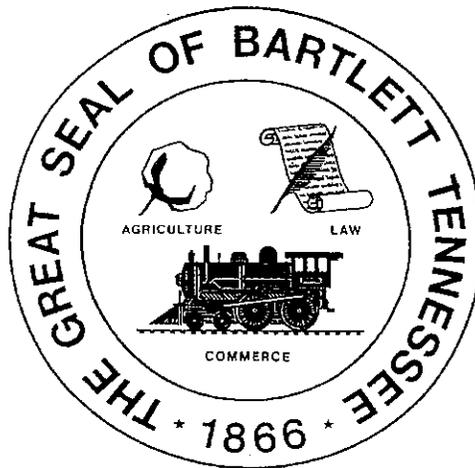


# **CITY OF BARTLETT** **TENNESSEE**



**A. Keith McDonald, Mayor**

## **Comprehensive Annual Financial Report** **For The Fiscal Year Ended** **June 30, 2009**

Prepared by the City of Bartlett Finance Department

**CITY OF BARTLETT, TENNESSEE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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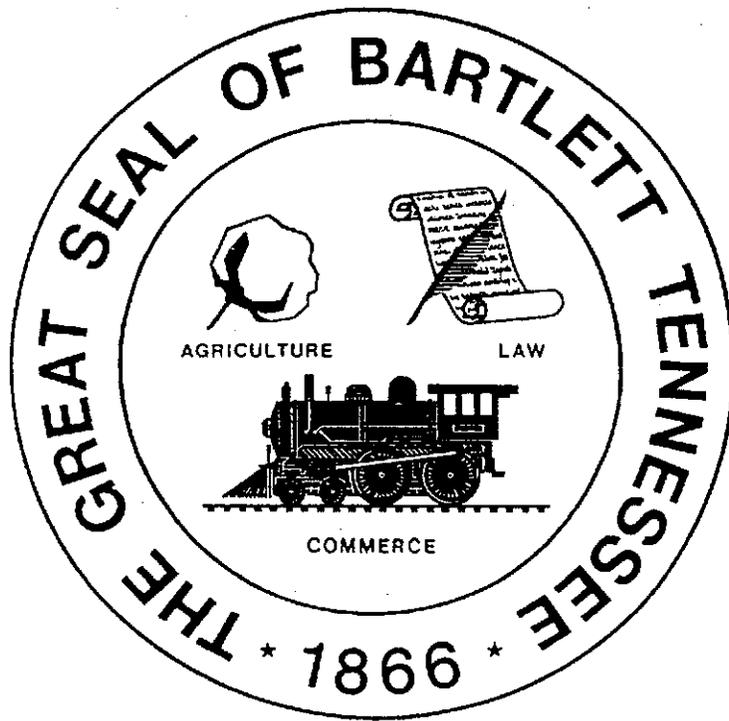
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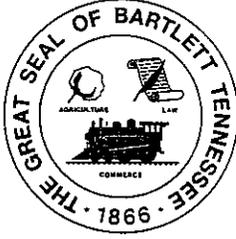
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**INTRODUCTION SECTION**



# City of Bartlett

*A. Keith McDonald, Mayor*

December 18, 2009

To the Mayor, Board of Aldermen and Citizens of Bartlett:

The Comprehensive Annual Financial Report (CAFR) of the City of Bartlett, Tennessee (The City) for the fiscal year ended June 30, 2009, is hereby submitted in accordance with the Bartlett City Charter requirement for an independent audit by a certified public accounting firm. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Board (GASB) and have been audited in accordance with generally accepted auditing standards.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City'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, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

## **Profile of the Government**

The City of Bartlett, incorporated in 1866, is located in Shelby County in the southwestern part of the state. The City currently occupies a land area of 26.5 miles and serves a population of approximately 49,000. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Board of Mayor and Aldermen.

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

The City provides a full range of municipal services including ambulance, police and fire services, streets and drainage construction and maintenance, solid waste collection, cultural and recreational programs, library services, planning and zoning, and administrative services. In addition, the City operates a water and sewer utility system.

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

The City administration annually prepares a plan of services for the upcoming fiscal year and the estimated cost of providing those services. This plan is reviewed by the Board of Mayor and Aldermen and is formally adopted by the passage of a budget ordinance. The ordinance is adopted by fund, function (e.g. public safety) and department (e.g. police). Department heads may make transfers of appropriations within their department.

Transfers of appropriations between departments require the approval of an amendment by the Board. Strict budgetary compliance is maintained by the automated accounting system to assure effective fiscal management and accountability. All requests for purchases are checked by the budgetary control system to assure that funds are available. Purchase orders and contracts are encumbered prior to release to vendors. The system controls are maintained within cost center levels and are basically set up within the Personnel, Operations, and Capital categories. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated budget has been adopted.

### **Factors Affecting Financial Condition**

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

**Local economy.** The City of Bartlett economy showed declining growth during the fiscal year, and like the state and national economy growth has slowed in the current year. The City currently has an estimated population of over 49,000 and projections show a population of over 50,000 in 2010. The City is expected to grow to over 62,000 by 2020.

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

Retail sales have more than tripled in the last ten years and we expect to continue to be the retail center of north Shelby County. However retail sales in the fiscal year and the current year continue to decline as the economy continues to struggle. New housing starts and commercial permits continue to decline compared to previous years. The median family income in Bartlett is in excess of \$70,000.

The regional economy continues to show weakness in the housing market and retail sales. At the state level less than budgeted collections of sales, franchise and excise taxes are causing major budget cuts in the state budget.

**Long term financial planning.** The Board of Mayor and Aldermen adopts a Capital Improvements Program (CIP) that is a five year plan for capital expenditures to replace and expand the City's infrastructure and equipment. The program is reviewed and updated annually to revise project cost estimates and available revenue sources.

Most of the funding for the projects in the CIP is from general obligation and revenue bonds. Highlights of the CIP for 2010-2014 are:

- Road and Street improvement projects to improve access and traffic flow in the City.
- Neighborhood Park improvements and an outdoor pool for the Recreation Center.
- Public safety vehicles and equipment including police cars, ambulances and fire trucks.

**Relevant financial policies.** The City's fund balance policy states that fund balances will be used prudently and conservatively to fund one time expenditures and stabilize the property tax rate. The fiscal year 2009 budget included a budgeted use of fund balance in the special revenues funds and the debt service fund. The City ended the year well within the general fund balance policy of 20% of expenditures plus \$1,000,000 for emergencies.

**Major initiatives.** During the year ended June 30, 2009, the City continued the redevelopment of a large parcel of property formerly used as a church in the Bartlett Station Redevelopment Area for municipal use. The City renovated the old library building to provide space for Code Enforcement, Planning and Engineering and provide better customer service.

#### **Awards and Acknowledgements**

The Government Finance Officers Association (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, 2008. This was the 20<sup>th</sup> consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City publishes an easily readable and efficiently organized CAFR. This report satisfied both GAAP 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 its annual budget document for the fiscal year beginning July 1, 2008. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. I would like to express my appreciation to all of the members of the department who assisted and contributed to this report. 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,

A handwritten signature in black ink, appearing to read "Mark S. Brown", with a long horizontal flourish extending to the right.

Mark S. Brown  
Finance Director

# 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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



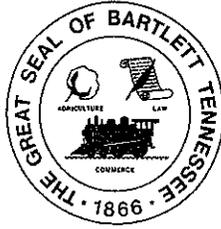
President

Executive Director

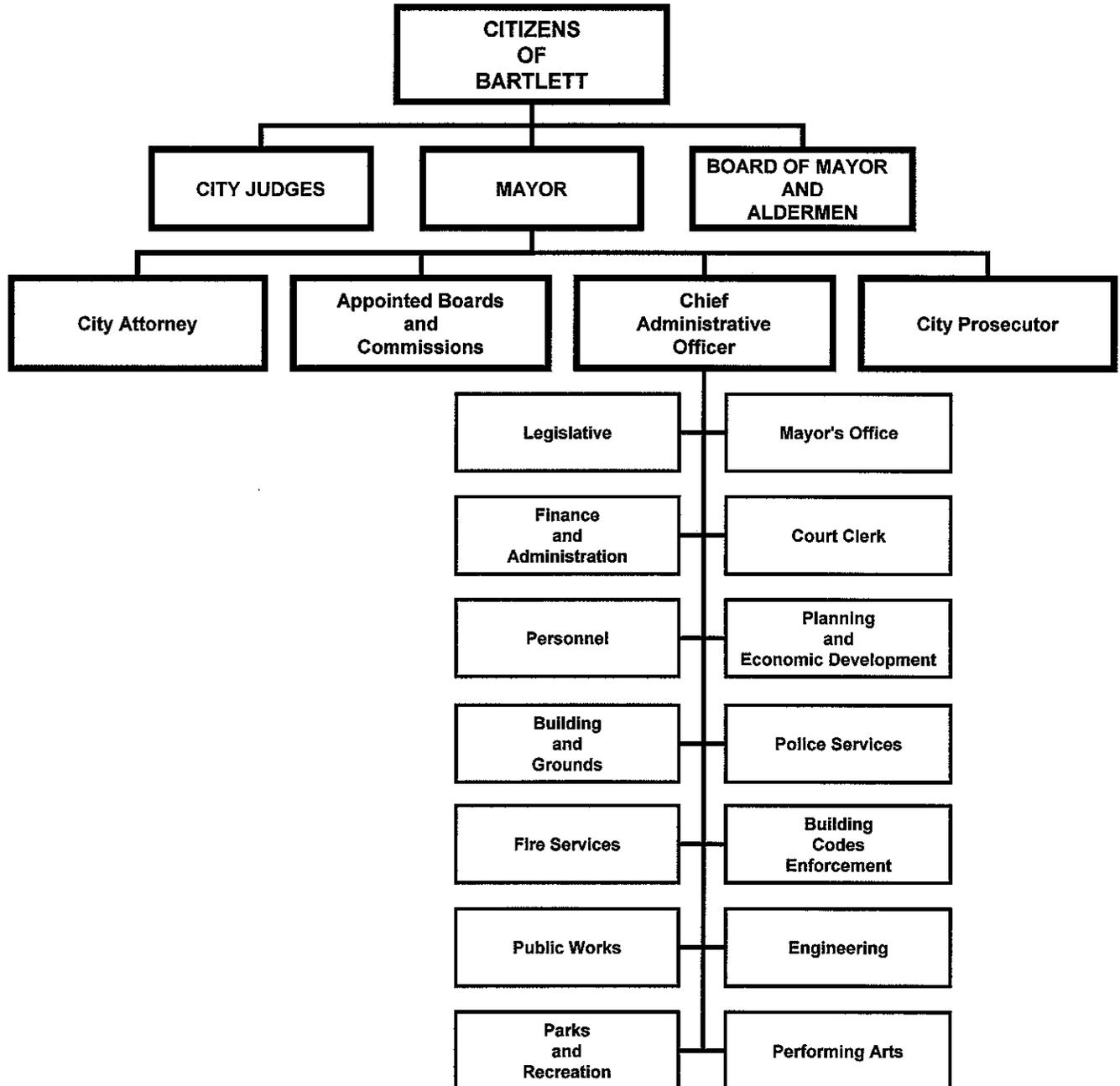
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bartlett for its comprehensive annual financial report for the fiscal year ended June 30, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports 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 our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.



**CITY OF BARTLETT  
ORGANIZATION CHART  
JUNE 30, 2009**



**CITY OF BARTLETT, TENNESSEE  
CITY OFFICIALS  
JUNE 30, 2009**

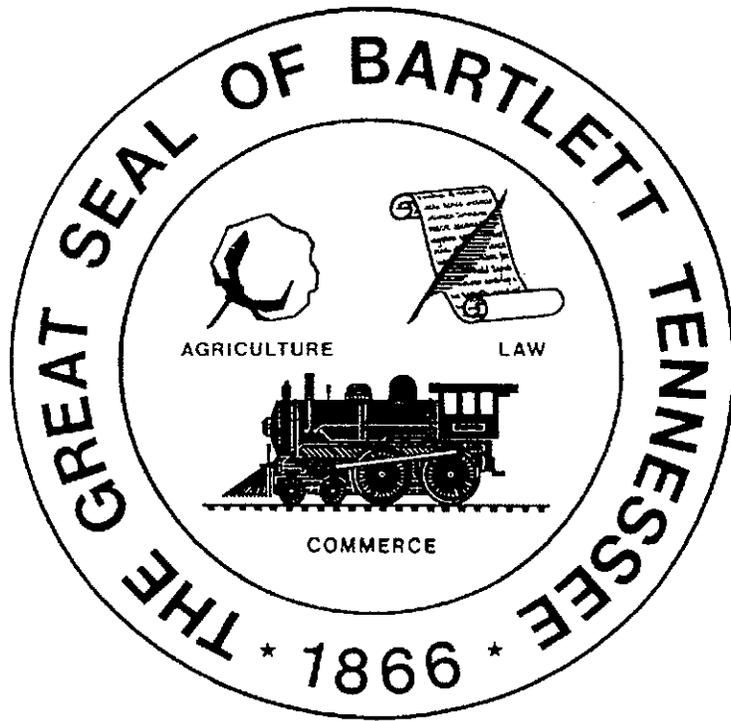
**MAYOR**

A. Keith McDonald

**ALDERMEN**

David Parsons, Vice Mayor  
Bobby Simmons, Register  
Jack Young  
Emily Elliott  
W.C. (Bubba) Pleasant  
John Barzano

Chief Administrative Officer	Jay Rainey
Administrative Assistant	Jeanie Underwood
City Attorney	Edward McKenney Jr.
Director of Finance	Mark Brown
Court Clerk	Bill Lloyd
Director of Personnel	Peter Voss
Director of Planning and Economic Development	Terry Emerick
Director of Police Services	Gary Rikard
Director of Fire Services	Terry Wiggins
Director of Code Enforcement	Jim Brown
Director of Public Works	Bill Yearwood
Director of Engineering / City Engineer	Rick McClanahan
Director of Parks and Recreation	David Thompson
Director of the Performing Arts Center	Ron Jewell



**FINANCIAL SECTION**



Watkins Uiberall, PLLC  
Certified Public Accountants & Financial Advisors  
Independent Member of BKR International

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Memphis, Tennessee 38120  
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[www.wucpas.com](http://www.wucpas.com)

## INDEPENDENT AUDITOR'S REPORT

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

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 solid waste control fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee, (the "City") as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, and the aggregate remaining fund information of the City, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund and solid waste control fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is

an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, supplementary schedules, and statistical information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Watkins Liberal PLLC*

Memphis, Tennessee  
December 18, 2009

## 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, 2009. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal and notes to the financial statements.

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$190,988,167 (net assets). Of this amount, \$31,215,127 (unrestricted net assets) may be used to meet the government's ongoing obligation to citizens and creditors.
- The City's total net assets decreased by \$2,380,770.
- At June 30, 2009, the City's governmental funds reported combined ending fund balances of \$25,454,947, a decrease of \$454,495 in comparison with the prior year. Approximately 80.6% of this amount is available for spending at the government's discretion (unreserved fund balance).
- At June 30, 2009 unreserved fund balance for the general fund was \$14,993,801, or 41.7% of total general fund expenditures.
- The City's total debt decreased by \$2,516,380 (6.1%) during the current fiscal year. The key factors in this decrease were the reduction of previously issued debt (debt payments exceeded new debt incurred see page 48) and the issuance of \$2,350,000 in general obligation and water and sewer variable rate loans to provide additional funding for capital equipment and projects of which only \$143,920 was drawn down as of June 30, 2009. The proceeds from the loans will be disbursed as they are spent and recorded as debt outstanding after they are drawn.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise 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 statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net

assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, 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) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation, performing arts center, and recreation center. The business-type activities of the City include the operations of the water and sewer facilities.

The government-wide financial statements can be found on pages 22-23 of this report.

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

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

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

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the solid waste fund of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general, special revenue and debt service funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 24-27 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. 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 proprietary fund financial statements provide information for the Water and Sewer activities of the City.

Conversely, 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 31-33 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 34-35 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 36-55 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 56-74 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$190,988,167 at the close of the most recent fiscal year.

The largest portion of the City's net assets (82%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. 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 reported 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 Assets

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 48,955,087	\$ 48,141,746	\$ 8,790,952	\$ 10,220,637	\$ 57,746,039	\$ 58,362,383
Capital assets	123,785,206	125,977,429	72,226,190	72,142,434	196,011,396	198,119,863
<b>Total assets</b>	<b>172,740,293</b>	<b>174,119,175</b>	<b>81,017,142</b>	<b>82,363,071</b>	<b>253,757,435</b>	<b>256,482,246</b>
Long-term liabilities outstanding	27,448,117	27,388,914	14,313,674	14,883,923	41,761,791	42,272,837
Other liabilities	20,388,460	20,153,868	619,017	686,604	21,007,477	20,840,472
<b>Total liabilities</b>	<b>47,836,577</b>	<b>47,542,782</b>	<b>14,932,691</b>	<b>15,570,527</b>	<b>62,769,268</b>	<b>63,113,309</b>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	99,381,535	100,172,375	57,703,738	57,258,511	157,085,273	157,430,886
Restricted	2,687,767	4,341,755	-	-	2,687,767	4,341,755
Unrestricted	22,834,414	22,062,263	8,380,713	9,534,033	31,215,127	31,596,296
<b>Total net assets</b>	<b>\$124,903,716</b>	<b>\$126,576,393</b>	<b>\$66,084,451</b>	<b>\$ 66,792,544</b>	<b>\$ 190,988,167</b>	<b>\$ 193,368,937</b>

An additional portion of the City's net assets (1.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$31,215,127) may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2009, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The government's net assets decreased by \$2,380,770 during the current fiscal year. Most of this decrease represents the degree in which expenditures exceeded revenues in the non-major governmental funds and expenses exceeded revenues and fees in the business type activities.

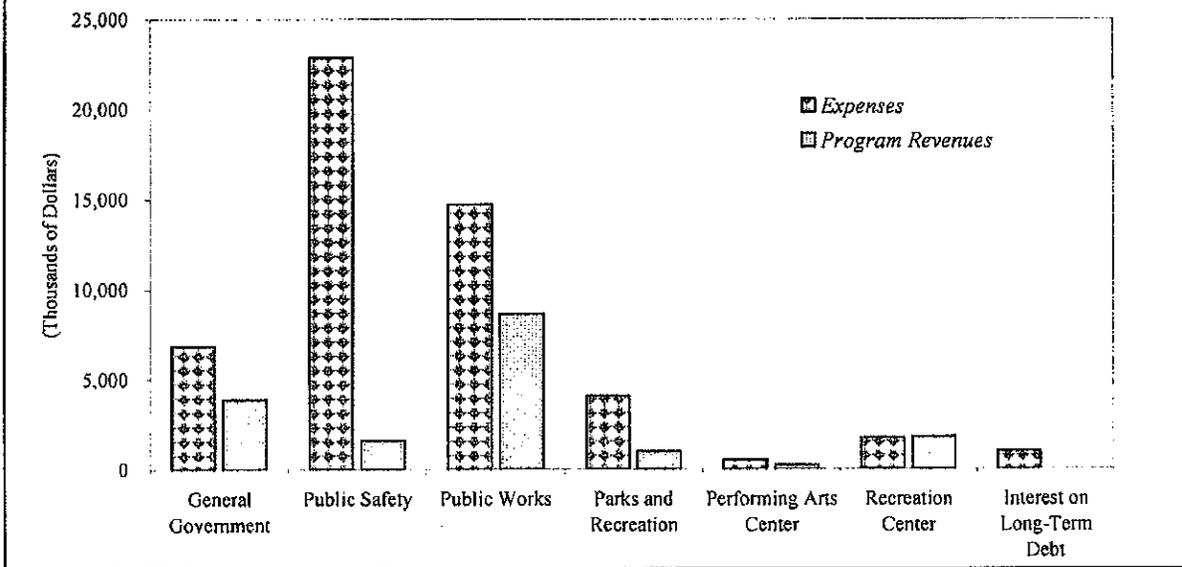
**Governmental activities.** Government activities decreased the City's net assets by \$1,672,677, thereby accounting for 70.3% of total decrease in the net assets of the City. Key elements of this decrease are as follows:

### Condensed Statement of Changes in Net Assets

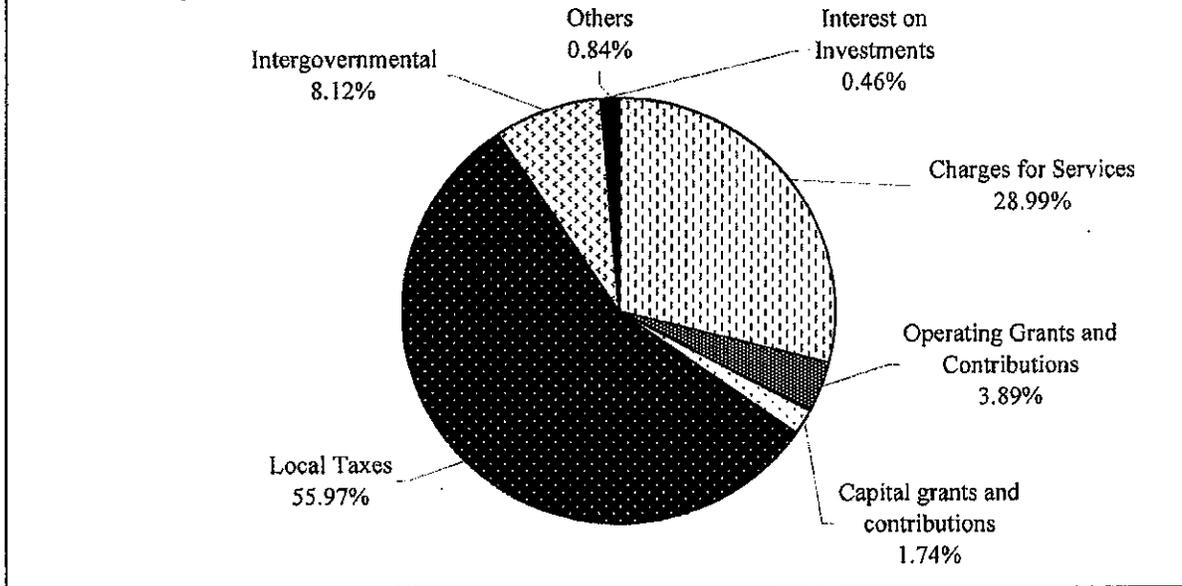
	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 14,466,587	\$ 13,764,287	\$ 6,141,851	\$ 6,500,391	\$ 20,608,438	\$ 20,264,678
Operating grants and contributions	1,941,514	561,296	590,610	1,541,671	2,532,124	2,102,967
Capital grants and contributions	870,185	-	-	-	870,185	-
<b>General Revenues:</b>						
Local taxes	27,932,842	26,271,600	-	-	27,932,842	26,271,600
Intergovernmental	4,050,633	5,910,366	-	-	4,050,633	5,910,366
Interest on investments	229,974	801,765	97,117	265,884	327,091	1,067,649
Other	418,532	329,864	1,016	-	419,548	329,864
<b>Total revenues</b>	<b>49,910,267</b>	<b>47,639,178</b>	<b>6,830,594</b>	<b>8,307,946</b>	<b>56,740,861</b>	<b>55,947,124</b>
<b>Expenses</b>						
General government	6,881,987	6,146,033	-	-	6,881,987	6,146,033
Public safety	22,891,377	19,489,332	-	-	22,891,377	19,489,332
Public works	14,742,339	14,018,688	-	-	14,742,339	14,018,688
Parks and recreation	4,091,798	3,813,114	-	-	4,091,798	3,813,114
Performing arts center	543,258	554,099	-	-	543,258	554,099
Recreation center	1,740,618	1,395,700	-	-	1,740,618	1,395,700
Interest on long-term debt	1,012,600	1,073,576	-	-	1,012,600	1,073,576
Water and sewer	-	-	7,217,654	6,861,747	7,217,654	6,861,747
<b>Total expenses</b>	<b>51,903,977</b>	<b>46,490,543</b>	<b>7,217,654</b>	<b>6,861,747</b>	<b>59,121,631</b>	<b>53,352,290</b>
Increase in net assets before transfers	(1,993,710)	1,148,635	(387,060)	1,446,199	(2,380,770)	2,594,834
Transfers	321,033	311,553	(321,033)	(311,553)	-	-
Increase in net assets	(1,672,677)	1,460,188	(708,093)	1,134,646	(2,380,770)	2,594,834
Net assets - July 1, 2008, as previously reported	126,576,393	123,777,858	66,792,544	65,657,898	193,368,937	189,435,756
Prior period adjustments	-	1,338,347	-	-	-	1,338,347
Net assets, July 1, 2008 as restated	126,576,393	125,116,205	66,792,544	65,657,898	193,368,937	190,774,103
<b>Net assets - June 30, 2009</b>	<b>\$ 124,903,716</b>	<b>\$ 126,576,393</b>	<b>\$ 66,084,451</b>	<b>\$ 66,792,544</b>	<b>\$ 190,988,167</b>	<b>\$ 193,368,937</b>

- Expenditures in the Park Improvements fund exceeded revenues as planned for park property acquisition and improvements.
- Debt service expenditures exceeded revenues more than planned due to a decline in sales tax collections.

### Expenses and Program Revenues - Governmental Activities

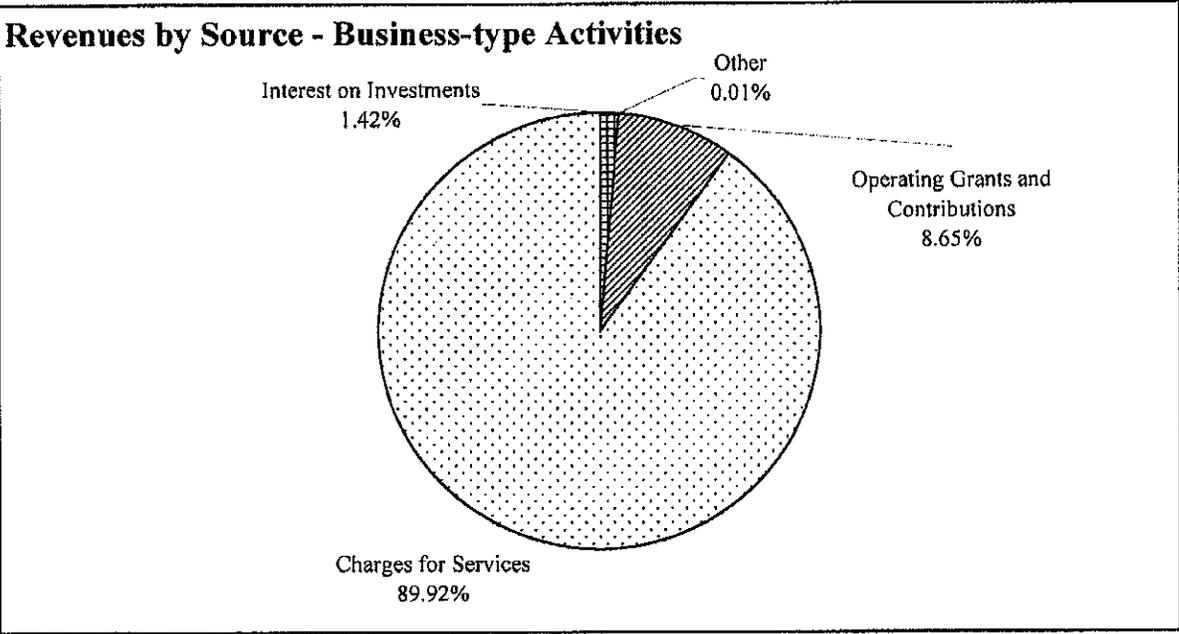
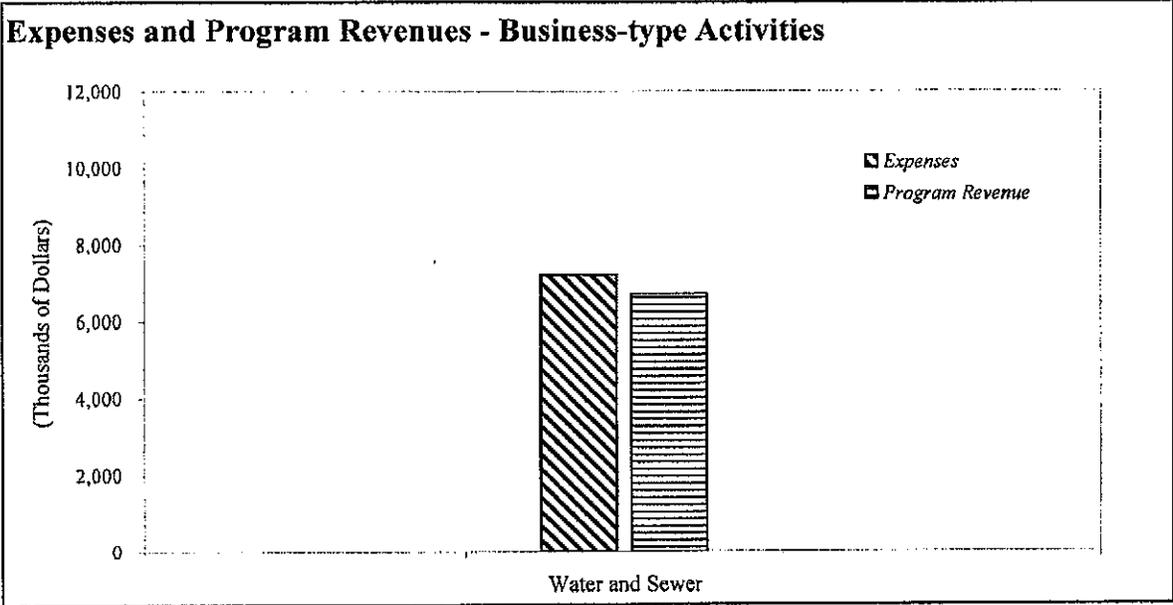


### Revenues by Source - Governmental Activities



**Business-type activities.** Business-type activities decreased the City's net assets by \$708,093 accounting for 29.7% of the total decrease in the government's net assets. Key elements of the decrease are as follows:

- The expenses for the Water and Sewer activities for the City exceeded the program revenues due to a decrease in water usage and a decrease in development fees.



## Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved 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 \$25,454,947 a decrease of \$454,495, in comparison with the prior year. Approximately 80.6% of this total amount (\$20,529,113) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$3,391,306) 2) to pay debt service (\$490,192) 3) for capital projects (\$887,213) and 4) for other restricted purposes (\$157,123).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$14,993,801, while total fund balance reached \$15,457,189. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 41.7% of total general fund expenditures, while total fund balance represents 43% of that same amount.

The fund balance of the City's general fund increased by \$292,093 during the current fiscal year. Key factors in this increase are:

- Expenditures were significantly less than budgeted due to close monitoring of expenditures by all departments.

The debt service fund has a total fund balance of \$490,192, all of which is reserved for the payment of debt service. The decrease in the amount of \$796,893 was due to decreased sales tax collections.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water and Sewer fund at the end of the year amounted to \$8,407,693. The total decrease in net assets for the Water and Sewer fund was \$708,093. 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 can be briefly summarized as follows:

- The Police budget was increased \$57,000 for state funded training and \$27,598 for overtime assistance.
- The Public Works Grounds maintenance budget was increased \$100,000 for a vacant lot maintenance program.

## Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business type activities as of June 30, 2009 amounts to \$196,011,396 (net of accumulated depreciation). This investment in capital assets includes land, building, improvements, equipment, roads, highways, and other infrastructure. The total decrease in City's investment in capital assets for the current fiscal year was 1.06% (a 1.74% decrease for governmental activities and a .12% decrease for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Replacement of major capital equipment including police cars, public works equipment and vehicles, and recreation center equipment.
- Construction of a new fire administration office and city hall annex.

## Condensed Statement of Capital Assets (Net of Depreciation)

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 7,413,812	\$ 7,139,658	\$ 931,906	\$ 934,752	\$ 8,345,718	\$ 8,074,410
Buildings	26,789,248	22,923,217	81,606	15,901	26,870,854	22,939,118
Improvements other than bldgs.	2,773,856	2,840,752	68,942,667	69,669,112	71,716,523	72,509,864
Equipment	1,466,122	1,701,764	607,054	399,270	2,073,176	2,101,034
Vehicles	4,180,403	4,585,614	-	-	4,180,403	4,585,614
Infrastructure	80,225,915	81,903,165	-	-	80,225,915	81,903,165
Contraction in progress	935,850	4,883,259	1,662,957	1,123,399	2,598,807	6,006,658
<b>Total</b>	<b>\$ 123,785,206</b>	<b>\$ 125,977,429</b>	<b>\$ 72,226,190</b>	<b>\$ 72,142,434</b>	<b>\$ 196,011,396</b>	<b>\$ 198,119,863</b>

Additional information on the City's capital assets can be found in note 4(D) on pages 45-46 of this report.

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$38,939,280. Of this amount \$24,416,828 comprises debt backed by the full faith and credit of the government and capital outlay notes and \$14,522,452 represents bond 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	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 22,695,000	\$ 24,750,000	\$ -	\$ -	\$ 22,695,000	\$ 24,750,000
Capital Outlay note	1,695,360	1,420,660	-	-	1,695,360	1,420,660
General Obligation note	26,468	-	-	-	26,468	-
Revenue bonds	-	-	14,405,000	15,285,000	14,405,000	15,285,000
Revenue note	-	-	117,452	-	117,452	-
<b>Total</b>	<u>\$ 24,416,828</u>	<u>\$ 26,170,660</u>	<u>\$ 14,522,452</u>	<u>\$ 15,285,000</u>	<u>\$ 38,939,280</u>	<u>\$ 41,455,660</u>

The City's total debt decreased by 6.1% during the current fiscal year. The key factors in this decrease were debt payments exceeded new debt issued and a draw down of only \$143,920 of the \$2,350,000 general obligation and revenue variable rate note.

The City maintains an "AA+" rating from Standard & Poor's and an "Aa" rating from Moody's for general obligation debt and water and sewer debt.

Additional information on the City's long-term debt can be found on pages note 4(G) of this report.

### **Economic Factors and Next Year's Budgets and Rates**

Factors considered in preparing the City's budget for the 2010 fiscal year are discussed fully in the budget document and include:

- Continued impact of a declining economy in the area.
- Inflationary trends in the region compare favorably to national indices.
- Additional fire and police services.

At June 30, 2009 the unreserved fund balance in the general fund was \$14,993,801. The City has approved an operating budget of \$37,970,096 for fiscal year 2010 with a \$736,886 planned use of unreserved general fund balance.

### **Requests for Information**

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

FINANCIAL SECTION

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**CITY OF BARTLETT**

TENNESSEE

**BASIC FINANCIAL STATEMENTS**

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF NET ASSETS**

June 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activity	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 17,086,461	\$ 3,460,052	\$ 20,546,513
Investments - unrestricted	9,711,796	4,156,773	13,868,569
Receivables (net of allowance for uncollectibles):			
Taxes	18,760,935	-	18,760,935
Accounts receivable	-	1,156,012	1,156,012
Other	3,208,291	41,613	3,249,904
Internal balances	26,980	(26,980)	-
Inventories	150,490	-	150,490
Prepaid items	10,134	3,482	13,616
Capital assets, not being depreciated	8,349,662	2,594,863	10,944,525
Capital assets, being depreciated, net	115,435,544	69,631,327	185,066,871
Total assets	<u>172,740,293</u>	<u>81,017,142</u>	<u>253,757,435</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	1,449,451	260,289	1,709,740
Accrued interest payable	305,460	191,003	496,463
Unearned revenue	16,956,480	51,840	17,008,320
Other accrued payables	4,885	-	4,885
Accrued payroll and vacation	1,672,184	115,885	1,788,069
Noncurrent liabilities:			
Due within one year	2,613,645	1,042,000	3,655,645
Due in more than one year	24,834,472	13,271,674	38,106,146
Total liabilities	<u>47,836,577</u>	<u>14,932,691</u>	<u>62,769,268</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	99,381,535	57,703,738	157,085,273
Restricted for:			
Debt service	490,192	-	490,192
Special revenue funds	2,197,575	-	2,197,575
Unrestricted	22,834,414	8,380,713	31,215,127
Total net assets	<u>\$ 124,903,716</u>	<u>\$ 66,084,451</u>	<u>\$ 190,988,167</u>

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

CITY OF BARTLETT, TENNESSEE

STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2009

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>							
Governmental Activities:							
General government	\$ 6,881,987	\$ 3,695,591	\$ 186,222	\$ 27,425	\$ (2,992,749)	\$ -	\$ (2,992,749)
Public safety	22,891,377	1,568,950	-	47,000	(21,275,427)	-	(21,275,427)
Public works	14,742,339	6,130,611	1,753,764	795,760	(6,062,204)	-	(6,062,204)
Parks and recreation	4,091,798	993,003	21,528	-	(3,077,267)	-	(3,077,267)
Performing arts center	543,258	250,636	-	-	(292,622)	-	(292,622)
Recreation center	1,740,618	1,827,796	-	-	87,178	-	87,178
Interest on long-term debt	1,012,600	-	-	-	(1,012,600)	-	(1,012,600)
Total governmental activities	51,903,977	14,466,587	1,941,514	870,185	(34,625,691)	-	(34,625,691)
Business-type activity:							
Water and sewer	7,217,654	6,141,851	590,610	-	-	(485,193)	(485,193)
Total primary government	\$ 59,121,631	\$ 20,608,438	\$ 2,532,124	\$ 870,185	(34,625,691)	(485,193)	(35,110,884)
General revenues:							
Property taxes					17,570,811	-	17,570,811
Local sales taxes					10,362,031	-	10,362,031
Intergovernmental/unrestricted					4,050,633	-	4,050,633
Interest on investments					229,974	97,117	327,091
Gain on sale of capital assets					22,051	1,016	23,067
Other					396,481	-	396,481
Transfers					321,033	(321,033)	-
Total general revenues and transfers					32,953,014	(222,900)	32,730,114
Change in net assets					(1,672,677)	(708,093)	(2,380,770)
Net assets - beginning					126,576,393	66,792,544	193,368,937
Net assets - ending					\$ 124,903,716	\$ 66,084,451	\$ 190,988,167

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

**CITY OF BARTLETT, TENNESSEE**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

June 30, 2009

	<u>General Fund</u>	<u>Solid Waste Control</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,423,472	\$ 1,153,110	\$ 7,512,209	\$ 15,088,791
Investments - unrestricted	8,165,462	-	1,546,334	9,711,796
Receivables				
Taxes	18,579,530	-	708,903	19,288,433
Other	3,412,307	307,144	6,870	3,726,321
Less allowance for doubtful accounts	(1,045,561)	-	-	(1,045,561)
Due from other funds	2,740	-	-	2,740
Inventory	150,490	-	-	150,490
Prepaid Items	6,634	-	3,500	10,134
	<u>\$ 35,695,074</u>	<u>\$ 1,460,254</u>	<u>\$ 9,777,816</u>	<u>\$ 46,933,144</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 617,157	\$ 239,654	\$ 574,695	\$ 1,431,506
Deferred revenue - taxes	17,312,012	-	-	17,312,012
Deferred revenue - rec. center	276,125	-	-	276,125
Deferred revenue - court fines	270,292	-	-	270,292
Deferred revenue - developers	118,432	-	-	118,432
Deferred revenue - business licenses	4,763	-	-	4,763
Deferred revenue - grants	70,822	307,144	7,292	385,258
Other accrued payables	4,885	-	-	4,885
Due to other funds	-	-	2,740	2,740
Accrued payroll and vacation	1,563,397	108,099	688	1,672,184
Total liabilities	<u>20,237,885</u>	<u>654,897</u>	<u>585,415</u>	<u>21,478,197</u>
Fund balances:				
Reserved for:				
Encumbrances	261,304	256,195	2,873,807	3,391,306
Inventories and prepaids	157,123	-	-	157,123
Debt service	-	-	490,192	490,192
Capital projects	44,961	-	842,252	887,213
Unreserved, reported in:				
General fund	14,993,801	-	-	14,993,801
Capital projects fund	-	-	2,553,729	2,553,729
Special revenue funds	-	549,162	2,432,421	2,981,583
Total fund balances	<u>15,457,189</u>	<u>805,357</u>	<u>9,192,401</u>	<u>25,454,947</u>
	<u>\$ 35,695,074</u>	<u>\$ 1,460,254</u>	<u>\$ 9,777,816</u>	<u>\$ 46,933,144</u>
Total liabilities and fund balances	<u>\$ 35,695,074</u>	<u>\$ 1,460,254</u>	<u>\$ 9,777,816</u>	<u>\$ 46,933,144</u>

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

CITY OF BARTLETT, TENNESSEE

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
GOVERNMENTAL FUNDS

June 30, 2009

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

Total governmental fund balances	\$ 25,454,947
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	123,785,206
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,410,402
Internal service funds are used by management to charge the costs of health insurance, workers' compensation, and retiree health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	2,006,738
Long-term liabilities, including bonds payable, capital outlay notes, net pension obligation, and OPEB are not due and payable in the current period and therefore are not reported in the funds.	<u>(27,753,577)</u>
Net assets of governmental activities	<u>\$ 124,903,716</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, 2009

