

CITY OF BARTLETT TENNESSEE

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2008

Prepared by the City of Bartlett Finance Department

**CITY OF BARTLETT, TENNESSEE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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December 22, 2008

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, 2008, 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, 2008, 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, 2008, 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 moderate growth during the fiscal year, however 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 56,000 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. For the first time in the last six years new housing starts fell below 300 with 215 new housing starts. 97 commercial permits were issued at a value of over \$43,709,000. 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 2008-2012 are:

- Construction of an administration building for the Fire Department.
- 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.
- Renovations to the old library building to re-locate the Planning, Engineering and Code Enforcement departments.
- Public safety vehicles and equipment including police cars and an ambulance.

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 2008 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, 2008, 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. Future plans include relocation of the library to the property and other uses that will continue the efforts to redevelop the area.

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, 2007. This was the 19th 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, 2007. 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,

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, 2007

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.



Oliver S. Cox

President

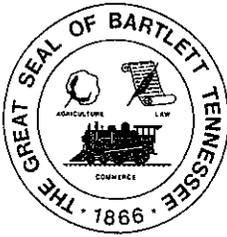
Jeffrey R. Emmer

Executive Director

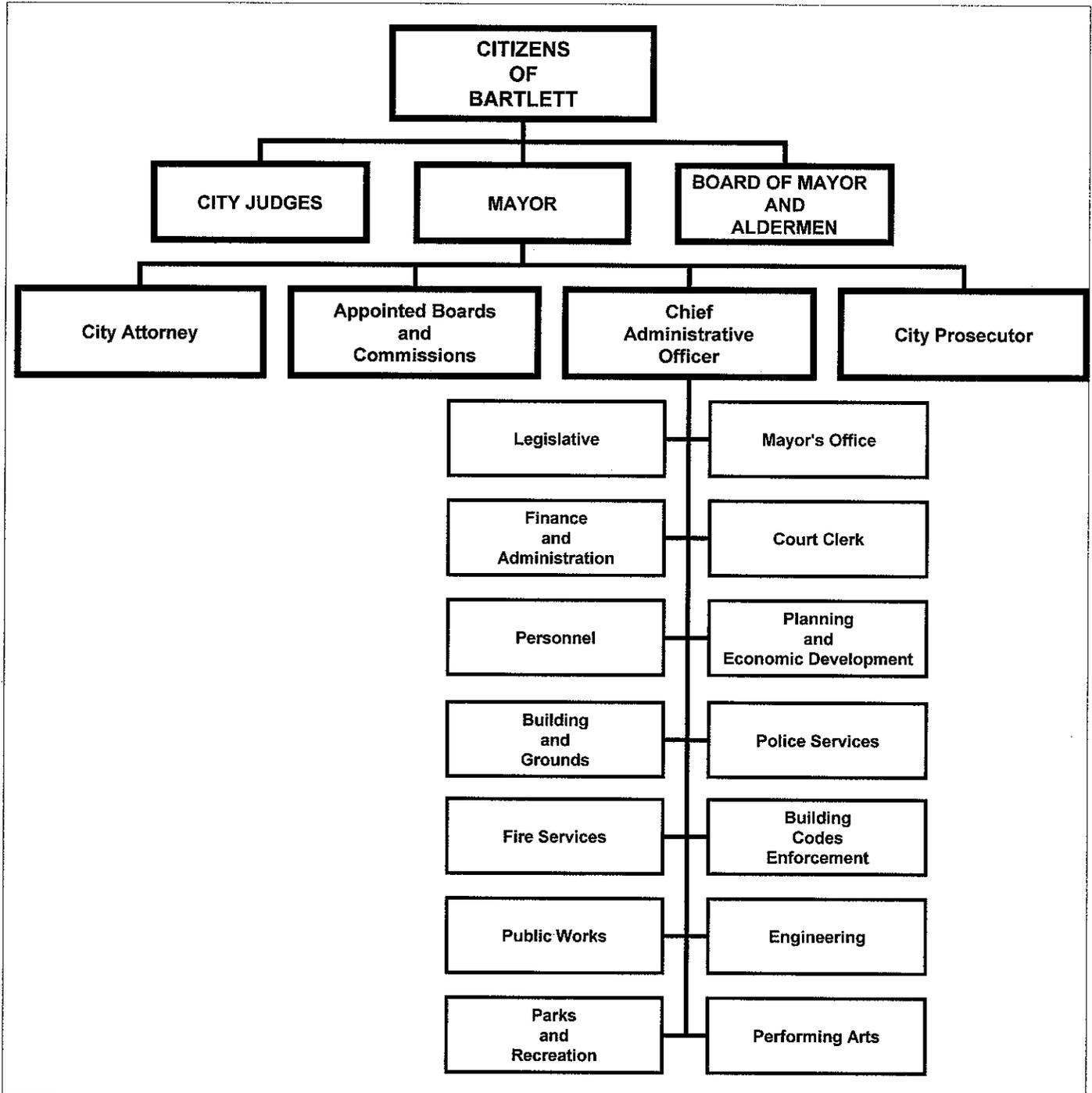
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bartlett for its comprehensive annual financial report for the fiscal year ended June 30, 2007. The Certificate of Achievement is 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, 2008



**CITY OF BARTLETT, TENNESSEE
CITY OFFICIALS
JUNE 30, 2008**

MAYOR

A. Keith McDonald

ALDERMEN

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

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

Toby Adkison

Director of Engineering / City Engineer

Rick McClanahan

Director of Parks and Recreation

David Thompson

Director of the Performing Arts Center

Ron Jewell



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

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the statement 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, 2008, 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, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general 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 22, 2008, 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 Universal, PLLC

Memphis, Tennessee
December 22, 2008

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, 2008. 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 \$193,368,937 (net assets). Of this amount, \$31,596,296 (unrestricted net assets) may be used to meet the government's ongoing obligation to citizens and creditors.
- The City's total net assets increased by \$3,933,181.
- At June 30, 2008, the City's governmental funds reported combined ending fund balances of \$25,909,442, an increase of \$3,301,591 in comparison with the prior year. Approximately 84.7% of this amount is available for spending at the government's discretion (unreserved fund balance).
- At June 30, 2008 unreserved fund balance for the general fund was \$14,752,382, or 42.9% of total general fund expenditures.
- The City's total debt increased by \$707,810 (1.74%) during the current fiscal year. The key factor in this increase was the issuance of \$3,970,000 in general obligation and water and sewer bonds to provide additional funding for capital equipment and projects that will be of long-term benefit to the citizens of Bartlett.

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 capital projects 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 30-32 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 33-34 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 35-53 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 54-72 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 \$193,368,937 at the close of the most recent fiscal year.

The largest portion of the City's net assets (81%) 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	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 48,141,746	\$ 44,800,838	\$ 10,220,637	\$ 10,058,264	\$ 58,362,383	\$ 54,859,102
Capital assets	125,977,429	123,602,961	72,142,434	71,023,400	198,119,863	194,626,361
Total assets	174,119,175	168,403,799	82,363,071	81,081,664	256,482,246	249,485,463
Long-term liabilities outstanding	27,388,914	26,644,377	14,883,923	14,753,741	42,272,837	41,398,118
Other liabilities	20,153,868	17,981,564	686,604	670,025	20,840,472	18,651,589
Total liabilities	47,542,782	44,625,941	15,570,527	15,423,766	63,113,309	60,049,707
Net assets:						
Invested in capital assets, net of related debt	100,172,375	98,573,298	57,258,511	56,275,419	157,430,886	154,848,717
Restricted	4,341,755	3,527,644	-	-	4,341,755	3,527,644
Unrestricted	22,062,263	21,676,916	9,534,033	9,382,479	31,596,296	31,059,395
Total net assets	\$126,576,393	\$123,777,858	\$66,792,544	\$65,657,898	\$193,368,937	\$189,435,756

An additional portion of the City's net assets (2.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$31,596,296) may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2008, 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.

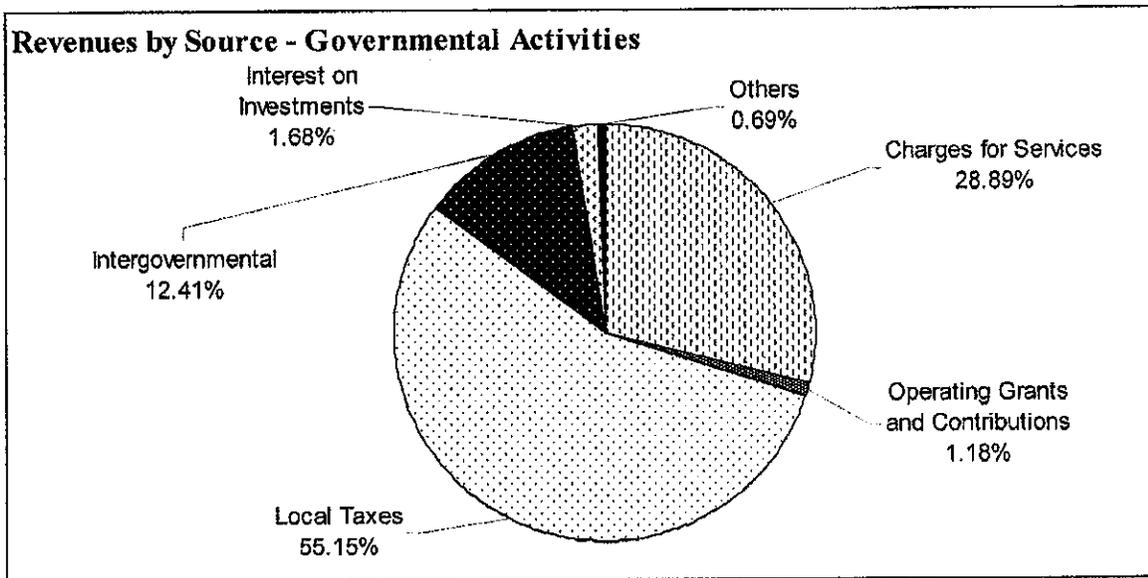
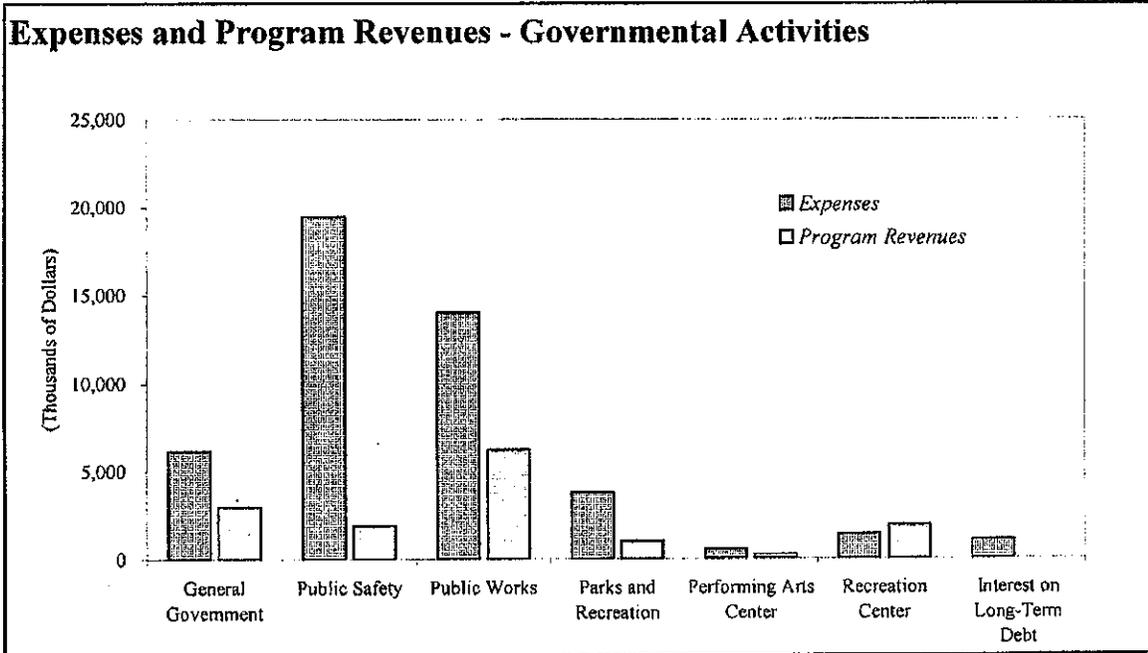
The government's net assets increased by \$3,933,181 during the current fiscal year. Most of this increase represents the degree in which increases in ongoing revenues have outstripped similar increases in ongoing expenses.

Governmental activities. Government activities increased the City's net assets by \$1,460,188, thereby accounting for 56.3% of total growth in the net assets of the City. Key elements of this increase are as follows:

Condensed Statement of Changes in Net Assets

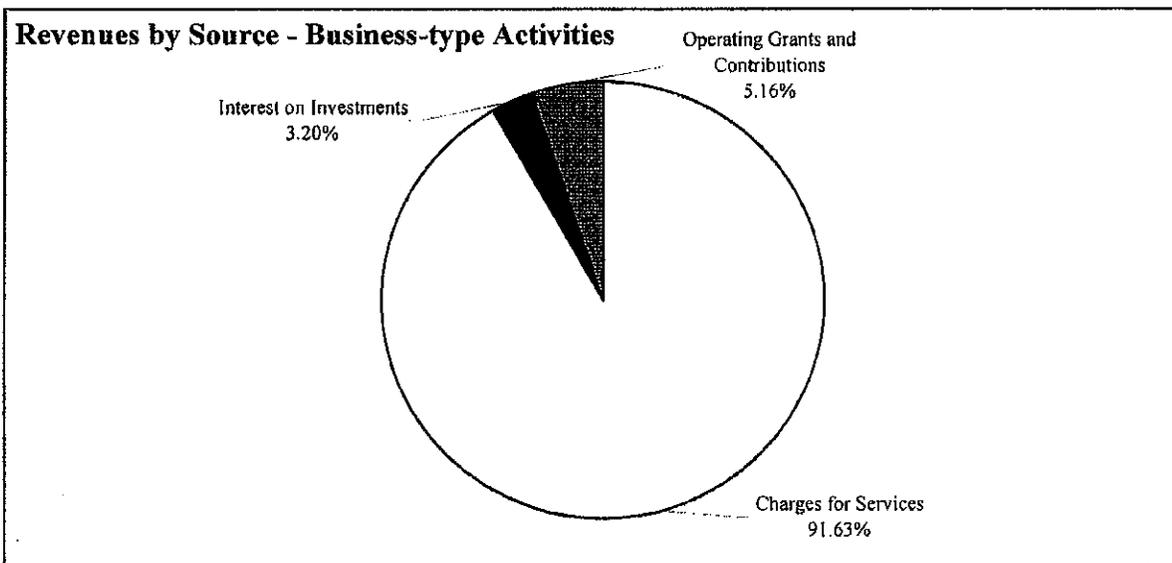
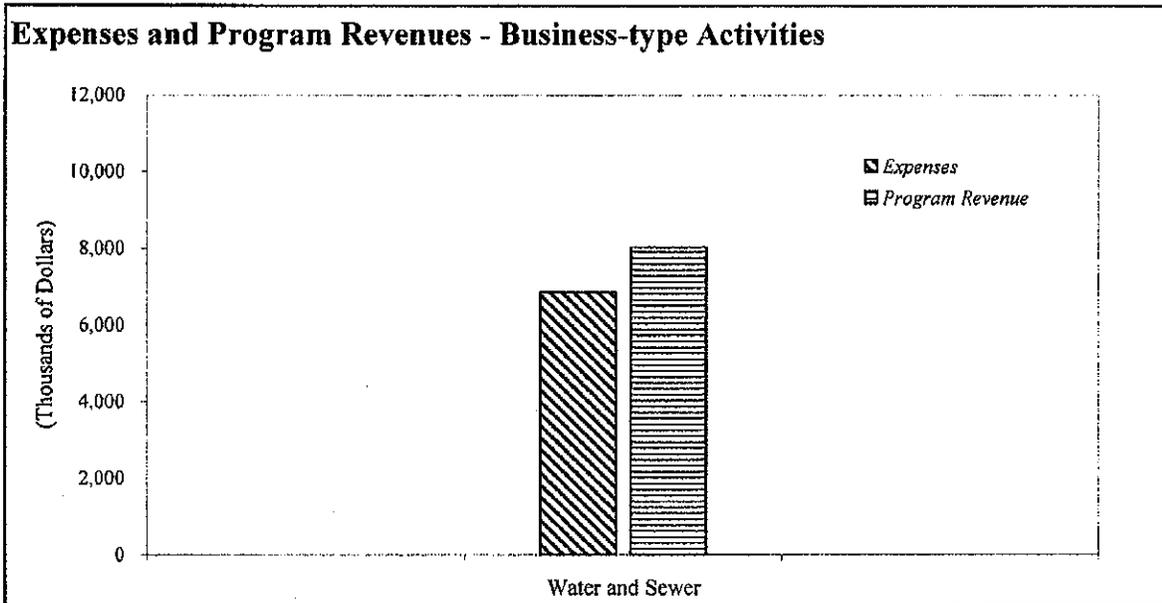
	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues:						
Charges for Services	\$ 13,764,287	\$ 13,466,899	\$ 6,500,391	\$ 9,223,712	\$ 20,264,678	\$ 22,690,611
Operating grants and contributions	561,296	674,122	1,541,671	1,260,413	2,102,967	1,934,535
Capital grants and contributions	-	-	-	-	-	-
General Revenues:						
Local taxes	26,271,600	26,535,508	-	-	26,271,600	26,535,508
Intergovernmental	5,910,366	5,472,144	-	-	5,910,366	5,472,144
Interest on investments	801,765	1,000,014	265,884	321,719	1,067,649	1,321,733
Other	329,864	342,546	-	-	329,864	342,546
Total revenues	<u>47,639,178</u>	<u>47,491,233</u>	<u>8,307,946</u>	<u>10,805,844</u>	<u>55,947,124</u>	<u>58,297,077</u>
Expenses						
General government	6,146,033	6,072,578	-	-	6,146,033	6,072,578
Public safety	19,489,332	18,764,451	-	-	19,489,332	18,764,451
Public works	14,018,688	10,898,616	-	-	14,018,688	10,898,616
Parks and recreation	3,813,114	3,628,496	-	-	3,813,114	3,628,496
Performing arts center	554,099	531,287	-	-	554,099	531,287
Recreation center	1,395,700	1,449,420	-	-	1,395,700	1,449,420
Interest on long-term debt	1,073,576	1,011,629	-	-	1,073,576	1,011,629
Water and sewer	-	-	6,861,747	6,681,378	6,861,747	6,681,378
Total expenses	<u>46,490,543</u>	<u>42,356,477</u>	<u>6,861,747</u>	<u>6,681,378</u>	<u>53,352,290</u>	<u>49,037,855</u>
Increase in net assets before transfers	<u>1,148,635</u>	<u>5,134,756</u>	<u>1,446,199</u>	<u>4,124,466</u>	<u>2,594,834</u>	<u>9,259,222</u>
Transfers	311,553	249,537	(311,553)	(249,537)	-	-
Increase in net assets	<u>1,460,188</u>	<u>5,384,293</u>	<u>1,134,646</u>	<u>3,874,929</u>	<u>2,594,834</u>	<u>9,259,222</u>
Net assets - July 1, 2007, as previously reported	123,777,858	39,675,454	65,657,898	27,542,633	189,435,756	67,218,087
Prior period adjustments	1,338,347	78,718,111	-	34,240,336	1,338,347	112,958,447
Net assets, July 1, 2007 as restated	<u>125,116,205</u>	<u>118,393,565</u>	<u>65,657,898</u>	<u>61,782,969</u>	<u>190,774,103</u>	<u>180,176,534</u>
Net assets - June 30, 2008	<u>\$126,576,393</u>	<u>\$123,777,858</u>	<u>\$66,792,544</u>	<u>\$65,657,898</u>	<u>\$193,368,937</u>	<u>\$189,435,756</u>

