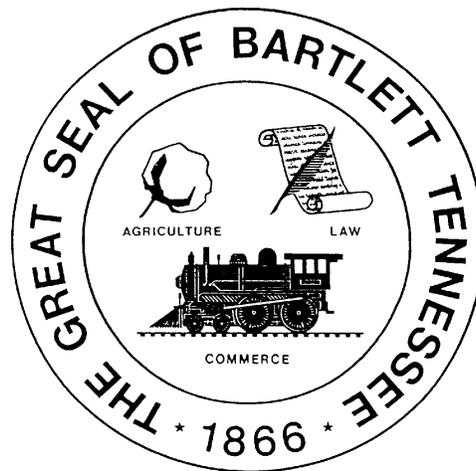


CITY OF BARTLETT **TENNESSEE**



A. Keith McDonald, Mayor

Comprehensive Annual Financial Report **For The Fiscal Year Ended** **June 30, 2010**

Prepared by the City of Bartlett Finance Department

**CITY OF BARTLETT, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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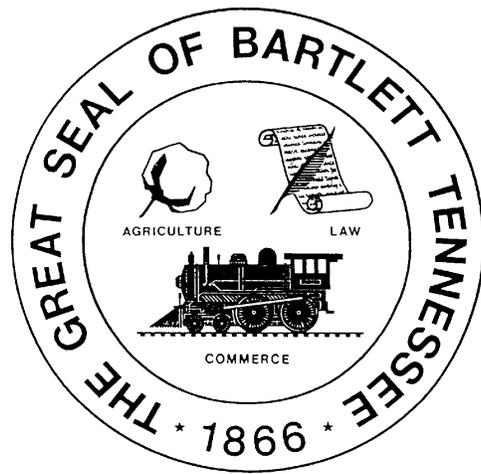
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City of Bartlett

A. Keith McDonald, Mayor

December 29, 2010

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, 2010, 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, 2010, 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, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

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

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

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

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

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

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

Factors Affecting Financial Condition

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

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

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

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

The regional economy continues to show weakness in the housing market and retail sales. At the state level less than budgeted collections of sales, franchise and excise taxes, and the anticipated decline in stimulus fund 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 2011-2015 are:

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

Relevant financial policies. The City's fund balance policy states that fund balances will be used prudently and conservatively to fund one time expenditures and stabilize the property tax rate. The fiscal year 2010 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, 2010, the City added a new fire administration office and renovated the old library building to provide space for Code Enforcement, Planning and Engineering and provide better customer service. The City continued a program of infrastructure and road improvements. Whitten road was developed from Egypt-Central to Old Brownsville which now provides a four lane road. The next four fiscal years the City will implement a city wide street paving program and we anticipate spending more than 8 million dollars in street improvements.

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, 2009. This was the 21st 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 the 8th straight year for its annual budget document for the fiscal year beginning July 1, 2009. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. I would like to express my appreciation to all of the members of the department who assisted and contributed to this report. Credit also must be given to the Mayor and Board of Aldermen for their support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in blue ink that reads "Mark S. Brown". The signature is written in a cursive style with a large initial "M" and "B".

Mark S. Brown
Chief Administrative Officer/Chief Financial Officer

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, 2009

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.



A stylized handwritten signature in black ink.

President

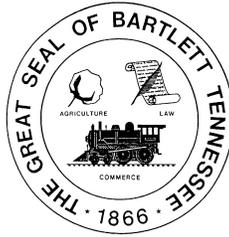
A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

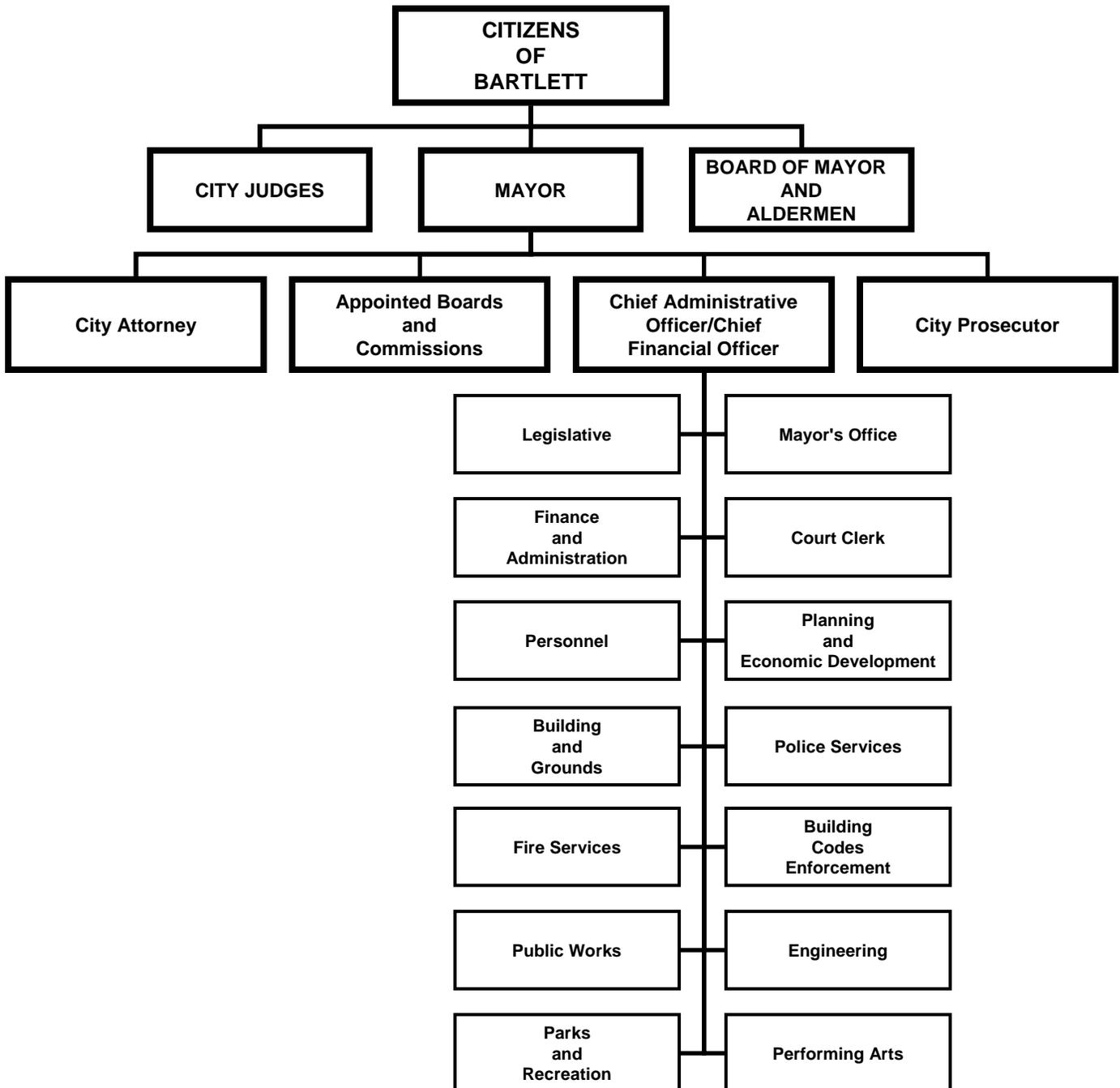
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bartlett for its comprehensive annual financial report for the fiscal year ended June 30, 2009. The Certificate of Achievement is 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, 2010