	<u>General Fund</u>	<u>Solid Waste Control</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 17,214,579	\$ -	\$ -	\$ 17,214,579
Local sales taxes	7,662,087	-	2,699,944	10,362,031
Intergovernmental	4,050,633	-	1,338,771	5,389,404
Licenses and permits	1,425,783	-	-	1,425,783
Charges for services	4,219,420	4,813,538	879,201	9,912,159
Fines, forfeitures, and penalties	2,029,698	-	27,656	2,057,354
Federal and state grants	122,825	-	101,640	224,465
Donations	21,528	-	-	21,528
Interest on investments	145,478	2,582	72,422	220,482
Other	34,943	15,051	346,487	396,481
Total revenues	<u>36,926,974</u>	<u>4,831,171</u>	<u>5,466,121</u>	<u>47,224,266</u>
<b>EXPENDITURES</b>				
Current				
General government	5,865,617	-	126,705	5,992,322
Public safety	20,278,326	-	121,588	20,399,914
Public works	4,618,368	4,155,226	2,727,644	11,501,238
Parks and recreation	3,229,212	-	605,539	3,834,751
Performing arts center	539,899	-	-	539,899
Recreation center	1,437,412	-	-	1,437,412
Debt Service				
Principal	-	-	2,520,800	2,520,800
Interest	-	-	972,113	972,113
Bond issuance costs	-	-	13,851	13,851
Capital outlays	-	293,413	1,283,100	1,576,513
Total expenditures	<u>35,968,834</u>	<u>4,448,639</u>	<u>8,371,340</u>	<u>48,788,813</u>
Excess (deficiency) of revenues over (under) expenditures	<u>958,140</u>	<u>382,532</u>	<u>(2,905,219)</u>	<u>(1,584,547)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	-	766,968	766,968
Sale of capital assets	19,501	2,550	-	22,051
Transfers in	696,343	-	1,407,851	2,104,194
Transfers out	(1,381,891)	-	(401,270)	(1,783,161)
Total other financing sources and uses	<u>(666,047)</u>	<u>2,550</u>	<u>1,773,549</u>	<u>1,110,052</u>
Net change in fund balances	292,093	385,082	(1,131,670)	(454,495)
Fund balances - beginning	15,165,096	420,275	10,324,071	25,909,442
Fund balances - ending	<u>\$ 15,457,189</u>	<u>\$ 805,357</u>	<u>\$ 9,192,401</u>	<u>\$ 25,454,947</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2009

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

Net change in fund balance - total governmental funds \$ (454,495)

Governmental funds report capital outlays as expenditures.  
However, in the statement of activities the cost of those assets is  
allocated over their estimated useful lives and reported as  
depreciation expense. This is the amount by which capital outlays  
exceeded depreciation in the current period. (2,192,223)

Revenues in the statement of activities that do not provide current  
financial resources are not reported as revenues in the funds. 1,010,699

Some expenses reported in the statement of activities do not  
require the use of current financial resources and, therefore, are  
not reported as expenditures in governmental funds. This  
adjustment is for compensated absences, net pension obligation  
and other post employment benefits. (1,763,289)

The issuance of long-term debt (e.g. bonds) provides current  
financial resources to governmental funds, while the repayment of  
the principal of long-term debt consumes the current financial  
resources of governmental funds. Neither transaction, however,  
has any effect on net assets. Also, governmental funds report the  
effect of issuance costs, premiums, discounts, and similar items  
when debt is first issued, whereas these amounts are deferred and  
amortized in the statement of activities. This amount is the net  
effect of these differences in the treatment of long-term debt and  
related items. 1,726,563

Internal service funds are used by management to charge the  
costs of health insurance, workmen's compensation, and retiree  
health insurance to individual funds. The net expenditure of certain  
activities of internal service funds is reported with governmental  
activities. 68

Change in net assets of governmental funds \$ (1,672,677)

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, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 17,391,545	\$ 17,391,545	\$ 17,214,579	\$ (176,966)
Local sales taxes	8,586,525	8,586,525	7,662,087	(924,438)
Intergovernmental/unrestricted	4,181,980	4,181,980	4,050,633	(131,347)
Licenses and permits	1,677,800	1,677,800	1,425,783	(252,017)
Charges for services	4,249,585	4,363,085	4,219,420	(143,665)
Fines, forfeitures, and penalties	1,520,000	1,520,000	2,029,698	509,698
Federal and state grants	20,000	115,400	122,825	7,425
Donations	12,250	14,750	21,528	6,778
Interest on investments	400,000	400,000	145,478	(254,522)
Other	105,000	105,000	34,943	(70,057)
	<u>38,144,685</u>	<u>38,356,085</u>	<u>36,926,974</u>	<u>(1,429,111)</u>
<b>Total revenues</b>				
<b>EXPENDITURES</b>				
General government				
Legislative	544,349	546,377	398,868	147,509
Mayor's office	632,767	632,767	604,965	27,802
Community relations	246,111	261,626	209,330	52,296
Finance and accounting	1,274,693	1,274,767	1,229,692	45,075
City Court	688,635	688,635	656,798	31,837
Building and grounds	390,147	390,147	290,108	100,039
Personnel	420,665	421,365	347,941	73,424
Planning and economic development	321,329	321,329	309,116	12,213
Library	1,065,000	1,065,000	1,057,950	7,050
General Services	260,140	260,140	229,095	31,045
Bartlett Station Commission	160,000	160,000	64,451	95,549
Bartlett Station Municipal Center	472,679	484,749	467,303	17,446
	<u>6,476,515</u>	<u>6,506,902</u>	<u>5,865,617</u>	<u>641,285</u>
<b>Total general government</b>				
Public safety				
Police services	11,965,692	12,078,119	11,446,815	631,304
Fire services	6,262,140	6,293,640	6,092,643	200,997
Ambulance and medical services	2,125,997	2,134,577	1,876,081	258,496
Building code enforcement	923,873	923,873	862,787	61,086
	<u>21,277,702</u>	<u>21,430,209</u>	<u>20,278,326</u>	<u>1,151,883</u>
<b>Total public safety</b>				

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

**CITY OF BARTLETT, TENNESSEE**

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

For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public works				
Administrative	622,270	622,371	579,602	42,769
Engineering	360,809	360,809	330,079	30,730
Inspection	670,443	670,443	619,267	51,176
City shop	501,647	501,647	436,822	64,825
general maintenance of roads and drainage	1,136,150	1,158,007	1,052,269	105,738
Grounds maintenance	1,110,779	1,210,779	988,874	221,905
Animal control	654,027	654,027	611,455	42,572
Total public works	<u>5,056,125</u>	<u>5,178,083</u>	<u>4,618,368</u>	<u>559,715</u>
Parks and recreation				
Community center	985,039	990,320	801,457	188,863
Parks and recreation	260,248	260,248	253,393	6,855
Senior citizens center	313,107	326,607	308,298	18,309
Athletics	711,897	711,897	637,191	74,706
Parks maintenance	1,291,575	1,291,575	1,228,873	62,702
Total parks and recreation	<u>3,561,866</u>	<u>3,580,647</u>	<u>3,229,212</u>	<u>351,435</u>
Performing arts center	635,610	729,579	539,899	189,680
Recreation center	1,575,390	1,577,814	1,437,412	140,402
Total expenditures	<u>38,583,208</u>	<u>39,003,234</u>	<u>35,968,834</u>	<u>3,034,400</u>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<u>(438,523)</u>	<u>(647,149)</u>	<u>958,140</u>	<u>1,605,289</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	45,000	45,000	19,501	(25,499)
Transfers in	795,000	822,598	696,343	(126,255)
Transfers out	(904,605)	(1,381,891)	(1,381,891)	-
Total other financing sources (uses)	<u>(64,605)</u>	<u>(514,293)</u>	<u>(666,047)</u>	<u>(151,754)</u>
Net change in fund balances	<u>(503,128)</u>	<u>(1,161,442)</u>	<u>292,093</u>	<u>1,453,535</u>
Fund balances - beginning	<u>15,165,096</u>	<u>15,165,096</u>	<u>15,165,096</u>	<u>-</u>
Fund balances - ending	<u>\$ 14,661,968</u>	<u>\$ 14,003,654</u>	<u>\$ 15,457,189</u>	<u>\$ 1,453,535</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 – SOLID WASTE CONTROL FUND**

For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 4,779,382	\$ 4,779,382	\$ 4,813,538	\$ 34,156
Interest on investments	15,000	15,000	2,582	(12,418)
Other	8,755	8,755	15,051	6,296
<b>Total revenues</b>	<u>4,803,137</u>	<u>4,803,137</u>	<u>4,831,171</u>	<u>28,034</u>
<b>EXPENDITURES</b>				
Personnel	2,350,609	2,350,609	2,312,162	38,447
Operations	1,822,428	1,843,567	1,843,064	503
Capital outlays	648,200	627,700	293,413	334,287
<b>Total expenditures</b>	<u>4,821,237</u>	<u>4,821,876</u>	<u>4,448,639</u>	<u>373,237</u>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<u>(18,100)</u>	<u>(18,739)</u>	<u>382,532</u>	<u>401,271</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	2,550	2,550
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>2,550</u>	<u>2,550</u>
<b>Net change in fund balances</b>	<u>(18,100)</u>	<u>(18,739)</u>	<u>385,082</u>	<u>403,821</u>
Fund balances - beginning of year	<u>420,275</u>	<u>420,275</u>	<u>420,275</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ 402,175</u>	<u>\$ 401,536</u>	<u>\$ 805,357</u>	<u>\$ 403,821</u>

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

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS**

June 30, 2009

	<b>Business-type Activity - Enterprise Fund Water and Sewer Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,460,052	\$ 1,997,670
Investments (unrestricted)	4,156,773	-
Receivables		
Customers	1,236,084	-
Other	41,613	33
Less allowance for doubtful accounts	(80,072)	-
Prepaid expenses	3,482	-
Total current assets	<u>8,817,932</u>	<u>1,997,703</u>
Noncurrent assets:		
Capital assets, not being depreciated	2,594,863	-
Capital assets, being depreciated, net	69,631,327	-
Total capital assets (net of accumulated depreciation)	<u>72,226,190</u>	<u>-</u>
Total noncurrent assets	<u>72,226,190</u>	<u>-</u>
Total assets	<u>81,044,122</u>	<u>1,997,703</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	260,289	17,945
Accrued bond interest	191,003	-
Accrued compensated absences	115,885	-
Deferred revenue	51,840	-
Current portion of bonds payable	1,042,000	-
Total current liabilities	<u>1,661,017</u>	<u>17,945</u>
Noncurrent liabilities:		
Bonds payable, net of current portion and issuance costs	13,111,509	-
Other post employment benefits payable	160,165	-
Total noncurrent liabilities	<u>13,271,674</u>	<u>-</u>
Total liabilities	<u>14,932,691</u>	<u>17,945</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	57,703,738	-
Unrestricted	8,407,693	1,979,758
Total net assets	<u>66,111,431</u>	<u>\$ 1,979,758</u>
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(26,980)	
Net assets of the business-type activity	<u>\$ 66,084,451</u>	

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

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUND**

For the Year Ended June 30, 2009

	<b>Business-type Activity - Enterprise Fund Water and Sewer Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
Operating revenues:		
Metered water sales	\$ 3,004,383	\$ -
Sewer service fee	2,509,650	-
Service connections fees	70,774	-
Forfeited discounts	126,380	-
Charges for services	38,335	1,299,050
Contributions	-	4,607,336
Tower lease charges	294,416	-
Other	97,913	-
Total operating revenues	<u>6,141,851</u>	<u>5,906,386</u>
Operating expenses:		
Administrative and general	1,501,452	5,920,131
Pumping and filtering	1,412,163	-
Distribution system	1,203,527	-
Sewer lagoon	545,846	-
Depreciation	1,937,956	-
Total operating expenses	<u>6,600,944</u>	<u>5,920,131</u>
Operating income (loss)	<u>(459,093)</u>	<u>(13,745)</u>
Nonoperating revenues (expenses):		
Gain (loss) on sale of capital assets	1,016	-
Interest	97,117	9,492
Bond interest and fiscal charges	(612,373)	-
Total non-operating revenues (expenses)	<u>(514,240)</u>	<u>9,492</u>
Income before contributions and transfers	<u>(973,333)</u>	<u>(4,253)</u>
Capital contributions - water taps	53,300	-
Capital contributions - sewer taps	88,474	-
Capital contributions - development	448,836	-
Transfers out	(321,033)	-
Change in net assets	<u>(703,756)</u>	<u>(4,253)</u>
Total net assets - beginning	<u>66,815,187</u>	<u>1,984,011</u>
Total net assets - ending	<u>\$ 66,111,431</u>	<u>\$ 1,979,758</u>
Change in net assets	\$ (703,756)	
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(4,337)	
Change in net assets of the business-type activity	<u>\$ (708,093)</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, 2009

	<b>Business-type Activity - Enterprise Fund Water and Sewer Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 6,094,254	\$ -
Receipts from interfund services provided	-	5,906,386
Payments to suppliers	(2,426,697)	(5,551,506)
Payments to employees	(2,133,098)	-
Other receipts	80,697	-
Net cash provided by (used for) operating activities	<u>1,615,156</u>	<u>354,880</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer to other fund	<u>(321,033)</u>	-
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from issuance of capital debt	110,452	-
Capital contributions	590,610	-
Purchases of capital assets	(2,024,557)	-
Principal paid on capital debt	(880,000)	-
Interest paid on capital debt	(581,992)	-
Gain (loss) on sale of capital assets	1,016	-
Net cash used by capital and related financing activities	<u>(2,784,471)</u>	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	181,876	-
Interest income	97,117	10,440
Net cash provided by investing activities	<u>278,993</u>	<u>10,440</u>
Net decrease in cash and cash equivalents	(1,211,355)	365,320
Cash and cash equivalents - beginning of the year	4,671,407	1,632,350
Cash and cash equivalents - end of the year	<u>\$ 3,460,052</u>	<u>\$ 1,997,670</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>		
Operating income	\$ (459,093)	\$ (13,745)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	1,937,956	-
Change in assets and liabilities		
Receivables	33,100	-
Prepaid expenses	826	377,319
Accounts payable	(42,396)	(8,694)
Accrued compensated absences	144,783	-
Net cash provided by (used for) operating activities	<u>\$ 1,615,156</u>	<u>\$ 354,880</u>
<b>Noncash investing, capital, and financing activities:</b>		
Bond issue costs paid from proceeds	<u>\$ 7,000</u>	<u>\$ -</u>

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

**CITY OF BARTLETT, TENNESSEE**  
**STATEMENT OF FIDUCIARY NET ASSETS**

June 30, 2009

	<b>Employee Retirement Plan</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,841,771	\$ 100,984
Interest receivable	85,127	-
Investments, at fair value:		
Mortgage backed securities	930,098	-
Common stock	<u>23,674,321</u>	<u>-</u>
Total investments	<u>24,604,419</u>	<u>-</u>
 Total assets	 <u>30,531,317</u>	 <u>\$ 100,984</u>
<b>LIABILITIES</b>		
Accounts payable	15,082	\$ -
Family assistance payable	-	45,326
Bail bonds payable	<u>-</u>	<u>55,658</u>
 Total liabilities	 <u>15,082</u>	 <u>\$ 100,984</u>
<b>NET ASSETS</b>		
Held in trust for pension benefits and other purposes	<u>\$ 30,516,236</u>	

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

**CITY OF BARTLETT, TENNESSEE**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
For the Year Ended June 30, 2009

	<b>Employee Retirement Plan</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 3,083,215
Plan members	841,645
Total contributions	3,924,860
Investment earnings (losses):	
Interest and dividends	1,013,187
Net depreciation in fair value of investments	(9,095,394)
Total investment earnings (loss)	(8,082,207)
Less investment expense	(150,111)
Net investment earnings (loss)	(8,232,318)
Total additions (reductions)	(4,307,458)
<b>DEDUCTIONS</b>	
Benefits	1,914,026
Administrative expense	57,318
Total deductions	1,971,344
Change in net assets	(6,278,802)
Net assets - beginning of the year	36,795,037
Net assets - end of the year	\$ 30,516,235

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

**CITY OF BARTLETT, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**

JUNE 30, 2009

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

**B. Government-wide and fund financial statements**

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

The solid waste control fund accounts for residential trash and garbage collection and disposal and the City's recycling program.

The City reports the following major proprietary funds:

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

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

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

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

## **D - Assets, liabilities and fund equity**

### *1. Deposits and investments*

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

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

### *2. Receivables and payables*

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

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

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

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

### *3. Inventories and prepaid items*

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

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

### *4. Restricted assets*

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

## 5. Capital assets

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

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

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

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

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

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

## 6. Compensated absences

Compensated absences for accumulated unpaid vacation are accrued when incurred in all funds. Vacation days earned, not to exceed 30 days, may be carried forward. In the event of termination, an employee is reimbursed for accumulated vacation days. That amount is provided for in current liabilities of the appropriate funds, as it does not exceed a normal year's accumulation.

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 presentation.

## 7. Long-term obligations

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

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

## 8. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable and net pension obligation, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$27,753,577 difference are as follows:

Bonds and capital outlay notes payable	\$ 24,416,828
Less: Deferred charge for refunding (to be amortized as interest expense)	(416,044)
Accrued interest payable	305,460
Net pension obligation	862,441
Other postemployment benefits liability	1,951,362
Compensated absences	<u>633,530</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental funds	<u>\$ 27,753,577</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of the (\$2,192,223) difference are as follows:

Capital outlay	\$ 2,850,749
Depreciation expense	<u>(5,042,972)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (2,192,223)</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debts consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$1,726,563 difference are as follows:

Debt issued or incurred:	
Issuance of capital notes	\$ (766,968)
Less: discount	-
Decrease in accrued interest payable	22,476
Amortization of issuance costs, discounts and charges	(49,745)
Principal repayment on general obligation debt	<u>2,520,800</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,726,563</u>

**NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary information**

The Board of Mayor and Aldermen annually approves the operating budgets of the general, special revenue, capital projects, debt service, and enterprise funds of the City. The capital projects plan is multi-year. Budgets are amended by resolution of the Board of Mayor and Aldermen to authorize

expenditures of various grants received and to adjust the individual fund budgets as required. While no supplemental appropriations were required during the year, the accompanying budgetary data has been revised for amendments authorized by resolution during the year. The basis of accounting applied to budgetary data presented is consistent with the appropriate basis of accounting for each fund type.

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

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

**B. Excess of expenditures over appropriations**

For the year ended June 30, 2009, no funds expenditures exceeded appropriations.

**C. Deficit fund equity**

As of June 30, 2009, no funds had a deficit fund equity.

**NOTE 4 - DETAILED NOTES ON ALL FUNDS**

**A. Deposits and investments**

As of June 30, 2009, the City had the following investments in its Pension Trust Fund:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Modified Duration (in Years)</u>
Corporate & Mortgage Backed Bonds	\$ 930,098	7.11
Portfolio Weighted Average Modified Duration		7.11

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

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

Credit quality distribution for fixed income investments, with credit exposure as a percentage of total investments (total investments for the Pension Trust Fund include equity securities, mutual funds, and money market funds, which are not represented in this or the above tables), are approximately as follows at year end:

<u>Investment Type</u>	<u>S&amp;P Rating</u>	<u>Percentage</u>	<u>Moody's Rating</u>	<u>Percentage</u>
Corporate Bonds	AA	0.01%	A1	0.08%
	A-	0.04%	A2	0.58%
	BBB+	0.42%	A3	0.04%
	BBB	1.33%	Baa1	0.73%
	CCC+	0.57%	Baa2	1.00%
	CCC	0.08%	B3	0.57%
	CC	0.01%	Not Rated	0.05%
	Not Rated	0.59%		

As of June 30, 2009, the Pension Trust Fund held two fixed income investments totaling \$448 or 0.002% of the Pension Trust Fund assets for which no investment rating was available. These investments are reflected in the 'Not Rated' category in the above table. The remainder of 'Not Rated' investments results from the fact that there was only one rating agency which rate those investments.

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

## B. Receivables

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

	<u>General Fund</u>	<u>Solid Waste Fund</u>	<u>Nonmajor Governmental</u>	<u>Water and Sewer</u>	<u>Internal Service Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 18,579,530	\$ -	\$ 708,903	\$ -	\$ -	\$ 19,288,433
Accounts receivable	-	-	-	1,236,084	-	1,236,084
Other	3,412,307	307,144	6,870	41,613	33	3,767,967
Gross receivables	21,991,837	307,144	715,773	1,277,697	33	24,292,484
Less: allowance for doubtful accounts	(1,045,561)	-	-	(80,072)	-	(1,125,633)
Net total receivables	\$ 20,946,276	\$ 307,144	\$ 715,773	\$ 1,197,625	\$ 33	\$ 23,166,851

Governmental funds report deferred 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. At the end of the current fiscal year, deferred revenue principally represents: (1) amounts relating to property taxes as described above and (2) amounts received for various capital projects upon which revenues will not be recognized until such projects have started.

### C. Property Taxes

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

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

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

Current tax collections for the year ended June 30, 2009 were 92.3% of the tax levy. The property tax levy is without legal limit. The rate, as permitted by Tennessee State Law and City Charter, is set annually by the Board of Mayor and Aldermen and collected by the City Clerk.

The property tax rate for the year ended June 30, 2009, was \$1.54 per \$100 of assessed value as of January 1, 2008.