- Intergovernmental revenues increased \$438,222.
- Charges for services increased \$297,388.
- An accrual of revenues collected between 31 and 60 days in the amount of \$1,312,055.



Business-type activities. Business-type activities increased the City's net assets by \$1,134,646 accounting for 43.7% of the total growth in the government's net assets. Key elements of the increase are as follows:

- The program revenues for the Water and Sewer activities for the City exceeded the expenses of those services by \$1,180,315.



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 \$25,909,442, an increase of \$1,963,244, in comparison with the restated prior year. Approximately 84.7% of this total amount (\$21,958,199) 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 (\$1,313,780) 2) to pay debt service (\$1,287,085) 3) for capital projects (\$1,168,468) and 4) for other restricted purposes (\$182,310).

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 \$14,752,382, while total fund balance reached \$15,165,096. 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 42.9% of total general fund expenditures, while total fund balance represents 44.1% of that same amount.

The fund balance of the City's general fund increased by \$2,668,424 during the current fiscal year. Key factors in this increase are:

- Revenue collections exceeded budgeted amounts in property taxes and sales taxes.
- Expenditures were less than budgeted due to close monitoring of expenditures by all departments.
- A prior period adjustment to accrue local and state sales taxes collected 31 to 60 days after year end.

The debt service fund has a total fund balance of \$1,287,085, all of which is reserved for the payment of debt service. The increase in the amount of \$499,457 was due to increased sales tax collections and the impact of the accrual of sales taxes collected 31 to 60 days after year end.

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 \$9,556,676. The total growth in net assets for the Water and Sewer fund was \$1,134,646. 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 Codes Department budget was increased \$17,820 to hire an additional part time inspector.
- The operating transfer budget was increased \$330,000 for capital improvements projects.

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, 2008 amounts to \$198,119,863 (net of accumulated depreciation). This investment in capital assets includes land, building, improvements, equipment, roads, highways, and other infrastructure. The total increase in City's investment in capital assets for the current fiscal year was 1.79% (a 1.92% increase for governmental activities and a 1.58% increase 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 library.
- Purchase of automated packers for Solid Waste

Condensed Statement of Capital Assets (Net of Depreciation)

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 7,139,658	\$ 6,876,309	\$ 934,752	\$ 909,823	\$ 8,074,410	\$ 7,786,132
Buildings	22,923,217	23,473,498	15,901	16,401	22,939,118	23,489,899
Improvements other than bldgs.	2,840,752	2,814,301	69,669,112	69,110,582	72,509,864	71,924,883
Equipment	1,701,764	670,129	399,270	341,636	2,101,034	1,011,765
Vehicles	4,585,614	3,928,389	-	-	4,585,614	3,928,389
Infrastructure	81,903,165	82,613,134	-	-	81,903,165	82,613,134
Construction in progress	4,883,259	3,227,201	1,123,399	644,958	6,006,658	3,872,159
Total	\$ 125,977,429	\$ 123,602,961	\$72,142,434	\$71,023,400	\$ 198,119,863	\$194,626,361

Additional information on the City's capital assets can be found in note 4(D) on pages 44-45 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$41,455,660. Of this amount \$26,170,660 comprises debt backed by the full faith and credit of the government and capital outlay notes and \$15,285,000 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	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$24,750,000	\$23,715,000	\$ -	\$ -	\$ 24,750,000	\$ 23,715,000
Capital Outlay Notes	1,420,660	1,867,850	-	-	1,420,660	1,867,850
Revenue bonds	-	-	15,285,000	15,165,000	15,285,000	15,165,000
Total	<u>\$26,170,660</u>	<u>\$25,582,850</u>	<u>\$15,285,000</u>	<u>\$15,165,000</u>	<u>\$ 41,455,660</u>	<u>\$ 40,747,850</u>

The City's total debt increased by 1.74% during the current fiscal year. The key factor in this increase was a general obligation, water and sewer bond issuance.

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

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 2009 fiscal year are discussed fully in the budget document and include:

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

At June 30, 2008 the unreserved fund balance in the general fund was \$14,752,382. The City has approved an operating budget of \$39,167,813 for fiscal year 2009 with a \$503,128 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.

CITY OF BARTLETT, TENNESSEE

STATEMENT OF NET ASSETS

June 30, 2008

	Primary Government		Total
	Governmental Activities	Business-type Activity	
ASSETS			
Cash and cash equivalents	\$ 18,418,165	\$ 4,671,407	\$ 23,089,572
Investments - unrestricted	8,729,298	4,336,840	13,066,138
Receivables (net of allowance for uncollectibles):			
Taxes	17,601,157	-	17,601,157
Accounts receivable	-	1,206,328	1,206,328
Other	2,801,840	24,397	2,826,237
Due from other funds	2,018	-	2,018
Internal balances	22,643	(22,643)	-
Inventories	174,036	-	174,036
Prepaid items	392,589	4,308	396,897
Capital assets, not being depreciated	12,022,917	2,058,151	14,081,068
Capital assets, being depreciated, net	113,954,512	70,084,283	184,038,795
Total assets	<u>174,119,175</u>	<u>82,363,071</u>	<u>256,482,246</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,284,640	302,685	1,587,325
Accrued interest payable	327,937	200,792	528,729
Unearned revenue	17,005,151	51,840	17,056,991
Accrued payroll and vacation	1,534,122	131,287	1,665,409
Due to other funds	2,018	-	2,018
Noncurrent liabilities:			
Due within one year	2,591,101	880,000	3,471,101
Due in more than one year	24,797,813	14,003,923	38,801,736
Total liabilities	<u>47,542,782</u>	<u>15,570,527</u>	<u>63,113,309</u>
NET ASSETS			
Invested in capital assets, net of related debt	100,172,375	57,258,511	157,430,886
Restricted for:			
Debt service	1,287,085	-	1,287,085
Special revenue funds	3,054,670	-	3,054,670
Unrestricted	22,062,263	9,534,033	31,596,296
Total net assets	<u>\$ 126,576,393</u>	<u>\$ 66,792,544</u>	<u>\$ 193,368,937</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, 2008

	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
Functions/Programs							
Primary government:							
Governmental Activities:							
General government	\$ 6,146,033	\$ 2,897,835	\$ 84,000	\$ -	\$ (3,164,198)	\$ -	\$ (3,164,198)
Public safety	19,489,332	1,763,428	149,137	-	(17,576,767)	-	(17,576,767)
Public works	14,018,689	5,912,018	297,503	-	(7,809,168)	-	(7,809,168)
Parks and recreation	3,813,114	998,875	30,656	-	(2,782,583)	-	(2,782,583)
Performing arts	554,099	270,559	-	-	(283,540)	-	(283,540)
Recreation center	1,395,700	1,920,572	-	-	524,872	-	524,872
Interest on long-term debt	1,073,576	-	-	-	(1,073,576)	-	(1,073,576)
Total governmental activities	46,490,544	13,764,287	561,296	-	(32,164,961)	-	(32,164,961)
Business-type activity:							
Water and sewer	6,861,747	6,500,391	1,541,671	-	-	1,180,315	1,180,315
Total primary government	\$ 53,352,291	\$ 20,264,678	\$ 2,102,967	\$ -	(32,164,961)	1,180,315	(30,984,646)
General revenues:							
Property taxes					14,823,724	-	14,823,724
Local sales taxes					11,447,876	-	11,447,876
Intergovernmental/unrestricted					5,910,366	-	5,910,366
Interest on investments					801,765	265,884	1,067,649
Gain on sale of capital assets					52,948	-	52,948
Other					276,917	-	276,917
Transfers					311,553	(311,553)	-
Total general revenues and transfers					33,625,149	(45,669)	33,579,480
Change in net assets					1,460,188	1,134,646	2,594,834
Net assets - beginning, as previously reported					123,777,858	65,657,898	189,435,756
Prior period adjustment					1,338,347	-	1,338,347
Net assets - beginning as restated					125,116,205	65,657,898	190,774,103
Net assets - ending					\$ 126,576,393	\$ 66,792,544	\$ 193,368,937

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

CITY OF BARTLETT, TENNESSEE

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2008

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 6,693,967	\$ 4,805,533	\$ 5,286,315	\$ 16,785,815
Investments - unrestricted	8,035,511	693,787	-	8,729,298
Receivables				
Taxes	17,338,491	-	732,780	18,071,271
Other	3,266,642	-	13,616	3,280,258
Less allowance for doubtful accounts	(949,513)	-	-	(949,513)
Due from other funds	2,018	-	-	2,018
Inventory	174,020	-	-	174,020
Prepaid Items	8,290	6,980	-	15,270
	<u>\$ 34,569,426</u>	<u>\$ 5,506,300</u>	<u>\$ 6,032,711</u>	<u>\$ 46,108,437</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 575,143	\$ 132,172	\$ 550,686	\$ 1,258,001
Deferred revenue - taxes	16,755,935	-	-	16,755,935
Deferred revenue - grants	-	-	11,499	11,499
Deferred revenue - rec. center	335,266	-	-	335,266
Deferred revenue - court fines	167,210	-	-	167,210
Deferred revenue - developers	113,965	-	-	113,965
Deferred revenue - business licenses	12,145	-	-	12,145
Other accrued payables	8,834	-	-	8,834
Due to other funds	-	-	2,018	2,018
Accrued payroll and vacation	1,435,832	-	98,290	1,534,122
	<u>19,404,330</u>	<u>132,172</u>	<u>662,493</u>	<u>20,198,995</u>
Fund balances:				
Reserved for:				
Encumbrances	185,155	792,519	335,706	1,313,380
Inventories and prepaids	182,310	-	-	182,310
Debt service	-	-	1,287,085	1,287,085
Capital projects	45,249	-	1,123,219	1,168,468
Unreserved, reported in:				
General fund	14,752,382	-	-	14,752,382
Capital projects fund	-	4,581,609	-	4,581,609
Special revenue funds	-	-	2,624,208	2,624,208
	<u>15,165,096</u>	<u>5,374,128</u>	<u>5,370,218</u>	<u>25,909,442</u>
	<u>\$ 34,569,426</u>	<u>\$ 5,506,300</u>	<u>\$ 6,032,711</u>	<u>\$ 46,108,437</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, 2008

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

Total governmental fund balances	\$ 25,909,442
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	125,977,429
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	399,703
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.	2,006,670
Long-term liabilities, including bonds payable, capital outlay notes and net pension obligation, are not due and payable in the current period and therefore are not reported in the funds.	<u>(27,716,851)</u>
Net assets of governmental activities	<u><u>\$ 126,576,393</u></u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2008

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes:				
Property taxes	\$ 17,076,772	\$ -	\$ -	\$ 17,076,772
Local sales taxes	8,402,346	-	3,045,530	11,447,876
Intergovernmental	4,381,069	-	1,549,297	5,910,366
Licenses and permits	1,649,327	-	-	1,649,327
Charges for services	4,185,926	-	5,533,279	9,719,205
Fines, forfeitures, and penalties	1,601,049	-	22,514	1,623,563
Federal and state grants	84,000	-	297,503	381,503
Donations	21,456	9,200	-	30,656
Interest on investments	475,130	160,144	115,385	750,659
Other	42,466	57,868	176,583	276,917
Total revenues	<u>37,899,541</u>	<u>227,212</u>	<u>10,740,091</u>	<u>48,866,844</u>
EXPENDITURES				
Current				
General government	5,779,930	-	187,097	5,967,027
Public safety	18,954,139	-	195,993	19,150,132
Public works	4,516,886	-	7,378,071	11,894,957
Parks and recreation	3,167,517	-	189,088	3,356,605
Performing arts center	549,875	-	-	549,875
Recreation center	1,431,086	-	-	1,431,086
Debt Service				
Principal	-	-	2,367,190	2,367,190
Interest	-	-	982,739	982,739
Bond issuance costs	-	26,565	26,576	53,141
Capital outlays	-	4,469,523	-	4,469,523
Total expenditures	<u>34,399,433</u>	<u>4,496,088</u>	<u>11,326,754</u>	<u>50,222,275</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,500,108</u>	<u>(4,268,876)</u>	<u>(586,663)</u>	<u>(1,355,431)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	2,955,000	-	2,955,000
Discount on bonds issued	-	(826)	-	(826)
Sale of capital assets	44,545	-	8,403	52,948
Transfers in	764,073	1,302,485	1,386,774	3,453,332
Transfers out	<u>(2,677,485)</u>	<u>(198,198)</u>	<u>(266,096)</u>	<u>(3,141,779)</u>
Total other financing sources and uses	<u>(1,868,867)</u>	<u>4,058,461</u>	<u>1,129,081</u>	<u>3,318,675</u>
Net change in fund balances	1,631,241	(210,415)	542,418	1,963,244
Fund balances - beginning, as previously reported	12,496,672	5,584,543	4,526,636	22,607,851
Prior period adjustment	1,037,183	-	301,164	1,338,347
Fund balances - beginning as restated	<u>13,533,855</u>	<u>5,584,543</u>	<u>4,827,800</u>	<u>23,946,198</u>
Fund balances - ending	<u>\$ 15,165,096</u>	<u>\$ 5,374,128</u>	<u>\$ 5,370,218</u>	<u>\$ 25,909,442</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, 2008