**CITY OF BARTLETT, TENNESSEE
CITY OFFICIALS
JUNE 30, 2010**

MAYOR

A. Keith McDonald

ALDERMEN

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

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



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 statements of budgetary comparison for the general fund and solid waste control fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee, (the "City") as of and for the year ended June 30, 2010, 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund and solid waste control fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2010, 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. 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 financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual fund statements and schedules and supplementary schedules, and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respected in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Watkins Mikusall, PLLC

Memphis, Tennessee
December 29, 2010

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, 2010. 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 \$179,806,610 (net assets). Of this amount, \$23,233,938 (unrestricted net assets) may be used to meet the government's ongoing obligation to citizens and creditors.
- The City's total net assets decreased by \$11,181,557.
- At June 30, 2010, the City's governmental funds reported combined ending fund balances of \$27,754,169, an increase of \$2,299,222 in comparison with the prior year. Approximately 87% of this amount is available for spending at the government's discretion (unreserved fund balance).
- At June 30, 2010 unreserved fund balance for the general fund was \$16,082,051, or 44.4% of total general fund expenditures.
- The City's total debt increased by \$663,207 (1.7%) during the current fiscal year. The key factor in this increase was a draw down of \$1,055,387 of the \$2,350,000 in general obligation and water and sewer variable rate loans to provide additional funding for capital equipment and projects issued in FY 2009. The proceeds from the loans will be disbursed as they are spent and recorded as debt outstanding after they are drawn.

Overview of the Financial Statements

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

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

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused leave).

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

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

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

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

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

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

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

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Sewer activities of the City.

Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the report.

The basic proprietary fund financial statements can be found on page 36-38 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 39-40 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 41-62 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 63-76 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 \$179,806,610 at the close of the most recent fiscal year.

The largest portion of the City's net assets (85.7%) 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	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 51,207,337	\$ 48,955,087	\$ 8,793,377	\$ 8,790,952	\$ 60,000,714	\$ 57,746,039
Capital assets	121,656,228	123,785,206	71,315,955	72,226,190	192,972,183	196,011,396
Total assets	172,863,565	172,740,293	80,109,332	81,017,142	252,972,897	253,757,435
Long-term liabilities outstanding	37,714,451	27,448,117	15,154,327	14,313,674	52,868,778	41,761,791
Other liabilities	19,534,176	20,388,460	763,333	619,017	20,297,509	21,007,477
Total liabilities	57,248,627	47,836,577	15,917,660	14,932,691	73,166,287	62,769,268
Net assets:						
Invested in capital assets, net of related debt	97,005,354	99,381,535	57,110,451	57,703,738	154,115,805	157,085,273
Restricted	2,456,867	2,687,767	-	-	2,456,867	2,687,767
Unrestricted	16,152,717	22,834,414	7,081,221	8,380,713	23,233,938	31,215,127
Total net assets	\$115,614,938	\$124,903,716	\$64,191,672	\$66,084,451	\$179,806,610	\$190,988,167

An additional portion of the City's net assets (1.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$23,233,938) may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2010, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The government's net assets decreased by \$11,181,557 during the current fiscal year.

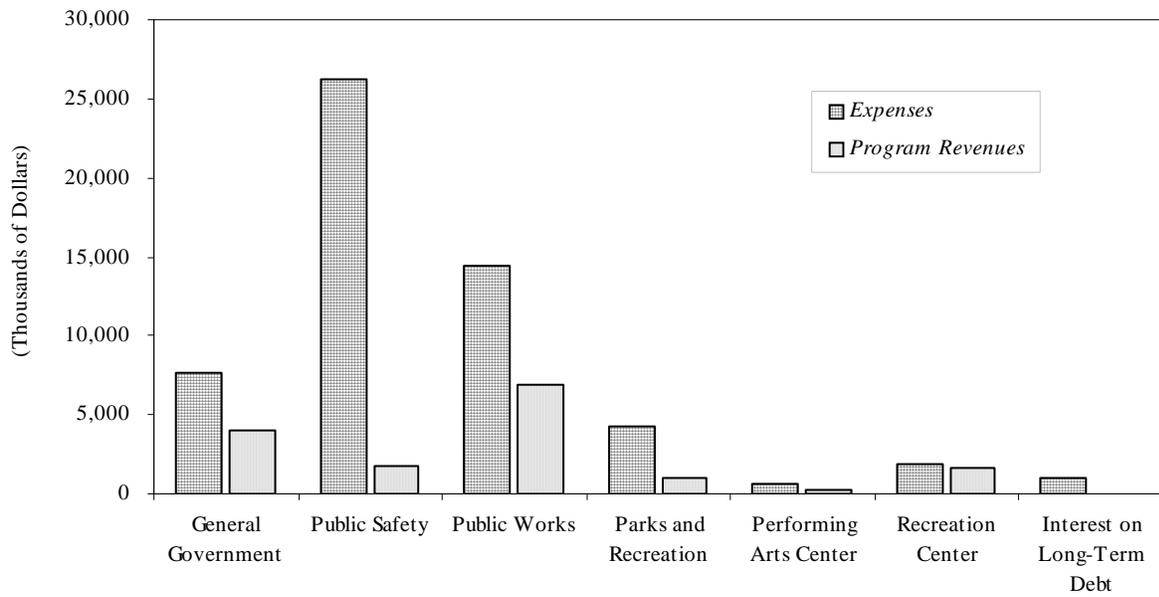
Governmental activities. Government activities decreased the City's restated net assets by \$6,042,118, thereby accounting for 76.1% of total decrease in the net assets of the City. Key elements of this decrease are as follows:

- Decline in most revenue categories and general increase in operating expenditures.
- Increase net pension obligation and other post employment benefits.