### D. Capital assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 7,139,658	\$ 274,154	\$ -	\$ 7,413,812
Construction in progress	4,883,259	621,813	(4,569,222)	935,850
Total capital assets, not being depreciated	<u>12,022,917</u>	<u>895,967</u>	<u>(4,569,222)</u>	<u>8,349,662</u>
Capital assets, being depreciated:				
Buildings	29,937,870	4,527,386	-	34,465,256
Improvements	4,788,802	319,049	-	5,107,851
Equipment	7,165,250	217,855	(75,092)	7,308,013
Vehicles	13,097,063	635,057	(212,433)	13,519,687
Infrastructure	106,122,072	827,555	-	106,949,627
Total capital assets, being depreciated	<u>161,111,057</u>	<u>6,526,902</u>	<u>(287,525)</u>	<u>167,350,434</u>
Less accumulated depreciation for:				
Buildings	(7,014,653)	(661,355)	-	(7,676,008)
Improvements	(1,948,050)	(385,945)	-	(2,333,995)
Equipment	(5,463,486)	(453,497)	75,092	(5,841,891)
Vehicles	(8,511,449)	(1,037,370)	209,535	(9,339,284)
Infrastructure	(24,218,907)	(2,504,805)	-	(26,723,712)
Total accumulated depreciation	<u>(47,156,545)</u>	<u>(5,042,972)</u>	<u>284,627</u>	<u>(51,914,890)</u>
Total capital assets, being depreciated, net	<u>113,954,512</u>	<u>1,483,930</u>	<u>(2,898)</u>	<u>115,435,544</u>
Governmental activities capital assets, net	<u>\$ 125,977,429</u>	<u>\$ 2,379,897</u>	<u>\$ (4,572,120)</u>	<u>\$ 123,785,206</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activity:</b>				
Capital assets, not being depreciated:				
Land	\$ 934,752	\$ -	\$ (2,846)	\$ 931,906
Construction in progress	1,123,399	1,131,597	(592,039)	1,662,957
Total capital assets, not being depreciated	<u>2,058,151</u>	<u>1,131,597</u>	<u>(594,885)</u>	<u>2,594,863</u>
Capital assets, being depreciated:				
Buildings	29,529	69,385	-	98,914
Improvements	91,967,807	1,100,428	-	93,068,235
Equipment	1,471,207	315,186	(49,428)	1,736,965
Total capital assets, being depreciated	<u>93,468,543</u>	<u>1,484,999</u>	<u>(49,428)</u>	<u>94,904,114</u>
Less accumulated depreciation for:				
Buildings	(13,628)	(3,680)		(17,308)
Improvements	(22,298,695)	(1,826,873)		(24,125,568)
Equipment	(1,071,937)	(107,402)	49,428	(1,129,911)
Total accumulated depreciation	<u>(23,384,260)</u>	<u>(1,937,955)</u>	<u>49,428</u>	<u>(25,272,787)</u>
Total capital assets, being depreciated, net	<u>70,084,283</u>	<u>(452,956)</u>	<u>-</u>	<u>69,631,327</u>
Business-type activity capital assets, net	<u>\$ 72,142,434</u>	<u>\$ 678,641</u>	<u>\$ (594,885)</u>	<u>\$ 72,226,190</u>

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

Governmental activities:	
General government	\$ 355,964
Public safety	884,726
Public works	3,167,963
Parks and recreation	557,623
Performing arts center	76,696
Total depreciation expense - governmental activities	<u>\$ 5,042,972</u>

### Construction commitments

The government has active construction projects as of June 30, 2009. At year-end the government's commitments with contractors are as follows:

<u>Function/Activity</u>	<u>Commitment</u>
Major roads	\$ 1,578,337
General government	1,244,883
Water and sewer	240,835
	<u>\$ 3,064,055</u>

### E. Interfund receivables, payables, and transfers

Interfund transfers represent subsidies and contributions provided to operating funds and capital

project funds with no corresponding debt or promise to repay. Transfers out of the major funds, nonmajor governmental funds and enterprise funds generally represent debt service, cost allocation, capital project funding, and payments in lieu of taxes. Interfund transfers occurring between individual major funds and nonmajor governmental, enterprise, and internal service funds for the City during the year ended June 30, 2009 are as follows:

Transfer out:	Transfer In:			Total
	General Fund	Capital Projects	Nonmajor Governmental	
General fund	\$ -	\$ 477,286	\$ 904,605	\$ 1,381,891
Nonmajor governmental funds	310,847	25,960	-	336,807
Capital projects fund	64,463	-	-	64,463
Water and sewer	321,033	-	-	321,033
Total transfers out	<u>\$ 696,343</u>	<u>\$ 503,246</u>	<u>\$ 904,605</u>	<u>\$ 2,104,194</u>

## F. Leases

### *Operating Leases*

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

2010	\$ 293,316
2011	191,189
2012	135,457
2013	120,960
2014	3,240
Total	<u>\$ 744,162</u>

## G. Long Term Debt

### *General obligations bonds*

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

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

*Capital outlay notes*

During the year, the City issued \$740,500 in general obligation capital outlay notes to provide funds for replacement of various capital equipment and vehicles.

*General obligation notes payable*

On December 23, 2008, the City entered into a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee through the Tennessee Municipal League for \$1,350,000 and \$1,000,000 for governmental and business-type activities, respectively. As of June 30, 2009, \$26,468 for governmental activities and \$117,452 for business-type activities of the total available note was drawn. The principal on this loan is paid annually while the interest is paid monthly based on a variable interest rate determined monthly by the remarketing agent. At June 30, 2009, the interest rate on this loan was 4.8%.

*Revenue bonds*

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

*Changes in long-term liabilities*

Long-term liability activity for the year ended June 30, 2009, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 24,750,000	\$ -	\$ (2,055,000)	\$ 22,695,000	\$ 1,900,000
Less deferred amounts:					
For issuance discounts	(13,427)	-	270	(13,157)	-
On refunding	(452,362)	(9,450)	58,925	(402,887)	-
Total bonds payable	24,284,211	(9,450)	(1,995,805)	22,278,956	1,900,000
Capital outlay notes	1,420,660	740,500	(465,800)	1,695,360	619,180
Note payable	-	26,468	-	26,468	26,468
Net pension obligation	1,056,066	-	(193,625)	862,441	-
Other postemployment benefits	-	1,951,362	-	1,951,362	-
Compensated absences	627,977	5,553	-	633,530	67,997
Governmental-type activity long-term liabilities	<u>\$ 27,388,914</u>	<u>\$ 2,714,433</u>	<u>\$ (2,655,230)</u>	<u>\$ 27,448,117</u>	<u>\$ 2,613,645</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-type activities:</b>					
Bonds payable:					
Revenue bonds	\$ 15,285,000		\$ (880,000)	\$ 14,405,000	\$ 1,010,000
Less deferred amounts:					
On refunding/costs	(401,077)	(7,000)	39,134	(368,943)	-
Total bonds payable	14,883,923	(7,000)	(840,866)	14,036,057	1,010,000
Note payable	-	117,452	-	117,452	32,000
Other postemployment benefits	-	160,165	-	160,165	-
Business-type activity long-term liabilities	<u>\$ 14,883,923</u>	<u>\$ 270,617</u>	<u>\$ (840,866)</u>	<u>\$ 14,313,674</u>	<u>\$ 1,042,000</u>

Bonds and similar debt payable at June 30, 2009, are comprised of the following individual issues:

	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Balance Outstanding at Year End</u>
<b>Governmental activities:</b>			
Bonds payable:			
1997A Serial Bonds	4.5 - 5.5	\$ 4,940,000	\$ 55,000
1998A Serial Bonds	4.0 - 4.75	7,500,000	780,000
2001A Serial Bonds	2.6 - 4.9	3,270,000	1,470,000
2002 Serial Bonds	2.0 - 4.95	7,000,000	3,295,000
2003 Serial Bonds	3.0 - 4.3	3,275,000	2,660,000
2004 Serial Bonds	2.0-4.3	1,790,000	1,515,000
2005 Serial Bonds	3.0-4.1	8,195,000	7,605,000
2006 Serial Bonds	4.0	2,655,000	2,455,000
2007 Serial Bonds	4.0-4.05	2,955,000	2,860,000
		<u>41,580,000</u>	<u>22,695,000</u>
2005 Capital Outlay note	3.67	1,507,500	692,860
2006 Capital Outlay note	4.28	753,000	262,000
2008 Capital Outlay note	3.14	740,500	740,500
2008 Note payable	4.8	26,468	26,468
		<u>\$ 44,607,468</u>	<u>24,416,828</u>
<b>Business-type activities:</b>			
Bonds payable:			
1997 Revenue Bonds	4.5 - 5.5	\$ 5,030,000	\$ 190,000
2001 Revenue Bonds	2.6 - 4.95	3,000,000	2,205,000
2002 Revenue Bonds	2.0 - 4.95	2,360,000	1,445,000
2003 Revenue Bonds	3.0 - 4.3	6,520,000	5,510,000
2004 Revenue Bonds	2.0-4.3	1,355,000	1,145,000
2005 Revenue Bonds	3.0-4.1	1,530,000	1,495,000
2006 Revenue Bonds	3.5-4.0	1,550,000	1,435,000
2007 Revenue Bonds	4.0-4.05	1,015,000	980,000
		<u>22,360,000</u>	<u>14,405,000</u>
2008 Note payable	4.8	117,452	117,452
		<u>\$ 22,477,452</u>	<u>14,522,452</u>
			<u>\$ 38,939,280</u>

Annual debt service requirements to maturity are as follows:

Years Ending June 30	Government Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2010	\$ 2,545,648	\$ 897,892	\$ 1,042,000	\$ 553,727
2011	2,264,850	810,234	978,000	514,073
2012	1,428,330	735,647	1,020,000	480,016
2013	1,639,000	681,503	1,047,452	443,012
2014	1,704,000	622,198	1,055,000	404,486
2015-2019	7,775,000	2,217,000	5,080,000	1,409,738
2020-2024	5,125,000	929,352	3,670,000	506,725
2025-2028	1,935,000	121,141	630,000	40,997
	<u>\$ 24,416,828</u>	<u>\$ 7,014,967</u>	<u>\$ 14,522,452</u>	<u>\$ 4,352,774</u>

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

#### H. Restricted Assets

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

### NOTE 5 - EMPLOYEE RETIREMENT SYSTEM

#### A. Plan Description

The City is the administrator of a single-employer public employee retirement system (PERS) established and administered by the City to provide pension benefits for its employees. The plan, as amended on March 29, 2001, is a defined benefit plan and was created on July 1, 1989 with the transfer of assets from a defined contribution money purchase plan discontinued on June 30, 1989. The PERS is considered to be part of the City of Bartlett's financial reporting entity and is included in the City's financial reports as a pension trust fund. The City of Bartlett separately issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to City of Bartlett, P.O. Box 341148, Bartlett, TN 38134-1148.

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

compensation multiplied by years of service greater than 25 but less than 35, with a maximum benefit of 72.5% of average compensation.

At July 1, 2009 (the date of the latest actuarial valuation), PERS membership consisted of:

Retirees and beneficiaries currently receiving benefits	96
Terminated employees entitled to benefits but not yet receiving them	17
Active employees:	
Vested	315
Nonvested	<u>154</u>
Total	<u>582</u>

## **B. Funding Policy**

Covered employees contribute 4% of earnings to the retirement plan. The City is required to contribute amounts necessary to finance the coverage for its employees (14.9% for the current period). Benefits and contributions are established by the City and may be amended only by the Board of Mayor and Aldermen.

## **C. Basis of Accounting**

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

## **D. Plan Expenses**

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

## **E. Method Used to Value Investments**

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

## **F. Annual Pension Cost**

For the year ended June 30, 2009, the City's annual pension cost of \$3,083,215 was more than the annual required contribution. The annual required contribution totaled \$2,846,355. The required contribution was determined as part of the July 1, 2008 annual actuarial valuation using the aggregate actuarial cost method. The aggregate actuarial cost method does not identify or

separately amortize unfunded actuarial liabilities; therefore, a schedule of funding progress is prepared using the entry-age actuarial cost method. Significant actuarial assumptions used in the computation included (a) a 7.5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 5% per year. Both (a) and (b) included an inflation component of 2.5%. The actuarial value of the assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments.

Total payroll for the year ended June 30, 2009 was \$24,211,247. Payroll for employees covered by this plan was \$20,923,074.

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

Annual required contribution	\$ 2,846,355
Interest on net pension obligation	43,235
Annual pension cost	<u>2,889,590</u>
Contributions made	<u>3,083,215</u>
Increase (decrease) in net pension obligation	(193,625)
Net pension obligation - beginning of year	<u>1,056,066</u>
Net pension obligation - end of year	<u><u>\$ 862,441</u></u>

#### G. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. A six-year summary of funding progress has been presented in the City's Comprehensive Annual Financial Report's supplemental section. Following is a summary of the three-year trend for the years ended June 30:

	2009	2008	2007
Annual pension cost	\$ 2,889,590	\$ 2,494,805	\$ 2,371,835
Percentage of APC contributed	107%	97%	103%
Net pension obligation	\$ 862,441	\$ 1,056,066	\$ 982,387

Six-year historical trend information (three years presented), designed to provide information about the Retirement System's progress made in accumulating sufficient assets to pay benefits when due is as follows:

Actuarial Valuation Date	Actuarial Valuation of Assets	Unfunded Actuarial Accrued Liability - EAN	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2007	\$ 39,613,864	\$ 12,797,658	\$ 19,130,652	67%
7/1/2008	\$ 39,090,640	\$ 17,768,936	\$ 20,682,097	86%
7/1/2009	\$ 35,635,995	\$ 17,234,670	\$ 20,923,074	82%

## NOTE 7 - COMMITMENTS AND CONTINGENCIES

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

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

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

## NOTE 8 - RISK MANAGEMENT

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

### *Worker's Compensation*

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

	2009	2008
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Claims incurred during the year	77,183	65,349
Claims payments	(77,183)	(65,349)
Unpaid claims, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>

### *Property, Plant and Equipment*

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

### *Liability Coverage*

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

## NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

### Plan Description

In addition to the pension benefits described in Note 5, the City provides post-retirement health care benefits to all employees who retire from the City under the provisions of the PERS. Benefit provisions and contribution obligations have been established by the City in conjunction with the PERS. Currently, 71 employees are eligible for post-retirement benefits. The City pays 70% of the premium for health care benefits for retirees and their dependents.

### Funding Policy

The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has engaged an actuary to calculate the ARC and related information per the provision of GASB Statement 45 for employers in plans with more than 100 hundred total plan members. The ARC represents a funding level that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. For fiscal year 2009, the City made no contributions and instead elected to continue funding on a *pay-as-you-go* basis, which amounted to \$419,939 for 2009. These costs are recognized as an expense when claims or premiums are paid.

### Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 2,531,466
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>2,531,466</u>
Contributions or payments made	<u>(419,939)</u>
Increase in net OPEB obligation	2,111,527
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u>\$ 2,111,527</u>
Percentage of annual OPEB cost contributed	<u>16.6%</u>

## Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	\$ 28,335,947
Actuarial value of assets	631,851
Unfunded AAL (UAAL)	<u>\$ 27,704,096</u>
Funded ratio	<u>2.2%</u>
Covered payroll	<u>\$ 20,923,074</u>
UAAL as a % of covered payroll	<u>132.4%</u>

## Actuarial Methods and Assumptions

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

In the July 1, 2008, actuarial valuation, the aggregate actuarial cost method was used. The actuarial assumptions include a 6% a year rate of investment return and a base payroll growth rate of 5%. Per the actuarial study the assumed rate ranges from 9% in the short-term to 5% in the long-term for health care related costs.

## NOTE 10 – SUBSEQUENT EVENT

Subsequent to June 30, 2009, the City issued \$2,220,000 in General Obligation Public Improvement and \$960,000 in Water and Sewer Revenue Tax Bonds. The purpose of the bonds is to provide funds for the construction and improvements of various capital projects within the City and its water and sewer system as well as to provide for the cost of issuance associated with this issue.

**CITY OF BARTLETT**  
TENNESSEE

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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

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

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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**CITY OF BARTLETT**

T E N N E S S E E

**GENERAL FUND**

The General Fund is the general operating fund of the City. It accounts for all financial resources except those required to be accounted for in another fund.

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL – GENERAL FUND**

For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>TAXES</b>				
Property tax	\$ 16,191,545	\$ 16,191,545	\$ 16,050,290	\$ (141,255)
Property tax - prior year	280,000	280,000	220,809	(59,191)
Payments in lieu of taxes	825,000	825,000	838,514	13,514
Property tax interest and penalties	95,000	95,000	104,966	9,966
Local sales tax	6,334,120	6,334,120	5,399,888	(934,232)
Wholesale beer tax	681,550	681,550	683,053	1,503
Wholesale liquor tax	144,500	144,500	157,487	12,987
Gross receipts tax	796,780	796,780	815,053	18,273
Business tax	35,500	35,500	33,112	(2,388)
Interest, penalties, and collection fees on business tax	28,810	28,810	22,321	(6,489)
Hotel tax	230,265	230,265	192,892	(37,373)
CATV franchise tax	335,000	335,000	358,281	23,281
<b>Total taxes</b>	<b>25,978,070</b>	<b>25,978,070</b>	<b>24,876,666</b>	<b>(1,101,404)</b>
<b>Intergovernmental/unrestricted</b>				
State of Tennessee shared taxes				
Sales	3,402,000	3,402,000	3,074,692	(327,308)
Income taxes	230,000	230,000	365,073	135,073
Beer tax	25,500	25,500	24,492	(1,008)
Liquor tax	51,480	51,480	45,849	(5,631)
Bank excise tax	20,000	20,000	48,011	28,011
Receipts in lieu of tax - TVA	453,000	453,000	450,272	(2,728)
Reimbursements	-	-	42,244	42,244
<b>Total state taxes</b>	<b>4,181,980</b>	<b>4,181,980</b>	<b>4,050,633</b>	<b>(131,347)</b>
<b>LICENSES AND PERMITS</b>				
Automobile stickers	1,110,000	1,110,000	1,063,392	(46,608)
Beer and liquor licenses	13,500	13,500	13,915	415
Building and related permits	554,300	554,300	348,476	(205,824)
<b>Total licenses and permits</b>	<b>1,677,800</b>	<b>1,677,800</b>	<b>1,425,783</b>	<b>(252,017)</b>

(continued)

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)**

For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>CHARGES FOR SERVICES</b>				
Police and fire charges	46,600	46,600	30,369	(16,231)
Publication fees	1,000	1,000	700	(300)
Trash removal and weed cutting fees	20,000	120,000	57,506	(62,494)
Parks and recreation charges	2,981,485	2,994,985	2,762,259	(232,726)
Performing arts center	271,000	271,000	236,026	(34,974)
City service fee	4,500	4,500	4,824	324
Ambulance fees	650,000	650,000	693,375	43,375
Animal Shelter fees	140,000	140,000	168,856	28,856
911 fees	23,000	23,000	18,499	(4,501)
Rental fees	112,000	112,000	142,299	30,299
Library fees	-	-	104,707	104,707
Total charge for services	<u>4,249,585</u>	<u>4,363,085</u>	<u>4,219,420</u>	<u>(143,665)</u>
<b>FINES, FORFEITURES, AND PENALTIES</b>	<u>1,520,000</u>	<u>1,520,000</u>	<u>2,029,698</u>	<u>509,698</u>
<b>FEDERAL AND STATE GRANTS</b>	<u>20,000</u>	<u>115,400</u>	<u>122,825</u>	<u>7,425</u>
<b>DONATIONS</b>	<u>12,250</u>	<u>14,750</u>	<u>21,528</u>	<u>6,778</u>
<b>INTEREST ON INVESTMENTS</b>	<u>400,000</u>	<u>400,000</u>	<u>145,478</u>	<u>(254,522)</u>
<b>OTHER</b>	<u>105,000</u>	<u>105,000</u>	<u>34,943</u>	<u>(70,057)</u>
<b>TOTAL GENERAL FUND REVENUES</b>	<u><u>\$ 38,144,685</u></u>	<u><u>\$ 38,356,085</u></u>	<u><u>\$ 36,926,974</u></u>	<u><u>\$ (1,429,111)</u></u>

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL –  
GENERAL FUND**

For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>GENERAL GOVERNMENT</b>				
Legislative				
Personnel	\$ 169,494	\$ 169,494	\$ 150,781	\$ 18,713
Operations	374,855	376,883	248,087	128,796
	<u>544,349</u>	<u>546,377</u>	<u>398,868</u>	<u>147,509</u>
Mayor's office				
Personnel	519,007	519,007	516,116	2,891
Operations	113,760	113,760	88,849	24,911
	<u>632,767</u>	<u>632,767</u>	<u>604,965</u>	<u>27,802</u>
Community relations				
Personnel	81,426	83,426	82,287	1,139
Operations	164,685	178,200	127,043	51,157
	<u>246,111</u>	<u>261,626</u>	<u>209,330</u>	<u>52,296</u>
Finance and accounting				
Personnel	1,039,898	1,039,898	1,039,529	369
Operations	233,795	233,869	189,827	44,042
Equipment	1,000	1,000	336	664
	<u>1,274,693</u>	<u>1,274,767</u>	<u>1,229,692</u>	<u>45,075</u>
City Court				
Personnel	632,155	632,155	611,017	21,138
Operations	54,980	54,980	45,781	9,199
Equipment	1,500	1,500	-	1,500
	<u>688,635</u>	<u>688,635</u>	<u>656,798</u>	<u>31,837</u>
Building and grounds				
Personnel	152,697	152,697	119,266	33,431
Operations	234,950	234,950	170,842	64,108
Equipment	2,500	2,500	-	2,500
	<u>390,147</u>	<u>390,147</u>	<u>290,108</u>	<u>100,039</u>
Personnel				
Personnel	376,835	376,835	328,094	48,741
Operations	43,330	44,030	19,847	24,183
Equipment	500	500	-	500
	<u>420,665</u>	<u>421,365</u>	<u>347,941</u>	<u>73,424</u>
Planning and economic development				
Personnel	296,385	297,585	297,536	49
Operations	24,944	23,744	11,580	12,164
	<u>321,329</u>	<u>321,329</u>	<u>309,116</u>	<u>12,213</u>
Library				
Operations	1,065,000	1,065,000	1,057,950	7,050

(continued)

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL –  
GENERAL FUND (CONTINUED)**

