proportionate share of net pension liability (asset)					\$ (10,832,852)	\$ (343,187)
Proportionate share at June 30, 2019 measurement date					1.053595%	0.607963%
Proportionate share at June 30, 2018 measurement date					1.020515%	0.575962%

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

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

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

	Current Rate	1% Decrease	Current Rate	1% Increase
Net pension liability (asset)				
City Employee Pension Plan	7.25%	\$ 54,391,627	\$ 37,772,197	\$ 23,893,792
City Employee Cash Balance Plan	5.00%	451,673	(233,637)	(680,107)
School TCRS BOE Legacy Plan	7.25%	823,635	9,241	(658,517)
School TCRS BOE Hybrid Plan	7.25%	14,209	(111,936)	(209,466)
Proportionate share of the net pension asset				
School TCRS Teacher Legacy Plan	7.25%	\$ 22,150,054	\$ (10,832,852)	\$ (37,069,840)
School TCRS Teacher Hybrid Plan	7.25%	108,735	(343,187)	(677,241)

NOTE 10 – PENSIONS (CONTINUED)

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

For the year ended June 30, 2020, the City reported pension expense and deferred outflows of resources and deferred inflows of resources related to each plan from the following sources:

	City Pension Plan	City Cash Balance Plan	School TCRS BOE		School TCRS Teacher	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
Pension Expense (Negative Pension Expense)	\$ 5,689,026	\$ 382,937	\$ 597,870	\$ 17,705	\$ 3,484,347	\$ 104,092
Deferred Outflows of Resources						
Differences between expected and actual experience	\$ 2,180,713	\$ -	\$ 851,881	\$ 123,901	\$ 527,424	\$ 14,230
Net difference between projected and actual earnings on plan investments	632,650	-	-	-	-	-
Changes in assumptions	7,928,714	-	33,429	3,638	1,459,783	11,924
Changes in proportion of net pension liability (asset)	-	-	-	-	2,254,535	-
Contributions subsequent to the measurement date of June 30, 2018	-	-	491,056	75,594	3,784,489	154,931
	<u>\$ 10,742,077</u>	<u>\$ -</u>	<u>\$ 1,376,366</u>	<u>\$ 203,133</u>	<u>\$ 8,026,231</u>	<u>\$ 181,085</u>
Deferred Inflows of Resources						
Differences between expected and actual experience	\$ 2,643,238	\$ 102,652	\$ 319,923	\$ -	\$ 6,616,921	\$ 59,911
Net difference between projected and actual earnings on plan investments	-	6,055	52,764	4,566	3,095,154	14,509
Changes in assumptions	-	-	-	-	-	-
Change in proportion of net pension liability (asset)	-	-	-	-	21,048	39,760
	<u>\$ 2,643,238</u>	<u>\$ 108,707</u>	<u>\$ 372,687</u>	<u>\$ 4,566</u>	<u>\$ 9,733,123</u>	<u>\$ 114,180</u>

The amounts shown above for "Contributions subsequent to the measurement date of June 30, 2019," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	City Pension Plan	City Cash Balance Plan	School TCRS BOE		School TCRS Teacher	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
2021	\$ 570,309	\$ (10,939)	\$ 114,165	\$ 12,894	\$ (171,673)	\$ (10,885)
2022	887,281	(7,699)	100,349	12,513	(2,939,484)	(13,105)
2023	954,757	(6,055)	119,261	13,596	(1,347,420)	(9,036)
2024	802,637	704	126,499	14,255	(1,032,804)	(6,961)
2025	645,583	(4,484)	52,349	14,456	-	(6,369)
Thereafter	4,238,272	(80,234)	-	55,259	-	(41,670)

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

NOTE 10 – PENSIONS (CONTINUED)

E. Trusted Pension Plan without Stand-Alone Financial Statements

The City Cash Balance Plan does not issue stand-alone financial reports and is not included in the report of a public employee retirement system or report of another entity. The plan financial statements are as follows:

	<u>City Cash Balance Plan</u>
<u>Statements of Pension Trust Net Position</u>	
ASSETS	
Cash and cash equivalents	\$ 168,797
Interest receivable	2,246
Investments, at fair value:	
Common stock	388,394
Mutual funds	<u>2,256,392</u>
Total investments	<u>2,644,786</u>
Total assets	<u>2,815,829</u>
LIABILITIES	
Accounts payable	<u>7,325</u>
NET POSITION	
Restricted for pension	<u><u>\$ 2,808,504</u></u>
<u>Statements of Changes in Pension Plan Net Position</u>	
ADDITIONS	
Contributions:	
Employer	\$ 331,144
Plan members	<u>428,294</u>
Total contributions	<u>759,438</u>
Investment earnings (losses):	
Interest and dividends	62,995
Net appreciation in fair value of investments	<u>29,566</u>
Total investment earnings	<u>92,561</u>
Total additions	<u>851,999</u>
DEDUCTIONS	
Benefits	47,472
Administrative expense	<u>22,729</u>
Total deductions	<u>70,201</u>
Change in net position	781,798
NET POSITION RESTRICTED FOR PENSION	
Beginning of year	<u>2,026,706</u>
End of year	<u><u>\$ 2,808,504</u></u>

NOTE 11 – DEFINED CONTRIBUTION EMPLOYEE BENEFIT PLAN

School TCRS Hybrid 401k Plans

The Teacher Retirement Plan and the Hybrid Public Employee Retirement Plan (the Hybrid Plans) provide a combination of a defined benefit plan and a defined contribution plan. The defined benefit portion of the Hybrid Plans are managed by TCRS. The defined contribution assets are deposited into the State's 401(k) plan where the employee manages the investments within the 401(k) plan. Participants may, at their option, contribute 2% of their salaries and employers are required to contribute 5% of those salaries to the defined contribution (401(k)) portion of the Hybrid plans. Participants are immediately vested in contributions. Contributions are made on a tax-deferred basis. During 2020, the Board of Education's employer contribution to the Hybrid Plans was \$677,721.

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

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

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

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

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

	Net OPEB Asset	Deferred Outflows of Resources	Net OPEB Liability	Deferred Inflows of Resources	OPEB Expense
Governmental Activities					
City OPEB Plan	\$ -	18,724,701	\$ 38,871,503	\$ 6,957,442	\$ 3,201,858
School OPEB Plan	-	10,549,269	38,990,117	2,601,668	4,130,585
Total governmental activities	\$ -	\$ 29,273,970	\$ 77,861,620	\$ 9,559,110	\$ 7,332,443
Business-Type Activities					
City OPEB Plan	\$ -	\$ 1,474,546	\$ 3,061,078	\$ 547,889	\$ 252,110
Totals	\$ -	\$ 30,748,516	\$ 80,922,698	\$ 10,106,999	\$ 7,584,553

For governmental activities, OPEB liability is generally liquidated by the general and general purpose school funds.

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)

A. General Information about the OPEB Plan

Benefits Provided

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

The School OPEB plan provides healthcare for retirees and their dependents. Benefits are provided through a third-party insurer. Legacy retirees may continue to participate in the School's plan options that are available to its active employees for life. Non-legacy retirees may receive a monthly stipend of an undesignated amount. Surviving spouses of legacy retirees can 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.

Employees Covered by Benefit Terms

Plan membership as of January 1, 2020, the date of the City OPEB valuation, and June 30, 2020, the date of the School OPEB valuation, consisted of the following:

	City OPEB Plan	School OPEB Plan
Inactive employees or beneficiaries currently receiving benefits	167	97
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	518	930
	<u>685</u>	<u>1,027</u>

Contributions

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

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

Employer contributions to each plan for the year ended June 30, 2020 were as follows:

	City OPEB Plan	School OPEB Plan
Employer contributions	\$ 1,377,463	\$ 1,345,466
Covered payroll	27,858,300	51,542,838
As a percentage of covered payroll	4.94%	2.61%

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)

B. Actuarial Assumptions

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

City Administered OPEB Plan

The total OPEB liability was determined by an actuarial valuation as of January 1, 2020 using the entry age normal level percent of pay, actuarial cost method applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020. Significant actuarial assumptions used in the valuation include:

Inflation	2.5%
Salary increases	3.5%
Investment rate of return	7.5%, net of investment expense, including inflation
Mortality table	Pub G.H-2010-E (M&F) for ages 18 to 54 Pub G.H-2010-HR (M&F) for ages 55 and older
Health care cost trend rate	7.0% initial rate, 3.0% ultimate rate, 9 year grading period

Changes of Assumptions

In 2020, mortality assumptions were modified.

Investment Policy

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	33%	10.06%
International equity	21%	7.58%
Alternative strategies	6%	1.39%
Fixed income	38%	2.61%
Short-term securities	2%	1.67%
	100%	

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on investment was 3.46%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Discount Rate Information

The discount rate used in valuing OPEB liabilities in funded plans as of the measurement date must be based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that they are sufficient to pay for projected benefit payments and the OPEB plan assets are invested using a strategy that will achieve that return. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) must be used. The final equivalent single discount rate as of June 30, 2020 is 7.5%.

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)

Bartlett City Schools Administered OPEB Plan

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the entry age normal level percent of pay, actuarial cost method applied to all periods included in the measurement. Liabilities as of July 1, 2019 are based on an actuarial valuation date of June 30, 2018 projected to July 1, 2019 on a “no loss/no gain” basis. Significant actuarial assumptions used in the valuation include:

Inflation	3.0%
Salary increases	Graded salary ranges from 7.5% to 3.7% based on age
Investment rate of return	6.0%, net of investment expense, including inflation
Mortality table	SOA Pub-2010 General Total Dataset Mortality Table fully generational using scale MP-2019 SOA Pub-2010 Teacher Total Dataset Mortality Table fully generational using scale MP-2019
Health care cost trend rate	8.5% initial rate, 5.0% ultimate rate, 8 year grading period

Changes of Assumptions

In 2020, the following School OPEB assumptions were changed: decreased the investment rate of return from 7.50% to 6.00% and mortality assumptions were changed.

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 regarding 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, 2020, was not available from other auditors as of the date of this report.

It is the policy of the TSBA OPEB Trust Board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future rates of return are developed for each major asset class. These expected future rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage. The best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 is summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	46%	7.50%
Developed market international equity	16%	6.70%
Emerging market international equity	3%	8.30%
Fixed income	35%	3.50%
	100%	6.00%

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on investment was 3.65%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)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, 2020 is 6.0% 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 net OPEB liability for each plan at June 30, 2020, were as follows:

	City OPEB Plan	School OPEB Plan
Total OPEB Liability		
Service cost	\$ 637,448	\$ 1,159,175
Interest	2,471,391	2,374,369
Differences between expected and actual experience	11,189,194	425,581
Changes in assumptions	2,795,169	8,207,882
Benefit payments, including refunds	(951,024)	(423,015)
Net change in total OPEB liability	16,142,178	11,743,992
Total OPEB liability - beginning	32,778,059	30,706,770
Total OPEB liability - ending	48,920,237	42,450,762
Plan Fiduciary Net Position		
Contributions - employer	1,377,463	923,015
Net investment income	225,958	96,733
Benefit payments	(951,024)	(423,015)
Administrative expense	(44,801)	(11,829)
Net change in plan fiduciary net position	607,596	584,904
Plan fiduciary net position - beginning	6,380,060	2,875,741
Plan fiduciary net position -ending	6,987,656	3,460,645
Net OPEB liability (asset)	\$ 41,932,581	\$ 38,990,117

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

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

	Current Discount Rate	1% Decrease	Current Rate	1% Increase
Net OPEB liability (asset)				
City OPEB Plan	7.50%	\$ 46,592,634	\$ 41,932,581	\$ 37,892,292
School OPEB Plan	6.00%	45,610,748	38,990,117	33,591,937

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)*Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate*

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

	Current Healthcare Cost Trend Rate	1% Decrease	Current Rate	1% Increase
Net OPEB liability (asset)				
City OPEB Plan	7% decreasing to 3%	\$ 37,699,281	\$ 41,932,581	\$ 46,842,998
School OPEB Plan	8% decreasing to 4.5%	33,408,753	38,990,117	46,010,937

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

For the year ended June 30, 2020, the City and School reported OPEB expense and deferred outflows of resources and deferred inflows of resources related to each OPEB plan from the following sources:

	City OPEB Plan	School OPEB Plan
OPEB Expense	<u>\$ 3,453,968</u>	<u>\$ 4,130,585</u>
Deferred Outflows of Resources		
Differences between expected and actual experience	\$ 17,385,092	\$ 1,656,642
Net difference between projected and actual earnings on plan investments	183,408	147,730
Changes in assumptions	<u>2,630,747</u>	<u>8,744,897</u>
	<u>\$ 20,199,247</u>	<u>\$ 10,549,269</u>
Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 652,204	\$ 2,601,668
Net difference between projected and actual earnings on plan investments	-	-
Changes in assumptions	<u>6,853,127</u>	<u>-</u>
	<u>\$ 7,505,331</u>	<u>\$ 2,601,668</u>

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

	City OPEB Plan	School OPEB Plan
2021	\$ 790,745	\$ 818,868
2022	831,051	826,413
2023	845,200	830,123
2024	832,359	812,404
2025	778,987	785,019
Thereafter	8,615,574	3,874,774

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)**E. Trusted OPEB Plans without Stand-Alone Financial Statements**

The City and School OPEB plans do not issue stand-alone financial reports and they are not included in the report of a public employee retirement system or report of another entity. The plan financial statements are as follows:

	<u>City OPEB Fund</u>	<u>School OPEB Fund</u>
<u>Statements of OPEB Trust Net Position</u>		
ASSETS		
Cash and cash equivalents	\$ 292,394	\$ 165,902
Interest receivable	6,412	-
Investments, at fair value:		
Common stock	814,207	-
Exchange traded funds	-	747,213
Mutual funds	5,881,740	2,368,453
Alternative investments	-	179,077
Total investments	<u>6,695,947</u>	<u>3,294,743</u>
Total assets	<u>6,994,753</u>	<u>3,460,645</u>
LIABILITIES		
Accounts payable	<u>7,097</u>	<u>-</u>
NET POSITION		
Restricted for OPEB	<u>\$ 6,987,656</u>	<u>\$ 3,460,645</u>
<u>Statements of Changes in OPEB Plan Net Position</u>		
ADDITIONS		
Contributions:		
Employer	\$ 1,377,463	\$ 923,015
Total contributions	<u>1,377,463</u>	<u>923,015</u>
Investment earnings (losses):		
Interest and dividends	171,099	102,425
Net appreciation in fair value of investments	<u>54,859</u>	<u>(5,692)</u>
Total investment earnings	<u>225,958</u>	<u>96,733</u>
Total additions	<u>1,603,421</u>	<u>1,019,748</u>
DEDUCTIONS		
Benefits	944,334	423,015
Administrative expense	<u>44,801</u>	<u>11,829</u>
Total deductions	<u>989,135</u>	<u>434,844</u>
Change in net position	614,286	584,904
NET POSITION RESTRICTED FOR OPEB		
Beginning of year	<u>6,373,370</u>	<u>2,875,741</u>
End of year	<u>\$ 6,987,656</u>	<u>\$ 3,460,645</u>

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Lease Revenues

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

<u>Years Ending</u> <u>June 30</u>	<u>Amount</u>
2021	\$ 292,733
2022	255,545
2023	216,049
2024	97,769
2025	21,425
Thereafter	-
Total	<u><u>\$ 883,521</u></u>

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

Contracts

The City has entered 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.

Asset Retirement Obligations

The City has incurred certain asset retirement obligations related to the operation of its wastewater utility system. The estimated liability of the legally required closure costs for the wastewater utility system cannot be reasonably estimated as of June 30, 2020, since those costs of retirement have not yet been identified. The City anticipates identifying and obtaining an estimate of those specific legally required costs in the subsequent fiscal year.

NOTE 14 - RISK MANAGEMENT

Insurance Other Than Health Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City considers it more economically feasible to participate in a public entity risk pool as opposed to purchasing commercial insurance for certain general liability, workers' compensation, and property and casualty insurance. As such, the City participates in the Public Entity Partners Risk Management Pool (the "Pool"), which is a public entity risk pool consisting of member political subdivisions of the State of Tennessee. The City pays an annual premium to the Pool and each political subdivision that has participated in the Pool is subject to assessment if the funds it paid as premiums are insufficient to meet the obligations of the Pool. The 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 3 fiscal years. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

NOTE 14 - RISK MANAGEMENT (CONTINUED)

Worker's Compensation

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

	2020	2019
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Claims incurred during the year	120,779	121,406
Claims payments	(120,779)	(121,406)
Unpaid claims, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>

Health Insurance

The City of Bartlett and the Bartlett City Board of Education participate in the Interlocal Health Benefits Plan Asset Trust 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, 2020, the City of Bartlett and the Bartlett City Board of Education contributed premiums of \$9,329,176 and \$9,893,153, respectively to the Interlocal Health Benefits Plan Asset Trust.

NOTE 15 – SUBSEQUENT EVENTS

On October 27, 2020, the Board of Mayor and Aldermen (The Board) authorized a loan pursuant to a loan agreement between the City of Bartlett, Tennessee and the Public Building Authority of the City of Clarksville, Tennessee (the "PBA"). The PBA will issue its Local Government Loan Program Bond, Series 2020 (City of Bartlett School Loan), in the principal amount not to exceed \$8,000,000. The loan will bear interest of 1.98% based on a 20 year term with 10 year adjustment and will mature December 1, 2021 through December 1, 2040, with principal payable annually and interest payable semiannually. The proceeds of the loan will be used for the purpose of financing a portion of the construction costs, including furniture and equipment for the new Bartlett Municipal High School, the acquisition of all other property real and personal appurtenant thereto and connected with such work, to pay all legal, fiscal, administrative, and engineering costs incident thereto, and to pay costs incident to the issuance of the Bond and the loan of the proceeds thereof to the City.