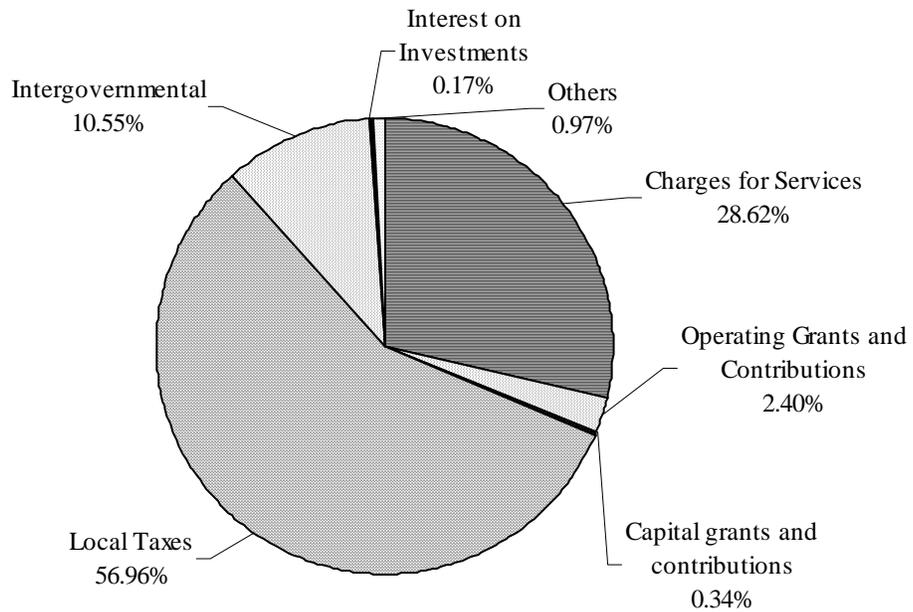
Condensed Statement of Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues:						
Charges for Services	\$ 14,234,878	\$ 14,466,587	\$ 6,039,052	\$ 6,141,851	\$ 20,273,930	\$ 20,608,438
Operating grants and contributions	1,193,165	1,941,514	195,843	590,610	1,389,008	2,532,124
Capital grants and contributions	168,069	870,185	-	-	168,069	870,185
General Revenues:						
Local taxes	28,324,840	27,932,842	-	-	28,324,840	27,932,842
Intergovernmental	5,246,434	4,050,633	-	-	5,246,434	4,050,633
Interest on investments	83,058	229,974	45,045	97,117	128,103	327,091
Other	480,894	418,532	2,913	1,016	483,807	419,548
Total revenues	49,731,338	49,910,267	6,282,853	6,830,594	56,014,191	56,740,861
Expenses						
General government	7,711,577	6,881,987	-	-	7,711,577	6,881,987
Public safety	26,256,730	22,891,377	-	-	26,256,730	22,891,377
Public works	14,432,134	14,742,339	-	-	14,432,134	14,742,339
Parks and recreation	4,246,207	4,091,798	-	-	4,246,207	4,091,798
Performing arts center	630,035	543,258	-	-	630,035	543,258
Recreation center	1,820,873	1,740,618	-	-	1,820,873	1,740,618
Interest on long-term debt	976,084	1,012,600	-	-	976,084	1,012,600
Water and sewer	-	-	7,875,448	7,217,654	7,875,448	7,217,654
Total expenses	56,073,640	51,903,977	7,875,448	7,217,654	63,949,088	59,121,631
Increase in net assets before transfers	(6,342,302)	(1,993,710)	(1,592,595)	(387,060)	(7,934,897)	(2,380,770)
Transfers	300,184	321,033	(300,184)	(321,033)	-	-
Increase in net assets	(6,042,118)	(1,672,677)	(1,892,779)	(708,093)	(7,934,897)	(2,380,770)
Net assets - July 1, 2009, as previously reported	124,903,716	126,576,393	66,084,451	66,792,544	190,988,167	193,368,937
Prior period adjustments	(3,246,660)	-	-	-	(3,246,660)	-
Net assets, July 1, 2009 as restated	121,657,056	126,576,393	66,084,451	66,792,544	187,741,507	193,368,937
Net assets - June 30, 2010	\$ 115,614,938	\$ 124,903,716	\$64,191,672	\$66,084,451	\$179,806,610	\$ 190,988,167

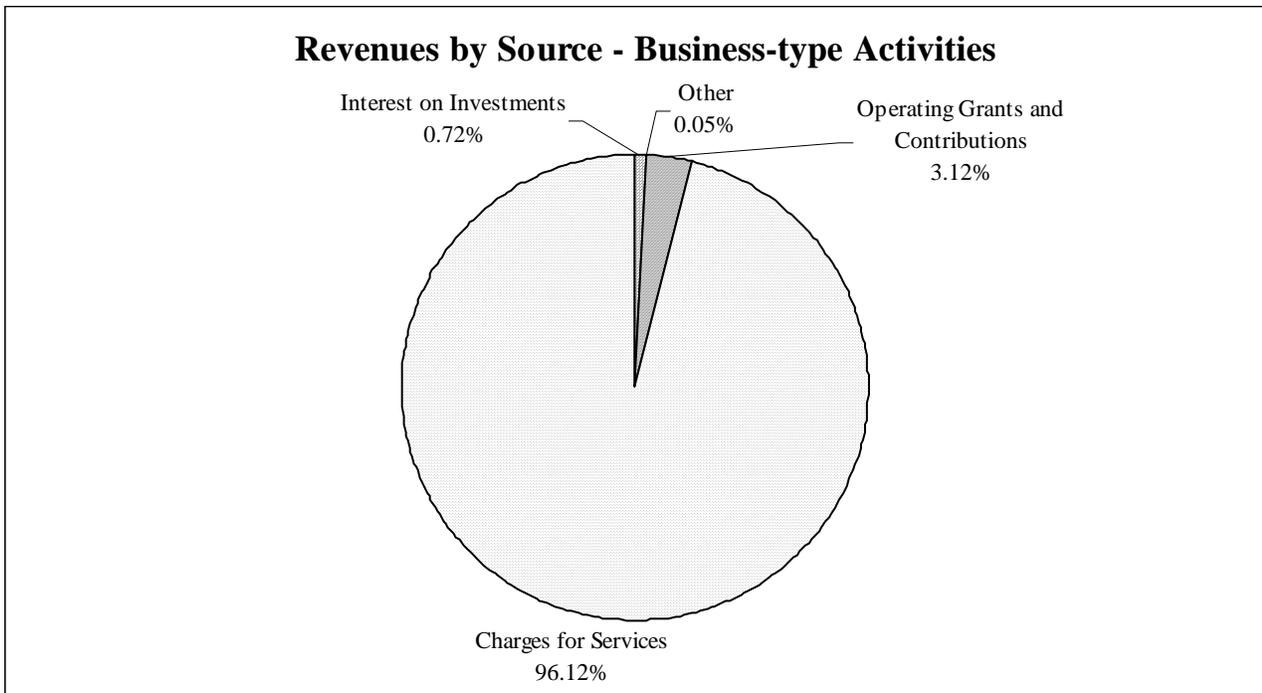
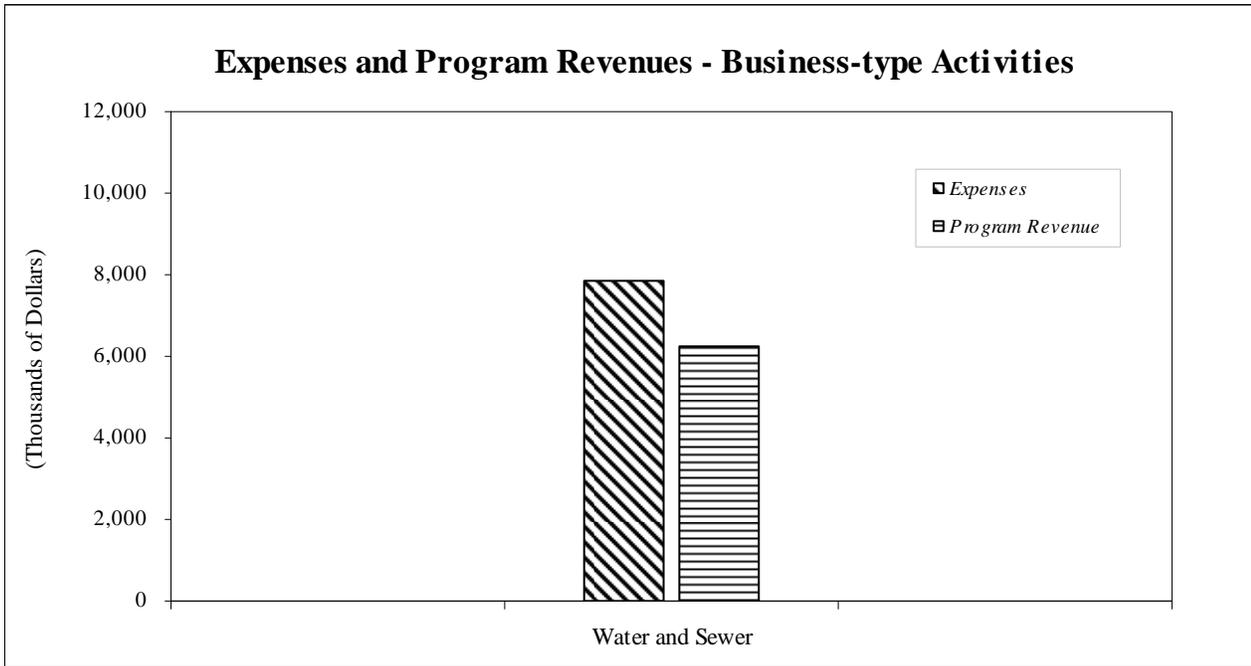
Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-type activities. Business-type activities decreased the City's net assets by \$1,892,779 accounting for 16.9% of the total decrease in the government's net assets. Key elements of the decrease are as follows:



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 \$27,754,169 an increase of \$2,299,222, in comparison with the prior year. Approximately 87% of this total amount (\$24,141,618) 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 (\$2,229,250) 2) to pay debt service (\$411,309) 3) for capital projects (\$798,580) and 4) for other restricted purposes (\$173,412).

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 \$16,082,051, while total fund balance reached \$16,485,988. 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 44.4% of total general fund expenditures, while total fund balance represents 45.5% of that same amount.

The fund balance of the City's general fund increased by \$1,028,799 during the current fiscal year. Key factors in this increase are:

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

The debt service fund has a total fund balance of \$411,309, all of which is reserved for the payment of debt service. The decrease in the amount of \$78,883 was due to decreased sales tax collections.

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

Unrestricted net assets of the Water and Sewer fund at the end of the year amounted to \$7,081,221. The total decrease in net assets for the Water and Sewer fund was \$1,892,779. Other factors concerning the finances have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget can be briefly summarized as follows:

- The Police budget was increased \$64,200 and the Fire & Ambulance budget was increased \$43,800 for state funded training.
- The Legislative Board Budget was increased \$244,000 for the Ellis Road settlement.
- Yearly Christmas Bonus was added for all full-time employees for a total of \$49,295.

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, 2010 amounts to \$192,972,183 (net of accumulated depreciation). This investment in capital assets includes land, building, improvements, equipment, roads, highways, and other infrastructure. The total decrease in City's investment in capital assets for the current fiscal year was 1.55% (a 1.72% decrease for governmental activities and a 1.26% decrease for business-type activities).

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

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

Condensed Statement of Capital Assets (Net of Depreciation)

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 7,730,795	\$ 7,413,812	\$ 1,055,251	\$ 931,906	\$ 8,786,046	\$ 8,345,718
Buildings	27,676,337	26,789,248	77,636	81,606	27,753,973	26,870,854
Improvements other than bldgs.	2,448,252	2,773,856	69,212,843	68,942,667	71,661,095	71,716,523
Equipment	1,268,509	1,466,122	730,928	607,054	1,999,437	2,073,176
Vehicles	3,766,160	4,180,403	-	-	3,766,160	4,180,403
Infrastructure	77,834,090	80,225,915	-	-	77,834,090	80,225,915
Construction in progress	932,085	935,850	239,297	1,662,957	1,171,382	2,598,807
Total	\$ 121,656,228	\$ 123,785,206	\$ 71,315,955	\$ 72,226,190	\$ 192,972,183	\$ 196,011,396

Additional information on the City’s capital assets can be found in note 4(D) on pages 53-54 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$39,602,486. Of this amount \$25,044,235 comprises debt backed by the full faith and credit of the government and capital outlay notes and \$14,558,251 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	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 23,015,000	\$ 22,695,000	\$ -	\$ -	\$ 23,015,000	\$ 22,695,000
Capital Outlay note	1,076,180	1,695,360	-	-	1,076,180	1,695,360
General Obligation note	953,055	26,468	-	-	953,055	26,468
Revenue bonds	-	-	14,355,000	14,405,000	14,355,000	14,405,000
Revenue note	-	-	203,251	117,452	203,251	117,452
Total	<u>\$ 25,044,235</u>	<u>\$ 24,416,828</u>	<u>\$ 14,558,251</u>	<u>\$ 14,522,452</u>	<u>\$ 39,602,486</u>	<u>\$ 38,939,280</u>

The City’s total debt increased by 1.7% during the current fiscal year. The key factor in this increase was a draw down of \$969,588 of the \$2,350,000 (issued in FY 2009) general obligation and revenue variable rate note.

The City maintains an “AAA” rating from Standard & Poor’s and an “Aa” rating from Moody’s for general obligation debt and water and sewer debt.