For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Services				
Personnel	248,765	248,765	225,240	23,525
Operations	6,300	6,300	3,455	2,845
Equipment	5,075	5,075	400	4,675
	<u>260,140</u>	<u>260,140</u>	<u>229,095</u>	<u>31,045</u>
 Bartlett Station Commission				
Operations	160,000	160,000	64,451	95,549
 Bartlett Station Municipal Center				
Personnel	257,689	262,439	261,647	792
Operations	149,990	165,560	165,547	13
Equipment	65,000	56,750	40,109	16,641
	<u>472,679</u>	<u>484,749</u>	<u>467,303</u>	<u>17,446</u>
 Total general government	<u>6,476,515</u>	<u>6,506,902</u>	<u>5,865,617</u>	<u>641,285</u>
 <b>PUBLIC SAFETY</b>				
Police services				
Personnel	10,685,377	10,712,975	10,406,719	306,256
Operations	1,260,315	1,345,144	1,028,935	316,209
Equipment	20,000	20,000	11,161	8,839
	<u>11,965,692</u>	<u>12,078,119</u>	<u>11,446,815</u>	<u>631,304</u>
Fire services				
Personnel	5,755,625	5,755,625	5,718,493	37,132
Operations	501,515	533,015	374,150	158,865
Equipment	5,000	5,000	-	5,000
	<u>6,262,140</u>	<u>6,293,640</u>	<u>6,092,643</u>	<u>200,997</u>
Ambulance and medical services				
Personnel	1,890,937	1,890,937	1,661,056	229,881
Operations	232,060	240,640	215,025	25,615
Equipment	3,000	3,000	-	3,000
	<u>2,125,997</u>	<u>2,134,577</u>	<u>1,876,081</u>	<u>258,496</u>
Building codes enforcement				
Personnel	840,808	840,808	807,473	33,335
Operations	81,800	80,250	53,028	27,222
Equipment	1,265	2,815	2,286	529
	<u>923,873</u>	<u>923,873</u>	<u>862,787</u>	<u>61,086</u>
 Total public safety	<u>21,277,702</u>	<u>21,430,209</u>	<u>20,278,326</u>	<u>1,151,883</u>

(continued)

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL –  
GENERAL FUND (CONTINUED)**

For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>PUBLIC WORKS</b>				
Administrative				
Personnel	384,700	384,700	375,716	8,984
Operations	237,370	237,471	203,886	33,585
Equipment	200	200	-	200
	<u>622,270</u>	<u>622,371</u>	<u>579,602</u>	<u>42,769</u>
Engineering				
Personnel	298,444	298,444	298,329	115
Operations	61,565	61,565	31,750	29,815
Equipment	800	800	-	800
	<u>360,809</u>	<u>360,809</u>	<u>330,079</u>	<u>30,730</u>
Inspection				
Personnel	594,603	594,603	576,498	18,105
Operations	75,840	75,840	42,769	33,071
	<u>670,443</u>	<u>670,443</u>	<u>619,267</u>	<u>51,176</u>
City shop				
Personnel	744,211	744,211	699,020	45,191
Operations	62,611	62,611	54,332	8,279
Equipment	20,150	20,150	14,565	5,585
Shop allocations	(325,325)	(325,325)	(331,095)	5,770
	<u>501,647</u>	<u>501,647</u>	<u>436,822</u>	<u>64,825</u>
General maintenance of roads and drainage				
Personnel	886,633	875,068	841,631	33,437
Operations	229,917	243,500	177,671	65,829
Equipment	19,600	39,439	32,967	6,472
	<u>1,136,150</u>	<u>1,158,007</u>	<u>1,052,269</u>	<u>105,738</u>
Grounds maintenance				
Personnel	893,199	893,199	771,136	122,063
Operations	204,230	293,230	194,358	98,872
Equipment	13,350	24,350	23,380	970
	<u>1,110,779</u>	<u>1,210,779</u>	<u>988,874</u>	<u>221,905</u>
Animal control				
Personnel	474,237	474,237	447,587	26,650
Operations	177,415	177,415	163,266	14,149
Equipment	2,375	2,375	602	1,773
	<u>654,027</u>	<u>654,027</u>	<u>611,455</u>	<u>42,572</u>
 Total public works	 <u>5,056,125</u>	 <u>5,178,083</u>	 <u>4,618,368</u>	 <u>559,715</u>

(continued)

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL –  
GENERAL FUND (CONTINUED)**

For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>PARKS AND RECREATION</b>				
Community center				
Personnel	786,554	786,554	634,630	151,924
Operations	178,485	183,766	156,889	26,877
Equipment	20,000	20,000	9,938	10,062
	<u>985,039</u>	<u>990,320</u>	<u>801,457</u>	<u>188,863</u>
Parks and recreation				
Personnel	225,048	228,748	228,612	136
Operations	35,200	31,500	24,781	6,719
	<u>260,248</u>	<u>260,248</u>	<u>253,393</u>	<u>6,855</u>
Senior citizens center				
Personnel	224,987	224,987	223,294	1,693
Operations	80,120	93,620	77,510	16,110
Equipment	8,000	8,000	7,494	506
	<u>313,107</u>	<u>326,607</u>	<u>308,298</u>	<u>18,309</u>
Athletics				
Personnel	488,247	485,497	415,797	69,700
Operations	223,650	226,400	221,394	5,006
	<u>711,897</u>	<u>711,897</u>	<u>637,191</u>	<u>74,706</u>
Parks maintenance				
Personnel	937,020	937,020	916,754	20,266
Operations	354,555	354,555	312,119	42,436
	<u>1,291,575</u>	<u>1,291,575</u>	<u>1,228,873</u>	<u>62,702</u>
 Total parks and recreation	 <u>3,561,866</u>	 <u>3,580,647</u>	 <u>3,229,212</u>	 <u>351,435</u>
<b>PERFORMING ARTS CENTER</b>				
Personnel	421,430	495,755	362,247	133,508
Operations	199,180	218,322	166,356	51,966
Equipment	15,000	15,502	11,296	4,206
Total performing arts center	<u>635,610</u>	<u>729,579</u>	<u>539,899</u>	<u>189,680</u>
<b>RECREATION CENTER</b>				
Personnel	1,124,405	1,124,405	1,065,033	59,372
Operations	450,985	453,409	372,379	81,030
Total recreation center	<u>1,575,390</u>	<u>1,577,814</u>	<u>1,437,412</u>	<u>140,402</u>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<u><b>\$ 38,583,208</b></u>	<u><b>\$ 39,003,234</b></u>	<u><b>\$ 35,968,834</b></u>	<u><b>\$ 3,034,400</b></u>

## COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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# 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 annual street paving program, all streetlights, and new street construction as well as traffic signal construction and maintenance are accounted for in this fund.

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

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

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

**Parks Improvement Fund** - The City imposes a parks improvement impact fee on all new residential development to provide funds for the acquisition and construction of city parkland and improvements.

**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.

**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.

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

CITY OF BARTLETT, TENNESSEE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

June 30, 2009

	Special Revenue Funds							Total Nonmajor Governmental Funds		
	State Street Aid Fund	Drug Enforcement Fund	General Improvement Fund	Drainage Control Fund	Parks Improvement Fund	DEA Task Force Fund	Grants Fund		Capital Projects Fund	Debt Service Fund
<b>ASSETS</b>										
Cash and cash equivalents	\$ 452,509	\$ 640,094	\$ 791,044	\$ 365,524	\$ 1,097,505	\$ 198,896	\$ -	\$ 3,937,682	\$ 28,955	\$ 7,512,209
Investments - unrestricted	-	-	-	-	-	-	-	1,546,334	-	1,546,334
Receivables, net	247,666	-	-	-	-	-	-	-	461,237	708,903
Taxes	-	3,047	-	-	-	-	3,823	-	-	6,870
Other	-	-	3,500	-	-	-	-	-	-	3,500
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 700,175</b>	<b>\$ 643,141</b>	<b>\$ 794,544</b>	<b>\$ 365,524</b>	<b>\$ 1,097,505</b>	<b>\$ 198,896</b>	<b>\$ 3,823</b>	<b>\$ 5,484,016</b>	<b>\$ 490,192</b>	<b>\$ 9,777,816</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Accounts payable	\$ 386,094	\$ 48,925	\$ 2,295	\$ -	\$ 600	\$ 314	\$ -	\$ 136,467	\$ -	\$ 574,695
Accrued payroll and vacation	-	-	-	688	-	-	-	-	-	688
Deferred revenue	6,209	-	-	-	-	-	1,083	-	-	7,292
Due to other funds	-	-	-	-	-	-	2,740	-	-	2,740
<b>Total liabilities</b>	<b>392,303</b>	<b>48,925</b>	<b>2,295</b>	<b>688</b>	<b>600</b>	<b>314</b>	<b>3,823</b>	<b>136,467</b>	<b>-</b>	<b>585,415</b>
<b>Fund balances:</b>										
Reserved for encumbrances	35,567	540	14,480	-	29,400	-	-	2,793,820	-	2,873,807
Reserved for debt service	-	-	-	-	-	-	-	-	490,192	490,192
Reserved for capital outlays	-	-	-	-	842,252	-	-	-	-	842,252
Unreserved	272,305	593,676	777,769	364,836	225,253	198,582	-	2,553,729	-	4,986,150
<b>Total fund balance</b>	<b>307,872</b>	<b>594,216</b>	<b>792,249</b>	<b>364,836</b>	<b>1,096,905</b>	<b>198,582</b>	<b>-</b>	<b>5,347,549</b>	<b>490,192</b>	<b>9,192,401</b>
<b>Total liabilities and fund balances</b>	<b>\$ 700,175</b>	<b>\$ 643,141</b>	<b>\$ 794,544</b>	<b>\$ 365,524</b>	<b>\$ 1,097,505</b>	<b>\$ 198,896</b>	<b>\$ 3,823</b>	<b>\$ 5,484,016</b>	<b>\$ 490,192</b>	<b>\$ 9,777,816</b>

**CITY OF BARTLETT, TENNESSEE**

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

For the Year Ended June 30, 2009

	Special Revenue Funds			
	State Street Aid Fund	Drug Enforcement Fund	General Improvement Fund	Drainage Control Fund
<b>REVENUES</b>				
Taxes:				
Local sales taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental - state gas tax	1,338,771	-	-	-
Charges for services	263,614	-	591,817	9,750
Fines, forfeitures, and penalties	-	27,656	-	-
Federal and state grants	-	-	-	-
Interest on investments	456	1,821	2,409	4,831
Other	7,883	281,024	-	-
Total revenues	<u>1,610,724</u>	<u>310,501</u>	<u>594,226</u>	<u>14,581</u>
<b>EXPENDITURES</b>				
Street paving and repair	1,322,386	-	6,336	-
Drug enforcement	-	85,200	-	-
Drainage control	-	-	-	60,716
Parks improvement	-	-	-	-
Miscellaneous	-	-	33,304	-
Street lighting	1,289,885	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlays	-	29,163	87,065	24
Total expenditures	<u>2,612,071</u>	<u>114,363</u>	<u>126,705</u>	<u>60,740</u>
Excess (deficiency) of revenues over expenditures	(1,001,347)	196,138	467,521	(46,159)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	-	-	-
Transfers in	904,605	-	-	-
Transfers out	-	-	(290,000)	-
Net change in fund balances	(96,742)	196,138	177,521	(46,159)
Fund balances - beginning	<u>404,614</u>	<u>398,078</u>	<u>614,728</u>	<u>410,995</u>
Fund balances - ending	<u>\$ 307,872</u>	<u>\$ 594,216</u>	<u>\$ 792,249</u>	<u>\$ 364,836</u>

<u>Parks Improvement Fund</u>	<u>DEA Task Force Fund</u>	<u>Grants Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,699,944	\$ 2,699,944
-	-	-	-	-	1,338,771
14,020	-	-	-	-	879,201
-	-	-	-	-	27,656
-	-	101,640	-	-	101,640
6,272	589	-	55,567	477	72,422
-	52,927	-	4,653	-	346,487
<u>20,292</u>	<u>53,516</u>	<u>101,640</u>	<u>60,220</u>	<u>2,700,421</u>	<u>5,466,121</u>
-	-	-	-	-	1,328,722
-	-	-	-	-	85,200
-	-	-	-	-	60,716
605,539	-	-	-	-	605,539
-	3,999	2,887	-	-	40,190
-	-	-	-	-	1,289,685
-	-	-	-	2,520,800	2,520,800
-	-	-	-	972,113	972,113
-	-	-	9,450	4,401	13,851
-	3,226	51,946	1,283,100	-	1,454,524
<u>605,539</u>	<u>7,225</u>	<u>54,833</u>	<u>1,292,550</u>	<u>3,497,314</u>	<u>8,371,340</u>
(585,247)	46,291	46,807	(1,232,330)	(796,893)	(2,905,219)
-	-	-	766,968	-	766,968
-	-	-	503,246	-	1,407,851
-	-	(46,807)	(64,463)	-	(401,270)
(585,247)	46,291	-	(26,579)	(796,893)	(1,131,670)
<u>1,682,152</u>	<u>152,291</u>	<u>-</u>	<u>5,374,128</u>	<u>1,287,085</u>	<u>10,324,071</u>
<u>\$ 1,096,905</u>	<u>\$ 198,582</u>	<u>\$ -</u>	<u>\$ 5,347,549</u>	<u>\$ 490,192</u>	<u>\$ 9,192,401</u>

**CITY OF BARTLETT, TENNESSEE**

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

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>STATE STREET AID FUND</b>				
Revenues:				
Intergovernmental/unrestricted - state gas tax	\$ 1,480,395	\$ 1,480,395	\$ 1,338,771	\$ (141,624)
Charges for services	300,000	350,000	263,614	(86,386)
Interest on investments	5,000	5,000	456	(4,544)
Other	-	-	7,883	7,883
Total revenues	<u>1,785,395</u>	<u>1,835,395</u>	<u>1,610,724</u>	<u>(224,671)</u>
Expenditures:				
Street paving and repair	1,430,000	1,712,708	1,322,386	390,322
Street lighting	1,260,000	1,260,000	1,289,685	(29,685)
Total expenditures	<u>2,690,000</u>	<u>2,972,708</u>	<u>2,612,071</u>	<u>360,637</u>
Excess (deficiency) of revenues over expenditures	(904,605)	(1,137,313)	(1,001,347)	135,966
Other financing sources (uses):				
Transfers in	<u>904,605</u>	<u>904,605</u>	<u>904,605</u>	<u>-</u>
Net change in fund balance	-	(232,708)	(96,742)	135,966
Fund balance - beginning	<u>404,614</u>	<u>404,614</u>	<u>404,614</u>	<u>-</u>
Fund balance - ending	<u>\$ 404,614</u>	<u>\$ 171,906</u>	<u>\$ 307,872</u>	<u>\$ 135,966</u>
<b>DRUG ENFORCEMENT FUND</b>				
Revenues:				
Collection of fines and forfeitures	\$ 18,700	\$ 18,700	\$ 27,656	\$ 8,956
Interest on investments	5,000	5,000	1,821	(3,179)
Other	110,700	110,700	281,024	170,324
Total revenues	<u>134,400</u>	<u>134,400</u>	<u>310,501</u>	<u>176,101</u>
Expenditures:				
Personnel	-	35,500	35,108	392
Operations	106,550	106,550	50,092	56,458
Capital outlays	284,000	248,500	29,163	219,337
Total expenditures	<u>390,550</u>	<u>390,550</u>	<u>114,363</u>	<u>276,187</u>
Net change in fund balance	(256,150)	(256,150)	196,138	452,288
Fund balance - beginning	<u>398,078</u>	<u>398,078</u>	<u>398,078</u>	<u>-</u>
Fund balance - ending	<u>\$ 141,928</u>	<u>\$ 141,928</u>	<u>\$ 594,216</u>	<u>\$ 452,288</u>

(continued)

**CITY OF BARTLETT, TENNESSEE**

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

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>GENERAL IMPROVEMENT FUND</b>				
Revenues:				
City service fees	\$ 583,500	\$ 583,500	\$ 591,817	\$ 8,317
Interest on investments	10,000	10,000	2,409	(7,591)
Total revenues	<u>593,500</u>	<u>593,500</u>	<u>594,226</u>	<u>726</u>
Expenditures:				
Street paving and repairs	10,500	10,500	6,336	4,164
Capital outlays	285,000	291,611	87,065	204,546
Miscellaneous	8,000	34,000	33,304	696
Total expenditures	<u>303,500</u>	<u>336,111</u>	<u>126,705</u>	<u>209,406</u>
Excess (deficiency) of revenues over expenditures	290,000	257,389	467,521	210,132
Other financing sources (uses):				
Transfers out	<u>(290,000)</u>	<u>(290,000)</u>	<u>(290,000)</u>	<u>-</u>
Net change in fund balance	-	(32,611)	177,521	210,132
Fund balance - beginning	<u>614,728</u>	<u>614,728</u>	<u>614,728</u>	<u>-</u>
Fund balance - ending	<u>\$ 614,728</u>	<u>\$ 582,117</u>	<u>\$ 792,249</u>	<u>\$ 210,132</u>
<b>DRAINAGE CONTROL FUND</b>				
Revenues:				
Drainage control fees	\$ 30,000	\$ 30,000	\$ 9,750	\$ (20,250)
Interest on investments	5,000	5,000	4,831	(169)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>14,581</u>	<u>(20,419)</u>
Expenditures:				
Personnel	58,648	60,648	55,172	5,476
Operations	23,200	21,200	5,544	15,656
Capital outlays	10,000	10,000	24	9,976
Total expenditures	<u>91,848</u>	<u>91,848</u>	<u>60,740</u>	<u>31,108</u>
Excess (deficiency) of revenues over expenditures	<u>(56,848)</u>	<u>(56,848)</u>	<u>(46,159)</u>	<u>10,689</u>
Net change in fund balance	(56,848)	(56,848)	(46,159)	10,689
Fund balance - beginning	<u>410,995</u>	<u>410,995</u>	<u>410,995</u>	<u>-</u>
Fund balance - ending	<u>\$ 354,147</u>	<u>\$ 354,147</u>	<u>\$ 364,836</u>	<u>\$ 10,689</u>

(continued)

**CITY OF BARTLETT, TENNESSEE**

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

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>PARKS IMPROVEMENT FUND</b>				
Revenues:				
Charges for services	\$ 120,000	\$ 120,000	\$ 14,020	\$ (105,980)
Interest on investments	30,000	30,000	6,272	(23,728)
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>20,292</u>	<u>(129,708)</u>
Expenditures:				
Parks improvement	<u>840,000</u>	<u>898,271</u>	<u>605,539</u>	<u>292,732</u>
Net change in fund balance	(690,000)	(748,271)	(585,247)	163,024
Fund balance - beginning	<u>1,682,152</u>	<u>1,682,152</u>	<u>1,682,152</u>	<u>-</u>
Fund balance - ending	<u>\$ 992,152</u>	<u>\$ 933,881</u>	<u>\$ 1,096,905</u>	<u>\$ 163,024</u>
<b>DEA TASK FORCE FUND</b>				
Revenues:				
Program income	\$ 45,000	\$ 45,000	\$ 52,927	\$ 7,927
Interest	500	500	589	89
Total revenues	<u>45,500</u>	<u>45,500</u>	<u>53,516</u>	<u>8,016</u>
Expenditures:				
Miscellaneous	20,500	20,500	3,999	16,501
Capital outlays	<u>25,000</u>	<u>25,000</u>	<u>3,226</u>	<u>21,774</u>
Total expenditures	<u>45,500</u>	<u>45,500</u>	<u>7,225</u>	<u>38,275</u>
Net change in fund balance	-	-	46,291	46,291
Fund balance - beginning	<u>152,291</u>	<u>152,291</u>	<u>152,291</u>	<u>-</u>
Fund balance - ending	<u>\$ 152,291</u>	<u>\$ 152,291</u>	<u>\$ 198,582</u>	<u>\$ 46,291</u>

(continued)

**CITY OF BARTLETT, TENNESSEE**

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

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>GRANTS FUND</b>				
Revenues:				
Federal and state grants	\$ -	\$ 95,345	\$ 101,640	\$ 6,295
Total revenues	-	95,345	101,640	6,295
Expenditures:				
Operating	-	12,200	2,887	9,313
Capital outlays	-	67,023	51,946	15,077
Total expenditures	-	79,223	54,833	24,390
Excess (deficiency) of revenues over expenditures	-	16,122	46,807	30,685
Other financing sources (uses):				
Transfers out	-	(27,598)	(46,807)	(19,209)
Net change in fund balance	-	(11,476)	-	11,476
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ (11,476)	\$ -	\$ 11,476
<b>CAPITAL PROJECTS FUND</b>				
Revenues:				
Interest on investments	\$ -	\$ -	\$ 55,567	\$ 55,567
Other	-	-	4,653	4,653
Total revenues	-	-	60,220	60,220
Expenditures:				
Debt issuance cost	-	-	9,450	(9,450)
Capital outlays	2,440,500	9,667,786	1,283,100	8,384,686
Total expenditures	2,440,500	9,667,786	1,292,550	8,375,236
Excess (deficiency) of revenues over expenditures	(2,440,500)	(9,667,786)	(1,232,330)	8,435,456
Other financing sources (uses):				
Issuance of debt	2,440,500	8,820,500	766,968	(8,053,532)
Transfers in	-	847,286	503,246	(344,040)
Transfers out	-	-	(64,463)	(64,463)
Total other financing sources (uses)	2,440,500	9,667,786	1,205,751	(8,462,035)
Net change in fund balance	-	-	(26,579)	(26,579)
Fund balance - beginning	5,374,128	5,374,128	5,374,128	-
Fund balance - ending	\$ 5,374,128	\$ 5,374,128	\$ 5,347,549	\$ (26,579)