CITY OF BARTLETT

T E N N E S S E E

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Pension Liability										
Service cost	\$ 2,099,489	\$ 1,981,057	\$ 2,086,834	\$ 2,228,857	\$ 2,263,398	\$ 2,332,699	\$ 2,231,818	\$ 2,364,680	\$ 2,359,896	\$ 2,362,761
Interest	8,648,715	7,838,989	7,507,230	7,161,402	6,606,832	6,224,029	5,799,696	5,556,860	5,232,466	4,917,355
Changes of benefit items	-	-	-	-	-	-	365,972	-	-	-
Differences between expected and actual experience	(1,790,849)	1,456,453	(564,406)	(705,043)	1,038,862	304,733	77,265	(229,653)	(871,985)	(779,458)
Changes in assumptions	-	8,375,749	-	-	1,090,182	-	-	(1,789,990)	-	-
Benefit payments	(5,030,172)	(4,887,789)	(4,218,862)	(3,787,480)	(3,387,978)	(3,195,130)	(2,816,982)	(2,664,082)	(2,395,115)	(2,299,188)
Net change in total pension liability	3,927,183	14,764,459	4,810,796	4,897,736	7,611,296	5,666,331	5,657,769	3,237,815	4,325,262	4,201,470
Total pension liability - beginning	120,737,671	105,973,212	101,162,416	96,264,680	88,653,384	82,987,053	77,329,284	74,091,469	69,766,207	65,564,737
Total pension liability - ending	124,664,854	120,737,671	105,973,212	101,162,416	96,264,680	88,653,384	82,987,053	77,329,284	74,091,469	69,766,207
Plan Fiduciary Net Position										
Contributions - employer	3,651,439	3,406,793	3,477,162	3,326,960	3,127,818	3,205,170	3,395,565	3,085,413	3,052,605	3,063,599
Contributions - employee	763,000	790,676	830,520	870,940	893,670	915,772	911,954	881,552	872,176	829,711
Net investment income	5,134,060	5,098,831	5,807,523	6,566,084	1,317,984	1,584,193	8,017,388	5,067,448	586,516	7,024,828
Benefit payments	(5,030,172)	(4,887,789)	(4,218,862)	(3,787,480)	(3,387,978)	(3,195,130)	(2,816,982)	(2,664,082)	(2,395,115)	(2,299,188)
Administrative expense	(343,707)	(322,777)	(309,679)	(283,943)	(260,895)	(279,158)	(220,734)	(200,461)	(195,550)	(173,945)
Net change in plan fiduciary net position	4,174,620	4,085,734	5,586,664	6,692,561	1,690,599	2,230,847	9,287,191	6,169,870	1,920,632	8,445,005
Plan fiduciary net position - beginning	82,718,037	78,632,303	73,045,639	66,353,078	64,662,479	62,431,632	53,144,441	46,974,571	45,053,939	36,608,934
Plan fiduciary net position - ending	86,892,657	82,718,037	78,632,303	73,045,639	66,353,078	64,662,479	62,431,632	53,144,441	46,974,571	45,053,939
Net pension liability	\$ 37,772,197	\$ 38,019,634	\$27,340,909	\$28,116,777	\$29,911,602	\$23,990,905	\$20,555,421	\$24,184,843	\$27,116,898	\$24,712,268
Plan fiduciary net position as a percentage of the total pension liability	69.70%	68.51%	74.20%	72.21%	68.93%	72.94%	75.23%	68.72%	63.40%	64.58%
Covered payroll	\$ 19,717,906	\$ 20,009,086	\$21,107,876	\$22,042,673	\$22,505,784	\$23,205,853	\$22,101,474	\$21,797,237	\$21,569,182	\$21,398,047
Net pension liability as a percentage of covered payroll	191.56%	190.01%	129.53%	127.56%	132.91%	103.38%	93.00%	110.95%	125.72%	115.49%

Changes of assumptions. In 2019, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, and mortality tables used.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 3,651,439	\$ 3,406,793	\$ 3,477,162	\$ 3,326,960	\$ 3,089,488	\$ 3,042,488	\$ 3,395,590	\$ 3,787,195	\$ 3,581,767	\$ 3,323,279
Contributions	3,651,439	3,406,793	3,477,162	3,326,960	3,127,818	3,205,170	3,395,565	3,085,413	3,052,605	3,063,599
Contribution deficiency (surplus)	\$ -	\$ -	\$ -	\$ -	\$ (38,330)	\$ (162,682)	\$ 25	\$ 701,782	\$ 529,162	\$ 259,680
Covered payroll	\$ 19,717,906	\$ 20,009,086	\$ 21,107,876	\$ 22,042,673	\$ 22,505,784	\$ 23,205,853	\$ 22,101,474	\$ 21,797,237	\$ 21,569,182	\$ 21,398,047
Contributions as a percentage of covered payroll	18.52%	17.03%	16.47%	15.09%	13.90%	13.81%	15.36%	14.16%	14.15%	14.32%

NOTE 1 - VALUATION DATE

Actuarially determined contributions are calculated as of January 1st, 18 months 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 MONEY-WEIGHTED RATE OF RETURN
EMPLOYEE PENSION PLAN
Last Ten Fiscal Years June 30

	Annual Money-Weighted Rate of Return <u>Net of Investment Expenses</u>
2020	6.3%
2019	6.5%
2018	7.5%
2017	9.4%
2016	1.6%
2015	2.1%
2014	14.5%
2013	10.2%
2012	0.8%
2011	18.3%

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

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 830,971	\$ 702,503	\$ 536,160	\$ 336,506	\$ 189,455	\$ 54,492
Interest	86,538	51,353	26,318	11,062	2,915	-
Changes of benefit items	-	-	-	-	-	-
Differences between expected and actual experience	(53,898)	(7,216)	(31,534)	(14,657)	(5,166)	-
Changes in assumptions	-	-	-	-	-	-
Benefit payments	(49,066)	(26,765)	(33,688)	(21,897)	(9,519)	-
Net change in total pension liability	814,545	719,875	497,256	311,014	177,685	54,492
Total pension liability - beginning	1,760,322	1,040,447	543,191	232,177	54,492	-
Total pension liability - ending	2,574,867	1,760,322	1,040,447	543,191	232,177	54,492
Plan Fiduciary Net Position						
Contributions - employer	331,144	405,977	299,953	180,556	97,392	28,315
Contributions - employee	428,294	355,855	275,499	180,556	97,392	28,315
Net investment income	92,561	111,604	52,038	36,579	5,687	1
Benefit payments	(49,066)	(26,765)	(33,688)	(21,897)	(9,519)	-
Administrative expense	(22,729)	(14,158)	(7,328)	(8,827)	(5,237)	-
Net change in plan fiduciary net position	780,204	832,513	586,474	366,967	185,715	56,631
Plan fiduciary net position - beginning	2,028,300	1,195,787	609,313	242,346	56,631	-
Plan fiduciary net position -ending	2,808,504	2,028,300	1,195,787	609,313	242,346	56,631
Net pension liability (asset)	<u>\$ (233,637)</u>	<u>\$ (267,978)</u>	<u>\$ (155,340)</u>	<u>\$ (66,122)</u>	<u>\$ (10,169)</u>	<u>\$ (2,139)</u>
Plan fiduciary net position as a percentage of the total pension liability	109.07%	115.22%	114.93%	112.17%	104.38%	103.93%
Covered payroll	\$ 8,140,394	\$ 7,118,575	\$ 5,213,226	\$ 3,276,689	\$ 1,841,278	\$ 544,418
Net pension liability as a percentage of covered payroll	-2.87%	-3.76%	-2.98%	-2.02%	-0.55%	-0.39%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 331,144	\$ 346,648	\$ 260,661	\$ 163,835	\$ 92,064	\$ 27,221
Contributions	<u>331,144</u>	<u>405,977</u>	<u>299,953</u>	<u>180,556</u>	<u>97,392</u>	<u>28,315</u>
Contribution deficiency (surplus)	<u>\$ -</u>	<u>\$ (59,329)</u>	<u>\$ (39,292)</u>	<u>\$ (16,721)</u>	<u>\$ (5,328)</u>	<u>\$ (1,094)</u>
Covered payroll	\$ 8,140,394	\$ 7,118,575	\$ 5,213,226	\$ 3,276,689	\$ 1,841,278	\$ 544,418
Contributions as a percentage of covered payroll	4.07%	5.70%	5.75%	5.51%	5.29%	5.20%

NOTE 1 - VALUATION DATE

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

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

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

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 MONEY-WEIGHTED RATE OF RETURN
EMPLOYEE CASH BALANCE PENSION PLAN
Last Ten Fiscal Years June 30

	Annual Money-Weighted Rate of Return <u>Net of Investment Expenses</u>
2020	3.9%
2019	7.6%
2018	5.1%
2017	6.7%
2016	0.3%
2015	0.0%

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

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

	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	\$ 743,726	\$ 756,037	\$ 787,475	\$ 211,152	\$ 1,008,583
Interest	323,199	263,253	202,319	66,678	75,639
Changes of benefit items	-	-	-	-	-
Differences between expected and actual experience	440,708	(147,684)	(64,424)	969,248	(399,645)
Changes in assumptions			58,503	-	-
Benefit payments	(43,649)	(21,275)	(16,606)	(13,118)	(124)
Net change in total pension liability	1,463,984	850,331	967,267	1,233,960	684,453
Total pension liability - beginning	3,736,011	2,885,680	1,918,413	684,453	-
Total pension liability - ending	5,199,995	3,736,011	2,885,680	1,918,413	684,453
Plan Fiduciary Net Position					
Contributions - employer	510,500	539,893	554,835	602,127	655,197
Contributions - employee	275,352	291,206	299,263	324,772	353,386
Net investment income	334,471	285,934	271,868	40,582	16,348
Benefit payments	(43,649)	(21,275)	(16,606)	(13,118)	(124)
Administrative expense	(13,599)	(15,822)	(14,689)	(14,766)	(12,132)
Other	-	-	800	-	-
Net change in plan fiduciary net position	1,063,075	1,079,936	1,095,471	939,597	1,012,675
Plan fiduciary net position - beginning	4,127,679	3,047,743	1,952,272	1,012,675	-
Plan fiduciary net position -ending	5,190,754	4,127,679	3,047,743	1,952,272	1,012,675
Net pension liability (asset)	\$ 9,241	\$ (391,668)	\$ (162,063)	\$ (33,859)	\$ (328,222)
Plan fiduciary net position as a percentage of the total pension liability	99.82%	110.48%	105.62%	101.76%	147.95%
Covered payroll	\$ 5,507,008	\$ 5,824,092	\$ 5,985,283	\$ 6,501,043	\$ 7,067,925
Net pension liability as a percentage of covered payroll	0.17%	-6.72%	-2.71%	-0.52%	-4.64%

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

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

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

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 456,093	\$ 484,617	\$ 539,893	\$ 496,778	\$ 602,127	\$ 655,197
Contributions	491,056	510,500	539,893	554,835	602,127	655,197
Contribution deficiency (surplus)	<u>\$ (34,963)</u>	<u>\$ (25,883)</u>	<u>\$ -</u>	<u>\$ (58,057)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,297,253	\$ 5,507,008	\$ 5,824,092	\$ 5,985,283	\$ 6,501,043	\$ 7,067,925
Contributions as a percentage of covered payroll	9.27%	9.27%	9.27%	9.27%	9.26%	9.27%

NOTE 1 - VALUATION DATE

Actuarially determined contribution rates for fiscal year 2020 were calculated based on the June 30, 2018 actuarial valuation.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation method	10 year smoothed with a 20% corridor to market value
Inflation	2.50%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4%
Investment rate of return	7.25%, 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	2.25%

NOTE 3 - CHANGES OF ASSUMPTIONS

In 2017, the following assumptions were changed: decreased inflation rate from 3% to 2.5%; decreased the investment rate of return from 7.5% to 7.25%; decreased the cost-of-living adjustment from 2.5% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4%; and modified mortality assumptions.

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
HYBRID PUBLIC EMPLOYEE PENSION PLAN OF TCRS

Last Ten Fiscal Years June 30

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability					
Service cost	\$ 136,703	\$ 103,334	\$ 43,360	\$ 13,325	\$ 8,469
Interest	31,858	18,776	7,818	1,768	635
Changes of benefit items	-	-	-	-	-
Differences between expected and actual experience	53,140	28,209	38,719	35,669	1,141
Changes in assumptions	-	-	5,003	-	-
Benefit payments	(6,516)	-	(256)	-	-
Net change in total pension liability	215,185	150,319	94,644	50,762	10,245
Total pension liability - beginning	305,970	155,651	61,007	10,245	-
Total pension liability - ending	521,155	305,970	155,651	61,007	10,245
Plan Fiduciary Net Position					
Contributions - employer	44,011	83,885	70,809	26,795	4,840
Contributions - employee	134,180	104,858	70,809	33,494	6,049
Net investment income	38,186	26,040	15,806	1,101	183
Benefit payments	(6,516)	-	(256)	-	-
Administrative expense	(7,566)	(6,654)	(4,764)	(2,100)	(99)
Net change in plan fiduciary net position	202,295	208,129	152,404	59,290	10,973
Plan fiduciary net position - beginning	430,796	222,667	70,263	10,973	-
Plan fiduciary net position -ending	633,091	430,796	222,667	70,263	10,973
Net pension liability (asset)	<u>\$ (111,936)</u>	<u>\$ (124,826)</u>	<u>\$ (67,016)</u>	<u>\$ (9,256)</u>	<u>\$ (728)</u>
Plan fiduciary net position as a percentage of the total pension liability	121.48%	140.80%	143.06%	115.17%	107.11%
Covered payroll	\$ 2,683,578	\$ 2,097,126	\$ 1,416,170	\$ 669,882	\$ 120,989
Net pension liability as a percentage of covered payroll	-4.17%	-5.95%	-4.73%	-1.38%	-0.60%

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

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

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

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 75,594	\$ 44,011	\$ 35,861	\$ 25,491	\$ 13,397	\$ 2,420
Contributions	75,594	44,011	83,885	70,809	26,795	4,840
Contribution deficiency (surplus)	\$ -	\$ -	\$ (48,024)	\$ (45,318)	\$ (13,398)	\$ (2,420)
Covered payroll	\$ 3,669,586	\$ 2,683,578	\$ 2,097,126	\$ 1,416,170	\$ 669,882	\$ 120,989
Contributions as a percentage of covered payroll	2.06%	1.64%	4.00%	5.00%	4.00%	4.00%

In fiscal year 2020, the actuarially determined contribution rate of 2.06% of covered payroll was placed into the pension plan and 1.66% of covered payroll was placed into the Pension Stabilization Reserve Trust. In fiscal year 2019, the actuarially determined contribution rate of 1.64% of covered payroll was placed into the pension plan and 2.12% of covered payroll was placed into the Pension Stabilization Reserve Trust.

NOTE 1 - VALUATION DATE

Actuarially determined contribution rates for fiscal year 2020 were calculated based on the June 30, 2018 actuarial valuation.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation method	10 year smoothed with a 20% corridor to market value
Inflation	2.50%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4%
Investment rate of return	7.25%, 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	2.25%

NOTE 3 - CHANGES OF ASSUMPTIONS

In 2017, the following assumptions were changed: decreased inflation rate from 3% to 2.5%; decreased the investment rate of return from 7.5% to 7.25%; decreased the cost-of-living adjustment from 2.5% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4%.

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 LEGACY PENSION PLAN OF TCRS
Last Ten Fiscal Years June 30

	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	1.053595%	1.020515%	0.979236%	0.968084%	0.889434%	0.000000%
Proportionate share of the net pension liability (asset)	\$(10,832,852)	\$ (3,591,107)	\$ (320,390)	\$ 6,049,987	\$ 364,343	\$ -
Covered payroll	\$ 35,350,223	\$ 35,668,774	\$ 34,615,492	\$ 34,945,891	\$ 33,295,992	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-30.64%	-10.07%	-0.93%	17.31%	1.09%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	104.28%	101.49%	100.14%	97.14%	99.81%	100.08%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,784,489	\$ 3,695,258	\$ 3,244,749	\$ 3,129,243	\$ 3,159,107	\$ 3,009,957
Contribution in relation to the contractually required contribution	<u>3,784,489</u>	<u>3,695,258</u>	<u>3,244,749</u>	<u>3,129,243</u>	<u>3,159,107</u>	<u>3,009,957</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 35,604,570	\$ 35,350,223	\$ 35,668,774	\$ 34,615,492	\$ 34,945,891	\$ 33,295,992
Contributions as a percentage of covered payroll	10.63%	10.45%	9.10%	9.04%	9.04%	9.04%

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3% to 2.5%; decreased the investment rate of return from 7.5% to 7.25%; decreased the cost-of-living adjustment from 2.5% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4%; and modified mortality assumptions.

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.607963%	0.575962%	0.494995%	0.448296%	0.267353%
Proportionate share of the net pension liability (asset)	\$ (343,187)	\$ (261,215)	\$ (130,597)	\$ (46,669)	\$ (10,755)
Covered payroll	<u>\$ 6,376,605</u>	<u>\$ 5,100,109</u>	<u>\$ 3,248,839</u>	<u>\$ 1,972,539</u>	<u>\$ 555,497</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-5.38%	-5.12%	-4.02%	-2.37%	-1.94%
Plan fiduciary net position as a percentage of the total pension liability	123.07%	126.97%	126.81%	121.88%	127.46%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 154,931	\$ 124,810	\$ 82,079	\$ 129,954	\$ 49,377	\$ 13,887
Contribution in relation to the contractually required contribution	<u>154,931</u>	<u>124,810</u>	<u>201,329</u>	<u>129,954</u>	<u>78,901</u>	<u>22,220</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (119,250)</u>	<u>\$ -</u>	<u>\$ (29,524)</u>	<u>\$ (8,333)</u>
Covered payroll	\$ 7,635,009	\$ 6,376,605	\$ 5,100,109	\$ 3,248,839	\$ 1,972,539	\$ 555,497
Contributions as a percentage of covered payroll	2.03%	1.96%	3.95%	4.00%	4.00%	4.00%

In fiscal year 2020, the actuarially determined contribution rate of 2.03% of covered payroll was placed into the pension plan and 1.87% of covered payroll was placed into the Pension Stabilization Reserve Trust. In fiscal year 2019, the actuarially determined contribution rate of 1.96% of covered payroll was placed into the pension plan and 1.91% of covered payroll was placed into the Pension Stabilization

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3% to 2.5%; decreased the investment rate of return from 7.5% to 7.25%; decreased the cost-of-living adjustment from 2.5% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4%; and modified mortality assumptions

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service cost	\$ 637,448	\$ 637,448	\$ 637,448	\$ 720,694
Interest	2,471,391	2,365,694	1,507,704	1,439,231
Changes of benefit items	-	-	-	-
Differences between expected and actual experience	11,189,194	(715,882)	8,323,018	(26,865)
Changes in assumptions	2,795,169	-	(8,321,654)	-
Benefit payments	<u>(951,024)</u>	<u>(813,957)</u>	<u>(708,131)</u>	<u>(653,224)</u>
Net change in total OPEB liability	16,142,178	1,473,303	1,438,385	1,479,836
Total OPEB liability - beginning	<u>32,778,059</u>	<u>31,304,756</u>	<u>29,866,371</u>	<u>28,386,535</u>
Total OPEB liability - ending	<u>48,920,237</u>	<u>32,778,059</u>	<u>31,304,756</u>	<u>29,866,371</u>
Plan Fiduciary Net Position				
Contributions - employer	1,377,463	1,338,763	1,308,590	1,260,999
Net investment income	225,958	367,743	316,640	399,190
Benefit payments	<u>(951,024)</u>	<u>(813,957)</u>	<u>(708,131)</u>	<u>(653,224)</u>
Administrative expense	<u>(44,801)</u>	<u>(27,809)</u>	<u>(45,663)</u>	<u>(31,824)</u>
Net change in plan fiduciary net position	607,596	864,740	871,436	975,141
Plan fiduciary net position - beginning	<u>6,380,060</u>	<u>5,515,320</u>	<u>4,643,884</u>	<u>3,668,743</u>
Plan fiduciary net position -ending	<u>6,987,656</u>	<u>6,380,060</u>	<u>5,515,320</u>	<u>4,643,884</u>
Net OPEB liability (asset)	<u>\$ 41,932,581</u>	<u>\$ 26,397,999</u>	<u>\$ 25,789,436</u>	<u>\$ 25,222,487</u>
Plan fiduciary net position as a percentage of the total OPEB liability	14.28%	19.46%	17.62%	15.55%
Covered payroll	\$ 27,858,300	\$ 25,222,312	\$ 25,222,312	\$ 24,384,565
Net OPEB liability as a percentage of covered payroll	150.52%	104.66%	102.25%	103.44%

Changes of assumptions. In 2020, amounts reported as changes in assumptions resulted from changes to mortality assumptions. In 2018, amounts reported as changes of assumptions resulted from changes to the investment rate of return.

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 3,551,779	\$ 3,551,791	\$ 4,008,792	\$ 4,008,792
Contributions	<u>1,377,463</u>	<u>1,338,763</u>	<u>1,308,590</u>	<u>1,260,999</u>
Contribution deficiency (surplus)	<u>\$ 2,174,316</u>	<u>\$ 2,213,028</u>	<u>\$ 2,700,202</u>	<u>\$ 2,747,793</u>
Covered payroll	\$ 27,858,300	\$ 25,222,312	\$ 25,222,312	\$ 24,384,565
Contributions as a percentage of covered payroll	4.94%	5.31%	5.19%	5.17%

NOTE 1 - VALUATION DATE

Actuarially determined contribution rates for fiscal year 2020 were calculated based on the January 1, 2018 actuarial valuation.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION

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

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

	Annual Money-Weighted Rate of Return <u>Net of Investment Expenses</u>
2020	3.46%
2019	6.43%
2018	5.56%
2017	9.34%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service cost	\$ 1,159,175	\$ 1,170,208	\$ 1,073,698	\$ 1,130,118
Interest	2,374,369	2,294,983	1,952,729	1,790,381
Changes of benefit items	-	-	-	-
Differences between expected and actual experience	425,581	(2,030,141)	1,745,907	(1,478,154)
Changes in assumptions	8,207,882	1,940	1,762,199	-
Benefit payments	<u>(423,015)</u>	<u>(313,889)</u>	<u>(561,750)</u>	<u>(414,449)</u>
Net change in total OPEB liability	11,743,992	1,123,101	5,972,783	1,027,896
Total OPEB liability - beginning	<u>30,706,770</u>	<u>29,583,669</u>	<u>23,610,886</u>	<u>22,582,990</u>
Total OPEB liability - ending	42,450,762	30,706,770	29,583,669	23,610,886
Plan Fiduciary Net Position				
Contributions - employer	923,015	813,889	1,061,750	914,449
Contributions - employee	-	-	-	-
Net investment income	96,733	100,803	168,305	137,453
Benefit payments	(423,015)	(313,889)	(561,750)	(414,449)
Administrative expense	<u>(11,829)</u>	<u>(9,644)</u>	<u>(20,516)</u>	<u>(4,058)</u>
Net change in plan fiduciary net position	584,904	591,159	647,789	633,395
Plan fiduciary net position - beginning	<u>2,875,741</u>	<u>2,284,582</u>	<u>1,636,793</u>	<u>1,003,398</u>
Plan fiduciary net position -ending	3,460,645	2,875,741	2,284,582	1,636,793
Net OPEB liability (asset)	<u><u>\$ 38,990,117</u></u>	<u><u>\$ 27,831,029</u></u>	<u><u>\$ 27,299,087</u></u>	<u><u>\$ 21,974,093</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	8.15%	9.37%	7.72%	6.93%
Covered payroll	\$ 51,542,838	\$ 53,548,702	\$ 51,989,031	\$ 43,172,629
Net OPEB liability as a percentage of covered payroll	75.65%	51.97%	52.51%	50.90%

Changes of assumptions. In 2020, amounts reported as changes of assumptions resulted from changes to the investment rate of return and mortality tables. In 2018, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, payroll growth rate, and mortality tables.