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

Net change in fund balance - total governmental funds	\$	1,963,244
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.		2,374,468
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(2,253,048)
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 and net pension obligation.		(149,740)
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.		(624,679)
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.		149,943
Change in net assets of governmental funds	\$	<u>1,460,188</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property taxes	\$ 16,543,630	\$ 16,543,630	\$ 17,076,772	\$ 533,142
Local sales taxes	7,987,167	7,987,167	8,402,346	415,179
Intergovernmental/unrestricted	4,103,630	4,103,630	4,361,069	257,439
Licenses and permits	2,153,600	2,153,600	1,649,327	(504,273)
Charges for services	4,206,172	4,206,172	4,185,926	(20,246)
Fines, forfeitures, and penalties	1,642,300	1,642,300	1,601,049	(41,251)
Federal and state grants	-	79,800	84,000	4,200
Donations	12,250	12,250	21,456	9,206
Interest on investments	460,000	460,000	475,130	15,130
Other	106,650	106,650	42,466	(64,184)
Total revenues	37,215,399	37,295,199	37,899,541	604,342
EXPENDITURES				
General government				
Legislative	514,673	535,285	475,640	59,645
Mayor's office	671,150	671,150	659,308	11,842
Community relations	248,643	249,293	210,098	39,195
Finance and accounting	1,225,418	1,230,118	1,196,945	33,173
City Court	622,975	622,975	611,573	11,402
Building and grounds	401,982	394,482	335,418	59,064
Personnel	413,784	413,784	361,074	52,710
Planning and economic development	305,165	305,165	298,899	6,266
Library	994,227	994,227	906,583	87,644
General Services	190,475	190,475	185,180	5,295
Bartlett Station Commission	260,000	260,000	198,192	61,808
Bartlett Station Municipal Center	348,857	356,357	341,020	15,337
Total general government	6,197,349	6,223,311	5,779,930	443,381
Public safety				
Police services	10,893,588	11,023,924	10,626,484	397,440
Fire services	5,935,414	6,017,453	5,936,723	80,730
Ambulance and medical services	1,970,127	1,924,227	1,530,839	393,388
Building code enforcement	853,509	871,329	860,093	11,236
Total public safety	19,652,638	19,836,933	18,954,139	882,794

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, 2008

	<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	594,409	594,409	592,276	2,133
Engineering	332,926	332,926	321,705	11,221
Inspection	642,761	642,761	614,545	28,216
City shop	511,094	511,094	424,359	86,735
general maintenance of roads and drainage	1,195,518	1,196,979	1,025,464	171,515
Grounds maintenance	1,032,761	1,032,761	959,716	73,045
Animal control	599,696	599,696	578,821	20,875
Total public works	<u>4,909,165</u>	<u>4,910,626</u>	<u>4,516,886</u>	<u>393,740</u>
Parks and recreation				
Community center	931,441	931,441	815,304	116,137
Parks and recreation	255,033	255,033	224,031	31,002
Senior citizens center	247,927	276,527	274,756	1,771
Athletics	686,403	686,914	650,759	36,155
Parks maintenance	1,220,460	1,220,460	1,202,667	17,793
Total parks and recreation	<u>3,341,264</u>	<u>3,370,375</u>	<u>3,167,517</u>	<u>202,858</u>
Performing arts center	609,599	726,069	549,875	176,194
Recreation center	1,547,281	1,519,123	1,431,086	88,037
Total expenditures	<u>36,257,296</u>	<u>36,586,437</u>	<u>34,399,433</u>	<u>2,187,004</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>958,103</u>	<u>708,762</u>	<u>3,500,108</u>	<u>2,791,346</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	26,775	26,775	44,545	17,770
Transfers in	1,053,700	560,758	764,073	203,315
Transfers out	(1,125,000)	(2,710,021)	(2,677,485)	32,536
Total other financing sources (uses)	<u>(44,525)</u>	<u>(2,122,488)</u>	<u>(1,868,867)</u>	<u>253,621</u>
Net change in fund balances	913,578	(1,413,726)	1,631,241	3,044,967
Fund balances - beginning, as previously reported	12,496,672	12,496,672	12,496,672	-
Prior period adjustment	1,037,183	1,037,183	1,037,183	-
Fund balances - beginning as restated	<u>13,533,855</u>	<u>13,533,855</u>	<u>13,533,855</u>	<u>-</u>
Fund balances - ending	<u>\$ 14,447,433</u>	<u>\$ 12,120,129</u>	<u>\$ 15,165,096</u>	<u>\$ 3,044,967</u>

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

CITY OF BARTLETT, TENNESSEE

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

June 30, 2008

	Business-type Activity - Enterprise Fund Water and Sewer Fund	Governmental Activities - Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,671,407	\$ 1,632,350
Investments (unrestricted)	4,336,840	-
Receivables		
Customers	1,240,429	-
Other	24,397	981
Less allowance for doubtful accounts	(34,101)	-
Prepaid expenses	4,308	377,319
Total current assets	<u>10,243,280</u>	<u>2,010,650</u>
Noncurrent assets:		
Capital assets, not being depreciated	2,058,151	-
Capital assets, being depreciated, net	70,084,283	-
Total capital assets (net of accumulated depreciation)	<u>72,142,434</u>	<u>-</u>
Total noncurrent assets	<u>72,142,434</u>	<u>-</u>
Total assets	<u>82,385,714</u>	<u>2,010,650</u>
LIABILITIES		
Current liabilities:		
Accounts payable	302,685	26,639
Accrued bond interest	200,792	-
Accrued compensated absences	131,287	-
Deferred revenue	51,840	-
Current portion of bonds payable	880,000	-
Total current liabilities	<u>1,566,604</u>	<u>26,639</u>
Noncurrent liabilities:		
Bonds payable, net of current portion and issuance costs	14,003,923	-
Total liabilities	<u>15,570,527</u>	<u>26,639</u>
NET ASSETS		
Invested in capital assets, net of related debt	57,258,511	-
Unrestricted	9,556,676	1,984,011
Total net assets	<u>66,815,187</u>	<u>\$ 1,984,011</u>
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(22,643)	
Net assets of the business-type activity	<u>\$ 66,792,544</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 FUNDS**

For the Year Ended June 30, 2008

	Business-type Activity - Enterprise Fund Water and Sewer Fund	Governmental Activities - Internal Service Funds
Operating revenues:		
Metered water sales	\$ 3,191,642	\$ -
Sewer service fee	2,695,669	-
Service connections fees	78,287	-
Forfeited discounts	131,834	-
Charges for services	86,050	1,485,629
Contributions	-	4,390,127
Tower lease charges	280,016	-
Other	36,893	-
Total operating revenues	<u>6,500,391</u>	<u>5,875,756</u>
Operating expenses:		
Administrative and general	1,410,046	5,768,041
Pumping and filtering	1,240,891	-
Distribution system	1,147,589	-
Sewer lagoon	553,703	-
Depreciation	1,882,008	-
Total operating expenses	<u>6,234,237</u>	<u>5,768,041</u>
Operating income (loss)	<u>266,154</u>	<u>107,715</u>
Nonoperating revenues (expenses):		
Interest	265,884	51,106
Bond interest and fiscal charges	(636,397)	-
Total non-operating revenues (expenses)	<u>(370,513)</u>	<u>51,106</u>
Income before contributions and transfers	<u>(104,359)</u>	<u>158,821</u>
Capital contributions - water taps	185,100	-
Capital contributions - sewer taps	175,929	-
Capital contributions - development	1,180,642	-
Transfers out	(311,553)	-
Change in net assets	<u>1,125,759</u>	<u>158,821</u>
Total net assets - beginning	<u>65,689,428</u>	<u>1,825,190</u>
Total net assets - ending	<u>\$ 66,815,187</u>	<u>\$ 1,984,011</u>
Change in net assets	\$ 1,125,759	
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	8,887	
Change in net assets of the business-type activity	<u>\$ 1,134,646</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, 2008

	Business-type Activity - Enterprise Fund Water and Sewer Fund	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 6,541,622	\$ -
Receipts from interfund services provided	-	5,875,756
Payments to suppliers	(2,238,497)	(5,761,902)
Payments to employees	(2,049,959)	-
Payments for interfunds services used	(105,311)	-
Other receipts	38,897	-
Net cash provided by (used for) operating activities	<u>2,186,752</u>	<u>113,854</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer to other fund	<u>(311,553)</u>	-
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from issuance of capital debt	992,173	-
Capital contributions	1,541,671	-
Purchases of capital assets	(3,001,042)	-
Principal paid on capital debt	(895,000)	-
Interest paid on capital debt	(593,012)	-
Net cash used by capital and related financing activities	<u>(1,955,210)</u>	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(173,095)	-
Interest income	265,884	52,594
Net cash provided by investing activities	<u>92,789</u>	<u>52,594</u>
Net decrease in cash and cash equivalents	12,778	166,448
Cash and cash equivalents - beginning of the year	<u>4,658,629</u>	<u>1,672,572</u>
Cash and cash equivalents - end of the year	<u>\$ 4,671,407</u>	<u>\$ 1,839,020</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	\$ 266,154	\$ 107,715
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	1,882,008	-
Change in assets and liabilities		
Receivables	33,028	-
Prepaid expenses	(641)	(3,244)
Accounts payable	(43,130)	9,383
Deferred revenue	47,100	-
Accrued compensated absences	2,233	-
Net cash provided by (used for) operating activities	<u>\$ 2,186,752</u>	<u>\$ 113,854</u>
Noncash investing, capital, and financing activities:		
Bond issue costs paid from proceeds	<u>\$ 22,827</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, 2008

	Employee Retirement Plan	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 3,900,982	\$ 106,933
Interest receivable	131,296	-
Due from other funds	-	-
Investments, at fair value:		
U.S. Government and agency obligations	-	-
Mortgage backed securities	3,941,287	-
Common stock	28,839,108	-
Total investments	<u>32,780,395</u>	<u>-</u>
Total assets	<u>36,812,673</u>	<u>\$ 106,933</u>
LIABILITIES		
Accounts payable	17,636	\$ -
Family assistance payable	-	38,282
Bail bonds payable	-	68,651
Total liabilities	<u>17,636</u>	<u>\$ 106,933</u>
NET ASSETS		
Held in trust for pension benefits and other purposes	<u>\$ 36,795,037</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, 2008

	Employee Retirement Plan
ADDITIONS	
Contributions:	
Employer	\$ 2,421,126
Plan members	781,502
Total contributions	<u>3,202,628</u>
Investment earnings (losses):	
Interest and dividends	1,281,867
Net depreciation in fair value of investments	<u>(6,326,975)</u>
Total investment earnings (loss)	<u>(5,045,108)</u>
Less investment expense	<u>(184,256)</u>
Net investment earnings (loss)	<u>(5,229,364)</u>
 Total additions (reductions)	 <u>(2,026,736)</u>
DEDUCTIONS	
Benefits	1,777,118
Administrative expense	49,324
Total deductions	<u>1,826,442</u>
 Change in net assets	 (3,853,178)
Net assets - beginning of the year	<u>40,648,215</u>
Net assets - end of the year	<u>\$ 36,795,037</u>

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

CITY OF BARTLETT, TENNESSEE
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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

The City reports the following major proprietary funds:

The water and sewer fund is the City's only 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 \$27,716,851 difference are as follows:

Bonds and capital outlay notes payable	\$ 26,170,660
Less: Deferred charge for refunding (to be amortized as interest expense)	(465,789)
Accrued interest payable	327,937
Net pension obligation	1,056,066
Compensated absences	627,977
	<hr/>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental funds	<u>\$ 27,716,851</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 \$2,374,468 difference are as follows:

Capital outlay	\$ 7,162,339
Depreciation expense	<u>(4,787,871)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,374,468</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g. bond) 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 \$624,679 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ 2,955,000
Less: discount	(826)
Increase in accrued interest payable	29,882
Amortization of issuance costs, discounts and charges	7,813
Principal repayment on general obligation debt	<u>(2,367,190)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 624,679</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, 2008, no funds expenditures exceeded appropriations.

C. Deficit fund equity

As of June 30, 2008, no funds had a deficit fund equity.

NOTE 4 - DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

As of June 30, 2008, the City had the following investments in its Pension Trust Fund:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Duration (in Years)</u>
Corporate & Mortgage Backed Bonds	\$ 3,941,287	9.14
Portfolio Weighted Average Modified Duration		9.14

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&P Rating</u>	<u>Percentage</u>	<u>Moody's Rating</u>	<u>Percentage</u>
Corporate Bonds	AAA	1.0%	Aaa	1.4%
	AA	0.1%	Aa2	0.1%
	A+	0.7%	Aa3	2.3%
	A	3.1%	A1	1.6%
	A-	0.6%	A2	0.2%
	BBB+	1.9%	A3	0.7%
	BBB	2.0%	Baa1	1.1%
	BBB-	0.2%	Baa2	1.7%
	Not Rated	1.1%	Baa3	0.7%
			Not Rated	0.9%

As of June 30, 2008, the Pension Trust Fund held two fixed income investments totaling \$42,902 or 0.1% 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>Nonmajor Governmental</u>	<u>Water and Sewer</u>	<u>Internal Service Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 17,338,491	\$ 732,780	\$ -	\$ -	\$ 18,071,271
Accounts receivable	-	-	1,240,429	-	1,240,429
Other	3,266,642	13,616	24,397	981	3,305,636
Gross receivables	20,605,133	746,396	1,264,826	981	22,617,336
Less: allowance for doubtful accounts	(949,513)	-	(34,101)	-	(983,614)
Net total receivables	\$ 19,655,620	\$ 746,396	\$ 1,230,725	\$ 981	\$ 21,633,722

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, 2008 were 96.8% 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, 2008, was \$1.54 per \$100 of assessed value as of January 1, 2007.

D. Capital assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,876,309	\$ 263,349	\$ -	\$ 7,139,658
Construction in progress	3,227,201	2,697,496	(1,041,438)	4,883,259
Total capital assets, not being depreciated	<u>10,103,510</u>	<u>2,960,845</u>	<u>(1,041,438)</u>	<u>12,022,917</u>
Capital assets, being depreciated:				
Buildings	29,891,789	46,081	-	29,937,870
Improvements	4,395,369	393,433	-	4,788,802
Equipment	5,859,819	1,449,197	(143,766)	7,165,250
Vehicles	12,023,975	1,616,602	(543,514)	13,097,063
Infrastructure	104,376,852	1,745,220	-	106,122,072
Total capital assets, being depreciated	<u>156,547,804</u>	<u>5,250,533</u>	<u>(687,280)</u>	<u>161,111,057</u>
Less accumulated depreciation for:				
Buildings	(6,418,291)	(596,362)	-	(7,014,653)
Improvements	(1,581,068)	(366,982)	-	(1,948,050)
Equipment	(5,189,690)	(419,627)	145,831	(5,463,486)
Vehicles	(8,095,586)	(949,711)	533,848	(8,511,449)
Infrastructure	(21,763,718)	(2,455,189)	-	(24,218,907)
Total accumulated depreciation	<u>(43,048,353)</u>	<u>(4,787,871)</u>	<u>679,679</u>	<u>(47,156,545)</u>
Total capital assets, being depreciated, net	<u>113,499,451</u>	<u>462,662</u>	<u>(7,601)</u>	<u>113,954,512</u>
Governmental activities capital assets, net	<u>\$ 123,602,961</u>	<u>\$ 3,423,507</u>	<u>\$ (1,049,039)</u>	<u>\$ 125,977,429</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activity:				
Capital assets, not being depreciated:				
Land	\$ 909,823	\$ 24,929	\$ -	\$ 934,752
Construction in progress	644,958	1,163,724	(685,283)	1,123,399
Total capital assets, not being depreciated	<u>1,554,781</u>	<u>1,188,653</u>	<u>(685,283)</u>	<u>2,058,151</u>
Capital assets, being depreciated:				
Buildings	29,529	-	-	29,529
Improvements	89,617,215	2,350,592	-	91,967,807
Equipment	1,385,197	117,747	(31,737)	1,471,207
Total capital assets, being depreciated	<u>91,031,941</u>	<u>2,468,339</u>	<u>(31,737)</u>	<u>93,468,543</u>
Less accumulated depreciation for:				
Buildings	(13,128)	(500)	-	(13,628)
Improvements	(20,506,633)	(1,792,062)	-	(22,298,695)
Equipment	(1,043,561)	(60,113)	31,737	(1,071,937)
Total accumulated depreciation	<u>(21,563,322)</u>	<u>(1,852,675)</u>	<u>31,737</u>	<u>(23,384,260)</u>
Total capital assets, being depreciated, net	<u>69,468,619</u>	<u>615,664</u>	<u>-</u>	<u>70,084,283</u>
Business-type activity capital assets, net	<u>\$ 71,023,400</u>	<u>\$ 1,804,317</u>	<u>\$ (685,283)</u>	<u>\$ 72,142,434</u>

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

Governmental activities:	
General government	\$ 237,921
Public safety	809,410
Public works	3,136,573
Parks and recreation	528,456
Performing arts center	75,511
Total depreciation expense - governmental activities	<u>\$ 4,787,871</u>

Construction commitments

The government has active construction projects as of June 30, 2008. At year-end the government's commitments with contractors are as follows:

<u>Function/Activity</u>	<u>Commitment</u>
Major roads	\$ 446,498
General government	346,020
Water and sewer	257,017
	<u>\$ 1,049,535</u>

E. Interfund receivables, payables, and transfers

At June 30, 2008, amounts to be received or paid with current available resources are reported as receivable and payable to other funds. The composition of interfund balances as of June 30, 2008, is as follows:

Due to:	<u>Due from:</u>	
	Nonmajor	
	<u>Governmental</u>	<u>Total</u>
General fund	<u>\$ 2,018</u>	<u>\$ 2,018</u>

The amount payable to the general fund result from the time lag between the dates that the interfund service are provided or reimbursable expenditures occur, and when transactions are recorded.