(continued)

**CITY OF BARTLETT, TENNESSEE**

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

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>DEBT SERVICE FUND</b>				
Revenues:				
Local sales taxes	\$ 3,167,060	\$ 3,167,060	\$ 2,699,944	\$ (467,116)
Interest on investments	5,000	5,000	477	(4,523)
Total revenues	<u>3,172,060</u>	<u>3,172,060</u>	<u>2,700,421</u>	<u>(471,639)</u>
Expenditures:				
Principal	2,520,800	2,520,800	2,520,800	-
Interest	1,052,529	1,052,529	972,113	80,416
Bond issuance costs	33,500	33,500	4,401	29,099
Total expenditures	<u>3,606,829</u>	<u>3,606,829</u>	<u>3,497,314</u>	<u>109,515</u>
Net change in fund balances	(434,769)	(434,769)	(796,893)	(362,124)
Fund balance - beginning	<u>1,287,085</u>	<u>1,287,085</u>	<u>1,287,085</u>	<u>-</u>
Fund balances - ending	<u>\$ 852,316</u>	<u>\$ 852,316</u>	<u>\$ 490,192</u>	<u>\$ (362,124)</u>

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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**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  
Retiree's Health Insurance Fund

**CITY OF BARTLETT, TENNESSEE**

**COMBINING STATEMENT OF NET ASSETS – INTERNAL SERVICE FUNDS**

June 30, 2009

	<u>Health and Welfare Fund</u>	<u>Workmen's Compensation Fund</u>	<u>Retirees' Health Insurance Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 931,404	\$ 442,099	\$ 624,167	\$ 1,997,670
Interest receivable	-	-	33	33
Total current assets	<u>931,404</u>	<u>442,099</u>	<u>624,200</u>	<u>1,997,703</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	<u>14,615</u>	<u>3,330</u>	-	<u>17,945</u>
<b>NET ASSETS</b>				
Unrestricted	<u>\$ 916,789</u>	<u>\$ 438,769</u>	<u>\$ 624,200</u>	<u>\$ 1,979,758</u>

**CITY OF BARTLETT, TENNESSEE**

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

For the Year Ended June 30, 2009

	<u>Health and Welfare Fund</u>	<u>Workmen's Compensation Fund</u>	<u>Retirees' Health Insurance Fund</u>	<u>Totals</u>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 800,999	\$ 498,051	\$ -	\$ 1,299,050
City contributions	4,187,397	-	419,939	4,607,336
Total operating revenues	4,988,396	498,051	419,939	5,906,386
<b>OPERATING EXPENSES:</b>				
Workers' compensation claims	-	77,183	-	77,183
Insurance premiums	4,977,657	431,812	433,079	5,842,548
Accounting and actuary services	-	-	400	400
Total operating expenses	4,977,657	508,995	433,479	5,920,131
Operating income (loss)	10,739	(10,944)	(13,540)	(13,745)
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest income	3,535	1,049	4,908	9,492
Total nonoperating revenues (expenses)	3,535	1,049	4,908	9,492
Change in net assets	14,274	(9,895)	(8,632)	(4,253)
Net assets - beginning	902,515	448,664	632,832	1,984,011
Net assets - ending	\$ 916,789	\$ 438,769	\$ 624,200	\$ 1,979,758

**CITY OF BARTLETT, TENNESSEE**

**COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS**

For the Year Ended June 30, 2009

	<u>Health and Welfare Fund</u>	<u>Workmen's Compensation Fund</u>	<u>Retirees' Health Insurance Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from interfund services provided	\$ 4,988,396	\$ 498,051	\$ 419,939	\$ 5,906,386
Payments to suppliers	<u>(4,606,622)</u>	<u>(511,405)</u>	<u>(433,479)</u>	<u>(5,551,506)</u>
Net cash provided by (used for) operating activities	381,774	(13,354)	(13,540)	354,880
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income	<u>3,535</u>	<u>1,049</u>	<u>5,856</u>	<u>10,440</u>
Net increase (decrease) in cash and cash equivalents	385,309	(12,305)	(7,684)	365,320
Cash and cash equivalents - beginning	<u>546,095</u>	<u>454,404</u>	<u>631,851</u>	<u>1,632,350</u>
Cash and cash equivalents - ending	<u>\$ 931,404</u>	<u>\$ 442,099</u>	<u>\$ 624,167</u>	<u>\$ 1,997,670</u>
<b>Reconciliation of operating income to net cash provided (used by) operating activities:</b>				
Operating income (loss)	\$ 10,739	\$ (10,944)	\$ (13,540)	\$ (13,745)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Decrease in prepaid insurance	377,319	-	-	377,319
Decrease in accounts payable	<u>(6,284)</u>	<u>(2,410)</u>	<u>-</u>	<u>(8,694)</u>
Net cash provided by (used for) operating activities	<u>\$ 381,774</u>	<u>\$ (13,354)</u>	<u>\$ (13,540)</u>	<u>\$ 354,880</u>

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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**CITY OF BARTLETT**  
TENNESSEE

**FIDUCIARY FUNDS**

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

Family Assistance Fund  
Bail Bond Fund

**CITY OF BARTLETT, TENNESSEE**  
**COMBINING BALANCE SHEET – AGENCY FUNDS**

June 30, 2009

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	<b>Family Assistance Fund</b>	<b>Bail Bond Fund</b>	<b>Total Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 45,326	\$ 55,658	\$ 100,984
Total assets	\$ 45,326	\$ 55,658	\$ 100,984
<b>LIABILITIES</b>			
Family assistance payable	\$ 45,326	\$ -	\$ 45,326
Bail bonds payable	-	55,658	55,658
Total liabilities	\$ 45,326	\$ 55,658	\$ 100,984

**CITY OF BARTLETT, TENNESSEE**

**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS**

For the Year Ended June 30, 2009

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Assets</b>				
<b>Family Assistance Fund</b>				
Cash and cash equivalents	\$ 38,282	\$ 17,781	\$ (10,737)	\$ 45,326
<b>Bail Bond Fund</b>				
Cash and cash equivalents	68,651	352,425	(365,418)	55,658
	<u>\$ 106,933</u>	<u>\$ 370,206</u>	<u>\$ (376,155)</u>	<u>\$ 100,984</u>
<b>Liabilities</b>				
<b>Family Assistance Fund</b>				
Family assistance payable	\$ 38,282	\$ 17,781	\$ (10,737)	\$ 45,326
<b>Bail Bond Fund</b>				
Bail bonds payable	68,651	352,425	(365,418)	55,658
	<u>\$ 106,933</u>	<u>\$ 370,206</u>	<u>\$ (376,155)</u>	<u>\$ 100,984</u>

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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**CITY OF BARTLETT**

T E N N E S S E E

**SUPPLEMENTARY SCHEDULES**

CITY OF BARTLETT, TENNESSEE

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

June 30, 2009

Fiscal Year	Series 2007 Bonds		Series 2006 Bonds		Series 2005 Bonds		Series 2004 Bonds		Series 2003 Bonds		Series 2002 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 105,000	\$ 115,025	\$ 105,000	\$ 98,200	\$ 205,000	\$ 276,096	\$ 70,000	\$ 55,215	\$ 220,000	\$ 90,375	\$ 675,000	\$ 109,063
2011	110,000	110,725	110,000	94,000	215,000	269,271	75,000	53,128	285,000	82,800	605,000	89,484
2012	110,000	106,325	110,000	89,600	220,000	261,928	75,000	50,821	295,000	73,731	135,000	77,838
2013	115,000	101,825	110,000	85,200	635,000	246,965	80,000	48,340	310,000	63,668	140,000	73,264
2014	120,000	97,125	125,000	80,800	655,000	224,390	80,000	45,680	320,000	52,797	145,000	68,346
2015	125,000	92,225	125,000	75,800	680,000	201,028	85,000	42,833	330,000	41,258	150,000	63,109
2016	130,000	87,125	130,000	70,800	705,000	176,614	90,000	39,770	340,000	29,027	155,000	57,502
2017	135,000	81,825	135,000	65,600	730,000	150,778	90,000	36,575	130,000	20,268	160,000	51,496
2018	140,000	76,325	140,000	60,200	760,000	123,395	95,000	33,198	55,000	16,724	170,000	44,996
2019	145,000	70,625	150,000	54,600	785,000	94,616	100,000	29,540	55,000	14,553	175,000	37,987
2020	155,000	64,586	155,000	48,600	255,000	75,053	100,000	25,715	60,000	12,223	185,000	30,445
2021	160,000	58,168	160,000	42,400	265,000	65,106	105,000	21,690	60,000	9,747	190,000	22,383
2022	165,000	51,505	165,000	36,000	275,000	54,643	110,000	17,390	65,000	7,138	200,000	13,850
2023	170,000	44,595	175,000	29,400	285,000	43,580	115,000	12,833	65,000	4,391	210,000	4,725
2024	180,000	37,333	180,000	22,400	300,000	31,380	120,000	7,925	70,000	1,505	-	-
2025	185,000	29,713	185,000	15,200	310,000	19,603	125,000	2,688	-	-	-	-
2026	195,000	21,733	195,000	7,800	325,000	6,660	-	-	-	-	-	-
2027	205,000	13,281	-	-	-	-	-	-	-	-	-	-
2028	210,000	4,463	-	-	-	-	-	-	-	-	-	-
	<u>\$ 2,860,000</u>	<u>\$ 1,264,527</u>	<u>\$ 2,455,000</u>	<u>\$ 976,600</u>	<u>\$ 7,605,000</u>	<u>\$ 2,321,606</u>	<u>\$ 1,515,000</u>	<u>\$ 523,341</u>	<u>\$ 2,660,000</u>	<u>\$ 520,205</u>	<u>\$ 3,295,000</u>	<u>\$ 744,488</u>

\*-As of June 30, 2009, only \$26,468 of the \$1,350,000 loan was drawn. The full amount is expected to be drawn by June 30, 2010.

\*\* - This is a variable rate loan. Interest rate assumed is 4.8% which was the rate for June 2009.

CITY OF BARTLETT, TENNESSEE

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

June 30, 2009

Fiscal Year	Series 2001 Bonds		Series 1998 Bonds		Series 1997A Bonds		2008 Note Payable		Capital Outlay Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 85,000	\$ 66,119	\$ 380,000	\$ 35,690	\$ 55,000	\$ 2,750	\$ 26,468	\$ 1,270	\$ 619,180	\$ 48,089	\$ 2,545,648	\$ 897,892
2011	90,000	62,639	400,000	18,400	-	-	-	-	374,850	29,787	2,264,850	810,234
2012	95,000	58,845	-	-	-	-	-	-	388,330	16,559	1,428,330	735,647
2013	95,000	54,831	-	-	-	-	-	-	154,000	7,410	1,639,000	681,503
2014	100,000	50,564	-	-	-	-	-	-	159,000	2,496	1,704,000	622,198
2015	105,000	45,924	-	-	-	-	-	-	-	-	1,600,000	562,177
2016	110,000	40,951	-	-	-	-	-	-	-	-	1,660,000	501,789
2017	115,000	35,663	-	-	-	-	-	-	-	-	1,495,000	442,205
2018	120,000	30,051	-	-	-	-	-	-	-	-	1,480,000	384,889
2019	130,000	24,019	-	-	-	-	-	-	-	-	1,540,000	325,940
2020	135,000	17,576	-	-	-	-	-	-	-	-	1,045,000	274,198
2021	140,000	10,855	-	-	-	-	-	-	-	-	1,080,000	230,349
2022	150,000	3,712	-	-	-	-	-	-	-	-	1,130,000	184,238
2023	-	-	-	-	-	-	-	-	-	-	1,020,000	139,524
2024	-	-	-	-	-	-	-	-	-	-	850,000	101,043
2025	-	-	-	-	-	-	-	-	-	-	805,000	67,204
2026	-	-	-	-	-	-	-	-	-	-	715,000	36,193
2027	-	-	-	-	-	-	-	-	-	-	205,000	13,281
2028	-	-	-	-	-	-	-	-	-	-	210,000	4,463
	<u>\$ 1,470,000</u>	<u>\$ 501,749</u>	<u>\$ 780,000</u>	<u>\$ 54,090</u>	<u>\$ 55,000</u>	<u>\$ 2,750</u>	<u>\$ 26,468</u>	<u>\$ 1,270</u>	<u>\$ 1,695,360</u>	<u>\$ 104,341</u>	<u>\$ 24,416,828</u>	<u>\$ 7,014,967</u>

CITY OF BARTLETT, TENNESSEE

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

June 30, 2009

Fiscal Year	Series 2007 Bonds		Series 2006 Bonds		Series 2005 Bonds		Series 2004 Bonds		Series 2003 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 35,000	\$ 39,632	\$ 60,000	\$ 56,141	\$ 120,000	\$ 51,405	\$ 55,000	\$ 41,679	\$ 255,000	\$ 197,989
2011	35,000	38,233	65,000	54,041	115,000	47,586	55,000	40,098	460,000	187,265
2012	40,000	36,732	65,000	51,702	125,000	43,530	60,000	38,328	475,000	172,646
2013	40,000	35,133	70,000	49,345	130,000	39,068	60,000	36,408	500,000	156,427
2014	40,000	33,532	70,000	46,790	135,000	34,430	60,000	34,413	515,000	138,915
2015	45,000	31,833	75,000	44,200	135,000	29,705	65,000	32,255	525,000	120,452
2016	45,000	30,032	75,000	41,200	140,000	24,858	65,000	29,980	550,000	100,828
2017	45,000	28,233	80,000	38,200	150,000	19,635	70,000	27,583	485,000	81,437
2018	50,000	26,333	85,000	35,000	155,000	14,030	70,000	25,028	220,000	67,932
2019	50,000	24,320	85,000	31,600	155,000	8,256	75,000	22,308	230,000	59,043
2020	50,000	22,270	90,000	28,200	15,000	5,065	75,000	19,439	240,000	49,523
2021	55,000	20,091	95,000	24,600	20,000	4,395	80,000	16,395	245,000	39,519
2022	55,000	17,809	95,000	20,800	20,000	3,620	85,000	13,095	260,000	28,975
2023	60,000	15,423	100,000	17,000	20,000	2,830	85,000	9,653	270,000	17,778
2024	60,000	12,933	105,000	13,000	20,000	2,030	90,000	5,998	280,000	6,020
2025	65,000	10,306	110,000	8,800	20,000	1,225	95,000	-	-	-
2026	65,000	7,544	110,000	4,400	20,000	410	-	-	-	-
2027	70,000	4,675	-	-	-	-	-	-	-	-
2028	75,000	1,594	-	-	-	-	-	-	-	-
	<b>\$ 980,000</b>	<b>\$ 436,658</b>	<b>\$ 1,435,000</b>	<b>\$ 565,019</b>	<b>\$ 1,495,000</b>	<b>\$ 332,078</b>	<b>\$ 1,145,000</b>	<b>\$ 394,703</b>	<b>\$ 5,510,000</b>	<b>\$ 1,424,749</b>

\*-As of June 30, 2009, only \$117,452 of the \$1,000,000 loan was drawn. The full amount is expected to be drawn by June 30, 2010.

\*\* - This is a variable rate loan. Interest rate assumed is 4.8% which was the rate for June 2009.

CITY OF BARTLETT, TENNESSEE

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

June 30, 2009

Fiscal Year	Series 2002 Bonds		Series 2001 Bonds		Series 1997B Bonds		2008 Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal*	Interest**	Principal	Interest
2010	\$ 165,000	\$ 52,650	\$ 130,000	\$ 99,093	\$ 190,000	\$ 9,500	\$ 32,000	\$ 5,638	\$ 1,042,000	\$ 553,727
2011	80,000	48,924	135,000	93,824	-	-	33,000	4,102	978,000	514,073
2012	80,000	46,375	140,000	88,185	-	-	35,000	2,518	1,020,000	480,016
2013	85,000	43,630	145,000	82,163	-	-	17,452	838	1,047,452	443,012
2014	85,000	40,698	150,000	75,708	-	-	-	-	1,055,000	404,486
2015	90,000	37,590	160,000	68,690	-	-	-	-	1,095,000	364,725
2016	90,000	34,281	165,000	61,174	-	-	-	-	1,130,000	322,353
2017	95,000	30,754	175,000	53,182	-	-	-	-	1,100,000	279,024
2018	100,000	26,914	185,000	44,586	-	-	-	-	865,000	239,823
2019	105,000	22,748	190,000	35,538	-	-	-	-	890,000	203,813
2020	110,000	18,245	200,000	26,055	-	-	-	-	780,000	168,797
2021	115,000	13,406	210,000	16,035	-	-	-	-	820,000	134,441
2022	120,000	8,265	220,000	5,445	-	-	-	-	855,000	98,009
2023	125,000	2,813	-	-	-	-	-	-	660,000	65,497
2024	-	-	-	-	-	-	-	-	555,000	39,981
2025	-	-	-	-	-	-	-	-	290,000	22,374
2026	-	-	-	-	-	-	-	-	195,000	12,354
2027	-	-	-	-	-	-	-	-	70,000	4,675
2028	-	-	-	-	-	-	-	-	75,000	1,594
	<u>\$ 1,445,000</u>	<u>\$ 427,293</u>	<u>\$ 2,205,000</u>	<u>\$ 749,678</u>	<u>\$ 190,000</u>	<u>\$ 9,500</u>	<u>\$ 117,452</u>	<u>\$ 13,096</u>	<u>\$ 14,522,452</u>	<u>\$ 4,352,774</u>

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF PROPERTY TAXES RECEIVABLE – GENERAL FUND

June 30, 2009

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<u>Year of Levy</u>	
2009	\$ 16,889,691
2008	1,324,459
2007	199,427
2006	53,304
2005	36,282
2004	23,090
2003	21,215
2002	19,344
2001	5,173
2000	2,966
1999	4,579
Total property tax receivable	<u>\$ 18,579,530</u>

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

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE -- GENERAL FUND

For the Year Ended June 30, 2009

	Total	Prior Years										1999 & Prior
		2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	
Property taxes receivable - beginning of year	\$ 17,338,491	\$ -	\$16,512,787	\$531,250	\$148,005	\$54,566	\$30,445	\$27,740	\$19,740	\$5,505	\$3,191	\$5,262
ADD:												
Tax levied:	16,889,691	16,889,691	-	-	-	-	-	-	-	-	-	-
Adjustments	626,230	-	746,929	(38,312)	(29,542)	(47,075)	(1,996)	(1,995)	(1,779)	-	-	-
Total Additions	17,515,921	16,889,691	746,929	(38,312)	(29,542)	(47,075)	(1,996)	(1,995)	(1,779)	-	-	-
DEDUCT:												
Collections - Net of Refunds	(16,268,684)	-	(15,935,257)	(291,732)	(63,175)	29,530	(4,835)	(4,211)	1,612	(251)	(18)	(347)
Releases	(6,198)	-	-	(1,779)	(1,984)	(739)	(524)	(319)	(229)	(81)	(207)	(336)
Total Deductions	(16,274,882)	-	(15,935,257)	(293,511)	(65,159)	28,791	(5,359)	(4,530)	1,383	(332)	(225)	(683)
Property taxes receivable - end of year	18,579,530	16,889,691	1,324,459	199,427	53,304	36,282	23,090	21,215	19,344	5,173	2,966	4,579
Less: Allowance for uncollectibles	(527,498)	(333,613)	(85,901)	(29,989)	(11,623)	(23,060)	(11,796)	(9,858)	(10,002)	(4,409)	(2,845)	(4,402)
Property taxes receivable, net	\$ 18,052,032	\$ 16,556,078	\$ 1,238,558	\$ 169,438	\$ 41,681	\$ 13,222	\$ 11,294	\$ 11,357	\$ 9,342	\$ 764	\$ 121	\$ 177

**CITY OF BARTLETT , TENNESSEE**

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

For the Year Ended June 30, 2009

CFDA Number	Federal Grantor/Pass-Through Grantor/ Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
<u>Federal Awards</u>					
10.664	<u>U.S. Department of Agriculture</u> Cooperative Forestry Assistance Passed thru State of Tennessee Grant # Z-08-021137-00	\$ -	\$ 4,965	\$ 4,965	\$ -
10.664	<u>U.S. Department of Agriculture</u> Cooperative Forestry Assistance Passed thru State of Tennessee Grant # Z-09-213860-00	-	4,039	4,039	-
	Total Program 10.664	-	9,004	9,004	-
14.218	<u>U.S. Department of HUD</u> Community Development Block Grant	-	28,323	28,323	-
16.607	<u>U.S. Department of Justice</u> Bulletproof Vest Partnership Program	1,927	4,814	2,887	-
20.607	<u>U.S. Department of Transportation</u> Passed thru State of Tennessee Grant # Z-09-214580-00	-	37,558	41,381	3,823
20.607	<u>U.S. Department of Transportation</u> Passed thru State of Tennessee Grant # Z07035705	10,914	10,914	-	-
20.607	<u>U.S. Department of Transportation</u> Passed thru State of Tennessee Project number CMA1217	-	27,414	27,414	-
20.607	<u>U.S. Department of Transportation</u> Passed thru State of Tennessee Grant # Z-08-024008-00	-	11,716	11,716	-
	Total Program 20.607	10,914	87,602	80,511	3,823
97.036	<u>U.S. Department of Homeland Security</u> Public Assistance Grants FEMA FEMA-1851-DR-TN	-	-	360,291	360,291
	Total Federal Awards	12,841	129,743	481,016	364,114