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 3,733,044	\$ 3,616,757	\$ 3,128,879	\$ 2,245,129
Contributions	<u>923,015</u>	<u>813,889</u>	<u>1,061,750</u>	<u>914,449</u>
Contribution deficiency (surplus)	<u>\$ 2,810,029</u>	<u>\$ 2,802,868</u>	<u>\$ 2,067,129</u>	<u>\$ 1,330,680</u>
Covered payroll	\$ 51,542,838	\$ 53,548,702	\$ 51,989,031	\$ 43,172,629
Contributions as a percentage of covered payroll	1.79%	1.52%	2.04%	2.12%

NOTE 1 - VALUATION DATE

Actuarially determined contribution rates for fiscal year 2020 were calculated based on the June 30, 2018 actuarial valuation.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION

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

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 MONEY-WEIGHTED RATE OF RETURN
SCHOOL OTHER POSTEMPLOYMENT BENEFIT PLAN
Last Ten Fiscal Years June 30

	Annual Money-Weighted Rate of Return <u>Net of Investment Expenses</u>
2020	3.65%
2019	4.36%
2018	9.16%
2017	13.61%

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

FUND STATEMENTS

CITY OF BARTLETT

T E N N E S S E E

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

COMBINING NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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.

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.

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.

E-Citation Fund - The City imposes an electronic traffic citation fee of \$5.00 for each traffic citation resulting in a conviction to be used for electronic citation system and related technology expenditures

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

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

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

CITY OF BARTLETT, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020

	Special Revenue Funds						
	State Street Aid Fund	Solid Waste Control Fund	General Improvement Fund	Drug Enforcement Fund	Drainage Control Fund	Parks Improvement Fund	E-Citation Fund
ASSETS							
Cash and cash equivalents	\$ 630,207	\$ 332,322	\$ 49,090	\$ 482,120	\$ 220,071	\$ 660,088	\$ 8,113
Receivables							
Taxes	-	-	-	-	-	-	-
Customer	-	747,990	66,432	-	-	-	-
Other	-	5,338	-	-	-	-	-
Less allowance for doubtful accounts	-	(29,333)	(2,741)	-	-	-	-
Due from other governments	332,968	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Prepaid items	-	-	64,047	-	-	-	-
	<u>-</u>	<u>-</u>	<u>64,047</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 963,175</u>	<u>\$ 1,056,317</u>	<u>\$ 176,828</u>	<u>\$ 482,120</u>	<u>\$ 220,071</u>	<u>\$ 660,088</u>	<u>\$ 8,113</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ 124,178	\$ 128,531	\$ 6,296	\$ 73,302	\$ 65	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	72,342	-	-	-	-	-	-
Total liabilities	<u>196,520</u>	<u>128,531</u>	<u>6,296</u>	<u>73,302</u>	<u>65</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue							
Taxes	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-
Other	-	45,366	4,108	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>45,366</u>	<u>4,108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	64,047	-	-	-	-
Restricted	-	882,420	-	408,818	-	-	8,113
Committed	766,655	-	102,377	-	220,006	660,088	-
Total fund balances	<u>766,655</u>	<u>882,420</u>	<u>166,424</u>	<u>408,818</u>	<u>220,006</u>	<u>660,088</u>	<u>8,113</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 963,175</u>	<u>\$ 1,056,317</u>	<u>\$ 176,828</u>	<u>\$ 482,120</u>	<u>\$ 220,071</u>	<u>\$ 660,088</u>	<u>\$ 8,113</u>

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CITY OF BARTLETT, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020

	Special Revenue Funds						Total Nonmajor Governmental Funds
	DEA Task Force Fund	Grants Fund	Federal Projects Fund	School Nutrition Fund	Discretionary Grants Fund	Debt Service Fund	
ASSETS							
Cash and cash equivalents	\$ 360,852	\$ 143,884	\$ -	\$ 528,463	\$ 6,702	\$ 2,073,668	\$ 5,495,580
Receivables							
Taxes	-	-	-	-	-	613,307	613,307
Customer	-	-	-	-	-	-	814,422
Other	-	-	-	-	-	-	5,338
Less allowance for doubtful accounts	-	-	-	-	-	-	(32,074)
Due from other governments	-	872,511	433,950	-	75,305	-	1,714,734
Inventory	-	-	-	64,251	-	-	64,251
Prepaid items	-	-	-	-	-	-	64,047
Total assets	<u>\$ 360,852</u>	<u>\$ 1,016,395</u>	<u>\$ 433,950</u>	<u>\$ 592,714</u>	<u>\$ 82,007</u>	<u>\$ 2,686,975</u>	<u>\$ 8,739,605</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ 150	\$ 15,997	\$ 34,725	\$ 17,453	\$ 2,005	\$ 1,500	\$ 404,202
Accrued payroll	-	-	148,961	24	17,692	-	166,677
Due to other funds	-	795,987	250,264	-	62,006	-	1,108,257
Unearned revenue	-	204,411	-	86,342	-	-	363,095
Total liabilities	<u>150</u>	<u>1,016,395</u>	<u>433,950</u>	<u>103,819</u>	<u>81,703</u>	<u>1,500</u>	<u>2,042,231</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue							
Taxes	-	-	-	-	-	-	-
Grants	-	-	-	-	304	-	304
Other	-	-	-	-	-	-	49,474
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>304</u>	<u>-</u>	<u>49,778</u>
FUND BALANCES							
Nonspendable	-	-	-	64,251	-	-	128,298
Restricted	360,702	-	-	424,644	-	-	2,084,697
Committed	-	-	-	-	-	2,685,475	4,434,601
Total fund balances	<u>360,702</u>	<u>-</u>	<u>-</u>	<u>488,895</u>	<u>-</u>	<u>2,685,475</u>	<u>6,647,596</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 360,852</u>	<u>\$ 1,016,395</u>	<u>\$ 433,950</u>	<u>\$ 592,714</u>	<u>\$ 82,007</u>	<u>\$ 2,686,975</u>	<u>\$ 8,739,605</u>

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Special Revenue Funds						
	State Street Aid Fund	Solid Waste Control Fund	General Improvement Fund	Drug Enforcement Fund	Drainage Control Fund	Parks Improvement Fund	E-Citation Fund
REVENUES							
Local sales taxes	\$ 83,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental							
State gas tax	2,007,504	-	-	-	-	-	-
Charges for services	13,849	7,238,764	668,951	-	12,250	30,800	17,693
Fines, forfeitures, and penalties	-	-	-	260,824	-	-	-
Federal, state and other grants	-	-	-	-	-	-	-
Interest on investments	5,321	2,672	762	3,350	1,013	4,714	28
Other	-	6,519	-	-	5,000	-	-
Total revenues	2,110,237	7,247,955	669,713	264,174	18,263	35,514	17,721
EXPENDITURES							
Current							
Public safety	-	-	-	123,191	-	-	9,608
Public works	2,482,693	6,718,393	635,954	-	106,945	-	-
Parks and recreation	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Total expenditures	2,482,693	6,718,393	635,954	123,191	106,945	-	9,608
Excess (deficiency) of revenues over (under) expenditures	(372,456)	529,562	33,759	140,983	(88,682)	35,514	8,113
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	-	2,074	-	-	-	-	-
Transfers in	-	-	-	12,764	100,000	-	-
Transfers out	-	(139,000)	(168,000)	-	-	(22,700)	-
Total other financing sources and uses	-	(136,926)	(168,000)	12,764	100,000	(22,700)	-
Net change in fund balances	(372,456)	392,636	(134,241)	153,747	11,318	12,814	8,113
Fund balances - beginning	1,139,111	489,784	300,665	255,071	208,688	647,274	-
Fund balances - ending	\$ 766,655	\$ 882,420	\$ 166,424	\$ 408,818	\$ 220,006	\$ 660,088	\$ 8,113

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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, 2020

	Special Revenue Funds					Debt Service Fund	Total Nonmajor Governmental Funds
	DEA Task Force Fund	Grants Fund	Federal Projects Fund	School Nutrition Fund	Discretionary Grants Fund		
REVENUES							
Local sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,476,565	\$ 3,560,128
Intergovernmental							
State gas tax	-	-	-	-	-	-	2,007,504
Charges for services	-	-	-	1,038,344	-	-	9,020,651
Fines, forfeitures, and penalties	-	-	-	-	-	-	260,824
Federal, state and other grants	133,007	1,387,328	5,775,773	1,409,177	765,592	-	9,470,877
Interest on investments	233	-	-	-	-	5,670	23,763
Other	-	-	-	-	-	-	11,519
Total revenues	133,240	1,387,328	5,775,773	2,447,521	765,592	3,482,235	24,355,266
EXPENDITURES							
Current							
Public safety	141,453	14,807	-	-	-	-	289,059
Public works	-	24,736	-	-	-	-	9,968,721
Parks and recreation	-	263,026	-	-	-	-	263,026
Education	-	-	5,603,527	2,969,753	754,770	-	9,328,050
Debt Service							
Principal	-	-	-	-	-	5,518,000	5,518,000
Interest	-	-	-	-	-	3,009,943	3,009,943
Bond issuance costs	-	-	-	-	-	81,273	81,273
Total expenditures	141,453	302,569	5,603,527	2,969,753	754,770	8,609,216	28,458,072
Excess (deficiency) of revenues over (under) expenditures	(8,213)	1,084,759	172,246	(522,232)	10,822	(5,126,981)	(4,102,806)
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	-	-	-	-	-	-	2,074
Transfers in	-	-	-	522,232	5,541	4,655,851	5,296,388
Transfers out	-	(1,084,759)	(322,047)	-	(10,822)	-	(1,747,328)
Total other financing sources and uses	-	(1,084,759)	(322,047)	522,232	(5,281)	4,655,851	3,551,134
Net change in fund balances	(8,213)	-	(149,801)	-	5,541	(471,130)	(551,672)
Fund balances - beginning	368,915	-	149,801	488,895	(5,541)	3,156,605	7,199,268
Fund balances - ending	\$ 360,702	\$ -	\$ -	\$ 488,895	\$ -	\$ 2,685,475	\$ 6,647,596

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, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Local sales tax				
Intergovernmental - state gas tax	\$ -	\$ -	\$ 83,563	\$ 83,563
Gas motor fuel	2,150,000	2,150,000	1,028,044	(1,121,956)
Gas 1989	-	-	162,544	162,544
Gas 3 cent	-	-	816,916	816,916
Charges for services	225,000	225,000	13,849	(211,151)
Interest on investments	-	-	5,321	5,321
Other income	1,000	1,000	-	(1,000)
Total revenues	<u>2,376,000</u>	<u>2,376,000</u>	<u>2,110,237</u>	<u>(265,763)</u>
EXPENDITURES				
Public Works				
Materials and supplies	2,150,000	2,150,000	1,904,867	245,133
Capital outlay	435,000	601,830	577,826	24,004
Total expenditures	<u>2,585,000</u>	<u>2,751,830</u>	<u>2,482,693</u>	<u>269,137</u>
Net change in fund balances	<u>\$ (209,000)</u>	<u>\$ (375,830)</u>	<u>(372,456)</u>	<u>\$ 3,374</u>
Fund balances - beginning			<u>1,139,111</u>	
Fund balances - ending			<u>\$ 766,655</u>	

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Charges for services	\$ 7,166,000	\$ 7,166,000	\$ 7,238,764	\$ 72,764
Federal, state and other grants	10,800	10,800	-	(10,800)
Interest on investments	-	-	2,672	2,672
Other income	8,391	8,391	6,519	(1,872)
Total revenues	<u>7,185,191</u>	<u>7,185,191</u>	<u>7,247,955</u>	<u>62,764</u>
EXPENDITURES				
Public Works				
Salaries	2,211,866	2,097,866	2,041,919	55,947
Benefits	1,069,925	1,069,925	955,938	113,987
Contractual services	1,050,800	1,083,800	1,180,004	(96,204)
Maintenance and equipment rental	685,250	685,250	668,043	17,207
Materials and supplies	445,700	445,756	366,580	79,176
Insurance	53,700	53,700	56,608	(2,908)
Other charges	61,500	61,500	57,774	3,726
Capital outlay	1,467,450	1,548,450	1,391,527	156,923
Total expenditures	<u>7,046,191</u>	<u>7,046,247</u>	<u>6,718,393</u>	<u>327,854</u>
Excess of revenues over expenditures	139,000	138,944	529,562	390,618
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	2,074	2,074
Transfers out	<u>(139,000)</u>	<u>(139,000)</u>	<u>(139,000)</u>	-
Total other financing uses	<u>(139,000)</u>	<u>(139,000)</u>	<u>(136,926)</u>	<u>2,074</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (56)</u>	392,636	<u>\$ 392,692</u>
Fund balances - beginning			<u>489,784</u>	
Fund balances - ending			<u>\$ 882,420</u>	

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 672,000	\$ 672,000	\$ 668,951	\$ (3,049)
Interest on investments	100	100	762	662
Total revenues	672,100	672,100	669,713	(2,387)
EXPENDITURES				
Public Works				
Contractual services	10,000	10,000	4,812	5,188
Maintenance and equipment rental	426,000	433,050	456,572	(23,522)
Other charges	50,500	50,500	31,218	19,282
Capital outlay	177,000	175,000	143,352	31,648
Total expenditures	663,500	668,550	635,954	32,596
Excess of revenues over expenditures	8,600	3,550	33,759	30,209
OTHER FINANCING SOURCES (USES)				
Transfers out	(168,000)	(168,000)	(168,000)	-
Net change in fund balances	<u>\$ (159,400)</u>	<u>\$ (164,450)</u>	(134,241)	<u>\$ 30,209</u>
Fund balances - beginning			300,665	
Fund balances - ending			<u>\$ 166,424</u>	

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines, forfeitures, and penalties	\$ 128,000	\$ 128,000	\$ 260,824	\$ 132,824
Interest on investments	-	-	3,350	3,350
Total revenues	128,000	128,000	264,174	136,174
EXPENDITURES				
Public Safety				
Salaries	50,000	50,000	30,602	19,398
Benefits	4,000	4,000	2,214	1,786
Contractual services	14,000	14,000	7,163	6,837
Maintenance and equipment rental	8,500	8,500	416	8,084
Materials and supplies	92,500	96,188	45,895	50,293
Other charges	39,700	39,700	15,416	24,284
Capital outlay	85,500	85,500	21,485	64,015
Total expenditures	294,200	297,888	123,191	174,697
Excess (deficiency) of revenues over (under) expenditures	(166,200)	(169,888)	140,983	310,871
OTHER FINANCING SOURCES (USES)				
Transfers in	33,000	33,000	12,764	(20,236)
Net change in fund balances	\$ (133,200)	\$ (136,888)	153,747	\$ 290,635
Fund balances - beginning			255,071	
Fund balances - ending			\$ 408,818	

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 4,000	\$ 4,000	\$ 12,250	\$ 8,250
Interest on investments	-	-	1,013	1,013
Other Income	23,374	23,374	5,000	(18,374)
Total revenues	27,374	27,374	18,263	(9,111)
EXPENDITURES				
Public Works				
Salaries	72,500	72,500	66,909	5,591
Benefits	30,850	30,850	33,022	(2,172)
Contractual services	13,824	14,674	1,904	12,770
Materials and supplies	750	750	-	750
Other charges	9,450	9,450	5,110	4,340
Total expenditures	127,374	128,224	106,945	21,279
Deficiency of revenues under expenditures	(100,000)	(100,850)	(88,682)	12,168
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
Net change in fund balances	\$ -	\$ (850)	11,318	\$ 12,168
Fund balances - beginning			208,688	
Fund balances - ending			\$ 220,006	

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 30,800	\$ 30,800
Interest on investments	500	500	4,714	4,214
Total revenues	500	500	35,514	35,014
OTHER FINANCING SOURCES (USES)				
Transfers out	(22,700)	(22,700)	(22,700)	-
Net change in fund balances	<u>\$ (22,200)</u>	<u>\$ (22,200)</u>	12,814	<u>\$ 35,014</u>
Fund balances - beginning			<u>647,274</u>	
Fund balances - ending			<u>\$ 660,088</u>	

CITY OF BARTLETT, TENNESSEE**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
E-CITATION FUND**

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 38,400	\$ 38,400	\$ 17,693	\$ (20,707)
Interest on investments	\$ -	\$ -	\$ 28	\$ 28
Total revenues	38,400	38,400	17,721	(20,679)
EXPENDITURES:				
Public Safety				
Maintenance and equipment rental	23,000	23,000	-	23,000
Materials and supplies	-	-	9,608	(9,608)
Capital outlay	15,400	15,400	-	15,400
Total expenditures	38,400	38,400	9,608	28,792
Net change in fund balances	\$ -	\$ -	8,113	\$ 8,113
Fund balances - beginning			-	
Fund balances - ending			\$ 8,113	

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, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Federal, state and other grants	\$ 60,000	\$ 60,000	\$ 133,007	\$ 73,007
Interest income	200	200	233	33
Total revenues	60,200	60,200	133,240	73,040
EXPENDITURES				
Public Safety				
Contractual services	20,000	20,000	-	20,000
Maintenance and equipment rental	3,000	3,000	-	3,000
Materials and supplies	6,000	6,000	2,521	3,479
Other charges	5,700	5,700	5,300	400
Capital outlay	90,000	136,546	133,632	2,914
Total expenditures	124,700	171,246	141,453	29,793
Net change in fund balances	<u>\$ (64,500)</u>	<u>\$ (111,046)</u>	(8,213)	<u>\$ 102,833</u>
Fund balances - beginning			<u>368,915</u>	
Fund balances - ending			<u>\$ 360,702</u>	

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal, state and other grants	\$ 6,519,132	\$ 15,372,601	\$ 1,387,328	\$ (13,985,273)
Other income	-	-	-	-
Total revenues	6,519,132	15,372,601	1,387,328	(13,985,273)
EXPENDITURES				
Public Safety				
Police				
Materials and supplies	10,416	10,416	11,456	(1,040)
Capital outlay	97,500	97,500	3,351	94,149
Public Works				
Capital outlay	25,000	25,000	24,736	264
Parks and Recreation				
Capital outlay	410,000	510,000	263,026	246,974
Total expenditures	542,916	642,916	302,569	340,347
Excess of revenues over expenditures	5,976,216	14,729,685	1,084,759	(13,644,926)
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,976,216)	(14,729,685)	(1,084,759)	13,644,926
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
FEDERAL PROJECTS FUND**

For the Year Ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Federal, state and other grants				
Title Funds	\$ 4,015,422	\$ 5,291,446	\$ 3,899,506	\$ (1,391,940)
Special Education (IDEA) Cluster	1,958,737	2,039,554	1,865,062	(174,492)
Other state	-	15,000	11,205	(3,795)
	5,974,159	7,346,000	5,775,773	(1,570,227)
EXPENDITURES				
Education				
Title I Consolidated Administration				
Salaries	259,537	259,537	247,600	11,937
Benefits	72,925	71,342	70,462	880
Materials and supplies	6,500	6,591	-	6,591
Other charges	13,500	15,858	9,363	6,495
	352,462	353,328	327,425	25,903
Title I				
Salaries	1,055,653	1,095,279	1,052,507	42,772
Benefits	292,673	249,553	237,880	11,673
Contractual services	53,939	76,438	60,441	15,997
Materials and supplies	686,480	1,086,409	904,091	182,318
Other charges	156,234	455,755	56,243	399,512
	2,244,979	2,963,434	2,311,162	652,272
Title I Neglected				
Salaries	288,715	378,043	338,963	39,080
Benefits	37,389	47,938	39,593	8,345
Contractual services	70,000	-	-	-
Materials and supplies	242,513	588,625	387,373	201,252
Other charges	80,030	37,354	32,884	4,470
	718,647	1,051,960	798,813	253,147
Title 1 Part D				
Salaries	19,100	20,025	22,028	(2,003)
Benefits	1,451	1,535	1,689	(154)
Contractual services	2,960	-	-	-
Materials and supplies	16,000	18,133	9,420	8,713
Other charges	-	2,300	1,951	349
	39,511	41,993	35,088	6,905
Title II				
Salaries	124,569	136,960	32,375	104,585
Benefits	18,976	23,756	5,179	18,577
Contractual services	11,500	13,500	12,260	1,240
Materials and supplies	5,000	10,000	-	10,000
Other charges	30,025	177,780	21,472	156,308
	190,070	361,996	71,286	290,710
Title III				
Materials and supplies	11,747	17,500	17,227	273
Other charges	4,146	3,968	2,822	1,146
	15,893	21,468	20,049	1,419