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

Economic Factors and Next Year’s Budgets and Rates

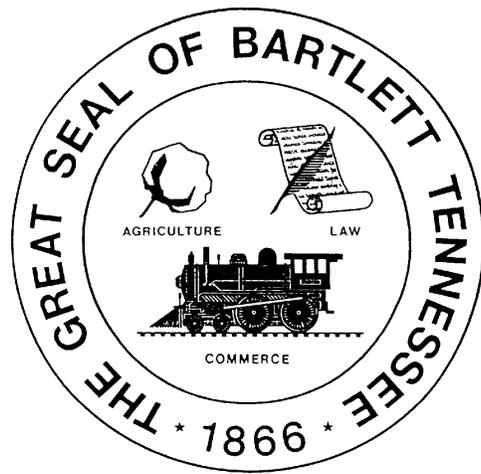
Factors considered in preparing the City’s budget for the 2011 fiscal year are discussed fully in the budget document and include:

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

At June 30, 2010 the unreserved fund balance in the general fund was \$16,082,051. The City has approved an operating budget of \$38,590,647 for fiscal year 2011 with a \$1,554,216 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, 2010

	Primary Government		
	Governmental Activities	Business-type Activity	Total
ASSETS			
Cash and cash equivalents	\$ 19,194,526	\$ 3,997,266	\$ 23,191,792
Investments - unrestricted	8,193,304	3,470,439	11,663,743
Investments - restricted	1,544,522	-	1,544,522
Receivables (net of allowance for uncollectibles):			
Taxes	18,274,006	-	18,274,006
Accounts receivable	-	1,251,552	1,251,552
Other	3,758,098	136,823	3,894,921
Internal balances	69,469	(69,469)	-
Inventories	161,581	-	161,581
Prepaid items	11,831	6,766	18,597
Capital assets, not being depreciated	8,662,880	1,294,548	9,957,428
Capital assets, being depreciated, net	112,993,348	70,021,407	183,014,755
Total assets	<u>172,863,565</u>	<u>80,109,332</u>	<u>252,972,897</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,148,331	340,970	1,489,301
Accrued interest payable	291,103	189,614	480,717
Unearned revenue	16,364,398	51,840	16,416,238
Other accrued payables	8,842	-	8,842
Accrued payroll and vacation	1,721,502	116,498	1,838,000
Payable to pension fund	-	64,411	64,411
Noncurrent liabilities:			
Due within one year	3,334,319	1,013,000	4,347,319
Due in more than one year	34,380,132	14,141,327	48,521,459
Total liabilities	<u>57,248,627</u>	<u>15,917,660</u>	<u>73,166,287</u>
NET ASSETS			
Invested in capital assets, net of related debt	97,005,354	57,110,451	154,115,805
Restricted for:			
Debt service	411,309	-	411,309
Streets	492,578	-	492,578
Park improvements	989,288	-	989,288
Drug enforcement	332,634	-	332,634
Other purposes	231,058	-	231,058
Unrestricted	16,152,717	7,081,221	23,233,938
Total net assets	<u>\$ 115,614,938</u>	<u>\$ 64,191,672</u>	<u>\$ 179,806,610</u>

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

CITY OF BARTLETT, TENNESSEE

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2010

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Functions/Programs							
Primary government:							
Governmental Activities:							
General government	\$ 7,711,577	\$ 3,719,823	\$ 306,894	\$ 27,703	\$ (3,657,157)	\$ -	\$ (3,657,157)
Public safety	26,256,730	1,689,385	-	92,361	(24,474,984)	-	(24,474,984)
Public works	14,432,134	5,942,462	870,556	48,005	(7,571,111)	-	(7,571,111)
Parks and recreation	4,246,207	935,433	15,715	-	(3,295,059)	-	(3,295,059)
Performing arts center	630,035	278,161	-	-	(351,874)	-	(351,874)
Recreation center	1,820,873	1,669,614	-	-	(151,259)	-	(151,259)
Interest on long-term debt	976,084	-	-	-	(976,084)	-	(976,084)
Total governmental activities	<u>56,073,640</u>	<u>14,234,878</u>	<u>1,193,165</u>	<u>168,069</u>	<u>(40,477,528)</u>	<u>-</u>	<u>(40,477,528)</u>
Business-type activity:							
Water and sewer	<u>7,875,448</u>	<u>6,039,052</u>	<u>195,843</u>	<u>-</u>	<u>-</u>	<u>(1,640,553)</u>	<u>(1,640,553)</u>
Total primary government	<u>\$ 63,949,088</u>	<u>\$ 20,273,930</u>	<u>\$ 1,389,008</u>	<u>\$ 168,069</u>	<u>(40,477,528)</u>	<u>(1,640,553)</u>	<u>(42,118,081)</u>
General revenues:							
Property taxes					18,083,999	-	18,083,999
Local sales taxes					10,240,841	-	10,240,841
Intergovernmental/unrestricted					5,246,434	-	5,246,434
Interest on investments					83,058	45,045	128,103
Gain on sale of capital assets					18,301	2,913	21,214
Other					462,593	-	462,593
Transfers					300,184	(300,184)	-
Total general revenues and transfers					<u>34,435,410</u>	<u>(252,226)</u>	<u>34,183,184</u>
Change in net assets					<u>(6,042,118)</u>	<u>(1,892,779)</u>	<u>(7,934,897)</u>
Net assets - beginning, as previously reported					124,903,716	66,084,451	190,988,167
Prior period adjustment					<u>(3,246,660)</u>	<u>-</u>	<u>(3,246,660)</u>
Net assets - beginning as restated					<u>121,657,056</u>	<u>66,084,451</u>	<u>187,741,507</u>
Net assets - ending					<u>\$ 115,614,938</u>	<u>\$ 64,191,672</u>	<u>\$ 179,806,610</u>

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

CITY OF BARTLETT, TENNESSEE

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2010

	<u>General Fund</u>	<u>Solid Waste Control</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 8,076,748	\$ 803,496	\$ 5,246,447	\$ 3,172,065	\$ 17,298,756
Investments - unrestricted	8,193,304	-	-	-	8,193,304
Investments - restricted	-	-	1,544,522	-	1,544,522
Receivables					
Taxes	18,077,554	-	-	708,537	18,786,091
Other	3,502,720	706,029	-	71,891	4,280,640
Less allowance for doubtful accounts	(1,034,631)	-	-	-	(1,034,631)
Due from other funds	84,096	-	-	-	84,096
Inventory	161,581	-	-	-	161,581
Prepaid Items	8,331	-	-	3,500	11,831
	<u>\$ 37,069,703</u>	<u>\$ 1,509,525</u>	<u>\$ 6,790,969</u>	<u>\$ 3,955,993</u>	<u>\$ 49,326,190</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 740,237	\$ 99,772	\$ 14,793	\$ 267,453	\$ 1,122,255
Deferred revenue - taxes	17,414,565	-	-	-	17,414,565
Deferred revenue - rec. center	266,465	-	-	-	266,465
Deferred revenue - court fines	311,965	-	-	-	311,965
Deferred revenue - developers	135,959	-	-	-	135,959
Deferred revenue - business licenses	2,328	-	-	-	2,328
Deferred revenue - grants	95,541	296,292	-	112,211	504,044
Other accrued payables	8,842	-	-	-	8,842
Due to other funds	-	-	-	84,096	84,096
Accrued payroll and vacation	1,607,813	113,689	-	-	1,721,502
Total liabilities	<u>20,583,715</u>	<u>509,753</u>	<u>14,793</u>	<u>463,760</u>	<u>21,572,021</u>
Fund balances:					
Reserved for:					
Encumbrances	190,072	-	1,697,452	341,726	2,229,250
Inventories and prepaids	169,912	-	-	3,500	173,412
Debt service	-	-	-	411,309	411,309
Capital projects	43,953	-	-	754,627	798,580
Unreserved, reported in:					
General fund	16,082,051	-	-	-	16,082,051
Capital projects fund	-	-	5,078,724	-	5,078,724
Special revenue funds	-	999,772	-	1,981,071	2,980,843
Total fund balances	<u>16,485,988</u>	<u>999,772</u>	<u>6,776,176</u>	<u>3,492,233</u>	<u>27,754,169</u>
	<u>\$ 37,069,703</u>	<u>\$ 1,509,525</u>	<u>\$ 6,790,969</u>	<u>\$ 3,955,993</u>	<u>\$ 49,326,190</u>
Total liabilities and fund balances	<u>\$ 37,069,703</u>	<u>\$ 1,509,525</u>	<u>\$ 6,790,969</u>	<u>\$ 3,955,993</u>	<u>\$ 49,326,190</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, 2010