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, 2008 are as follows:

Transfer out:	Transfer In:			Total
	General Fund	Capital Projects	Nonmajor Governmental	
General fund	\$ -	\$ 1,302,485	\$ 1,375,000	\$ 2,677,485
Nonmajor governmental funds	254,322	-	11,774	266,096
Capital projects fund	198,198	-	-	198,198
Water and sewer	311,553	-	-	311,553
Total transfers out	\$ 764,073	\$ 1,302,485	\$ 1,386,774	\$ 3,453,332

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:

2009	\$ 293,696
2010	297,636
2011	205,866
2012	144,097
2013	133,920
Total	<u>\$ 1,075,215</u>

G. Long Term Debt

General obligation bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. During the year, general obligation and revenue bonds totaling \$3,970,000 were issued to refund both general obligation and revenue bonds and provide additional funding for major capital asset additions.

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.

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, 2008, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 23,715,000	\$ 2,955,000	\$ (1,920,000)	\$ 24,750,000	\$ 2,055,000
Less deferred amounts:					
For issuance discounts	(12,601)	(826)	-	(13,427)	-
On refunding	(460,176)	(50,872)	58,686	(452,362)	-
Total bonds payable	23,242,223	2,903,302	(1,861,314)	24,284,211	2,055,000
Capital outlay notes	1,867,850	-	(447,190)	1,420,660	465,800
Net pension obligation	976,627	79,439	-	1,056,066	-
Compensated absences	557,677	70,300	-	627,977	70,301
Governmental-type activity long-term liabilities	<u>\$ 26,644,377</u>	<u>\$ 3,053,041</u>	<u>\$ (2,308,504)</u>	<u>\$ 27,388,914</u>	<u>\$ 2,591,101</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 15,165,000	\$ 1,015,000	\$ (895,000)	\$ 15,285,000	\$ 880,000
Less deferred amounts:					
For issuance discounts	(12,587)	-	-	(12,587)	-
On refunding/costs	(404,432)	(22,827)	38,769	(388,490)	-
Business-type activity long-term liabilities	<u>\$ 14,747,981</u>	<u>\$ 992,173</u>	<u>\$ (856,231)</u>	<u>\$ 14,883,923</u>	<u>\$ 880,000</u>

Bonds and similar debt payable at June 30, 2008, are comprised of the following individual issues:

	Interest Rates	Original Issue	Balance Outstanding at Year End
Governmental activities:			
Bonds payable:			
1997A Serial Bonds	4.5 - 5.5	\$ 4,940,000	\$ 105,000
1998A Serial Bonds	4.0 - 4.75	7,500,000	1,145,000
2001A Serial Bonds	2.6 - 4.9	3,270,000	1,780,000
2002 Serial Bonds	2.0 - 4.95	7,000,000	3,950,000
2003 Serial Bonds	3.0 - 4.3	3,275,000	2,875,000
2004 Serial Bonds	2.0-4.3	1,790,000	1,585,000
2005 Serial Bonds	3.0-4.1	8,195,000	7,800,000
2006 Serial Bonds	4.0	2,655,000	2,555,000
2007 Serial Bonds	4.0-4.05	2,955,000	2,955,000
		<u>41,580,000</u>	<u>24,750,000</u>
2005 Capital Outlay note	3.67	1,507,500	907,660
2006 Capital Outlay note	4.28	753,000	513,000
		<u>\$ 43,840,500</u>	<u>26,170,660</u>

Business-type activities:	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Balance Outstanding at Year End</u>
Bonds payable:			
1997 Revenue Bonds	4.5 - 5.5	\$ 5,030,000	\$ 370,000
2001 Revenue Bonds	2.6 - 4.95	3,000,000	2,330,000
2002 Revenue Bonds	2.0 - 4.95	2,360,000	1,605,000
2003 Revenue Bonds	3.0 - 4.3	6,520,000	5,755,000
2004 Revenue Bonds	2.0-4.3	1,355,000	1,200,000
2005 Revenue Bonds	3.0-4.1	1,530,000	1,515,000
2006 Revenue Bonds	3.5-4.0	1,550,000	1,495,000
2007 Revenue Bonds	4.0-4.05	1,015,000	1,015,000
		<u>\$ 22,360,000</u>	<u>15,285,000</u>
			<u>\$ 41,455,660</u>

Annual debt service requirements to maturity are as follows:

<u>Years Ending June 30</u>	<u>Government Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 2,520,800	\$ 962,528	\$ 880,000	\$ 581,669
2010	2,384,680	875,482	1,010,000	548,089
2011	2,120,850	793,466	945,000	509,971
2012	1,279,330	723,480	985,000	477,498
2013	1,485,000	674,093	1,030,000	442,174
2014-2018	7,780,000	2,510,762	5,245,000	1,610,411
2019-2023	5,815,000	1,154,249	4,005,000	670,557
2024-2028	2,785,000	222,184	1,185,000	80,978
	<u>\$ 26,170,660</u>	<u>\$ 7,916,244</u>	<u>\$ 15,285,000</u>	<u>\$ 4,921,347</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, 2008 (the date of the latest actuarial valuation), PERS membership consisted of:

Retirees and beneficiaries currently receiving benefits	91
Terminated employees entitled to benefits but not yet receiving them	18
Active employees:	
Vested	287
Nonvested	<u>181</u>
Total	<u>577</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 (11.5% 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, 2008, the City's annual pension cost of \$2,494,805 was greater than the annual required contribution. Actual contributions made totaled \$2,421,126. The required contribution was determined as part of the July 1, 2007 annual actuarial valuation using the aggregate actuarial cost method. The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities. 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, 2008 was \$22,612,527. Payroll for employees covered by this plan was \$20,682,097.

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

Annual required contribution	\$ 2,421,126
Interest on net pension obligation	73,679
Adjustments to annual required contribution	-
Annual pension cost	<u>2,494,805</u>
Contributions made	<u>2,421,126</u>
Increase (decrease) in net pension obligation	73,679
Net pension obligation - beginning of year	<u>982,387</u>
Net pension obligation - end of year	<u>\$ 1,056,066</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:

	2008	2007	2006
Annual pension cost	\$ 2,494,805	\$ 2,371,835	\$ 2,049,976
Percentage of APC contributed	97%	103%	93%
Net pension obligation	\$ 1,056,066	\$ 982,387	\$ 1,046,486

Six-year historical trend information (two 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:

<u>Actuarial Valuation Date</u>	<u>Actuarial Valuation of Assets</u>	<u>Unfunded Actuarial Accrued Liability - EAN</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
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%

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:

	<u>2008</u>	<u>2007</u>
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Claims incurred during the year	65,349	85,512
Claims payments	(65,349)	(85,512)
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 BENEFITS

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. The City finances the plan on a pay-as-you-go basis. Expenses for the year ended June 30, 2008 were \$412,002.

NOTE 10 – SUBSEQUENT EVENT

Subsequent to June 30, 2008, the City issued \$740,500 in General Obligation Capital Outlay Notes. The purpose of the notes is to provide funds for replacement of various capital equipment and vehicles.

NOTE 11 – PRIOR PERIOD ADJUSTMENT

During 2008, the following prior period adjustments were made to the financials:

- In the general fund statements, it was determined that local sales taxes, state shared revenues, and property taxes collected between 31 and 60 days had not been accrued which amounted to an adjustment of \$1,312,055.
- In the general fund statements, it was determined that an allowance for doubtful accounts of \$132,620 and deferred revenue of \$160,787 related to court fines had not been recorded. It was also determined that payables to other governments related to court fines were overstated by \$18,535. These adjustments totaled \$274,872.
- In the other governmental funds, it was determined that local sales taxes collected between 31 and 60 days had not been accrued which amounted to an adjustment of \$301,164.

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF REVENUES – BUDGET AND ACTUAL – GENERAL FUND

For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
TAXES				
Property tax	\$ 15,385,300	\$ 15,385,300	\$ 15,748,330	\$ 363,030
Property tax - prior year	265,200	265,200	369,541	104,341
Payments in lieu of taxes	803,130	803,130	824,281	21,151
Property tax interest and penalties	90,000	90,000	134,620	44,620
Local sales tax	5,761,285	5,761,285	6,091,061	329,776
Wholesale beer tax	684,860	684,860	656,564	(28,296)
Wholesale liquor tax	148,000	148,000	153,311	5,311
Gross receipts tax	781,157	781,157	876,039	94,882
Business tax	35,350	35,350	35,016	(334)
Interest, penalties, and collection fees on business tax	24,915	24,915	28,988	4,073
Hotel tax	215,000	215,000	219,427	4,427
CATV franchise tax	336,600	336,600	341,940	5,340
Total taxes	24,530,797	24,530,797	25,479,118	948,321
Intergovernmental/unrestricted				
State of Tennessee shared taxes				
Sales	3,443,530	3,443,530	3,364,220	(79,310)
Income taxes	115,000	115,000	445,258	330,258
Beer tax	23,500	23,500	25,683	2,183
Liquor tax	50,470	50,470	44,701	(5,769)
Bank excise tax	45,900	45,900	17,463	(28,437)
Receipts in lieu of tax - TVA	405,230	405,230	435,898	30,668
State road maintenance	20,000	20,000	27,846	7,846
Total state taxes	4,103,630	4,103,630	4,361,069	257,439
LICENSES AND PERMITS				
Automobile stickers	1,105,000	1,105,000	1,085,661	(19,339)
Beer and liquor licenses	13,500	13,500	14,570	1,070
Building and related permits	1,035,100	1,035,100	549,096	(486,004)
Total licenses and permits	2,153,600	2,153,600	1,649,327	(504,273)

(continued)

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF REVENUES -- BUDGET AND ACTUAL -- GENERAL FUND (CONTINUED)

For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CHARGES FOR SERVICES				
Police and fire charges	49,550	49,550	42,808	(6,742)
Publication fees	1,000	1,000	1,764	764
Trash removal and weed cutting fees	12,600	12,600	27,573	14,973
Parks and recreation charges	2,920,112	2,920,112	2,864,217	(55,895)
Performing arts center	265,710	265,710	256,310	(9,400)
City service fee	-	-	5,775	5,775
Ambulance fees	690,000	690,000	696,247	6,247
Animal Shelter fees	154,200	154,200	149,127	(5,073)
911 fees	23,000	23,000	19,765	(3,235)
Rental fees	90,000	90,000	122,340	32,340
Total charge for services	<u>4,206,172</u>	<u>4,206,172</u>	<u>4,185,926</u>	<u>(20,246)</u>
FINES, FORFEITURES, AND PENALTIES	<u>1,642,300</u>	<u>1,642,300</u>	<u>1,601,049</u>	<u>(41,251)</u>
FEDERAL AND STATE GRANTS	<u>-</u>	<u>79,800</u>	<u>84,000</u>	<u>4,200</u>
DONATIONS	<u>12,250</u>	<u>12,250</u>	<u>21,456</u>	<u>9,206</u>
INTEREST ON INVESTMENTS	<u>460,000</u>	<u>460,000</u>	<u>475,130</u>	<u>15,130</u>
OTHER	<u>106,650</u>	<u>106,650</u>	<u>42,466</u>	<u>(64,184)</u>
TOTAL GENERAL FUND REVENUES	<u><u>\$ 37,215,399</u></u>	<u><u>\$ 37,295,199</u></u>	<u><u>\$ 37,899,541</u></u>	<u><u>\$ 604,342</u></u>

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
GENERAL GOVERNMENT				
Legislative				
Personnel	\$ 163,923	\$ 163,923	\$ 147,230	\$ 16,693
Operations	350,750	371,362	328,410	42,952
	<u>514,673</u>	<u>535,285</u>	<u>475,640</u>	<u>59,645</u>
Mayor's office				
Personnel	562,340	557,840	546,611	11,229
Operations	107,310	108,810	108,387	423
Equipment	1,500	4,500	4,310	190
	<u>671,150</u>	<u>671,150</u>	<u>659,308</u>	<u>11,842</u>
Community relations				
Personnel	83,039	83,039	76,993	6,046
Operations	165,604	166,254	133,105	33,149
	<u>248,643</u>	<u>249,293</u>	<u>210,098</u>	<u>39,195</u>
Finance and accounting				
Personnel	1,000,053	1,000,053	989,515	10,538
Operations	224,365	229,065	207,054	22,011
Equipment	1,000	1,000	376	624
	<u>1,225,418</u>	<u>1,230,118</u>	<u>1,196,945</u>	<u>33,173</u>
City Court				
Personnel	575,125	575,125	567,092	8,033
Operations	47,850	47,850	44,481	3,369
	<u>622,975</u>	<u>622,975</u>	<u>611,573</u>	<u>11,402</u>
Building and grounds				
Personnel	146,472	147,872	147,805	67
Operations	253,010	234,110	175,310	58,800
Equipment	2,500	12,500	12,303	197
	<u>401,982</u>	<u>394,482</u>	<u>335,418</u>	<u>59,064</u>
Personnel				
Personnel	363,744	363,744	335,884	27,860
Operations	47,540	47,540	23,365	24,175
Equipment	2,500	2,500	1,825	675
	<u>413,784</u>	<u>413,784</u>	<u>361,074</u>	<u>52,710</u>
Planning and economic development				
Personnel	279,875	285,075	285,045	30
Operations	24,590	17,090	10,954	6,136
Equipment	700	3,000	2,900	100
	<u>305,165</u>	<u>305,165</u>	<u>298,899</u>	<u>6,266</u>
Library				
Operations	994,227	994,227	906,583	87,644

(continued)

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2008

	<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	182,380	182,380	181,123	1,257
Operations	5,020	5,020	2,744	2,276
Equipment	3,075	3,075	1,313	1,762
	<u>190,475</u>	<u>190,475</u>	<u>185,180</u>	<u>5,295</u>
Bartlett Station Commission				
Operations	260,000	260,000	198,192	61,808
Bartlett Station Municipal Center				
Personnel	144,637	150,637	150,224	413
Operations	165,220	154,220	139,696	14,524
Equipment	39,000	51,500	51,100	400
	<u>348,857</u>	<u>356,357</u>	<u>341,020</u>	<u>15,337</u>
Total general government	<u>6,197,349</u>	<u>6,223,311</u>	<u>5,779,930</u>	<u>443,381</u>
PUBLIC SAFETY				
Police services				
Personnel	9,787,088	9,830,996	9,521,848	309,148
Operations	1,099,500	1,173,628	1,085,662	87,966
Equipment	7,000	19,300	18,974	326
	<u>10,893,588</u>	<u>11,023,924</u>	<u>10,626,484</u>	<u>397,440</u>
Fire services				
Personnel	5,436,564	5,488,064	5,487,866	198
Operations	492,350	522,889	447,465	75,424
Equipment	6,500	6,500	1,392	5,108
	<u>5,935,414</u>	<u>6,017,453</u>	<u>5,936,723</u>	<u>80,730</u>
Ambulance and medical services				
Personnel	1,775,127	1,723,627	1,336,901	386,726
Operations	192,000	197,600	192,459	5,141
Equipment	3,000	3,000	1,479	1,521
	<u>1,970,127</u>	<u>1,924,227</u>	<u>1,530,839</u>	<u>393,388</u>
Building codes enforcement				
Personnel	782,341	797,091	791,432	5,659
Operations	69,968	70,538	65,069	5,469
Equipment	1,200	3,700	3,592	108
	<u>853,509</u>	<u>871,329</u>	<u>860,093</u>	<u>11,236</u>
Total public safety	<u>19,652,638</u>	<u>19,836,933</u>	<u>18,954,139</u>	<u>882,794</u>

(continued)