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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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Title IV				
Salaries	182,119	238,652	185,912	52,740
Benefits	58,333	85,003	52,996	32,007
Materials and supplies	-	13,479	-	13,479
Other charges	9,795	27,802	4,047	23,755
	<u>250,247</u>	<u>364,936</u>	<u>242,955</u>	<u>121,981</u>
IDEA Part B				
Salaries	1,262,743	1,289,379	1,294,361	(4,982)
Benefits	475,576	463,405	397,576	65,829
Materials and supplies	-	3,705	3,705	-
Other charges	134,179	139,362	55,512	83,850
	<u>1,872,498</u>	<u>1,895,851</u>	<u>1,751,154</u>	<u>144,697</u>
IDEA Preschool				
Materials and supplies	27,102	34,135	11,290	22,845
Other charges	3,987	7,200	5,173	2,027
	<u>31,089</u>	<u>41,335</u>	<u>16,463</u>	<u>24,872</u>
Perkins Grant				
Materials and supplies	-	15,000	11,205	3,795
	<u>-</u>	<u>15,000</u>	<u>11,205</u>	<u>3,795</u>
IDEA Supplemental				
Materials and supplies	6,651	6,657	6,564	93
Other charges	-	6,000	6,000	-
	<u>6,651</u>	<u>12,657</u>	<u>12,564</u>	<u>93</u>
IDEA Tech Partnership				
Materials and supplies	-	5,510	5,363	147
	<u>-</u>	<u>5,510</u>	<u>5,363</u>	<u>147</u>
Total expenditures	<u>5,722,047</u>	<u>7,129,468</u>	<u>5,603,527</u>	<u>1,525,941</u>
Excess of revenues over expenditures	252,112	216,532	172,246	(44,286)
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(252,111)</u>	<u>(216,532)</u>	<u>(322,047)</u>	<u>(105,515)</u>
Net change in fund balances	<u>\$ 1</u>	<u>\$ -</u>	<u>(149,801)</u>	<u>\$ (149,801)</u>
Fund balances - beginning			<u>149,801</u>	
Fund balances - ending			<u>\$ -</u>	

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,888,489	\$ 2,888,489	\$ 1,038,344	\$ (1,850,145)
Federal, state and other grants	45,000	45,000	1,409,177	1,364,177
Other income	316,736	316,736	-	(316,736)
Total revenues	3,250,225	3,250,225	2,447,521	(802,704)
EXPENDITURES				
Education				
Cafeteria				
Salaries	1,250,197	1,192,337	1,131,966	60,371
Benefits	261,428	319,288	300,205	19,083
Contractual services	746,300	713,100	464,878	248,222
Materials and supplies	986,000	1,018,300	1,067,136	(48,836)
Other charges	6,300	7,200	5,568	1,632
Total expenditures	3,250,225	3,250,225	2,969,753	280,472
Deficiency of revenues under expenditures	-	-	(522,232)	(522,232)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	522,232	522,232
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balances - beginning			488,895	
Fund balances - ending			\$ 488,895	

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, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Federal, state and other grants				
Federal grants	\$ 281,867	\$ 591,489	\$ 502,396	\$ (89,093)
State Assistance	116,226	365,562	153,608	(211,954)
Other grants	-	110,000	109,588	(412)
Total revenues	398,093	1,067,051	765,592	(301,459)
EXPENDITURES				
Education				
Read to Be Ready				
Salaries	17,603	-	-	-
Benefits	3,185	-	-	-
Contractual services	654	-	-	-
Materials and supplies	6,837	-	-	-
Other charges	155	-	-	-
	28,434	-	-	-
CTE Perkins				
Materials and supplies	21,371	115,479	115,886	(407)
Other charges	26,499	10,802	10,246	556
	47,870	126,281	126,132	149
Perkins Grant				
Materials and supplies	7,735	-	-	-
	7,735	-	-	-
Safe Schools				
Contractual services	12,500	31,050	31,050	-
Materials and supplies	35,253	174,287	85,802	88,485
	47,753	205,337	116,852	88,485
School Safety				
Contractual services	-	8,316	8,316	-
Materials and supplies	118,739	100,019	99,474	545
	118,739	108,335	107,790	545
School Resource Officer				
Contractual services	-	210,000	-	210,000
	-	210,000	-	210,000
Read to Be Ready - Coaching Network				
Other charges	1,494	-	-	-
	1,494	-	-	-
Voluntary Pre-K				
Salaries	42,448	130,090	131,364	(1,274)
Benefits	12,058	40,014	39,533	481
Materials and supplies	259	9,682	9,622	60
Other charges	1,350	2,333	2,333	-
	56,115	182,119	182,852	(733)

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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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
SCEF Pre-K				
Salaries	20,720	-	-	-
Benefits	10,334	-	-	-
Contractual services	18,720	-	-	-
	49,774	-	-	-
First 8 Pre-K				
Salaries	-	67,602	68,185	(583)
Benefits	-	38,298	37,653	645
Materials and supplies	-	979	713	266
Other charges	-	151	151	-
	-	107,030	106,702	328
TN Arts Commission				
Contractual services	1,872	9,622	9,622	-
Materials and supplies	4,281	6,452	5,921	531
Other charges	871	8,503	7,355	1,148
	7,024	24,577	22,898	1,679
Art Student Ticket Subsidies				
Other charges	46	1,663	1,569	94
	46	1,663	1,569	94
Coordinate School Health				
Salaries	18,580	73,827	74,956	(1,129)
Benefits	3,336	12,758	12,734	24
Materials and supplies	29	2,215	1,119	1,096
Other charges	913	1,200	1,166	34
	22,858	90,000	89,975	25
Total expenditures	387,842	1,055,342	754,770	300,572
Excess of revenues over expenditures	10,251	11,709	10,822	(887)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	5,541	5,541
Transfers out	(10,251)	(11,713)	(10,822)	891
Total other financing uses	(10,251)	(11,713)	(5,281)	6,432
Net change in fund balances	\$ -	\$ (4)	5,541	\$ 5,545
Fund balances - beginning			(5,541)	
Fund balances - ending			\$ -	

CAPITAL PROJECTS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

CAPITAL PROJECTS FUND

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

Education Capital Funds - Accounts for major school Education Capital Fund.

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest income	\$ 150,000	\$ 150,000	\$ 301,217	\$ 151,217
Other income	-	-	335	335
Total revenues	150,000	150,000	301,552	151,552
EXPENDITURES				
DEBT SERVICE				
Debt issuance costs	-	-	31,747	(31,747)
CAPITAL OUTLAY				
Administrative				
CIP Available Project Funds	2,516	5,672	-	5,672
BMSC Maintenances 2019	139,240	139,240	139,240	-
Administrative Vehicles 2019	30,000	30,000	30,000	-
City Hall Renovations 2018	250,000	250,000	23,187	226,813
TCAT Land Acquisition	185,868	185,868	-	185,868
Public Safety				
Police Vehicles & Equipment 2019	13,018	13,018	13,018	-
Police Vehicles & Equipment 2020	470,000	470,000	469,750	250
Justice Center Maintenance 2019	224,679	224,679	136,617	88,062
Justice Center Maintenance 2020	110,000	110,000	79,625	30,375
Fire Truck/Pumper 2018	540,538	540,538	533,823	6,715
Fire Ambulances 2020	210,000	210,000	210,000	-
Fire Vehicles & Equipment 2020	40,000	40,000	40,000	-
SCBA (Breathing Apparatus)	550,000	550,000	455,964	94,036
Fire Training Facility	8,153	8,153	8,153	-
Public Works				
Public Works Vehicles & Equip 2019	20,504	20,504	20,504	-
Public Works Vehicles & Equip 2020	615,000	615,000	531,607	83,393
City Shop	225,870	4,875,870	414,840	4,461,030
Engineering				
Bartlett Blvd. Overpass Rehab	1,095,437	1,695,437	277,661	1,417,776
Old Brownsville West R.O.W	12,513,811	12,513,811	764,418	11,749,393
O. Brownsville/Frank Crk Brdg Rehab	1,166,023	2,523	2,523	-
Bond Default Hampton Grove Subdivision	47,372	47,372	-	47,372
Bond Default Gailyn Manor Phase I	11,970	11,970	-	11,970
Bond Default Brookemeade	74,059	74,059	-	74,059
Bond Default Stonecrest	32,321	32,321	-	32,321
Bond Default Hampton Grove North	951	951	-	951
Bond Default Rockyford Ph E-2	30,000	30,000	-	30,000
Fletcher Creek Greenway Ph2	1,054,086	1,193,168	474,717	718,451
Fletcher Creek Greenway Ph3	547,143	547,143	24,590	522,553
Ellis Road Hill Removal	4,690	-	-	-
Elmore Box	198,800	430,800	4,819	425,981
Brother & Stage Left Turn	250,850	250,850	228,760	22,090

(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, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Engineering (Continued)				
City Wide Overlay P2	\$ 155,235	\$ 3,155,234	\$ 1,783,325	\$ 1,371,909
ADA Transition Plan TDOT	10,391	210,391	10,489	199,902
Brother-Yale Paving	2,386,236	2,386,236	65,810	2,320,426
Applying Road Improvements	470,540	670,540	392,099	278,441
Surface Transportation 2020	350,000	350,000	-	350,000
Annual Signal Poles Replacement	100,000	100,000	73,446	26,554
Engineering Vehicles 2020	60,000	56,845	56,845	-
Misc Drainage Improvements 2020	400,000	168,000	-	168,000
Misc Drainage Improvements 2019	400,000	209,130	-	209,130
Third Road Drainage	9,131	200,001	141,684	58,317
Misc Drainage Improvements 2017	148,822	148,822	11,350	137,472
Parks & Recreation				
Parks Vehicles & Equipment 2019	82,795	82,795	82,795	-
Parks Vehicles & Equipment 2020	155,000	155,000	133,897	21,103
W.J. Freeman Park Project	1,756,777	1,756,777	1,468,168	288,609
Parks Maintenances 2018	112,331	112,331	90,432	21,899
Parks Maintenances 2019	119,396	119,396	102,943	16,453
Parks Maintenances 2020	452,700	452,700	24,100	428,600
Parks Restroom Renovations 2018	67,500	67,500	60,106	7,394
Parks Restroom Renovations 2019	350,000	200,000	76,108	123,892
Singleton Equip/Repairs 2018	10,000	10,000	10,000	-
Singleton Equip/Repairs 2019	25,000	25,000	25,000	-
Senior Cntr Equip/Repairs 2019	95	95	95	-
Recreation Cntr Equip/Repairs 2018	51,350	51,350	51,350	-
Recreation Cntr Equip/Repairs 2019	67,360	67,360	23,031	44,329
Recreation Cntr Equip/Repairs 2020	95,000	95,000	55,739	39,261
Performing Arts Center				
BPACC Repairs & Improvements 2020	105,000	105,000	43,187	61,813
BPACC Repairs & Improvements 2019	26,738	26,738	26,738	-
BPACC Repairs & Improvements 2018	10,018	10,018	10,018	-
Total capital outlay	28,640,314	36,111,206	9,702,571	26,408,635
Deficiency of revenues under expenditures	(28,490,314)	(35,961,206)	(9,432,766)	26,528,440
OTHER FINANCING SOURCES (USES)				
Issuance of debt	11,000,000	11,000,000	11,000,000	-
Premium on bonds issued	1,179,286	1,179,286	1,216,125	36,839
Transfers in	14,516,346	14,887,397	1,096,644	(13,790,753)
Transfers out	(14,873,305)	(15,273,304)	(15,240,991)	32,313
Total other financing sources (uses)	11,822,327	11,793,379	(1,928,222)	(13,721,601)
Net change in fund balances	<u><u>\$(16,667,987)</u></u>	<u><u>\$(24,167,827)</u></u>	<u><u>(11,360,988)</u></u>	<u><u>\$ 12,806,839</u></u>
Fund balances - beginning			25,663,916	
Fund balances - ending			<u><u>\$ 14,302,928</u></u>	

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

DEBT SERVICE FUND

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sales taxes	\$ 3,442,500	\$ 3,442,500	\$ 3,476,565	\$ 34,065
Interest income	500	500	5,670	5,170
Total revenues	3,443,000	3,443,000	3,482,235	39,235
EXPENDITURES				
Debt Service				
Principal	5,518,000	5,518,000	5,518,000	-
Interest	3,136,051	3,136,051	3,009,943	126,108
Bond issuance costs	78,500	78,500	81,273	(2,773)
Total expenditures	8,732,551	8,732,551	8,609,216	123,335
Deficiency of revenues under expenditures	(5,289,551)	(5,289,551)	(5,126,981)	162,570
OTHER FINANCING SOURCES (USES)				
Transfers in	4,744,000	4,744,000	4,655,851	(88,149)
Net change in fund balances	<u>\$ (545,551)</u>	<u>\$ (545,551)</u>	(471,130)	<u>\$ 74,421</u>
Fund balances - beginning			3,156,605	
Fund balances - ending			<u>\$ 2,685,475</u>	

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

INTERNAL SERVICE FUNDS

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

Health & Welfare Fund

Workmen's Compensation Fund

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2020

	Health and Welfare Fund	Workers' Compensation Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 933,193	\$ 881,692	\$ 1,814,885
Total current assets	<u>933,193</u>	<u>881,692</u>	<u>1,814,885</u>
LIABILITIES			
Current liabilities			
Accounts payable	367,203	5,426	372,629
Accrued payroll	18,650	-	18,650
Total current liabilities	<u>385,853</u>	<u>5,426</u>	<u>391,279</u>
NET POSITION			
Unrestricted	<u>\$ 547,340</u>	<u>\$ 876,266</u>	<u>\$ 1,423,606</u>

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2020

	Health and Welfare Fund	Workers' Compensation Fund	Total
OPERATING REVENUES			
Charges for services	\$ 2,184,381	\$ 822,030	\$ 3,006,411
City contributions	7,329,259	-	7,329,259
Total revenues	9,513,640	822,030	10,335,670
OPERATING EXPENSES			
Administrative and general			
Workers' compensation claims	-	120,779	120,779
Insurance premiums	9,813,441	609,783	10,423,224
Total operating expenses	9,813,441	730,562	10,544,003
Operating income	(299,801)	91,468	(208,333)
NONOPERATING REVENUES			
Interest income	11,539	5,412	16,951
Change in net position	(288,262)	96,880	(191,382)
Fund balances - beginning	835,602	779,386	1,614,988
Fund balances - ending	\$ 547,340	\$ 876,266	\$ 1,423,606

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2020

	Health and Welfare Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 9,513,640	\$ 822,030	\$ 10,335,670
Payments to suppliers	(9,803,011)	(733,131)	(10,536,142)
Net cash from (used for) operating activities	(289,371)	88,899	(200,472)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	11,539	5,412	16,951
Net increase in cash and cash equivalents	(277,832)	94,311	(183,521)
Cash and cash equivalents - beginning	1,211,025	787,381	1,998,406
Cash and cash equivalents - ending	<u>\$ 933,193</u>	<u>\$ 881,692</u>	<u>\$ 1,814,885</u>
Reconciliation of operating income to net cash from operating activities			
Operating income (loss)	\$ (299,801)	\$ 91,468	\$ (208,333)
Adjustments to reconcile operating income (loss) to net cash from (used) by operating activities			
Increase (decrease) in accounts payable	14,023	(2,569)	11,454
Increase (decrease) in accrued payroll	(3,593)	-	(3,593)
Net cash from (used for) operating activities	<u>\$ (289,371)</u>	<u>\$ 88,899</u>	<u>\$ (200,472)</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

FIDUCIARY FUNDS

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

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

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

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2020

	Employee Retirement Plan	Contributory Retirement Plan	City OPEB Fund	School OPEB Fund	Total Pension and OPEB Trust Funds
ASSETS					
Cash and cash equivalents	\$ 1,479,900	\$ 168,797	\$ 292,394	\$ 165,902	\$ 2,106,993
Accounts receivable	-	-	-	-	-
Interest receivable	97,295	2,246	6,412	-	105,953
Investments					
Common stock	26,753	388,394	814,207	-	1,229,354
Exchange traded funds	-	-	-	747,213	747,213
Mutual funds	82,437,901	2,256,392	5,881,740	2,368,453	92,944,486
Private real estate fund	2,936,562	-	-	-	2,936,562
Alternative investments	-	-	-	179,077	179,077
Total investments	<u>85,401,216</u>	<u>2,644,786</u>	<u>6,695,947</u>	<u>3,294,743</u>	<u>98,036,692</u>
Total assets	<u>86,978,411</u>	<u>2,815,829</u>	<u>6,994,753</u>	<u>3,460,645</u>	<u>100,249,638</u>
LIABILITIES					
Accounts payable	85,754	7,325	7,097	-	100,176
NET POSITION					
Restricted for pensions	86,892,657	2,808,504	-	-	89,701,161
Restricted for OPEBs	-	-	6,987,656	3,460,645	10,448,301
Total net position	<u>\$ 86,892,657</u>	<u>\$ 2,808,504</u>	<u>\$ 6,987,656</u>	<u>\$ 3,460,645</u>	<u>\$ 100,149,462</u>

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2020

	Employee Retirement Plan	Contributory Retirement Plan	City OPEB Fund	School OPEB Fund	Total Pension and OPEB Trust Funds
ADDITIONS					
Contributions:					
Employer	\$ 3,651,439	\$ 331,144	\$ 1,377,463	\$ 923,015	\$ 6,283,061
Plan members	763,000	428,294	-	-	1,191,294
Total contributions	4,414,439	759,438	1,377,463	923,015	7,474,355
Investment earnings (losses):					
Interest and dividends	2,077,702	62,995	171,099	102,425	2,414,221
Net appreciation in fair value of investments	3,056,358	29,566	54,859	(5,692)	3,135,091
Total investment earnings	5,134,060	92,561	225,958	96,733	5,549,312
Total additions	9,548,499	851,999	1,603,421	1,019,748	13,023,667
DEDUCTIONS					
Benefits	4,961,513	47,472	944,334	423,015	6,376,334
Premiums	-	-	-	-	-
Administrative expense	343,707	22,729	44,801	11,829	423,066
Total deductions	5,305,220	70,201	989,135	434,844	6,799,400
Change in net position	4,243,279	781,798	614,286	584,904	6,224,267
Net position - beginning	82,649,378	2,026,706	6,373,370	2,875,741	93,925,195
Net position - ending	<u>\$ 86,892,657</u>	<u>\$ 2,808,504</u>	<u>\$ 6,987,656</u>	<u>\$ 3,460,645</u>	<u>\$ 100,149,462</u>

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2020

	Bail Bond Fund	Family Assistance Fund	J. Rainey Volunteer Fund	School Activity Fund	Total Funds
ASSETS					
Cash and cash equivalents	\$ 126,535	\$ 44,670	\$ 9,376	\$ 2,044,794	\$ 2,225,375
Due from other funds	3,000	-	-	-	3,000
Inventory	-	-	-	30,073	30,073
Total assets	<u>\$ 129,535</u>	<u>\$ 44,670</u>	<u>\$ 9,376</u>	<u>\$ 2,074,867</u>	<u>\$ 2,258,448</u>
LIABILITIES					
Bail bonds payable	\$ 129,535	\$ -	\$ -	\$ -	\$ 129,535
Family assistance payable	-	44,670	-	-	44,670
J. Rainey volunteer fund payable	-	-	9,376	-	9,376
Due to student general fund	-	-	-	971,560	971,560
Due to student groups	-	-	-	1,103,307	1,103,307
Total liabilities	<u>\$ 129,535</u>	<u>\$ 44,670</u>	<u>\$ 9,376</u>	<u>\$ 2,074,867</u>	<u>\$ 2,258,448</u>