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

Total governmental fund balances	\$ 27,754,169
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	121,656,228
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,270,928
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.	1,939,167
Long-term liabilities, including bonds payable, capital outlay notes, net pension obligation, and OPEB are not due and payable in the current period and therefore are not reported in the funds.	<u>(38,005,554)</u>
Net assets of governmental activities	<u><u>\$ 115,614,938</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, 2010

	<u>General Fund</u>	<u>Solid Waste Control</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes:					
Property taxes	\$ 17,963,040	\$ -	\$ -	\$ -	\$ 17,963,040
Local sales taxes	7,594,560	-	-	2,646,281	10,240,841
Intergovernmental	3,893,693	-	-	1,352,741	5,246,434
Licenses and permits	1,479,812	-	-	-	1,479,812
Charges for services	4,134,091	4,846,763	-	655,249	9,636,103
Fines, forfeitures, and penalties	1,955,553	-	-	31,783	1,987,336
Federal and state grants	205,955	427,106	-	144,490	777,551
Donations	15,715	-	-	-	15,715
Interest on investments	27,841	-	50,542	3,895	82,278
Other	34,579	26,562	127,174	274,278	462,593
Total revenues	<u>37,304,839</u>	<u>5,300,431</u>	<u>177,716</u>	<u>5,108,717</u>	<u>47,891,703</u>
EXPENDITURES					
Current					
General government	6,080,853	-	-	233,870	6,314,723
Public safety	20,519,035	-	-	531,498	21,050,533
Public works	4,431,470	4,220,109	-	1,829,620	10,481,199
Parks and recreation	3,206,014	-	-	92,892	3,298,906
Performing arts center	579,361	-	-	-	579,361
Recreation center	1,425,701	-	-	-	1,425,701
Debt Service					
Principal	-	-	-	2,562,180	2,562,180
Interest	-	-	-	931,908	931,908
Bond issuance costs	-	-	28,790	31,076	59,866
Capital outlays	-	485,907	1,917,574	-	2,403,481
Total expenditures	<u>36,242,434</u>	<u>4,706,016</u>	<u>1,946,364</u>	<u>6,213,044</u>	<u>49,107,858</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,062,405</u>	<u>594,415</u>	<u>(1,768,648)</u>	<u>(1,104,327)</u>	<u>(1,216,155)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	3,189,588	-	3,189,588
Premium on bonds issued	-	-	7,304	-	7,304
Sale of capital assets	18,301	-	-	-	18,301
Transfers in	851,343	-	89,853	1,300,000	2,241,196
Transfers out	<u>(903,250)</u>	<u>(400,000)</u>	<u>(89,470)</u>	<u>(548,292)</u>	<u>(1,941,012)</u>
Total other financing sources and uses	<u>(33,606)</u>	<u>(400,000)</u>	<u>3,197,275</u>	<u>751,708</u>	<u>3,515,377</u>
Net change in fund balances	1,028,799	194,415	1,428,627	(352,619)	2,299,222
Fund balances - beginning	15,457,189	805,357	5,347,549	3,844,852	25,454,947
Fund balances - ending	<u>\$ 16,485,988</u>	<u>\$ 999,772</u>	<u>\$ 6,776,176</u>	<u>\$ 3,492,233</u>	<u>\$ 27,754,169</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, 2010

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

Net change in fund balance - total governmental funds	\$ 2,299,222
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.	(2,128,978)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	860,526
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This adjustment is for compensated absences, net pension obligation and other post employment benefits.	(6,389,740)
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.	(615,577)
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.	<u>(67,571)</u>
Change in net assets of governmental funds	<u>\$ (6,042,118)</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, 2010

	<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 tax	\$ 16,167,100	\$ 16,167,100	\$ 16,448,032	\$ 280,932
Property tax - prior year	250,000	250,000	454,516	204,516
Payments in lieu of taxes	825,000	825,000	904,169	79,169
Property tax interest and penalties	95,000	95,000	156,323	61,323
Local sales tax	5,322,140	5,322,140	5,292,563	(29,577)
Wholesale beer tax	681,550	681,550	711,026	29,476
Wholesale liquor tax	165,000	165,000	167,452	2,452
Gross receipts tax	750,000	750,000	801,588	51,588
Business tax	35,500	35,500	19,990	(15,510)
Interest, penalties, and collection fees on business tax	26,810	26,810	63,776	36,966
Hotel tax	215,000	215,000	178,797	(36,203)
CATV franchise tax	350,000	350,000	357,423	7,423
AT&T franchise tax	-	-	1,945	1,945
Total taxes	24,883,100	24,883,100	25,557,600	674,500
INTERGOVERNMENTAL/UNRESTRICTED				
State of Tennessee shared taxes				
Sales	3,178,500	3,178,500	3,003,242	(175,258)
Income taxes	100,000	100,000	194,972	94,972
Beer tax	25,500	25,500	23,268	(2,232)
Liquor tax	45,000	45,000	48,900	3,900
Bank excise tax	15,000	15,000	42,561	27,561
Receipts in lieu of tax - TVA	455,000	455,000	516,518	61,518
Reimbursements	-	-	64,232	64,232
Total state taxes	3,819,000	3,819,000	3,893,693	74,693
LICENSES AND PERMITS				
Automobile stickers	1,085,000	1,085,000	1,116,911	31,911
Beer and liquor licenses	13,500	13,500	15,470	1,970
Building and related permits	371,000	371,000	347,431	(23,569)
Total licenses and permits	1,469,500	1,469,500	1,479,812	10,312