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2008

	<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				
Personnel	372,759	371,259	370,518	741
Operations	221,450	222,950	221,758	1,192
Equipment	200	200	-	200
	<u>594,409</u>	<u>594,409</u>	<u>592,276</u>	<u>2,133</u>
Engineering				
Personnel	283,376	284,076	284,046	30
Operations	48,750	48,050	37,429	10,621
Equipment	800	800	230	570
	<u>332,926</u>	<u>332,926</u>	<u>321,705</u>	<u>11,221</u>
Inspection				
Personnel	569,661	569,661	555,787	13,874
Operations	73,100	73,100	58,758	14,342
	<u>642,761</u>	<u>642,761</u>	<u>614,545</u>	<u>28,216</u>
City shop				
Personnel	762,019	762,019	686,092	75,927
Operations	62,850	62,850	58,421	4,429
Equipment	11,550	11,550	10,996	554
Shop allocations	(325,325)	(325,325)	(331,150)	5,825
	<u>511,094</u>	<u>511,094</u>	<u>424,359</u>	<u>86,735</u>
General maintenance of roads and drainage				
Personnel	904,518	904,518	832,711	71,807
Operations	243,900	245,361	166,580	78,781
Equipment	47,100	47,100	26,173	20,927
	<u>1,195,518</u>	<u>1,196,979</u>	<u>1,025,464</u>	<u>171,515</u>
Grounds maintenance				
Personnel	860,911	848,911	777,135	71,776
Operations	149,000	161,000	159,905	1,095
Equipment	22,850	22,850	22,676	174
	<u>1,032,761</u>	<u>1,032,761</u>	<u>959,716</u>	<u>73,045</u>
Animal control				
Personnel	451,266	440,066	419,799	20,267
Operations	146,430	157,630	157,520	110
Equipment	2,000	2,000	1,502	498
	<u>599,696</u>	<u>599,696</u>	<u>578,821</u>	<u>20,875</u>
 Total public works	 <u>4,909,165</u>	 <u>4,910,626</u>	 <u>4,516,886</u>	 <u>393,740</u>

(continued)

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARKS AND RECREATION				
Community center				
Personnel	735,141	734,241	648,166	86,075
Operations	176,300	177,200	167,138	10,062
Equipment	20,000	20,000	-	20,000
	<u>931,441</u>	<u>931,441</u>	<u>815,304</u>	<u>116,137</u>
Parks and recreation				
Personnel	221,903	221,903	194,244	27,659
Operations	33,130	32,630	29,451	3,179
Equipment	-	500	336	164
	<u>255,033</u>	<u>255,033</u>	<u>224,031</u>	<u>31,002</u>
Senior citizens center				
Personnel	196,410	209,610	209,600	10
Operations	51,517	66,917	65,156	1,761
	<u>247,927</u>	<u>276,527</u>	<u>274,756</u>	<u>1,771</u>
Athletics				
Personnel	456,868	456,868	425,769	31,099
Operations	229,185	226,996	222,316	4,680
Equipment	350	3,050	2,674	376
	<u>686,403</u>	<u>686,914</u>	<u>650,759</u>	<u>36,155</u>
Parks maintenance				
Personnel	889,557	899,057	898,870	187
Operations	330,903	321,403	303,797	17,606
	<u>1,220,460</u>	<u>1,220,460</u>	<u>1,202,667</u>	<u>17,793</u>
Total parks and recreation	<u>3,341,264</u>	<u>3,370,375</u>	<u>3,167,517</u>	<u>202,858</u>
PERFORMING ARTS CENTER				
Personnel	400,124	484,874	379,996	104,878
Operations	204,475	236,195	167,411	68,784
Equipment	5,000	5,000	2,468	2,532
Total performing arts center	<u>609,599</u>	<u>726,069</u>	<u>549,875</u>	<u>176,194</u>
RECREATION CENTER				
Personnel	1,094,526	1,078,426	1,062,114	16,312
Operations	452,755	438,697	367,040	71,657
Equipment	-	2,000	1,932	68
Total recreation center	<u>1,547,281</u>	<u>1,519,123</u>	<u>1,431,086</u>	<u>88,037</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 36,257,296</u>	<u>\$ 36,586,437</u>	<u>\$ 34,399,433</u>	<u>\$ 2,187,004</u>

CITY OF BARTLETT, TENNESSEE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

June 30, 2008

	Special Revenue Funds										Total Nonmajor Governmental Funds	
	State Street Aid Fund	Drug Enforcement Fund	General Improvement Fund	Drainage Control Fund	Parks Improvement Fund	Solid Waste Control Fund	DEA Task Force Fund	Grants Fund	Debt Service Fund			
ASSETS												
Cash and cash equivalents	\$ 566,682	\$ 415,726	\$ 655,992	\$ 411,010	\$ 1,682,152	\$ 610,338	\$ 152,583	\$ -	\$ 791,832	\$ 5,286,315		
Receivables, net												
Taxes	237,527	-	-	-	-	-	-	-	495,253	732,780		
Other	-	-	-	-	-	-	-	13,616	-	13,616		
Total assets	\$ 804,209	\$ 415,726	\$ 655,992	\$ 411,010	\$ 1,682,152	\$ 610,338	\$ 152,583	\$ 13,616	\$ 1,287,085	\$ 6,032,711		
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts payable	\$ 399,595	\$ 17,648	\$ 41,264	\$ 15	\$ -	\$ 91,773	\$ 292	\$ 99	\$ -	\$ 550,686		
Accrued payroll and vacation	-	-	-	-	-	98,290	-	-	-	98,290		
Deferred revenue	-	-	-	-	-	-	-	11,499	-	11,499		
Due to other funds	-	-	-	-	-	-	-	2,018	-	2,018		
Total liabilities	399,595	17,648	41,264	15	-	190,063	292	13,616	-	662,493		
Fund balances:												
Reserved for encumbrances	232,709	-	32,611	-	58,271	639	-	11,476	-	335,706		
Reserved for debt service	-	-	-	-	-	-	-	-	1,287,085	1,287,085		
Reserved for capital outlays	-	-	-	-	1,123,219	-	-	-	-	1,123,219		
Unreserved	171,905	398,078	582,117	410,995	500,662	419,636	152,291	(11,476)	-	2,624,208		
Total fund balance	404,614	398,078	614,728	410,995	1,682,152	420,275	152,291	-	1,287,085	5,370,218		
Total liabilities and fund balances	\$ 804,209	\$ 415,726	\$ 655,992	\$ 411,010	\$ 1,682,152	\$ 610,338	\$ 152,583	\$ 13,616	\$ 1,287,085	\$ 6,032,711		

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2008

	Special Revenue Funds			
	State Street Aid Fund	Drug Enforcement Fund	General Improvement Fund	Drainage Control Fund
REVENUES				
Taxes:				
Local sales taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,549,297	-	-	-
Charges for services	143,533	-	582,968	31,750
Fines, forfeitures, and penalties	-	22,514	-	-
Federal and state grants	-	-	-	-
Interest on investments	8,711	11,820	15,381	8,722
Other	-	136,115	3,075	-
Total revenues	<u>1,701,541</u>	<u>170,449</u>	<u>601,424</u>	<u>40,472</u>
EXPENDITURES				
Street paving and repair	1,223,868	-	9,153	-
Solid waste control	-	-	-	-
Drug enforcement	-	53,357	-	-
Drainage control	-	-	-	45,799
Parks improvement	-	-	-	-
Miscellaneous	-	-	15,185	-
Street lighting	1,198,612	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlays	-	85,009	162,759	7,699
Total expenditures	<u>2,422,480</u>	<u>138,366</u>	<u>187,097</u>	<u>53,498</u>
Excess (deficiency) of revenues over expenditures	(720,939)	32,083	414,327	(13,026)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	850,000	-	-	11,774
Transfers out	-	-	(240,000)	-
Net change in fund balances	129,061	32,083	174,327	(1,252)
Fund balances - beginning, as previously reported	275,553	365,995	440,401	412,247
Prior period adjustment	-	-	-	-
Fund balances - beginning, as restated	275,553	365,995	440,401	412,247
Fund balances - ending	<u>\$ 404,614</u>	<u>\$ 398,078</u>	<u>\$ 614,728</u>	<u>\$ 410,995</u>

Special Revenue Funds					
Parks Improvement Fund	Solid Waste Control Fund	DEA Task Force Fund	Grants Fund	Debt Service Fund	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 3,045,530	\$ 3,045,530
-	-	-	-	-	1,549,297
40,040	4,734,988	-	-	-	5,533,279
-	-	-	-	-	22,514
-	-	-	297,503	-	297,503
49,434	16,345	704	-	4,268	115,385
-	7,075	30,318	-	-	176,583
<u>89,474</u>	<u>4,758,408</u>	<u>31,022</u>	<u>297,503</u>	<u>3,049,798</u>	<u>10,740,091</u>
-	-	-	-	-	1,233,021
-	3,954,139	-	-	-	3,954,139
-	-	-	-	-	53,357
-	-	-	-	-	45,799
189,088	-	-	-	-	189,088
-	-	4,466	271,407	-	291,058
-	-	-	-	-	1,198,612
-	-	-	-	2,367,190	2,367,190
-	-	-	-	982,739	982,739
-	-	-	-	26,576	26,576
-	676,547	53,161	-	-	985,175
<u>189,088</u>	<u>4,630,686</u>	<u>57,627</u>	<u>271,407</u>	<u>3,376,505</u>	<u>11,326,754</u>
(99,614)	127,722	(26,605)	26,096	(326,707)	(586,663)
-	8,403	-	-	-	8,403
-	-	-	-	525,000	1,386,774
-	-	-	(26,096)	-	(266,096)
(99,614)	136,125	(26,605)	-	198,293	542,418
1,781,766	284,150	178,896	-	787,628	4,526,636
-	-	-	-	301,164	301,164
<u>1,781,766</u>	<u>284,150</u>	<u>178,896</u>	<u>-</u>	<u>1,088,792</u>	<u>4,827,800</u>
<u>\$ 1,682,152</u>	<u>\$ 420,275</u>	<u>\$ 152,291</u>	<u>\$ -</u>	<u>\$ 1,287,085</u>	<u>\$ 5,370,218</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
STATE STREET AID FUND				
Revenues:				
Intergovernmental/unrestricted	\$ 1,525,605	\$ 1,525,605	\$ 1,549,297	\$ 23,692
Charges for services	421,300	421,300	143,533	(277,767)
Interest on investments	7,000	7,000	8,711	1,711
Total revenues	<u>1,953,905</u>	<u>1,953,905</u>	<u>1,701,541</u>	<u>(252,364)</u>
Expenditures:				
Street paving and repair	1,510,000	1,784,600	1,223,868	560,732
Street lighting	1,125,000	1,322,292	1,198,612	123,680
Total expenditures	<u>2,635,000</u>	<u>3,106,892</u>	<u>2,422,480</u>	<u>684,412</u>
Excess (deficiency) of revenues over expenditures	(681,095)	(1,152,987)	(720,939)	432,048
Other financing sources (uses):				
Transfers in	<u>600,000</u>	<u>850,000</u>	<u>850,000</u>	<u>-</u>
Net change in fund balance	(81,095)	(302,987)	129,061	432,048
Fund balance - beginning	<u>275,553</u>	<u>275,553</u>	<u>275,553</u>	<u>-</u>
Fund balance - ending	<u>\$ 194,458</u>	<u>\$ (27,434)</u>	<u>\$ 404,614</u>	<u>\$ 432,048</u>
DRUG ENFORCEMENT FUND				
Revenues:				
Collection of fines and forfeitures	\$ 21,000	\$ 21,000	\$ 22,514	\$ 1,514
Interest on investments	5,000	5,000	11,820	6,820
Other	103,700	143,885	136,115	(7,770)
Total revenues	<u>129,700</u>	<u>169,885</u>	<u>170,449</u>	<u>564</u>
Expenditures:				
Material and supplies	107,050	115,650	53,357	62,293
Capital outlays	71,000	103,368	85,009	18,359
Total expenditures	<u>178,050</u>	<u>219,018</u>	<u>138,366</u>	<u>80,652</u>
Net change in fund balance	(48,350)	(49,133)	32,083	81,216
Fund balance - beginning	<u>365,995</u>	<u>365,995</u>	<u>365,995</u>	<u>-</u>
Fund balance - ending	<u>\$ 317,645</u>	<u>\$ 316,862</u>	<u>\$ 398,078</u>	<u>\$ 81,216</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
GENERAL IMPROVEMENT FUND				
Revenues:				
City service fees	\$ 582,500	\$ 582,500	\$ 582,968	\$ 468
Interest on investments	4,000	4,000	15,381	11,381
Other	-	-	3,075	3,075
Total revenues	<u>586,500</u>	<u>586,500</u>	<u>601,424</u>	<u>14,924</u>
Expenditures:				
Street paving and repairs	10,500	10,500	9,153	1,347
Capital outlays	395,000	403,123	162,759	240,364
Miscellaneous	10,800	21,800	15,185	6,615
Total expenditures	<u>416,300</u>	<u>435,423</u>	<u>187,097</u>	<u>248,326</u>
Excess (deficiency) of revenues over expenditures	170,200	151,077	414,327	263,250
Other financing sources (uses):				
Transfers out	<u>(240,000)</u>	<u>(240,000)</u>	<u>(240,000)</u>	<u>-</u>
Net change in fund balance	(69,800)	(88,923)	174,327	263,250
Fund balance - beginning	440,401	440,401	440,401	-
Fund balance - ending	<u>\$ 370,601</u>	<u>\$ 351,478</u>	<u>\$ 614,728</u>	<u>\$ 263,250</u>
DRAINAGE CONTROL FUND				
Revenues:				
Drainage control fees	\$ 100,000	\$ 100,000	\$ 31,750	\$ (68,250)
Interest on investments	500	500	8,722	8,222
Total revenues	<u>100,500</u>	<u>100,500</u>	<u>40,472</u>	<u>(60,028)</u>
Expenditures:				
Personnel	49,196	49,196	39,904	9,292
Operations	27,815	27,915	5,895	22,020
Capital outlays	11,000	19,700	7,699	12,001
Total expenditures	<u>88,011</u>	<u>96,811</u>	<u>53,498</u>	<u>43,313</u>
Excess (deficiency) of revenues over expenditures	12,489	3,689	(13,026)	(16,715)
Other financing sources (uses):				
Transfers in	-	12,393	11,774	(619)
Net change in fund balance	12,489	16,082	(1,252)	(17,334)
Fund balance - beginning	412,247	412,247	412,247	-
Fund balance - ending	<u>\$ 424,736</u>	<u>\$ 428,329</u>	<u>\$ 410,995</u>	<u>\$ (17,334)</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
PARKS IMPROVEMENT FUND				
Revenues:				
Charges for services	\$ 297,500	\$ 297,500	\$ 40,040	\$ (257,460)
Interest on investments	50,000	50,000	49,434	(566)
Total revenues	<u>347,500</u>	<u>347,500</u>	<u>89,474</u>	<u>(258,026)</u>
Expenditures:				
Parks improvement	<u>895,000</u>	<u>895,000</u>	<u>189,088</u>	<u>705,912</u>
Net change in fund balance	(547,500)	(547,500)	(99,614)	447,886
Fund balance - beginning	<u>1,781,766</u>	<u>1,781,766</u>	<u>1,781,766</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,234,266</u>	<u>\$ 1,234,266</u>	<u>\$ 1,682,152</u>	<u>\$ 447,886</u>
SOLID WASTE CONTROL FUND				
Revenues:				
Charges for services	\$ 4,771,051	\$ 4,771,051	\$ 4,734,988	\$ (36,063)
Interest on investments	8,240	8,240	16,345	8,105
Other	9,785	9,785	7,075	(2,710)
Total revenues	<u>4,789,076</u>	<u>4,789,076</u>	<u>4,758,408</u>	<u>(30,668)</u>
Expenditures:				
Personnel	2,275,380	2,201,380	2,200,653	727
Operations	1,703,096	1,755,196	1,753,486	1,710
Capital outlays	635,500	676,557	676,547	10
Total expenditures	<u>4,613,976</u>	<u>4,633,133</u>	<u>4,630,686</u>	<u>2,447</u>
Excess (deficiency) of revenues over expenditures	175,100	155,943	127,722	(28,221)
Other financing sources (uses):				
Sale of capital assets	-	-	8,403	8,403
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>8,403</u>	<u>8,403</u>
Net change in fund balance	175,100	155,943	136,125	(19,818)
Fund balance - beginning	<u>284,150</u>	<u>284,150</u>	<u>284,150</u>	<u>-</u>
Fund balance - ending	<u>\$ 459,250</u>	<u>\$ 440,093</u>	<u>\$ 420,275</u>	<u>\$ (19,818)</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
DEA TASK FORCE FUND				
Revenues:				
Program income	\$ 25,000	\$ 25,000	\$ 30,318	\$ 5,318
Interest	1,000	1,000	704	(296)
Total revenues	<u>26,000</u>	<u>26,000</u>	<u>31,022</u>	<u>5,022</u>
Expenditures:				
Miscellaneous	18,300	18,300	4,466	13,834
Capital outlays	25,000	63,100	53,161	9,939
Total expenditures	<u>43,300</u>	<u>81,400</u>	<u>57,627</u>	<u>23,773</u>
Net change in fund balance	(17,300)	(55,400)	(26,605)	28,795
Fund balance - beginning	<u>178,896</u>	<u>178,896</u>	<u>178,896</u>	<u>-</u>
Fund balance - ending	<u>\$ 161,596</u>	<u>\$ 123,496</u>	<u>\$ 152,291</u>	<u>\$ 28,795</u>
GRANTS FUND				
Revenues:				
Federal and state grants	\$ -	\$ 349,505	\$ 297,503	\$ (52,002)
Total revenues	<u>-</u>	<u>349,505</u>	<u>297,503</u>	<u>(52,002)</u>
Expenditures:				
Operating	-	293,204	271,407	21,797
Capital outlays	-	-	-	-
Total expenditures	<u>-</u>	<u>293,204</u>	<u>271,407</u>	<u>21,797</u>
Excess (deficiency) of revenues over expenditures	-	56,301	26,096	(30,205)
Other financing sources (uses):				
Transfers out	-	(56,301)	(26,096)	30,205
Net change in fund balance	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
DEBT SERVICE FUND				
Revenues:				
Local sales taxes	\$ 2,850,548	\$ 2,850,548	\$ 3,045,530	\$ 194,982
Interest on investments	10,000	10,000	4,268	(5,732)
Total revenues	<u>2,860,548</u>	<u>2,860,548</u>	<u>3,049,798</u>	<u>189,250</u>
Expenditures:				
Principal	2,367,190	2,367,190	2,367,190	-
Interest	994,535	994,535	982,739	11,796
Bond issuance costs	29,500	29,500	26,576	2,924
Total expenditures	<u>3,391,225</u>	<u>3,391,225</u>	<u>3,376,505</u>	<u>14,720</u>
Excess (deficiency) of revenues over expenditures	(530,677)	(530,677)	(326,707)	203,970
Other financing sources (uses):				
Transfers in	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>-</u>
Net change in fund balances	(5,677)	(5,677)	198,293	203,970
Fund balances - beginning of year, as previously reported	787,628	787,628	787,628	-
Prior period adjustment	-	-	301,164	301,164
Fund balance - beginning as restated	<u>787,628</u>	<u>787,628</u>	<u>1,088,792</u>	<u>301,164</u>
Fund balances - end of year	<u>\$ 781,951</u>	<u>\$ 781,951</u>	<u>\$ 1,287,085</u>	<u>\$ 505,134</u>