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2020

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Assets				
Bail Bond Fund				
Cash and cash equivalents	\$ 89,029	\$ 392,740	\$ (355,234)	\$ 126,535
Due from other funds	-	3,000	-	3,000
Family Assistance Fund				
Cash and cash equivalents	35,491	22,030	(12,851)	44,670
Jeanette Rainey Volunteer Fund				
Cash and cash equivalents	9,719	-	(343)	9,376
School Activity Funds				
Cash	1,939,758	2,394,734	(2,289,698)	2,044,794
Inventory	32,196	65,138	(67,261)	30,073
	<u>\$ 2,106,193</u>	<u>\$ 2,877,642</u>	<u>\$ (2,725,387)</u>	<u>\$ 2,258,448</u>
Liabilities				
Bail Bond Fund				
Bail bonds payable	\$ 89,029	\$ 395,740	\$ (355,234)	\$ 129,535
Family Assistance Fund				
Family assistance payable	35,491	22,030	(12,851)	44,670
Jeanette Rainey Volunteer Fund				
Jeanette Rainey volunteer fund payable	9,719	-	(343)	9,376
School Activity Funds				
Due to student general fund	904,235	733,650	(666,325)	971,560
Due to student groups	1,067,719	1,689,956	(1,654,368)	1,103,307
	<u>\$ 2,106,193</u>	<u>\$ 2,841,376</u>	<u>\$ (2,689,121)</u>	<u>\$ 2,258,448</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

SUPPORTING SCHEDULES

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF TRANSFERS
For the Year Ended June 30, 2020

	Transfers In	Transfers Out
Major Funds		
General Fund		
General Purpose School Fund	\$ -	\$ 2,346,019
Capital Projects Fund	55,836	-
Utility Fund	590,534	-
General Improvement Fund	168,000	-
Drug Enforcement Fund	-	12,764
Drainage Control Fund	-	100,000
Grants Fund	10,815	-
Debt Service Fund	-	3,055,000
	<u>825,185</u>	<u>5,513,783</u>
General Purpose School Fund		
General Fund	2,346,019	-
Education Capital Projects Fund	-	6,379,439
Federal Projects Fund	322,047	-
School Nutrition Fund	-	522,232
Discretionary Grants Fund	10,822	-
Debt Service Fund	-	1,000,000
	<u>2,678,888</u>	<u>7,901,671</u>
Capital Projects Fund		
General Fund	-	55,836
Education Capital Projects Fund	-	14,723,304
Parks Improvements Fund	22,700	-
Grants Fund	1,073,944	-
Debt Service Fund	-	461,851
	<u>1,096,644</u>	<u>15,240,991</u>
Education Capital Projects Fund		
General Purpose School Fund	6,373,898	-
Capital Projects Fund	14,723,304	-
	<u>21,097,202</u>	<u>-</u>
Utility Fund		
General Fund	-	590,534
Total major funds	<u>25,697,919</u>	<u>29,246,979</u>
Nonmajor Governmental Funds		
Solid Waste Fund		
Debt Service Fund	-	139,000
General Improvement Fund		
General Fund	-	168,000
Drug Awareness Fund		
General Fund	12,764	-
Drainage Control		
General Fund	100,000	-
Parks Improvement Fund		
Capital Projects Fund	-	22,700
Grants Fund		
General Fund	-	10,815
Capital Projects Fund	-	1,073,944
Federal Projects Fund		
General Purpose School Fund	-	322,047
School Nutrition Fund		
General Purpose School Fund	522,232	-
Discretionary Grants Fund		
General Purpose School Fund	5,541	10,822
Debt Service Fund		
General Purpose School Fund	1,000,000	-
General Fund	3,055,000	-
Solid Waste Fund	139,000	-
Capital Projects Fund	461,851	-
	<u>4,655,851</u>	<u>-</u>
Total nonmajor	<u>5,296,388</u>	<u>1,747,328</u>
	<u>\$ 30,994,307</u>	<u>\$ 30,994,307</u>

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES
June 30, 2020

	Interfund Receivable	Interfund Payable
Major Funds		
General Fund		
General Purpose School Fund	\$ 6,832	\$ 4,448
Bail Bond Fund	-	3,000
	<u>6,832</u>	<u>7,448</u>
General Purpose School Fund		
General Fund	4,448	6,832
School Federal Projects Fund	250,264	-
School Discretionary Grants Funds	62,006	-
	<u>316,718</u>	<u>6,832</u>
Capital Projects Fund		
Grants Fund	795,987	-
Total major funds	<u>1,119,537</u>	<u>14,280</u>
Nonmajor Governmental Funds		
Grants Fund		
Capital Projects Fund	-	795,987
Schools Federal Projects Fund		
General Purpose School Fund	-	250,264
Schools Discretionary Grants Fund		
General Purpose School Fund	-	62,006
Total aggregate nonmajor governmental funds	<u>-</u>	<u>1,108,257</u>
Agency Funds		
Bail Bond Fund		
General Fund	3,000	-
	<u>\$ 1,122,537</u>	<u>\$ 1,122,537</u>

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BONDS PAYABLE - GOVERNMENTAL FUNDS
June 30, 2020

Fiscal Year	Series 2019 Bonds		Series 2018 Bonds		Series 2017 Bonds		Series 2016 Bonds		Series 2015 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 205,000	\$ 282,925	\$ 170,000	\$ 219,950	\$ 1,680,000	\$ 1,829,100	\$ 250,000	\$ 116,950	\$ 205,000	\$ 190,100
2022	215,000	272,425	180,000	211,200	1,760,000	1,743,100	255,000	110,650	205,000	186,000
2023	225,000	261,425	190,000	201,950	1,850,000	1,652,850	260,000	105,500	210,000	181,850
2024	235,000	249,925	200,000	192,200	1,830,000	1,560,850	380,000	99,100	215,000	175,450
2025	245,000	237,925	210,000	181,950	1,925,000	1,466,975	390,000	91,400	225,000	166,650
2026	260,000	225,300	220,000	171,200	2,030,000	1,368,100	400,000	83,500	235,000	157,450
2027	275,000	211,925	230,000	159,950	2,135,000	1,263,975	400,000	75,500	245,000	146,625
2028	290,000	197,800	245,000	148,075	2,235,000	1,154,725	415,000	67,350	255,000	134,125
2029	300,000	183,050	255,000	135,575	2,155,000	1,044,975	425,000	58,950	270,000	121,000
2030	315,000	167,675	270,000	123,800	2,270,000	934,350	430,000	50,400	280,000	107,250
2031	330,000	153,200	280,000	112,800	2,375,000	830,100	300,000	43,100	295,000	92,875
2032	345,000	139,700	290,000	101,400	2,470,000	733,200	305,000	37,050	310,000	77,750
2033	360,000	125,600	300,000	89,600	2,570,000	632,400	310,000	30,900	325,000	61,875
2034	375,000	110,900	315,000	77,300	2,680,000	527,400	320,000	24,600	340,000	45,250
2035	390,000	95,600	325,000	64,500	2,785,000	418,100	325,000	17,988	360,000	27,750
2036	405,000	79,700	340,000	51,200	2,895,000	304,500	330,000	11,027	375,000	9,375
2037	420,000	63,200	355,000	37,300	3,020,000	186,200	340,000	3,740	-	-
2038	440,000	46,000	370,000	22,800	3,145,000	62,900	-	-	-	-
2039	455,000	28,100	385,000	7,700	-	-	-	-	-	-
2040	475,000	9,500	-	-	-	-	-	-	-	-
	<u>\$ 6,560,000</u>	<u>\$ 3,141,875</u>	<u>\$ 5,130,000</u>	<u>\$ 2,310,450</u>	<u>\$ 41,810,000</u>	<u>\$ 17,713,800</u>	<u>\$ 5,835,000</u>	<u>\$ 1,027,705</u>	<u>\$ 4,350,000</u>	<u>\$ 1,881,375</u>

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CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BONDS PAYABLE - GOVERNMENTAL FUNDS
June 30, 2020

Fiscal Year	Series 2013 Bonds		Series 2012 Bonds		Series 2011 Bonds		Series 2010 Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 100,000	\$ 53,644	\$ 625,000	\$ 117,063	\$ 335,000	\$ 15,756	\$ 745,000	\$ 42,547	\$ 4,315,000	\$ 2,868,035
2022	105,000	50,569	640,000	98,088	350,000	7,194	390,000	28,825	4,100,000	2,708,051
2023	105,000	47,419	660,000	78,588	55,000	2,131	245,000	20,734	3,800,000	2,552,447
2024	110,000	44,194	690,000	61,788	55,000	722	60,000	16,694	3,775,000	2,400,923
2025	115,000	40,819	700,000	47,450	-	-	65,000	14,894	3,875,000	2,248,063
2026	115,000	37,369	715,000	31,969	-	-	65,000	12,944	4,040,000	2,087,832
2027	120,000	33,844	110,000	22,481	-	-	70,000	10,875	3,585,000	1,925,175
2028	125,000	30,169	115,000	19,528	-	-	70,000	8,688	3,750,000	1,760,460
2029	125,000	26,419	115,000	16,509	-	-	75,000	6,375	3,720,000	1,592,853
2030	130,000	22,431	120,000	13,200	-	-	75,000	3,891	3,890,000	1,422,997
2031	135,000	17,956	125,000	9,525	-	-	75,000	1,313	3,915,000	1,260,869
2032	140,000	13,144	125,000	5,775	-	-	-	-	3,985,000	1,108,019
2033	145,000	8,066	130,000	1,950	-	-	-	-	4,140,000	950,391
2034	150,000	2,719	-	-	-	-	-	-	4,180,000	788,169
2035	-	-	-	-	-	-	-	-	4,185,000	623,938
2036	-	-	-	-	-	-	-	-	4,345,000	455,802
2037	-	-	-	-	-	-	-	-	4,135,000	290,440
2038	-	-	-	-	-	-	-	-	3,955,000	131,700
2039	-	-	-	-	-	-	-	-	840,000	35,800
2040	-	-	-	-	-	-	-	-	475,000	9,500
	<u>\$ 1,720,000</u>	<u>\$ 428,762</u>	<u>\$ 4,870,000</u>	<u>\$ 523,914</u>	<u>\$ 795,000</u>	<u>\$ 25,803</u>	<u>\$ 1,935,000</u>	<u>\$ 167,780</u>	<u>\$ 73,005,000</u>	<u>\$ 27,221,464</u>

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
NOTES PAYABLE - GOVERNMENTAL FUNDS
June 30, 2020

Fiscal Year	2020 Capital Note		2019 Capital Note		2019 Capital Note		2018 Capital Note		2017 Capital Note	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 219,000	\$ 38,153	\$ 134,000	\$ 30,238	\$ 183,000	\$ 41,401	\$ 180,000	\$ 38,076	\$ 275,000	\$ 30,395
2022	239,000	36,511	138,000	25,968	189,000	35,560	187,000	31,672	282,000	23,906
2023	244,000	31,611	142,000	21,572	195,000	29,532	193,000	25,041	288,000	17,265
2024	249,000	26,609	147,000	17,034	201,000	23,315	200,000	18,183	295,000	10,473
2025	254,000	21,505	152,000	12,340	207,000	16,909	207,000	11,081	302,000	3,518
2026	260,000	16,298	156,000	7,505	214,000	10,299	214,000	3,734	-	-
2027	265,000	10,968	161,000	2,528	221,000	3,470	-	-	-	-
2028	270,000	5,535	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-
	<u>\$ 2,000,000</u>	<u>\$ 187,190</u>	<u>\$ 1,030,000</u>	<u>\$ 117,185</u>	<u>\$ 1,410,000</u>	<u>\$ 160,486</u>	<u>\$ 1,181,000</u>	<u>\$ 127,787</u>	<u>\$ 1,442,000</u>	<u>\$ 85,557</u>

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CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
NOTES PAYABLE - GOVERNMENTAL FUNDS
June 30, 2020

Fiscal Year	2016 Capital Note		2015 Capital Note		2014 Capital Note		2013 Capital Note		2008 Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest*	Principal	Interest
2021	\$ 161,000	\$ 11,340	\$ 155,000	\$ 8,079	\$ 155,000	\$ 5,179	\$ 118,000	\$ 1,257	\$ 70,000	\$ 3,736	\$ 1,650,000	\$ 207,854
2022	165,000	8,177	158,000	4,892	159,000	1,741	-	-	73,000	3,390	1,590,000	171,817
2023	168,000	4,947	162,000	1,644	-	-	-	-	76,000	3,028	1,468,000	134,640
2024	171,000	1,659	-	-	-	-	-	-	80,000	2,652	1,343,000	99,925
2025	-	-	-	-	-	-	-	-	83,000	2,256	1,205,000	67,609
2026	-	-	-	-	-	-	-	-	87,000	1,844	931,000	39,680
2027	-	-	-	-	-	-	-	-	91,000	1,412	738,000	18,378
2028	-	-	-	-	-	-	-	-	95,000	962	365,000	6,497
2029	-	-	-	-	-	-	-	-	99,000	245	99,000	245
	<u>\$ 665,000</u>	<u>\$ 26,123</u>	<u>\$ 475,000</u>	<u>\$ 14,615</u>	<u>\$ 314,000</u>	<u>\$ 6,920</u>	<u>\$ 118,000</u>	<u>\$ 1,257</u>	<u>\$ 754,000</u>	<u>\$ 19,525</u>	<u>\$9,389,000</u>	<u>\$746,645</u>

* This is a variable rate loan. Annual interest rate assumed is .27% which is based on the June 2020 interest rate.

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BARTLETT CITY BOARD OF EDUCATION LONG-TERM DEBT - GOVERNMENTAL FUNDS
June 30, 2020

Fiscal Year	2017 Capital Lease		2018 Capital Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 279,617	\$ 2,516	\$ 1,255,096	\$ 22,693	\$ 1,534,713	\$ 25,209
2022	-	-	1,273,450	11,398	1,273,450	11,398
	<u>\$ 279,617</u>	<u>\$ 2,516</u>	<u>\$ 2,528,546</u>	<u>\$ 34,091</u>	<u>\$ 2,808,163</u>	<u>\$ 36,607</u>

Fiscal Year	Shelby County Settlement Obligation		
	Principal	Interest	Total
2021	\$ 526,387	\$ 81,806	\$ 608,193
2022	539,214	68,979	608,193
2023	552,354	55,839	608,193
2024	565,814	42,379	608,193
2025	579,601	28,592	608,193
2026	593,726	14,467	608,193
	<u>\$ 3,357,096</u>	<u>\$ 292,062</u>	<u>\$ 3,649,158</u>

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BONDS AND NOTE PAYABLE - WATER AND SEWER FUND
June 30, 2020

Fiscal Year	Series 2013 Bonds		Series 2012 Bonds		Series 2011 Bonds		Series 2010 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	-	-	-	-	-	-
	<u>\$ 1,040,000</u>	<u>\$ 263,382</u>	<u>\$ 2,095,000</u>	<u>\$ 252,521</u>	<u>\$ 950,000</u>	<u>\$ 49,695</u>	<u>\$ 730,000</u>	<u>\$ 22,246</u>

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CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BONDS AND NOTE PAYABLE - WATER AND SEWER FUND
June 30, 2020

Fiscal Year	Series 2009 Bonds		Series 2007 Bonds		Total Bonds		2008 Note Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest*
2021	\$ 45,000	\$ 19,674	\$ 55,000	\$ 20,091	\$ 950,000	\$ 159,036	\$ 52,000	\$ 1,509
2022	50,000	18,140	55,000	17,809	985,000	132,776	54,000	1,369
2023	50,000	16,453	60,000	15,423	780,000	107,631	57,000	1,224
2024	50,000	14,703	60,000	12,933	685,000	87,132	59,000	1,069
2025	55,000	12,811	65,000	10,306	465,000	71,647	62,000	910
2026	55,000	10,776	65,000	7,544	475,000	58,622	64,000	742
2027	60,000	8,590	70,000	4,675	265,000	47,408	67,000	570
2028	60,000	6,250	75,000	1,594	275,000	38,106	70,000	389
2029	60,000	3,865	-	-	205,000	29,955	74,000	183
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	-	-
	<u>\$ 550,000</u>	<u>\$ 112,595</u>	<u>\$ 505,000</u>	<u>\$ 90,375</u>	<u>\$ 5,870,000</u>	<u>\$ 790,814</u>	<u>\$ 559,000</u>	<u>\$ 7,965</u>

* This is a variable rate loan. Annual interest rate assumed is .27% which is based on the June 2020 interest rate.

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 6/30/2019	Issued During Period	Paid During Period	Refunded During Period	Outstanding 6/30/2020
Governmental Activities									
<u>Payable through Debt Service Fund</u>									
General Obligation Bonds:									
2010 Serial Bonds	\$ 7,925,000	2.0 - 3.5%	8/26/2010	12/1/2030	\$ 2,670,000	\$ -	\$ (735,000)	\$ -	\$ 1,935,000
2011 Serial Bonds	4,545,000	2.0 - 2.625%	9/7/2011	6/30/2031	1,130,000	-	(335,000)	-	795,000
2012 Serial Bonds	9,865,000	2.0 - 3.0%	9/27/2012	9/1/2032	5,725,000	-	(855,000)	-	4,870,000
2013 Serial Bonds	4,690,000	3.0 - 3.625%	10/23/2013	9/1/2033	1,815,000	-	(95,000)	-	1,720,000
2015 Serial Bonds	5,100,000	2.0 - 5.0%	10/01/2015	9/1/2035	4,550,000	-	(200,000)	-	4,350,000
2016 Serial Bonds	6,550,000	2.0 - 3.0%	9/28/2016	9/1/2036	6,080,000	-	(245,000)	-	5,835,000
2017 Serial Bonds	44,930,000	4.0 - 5.0%	10/05/2017	9/1/2037	43,415,000	-	(1,605,000)	-	41,810,000
2018 Serial Bonds	5,295,000	4.0 - 5.0%	10/18/2018	9/1/2038	5,295,000	-	(165,000)	-	5,130,000
2019 Serial Bonds	6,560,000	4.0 - 5.0%	10/17/2019	9/1/2039	-	6,560,000	-	-	6,560,000
Total general obligation bonds					<u>\$ 70,680,000</u>	<u>\$ 6,560,000</u>	<u>\$ (4,235,000)</u>	<u>\$ -</u>	<u>\$ 73,005,000</u>
Notes from Direct Borrowings:									
2008 TML Note	\$ 1,350,000	*0.27%	2/20/2009	5/25/2029	\$ 821,000	\$ -	\$ (67,000)	\$ -	\$ 754,000
Capital Note 2013 A	1,300,000	1.78%	2/15/2013	2/1/2020	196,000	-	(196,000)	-	-
Capital Note 2013 B	770,500	2.13%	9/25/2013	9/1/2020	233,000	-	(115,000)	-	118,000
Capital Note 2014	1,041,000	2.19%	9/3/2014	9/1/2021	466,000	-	(152,000)	-	314,000
Capital Note 2015	1,064,000	2.03%	8/5/2015	8/1/2022	627,000	-	(152,000)	-	475,000
Capital Note 2016	1,127,500	1.94%	8/12/2016	8/1/2023	823,000	-	(158,000)	-	665,000
Capital Note 2017	1,969,150	2.33%	7/14/2017	8/1/2024	1,711,000	-	(269,000)	-	1,442,000
Capital Note 2018	1,355,000	3.49%	7/26/2018	8/1/2025	1,355,000	-	(174,000)	-	1,181,000
Capital Note 2019	1,410,000	3.14%	7/30/2019	8/1/2026	-	1,410,000	-	-	1,410,000
Capital Note 2019	1,030,000	3.14%	9/12/2019	8/1/2026	-	1,030,000	-	-	1,030,000
Capital Note 2020	2,000,000	2.05%	6/26/2020	6/1/2028	-	2,000,000	-	-	2,000,000
Total capital outlay notes					<u>\$ 6,232,000</u>	<u>\$ 4,440,000</u>	<u>\$ (1,283,000)</u>	<u>\$ -</u>	<u>\$ 9,389,000</u>
Total payable through debt service fund					<u>\$ 76,912,000</u>	<u>\$ 11,000,000</u>	<u>\$ (5,518,000)</u>	<u>\$ -</u>	<u>\$ 82,394,000</u>
<u>Payable through General Purpose School Fund</u>									
Settlement Liability	\$ 6,351,216	2.41%	06/01/2014	11/1/2025	\$ 4,257,351	\$ -	\$ (608,193)	\$ -	\$ 3,649,158
Capital Leases:									
Capital Lease 2017 B	\$ 1,060,800	0.897%	6/15/2017	1/15/2021	\$ 556,717	\$ -	\$ (277,100)	\$ -	\$ 279,617
Capital Lease 2018	5,031,856	0.900%	6/1/2018	9/1/2021	3,765,397	-	(1,236,851)	-	2,528,546
Total capital leases					<u>\$ 4,322,114</u>	<u>\$ -</u>	<u>\$ (1,513,951)</u>	<u>\$ -</u>	<u>\$ 2,808,163</u>
Total payable through general purpose school fund					<u>\$ 8,579,465</u>	<u>\$ -</u>	<u>\$ (2,122,144)</u>	<u>\$ -</u>	<u>\$ 6,457,321</u>