**CITY OF BARTLETT, TENNESSEE**

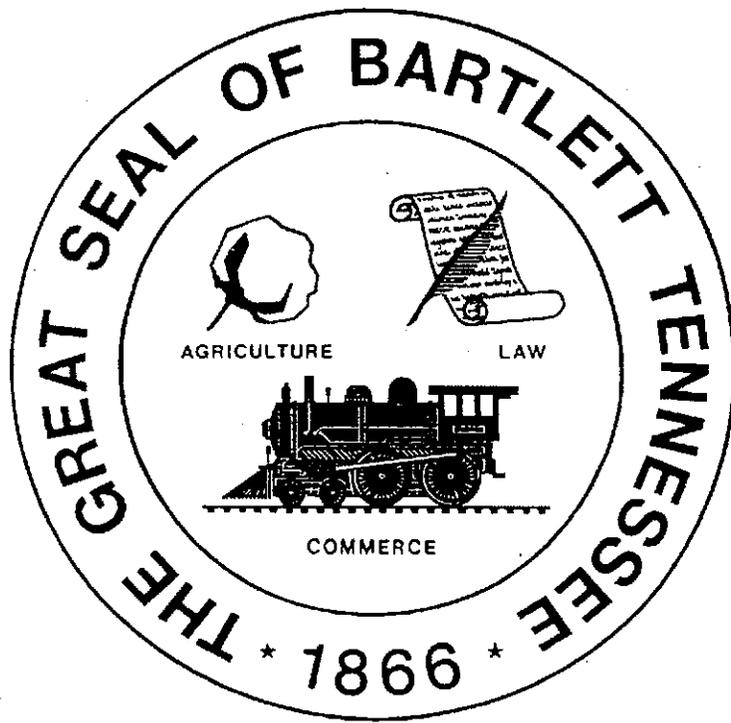
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (CONTINUED)**

For the Year Ended June 30, 2009

CFDA Number	Federal Grantor/Pass-Through Grantor/ Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
<u>State Financial Assistance</u>					
<u>Tennessee Arts Commission</u>					
	Cultural Arts Center Grants				
	Grant # Z08-21929-00	750	750	-	-
<u>Tennessee Arts Commission</u>					
	Cultural Arts Center Grants				
	Grant # 3-G/08	-	275	122	(153)
<u>Tennessee Emergency Management Agency</u>					
	Grant # Z-34101-0000002125	-	-	60,048	60,048
	<b>Total State Financial Assistance</b>	<b>750</b>	<b>1,025</b>	<b>60,170</b>	<b>59,895</b>
	<b>Total Federal Awards and State Financial Assistance</b>	<b>\$ 13,591</b>	<b>\$ 130,768</b>	<b>\$ 541,186</b>	<b>\$ 424,009</b>

**BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the City of Bartlett and is presented on the accrual basis of accounting. The information presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.



**STATISTICAL SECTION**

**CITY OF BARTLETT, TENNESSEE**  
**STATISTICAL INFORMATION SECTION**

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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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>84</b>
These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.	
<b>Revenue Capacity</b>	<b>90</b>
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
<b>Debt Capacity</b>	<b>97</b>
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.	
<b>Demographic and Economic Information</b>	<b>101</b>
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.	
<b>Operating Information</b>	<b>103</b>
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

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

CITY OF BARTLETT, TENNESSEE

NET ASSET BY COMPONENT

LAST FIVE FISCAL YEARS  
(accrual basis of accounting)

	2005	2006	2007	2008	2009
<b>Government activities</b>					
Invested in capital assets, net of related debt	\$ 18,091,187	\$ 95,636,824	\$ 98,573,298	\$ 100,172,375	\$ 99,381,535
Restricted for:					
Debt Service	1,165,229	843,967	787,628	1,287,085	490,192
Public Works	1,257,925	2,700,432	2,740,016	3,054,670	2,197,575
Unrestricted	14,188,254	19,212,342	21,676,916	22,062,263	22,834,414
<b>Total government activities net assets</b>	<b>\$ 34,702,595</b>	<b>\$ 118,393,565</b>	<b>\$ 123,777,858</b>	<b>\$ 126,576,393</b>	<b>\$ 124,903,716</b>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 18,045,906	\$ 54,249,248	\$ 55,858,400	\$ 57,258,511	\$ 57,703,738
Restricted	-	-	-	-	-
Unrestricted	5,592,576	7,533,721	9,799,498	9,534,033	8,380,713
<b>Total business-type activities net assets</b>	<b>\$ 23,638,482</b>	<b>\$ 61,782,969</b>	<b>\$ 65,657,898</b>	<b>\$ 66,792,544</b>	<b>\$ 66,084,451</b>
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ 36,137,093	\$ 149,886,072	\$ 154,431,698	\$ 157,430,886	\$ 157,085,273
Restricted for:					
Debt Service	1,165,229	843,967	787,628	1,287,085	490,192
Public Works	1,257,925	2,700,432	2,740,016	3,054,670	2,197,575
Unrestricted	19,780,830	26,746,063	31,476,414	31,596,296	31,215,127
<b>Total primary government net assets</b>	<b>\$ 58,341,077</b>	<b>\$ 180,176,534</b>	<b>\$ 189,435,756</b>	<b>\$ 193,368,937</b>	<b>\$ 190,988,167</b>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF BARTLETT, TENNESSEE

CHANGES IN NET ASSETS

LAST FIVE FISCAL YEARS  
(accrual basis of accounting)

	2005	2006	2007	2008	2009
<b>Expenses</b>					
Governmental activities:					
General government	\$ 4,905,983	\$ 5,632,745	\$ 6,072,578	\$ 6,146,033	\$ 6,881,987
Public safety	16,227,428	17,516,545	18,764,451	19,489,332	22,891,377
Public works	10,283,522	10,771,605	10,898,616	14,018,688	14,742,339
Parks and recreation	3,117,719	3,406,312	3,628,496	3,813,114	4,091,798
Performing arts center	576,954	548,560	531,287	554,099	543,258
Recreation center	1,460,706	1,386,275	1,449,420	1,395,700	1,740,618
Interest on long-term debt	856,067	956,263	1,011,629	1,073,576	1,012,600
Total government activities expenses	<u>37,428,379</u>	<u>40,218,305</u>	<u>42,356,477</u>	<u>46,490,543</u>	<u>51,903,977</u>
Business-type activities:					
Water and sewer	5,505,561	5,542,130	6,681,378	6,861,747	7,217,654
Total primary government expenses	<u>\$ 42,933,940</u>	<u>\$ 45,760,435</u>	<u>\$ 49,037,855</u>	<u>\$ 53,352,290</u>	<u>\$ 59,121,631</u>
<b>Program Revenues</b>					
Governmental activities:					
General government	\$ 2,619,322	\$ 2,754,193	\$ 2,888,013	\$ 2,897,835	\$ 3,695,591
Public safety	1,567,093	2,248,281	1,978,286	1,763,428	1,568,950
Public works	4,725,358	5,926,718	5,509,626	5,912,018	6,130,611
Parks and recreation	1,066,426	951,827	905,401	999,875	993,003
Performing arts center	247,643	267,082	265,246	270,559	250,636
Recreation center	1,714,793	1,920,813	1,920,327	1,920,572	1,827,796
Operating grants and contributions	694,803	919,185	674,122	561,296	1,941,514
Capital grants and contributions	-	-	-	-	870,185
Total government activities revenues	<u>12,635,438</u>	<u>14,988,099</u>	<u>14,141,021</u>	<u>14,325,583</u>	<u>17,278,286</u>
Business-type activities:					
Water and sewer	6,147,670	6,406,480	9,223,712	7,612,974	6,141,851
Operating grants and contributions	1,388,163	3,139,940	1,260,413	429,088	590,610
Total business-type activities revenues	<u>7,535,833</u>	<u>9,546,420</u>	<u>10,484,125</u>	<u>8,042,062</u>	<u>6,732,461</u>
Total primary government program revenues	<u>\$ 20,171,271</u>	<u>\$ 24,534,519</u>	<u>\$ 24,625,146</u>	<u>\$ 22,367,645</u>	<u>\$ 24,010,747</u>

(Continued)

CITY OF BARTLETT, TENNESSEE

CHANGES IN NET ASSETS

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

	2005	2006	2007	2008	2009
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (24,792,941)	\$ (25,230,206)	\$ (28,215,456)	\$ (32,164,960)	\$ (34,625,691)
Business-type activities	2,030,272	4,004,290	3,802,747	1,180,315	(485,193)
<b>Total primary government net expense</b>	<u>\$ (22,762,669)</u>	<u>\$ (21,225,916)</u>	<u>\$ (24,412,709)</u>	<u>\$ (30,984,645)</u>	<u>\$ (35,110,884)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Property taxes	\$ 11,454,910	\$ 13,137,495	\$ 15,189,418	\$ 14,823,724	\$ 17,570,811
Local sales taxes	9,880,716	10,446,702	11,346,090	11,447,876	10,362,031
Intergovernmental/unrestricted	4,180,051	4,807,677	5,472,144	5,910,366	4,050,633
Interest on investments	309,598	676,342	1,000,014	801,765	229,974
Gain on sale of assets	-	-	8,083	52,947	22,051
Other	5,466,929	892,827	334,463	276,917	396,481
Transfers	-	242,022	249,537	311,553	321,033
<b>Total government activities</b>	<u>31,292,204</u>	<u>30,203,065</u>	<u>33,599,749</u>	<u>33,625,148</u>	<u>32,953,014</u>
Business-type activities:					
Interest on investments	80,640	141,883	321,719	265,884	97,117
Other	-	-	-	-	1,016
Transfers	-	(242,022)	(249,537)	(311,553)	(321,033)
<b>Total primary government</b>	<u>\$ 31,372,844</u>	<u>\$ 30,102,926</u>	<u>\$ 33,671,931</u>	<u>\$ 33,579,479</u>	<u>\$ 32,730,114</u>
<b>Change in Net Assets</b>					
Governmental activities	6,499,263	4,972,859	5,384,293	1,460,188	(1,672,677)
Business-type activities	2,110,912	3,904,151	3,874,929	1,134,646	(708,093)
<b>Total primary government</b>	<u>\$ 8,610,175</u>	<u>\$ 8,877,010</u>	<u>\$ 9,259,222</u>	<u>\$ 2,594,834</u>	<u>\$ (2,380,770)</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>General fund</b>										
Reserved	\$ 297,749	\$ 398,721	\$ 466,397	\$ 275,383	\$ 651,888	\$ 399,177	\$ 385,617	\$ 509,527	\$ 412,714	\$ 463,388
Unreserved	4,655,856	6,774,615	7,356,993	7,395,176	7,941,065	8,418,234	9,922,141	11,987,145	14,752,382	14,993,801
<b>Total General Fund</b>	<b>\$4,953,605</b>	<b>\$7,173,336</b>	<b>\$7,823,390</b>	<b>\$7,670,559</b>	<b>\$8,592,953</b>	<b>\$8,817,411</b>	<b>\$10,307,758</b>	<b>\$12,496,672</b>	<b>\$15,165,096</b>	<b>\$15,457,189</b>
<b>All other governmental funds</b>										
Reserved	\$1,052,285	\$1,603,381	\$4,070,322	\$1,863,515	\$2,384,978	\$3,410,580	\$5,261,180	\$5,197,034	\$3,538,529	\$4,462,446
Unreserved, reported in:										
Special revenue funds	1,691,009	2,338,518	2,026,729	1,777,529	1,756,786	1,916,840	1,989,091	2,196,379	2,624,208	2,432,421
Solid waste fund	-	-	-	-	-	-	-	-	-	549,162
Capital projects fund	1,769,036	1,568,607	1,302,519	4,271,461	4,278,177	2,217,444	3,854,413	2,717,766	4,581,609	2,553,729
<b>Total all other governmental funds</b>	<b>\$4,512,330</b>	<b>\$5,510,506</b>	<b>\$7,399,570</b>	<b>\$7,912,505</b>	<b>\$8,419,941</b>	<b>\$7,544,864</b>	<b>\$11,104,684</b>	<b>\$10,111,179</b>	<b>\$10,744,346</b>	<b>\$9,997,758</b>

**Note:** The change in fund balance in 2009 is explained in Management's Discussion and Analysis.

CITY OF BARTLETT, TENNESSEE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>										
Taxes										
Property taxes	\$ 8,102,702	\$ 8,612,356	\$ 9,439,426	\$ 9,495,854	\$ 11,045,723	\$ 11,423,316	\$ 12,438,854	\$ 13,982,802	\$ 17,076,772	\$ 17,214,579
Local sales taxes	7,614,112	8,110,936	8,885,495	9,229,507	9,205,960	9,880,716	10,446,702	11,346,090	11,447,876	10,362,031
Sales taxes (local share)	3,922,953	3,921,739	4,323,583	4,153,052	4,139,479	4,180,051	4,807,677	5,472,144	5,910,366	5,389,404
Licenses and permits	1,268,584	1,506,647	1,511,074	1,733,853	1,862,786	1,720,629	2,284,121	2,022,104	1,649,327	1,425,783
Charges for services	4,600,526	6,278,890	5,996,394	6,894,915	7,594,545	8,015,731	9,497,796	9,001,671	9,719,205	9,912,159
Fines, forfeitures and penalties	1,573,402	1,762,633	1,689,208	1,786,840	1,685,042	1,601,748	1,622,260	1,688,409	1,623,563	2,057,354
Federal and state grants	531,070	415,533	706,063	123,505	601,628	674,746	494,011	485,233	381,503	224,465
Donations	35,900	7,990	5,400	11,071	16,531	20,057	20,302	90,889	30,656	21,528
Interest on investments	395,420	264,992	216,985	137,188	143,259	288,620	625,466	931,673	750,659	220,482
Other	318,312	483,385	230,272	234,234	455,087	569,729	378,760	334,463	276,917	396,481
<b>Total revenues</b>	<b>28,362,981</b>	<b>31,365,101</b>	<b>33,003,900</b>	<b>33,800,019</b>	<b>36,750,040</b>	<b>38,375,343</b>	<b>42,615,949</b>	<b>45,355,478</b>	<b>48,866,844</b>	<b>47,224,266</b>
<b>Expenditures</b>										
General government	2,459,229	2,525,647	2,966,017	3,295,134	3,555,531	4,482,552	5,243,741	5,749,891	5,967,027	5,992,322
Public safety	11,207,139	11,540,840	12,185,560	13,659,989	14,353,954	15,115,945	16,245,518	17,827,289	19,150,132	20,399,914
Public works	7,430,855	7,889,444	7,728,646	8,691,690	9,199,577	9,414,698	10,049,074	10,953,524	11,894,966	11,501,238
Parks and recreation	2,262,954	2,265,687	2,477,666	2,653,990	2,919,742	2,766,305	2,965,994	3,174,928	3,356,605	3,834,751
Performing arts center	359,131	349,120	382,623	426,932	434,248	503,680	534,299	525,744	549,875	539,899
Recreation center	86,171	926,651	1,052,202	1,112,031	1,177,520	1,236,549	1,291,924	1,353,908	1,431,086	1,437,412
Debt Service										
Principal	1,995,288	2,097,938	2,272,711	2,230,000	2,480,000	2,275,000	2,327,790	2,294,860	2,367,190	2,520,800
Interest	1,126,245	1,045,725	1,044,702	983,558	847,013	853,142	874,978	927,552	982,739	972,113
Bond issuance cost	-	1,062	32,552	75,661	47,997	42,664	82,796	40,631	53,141	13,851
Capital Outlay	4,115,660	1,255,430	2,359,419	3,420,529	1,358,402	5,758,501	3,416,761	4,998,447	4,469,523	1,576,513
<b>Total expenditures</b>	<b>31,042,672</b>	<b>29,897,544</b>	<b>32,502,098</b>	<b>36,549,514</b>	<b>36,373,984</b>	<b>42,449,036</b>	<b>43,032,875</b>	<b>47,846,774</b>	<b>50,222,274</b>	<b>48,788,813</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,679,691)</b>	<b>1,467,557</b>	<b>501,802</b>	<b>(2,749,495)</b>	<b>376,056</b>	<b>(4,073,693)</b>	<b>(416,926)</b>	<b>(2,491,296)</b>	<b>(1,355,430)</b>	<b>(1,564,547)</b>

CITY OF BARTLETT, TENNESSEE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Other financing sources (uses)</b>										
Transfers in	1,984,340	1,660,000	2,973,767	2,615,000	2,504,904	2,790,907	2,370,505	1,949,007	3,453,333	2,104,194
Transfers out	(1,984,340)	(1,660,000)	(2,936,451)	(2,615,000)	(2,504,904)	(2,660,907)	(2,128,483)	(1,699,470)	(3,141,780)	(1,783,161)
Debt Proceeds-General Obligation	-	1,450,000	2,000,000	2,939,482	1,053,774	3,297,500	4,693,464	3,408,000	2,955,001	766,988
Refunding bond issued	-	-	1,270,000	4,035,312	2,221,226	-	3,501,536	-	-	-
Discount on bond issued	-	-	-	-	17,756	(4,426)	(10,914)	12,726	(827)	-
Payment to refunded bond escrow agent	-	-	(1,270,000)	(3,865,195)	(2,238,982)	-	(3,501,536)	-	-	-
Capital leases	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	438,070	-	-	-	-	-	542,521	16,442	52,947	22,051
<b>Total other financing sources (uses)</b>	<u>438,070</u>	<u>1,450,000</u>	<u>2,037,316</u>	<u>3,109,599</u>	<u>1,053,774</u>	<u>3,423,074</u>	<u>5,467,093</u>	<u>3,686,705</u>	<u>3,318,674</u>	<u>1,110,052</u>
<b>Net change in fund balances</b>	<u>\$ (2,241,621)</u>	<u>\$ 2,917,557</u>	<u>\$ 2,539,118</u>	<u>\$ 360,104</u>	<u>\$ 1,429,830</u>	<u>\$ (650,619)</u>	<u>\$ 5,050,167</u>	<u>\$ 1,195,409</u>	<u>\$ 1,963,244</u>	<u>\$ (454,495)</u>
<b>Debt Service as a percentage of noncapital expenditures</b>	<b>11.6%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>9.7%</b>	<b>9.5%</b>	<b>8.5%</b>	<b>8.1%</b>	<b>7.5%</b>	<b>7.3%</b>	<b>7.4%</b>

CITY OF BARTLETT, TENNESSEE

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

	Real Property			Public Utilities Property	Commercial Property	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							
20004	15,086,450	1,634,725	152,154,745	8,002,614	34,430,930	611,309,464	1.29	2,180,623,807	28.03%	
20014	29,311,225	1,405,725	143,157,005	7,416,893	34,106,080	615,396,928	1.29	2,210,307,460	27.84%	
20024	93,129,125	1,677,325	198,838,536	9,299,642	37,718,830	740,663,458	1.23	2,621,148,770	28.26%	
20035	03,398,450	1,381,325	209,396,141	8,401,212	39,482,970	762,060,098	1.23	2,691,447,031	28.31%	
20045	17,285,550	1,280,225	210,884,485	8,596,491	35,394,680	773,441,431	1.38	2,737,164,384	28.26%	
20055	37,048,350	1,263,100	215,355,155	8,748,698	33,957,950	796,373,253	1.38	2,822,607,920	28.21%	
20066	18,439,825	3,018,275	250,902,900	9,080,210	42,506,320	923,947,530	1.31	3,273,422,973	28.23%	
20077	29,515,750	2,949,150	240,391,810	15,104,373	42,698,020	1,030,659,103	1.31	3,703,507,696	27.83%	
20087	57,507,150	2,658,500	244,269,130	13,186,328	38,901,240	1,056,522,348	1.54	3,808,483,242	27.74%	
20097	77,311,375	2,467,500	248,946,505	13,673,584	42,776,070	1,085,175,034	1.54	3,912,651,861	27.74%	

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**

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<b>Fiscal Year</b>	<b>(Per \$100 of Assessed Valuation)</b>		
	<b>City</b>	<b>County</b>	<b>Total</b>
2000	1.29	3.54	4.83
2001	1.29	3.54	4.83
2002	1.23	3.79	5.02
2003	1.23	3.79	5.02
2004	1.38	4.09	5.47
2005	1.38	4.09	5.47
2006	1.31	4.09	5.40
2007	1.31	4.09	5.40
2008	1.54	4.09	5.63
2009	1.54	4.09	5.63