CITY OF BARTLETT, TENNESSEE

COMBINING STATEMENT OF NET ASSETS – INTERNAL SERVICE FUNDS

June 30, 2008

	<u>Health and Welfare Fund</u>	<u>Workmen's Compensation Fund</u>	<u>Retirees' Health Insurance Fund</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 546,095	\$ 454,404	\$ 631,851	\$ 1,632,350
Interest receivable	-	-	981	981
Prepaid insurance	<u>377,319</u>	<u>-</u>	<u>-</u>	<u>377,319</u>
Total current assets	923,414	454,404	632,832	2,010,650
LIABILITIES				
Current liabilities:				
Accounts payable	<u>20,899</u>	<u>5,740</u>	<u>-</u>	<u>26,639</u>
NET ASSETS				
Unrestricted	<u>\$ 902,515</u>	<u>\$ 448,664</u>	<u>\$ 632,832</u>	<u>\$ 1,984,011</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, 2008

	<u>Health and Welfare Fund</u>	<u>Workmen's Compensation Fund</u>	<u>Retirees' Health Insurance Fund</u>	<u>Totals</u>
OPERATING REVENUES:				
Charges for services	\$ 772,192	\$ 713,437	\$ -	\$ 1,485,629
City contributions	4,000,234	-	389,893	4,390,127
Total operating revenues	4,772,426	713,437	389,893	5,875,756
OPERATING EXPENSES:				
Workers' compensation claims	-	65,349	-	65,349
Insurance premiums	4,789,128	501,562	410,095	5,700,785
Accounting and actuary services	-	-	1,907	1,907
Total operating expenses	4,789,128	566,911	412,002	5,768,041
Operating income (loss)	(16,702)	146,526	(22,109)	107,715
NONOPERATING REVENUES (EXPENSES):				
Interest income	25,236	4,753	21,117	51,106
Total nonoperating revenues (expenses)	25,236	4,753	21,117	51,106
Change in net assets	8,534	151,279	(992)	158,821
Net assets - beginning	893,981	297,385	633,824	1,825,190
Net assets - ending	\$ 902,515	\$ 448,664	\$ 632,832	\$ 1,984,011

CITY OF BARTLETT, TENNESSEE

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2008

	<u>Health and Welfare Fund</u>	<u>Workmen's Compensation Fund</u>	<u>Retirees' Health Insurance Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	\$ 4,772,426	\$ 713,437	\$ 389,893	\$ 5,875,756
Payments to suppliers	<u>(4,782,394)</u>	<u>(567,506)</u>	<u>(412,002)</u>	<u>(5,761,902)</u>
Net cash provided by (used for) operating activities	(9,968)	145,931	(22,109)	113,854
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	<u>25,236</u>	<u>4,753</u>	<u>22,605</u>	<u>52,594</u>
Net increase (decrease) in cash and cash equivalents	15,268	150,684	496	166,448
Cash and cash equivalents - beginning	<u>530,827</u>	<u>303,720</u>	<u>631,355</u>	<u>1,465,902</u>
Cash and cash equivalents - ending	<u>\$ 546,095</u>	<u>\$ 454,404</u>	<u>\$ 631,851</u>	<u>\$ 1,632,350</u>
Reconciliation of operating income to net cash provided (used by) operating activities:				
Operating income (loss)	\$ (16,702)	\$ 146,526	\$ (22,109)	\$ 107,715
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Increase in prepaid insurance	(3,244)	-	-	(3,244)
Increase in accounts payable	<u>9,978</u>	<u>(595)</u>	<u>-</u>	<u>9,383</u>
Net cash provided by (used for) operating activities	<u>\$ (9,968)</u>	<u>\$ 145,931</u>	<u>\$ (22,109)</u>	<u>\$ 113,854</u>

CITY OF BARTLETT, TENNESSEE
COMBINING BALANCE SHEET – AGENCY FUNDS

June 30, 2008

	Family Assistance Fund	Bail Bond Fund	Total Agency Funds
ASSETS			
Cash and cash equivalents	\$ 38,282	\$ 68,651	\$ 106,933
Total assets	\$ 38,282	\$ 68,651	\$ 106,933
LIABILITIES			
Family assistance payable	\$ 38,282	\$ -	\$ 38,282
Bail bonds payable	-	68,651	68,651
Total liabilities	\$ 38,282	\$ 68,651	\$ 106,933

CITY OF BARTLETT, TENNESSEE

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS

For the Year Ended June 30, 2008

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Assets				
Family Assistance Fund				
Cash and cash equivalents	\$ 36,743	\$ 26,280	\$ (24,741)	\$ 38,282
Bail Bond Fund				
Cash and cash equivalents	85,314	401,842	(418,505)	68,651
	<u>\$ 122,057</u>	<u>\$ 428,122</u>	<u>\$ (443,246)</u>	<u>\$ 106,933</u>
Liabilities				
Family Assistance Fund				
Family assistance payable	\$ 36,743	\$ 22,108	\$ (20,569)	\$ 38,282
Bail Bond Fund				
Bail bonds payable	85,314	401,789	(418,452)	68,651
	<u>\$ 122,057</u>	<u>\$ 423,897</u>	<u>\$ (439,021)</u>	<u>\$ 106,933</u>

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Donations	\$ -	\$ 46,800	\$ 9,200	\$ (37,600)
Interest on investments	-	-	160,144	160,144
Other	562,540	872,312	57,868	(814,444)
Total revenues	<u>562,540</u>	<u>919,112</u>	<u>227,212</u>	<u>(691,900)</u>
EXPENDITURES				
Bond issue costs	-	-	26,565	(26,565)
Capital outlays	4,161,500	12,606,521	4,469,523	8,136,998
Total expenditures	<u>4,161,500</u>	<u>12,606,521</u>	<u>4,496,088</u>	<u>8,110,433</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(3,598,960)</u>	<u>(11,687,409)</u>	<u>(4,268,876)</u>	<u>7,418,533</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	3,598,960	9,863,049	2,955,000	(6,908,049)
Discount on bonds issued	-	-	(826)	(826)
Transfers in	-	1,824,360	1,302,485	(521,875)
Transfers out	-	-	(198,198)	(198,198)
Total other financing sources (uses)	<u>3,598,960</u>	<u>11,687,409</u>	<u>4,058,461</u>	<u>(7,628,948)</u>
Net change in fund balances	-	-	(210,415)	(210,415)
Fund balances - beginning of year	<u>5,584,543</u>	<u>5,584,543</u>	<u>5,584,543</u>	<u>-</u>
Fund balances - end of year	<u>\$ 5,584,543</u>	<u>\$ 5,584,543</u>	<u>\$ 5,374,128</u>	<u>\$ (210,415)</u>

CITY OF BARTLETT, TENNESSEE

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL –
CAPITAL PROJECTS FUND**

For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
DONATIONS	\$ -	\$ 46,800	\$ 9,200	\$ (37,600)
INTEREST				
Interest income	-	-	36,268	36,268
Interest on investments	-	-	34,056	34,056
Interest on bonds	-	-	89,820	89,820
Total donations and interest	-	46,800	160,144	160,144
MISCELLANEOUS				
In lieu of New Brownsville	-	-	47,257	47,257
Insurance recoveries	-	5,772	5,771	(1)
Sidewalk repair charges	-	-	4,840	4,840
TDOT shared revenue	-	150,000	-	(150,000)
TIIPS shared revenue	-	91,500	-	(91,500)
Other funds	562,540	625,040	-	(625,040)
Total miscellaneous	562,540	872,312	57,868	(814,444)
TOTAL CAPITAL PROJECTS REVENUES	\$ 562,540	\$ 919,112	\$ 227,212	\$ (691,900)

CITY OF BARTLETT, TENNESSEE

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL –
CAPITAL PROJECTS FUND**

For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING USE				
Bond issue costs	\$ -	\$ -	\$ 26,565	\$ (26,565)
CIP PROJECTS				
Bartlett Station Municipal Center	-	1,055,000	73,391	981,609
Library	350,000	4,000,000	2,827,339	1,172,661
Administrative Vehicles 2008	18,000	18,000	20,375	(2,375)
City Hall Generator	-	64,990	10,976	54,014
Staff Building	50,000	50,000	9,061	40,939
Police Vehicles & Equipment 2007	305,000	305,000	17,394	287,606
Police Vehicles and Equipment 2008	435,000	435,000	434,587	413
Storage Facility @ Criminal Justice	-	300,000	205,903	94,097
Fire Ambulances 2008	150,000	150,000	127,694	22,306
Fire Vehicles 2008	25,000	25,000	24,846	154
Fire Breathing Air Compressor	20,000	27,035	25,085	1,950
Fire Station #1 Addition	30,000	30,000	26,403	3,597
Code Inspection Vehicles 2008	40,000	48,293	48,293	-
Bartlett Blvd. Overpass Rehab	375,000	375,000	8,000	367,000
Public Works Vehicles 2008	250,000	250,000	163,526	86,474
Yale Road - Street Improvements	800,000	1,172,041	41,661	1,130,380
Kirby Whitten Street Improvements	200,000	1,825,000	166,456	1,658,544
Brother International Project	646,000	1,008,500	(22,915)	1,031,415
Engineering Vehicles 2008	20,000	20,000	-	20,000
Old Brownsville West	150,000	290,000	45,530	244,470
Rail Road Crossing Stage Road	-	476,000	5,192	470,808
Rail Road Xing Repair Yale Road	-	40,000	-	40,000
Veterans Memorial Vision	-	133,800	3,871	129,929
Egypt Central/Kirby Whitten Signal	10,000	30,000	-	30,000
Yale Road Median	-	58,362	52,986	5,376
Turnarounds for Bourne & Claypool	-	50,000	46,090	3,910
LED Replacement 2008	75,000	75,000	-	75,000
Bartlett Pointe Phase II Dev Cntrct	-	52,000	-	52,000
Yale Road Parking Lot Extension	-	30,000	-	30,000
Parks Vehicles & Equipment 2008	67,500	67,500	62,832	4,668
Recreation Center Equipment 2008	75,000	75,000	24,568	50,432
Performing Arts Vehicle	20,000	20,000	20,379	(379)
Misc Drainage Improvements 2008	50,000	50,000	-	50,000
Total CIP project expenditures	<u>4,161,500</u>	<u>12,606,521</u>	<u>4,469,523</u>	<u>8,136,998</u>
TOTAL CAPITAL PROJECTS FUND EXPENDITURES	<u>\$ 4,161,500</u>	<u>\$ 12,606,521</u>	<u>\$ 4,496,088</u>	<u>\$ 8,110,433</u>

CITY OF BARTLETT, TENNESSEE

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

June 30, 2008

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
2009	\$ 95,000	\$ 119,025	\$ 100,000	\$ 102,200	\$ 195,000	\$ 282,353	\$ 70,000	\$ 57,053	\$ 215,000	\$ 96,900	\$ 655,000	\$ 128,194
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	31,880	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>\$ 2,955,000</u>	<u>\$ 1,383,552</u>	<u>\$ 2,555,000</u>	<u>\$ 1,078,800</u>	<u>\$ 7,800,000</u>	<u>\$ 2,603,959</u>	<u>\$ 1,585,000</u>	<u>\$ 580,394</u>	<u>\$ 2,875,000</u>	<u>\$ 617,105</u>	<u>\$ 3,950,000</u>	<u>\$ 872,682</u>

CITY OF BARTLETT, TENNESSEE

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

June 30, 2008

Fiscal Year	Series 2001 Bonds		Series 1998 Bonds		Series 1997A Bonds		Capital Outlay Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 310,000	\$ 73,666	\$ 365,000	\$ 51,932	\$ 50,000	\$ 5,250	\$ 465,800	\$ 45,955	\$ 2,520,800	\$ 962,528
2010	85,000	66,119	380,000	35,690	55,000	2,750	484,680	26,949	2,384,680	875,482
2011	90,000	62,639	400,000	18,400	-	-	230,850	13,019	2,120,850	793,466
2012	95,000	58,845	-	-	-	-	239,330	4,392	1,279,330	723,480
2013	95,000	54,831	-	-	-	-	-	-	1,485,000	674,093
2014	100,000	50,564	-	-	-	-	-	-	1,545,000	619,702
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>\$ 1,780,000</u>	<u>\$ 575,415</u>	<u>\$ 1,145,000</u>	<u>\$ 106,022</u>	<u>\$ 105,000</u>	<u>\$ 8,000</u>	<u>\$ 1,420,660</u>	<u>\$ 90,315</u>	<u>\$ 26,170,660</u>	<u>\$ 7,916,244</u>

CITY OF BARTLETT, TENNESSEE

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

June 30, 2008

Fiscal Year	Series 2007 Bonds		Series 2006 Bonds		Series 2005 Bonds		Series 2004 Bonds		Series 2003 Bonds	
	Principal	Interest								
2009	\$ 35,000	\$ 41,033	\$ 60,000	\$ 58,541	\$ 20,000	\$ 53,655	\$ 55,000	\$ 43,123	\$ 245,000	\$ 205,490
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	2,043	-	-
2026	65,000	7,544	110,000	4,400	20,000	410	-	-	-	-
2027	70,000	4,675	-	-	-	-	-	-	-	-
2028	75,000	1,594	-	-	-	-	-	-	-	-
	<u>\$ 1,015,000</u>	<u>\$ 477,691</u>	<u>\$ 1,495,000</u>	<u>\$ 623,560</u>	<u>\$ 1,515,000</u>	<u>\$ 385,733</u>	<u>\$ 1,200,000</u>	<u>\$ 437,826</u>	<u>\$ 5,755,000</u>	<u>\$ 1,630,239</u>

CITY OF BARTLETT, TENNESSEE

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

June 30, 2008

Fiscal Year	Series 2002 Bonds		Series 2001 Bonds		Series 1997B Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 160,000	\$ 57,324	\$ 125,000	\$104,003	\$ 180,000	\$ 18,500	\$ 880,000	\$ 581,669
2010	165,000	52,650	130,000	99,093	190,000	9,500	1,010,000	548,089
2011	80,000	48,924	135,000	93,824	-	-	945,000	509,971
2012	80,000	46,375	140,000	88,185	-	-	985,000	477,498
2013	85,000	43,630	145,000	82,163	-	-	1,030,000	442,174
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>\$ 1,605,000</u>	<u>\$ 484,617</u>	<u>\$ 2,330,000</u>	<u>\$ 853,681</u>	<u>\$ 370,000</u>	<u>\$ 28,000</u>	<u>\$ 15,285,000</u>	<u>\$ 4,921,347</u>