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CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Oustanding 6/30/2019	Issued During Period	Paid During Period	Refunded During Period	Oustanding 6/30/2020
Business-Type Activities									
<u>Payable through Utility Fund</u>									
General Revenue Bonds:									
2007 Serial Bonds	\$ 1,015,000	4.0 - 4.05%	9/12/2007	9/1/2027	\$ 555,000	\$ -	\$ (50,000)	\$ -	\$ 505,000
2009 Serial Bonds	960,000	2.0 - 4.1%	9/09/2009	9/1/2029	595,000	-	(45,000)	-	550,000
2010 Serial Bonds	3,115,000	2.0 - 2.65%	9/27/2012	9/1/2032	1,035,000	-	(305,000)	-	730,000
2011 Serial Bonds	4,305,000	2.0 - 2.75%	10/23/2013	9/1/2033	1,180,000	-	(230,000)	-	950,000
2012 Serial Bonds	3,440,000	2.0 - 3.0%	9/30/2015	9/1/2035	2,335,000	-	(240,000)	-	2,095,000
2013 Serial Bonds	2,005,000	3.0 - 3.625%	9/28/2016	9/1/2036	1,100,000	-	(60,000)	-	1,040,000
Total general revenue bonds					<u>\$ 6,800,000</u>	<u>\$ -</u>	<u>\$ (930,000)</u>	<u>\$ -</u>	<u>\$ 5,870,000</u>
2008 TML Note	1,000,000	*0.27%	2/20/2009	5/25/2029	\$ 609,000	\$ -	\$ (50,000)	\$ -	\$ 559,000
Total payable through utility fund					<u>\$ 7,409,000</u>	<u>\$ -</u>	<u>\$ (980,000)</u>	<u>\$ -</u>	<u>\$ 6,429,000</u>

*Variable rate Tennessee Municipal Bond Fund loan rate for June 30, 2019 was .27%

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE - GENERAL FUND
For the Year Ended June 30, 2020

	Total	2020	Prior Years										
			2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008 & Prior
Property taxes receivable - beginning of year	\$ 25,754,810	\$ -	\$25,083,772	\$335,466	\$181,908	\$38,388	\$30,910	\$25,211	\$20,675	\$13,055	\$9,488	\$6,825	\$9,112
Add:													
Tax levied:	25,284,871	\$24,997,563	261,998	25,310	-	-	-	-	-	-	-	-	-
Adjustments	(326,640)	-	(287,333)	(33,746)	(4,754)	(807)	-	-	-	-	-	-	-
Total Additions	24,958,231	\$24,997,563	(25,335)	(8,436)	(4,754)	(807)	-	-	-	-	-	-	-
Deduct:													
Collections - Net of Refunds	(24,940,650)	-	(24,605,959)	(194,818)	(121,585)	(6,386)	(4,538)	(4,166)	(1,631)	(1,020)	(109)	(229)	(209)
Releases	(23,444)	-	-	-	(2,635)	(3,473)	(3,454)	(3,135)	(3,450)	(1,745)	(1,678)	(1,162)	(2,712)
Total Deductions	(24,964,094)	-	(24,605,959)	(194,818)	(124,220)	(9,859)	(7,992)	(7,301)	(5,081)	(2,765)	(1,787)	(1,391)	(2,921)
Property taxes receivable - end of year	25,748,947	24,997,563	\$452,478	132,212	52,934	27,722	22,918	17,910	15,594	10,290	7,701	\$5,434	\$6,191
Less: Allowance for uncollectibles	(626,007)	(499,952)	(30,023)	(17,971)	(8,453)	(12,322)	(11,916)	(11,825)	(11,317)	(7,476)	(5,750)	(3,702)	(5,300)
Property taxes receivable, net	<u>\$ 25,122,940</u>	<u>\$ 24,497,611</u>	<u>\$ 422,455</u>	<u>\$ 114,241</u>	<u>\$ 44,481</u>	<u>\$ 15,400</u>	<u>\$ 11,002</u>	<u>\$ 6,085</u>	<u>\$ 4,277</u>	<u>\$ 2,814</u>	<u>\$ 1,951</u>	<u>\$ 1,732</u>	<u>\$ 891</u>

Delinquent Taxes

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

OTHER SCHEDULES

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF BONDS OF PRINCIPAL OFFICIALS
June 30, 2020

Amount of Bond/Issuance*

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

Mayor

A. Keith McDonald

Six Aldermen (each)*

Jack Young

W.C. (Bubba) Pleasant

David Parsons

Emily Elliott

Bobby Simmons

Paula Sedgwick

City Administrative Officer*

Mark Brown

City Attorney

Ed McKenney, Jr.

City Clerk

Penny Medlock

Director of Community Relations

Debbie Gelineau

Finance Director & CMFOA Designee

Dick Phebus

Court Clerk

Bill Lloyd

Director of Personnel

Ted Archdeacon

Director of Planning and Economic Development

Kim Taylor

Director of Police Services

Jeff Cox

Director of Fire Services

Terry Wiggins

Director of Code Enforcement

Jim Brown

Director of Public Works

Mike Adams

Director of Engineering

Rick McClanahan

Director of Parks and Recreation

Shan Criswell

Director of Performing Arts Center

Michael Bollinger

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF UTILITY RATE STRUCTURE AND NUMBER OF CUSTOMERS
June 30, 2020

As of June 30, 2020, City of Bartlett, Tennessee served approximately 21,552 water customers and 20,378 sewer customers and had the following rate structure in place:

Water			Sewer		
Residential, city customers (volume charge is 1,000 gal):					
<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>	<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>
First 2,000 gallons	\$ 5.80	\$ -	First 2,000 gallons	\$ 6.19	\$ -
Over 2,000 gallons/1,000 gal.	-	1.80	Over 2,000 gallons/1,000 gal.	-	1.64
					-
Residential, rural customers (volume charge is 1,000 gal):					
<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>	<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>
First 2,000 gallons	\$ 8.70	\$ -	First 2,000 gallons	\$ 9.09	\$ -
Over 2,000 gallons/1,000 gal.	-	2.70	Over 2,000 gallons/1,000 gal.	-	1.79
Commercial, city customers (volume charge is 1,000 gal):					
<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>	<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>
First 2,000 gallons	\$ 10.88	\$ -	First 2,000 gallons	\$ 14.89	\$ -
Over 2,000 gallons/1,000 gal.	-	2.10	Over 2,000 gallons/1,000 gal.	-	1.79
Commercial, rural customers (volume charge is 1,000 gal):					
<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>	<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>
First 2,000 gallons	\$ 15.59	\$ -	First 2,000 gallons	\$ 22.14	\$ -
Over 2,000 gallons/1,000 gal.	-	3.15	Over 2,000 gallons/1,000 gal.	-	1.93

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF UNACCOUNTED FOR WATER

For the Year Ended June 30, 2020



**AWWA Free Water Audit Software:
Reporting Worksheet**

WAS v5.0
American Water Works Association
Copyright © 2014. All Rights Reserved.

? Click to access definition
 + Click to add a comment

Water Audit Report for: **City of Bartlett (0000765)**
 Reporting Year: **2020** 7/2019 - 6/2020

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

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

WATER SUPPLIED

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

← Enter grading in column 'E' and 'J' →

Volume from own sources:	+ ? 8	2,204.820 MG/Yr	
Water imported:	+ ? 8	0.000 MG/Yr	
Water exported:	+ ?	0.000 MG/Yr	

WATER SUPPLIED: 2,204.820 MG/Yr

Master Meter and Supply Error Adjustments

Point: **7** Value:

Point: Value:

Point: Value:

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

AUTHORIZED CONSUMPTION

Billed metered:	+ ? 9	1,756.580 MG/Yr	
Billed unmetered:	+ ? 9	0.000 MG/Yr	
Unbilled metered:	+ ? 9	50.620 MG/Yr	
Unbilled unmetered:	+ ? 5	89.015 MG/Yr	

Unbilled Unmetered volume entered is greater than the recommended default value

AUTHORIZED CONSUMPTION: 1,896.215 MG/Yr

Click here: ? for help using option buttons below

Point: Value:

Use buttons to select percentage of water supplied OR value

Point: Value:

Point: Value:

Point: Value:

WATER LOSSES (Water Supplied - Authorized Consumption)

308.605 MG/Yr

Apparent Losses

Unauthorized consumption: + ? 5.512 MG/Yr

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

Customer metering inaccuracies: + ? 9 18.255 MG/Yr

Systematic data handling errors: + ? 4.391 MG/Yr

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

Apparent Losses: 28.158 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: ? 280.447 MG/Yr

WATER LOSSES: 308.605 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 448.240 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains: + ? 9 370.4 miles

Number of active AND inactive service connections: + ? 9 22,085

Service connection density: ? 60 conn./mile main

Are customer meters typically located at the curbside or property line? Yes

Average length of customer service line: + ?

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

Average operating pressure: + ? 7 61.0 psi

(length of service line, beyond the property boundary, that is the responsibility of the utility)

COST DATA

Total annual cost of operating water system: + ? 10 \$5,648,594 /Year

Customer retail unit cost (applied to Apparent Losses): + ? 8 \$4.80 /\$1000 gallons (US)

Variable production cost (applied to Real Losses): + ? 9 \$462.91 /\$Million gallons

☐ Use Customer Retail Unit Cost to value real losses

*** 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, 2020

AWWA Free Water Audit Software:		WAS v5.0
System Attributes and Performance Indicators		American Water Works Association Copyright © 2014. All Rights Reserved.
Water Audit Report for: City of Bartlett (0000765)		
Reporting Year: 2020 7/2019 - 6/2020		
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 82 out of 100 ***		
System Attributes:		
	Apparent Losses:	28.158 MG/Yr
+	Real Losses:	280.447 MG/Yr
=	Water Losses:	308.605 MG/Yr
? Unavoidable Annual Real Losses (UARL):		118.37 MG/Yr
	Annual cost of Apparent Losses:	\$135,159
	Annual cost of Real Losses:	\$129,822 Valued at Variable Production Cost Return to Reporting Worksheet to change this assumption
Performance Indicators:		
Financial:	Non-revenue water as percent by volume of Water Supplied:	20.3%
	Non-revenue water as percent by cost of operating system:	5.8% Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	3.49 gallons/connection/day
	Real Losses per service connection per day:	34.79 gallons/connection/day
	Real Losses per length of main per day*:	N/A
	Real Losses per service connection per day per psi pressure:	0.57 gallons/connection/day/psi
From Above, Real Losses = Current Annual Real Losses (CARL):		280.45 million gallons/year
? Infrastructure Leakage Index (ILI) [CARL/UARL]:		2.37

* 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, 2020

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

<u>Contents</u>	<u>Page</u>
Financial Trends	153
These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.	
Revenue Capacity	159
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	166
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	171
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place, to help make comparisons over time and with other governments.	
Operating Information	173
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF BARTLETT, TENNESSEE
NET POSITION BY COMPONENT

Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Government activities										
Net Investment in Capital Assets	\$ 87,234,488	\$ 93,659,549	\$ 98,790,350	\$ 266,223,904	\$ 265,573,498	\$ 263,277,473	\$ 268,541,209	\$ 250,600,800	\$ 246,674,617	\$ 279,366,819
Restricted for:										
Debt Service	580,372	952,372	904,127	-	-	-	-	-	-	-
Streets	570,891	803,065	1,088,408	739,690	960,632	435,923	-	370,073	231,572	-
Park improvements	706,523	665,100	665,100	-	-	-	-	-	-	-
Capital projects	-	-	-	7,396,522	4,941,960	-	-	-	-	208,878
DEA task force	-	-	-	423,553	405,430	263,386	313,367	-	-	-
Drug enforcement	449,086	585,392	598,242	492,275	491,661	451,216	490,096	760,682	623,986	769,520
Education	-	-	-	-	-	-	349,026	475,938	589,660	424,644
Solid waste	-	-	-	-	-	-	1,245,982	1,086,301	489,784	882,420
Net pension asset	-	-	-	-	-	-	155,906	835,406	4,625,988	11,510,896
Other purposes	235,451	321,684	337,328	16,199	-	349,874	19,218	22,640	233,119	439,056
Unrestricted	20,914,652	12,119,658	4,698,411	(1,300,457)	(5,472,307)	6,566,878	10,480,458	12,564,491	12,658,410	(31,184,551)
Total government activities net position	\$ 110,691,463	\$ 109,106,820	\$ 107,081,966	\$ 273,991,686	\$ 266,900,874	\$ 271,344,750	\$ 281,595,262	\$ 266,716,331	\$ 266,127,136	\$ 262,417,682
Business-type activities										
Net Investment in Capital Assets	\$ 56,092,212	\$ 58,771,208	\$ 58,727,263	\$ 57,051,033	\$ 57,658,219	\$ 57,533,711	\$ 57,820,422	\$ 58,717,586	\$ 59,169,879	\$ 59,338,672
Net Pension Asset	-	-	-	-	-	-	-	-	10,806	10,716
Restricted - Capital projects	-	-	-	2,621,366	1,965,536	-	-	-	-	-
Unrestricted	7,544,300	6,458,394	7,274,487	6,932,427	6,723,957	9,253,333	9,538,284	8,700,754	8,276,041	8,755,077
Total business-type activities net position	\$ 63,636,512	\$ 65,229,602	\$ 66,001,750	\$ 66,604,826	\$ 66,347,712	\$ 66,787,044	\$ 67,358,706	\$ 67,418,340	\$ 67,456,726	\$ 68,104,465
Primary government										
Net Investment in Capital Assets	\$ 143,326,700	\$ 152,430,757	\$ 157,517,613	\$ 323,274,937	\$ 323,231,717	\$ 320,811,184	\$ 326,361,631	\$ 309,318,386	\$ 305,844,496	\$ 338,705,491
Restricted for:										
Debt Service	580,372	952,372	904,127	-	-	-	-	-	-	-
Streets	570,891	803,065	1,088,408	739,690	960,632	435,923	-	370,073	231,572	-
Park improvements	706,523	665,100	665,100	-	-	-	-	-	-	-
Capital projects	-	-	-	10,017,888	6,907,496	-	-	-	-	208,878
DEA task force	-	-	-	423,553	405,430	263,386	313,367	-	-	-
Drug enforcement	449,086	585,392	598,242	492,275	491,661	451,216	490,096	760,682	623,986	769,520
Education	-	-	-	-	-	-	349,026	475,938	589,660	424,644
Solid waste	-	-	-	-	-	-	1,245,982	1,086,301	489,784	882,420
Net pension asset	-	-	-	-	-	-	155,906	835,406	4,636,794	11,521,612
Other purposes	235,451	321,684	337,328	16,199	-	349,874	19,218	22,640	233,119	439,056
Unrestricted	28,458,952	18,578,052	11,972,898	5,631,970	1,251,650	15,820,211	20,018,742	21,265,245	20,934,451	(22,429,474)
Total primary government net position	\$ 174,327,975	\$ 174,336,422	\$ 173,083,716	\$ 340,596,512	\$ 333,248,586	\$ 338,131,794	\$ 348,953,968	\$ 334,134,671	\$ 333,583,862	\$ 330,522,147

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 7,016,910	\$ 7,508,236	\$ 7,544,128	\$ 7,751,978	\$ 8,194,427	\$ 8,945,508	\$ 8,175,577	\$ 8,145,735	\$ 8,704,877	\$ 9,457,124
Public safety	24,532,698	25,841,866	24,315,277	28,251,298	27,217,650	28,907,473	29,948,247	30,569,645	33,365,314	34,869,812
Public works	15,767,322	15,148,440	18,568,846	14,394,975	15,190,501	17,226,976	16,123,280	20,016,316	22,057,199	22,445,292
Parks and recreation	4,319,311	4,369,653	3,899,743	3,950,132	4,277,840	4,603,219	4,668,957	5,019,903	5,376,867	5,745,030
Performing arts center	773,715	597,215	584,528	660,053	645,051	705,416	725,909	809,318	883,657	756,159
Recreation center	1,718,237	1,752,728	1,596,531	1,637,281	1,618,553	1,808,051	1,680,898	1,680,269	1,597,184	1,556,782
Education	-	-	-	7,795,442	69,978,551	77,495,002	76,913,672	85,294,993	92,755,009	97,342,298
Interest on long-term debt	927,525	757,919	1,119,654	852,897	894,813	1,118,293	1,227,153	2,556,020	2,655,578	2,711,546
Total government activities expenses	<u>55,055,718</u>	<u>55,976,057</u>	<u>57,628,707</u>	<u>65,294,056</u>	<u>128,017,386</u>	<u>140,809,938</u>	<u>139,463,693</u>	<u>154,092,199</u>	<u>167,395,685</u>	<u>174,884,043</u>
Business-type activities:										
Water and sewer	7,275,464	7,508,717	7,614,786	7,407,082	7,694,263	7,860,001	8,449,758	8,775,729	8,829,089	8,770,780
Total primary government expenses	<u>\$ 62,331,182</u>	<u>\$ 63,484,774</u>	<u>\$ 65,243,493</u>	<u>\$ 72,701,138</u>	<u>\$ 135,711,649</u>	<u>\$ 148,669,939</u>	<u>\$ 147,913,451</u>	<u>\$ 162,867,928</u>	<u>\$ 176,224,774</u>	<u>\$ 183,654,823</u>
Program Revenues										
Governmental activities:										
General government	\$ 2,987,511	\$ 3,368,184	\$ 3,378,393	\$ 3,266,878	\$ 3,253,548	\$ 3,196,065	\$ 5,673,793	\$ 5,611,778	\$ 5,356,944	\$ 4,910,021
Public safety	1,660,752	1,695,470	1,608,651	1,819,317	2,247,713	2,758,987	1,474,601	1,519,032	1,484,881	1,605,472
Public works	5,942,888	5,872,537	6,152,226	7,280,921	9,595,679	8,071,894	6,784,396	6,860,716	7,105,512	8,015,395
Parks and recreation	966,105	927,648	916,375	884,942	912,682	934,943	862,264	876,015	877,715	564,334
Performing arts center	267,997	274,638	262,696	289,071	288,091	193,275	174,851	256,352	289,948	178,131
Recreation center	1,588,369	1,532,690	1,552,083	1,485,382	1,460,396	1,501,587	1,579,736	1,657,507	1,701,141	1,425,277
Education	-	-	-	-	777,380	3,010,331	2,821,738	2,714,048	2,666,990	1,897,493
Operating grants and contributions	3,070,185	3,349,489	3,274,028	2,758,332	44,118,649	48,287,720	51,833,703	54,494,403	56,980,922	57,545,919
Capital grants and contributions	337,368	559,499	526,768	174,543,318	-	2,535,261	1,415,217	4,303,482	3,705,487	8,538,604
Total government activities revenues	<u>16,821,175</u>	<u>17,580,155</u>	<u>17,671,220</u>	<u>192,328,161</u>	<u>62,654,138</u>	<u>70,490,063</u>	<u>72,620,299</u>	<u>78,293,333</u>	<u>80,169,540</u>	<u>84,680,646</u>
Business-type activities:										
Water and sewer	6,294,620	8,745,547	8,432,753	8,374,269	8,294,446	8,329,734	8,416,266	8,309,887	8,320,764	9,285,812
Operating grants and contributions	233,559	138,595	39,801	41,903	25,090	7,078	-	-	-	-
Capital grants and contributions	462,965	482,843	185,720	184,388	715,368	517,727	1,108,091	530,163	417,438	541,088
Total business-type activities revenues	<u>6,991,144</u>	<u>9,366,985</u>	<u>8,658,274</u>	<u>8,600,560</u>	<u>9,034,904</u>	<u>8,854,539</u>	<u>9,524,357</u>	<u>8,840,050</u>	<u>8,738,202</u>	<u>9,826,900</u>
Total primary government program revenues	<u>\$ 23,812,319</u>	<u>\$ 26,947,140</u>	<u>\$ 26,329,494</u>	<u>\$ 200,928,721</u>	<u>\$ 71,689,042</u>	<u>\$ 79,344,602</u>	<u>\$ 82,144,656</u>	<u>\$ 87,133,383</u>	<u>\$ 88,907,742</u>	<u>\$ 94,507,546</u>
Net (expense)/revenue										
Governmental activities	\$ (38,234,543)	\$ (38,395,902)	\$ (39,957,487)	\$ 127,034,105	\$ (65,363,248)	\$ (70,319,875)	(66,843,394)	(75,798,866)	(87,226,145)	(90,203,397)
Business-type activities	(284,320)	1,858,268	1,043,488	1,193,478	1,340,641	994,538	1,074,599	64,321	(90,887)	1,056,120
Total primary government net expense	<u>\$ (38,518,863)</u>	<u>\$ (36,537,634)</u>	<u>\$ (38,913,999)</u>	<u>\$ 128,227,583</u>	<u>\$ (64,022,607)</u>	<u>\$ (69,325,337)</u>	<u>\$ (65,768,795)</u>	<u>(75,734,545)</u>	<u>(87,317,032)</u>	<u>(89,147,277)</u>