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, 2010

	<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	48,100	48,100	23,726	(24,374)
Publication fees	1,000	1,000	1,100	100
Trash removal and weed cutting fees	260,000	260,000	96,589	(163,411)
Parks and recreation charges	2,951,770	2,959,770	2,543,516	(416,254)
Performing arts center	249,000	249,000	263,812	14,812
City service fee	4,500	4,500	2,752	(1,748)
Ambulance fees	700,000	700,000	789,052	89,052
Animal Shelter fees	160,200	160,200	155,190	(5,010)
911 fees	18,240	18,240	8,786	(9,454)
Rental fees	150,000	150,000	148,924	(1,076)
Library fees	108,000	108,000	100,644	(7,356)
Total charge for services	<u>4,650,810</u>	<u>4,658,810</u>	<u>4,134,091</u>	<u>(524,719)</u>
FINES, FORFEITURES, AND PENALTIES	<u>1,710,000</u>	<u>1,710,000</u>	<u>1,955,553</u>	<u>245,553</u>
FEDERAL AND STATE GRANTS	<u>25,000</u>	<u>133,000</u>	<u>205,955</u>	<u>72,955</u>
DONATIONS	<u>14,000</u>	<u>15,000</u>	<u>15,715</u>	<u>715</u>
INTEREST ON INVESTMENTS	<u>150,000</u>	<u>150,000</u>	<u>27,841</u>	<u>(122,159)</u>
OTHER	<u>109,500</u>	<u>109,500</u>	<u>34,579</u>	<u>(74,921)</u>
Total revenues	<u>36,830,910</u>	<u>36,947,910</u>	<u>37,304,839</u>	<u>356,929</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 (CONTINUED)**

For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
GENERAL GOVERNMENT				
Legislative				
Personnel	161,626	161,720	144,027	17,693
Operations	514,435	445,705	414,706	30,999
Equipment	-	244,000	244,000	-
	<u>676,061</u>	<u>851,425</u>	<u>802,733</u>	<u>48,692</u>
Mayor's office				
Personnel	413,006	438,573	438,551	22
Operations	110,700	88,500	85,228	3,272
Equipment	-	400	341	59
	<u>523,706</u>	<u>527,473</u>	<u>524,120</u>	<u>3,353</u>
Community relations				
Personnel	81,650	82,444	82,369	75
Operations	153,820	161,064	89,682	71,382
Equipment	180	180	140	40
	<u>235,650</u>	<u>243,688</u>	<u>172,191</u>	<u>71,497</u>
Finance and accounting				
Personnel	1,060,641	1,016,057	1,005,607	10,450
Operations	139,894	185,694	185,443	251
Equipment	340	540	450	90
	<u>1,200,875</u>	<u>1,202,291</u>	<u>1,191,500</u>	<u>10,791</u>
City Court				
Personnel	620,011	621,144	597,728	23,416
Operations	52,760	53,147	45,738	7,409
	<u>672,771</u>	<u>674,291</u>	<u>643,466</u>	<u>30,825</u>
Building and grounds				
Personnel	114,209	114,398	111,144	3,254
Operations	185,470	195,065	194,668	397
	<u>299,679</u>	<u>309,463</u>	<u>305,812</u>	<u>3,651</u>
Personnel				
Personnel	367,484	367,956	332,531	35,425
Operations	27,075	27,086	16,156	10,930
	<u>394,559</u>	<u>395,042</u>	<u>348,687</u>	<u>46,355</u>
Planning and economic development				
Personnel	300,301	300,679	273,150	27,529
Operations	12,390	12,190	8,395	3,795
Equipment	-	200	784	(584)
	<u>312,691</u>	<u>313,069</u>	<u>282,329</u>	<u>30,740</u>
Library				
Operations	1,021,466	1,094,716	1,094,626	90

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, 2010

	<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	246,947	247,230	227,881	19,349
Operations	7,000	7,136	6,313	823
Equipment	500	500	216	284
	<u>254,447</u>	<u>254,866</u>	<u>234,410</u>	<u>20,456</u>
Bartlett Station Commission				
Operations	210,000	210,000	89,454	120,546
Bartlett Station Municipal Center				
Personnel	271,072	272,205	261,531	10,674
Operations	153,164	154,594	110,220	44,374
Equipment	25,000	25,000	19,774	5,226
	<u>449,236</u>	<u>451,799</u>	<u>391,525</u>	<u>60,274</u>
Total general government	<u>6,251,141</u>	<u>6,528,123</u>	<u>6,080,853</u>	<u>447,270</u>
PUBLIC SAFETY				
Police services				
Personnel	10,915,687	10,931,554	10,480,232	451,322
Operations	1,011,650	1,113,962	1,060,332	53,630
Equipment	13,000	14,000	13,543	457
	<u>11,940,337</u>	<u>12,059,516</u>	<u>11,554,107</u>	<u>505,409</u>
Fire services				
Personnel	5,914,345	5,921,429	5,825,717	95,712
Operations	410,100	445,110	408,588	36,522
Equipment	7,000	7,000	2,234	4,766
	<u>6,331,445</u>	<u>6,373,539</u>	<u>6,236,539</u>	<u>137,000</u>
Ambulance and medical services				
Personnel	1,765,382	1,767,271	1,688,000	79,271
Operations	176,610	197,310	182,186	15,124
Equipment	2,000	3,500	3,446	54
	<u>1,943,992</u>	<u>1,968,081</u>	<u>1,873,632</u>	<u>94,449</u>
Building codes enforcement				
Personnel	794,745	806,973	806,608	365
Operations	57,532	48,452	47,933	519
Equipment	1,500	500	216	284
	<u>853,777</u>	<u>855,925</u>	<u>854,757</u>	<u>1,168</u>
Total public safety	<u>21,069,551</u>	<u>21,257,061</u>	<u>20,519,035</u>	<u>738,026</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 (CONTINUED)**

For the Year Ended June 30, 2010

	<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	271,689	277,161	276,737	424
Operations	205,950	200,877	164,639	36,238
Equipment	200	700	-	700
	<u>477,839</u>	<u>478,738</u>	<u>441,376</u>	<u>37,362</u>
Engineering				
Personnel	302,332	302,615	295,398	7,217
Operations	37,325	37,325	30,263	7,062
Equipment	800	800	-	800
	<u>340,457</u>	<u>340,740</u>	<u>325,661</u>	<u>15,079</u>
Inspection				
Personnel	587,125	586,980	583,010	3,970
Operations	33,925	34,015	33,063	952
	<u>621,050</u>	<u>620,995</u>	<u>616,073</u>	<u>4,922</u>
City shop				
Personnel	697,722	695,916	692,433	3,483
Operations	55,847	57,847	57,438	409
Equipment	650	1,400	1,367	33
Shop allocations	(325,325)	(325,325)	(331,517)	6,192
	<u>428,894</u>	<u>429,838</u>	<u>419,721</u>	<u>10,117</u>
General maintenance of roads and drainage				
Personnel	888,617	890,128	814,392	75,736
Operations	233,050	233,050	205,697	27,353
Equipment	2,000	2,000	1,353	647
	<u>1,123,667</u>	<u>1,125,178</u>	<u>1,021,442</u>	<u>103,736</u>
Grounds maintenance				
Personnel	883,576	884,709	803,087	81,622
Operations	390,790	426,239	207,372	218,867
Equipment	7,500	7,700	6,842	858
	<u>1,281,866</u>	<u>1,318,648</u>	<u>1,017,301</u>	<u>301,347</u>
Animal control				
Personnel	441,820	442,670	440,672	1,998
Operations	175,080	175,080	149,224	25,856
Equipment	1,575	1,575	-	1,575
	<u>618,475</u>	<u>619,325</u>	<u>589,896</u>	<u>29,429</u>
 Total public works	 <u>4,892,248</u>	 <u>4,933,462</u>	 <u>4,431,470</u>	 <u>501,992</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 (CONTINUED)**