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF PROPERTY TAXES RECEIVABLE – GENERAL FUND

June 30, 2008

<u>Year of Levy</u>	
2008	\$ 16,512,787
2007	531,250
2006	148,005
2005	54,566
2004	30,445
2003	27,740
2002	19,740
2001	5,505
2000	3,191
1999	2,521
1998	2,741
Total property tax receivable	<u>\$ 17,338,491</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, 2008

Total	Current Year 2008	Prior Years										
		2007	2006	2005	2004	2003	2002	2001	2000	1999	1998 & prior	
Property taxes receivable - beginning of year	\$ 16,700,578	\$ -	\$ 16,032,561	\$ 438,517	\$ 104,654	\$ 41,023	\$ 33,934	\$ 22,668	\$ 11,068	\$ 6,213	\$ 5,467	\$ 4,473
ADD:												
Tax levied:	16,512,787	-	-	-	-	-	-	-	-	-	-	-
Adjustments	812,780	-	796,168	22,765	1,084	(728)	(155)	(5,901)	(447)	-	(3)	(3)
Total Additions	17,325,567	16,512,787	796,168	22,765	1,084	(728)	(155)	(5,901)	(447)	-	(3)	(3)
DEDUCT:												
Collections - Net of Refunds Releases	(16,668,659)	-	(16,297,479)	(311,707)	(48,617)	(7,157)	(2,979)	5,229	(2,931)	(648)	(810)	(1,560)
Total Deductions	(16,668,659)	-	(16,297,479)	(311,707)	(48,617)	(7,157)	(2,979)	5,229	(2,931)	(648)	(810)	(1,560)
Property taxes receivable - end of year	17,338,491	16,512,787	531,250	148,005	54,566	30,445	27,740	19,740	5,505	3,191	2,521	2,741
Less: Allowance for uncollectibles	(470,115)	(330,256)	(52,819)	(25,427)	(14,452)	(12,924)	(11,356)	(10,323)	(4,668)	(3,018)	(2,358)	(2,514)
Property taxes receivable, net	\$ 16,868,376	\$ 16,182,531	\$ 478,431	\$ 122,578	\$ 40,114	\$ 17,521	\$ 16,384	\$ 9,417	\$ 837	\$ 173	\$ 163	\$ 227

CITY OF BARTLETT , TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2008

CFDA Number	Grantor Agency	Balance June 30, 2007	Cash Receipts	Expenditures	Balance June 30, 2008
10.664	<u>U.S. Department of Agriculture</u> Cooperative Forestry Assistance Passed thru State of Tennessee Grant # Z-08-024008-00	\$ -	\$ 11,774	\$ 11,774	\$ -
16.607	<u>U.S. Department of Justice</u> Bulletproof Vest Partnership Program	-	2,640	4,567	1,927
97.044	<u>U.S. Department of Homeland Security</u> Public Assistance Grants	-	76,500	76,500	-
20.607	<u>U.S. Department of Transportation</u> Passed thru State of Tennessee Grant # Z07035705	-	7,319	18,233	10,914
	Total Federal Awards	-	98,233	111,074	12,841
	<u>Tennessee Arts Commission</u> Cultural Arts Center Grants Grant # Z-06-028419	(761)	-	761	-
	<u>Tennessee Arts Commission</u> Cultural Arts Center Grants Grant # Z-08-21929-00	-	-	750	750
	<u>TN Community Enhancement Grant - Fire</u> Grant # W4785148	-	100,000	100,000	-
	<u>TN Community Enhancement Grant - Police</u> Grant # W4944343	-	25,000	25,000	-
	<u>TN Community Enhancement Grant - Library</u> Grant # W4907913	-	30,000	30,000	-
	<u>TN Community Enhancement Grant - Library</u> Grant # W4952665	-	20,000	20,000	-
	<u>State of Tennessee Firing Range Clean-up</u> Grant # GG082221000	-	5,983	5,983	-
	Total State Awards	(761)	180,983	182,494	750
	Total Federal and State Awards	\$ (761)	\$ 279,216	\$ 293,568	\$ 13,591

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.

CITY OF BARTLETT, TENNESSEE
STATISTICAL INFORMATION SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	84
These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.	
Revenue Capacity	90
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	97
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	101
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place, to help make comparisons over time and with other governments.	
Operating Information	103
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 ASSETS BY COMPONENT

LAST SIX FISCAL YEARS
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008
Government activities						
Invested in capital assets, net of related debt	\$ 8,823,263	\$ 8,150,594	\$ 18,091,187	\$ 95,636,824	\$ 98,573,298	\$ 100,172,375
Restricted for:						
Debt Service	1,225,150	1,340,507	1,165,229	843,967	787,628	1,287,085
Public Works	1,168,845	1,548,633	1,257,925	2,700,432	2,740,016	3,054,670
Unrestricted	14,399,403	17,163,598	14,188,254	19,212,342	21,676,916	22,062,263
Total government activities net assets	<u>\$ 25,616,661</u>	<u>\$ 28,203,332</u>	<u>\$ 34,702,595</u>	<u>\$ 118,393,565</u>	<u>\$ 123,777,858</u>	<u>\$ 126,576,393</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 15,525,049	\$ 14,745,986	\$ 18,045,906	\$ 54,249,248	\$ 55,858,400	\$ 57,258,511
Restricted						
Unrestricted	3,273,390	6,781,584	5,592,576	7,533,721	9,799,498	9,534,033
Total business-type activities net assets	<u>\$ 18,798,439</u>	<u>\$ 21,527,570</u>	<u>\$ 23,638,482</u>	<u>\$ 61,782,969</u>	<u>\$ 65,657,898</u>	<u>\$ 66,792,544</u>
Primary government						
Invested in capital assets, net of related debt	\$ 24,348,312	\$ 22,896,580	\$ 36,137,093	\$ 149,886,072	\$ 154,431,698	\$ 157,430,886
Restricted for:						
Debt Service	1,225,150	1,340,507	1,165,229	843,967	787,628	1,287,085
Public Works	1,168,845	1,548,633	1,257,925	2,700,432	2,740,016	3,054,670
Unrestricted	17,672,793	23,945,182	19,780,830	26,746,063	31,476,414	31,596,296
Total primary government net assets	<u>\$ 44,415,100</u>	<u>\$ 49,730,902</u>	<u>\$ 58,341,077</u>	<u>\$ 180,176,534</u>	<u>\$ 189,435,756</u>	<u>\$ 193,368,937</u>

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 SIX FISCAL YEARS
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
General government	\$ 3,688,033	\$ 3,817,612	\$ 4,905,983	\$ 5,632,745	\$ 6,072,578	\$ 6,146,033
Public safety	14,211,312	15,229,635	16,227,428	17,516,545	18,764,451	19,489,332
Public works	8,760,116	9,643,881	10,283,522	10,771,605	10,898,616	14,018,688
Parks and recreation	2,750,070	3,212,272	3,117,719	3,406,312	3,628,496	3,813,114
Performing arts center	636,030	528,693	576,954	548,560	531,287	554,099
Recreation center	1,213,373	1,404,541	1,460,706	1,386,275	1,449,420	1,395,700
Interest on long-term debt	1,006,953	874,918	856,067	956,263	1,011,629	1,073,576
Total governmental activities expenses	<u>32,265,887</u>	<u>34,711,552</u>	<u>37,428,379</u>	<u>40,218,305</u>	<u>42,356,477</u>	<u>46,490,543</u>
Business-type activities:						
Water and sewer	4,913,261	5,020,670	5,505,561	5,542,130	6,681,378	6,861,747
Total primary government expenses	<u>\$ 37,179,148</u>	<u>\$ 39,732,222</u>	<u>\$ 42,933,940</u>	<u>\$ 45,760,435</u>	<u>\$ 49,037,855</u>	<u>\$ 53,352,290</u>
Program Revenues						
Governmental activities:						
General government	\$ 2,751,185	\$ 2,659,176	\$ 2,619,322	\$ 2,754,193	\$ 2,888,013	\$ 2,897,835
Public safety	1,089,423	1,720,564	1,567,093	2,248,281	1,978,286	1,763,428
Public works	4,454,625	4,585,727	4,725,358	5,926,718	5,509,626	5,912,018
Parks and recreation	680,720	789,016	1,066,426	951,827	905,401	999,875
Performing arts center	218,317	227,429	247,643	267,082	265,246	270,559
Recreation center	1,668,669	1,714,171	1,714,793	1,920,813	1,920,327	1,920,572
Operating grants and contributions	134,576	618,159	694,803	919,185	674,122	561,296
Capital grants and contributions						
Total governmental activities revenues	<u>10,997,515</u>	<u>12,314,242</u>	<u>12,635,438</u>	<u>14,988,099</u>	<u>14,141,021</u>	<u>14,325,583</u>
Business-type activities:						
Water and sewer	5,174,831	5,753,889	6,147,670	6,406,480	9,223,712	7,612,974
Operating grants and contributions	1,519,467	1,956,709	1,388,163	3,139,940	1,260,413	429,088
Capital grants and contributions	82,449					
Total business-type activities revenues	<u>6,776,747</u>	<u>7,710,598</u>	<u>7,535,833</u>	<u>9,546,420</u>	<u>10,484,125</u>	<u>8,042,062</u>
Total primary government program revenues	<u>\$ 17,774,262</u>	<u>\$ 20,024,840</u>	<u>\$ 20,171,271</u>	<u>\$ 24,534,519</u>	<u>\$ 24,625,146</u>	<u>\$ 22,367,645</u>

(Continued)

CITY OF BARTLETT, TENNESSEE

CHANGES IN NET ASSETS

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

	2003	2004	2005	2006	2007	2008
Net (expense)/revenue						
Governmental activities	\$ (1,078,797)	\$ (22,397,310)	\$ (24,792,941)	\$ (25,230,206)	\$ (28,215,456)	\$ (32,164,960)
Business-type activities	(30,746,420)	2,689,928	2,030,272	4,004,290	3,802,747	1,180,315
Total primary government net expense	<u>\$ (31,825,217)</u>	<u>\$ (19,707,382)</u>	<u>\$ (22,762,669)</u>	<u>\$ (21,225,916)</u>	<u>\$ (24,412,709)</u>	<u>\$ (30,984,645)</u>
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes	\$ 9,495,854	\$ 11,127,476	\$ 11,454,910	\$ 13,137,495	\$ 15,189,418	\$ 14,823,724
Local sales taxes	9,298,548	9,148,392	9,880,716	10,446,702	11,346,090	11,447,876
Intergovernmental/unrestricted	4,153,052	4,139,479	4,180,051	4,807,677	5,472,144	5,910,366
Interest on investments	145,109	148,739	309,598	676,342	1,000,014	801,765
Gain on sale of assets	-	-	-	-	8,083	52,947
Other	234,234	419,895	5,466,929	892,827	334,463	276,917
Transfers	-	-	-	242,022	249,537	311,553
Total government activities	<u>23,326,797</u>	<u>24,983,981</u>	<u>31,292,204</u>	<u>30,203,065</u>	<u>33,599,749</u>	<u>33,625,148</u>
Business-type activities:						
Interest on investments	58,955	39,203	80,640	141,883	321,719	265,884
Transfers	-	-	-	(242,022)	(249,537)	(311,553)
Total primary government	<u>\$ 23,385,752</u>	<u>\$ 25,023,184</u>	<u>\$ 31,372,844</u>	<u>\$ 30,102,926</u>	<u>\$ 33,671,931</u>	<u>\$ 33,579,479</u>
Change in Net Assets						
Governmental activities	23,326,797	2,586,671	6,499,263	4,972,859	5,384,293	1,460,188
Business-type activities	(1,019,842)	2,729,131	2,110,912	3,904,151	3,874,929	1,134,646
Total primary government	<u>\$ 22,306,955</u>	<u>\$ 5,315,802</u>	<u>\$ 8,610,175</u>	<u>\$ 8,877,010</u>	<u>\$ 9,259,222</u>	<u>\$ 2,594,834</u>

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)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund										
Reserved	\$ 336,435	\$ 297,749	\$ 398,721	\$ 466,397	\$ 275,383	\$ 651,888	\$ 399,177	\$ 385,617	\$ 509,527	\$ 412,714
Unreserved	3,927,958	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
Total General Fund	\$ 4,264,393	\$ 4,953,605	\$ 7,173,336	\$ 7,823,390	\$ 7,670,559	\$ 8,592,953	\$ 8,817,411	\$ 10,307,758	\$ 12,496,672	\$ 15,165,096
All other governmental funds										
Reserved	\$ 4,095,316	\$ 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
Unreserved, reported in:										
Special revenue funds	1,476,194	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
Capital projects fund	1,831,282	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
Total all other governmental funds	\$ 7,402,792	\$ 4,512,330	\$ 5,510,506	\$ 7,399,570	\$ 7,912,505	\$ 8,419,941	\$ 7,544,864	\$ 11,104,684	\$ 10,111,179	\$ 10,744,346

Note: The substantial increase in fund balance in 2008 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)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes										
Property taxes	\$ 7,862,118	\$ 8,102,702	\$ 8,612,356	\$ 9,438,426	\$ 9,495,854	\$ 11,045,723	\$ 11,423,316	\$ 12,438,854	\$ 13,982,802	\$ 17,076,772
Local sales taxes	6,538,829	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
Sales taxes (local share)	3,927,182	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
Licenses and permits	1,221,244	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
Charges for services	3,764,639	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
Fines, forfeitures and penalties	1,611,358	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
Federal and state grants	524,699	531,070	415,533	706,063	123,505	601,628	674,746	494,011	485,233	381,503
Donations	71,748	35,900	7,980	5,400	11,071	16,531	20,057	20,302	90,889	30,656
Interest on investments	450,573	395,420	264,992	216,985	137,188	143,259	288,620	625,466	931,673	750,659
Other	962,497	318,312	483,385	230,272	234,234	455,087	569,729	378,760	334,463	276,917
Total revenues	26,734,887	28,362,981	31,365,101	33,003,900	33,800,019	36,750,040	38,375,343	42,615,949	45,355,478	48,866,844
Expenditures										
General government	2,414,122	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
Public safety	10,026,187	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
Public works	7,262,892	7,430,855	7,889,444	7,728,646	8,691,690	9,199,577	9,414,698	10,049,074	10,953,524	11,894,956
Parks and recreation	2,040,878	2,262,954	2,265,687	2,477,666	2,653,990	2,919,742	2,766,305	2,965,994	3,174,928	3,356,505
Performing arts center	127,959	359,131	349,120	382,623	426,932	434,248	503,680	534,299	525,744	549,875
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
Debt Service										
Principal	1,887,785	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
Interest	1,210,209	1,126,245	1,045,725	1,044,702	983,558	847,013	853,142	874,978	927,552	982,739
Bond issuance cost	-	-	1,062	32,552	75,661	47,997	42,664	82,796	40,631	53,141
Capital Outlay	4,308,456	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
Total expenditures	29,278,488	31,042,672	29,897,544	32,502,098	36,549,514	36,373,984	42,449,036	43,032,875	47,846,774	50,222,274
Excess (deficiency) of revenues over (under) expenditures	(2,543,601)	(2,679,691)	1,467,557	501,802	(2,749,495)	376,056	(4,073,693)	(416,926)	(2,491,296)	(1,355,430)

CITY OF BARTLETT, TENNESSEE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Other financing sources (uses)										
Transfers in	11,963,752	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
Transfers out	(11,963,752)	(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)
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
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	224,350	438,070	-	-	-	-	-	542,521	16,442	52,947
Total other financing sources (uses)	<u>224,350</u>	<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>
Net change in fund balances	<u>\$ (2,319,251)</u>	<u>\$ (2,241,621)</u>	<u>\$ 2,917,557</u>	<u>\$ 2,538,118</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>
Debt Service as a percentage of noncapital expenditures	12.4%	11.6%	11.0%	11.0%	9.7%	9.5%	8.5%	8.1%	7.5%	7.3%