(Continued on next page)

CITY OF BARTLETT, TENNESSEE
CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 17,819,265	\$ 17,781,386	\$ 18,103,072	\$ 19,151,409	\$ 40,991,528	\$ 41,285,648	\$ 43,589,225	\$ 50,313,613	\$ 50,654,473	\$ 49,431,037
Local sales taxes	10,583,911	11,288,513	14,231,775	15,356,572	23,933,578	23,068,693	23,469,320	27,056,566	28,167,640	29,080,481
Intergovernmental/unrestricted	4,072,733	4,691,816	4,731,793	4,957,503	5,588,354	9,073,388	9,147,026	6,233,732	6,362,513	6,463,739
Interest on investments	108,663	95,808	73,821	36,503	29,213	30,646	64,163	559,590	910,061	723,206
Gain (Loss) on sale of assets	-	-	-	28,391	22,372	(111,182)	62,065	59,379	71,323	36,755
Other	422,661	1,964,827	500,009	350,473	505,241	114,923	199,262	496,291	470,940	168,191
Transfers	303,835	296,566	292,163	308,367	605,061	571,666	562,842	-	-	590,534
Total government activities	<u>33,311,068</u>	<u>36,118,916</u>	<u>37,932,633</u>	<u>40,189,218</u>	<u>71,675,347</u>	<u>74,033,782</u>	<u>77,093,903</u>	<u>84,719,171</u>	<u>86,636,950</u>	<u>86,493,943</u>
Business-type activities:										
Interest on investments	32,995	25,379	20,823	11,881	5,170	9,822	19,950	42,409	101,350	110,729
Gain (Loss) on sale of assets	-	-	-	-	-	-	-	8,255	7,192	2,020
Other	-	6,009	-	-	1,987	6,638	39,955	52,815	20,731	69,404
Transfers	(303,835)	(296,566)	(292,163)	(308,367)	(605,061)	(571,666)	(562,842)	-	-	(590,534)
Total primary government	<u>\$ 33,040,228</u>	<u>\$ 35,853,738</u>	<u>\$ 37,661,293</u>	<u>\$ 39,892,732</u>	<u>\$ 71,077,443</u>	<u>\$ 73,478,576</u>	<u>\$ 76,590,966</u>	<u>\$ 84,822,650</u>	<u>\$ 86,766,223</u>	<u>\$ 86,085,562</u>
Change in Net Position										
Governmental activities	(4,923,475)	(2,276,986)	(2,024,854)	167,223,323	6,312,099	3,713,907	10,250,509	8,920,305	(589,195)	(3,709,454)
Business-type activities	(555,160)	1,593,090	772,148	896,992	742,737	439,332	571,662	167,800	38,386	647,739
Total primary government	<u>\$ (5,478,635)</u>	<u>\$ (683,896)</u>	<u>\$ (1,252,706)</u>	<u>\$ 168,120,315</u>	<u>\$ 7,054,836</u>	<u>\$ 4,153,239</u>	<u>\$ 10,822,171</u>	<u>\$ 9,088,105</u>	<u>\$ (550,809)</u>	<u>\$ (3,061,715)</u>

CITY OF BARTLETT, TENNESSEE
FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Nonspendable	\$ 213,718	\$ 187,260	\$ 207,569	\$ 249,296	\$ 228,952	\$ 206,905	\$ 217,498	\$ 232,020	\$ 204,071	\$ 169,780
Restricted	-	-	14,664	16,199	17,332	18,651	19,215	22,640	44,847	26,046
Committed	-	1,100,000	1,000,000	1,000,000	1,756,561	1,000,000	1,000,000	11,852,220	11,986,712	11,995,012
Assigned	1,777,509	797,474	905,070	211,416	161,226	76,021	164,577	71,397	103,218	1,899,040
Unassigned	15,684,006	16,655,499	21,768,560	24,211,101	26,496,930	27,562,053	27,106,310	17,203,993	17,629,713	15,643,492
Total General Fund	\$ 17,675,233	\$ 18,740,233	\$ 23,895,863	\$ 25,688,012	\$ 28,661,001	\$ 28,863,630	\$ 28,507,600	\$ 29,382,270	\$ 29,968,561	\$ 29,733,370
All other governmental funds										
Nonspendable	\$ 3,500	\$ -	\$ -	\$ -	\$ 100,013	\$ 163,796	\$ 130,691	\$ 174,130	\$ 127,434	\$ 128,298
Restricted	8,142,957	6,047,897	6,986,500	9,052,040	13,117,429	24,033,178	8,401,362	50,607,361	25,113,662	13,122,186
Committed	1,072,950	1,523,263	904,127	671,538	560,760	462,835	1,387,070	3,331,785	24,638,814	16,329,850
Assigned	3,362,502	7,055,831	7,252,608	5,699,177	5,650,519	6,771,591	28,428,320	36,218,342	19,250,285	26,749,346
Unassigned	(21,503)	(17,422)	-	-	-	-	-	(1,340,325)	(5,541)	(3,264,089)
Total all other governmental funds	\$ 12,560,406	\$ 14,609,569	\$ 15,143,235	\$ 15,422,755	\$ 19,428,721	\$ 31,431,400	\$ 38,347,443	\$ 88,991,293	\$ 69,124,654	\$ 53,065,591
Total governmental funds	\$ 30,235,639	\$ 33,349,802	\$ 39,039,098	\$ 41,110,767	\$ 48,089,722	\$ 60,295,030	\$ 66,855,043	\$ 118,373,563	\$ 99,093,215	\$ 82,798,961

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

Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes										
Property taxes	\$ 17,976,858	\$ 17,767,922	\$ 18,441,025	\$ 19,156,626	\$ 41,047,854	\$ 41,565,572	\$ 43,204,199	\$ 50,134,500	\$ 50,686,127	\$ 49,754,831
Local sales taxes	10,491,343	11,288,513	14,231,775	15,356,572	23,933,578	26,337,729	26,413,821	27,076,383	28,122,872	29,035,948
Intergovernmental	5,550,454	6,296,770	6,326,051	6,477,269	43,537,763	45,630,720	50,461,687	53,184,881	58,202,681	62,817,742
Licenses and permits	1,512,694	1,532,178	1,477,028	1,591,717	1,705,373	1,698,105	1,842,422	1,755,785	1,656,593	1,543,948
Charges for services	9,499,172	9,329,329	9,563,056	10,679,567	12,901,463	13,685,642	13,682,211	13,883,567	14,246,839	13,557,355
Fines, forfeitures and penalties	1,827,808	1,932,544	1,934,970	1,767,846	1,618,173	1,480,555	2,012,189	2,153,179	1,887,041	1,470,297
Federal and state grants	2,051,424	2,175,900	1,703,270	1,205,191	6,188,421	8,294,670	8,824,724	9,858,401	10,192,102	9,642,077
Donations	13,226	12,400	14,670	23,366	33,570	111,776	81,784	43,990	28,254	31,168
Interest on investments	106,933	95,772	73,814	36,503	29,213	30,646	64,163	559,590	910,061	723,206
Program income	-	-	-	-	505,241	442,421	-	-	-	-
Other	339,138	1,897,652	495,267	350,473	575,805	2,558,994	199,262	496,291	470,940	168,191
Total revenues	49,369,050	52,328,980	54,260,926	56,645,130	132,076,454	141,836,830	146,786,462	159,146,567	166,403,510	168,744,763
Expenditures										
General government	5,921,099	6,360,953	6,871,755	7,259,574	7,083,713	7,348,641	7,152,839	7,498,620	7,714,061	8,171,785
Public safety	21,504,877	22,191,861	22,878,768	23,573,426	23,858,657	24,292,717	25,647,257	27,044,069	28,504,601	28,918,726
Public works	12,242,078	10,569,373	12,252,056	12,162,351	12,141,119	13,943,561	13,591,579	14,161,150	15,813,473	16,224,275
Parks and recreation	3,554,826	3,381,304	3,297,743	3,445,809	3,578,079	3,761,631	3,870,934	4,055,658	4,151,427	4,322,410
Performing arts center	562,989	558,610	543,778	622,298	546,657	561,926	587,870	694,405	726,344	595,584
Recreation center	1,448,045	1,513,102	1,490,018	1,544,921	1,528,253	1,638,717	1,623,146	1,669,484	1,559,399	1,477,483
Education	-	-	-	1,444,226	69,875,388	74,570,641	75,969,049	83,716,049	82,039,475	85,865,716
Debt Service										
Principal	2,394,850	2,112,330	2,814,000	3,339,000	3,993,038	5,203,158	5,607,730	5,755,885	8,908,299	7,545,816
Interest	910,148	864,423	807,602	789,595	799,912	857,787	1,102,097	1,885,784	3,040,238	3,136,105
Bond issuance cost	103,204	63,812	125,193	101,551	9,525	103,337	127,364	322,391	86,217	113,020
Other	-	-	-	198,904	-	-	-	-	-	-
Capital Outlay	3,746,887	5,553,028	5,025,385	3,933,151	4,053,692	8,043,565	15,504,408	17,531,312	41,722,591	41,512,776
Total expenditures	52,389,003	53,168,796	56,106,298	58,414,806	127,468,033	140,325,681	150,784,273	164,334,807	194,266,125	197,883,696
Excess (deficiency) of revenues over (under) expenditures	(3,019,953)	(839,816)	(1,845,372)	(1,769,676)	4,608,421	1,511,149	(3,997,811)	(5,188,240)	(27,862,615)	(29,138,933)

(Continued on next page)

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

Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other financing sources (uses)										
Transfers in	1,762,329	2,620,929	2,453,623	3,862,953	5,341,403	8,757,452	11,268,400	15,455,484	42,646,015	30,994,307
Transfers out	(1,458,494)	(2,324,363)	(2,161,460)	(3,554,586)	(4,736,342)	(8,185,786)	(10,705,558)	(15,455,484)	(42,646,015)	(30,403,773)
Debt Proceeds-General Obligation	5,085,000	3,376,500	4,890,000	3,304,445	1,743,101	9,104,000	10,698,298	49,621,006	6,650,000	11,000,000
Refunding bond issued	3,315,000	1,860,000	6,275,000	2,510,000	-	-	-	2,310,000	-	-
Premium (Discount) on bond issued	115,971	157,460	612,570	225,221	-	895,732	205,667	7,018,888	432,362	1,216,125
Payment to refunded bond escrow agent	(3,329,241)	(1,885,494)	(6,590,897)	(2,535,079)	-	-	(971,048)	(2,324,413)	-	-
Sale of capital assets	10,858	148,947	89,269	28,391	22,372	122,761	62,065	81,279	1,499,905	38,020
Total other financing sources (uses)	5,501,423	3,953,979	5,568,105	3,841,345	2,370,534	10,694,159	10,557,824	56,706,760	8,582,267	12,844,679
Net change in fund balances	\$ 2,481,470	\$ 3,114,163	\$ 3,722,733	\$ 2,071,669	\$ 6,978,955	\$ 12,205,308	\$ 6,560,013	\$ 51,518,520	\$ (19,280,348)	\$ (16,294,254)
Debt Service as a percentage of noncapital expenditures	6.7%	5.9%	6.9%	7.5%	3.9%	4.6%	5.2%	5.3%	7.4%	6.8%

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					
2011	816,594,875	2,553,900	270,612,325	13,515,174	39,753,910	1,143,030,184	1.49	4,113,660,743	27.79%
2012	818,851,275	2,217,700	264,203,305	12,747,832	43,261,760	1,141,281,872	1.49	4,115,082,776	27.73%
2013	818,021,950	2,249,600	261,021,890	12,870,447	47,034,500	1,141,198,387	1.49	4,116,932,713	27.72%
2014	790,943,125	3,923,425	292,745,380	11,954,325	49,061,100	1,148,627,355	1.49	4,099,378,236	28.02%
2015	796,465,875	3,922,700	279,411,507	12,181,492	51,606,320	1,143,587,894	1.62	4,097,084,367	27.91%
2016	805,356,975	3,628,475	280,738,592	11,736,707	46,644,450	1,148,105,199	1.62	4,117,440,767	27.88%
2017	816,270,975	3,489,325	281,659,297	11,621,065	45,394,340	1,158,435,002	1.62	4,158,397,609	27.86%
2018	918,372,600	3,697,300	329,210,340	9,579,414	51,723,570	1,312,583,224	1.83	4,885,845,816	26.87%
2019	930,899,075	3,615,975	331,409,970	9,346,347	56,353,640	1,331,625,007	1.83	4,757,085,300	27.99%
2020	935,172,925	3,762,525	364,242,410	8,556,653	58,173,730	1,369,908,243	1.83	4,857,473,900	28.20%

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

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

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

Fiscal Year	(Per \$100 of Assessed Valuation)					Total Direct & Overlapping Rates
	City	County				
	Direct	General		Debt	Rural School	
	Rate	Fund	Education	Service	Bonds	
2011	1.49	1.33	1.90	0.79	0.04	5.55
2012	1.49	1.36	1.91	0.75	0.04	5.55
2013	1.49	1.36	1.91	0.75	0.04	5.55
2014	1.62	1.45	2.14	0.79	0.04	6.04
2015	1.62	1.45	2.14	0.78	-	5.99
2016	1.62	1.45	2.14	0.78	-	5.99
2017	1.62	1.45	2.14	0.78	-	5.99
2018	1.83	1.43	1.99	0.69	-	5.94
2019	1.83	1.49	1.94	0.62	-	5.88
2020	1.83	1.49	1.94	0.62	-	5.88

Notes:

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

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

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

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

CITY OF BARTLETT, TENNESSEE
Principal Property Taxpayers
Current and Nine Years Ago

Taxpayer	FY 2020			FY 2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Brother International	\$ 35,031,770	1	2.57%	\$ 31,888,940	1	2.79%
Tenet Healthcare/ St. Francis	30,829,056	2	2.26%	20,659,520	2	1.81%
Walmart Real Estate Trust	12,895,110	3	0.95%	5,742,640	8	0.50%
UHS of Lakeland Inc	11,915,600	4	0.88%	6,502,160	7	0.57%
Passco Wolfchase DST	11,227,160	5	0.82%	9,413,560	4	0.82%
Gyros AMCI INC	10,649,720	6	0.78%			
Walgreens	8,456,890	7	0.62%			
Robinwood Retirement Community	7,409,090	8	0.54%			
Branch Bartlett Associates LP	7,369,600	9	0.54%	7,094,480	6	0.62%
Kroger Limited Partnership	7,298,080	10	0.54%			
Belvedere Apartments				4,830,000	9	0.42%
Bell South Telecommunications				8,462,141	5	0.74%
Bartlett Logistics One LLC				11,238,240	3	0.98%
Lowes Home Centers INC				4,390,910	10	0.38%
Totals	\$ 143,082,076		10.51%	\$ 110,222,591		9.64%

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
2020	25,058,437	24,605,959	98.19%		24,605,959	98.19%	452,478
2019	24,798,470	24,463,004	98.65%	203,254	24,666,258	99.47%	132,212
2018	24,381,665	24,034,077	98.57%	294,654	24,328,731	99.78%	52,934
2017	18,768,520	18,460,798	98.36%	280,000	18,740,798	99.85%	27,722
2016	18,606,509	18,357,222	98.66%	226,369	18,583,591	99.88%	22,918
2015	18,542,430	18,129,378	97.77%	395,142	18,524,520	99.90%	17,910
2014	18,622,604	18,197,864	97.72%	409,146	18,607,010	99.92%	15,594
2013	17,002,029	16,197,954	95.27%	793,785	16,991,739	99.94%	10,290
2012	17,016,533	16,375,709	96.23%	633,123	17,008,832	99.95%	7,701
2011	16,959,601	16,416,548	96.80%	537,619	16,954,167	99.97%	5,434

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Apparel & Accessories	\$ 6,964,217	\$ 6,552,552	\$ 7,320,187	\$ 7,219,358	\$ 6,909,183	\$ 6,426,432	\$ 6,458,641	\$ 5,952,163	\$ 6,549,987	\$ 6,389,667
General Merchandise	182,996,084	180,444,412	184,429,439	182,661,578	180,054,366	181,438,039	179,850,866	180,827,467	188,739,272	196,279,786
Food Stores	89,692,964	94,225,750	98,885,240	104,465,717	109,889,286	114,039,735	117,244,949	116,571,003	117,044,573	119,856,058
Eating & Drinking Places	62,454,566	65,120,356	69,029,684	69,991,843	76,419,477	80,766,538	83,220,815	86,559,390	98,453,823	107,979,686
Furniture Stores	12,757,864	14,248,753	13,108,868	14,014,358	14,989,790	14,401,648	15,929,942	16,984,519	20,395,934	20,185,849
Building Materials	46,657,984	45,407,128	45,561,130	47,280,575	48,112,941	48,652,167	50,573,946	50,800,987	49,226,929	50,618,414
MV Dealers & Serv. Stations	40,423,739	41,379,659	44,781,673	46,905,576	45,884,447	49,148,765	51,534,694	55,633,477	58,955,615	61,010,683
Other Retail	55,754,890	57,317,368	61,008,643	58,419,734	59,952,539	68,801,657	72,686,210	71,172,687	70,407,038	69,542,023
All Other Outlets	120,365,454	130,931,521	138,042,558	144,207,920	158,111,643	164,781,784	173,014,542	135,210,081	124,638,317	141,568,909
Total	<u>\$ 618,067,762</u>	<u>\$ 635,627,499</u>	<u>\$ 662,167,422</u>	<u>\$ 675,166,659</u>	<u>\$ 700,323,672</u>	<u>\$ 728,456,765</u>	<u>\$ 750,514,605</u>	<u>\$ 719,711,774</u>	<u>\$ 734,411,488</u>	<u>\$ 773,431,075</u>

Source: Tennessee Department of Revenue, Research Division

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

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

Year	City Direct Rate	Shelby County	State of Tennessee
2011	1.125%	1.125%	7.00%
2012	1.125%	1.125%	7.00%
2013	1.625%	1.125%	7.00%
2014	1.625%	1.125%	7.00%
2015	1.625%	1.125%	7.00%
2016	1.625%	1.125%	7.00%
2017	1.625%	1.125%	7.00%
2018	1.625%	1.125%	7.00%
2019	1.625%	1.125%	7.00%
2020	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
Current Year and Nine Years Ago

Sector	Fiscal Year 2020				Fiscal Year 2011			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	456	45.10%	\$ 17,853,641	82.99%	488	51.97%	\$ 11,273,316	80.76%
Services	252	24.93%	1,781,454	8.28%	251	26.73%	1,273,850	9.13%
Manufacturing	58	5.74%	259,019	1.20%	58	6.18%	121,120	0.87%
Wholesale Trade	59	5.84%	846,678	3.94%	62	6.60%	1,108,293	7.94%
Construction	29	2.87%	71,500	0.33%	27	2.88%	32,419	0.23%
Finance Insurance Real Estate	10	0.99%	2,457	0.01%	3	0.32%	1,060	0.01%
Transportation and Utilities	9	0.89%	121,098	0.56%	7	0.75%	64,933	0.47%
Agriculture	9	0.89%	32,978	0.15%	9	0.96%	29,954	0.21%
Other, Non Classified	129	12.76%	543,858	2.53%	34	3.62%	54,054	0.39%
Total	1011	100.00%	\$ 21,512,683	100.00%	939	100.00%	\$ 13,958,999	100.00%

Source: Tennessee Department of Revenue, Research Division.