**Note:** All property in Shelby County was reappraised for the 1997, 2001, 2005 and 2009 tax years.

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

<b>Taxpayer</b>	<b>2009</b>			<b>2000</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Brother International	\$ 27,072,400	1	2.49%	\$ 2,788,120	10	0.45%
Saint Francis Hospital	18,376,320	2	1.69%			
Bartlett Logistics One LLC	9,446,160	3	0.87%			
Bell South Telecommunications	9,318,585	4	0.86%	5,285,276	2	0.86%
Bristol Park at Wolfchase GP	8,637,080	5	0.80%			
WNI/Tennessee LP	7,017,200	6	0.65%	4,840,360	3	0.79%
Belvedere Apartments INC	6,300,880	7	0.58%	4,780,000	5	0.78%
UHS of Lakeside INC	5,949,520	8	0.55%	5,990,400	1	0.97%
Walmart Real Estate Trust	4,808,000	9	0.44%	4,821,680	4	0.78%
Lowes Home Centers INC	4,417,280	10	0.41%			
Stage Centre Co				3,921,560	6	0.64%
Sam's Wholesale				2,985,880	8	0.48%
NITRUST				3,312,600	7	0.54%
Bently Properties				2,928,240	9	0.48%
<b>Totals</b>	<b>\$ 101,343,425</b>		<b>9.34%</b>	<b>\$ 41,654,116</b>		<b>6.77%</b>

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
2000	7,938,645	7,486,368	94.30%	449,757	7,936,125	99.97%	2,520
2001	7,946,661	7,905,200	99.48%	38,494	7,943,694	99.96%	2,967
2002	9,085,997	8,956,762	98.58%	124,063	9,080,825	99.94%	5,172
2003	9,376,124	9,230,212	98.44%	126,568	9,356,780	99.79%	19,344
2004	10,699,648	10,218,983	95.51%	459,450	10,678,433	99.80%	21,215
2005	11,100,118	10,795,149	97.25%	281,879	11,077,028	99.79%	23,090
2006	12,103,713	11,455,642	94.65%	611,789	12,067,431	99.70%	36,282
2007	13,303,791	12,963,800	97.44%	286,687	13,250,487	99.60%	53,304
2008	16,828,729	16,297,479	96.84%	331,823	16,629,302	98.81%	199,427
2009	17,259,716	15,935,257	92.33%	-	15,935,257	92.33%	1,324,459

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

CITY OF BARTLETT, TENNESSEE

TAXABLE SALES BY CATEGORY

LAST NINE CALENDAR YEARS

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Apparel & Accessories	\$ 6,535,461	\$ 5,320,018	\$ 5,642,218	\$ 6,309,246	\$ 6,470,629	\$ 6,872,110	\$ 6,185,927	\$ 7,795,639	\$ 7,927,80
General Merchandise	141,166,413	148,068,872	162,691,252	169,528,404	174,520,905	177,921,853	180,394,277	188,367,395	187,097,17
Food Stores	74,825,661	74,900,644	83,179,666	87,337,290	87,245,173	85,387,228	84,232,024	91,890,586	93,857,91
Eating & Drinking Places	57,661,201	56,969,674	47,644,071	44,102,474	51,790,882	56,580,753	58,237,164	61,878,927	61,383,10
Furniture & Home Decor	24,339,391	21,432,549	24,681,069	25,943,384	26,482,073	20,588,298	19,890,999	19,079,129	17,663,83
Building Materials	17,865,822	29,550,033	53,939,789	63,150,488	75,945,538	91,178,839	83,988,276	120,249,335	58,115,25
MV Dealers & Serv. Stations	28,289,260	29,241,868	29,354,199	29,677,835	31,742,956	32,826,569	34,627,712	39,862,821	41,202,13
Other Retail	43,576,768	42,248,276	44,931,524	51,064,490	57,662,704	61,479,007	64,440,718	65,690,399	64,743,87
All Other Outlets	117,356,607	116,230,265	140,250,479	84,469,252	91,620,732	114,563,730	106,569,459	119,608,101	120,544,02
<b>Total</b>	<b>\$511,616,584</b>	<b>\$523,962,199</b>	<b>\$592,314,267</b>	<b>\$561,582,863</b>	<b>\$603,481,592</b>	<b>\$647,398,387</b>	<b>\$638,566,556</b>	<b>\$714,422,332</b>	<b>\$652,535,11</b>

Source: Tennessee Department of Revenue, Research Division

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

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<u>Year</u>	<u>City Direct Rate</u>	<u>Shelby County</u>	<u>State of Tennessee</u>
2000	1.125%	1.125%	6.00%
2001	1.125%	1.125%	6.00%
2002	1.125%	1.125%	6.00%
2003	1.125%	1.125%	7.00%
2004	1.125%	1.125%	7.00%
2005	1.125%	1.125%	7.00%
2006	1.125%	1.125%	7.00%
2007	1.125%	1.125%	7.00%
2008	1.125%	1.125%	7.00%
2009	1.125%	1.125%	7.00%

**Source:** City of Bartlett Finance Department

**Note:** Local option tax can be changed by referendum up to the maximum allowed by state law.

**CITY OF BARTLETT, TENNESSEE**  
**LOCAL SALES TAX REVENUE BY INDUSTRY**  
**FISCAL YEARS 2000 AND 2009**

Sector	Fiscal Year 2000			Fiscal Year 2009		
	Number of Filers	Percentage of Total	Tax Liability	Number of Filers	Percentage of Total	Tax Liability
Retail Trade	437	52.84%	\$ 8,426,575	531	54.18%	\$ 11,468,534
Services	230	27.81%	867,763	259	26.43%	1,247,316
Manufacturing	39	4.72%	495,403	56	5.71%	133,708
Wholesale Trade	61	7.38%	790,796	74	7.55%	1,045,263
Construction	22	2.66%	68,554	29	2.96%	56,489
Finance Insurance Real Estate	7	0.85%	966	0	0.00%	0
Transportation and Utilities	19	2.30%	178,459	6	0.61%	68,247
Agriculture	4	0.48%	4,044	7	0.71%	34,724
Other, Non Classified	8	0.97%	86,183	18	1.84%	78,094
<b>Total</b>	<b>\$ 827</b>	<b>100.00%</b>	<b>\$ 10,918,743</b>	<b>980</b>	<b>100.00%</b>	<b>\$ 14,132,375</b>

**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 merchants during the period, not disbursements from the Department of Revenue.
3. Changes in local telecommunications sourcing rules in 2003 reduced the number of taxpayers reporting in the Transportation and Utilities sector.
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	Government 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	Revenue	Revenue			
2000	21,995,000	-	185,000	85,723	11,410,000	-	-	-	33,675,723	2.13%	831
2001	20,030,000	-	1,450,000	42,938	10,020,000	-	-	-	31,542,938	1.86%	761
2002	21,245,000	-	-	-	11,775,000	-	-	-	33,020,000	1.86%	782
2003	22,205,000	-	-	-	12,160,000	-	-	-	34,365,000	1.88%	806
2004	20,990,000	-	-	-	15,350,000	-	-	-	36,340,000	1.85%	833
2005	20,505,000	-	1,507,500	-	15,545,000	-	-	-	37,557,500	1.88%	866
2006	23,155,000	-	1,314,170	-	14,625,000	-	-	-	39,094,170	1.81%	899
2007	23,715,000	-	1,867,850	-	15,165,000	-	-	-	40,747,850	1.66%	868
2008	24,750,000	-	1,420,660	-	15,285,000	-	-	-	41,455,660	1.54%	846
2009	22,695,000	26,468	1,695,360	-	14,405,000	117,452	-	-	38,939,280	1.38%	795

**CITY OF BARTLETT, TENNESSEE**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Capital Note</b>	<b>Capital Lease</b>	<b>General Obligation Note</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2000	21,995,000	185,000	85,723	-	22,265,723	1.02%	549
2001	20,030,000	1,450,000	42,938	-	21,522,938	0.97%	520
2002	21,245,000	-	-	-	21,245,000	0.81%	503
2003	22,205,000	-	-	-	22,205,000	0.83%	521
2004	20,990,000	-	-	-	20,990,000	0.77%	481
2005	20,505,000	1,507,500	-	-	22,012,500	0.78%	508
2006	23,155,000	1,314,170	-	-	24,469,170	0.75%	563
2007	23,715,000	1,867,850	-	-	25,582,850	0.69%	545
2008	24,750,000	1,420,660	-	-	26,170,660	0.69%	534
2009	22,695,000	1,695,360	-	26,468	24,416,828	0.62%	498

**CITY OF BARTLETT, TENNESSEE**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

As of June 30, 2009

<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	\$ 24,416,828	100.00%	\$ 24,416,828
Shelby County	<u>1,627,860,459</u>	6.24%	<u>101,578,493</u>
<b>Totals Direct and Overlapping Debt</b>	<b><u>\$ 1,652,277,287</u></b>		<b><u>\$ 125,995,321</u></b>

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

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

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

The City of Bartlett has no legal debt limit

**CITY OF BARTLETT, TENNESSEE**  
**PLEDGED – REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Utility Service Charges	Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2000	4,373,504	3,010,137	1,363,367	1,340,000	629,605	1,969,605	0.69
2001	6,970,022	3,544,845	3,425,177	1,390,000	589,561	1,979,561	1.73
2002	5,958,023	3,198,385	2,759,638	1,245,000	590,984	1,835,984	1.50
2003	6,753,253	3,500,754	3,252,499	1,420,000	562,568	1,982,568	1.64
2004	7,749,801	3,751,076	3,998,725	1,125,000	544,863	1,669,863	2.39
2005	7,616,473	3,949,404	3,667,069	1,160,000	621,735	1,781,735	2.06
2006	9,688,303	4,071,905	5,616,398	1,255,000	569,220	1,824,220	3.08
2007	8,205,579	4,237,489	3,968,090	1,010,000	573,585	1,583,585	2.51
2008	8,307,946	4,352,229	3,955,717	895,000	593,012	1,488,012	2.66
2009	6,830,594	4,662,988	2,167,606	880,000	581,992	1,461,992	1.48

(1) Excludes depreciation expense.

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

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

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (Thousands of \$) (1)</b>	<b>Per Capita Personal Income (1)</b>	<b>Unemployment Rate (4)</b>
2000	40,543 (2)	1,582,555	39,034	1.4%
2001	41,425	1,692,667	40,861	1.6%
2002	42,212	1,771,342	41,963	1.9%
2003	42,626	1,824,563	42,804	2.2%
2004	43,608	1,966,852	45,103	2.3%
2005	43,354	1,994,501	46,005	4.6%
2006	43,500	2,161,298	49,685	4.5%
2007	46,954 (3)	2,449,355	52,165	3.7% (5)
2008	49,000	2,684,122	54,778	5.5% (5)
2009	49,000	2,818,088	57,512	7.4% (5)

**Sources:**

- (1) Estimated Unless otherwise noted
- (2) Federal Census
- (3) Special Local Census
- (4) U.S. Census Bureau
- (5) Tennessee Department of Labor

**CITY OF BARTLETT, TENNESSEE**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>2009</u>			<u>2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Brother International\Brothetr USA	1,000	1	4.01%	1,000	1	5.71%
Youth Villages	620	2				
The City of Bartlett	470	3	1.88%	368	3	2.10%
Lakeside Behavioral Health	440	4				
USDA Cotton Classing Division	400	5	1.60%	154	8	0.88%
Wal-Mart Supercenter	400	5	1.60%	425	2	2.43%
Saint Francis Hospital-Bartlett	400	5	1.60%			
United Parcel Service	275	5	1.10%	204	4	1.17%
Gyrus, ENT	228	9	0.91%			
Kele Inc.	210	10	0.84%	196	6	1.12%
Garner Automotive Products				200	5	1.14%
Seesel's				165	7	0.94%
Smith Nephew/Richards				150	9	0.86%
Ellendale Electric Company				143	10	0.82%
<b>Total</b>	<u>4,443</u>		<u>13.56%</u>	<u>3,005</u>		<u>17.17%</u>

Source: Bartlett Chamber of Commerce

CITY OF BARTLETT, TENNESSEE

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

Department	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Legislative Board	3	3	3	3	4	4	4	4	3	3
Mayor's Office	8	9	9	10	11	11	12	12	14	15
Finance	9	10	11	11	13	13	14	14	14	14
City Court	7	8	8	9	9	10	10	11	11	12
Personnel	3	3	4	4	4	4	4	5	4	4
Planning	4	4	4	4	4	5	5	5	4	4
Police										
Officers	78	80	84	84	86	90	92	98	105	110
Civilians	33	35	39	37	37	36	33	33	36	38
Fire Services and Ambulance										
Firefighters & Officers	67	66	70	72	73	77	77	93	94	94
Civilians	1	1	1	1	1	1	1	1	1	1
Codes Enforcement	8	8	8	8	9	10	12	12	12	12
Public Works	44	44	43	46	48	49	52	52	53	54
Engineering	8	9	7	9	11	12	11	11	11	11
Parks & Recreation	74	76	79	82	85	85	88	81	80	80
Performing Arts	2	3	3	4	4	4	3	3	4	4
Special Revenue Funds										
Solid Waste Fund	31	30	31	32	32	34	35	37	38	38
Drainage Control Fund	0	0	0	0	0	1	1	1	1	1
Utility Fund										
Administration	6	7	7	6	5	6	9	11	12	12
Water & Wastewater Services	16	20	21	19	19	19	15	15	15	15
Plant Operations	5	5	5	5	5	5	5	5	5	5
Sewer Lagoon	2	2	2	2	3	4	4	4	4	4
<b>Total</b>	<b>409</b>	<b>423</b>	<b>439</b>	<b>448</b>	<b>463</b>	<b>480</b>	<b>487</b>	<b>508</b>	<b>521</b>	<b>531</b>

Source: City of Bartlett Finance Department and Personnel Department.

**CITY OF BARTLETT, TENNESSEE**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**

**LAST TEN FISCAL YEARS**

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government										
Residential permits issued	230	274	354	373	336	314	358	215	107	86
Commercial permits issued	68	91	131	107	106	109	131	97	89	59
Fire										
Emergency responses	2,321	2,492	2,692	2,773	3,114	3,152	3,581	3,663	3,776	3,832
Structure fires	104	104	88	85	105	107	197	45	57	42
Inspections	1,108	907	2,173	2,957	1,812	2,589	3,506	3,369	3,449	2,213
Refuse collection										
Total refuse collected (tons)	31,965	36,438	34,389	51,948	35,326	41,357	44,432	44,105	44,824	45,246
Refuse taken to landfill	21,816	22,825	22,824	23,475	24,386	25,330	26,911	26,391	27,015	25,743
Library										
Volumes in collections	86,434	88,915	90,844	89,102	82,257	82,691	83,107	84,666	99,256	102,013
Total volumes borrowed	393,678	404,966	392,571	390,046	359,331	349,977	324,968	302,272	287,581	363,367
Water										
New connections	476	369	366	491	557	463	412	475	153	81
Water customers	16,608	16,977	17,343	17,834	18,391	18,854	19,266	19,741	19,894	19,975
Sewer										
Sewer customers	14,988	15,403	15,810	16,330	16,790	17,271	17,814	18,132	18,444	18,624

CITY OF BARTLETT, TENNESSEE

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

LAST TEN YEARS

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police Stations	1	1	1	1	1	1	1	1	2	2
Fire Stations	4	4	4	4	4	4	4	5	5	5
Public Works										
Streets (miles)	188	188	188	188	188	238	268	268	285	286
Parks & Recreation										
Acreage	416	416	416	416	416	607	671	671	688	706
Parks #										
Developed	20	23	23	23	23	22	22	24	24	24
Undeveloped	5	2	2	2	2	2	2	2	2	3
Tennis courts	14	14	14	14	14	12	12	14	14	14
Baseball fields	9	9	9	9	9	17	17	17	17	17
Walking trails(miles)	7	9	9	9	9	11	11	11	12	12
Water										
Water lines (miles)	262	317	317	317	317	331	331	331	370	371
Water connections	16,591	16,953	17,343	17,834	18,424	18,854	19,266	19,741	19,894	19,894
Water plants	3	3	3	3	3	4	4	4	4	4
Storage tanks	8	8	8	8	8	9	9	9	9	9
Wastewater										
Sanitary sewers (miles)	208	252	252	252	312	313	313	313	344	371
Sewer connections	14,950	15,380	15,810	16,330	16,827	17,271	17,814	18,132	18,444	18,444

**CITY OF BARTLETT, TENNESSEE**  
**SCHEDULE OF UNACCOUNTED FOR WATER**

For the Year Ended June 30, 2009

*(All amounts in gallons)*

<b>A.</b>	<b>Water Treated and Purchased:</b>	
<b>B.</b>	Water Pumped (potable)	2,254,666,000
<b>C.</b>	Water Purchased	-
<b>D.</b>	<b>Total Water Treated and Purchased (Sum Lines B and C)</b>	2,254,666,000
<b>E.</b>	<b>Accounted for Water:</b>	
<b>F.</b>	Water Sold	2,040,373,900
<b>G.</b>	Metered for Consumption	-
<b>H.</b>	Fire Department(s) Usage	50,000
<b>I.</b>	Flushing	7,167,750
<b>J.</b>	Tank Cleaning/Filling	925,000
<b>K.</b>	Street Cleaning	42,000
<b>L.</b>	Bulk Sales	-
<b>M.</b>	Water Bill Adjustments	3,730,846
<b>N.</b>	Other (explain)	-
<b>O.</b>	<b>Total Accounted for Water (Sum Lines F thru N)</b>	2,052,289,496
<b>P.</b>	<b>Unaccounted for Water (Line D minus Line O)</b>	<b>202,376,504</b>
<b>Q.</b>	<b>Percent Unaccounted for Water (Line P divided by Line D times 100)</b>	<b>8.98%</b>
<b>R.</b>	<b>Cost per 1,000 gallons of water</b>	<b>\$ 1.14</b>
<b>S.</b>	<b>Cost of Unaccounted for Water (Line P divided by 1,000 times Line R)</b>	<b>\$ 230,709</b>

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF UTILITY RATES**

June 30, 2009

<b>Water</b>			<b>Sewer</b>		
<b>Residential, city customers (volume charge is 1,000 gal):</b>					
<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	\$ 4.00	\$ -	First 2,000 gallons	\$ 4.27	\$ -
Next 8,000 gallons/1,000 gal.	-	1.240	Over 2,000 gallons/1,000 gal.	-	1.133
Over 10,000 gallons/1,000 gal.	-	1.140	Maximum monthly	22.00	-

<b>Residential, rural customers (volume charge is 1,000 gal):</b>					
<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	\$ 6.00	\$ -	First 2,000 gallons	\$ 6.27	\$ -
Next 8,000 gallons/1,000 gal.	-	1.860	Over 2,000 gallons/1,000 gal.	-	1.233
Over 10,000 gallons/1,000 gal.	-	1.710	Maximum monthly	27.60	-

<b>Commercial, city customers (volume charge is 1,000 gal):</b>					
<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	\$ 7.50	\$ -	First 2,000 gallons	\$ 10.27	\$ -
Next 8,000 gallons/1,000 gal.	-	1.450	Over 2,000 gallons/1,000 gal.	-	1.233
Over 10,000 gallons/1,000 gal.	-	1.320			

<b>Commercial, rural customers (volume charge is 1,000 gal):</b>					
<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	\$ 10.75	\$ -	First 2,000 gallons	\$ 15.27	\$ -
Next 8,000 gallons/1,000 gal.	-	2.170	Over 2,000 gallons/1,000 gal.	-	1.333
Over 10,000 gallons/1,000 gal.	-	1.990			

Unaccounted for Water (gallons lost as a percentage of total gallons): 8.98%

<b><u>Number of Customers at Year-end:</u></b>	
Water	19,975
Sewer	18,624

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# **CITY OF BARTLETT**

TENNESSEE

**GOVERNMENT AUDITING STANDARDS SECTION**



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the statements of budgetary comparison for the general fund and the aggregate remaining fund information of the City of Bartlett, Tennessee (the "City") as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 18, 2009. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is

more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses and shown as 2009-1 and 2009-2 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies, and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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*.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Mayor and Aldermen, management, the State of Tennessee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Watkins Librall, P.C.*

Memphis, Tennessee  
December 18, 2009

**CITY OF BARTLETT, TENNESSEE  
SCHEDULE OF FINDINGS AND RESPONSES**

For the Year Ended June 30, 2009

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**SIGNIFICANT DEFICIENCIES**

**2009-1 Segregate Cash Receipts Duties**

The cashier in the finance department opens mail, prepares the daily deposit slip, and posts payments to customer accounts. Allowing these functions to be controlled by the same person increases the risk that errors or misappropriation could occur and go undetected. Cash receipts should be opened and controlled by a person independent of the person responsible for the accounts receivable subsidiary ledger.

We recommend another employee, such as the water department cashier could endorse the checks, and prepare the deposit slip and a list of receipts. The cash and deposit slip would stay with the water department cashier to await pick up from the police department. A list of the daily receipts would be forwarded to the cashier in the finance department to post to customer's accounts.

**City's Response**

The City will evaluate the current procedures, available staff and make the changes necessary to segregate those duties to the extent the City can with limited staff in order to limit the risk of errors and misappropriation.

**2009-2 Segregate Cash Disbursement Duties**

Under current procedures, the same employee prints and mails the signed disbursement checks. Controls over disbursements would be improved if all signed checks were given to an employee who does not have access to the accounts payable subsidiary ledger.

We recommend a separate employee who does not have access to the accounts payable subsidiary ledger should mail the checks.

**City's Response**

The City will evaluate the procedures, available staff and make the changes necessary to separate these duties. The City has already established special procedures to handle all Grant fund related transactions.