CITY OF BARTLETT, TENNESSEE

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

	Real Property			Commercial Personal Property	Public Utilities 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						
1999	399,472,675	1,827,800	125,811,885	32,159,060	83,000	559,354,420	1.29	2,028,993,000	27.57%
2000	415,086,450	1,634,725	152,154,745	34,430,930	8,002,614	611,309,464	1.29	2,180,623,807	28.03%
2001	429,311,225	1,405,725	143,157,005	34,106,080	7,416,893	615,396,928	1.29	2,210,307,460	27.84%
2002	493,129,125	1,677,325	198,838,536	37,718,830	9,299,642	740,663,458	1.23	2,621,148,770	28.26%
2003	503,398,450	1,381,325	209,396,141	39,482,970	15,274,931	768,933,817	1.23	2,691,447,031	28.57%
2004	517,285,550	1,280,225	210,884,485	35,394,680	15,629,984	780,474,924	1.38	2,737,164,384	28.51%
2005	537,048,350	1,263,100	215,355,155	33,957,950	15,906,720	803,531,275	1.38	2,822,607,920	28.47%
2006	618,439,825	3,018,275	250,902,900	42,506,320	16,509,473	931,376,793	1.31	3,273,422,973	28.45%
2007	729,515,750	2,949,150	240,391,810	42,698,020	27,462,496	1,043,017,226	1.31	3,703,507,696	28.16%
2008	757,507,150	2,658,500	244,269,130	38,901,240	23,975,142	1,067,311,162	1.54	3,797,694,428	28.10%

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

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

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

Fiscal Year	(Per \$100 of Assessed Valuation)		
	City	County	Total
1999	1.29	3.54	4.83
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

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

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

<u>Taxpayer</u>	<u>2008</u>			<u>1999</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Brother International	\$ 27,072,400	1	2.54%	\$ 6,052,720	2	0.98%
Saint Francis Hospital	18,376,320	2	1.72%			
Bell South Telecommunications	9,439,592	3	0.88%	10,757,481	1	1.75%
Bristol Park at Wolfchase GP	8,367,080	4	0.78%			
Bartlett Logistics One LLC	8,150,240	5	0.76%			
WNI/Tennessee LP	7,017,200	6	0.66%	4,840,360	5	0.79%
Belvedere Apartments INC	6,300,880	7	0.59%	5,699,560	4	0.93%
UHS of Lakeside INC	5,949,520	8	0.56%	5,990,400	3	0.97%
Walmart Real Estate Trust	4,808,000	9	0.45%	4,747,840	6	0.77%
Lowes Home Centers INC	4,417,280	10	0.41%			
Stage Centre Co				3,921,560	7	0.64%
Equity Inns Partnership				3,382,760	8	0.55%
NITRUST				3,312,600	9	0.54%
Bently Properties				2,928,240	10	0.48%
Totals	\$ 99,898,512		9.36%	\$ 51,633,521		8.40%

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
1999	\$ 7,346,862	\$ 7,068,080	96.21%	\$ 276,040	\$ 7,344,120	99.96%	2,742
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%	38,269	7,943,469	99.96%	3,192
2002	9,085,997	8,956,762	98.58%	123,731	9,080,493	99.94%	5,504
2003	9,376,124	9,230,212	98.44%	126,441	9,356,653	99.79%	19,471
2004	10,699,648	10,218,983	95.51%	452,925	10,671,908	99.74%	27,740
2005	11,100,118	10,795,149	97.25%	274,525	11,069,674	99.73%	30,444
2006	12,103,713	11,455,642	94.65%	593,504	12,049,146	99.55%	54,567
2007	13,303,791	12,963,800	97.44%	191,986	13,155,786	98.89%	148,005
2008	16,828,729	16,297,479	96.84%	-	16,297,479	96.84%	531,250

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Apparel & Accessories	\$ 5,979,984	\$ 6,535,461	\$ 5,320,018	\$ 5,642,218	\$ 6,307,001	\$ 6,472,851	\$ 6,860,750	\$ 8,620,068	\$ 8,441,433
General Merchandise	106,004,965	141,166,413	148,068,872	162,691,252	169,528,404	174,520,905	177,921,853	180,484,096	188,380,683
Food Stores	78,199,185	74,825,661	74,900,644	83,179,666	87,337,290	87,245,173	85,506,920	86,963,896	92,418,778
Eating & Drinking Places	49,497,833	57,661,201	56,969,674	47,644,071	44,220,360	51,728,792	56,789,981	64,744,989	63,568,372
Furniture & Home Decor	20,557,003	24,339,391	21,432,549	24,681,069	25,774,092	25,836,515	20,412,837	22,051,966	19,626,451
Building Materials	18,182,483	17,865,822	29,550,033	53,939,789	64,548,292	77,618,788	91,178,839	92,835,772	122,795,685
MV Dealers & Serv. Stations	22,876,921	28,289,260	29,241,868	29,354,199	29,962,562	32,033,606	32,900,665	40,168,208	43,485,199
Other Retail	42,691,686	43,576,768	42,248,276	44,931,524	52,251,944	58,555,921	62,157,793	70,916,860	69,580,910
All Other Outlets	114,595,413	117,356,607	116,230,265	140,250,479	85,536,814	93,756,463	101,579,449	114,112,136	125,271,611
Total	\$ 458,585,473	\$ 511,616,584	\$ 523,962,199	\$ 592,314,267	\$ 565,466,759	\$ 607,769,014	\$ 635,309,087	\$ 680,897,991	\$ 733,569,122

Source: Tennessee Department of Revenue, Research Division

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

<u>Year</u>	<u>City Direct Rate</u>	<u>Shelby County</u>	<u>State of Tennessee</u>
1999	1.125%	1.125%	6.00%
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%

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 1999 AND 2008

Sector	Fiscal Year 1999			Fiscal Year 2008			
	Number of Filers	Percentage of Total	Tax Liability	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	441	51.16%	\$ 6,995,615	537	54.52%	\$ 13,010,555	82.06%
Services	249	28.89%	784,187	250	25.38%	1,271,104	8.02%
Manufacturing	41	4.76%	606,044	50	5.08%	149,712	0.94%
Wholesale Trade	69	8.00%	732,290	69	7.01%	1,092,987	6.89%
Construction	23	2.67%	56,391	27	2.74%	59,407	0.37%
Finance Insurance Real Estate	5	0.58%	2,669	3	0.30%	1,518	0.01%
Transportation and Utilities	22	2.55%	326,810	6	0.61%	70,976	0.45%
Agriculture	7	0.81%	5,730	5	0.51%	36,936	0.23%
Other, Non Classified	5	0.58%	26,482	38	3.86%	162,647	1.03%
Total	862	100.00%	\$ 9,536,218	985	100.00%	\$ 15,855,842	100.00%

Source: Tennessee Department of Revenue, Research Division.

Notes:

1. Figures subject to revision due to amended taxpayer returns.
2. Figures represent local sales tax collected by 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	Capital Note	Capital Lease	Bonds	Capital Lease				
1999	\$ 23,865,000	\$ 365,000	\$ 131,012	\$ 12,750,000	-	-	\$ 37,111,012	2.40%	\$ 939
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

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Capital Note</u>	<u>Capital Lease</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
1999	\$ 23,865,000	\$ 365,000	\$ 131,012	\$ 24,361,012	1.20%	\$ 617
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

CITY OF BARTLETT, TENNESSEE

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2008

<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	\$ 26,170,660	100.00%	\$ 26,170,660
Shelby County	<u>1,695,408,631</u>	6.21%	<u>105,284,876</u>
Totals Direct and Overlapping Debt	<u>\$ 1,721,579,291</u>		<u>\$ 131,455,536</u>

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

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

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

The City of Bartlett has no legal debt limit

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

Fiscal Year	Utility Service Charges	Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1999	\$ 4,182,177	\$ 2,832,004	\$ 1,350,173	\$ 1,295,000	\$ 695,526	0.68
2000	4,373,504	3,010,137	1,363,367	1,340,000	629,605	0.69
2001	6,970,022	3,544,845	3,425,177	1,390,000	589,561	1.73
2002	5,958,023	3,198,385	2,759,638	1,245,000	590,984	1.50
2003	6,753,253	3,500,754	3,252,499	1,420,000	562,568	1.64
2004	7,749,801	3,751,076	3,998,725	1,125,000	544,863	2.39
2005	7,616,473	3,949,404	3,667,069	1,160,000	621,735	2.06
2006	9,688,303	4,071,905	5,616,398	1,255,000	569,220	3.08
2007	8,205,579	4,237,489	3,968,090	1,010,000	573,585	2.51
2008	8,307,946	4,352,229	3,955,717	895,000	593,012	2.66

(1) Excludes depreciation expense.

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

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

Fiscal Year	Population (1)	Personal Income (Thousands of \$) (1)	Per Capita Personal Income (1)	Unemployment Rate (4)	
1999	39,514	\$ 1,543,812	\$ 39,070	1.3%	
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)

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>2008</u>			<u>1999</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%
The City of Bartlett	470	2	1.88%	357	3	2.04%
USDA Cotton Classing Division	400	3	1.60%	154	8	0.88%
Wal-Mart Supercenter	394	4	1.58%	425	2	2.43%
Saint Francis Hospital-Bartlett	315	5	1.26%			
United Parcel Service	275	6	1.10%	204	4	1.17%
The Kele Companies	206	7	0.83%			
The Kroger Company	200	8	0.80%	196	6	1.12%
Sam's Wholesale Club	200	9	0.80%			
The King's Daughters & Sons	160	10	0.64%			
Gamer 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%
Total	<u>3,620</u>		<u>14.51%</u>	<u>2,994</u>		<u>17.11%</u>

Source: Bartlett Chamber of Commerce

CITY OF BARTLETT, TENNESSEE

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

Department	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund	7	7	7	7	7	8	8	8	8	8
Legislative Board	8	8	9	9	10	11	11	12	12	14
Mayor's Office	8	9	10	11	11	13	13	14	13	13
Finance	7	7	8	8	9	9	10	10	11	11
City Court	3	3	3	4	4	4	4	4	5	4
Personnel	3	4	4	4	4	4	5	5	5	4
Planning	78	78	80	84	84	86	90	92	98	105
Police	30	33	35	39	37	37	36	33	33	36
Officers										
Civilians										
Fire Services and Ambulance	67	67	66	70	72	73	77	77	93	94
Firefighters & Officers	1	1	1	1	1	1	1	1	1	1
Civilians	7	8	8	8	8	9	10	12	12	12
Codes Enforcement	44	44	44	43	46	48	49	52	52	53
Public Works	7	8	9	7	9	11	12	11	11	11
Engineering	59	74	76	79	82	85	85	88	81	80
Parks & Recreation	2	2	3	3	4	4	4	3	3	4
Performing Arts										
Special Revenue Funds	30	31	30	31	32	32	34	35	37	38
Solid Waste Fund	0	0	0	0	0	0	1	1	1	1
Drainage Control Fund	6	6	7	7	6	5	6	9	11	12
Utility Fund	14	16	20	21	19	19	19	15	15	15
Administration	4	5	5	5	5	5	5	5	5	5
Water & Wastewater Services	1	2	2	2	2	3	4	4	4	4
Plant Operations										
Sewer Lagoon	386	413	427	443	452	467	484	491	511	525
Total										

CITY OF BARTLETT, TENNESSEE

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	4	4	4	4	4	4	4	5	5
Public Works										
Streets (miles)	188	188	188	188	188	188	238	268	268	285
Parks & Recreation										
Acreage	416	416	416	416	416	416	607	671	671	688
Parks #										
Developed	20	20	23	23	23	23	22	22	24	24
Undeveloped	5	5	2	2	2	2	2	2	2	2
Tennis courts	14	14	14	14	14	14	12	12	14	14
Baseball fields	9	9	9	9	9	9	17	17	17	17
Walking trails(miles)	7	7	9	9	9	9	11	11	11	12
Water										
Water lines (miles)	262	262	317	317	317	317	331	331	331	370
Water connections	16,132	16,591	16,953	17,343	17,834	18,424	18,854	19,266	19,741	19,894
Water plants	3	3	3	3	3	3	4	4	4	4
Storage tanks	8	8	8	8	8	8	9	9	9	9
Wastewater										
Sanitary sewers (miles)	208	208	252	252	252	312	313	313	313	344
Sewer connections	14,544	14,950	15,380	15,810	16,330	16,827	17,271	17,814	18,132	18,444

CITY OF BARTLETT, TENNESSEE

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

LAST TEN YEARS

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
Residential permits issued	293	230	274	354	373	336	314	358	215	104
Commercial permits issued	97	68	91	131	107	106	109	131	97	83
Fire										
Emergency responses	2,052	2,321	2,492	2,692	2,773	3,114	3,152	3,581	3,663	3,776
Structure fires	75	104	104	88	85	105	107	197	45	57
Inspections	961	1,108	907	2,173	2,957	1,812	2,589	3,506	3,369	3,449
Refuse collection										
Total refuse collected (tons)	31,602	31,965	36,438	34,389	51,948	35,326	41,357	44,432	44,105	44,824
Refuse taken to landfill	20,687	21,816	22,825	22,824	23,475	24,386	25,330	26,911	26,391	27,015
Library										
Volumes in collections	79,144	86,434	88,915	90,844	89,102	82,257	82,691	83,107	84,666	99,256
Total volumes borrowed	397,268	393,678	404,966	392,571	390,046	359,331	349,977	324,968	302,272	297,581
Water										
New connections	519	476	369	366	491	557	463	412	475	153
Water customers	16,132	16,608	16,977	17,343	17,834	18,391	18,854	19,266	19,741	19,894
Sewer										
Sewer customers	14,544	14,988	15,403	15,810	16,330	16,790	17,271	17,814	18,132	18,444

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF UNACCOUNTED FOR WATER

For the Year Ended June 30, 2008

(All amounts in gallons)

A.	Water Treated and Purchased:	
B.	Water Pumped (potable)	2,484,781,000
C.	Water Purchased	-
D.	Total Water Treated and Purchased	<u>2,484,781,000</u>
	(Sum Lines B and C)	2,484,781,000
E.	Accounted for Water:	
F.	Water Sold	2,165,814,500
G.	Metered for Consumption	-
H.	Fire Department(s) Usage	50,000
I.	Flushing	7,508,000
J.	Tank Cleaning/Filling	1,075,000
K.	Street Cleaning	71,040
L.	Bulk Sales	-
M.	Water Bill Adjustments	-1,542,741
N.	Other (explain)	-
O.	Total Accounted for Water	<u>2,172,975,799</u>
	(Sum Lines F thru N)	
P.	Unaccounted for Water	311,805,201
	(Line D minus Line O)	
Q.	Percent Unaccounted for Water	12.54%
	(Line P divided by Line D times 100)	
R.	Cost per 1,000 gallons of water	\$ 1.14
S.	Cost of Unaccounted for Water	355,457
	(Line P divided by 1,000 times Line R)	

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF UTILITY RATES

June 30, 2008

Water			Sewer		
Residential, city customers (volume charge is 1,000 gal):					
Gallons	Base Charge	Volume Charge	Gallons	Base Charge	Volume Charge
First 2,000 gallons	\$ 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	-

Residential, rural customers (volume charge is 1,000 gal):					
Gallons	Base Charge	Volume Charge	Gallons	Base Charge	Volume Charge
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	-

Commercial, city customers (volume charge is 1,000 gal):					
Gallons	Base Charge	Volume Charge	Gallons	Base Charge	Volume Charge
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			

Commercial, rural customers (volume charge is 1,000 gal):					
Gallons	Base Charge	Volume Charge	Gallons	Base Charge	Volume Charge
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): 12.00%

Number of Customers at Year-end:
 Water 19,894
 Sewer 18,444



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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, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 22, 2008. 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 2008-1, 2008-2 and 2008-3 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, of the significant deficiencies described above, we consider item 2008-3 to be 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 Liberal, Prec

Memphis, Tennessee
December 22, 2008

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

For the Year Ended June 30, 2008

SIGNIFICANT DEFICIENCIES

2008-1 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.

2008-2 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 also noted that the same employee who prints checks also has access to create a new vendor in the City's accounting system. Having the same employee who has access to create a new vendor and access to the accounts payable subsidiary ledger increases the risk for writing checks to a phony vendor.

We recommend limiting the access to create or edit vendor information to employees who do not have access to the accounts payable subsidiary ledger. Also, 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.

MATERIAL WEAKNESS

2008-3 Correction of a Material Misstatement

We noted during the audit that the City has only been recording 30 days of receipts for State and local shared taxes as opposed to 60 days of receipts. Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. The State shared and local taxes for the June fiscal year end are collected in July and distributed to the City in August. Therefore, August receipts should be recorded by the City in the current fiscal year. A prior period adjustment was made to reflect 60 days of receipts for the 2007 fiscal year and to restate ending receivables. As a result, beginning fund balance increased by approximately \$1.3 million.

Also, we noted during our audit that the City was not deferring revenue for court fines. Court fines should be deferred when cash is received but unearned by the City. A prior period adjustment was made to record deferred court fines and to adjust the allowance for uncollectible court fines at June 30, 2007. As a result, beginning fund balance decreased by approximately \$275,000.

City's Response

Prior period adjustment was made.