Notes:

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

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

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	General Obligation Note	Capital Note	Capital Lease	Revenue Bonds	Revenue Note			
2011	25,862,312	908,055	1,176,330	-	13,490,000	170,251	41,606,948	2.53%	762
2012	27,166,228	861,055	1,327,500	-	12,410,000	135,251	41,900,034	2.52%	767
2013	29,085,958	812,055	2,097,500	-	12,475,000	99,251	44,569,764	2.68%	816
2014	28,876,934	1,115,001	2,135,000	-	13,053,912	826,000	46,006,847	2.74%	814
2015	26,177,752	1,061,000	2,657,000	535,256	11,809,309	786,000	43,026,317	2.36%	762
2016	29,247,448	1,005,000	3,293,000	2,194,316	10,459,704	744,000	46,943,468	2.50%	831
2017	32,045,250	946,000	3,842,500	3,562,443	9,170,077	701,000	50,267,270	2.60%	865
2018	78,168,505	885,000	5,072,150	7,213,622	8,121,081	656,000	100,116,358	5.11%	1,694
2019	79,026,629	821,000	5,411,000	4,322,114	7,054,826	609,000	97,244,569	4.92%	1,645
2020	73,005,000	754,000	8,635,000	2,808,163	5,870,000	559,000	91,631,163	4.59%	1,550

Notes:

Governmental G.O.Note of \$821,000 with variable interest rate is for general improvements. Interest rate at 6/30/19 was 2.07%.

Governmental Capital Notes totaled \$5,411,000 at June 30, 2020. Seven (7) 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 \$4,322,114 at June 30, 2020. 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
2011	25,862,312	1,176,330	-	908,055	27,946,697	0.68%	512
2012	27,166,228	1,327,500	-	861,055	29,354,783	0.71%	538
2013	29,085,958	2,097,500	-	812,055	31,995,513	0.78%	586
2014	28,876,934	2,135,000	-	1,115,000	32,126,934	0.78%	569
2015	26,177,752	2,657,000	535,256	1,061,000	30,431,008	0.74%	539
2016	29,247,448	3,293,000	2,194,316	1,005,000	35,739,764	0.87%	633
2017	32,045,250	3,842,500	3,562,443	946,000	40,396,193	0.97%	695
2018	78,168,505	5,072,150	7,213,622	885,000	91,339,277	1.87%	1,545
2019	79,026,629	5,411,000	4,322,114	821,000	89,580,743	1.88%	1,516
2020	73,005,000	8,635,000	2,808,163	754,000	85,202,163	1.75%	1,442

CITY OF BARTLETT, TENNESSEE
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

<u>Name of Government Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Bartlett (1)</u>	<u>Overlapping Debt (2)</u>
City Net General Obligation Debt	\$ 85,202,163	100.00%	\$ 85,202,163
Shelby County	<u>868,632,569</u>	6.94%	<u>60,243,787</u>
Totals Direct and Overlapping Debt	<u>\$ 953,834,732</u>		<u>\$ 145,445,950</u>

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

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

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

The City of Bartlett has no legal debt limit

CITY OF BARTLETT, TENNESSEE
Statement of Debt
As of June 30, 2020

General Obligation Bonded Debt:		
Existing G.O. Bonds	\$ 73,005,000	
Total Public Improvement Bonded Debt		\$ 73,005,000
Existing Water and Sewer Bonds ¹	\$ 5,870,000	
Total Water and Sewer Bonded Debt		\$ 5,870,000
Total Bonded Debt		78,875,000
Less Self Supporting Debt		(5,870,000)
Net Bonded Debt		\$ 73,005,000
Net Overlapping Bonded Debt		\$ 61,588,642
Less: Self-Supporting Bonded Debt		-
Net Overlapping Bonded Debt		61,588,642
Bonded Debt Outstanding Including Overlapping Bonded Debt		140,463,642
Net Bonded Debt Outstanding Including Net Overlapping Bonded Debt		\$ 134,593,642

	City of Bartlett	City and Net Overlapping
Net Direct Debt Per Capita	\$ 1,181	\$ 2,273
Total Debt Per Capita	1,314	2,406
Net Debt / Actual Value	1.50%	2.77%
Total Debt / Actual Value	1.62%	2.89%
Net Debt / Assessed Value	5.36%	9.89%
Total Debt / Assessed Value	5.79%	10.32%

	Bartlett	Shelby County
FY 2020 Assessed Value	\$1,361,351,590	\$ 19,200,201,477
FY 2020 Appraised Value	\$4,862,913,800	\$ 65,859,545,300
2020 Estimated Population ²	59,102	927,644

Shelby County's unaudited Net Bonded Debt as of June 30, 2020 \$ 868,632,569

Bartlett's Assessed Value as a Percentage of Shelby County's Assessed Value: 7.09%

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	
2011	7,024,139	4,781,719	2,242,420	1,013,000	500,254	1,513,254	1.48
2012	9,398,373	4,897,935	4,500,438	1,100,000	401,108	1,501,108	3.00
2013	8,658,274	5,162,390	3,495,884	1,181,000	334,159	1,515,159	2.31
2014	8,600,560	4,897,158	3,703,402	1,203,000	309,680	1,512,680	2.45
2015	8,319,536	5,252,452	3,067,084	1,255,000	321,627	1,576,627	1.95
2016	8,336,812	5,330,520	3,006,292	1,362,000	293,949	1,655,949	1.82
2017	8,456,221	5,731,406	2,724,815	1,303,000	275,000	1,578,000	1.73
2018	8,405,111	6,092,835	2,312,276	1,065,000	240,857	1,305,857	1.77
2019	8,442,845	6,048,025	2,394,820	1,087,000	225,248	1,312,248	1.82
2020	9,896,304	5,777,130	4,119,174	980,000	196,826	1,176,826	3.50

(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)	
2011	54,613	1,646,770	60,991	8.0%	(4)
2012	54,613	1,663,854	61,601	6.8%	(4)
2013	54,613	1,663,071	62,217	7.6%	(4)
2014	56,488	1,676,560	62,840	7.0%	(4)
2015	56,488	1,826,608	63,468	5.9%	(4)
2016	56,488	1,875,644	64,103	4.7%	(4)
2017	58,107	1,934,541	64,744	3.8%	(4)
2018	59,102	1,957,810	65,391	4.5%	(4)
2019	59,102	1,977,388	66,045	2.9%	(4)
2020	59,102	1,997,162	66,705	13.1%	(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 Nine Years Ago

Taxpayer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Bartlett City Schools	874	1	2.92%			
Youth Villages	700	2	2.34%	620	2	2.58%
Brother International\Brother USA	650	3	2.17%	1,000	1	4.16%
Saint Francis Hospital-Bartlett	600	4	2.00%	400	7	1.67%
The City of Bartlett	512	5	1.71%	565	3	2.35%
Lakeside Behavioral Health	450	6	1.50%	440	4	1.83%
USDA Cotton Classing Division	420	7	1.40%	400	5	1.67%
Wal-Mart Supercenter	420	8	1.40%	400	6	1.67%
Olympus Medical	350	9	1.17%			
United Parcel Service	275	10	0.92%	275	8	1.14%
Gyrus, ENT				228	9	0.95%
Kele Inc.				210	10	0.87%
Total	5,251		17.54%	4,538		18.89%

Source: Bartlett Chamber of Commerce

CITY OF BARTLETT, TENNESSEE
OTHER REVENUE SOURCES
As of June 30, 2020

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 \$4.48 million in FY 2019.

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 2020, The City assessed a \$30.00 per month sanitation fee on all residents. The City collected \$6,067,581 and \$7,209,091 in Solid Waste collection fees in fiscal year 2019 and 2020, 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. The FY20 share in the state gasoline tax brought in \$2,007,504 in revenue for the State Street Aid Fund, a 1.2% increase over FY19.
- (3) State Income Tax - The City receives income from this source, which is a tax on dividends on stock and interest on certain financial instruments. The tax rate was 2% in FY20 and resulted in revenues of \$258,157, a reduction of 17.1% from FY19.
- (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 2019, Parks and Recreation received \$2,868,804 for charges for services. The impact of COVID-19 resulted in a substantial reduction of fees in FY20.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Department										
General Fund										
Legislative Board	3	3	3	3	3	3	3	3	3	3
Mayor's Office	16	16	15	16	15	15	14	14	14	15
Finance	13	14	13	15	15	16	16	16	16	16
City Court	11	12	12	12	12	12	12	12	12	12
Personnel	4	4	4	4	4	4	5	5	5	5
Planning	3	3	3	4	4	4	4	5	5	4
Police										
Officers	110	108	111	111	113	113	119	123	124	122
Civilians	39	39	38	41	41	41	42	42	44	44
Fire Services and Ambulance										
Firefighters & Officers	93	94	94	96	95	97	99	103	103	105
Civilians	2	2	2	1	1	1	1	1	1	1
Codes Enforcement	9	9	9	10	10	10	11	12	12	13
Public Works	53	53	53	56	59	60	60	60	60	64
Engineering	10	8	8	8	8	7	8	8	9	9
Parks & Recreation	74	76	75	73	73	75	74	76	75	75
Performing Arts	3	3	3	3	3	4	4	4	4	4
Special Revenue Funds										
General Purpose School Fund	0	0	0	0	784	805	813	846	864	864
Solid Waste Fund	38	36	39	41	41	42	41	41	40	39
Drainage Control Fund	1	1	1	1	1	1	1	1	1	1
Utility Fund										
Administration	11	6	7	7	6	7	7	7	6	7
Water & Wastewater Services	15	20	20	20	19	21	20	22	21	19
Plant Operations	5	4	6	5	5	5	6	6	5	6
Sewer Lagoon	3	3	2	4	4	4	4	3	4	4
Total	516	514	518	531	1316	1347	1364	1410	1428	1432

Source: City of Bartlett Finance Department and Personnel Department.

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Residential permits issued	72	107	139	179	218	216	191	125	51	26
Commercial permits issued	88	93	72	86	80	87	111	132	96	91
Fire										
Emergency responses	3,749	4,022	4,322	4,633	4,669	5,009	5,247	5,914	5,853	5,746
Structure fires	69	56	38	40	48	33	32	22	22	20
Inspections	2,277	2,297	3,400	3,242	4,299	3,568	2,650	2,710	2,795	2,695
Refuse collection										
Total refuse collected (tons)	44,606	46,668	45,717	54,110	49,391	52,048	52,098	48,092	52,957	50,210
Refuse taken to landfill	25,161	26,511	27,167	28,128	31,296	30,767	31,262	30,595	34,771	33,441
Library										
Volumes in collections	101,672	102,783	104,537	108,138	107,689	110,740	110,011	105,184	106,546	106,546
Total volumes borrowed	340,156	330,717	313,089	300,081	276,631	273,034	251,976	234,154	220,441	219,435
Water										
New connections	119	190	171	11	235	269	180	215	64	37
Water customers	20,160	20,350	20,521	20,532	20,767	21,036	21,216	21,431	21,515	21,552
Sewer										
Sewer customers	19,098	19,314	19,517	19,266	19,679	19,776	19,971	20,215	20,332	20,378

Source: Indicators provided from internal departmental records.

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	301	301	301	301	301	301	301	301
Parks & Recreation										
Acreage	736	736	736	736	736	736	736	736	736	736
Parks #										
Developed	25	25	25	25	25	25	25	25	25	25
Undeveloped	3	3	3	3	3	3	3	3	3	3
Tennis courts	14	14	14	14	14	14	14	14	14	14
Baseball fields	18	18	18	18	18	18	18	18	18	18
Walking trails(miles)	12	12	12	12	12	14	14	14	14	14
School Buildings	-	-	-	11	11	11	11	11	11	11
Water										
Water lines (miles)	371	371	372	372	372	372	372	372	372	372
Water connections	20,160	20,350	20,521	20,532	20,767	21,036	21,216	21,431	21,515	21,552
Water plants	4	4	4	4	4	4	4	4	4	4
Storage tanks	9	10	10	10	10	10	10	10	10	10
Wastewater										
Sanitary sewers (miles)	349	349	353	353	353	353	353	353	353	353
Sewer connections	19,098	19,314	19,517	19,266	19,679	19,776	19,971	20,215	20,332	20,378

Source: City of Bartlett Functional Departments

COMPLIANCE SECTION

CITY OF BARTLETT

T E N N E S S E E

GOVERNMENT AUDITING STANDARDS SECTION

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
U.S. Department of Agriculture						
<u>Passed through TN Department of Education</u>						
<i>Child Nutrition Cluster</i>						
School Breakfast Program	10.553		\$ -	\$ 174,205	\$ 174,205	\$ -
National School Lunch Program - Non-Cash Assistance	10.555		-	159,532	159,532	-
National School Lunch Program - Cash Assistance	10.555		-	1,051,185	1,051,185	-
Subtotal - CFDA 10.555			-	1,210,717	1,210,717	-
Total U.S. Department of Agriculture			-	1,384,922	1,384,922	-
U.S. Department of Housing and Urban Development						
<u>Passed through TN Dept. of Economic and Community Development</u>						
<i>CDBG - Entitlement Grants Cluster</i>						
Community Development Block Grants	14.269		-	196,860	263,026	66,166
U.S. Department of Justice						
<u>Bureau of Justice Assistance</u>						
COVID 19- Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0507	-	-	5,419	5,419
<u>Direct Award</u>						
Bulletproof Vest Partnership Program	16.607		-	1,098	6,037	4,939
Bulletproof Vest Partnership Program	16.607		9,120	9,120	-	-
Equitable Sharing Program	16.922	TN0790600	-	59,356	59,356	-
Total U.S. Department of Justice			9,120	69,574	70,812	10,358
U.S. Department of Labor						
<u>Direct Award</u>						
COVID 19- Unemployment Insurance	17.225		-	236	8,851	8,615
U.S. Department of Transportation						
<u>Passed through TN Department of Transportation</u>						
<i>Highway Planning and Construction Cluster</i>						
Highway Planning and Construction	20.205	170007 STP-M-9419(9)	34,694	186,510	379,772	227,956
Highway Planning and Construction	20.205	170151 TAP-M09419 (11)	-	19,672	19,672	-
Highway Planning and Construction	20.205	110050 STP-M-9419(9)	209,667	211,686	2,019	-
Highway Planning and Construction	20.205	170053 TAP-M-09419	7,760	7,760	8,313	8,313
Highway Planning and Construction	20.205	60087 STP-M-9419(10)	-	59,112	611,519	552,407
Highway Planning and Construction	20.205	180123 STP-M-9409(221)	7,129	52,467	52,648	7,310
Subtotal - Highway Planning and Construction Cluster			259,250	537,207	1,073,943	795,986
<i>Highway Safety Cluster</i>						
State and Community Highway Safety	20.600	56132(PT) Z18THS018	-	3,099	3,099	-
State and Community Highway Safety	20.600		2,908	10,624	7,716	-
Subtotal - State and Community Highway Safety			2,908	13,723	10,815	-
Total U.S. Department of Transportation			262,158	550,930	1,084,758	795,986

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
U.S. Department of Treasury						
<u>Direct Award</u>						
Equitable Sharing Program	21.016	TN0790600	-	73,651	73,651	-
U.S. Department of Education						
<u>Passed through TN Department of Education</u>						
Title I Grants to Local Education Agencies	84.010		\$ 438,495	\$ 3,626,308	\$ 3,509,203	\$ 321,390
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.010		2,665	39,023	39,783	3,425
<u>Special Education Cluster (IDEA)</u>						
Special Education - Grants to States (IDEA, Part B)	84.027		358,230	2,149,806	1,848,266	56,690
Special Education - Preschool Grants (IDEA Preschool)	84.173		-	14,684	16,796	2,112
Subtotal - Special Education Cluster (IDEA)			358,230	2,164,490	1,865,062	58,802
<u>Direct Award</u>						
Safe and Drug-Free Schools and Communities National Programs	84.184		18,136	128,738	116,852	6,250
Safe and Drug-Free Schools and Communities National Programs	84.184		10,404	106,202	107,789	11,991
Subtotal - CFDA 84.184			28,540	234,940	224,641	18,241
<u>Passed through TN Department of Education</u>						
English Language Acquisition State Grants	84.365		259	20,972	20,763	50
Supporting Effective Instruction State Grant	84.367		12,910	79,968	77,529	10,471
Student Support and Academic Enrichment Program	84.424		43,982	267,450	252,228	28,760
Total U.S. Department of Education			885,081	6,433,151	5,989,209	441,139
U.S. Department of Health & Human Services						
<u>Direct Award</u>						
COVID 19- Provider Relief Fund	93.498		-	45,583	45,583	-
<u>Passed through TN Department of Education</u>						
477 Cluster						
Temporary Assistance for Needy Families (TANF)	93.558		21,306	181,658	187,780	27,428
CCDF Cluster						
Child Care and Development Block Grant	93.575		28,924	28,924	-	-
Total U.S. Department of Health & Human Services			50,230	256,165	233,363	27,428
Total Federal Awards			1,206,589	8,965,489	9,108,592	1,349,692

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
For the Year Ended June 30, 2020

State Financial Assistance	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
Ready to be Ready Coaching Network	N/A		\$ 1,545	\$ 1,545	\$ -	\$ -
Arts Students Ticket Subsidies (BES)	N/A		-	360	360	-
Arts Students Ticket Subsidies (EES)	N/A		-	1,400	1,400	-
Arts Students Ticket Subsidies (RES)	N/A		-	1,209	1,209	-
Arts Education - Teacher Training	N/A		-	-	3,317	3,317
TAC Arts 360	N/A		11,447	11,447	-	-
TAC Arts 360 - Rivercrest	N/A		22,376	22,376	18,864	18,864
TN Department of Child Nutrition State Match Funds	N/A		-	24,255	24,255	-
TN Department of Environment and Conservation	N/A	32701-03206	-	110,000	-	(110,000)
CTE Equipment Grant	N/A		49,917	177,904	128,458	471
Champion Creatively Alive Children (CCAC)	N/A		(4)	(4)	-	-
Coordinated School Health	N/A		7,130	90,120	89,975	6,985
Perkins Reserve Consolidated Grant	N/A		6,110	8,110	11,205	9,205
Total State Financial Assistance			<u>98,521</u>	<u>448,722</u>	<u>279,043</u>	<u>(71,158)</u>
Total Federal Awards and State Financial Assistance			<u>\$ 1,305,110</u>	<u>\$ 9,414,211</u>	<u>\$ 9,387,635</u>	<u>\$ 1,278,534</u>

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

CITY OF BARTLETT, TENNESSEE**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**For the Year Ended June 30, 2020

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, 2020**. 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 the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- 2) Pass-through entity identifying numbers are presented where available.
- 3) There were no federal awards passed through to subrecipients.
- 4) The City has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.
- 5) Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

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

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

Total grant revenue per governmental funds financial statements	\$ 9,642,077
Add: Federal grants recorded as reduction in expense	54,434
Less: Non-federal and non-state grants	<u>(308,876)</u>
Total federal awards and state financial assistance	<u><u>\$ 9,387,635</u></u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the statements of budgetary comparison for the general fund and general purpose school fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee (the "City"), as of and for the year ended June 30, 2020, 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 15, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Watkins Mikusall, PLLC". The script is cursive and fluid, with the letters "W", "M", and "P" being particularly prominent.

Memphis, Tennessee
December 15, 2020

**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, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

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

Memphis, Tennessee
December 15, 2020

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

SECTION I – SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditors report issued on whether financial statements audited
were prepared in accordance with accounting principles generally
accepted in the United State of America Unmodified

Internal control over financial reporting:
Material weakness(es) identified? ___ Yes X No

Significant deficiency(ies) identified not considered
to be material weakness(es)? ___ Yes X None Reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:
Material weakness(es) identified? ___ Yes X No

Significant deficiency(ies) identified not considered
to be material weakness(es)? ___ Yes X None Reported

Type of auditors report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200.516(a) ___ Yes X No

Identification of major programs:

CFDA Number 20.205 – Highway Planning and Construction
CFDA Number 84.010 – Title I Grants to Local Education Agencies

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Did auditee qualify as a low-risk auditee? ___ Yes X No

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV – STATE AUDIT MANUAL FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF BARTLETT, TENNESSEE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2020

SECTION I – PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

Prior Year Finding Number	Finding Title	Status
2019-001	Recording Capital Assets (Bartlett City Board of Education – Material Weakness) (Original Finding #2018-001)	Corrected
2019-002	Failure to Record Capital Asset Disposals	Corrected
2019-003	Reconciliation of Interfund Transactions	Corrected
2019-004	Purchase Orders for Capital Projects	Corrected
2019-005	Revenue Collected outside of the Availability Period	Corrected
2019-006	Recorded Receivables Due from County Government	Corrected

SECTION II – PRIOR YEAR FINDINGS – STATE AUDIT MANUAL FINDINGS AND QUESTIONED COSTS

Prior Year Finding Number	Finding Title	Status
2019-007	Expenditures in Excess of Budget (Bartlett City Board of Education) (Original Finding #2019-007)	Corrected

SECTION III – PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.