For the Year Ended June 30, 2010

	<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	689,693	684,837	628,381	56,456
Operations	171,550	172,182	141,006	31,176
Equipment	10,000	17,500	7,099	10,401
	<u>871,243</u>	<u>874,519</u>	<u>776,486</u>	<u>98,033</u>
Parks and recreation				
Personnel	232,189	232,572	232,563	9
Operations	23,400	23,362	22,511	851
	<u>255,589</u>	<u>255,934</u>	<u>255,074</u>	<u>860</u>
Senior citizens center				
Personnel	234,792	232,170	229,552	2,618
Operations	86,645	91,145	91,062	83
Equipment	8,000	14,500	8,468	6,032
	<u>329,437</u>	<u>337,815</u>	<u>329,082</u>	<u>8,733</u>
Athletics				
Personnel	462,137	463,270	424,980	38,290
Operations	220,260	225,088	214,315	10,773
	<u>682,397</u>	<u>688,358</u>	<u>639,295</u>	<u>49,063</u>
Parks maintenance				
Personnel	909,716	911,321	906,619	4,702
Operations	310,648	325,647	296,612	29,035
Equipment	-	3,000	2,846	154
	<u>1,220,364</u>	<u>1,239,968</u>	<u>1,206,077</u>	<u>33,891</u>
Total parks and recreation	<u>3,359,030</u>	<u>3,396,594</u>	<u>3,206,014</u>	<u>190,580</u>
PERFORMING ARTS CENTER				
Personnel	411,909	512,956	401,676	111,280
Operations	180,225	189,880	175,927	13,953
Equipment	3,000	5,123	1,758	3,365
Total performing arts center	<u>595,134</u>	<u>707,959</u>	<u>579,361</u>	<u>128,598</u>
RECREATION CENTER				
Personnel	1,138,442	1,143,258	1,053,832	89,426
Operations	394,750	397,511	370,174	27,337
Equipment	-	1,700	1,695	5
Total recreation center	<u>1,533,192</u>	<u>1,542,469</u>	<u>1,425,701</u>	<u>116,768</u>
Total expenditures	<u>37,700,296</u>	<u>38,365,668</u>	<u>36,242,434</u>	<u>2,123,234</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 (CONTINUED)**

For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(869,386)</u>	<u>(1,417,758)</u>	<u>1,062,405</u>	<u>2,480,163</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	45,000	45,000	18,301	(26,699)
Transfers in	987,500	987,500	851,343	(136,157)
Transfers out	<u>(900,000)</u>	<u>(903,250)</u>	<u>(903,250)</u>	<u>-</u>
Total other financing sources (uses)	<u>132,500</u>	<u>129,250</u>	<u>(33,606)</u>	<u>(162,856)</u>
Net change in fund balances	(736,886)	(1,288,508)	1,028,799	2,317,307
Fund balances - beginning	<u>15,457,189</u>	<u>15,457,189</u>	<u>15,457,189</u>	<u>-</u>
Fund balances - ending	<u>\$ 14,720,303</u>	<u>\$ 14,168,681</u>	<u>\$ 16,485,988</u>	<u>\$ 2,317,307</u>

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

CITY OF BARTLETT, TENNESSEE

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – SOLID WASTE CONTROL FUND**

For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
CHARGES FOR SERVICES				
Sanitation fee - residential	\$ 4,767,050	\$ 4,767,050	\$ 4,787,195	\$ 20,145
Sanitation fee- commercial	15,000	15,000	18,239	3,239
Recycling fees	10,000	10,000	14,936	4,936
Charges for carts - residential	30,000	30,000	24,693	(5,307)
Charges for carts - commercial	525	525	750	225
Special sanitation pickups	1,000	1,000	950	(50)
	<u>4,823,575</u>	<u>4,823,575</u>	<u>4,846,763</u>	<u>23,188</u>
Total charges for services				
INTEREST INCOME	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
FEDERAL GRANTS	<u>-</u>	<u>-</u>	<u>427,106</u>	<u>427,106</u>
OTHER INCOME				
Appliance collections	7,000	7,000	4,150	(2,850)
Insurance recoveries	-	12,233	12,232	(1)
Other revenue	3,000	3,000	10,180	7,180
	<u>10,000</u>	<u>22,233</u>	<u>26,562</u>	<u>4,329</u>
Total other income				
Total revenues	<u>4,838,575</u>	<u>4,850,808</u>	<u>5,300,431</u>	<u>449,623</u>
EXPENDITURES:				
Personnel	2,347,682	2,428,962	2,428,469	493
Operations	1,726,745	1,792,976	1,791,640	1,336
Capital outlays	100,000	488,845	485,907	2,938
Total expenditures	<u>4,174,427</u>	<u>4,710,783</u>	<u>4,706,016</u>	<u>4,767</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>664,148</u>	<u>140,025</u>	<u>594,415</u>	<u>454,390</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Net change in fund balances	264,148	(259,975)	194,415	454,390
Fund balances - beginning of year	<u>805,357</u>	<u>805,357</u>	<u>805,357</u>	<u>-</u>
Fund balances - end of year	<u>\$ 1,069,505</u>	<u>\$ 545,382</u>	<u>\$ 999,772</u>	<u>\$ 454,390</u>

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

CITY OF BARTLETT, TENNESSEE

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

June 30, 2010

	Business-type Activity - Enterprise Fund Water and Sewer Fund	Governmental Activities - Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,997,266	\$ 1,895,770
Investments (unrestricted)	3,470,439	-
Receivables		
Customers	1,327,412	-
Other	136,823	4
Less allowance for doubtful accounts	(75,860)	-
Prepaid expenses	6,766	-
Total current assets	<u>8,862,846</u>	<u>1,895,774</u>
Noncurrent assets:		
Capital assets, not being depreciated	1,294,548	-
Capital assets, being depreciated, net	70,021,407	-
Total capital assets (net of accumulated depreciation)	<u>71,315,955</u>	<u>-</u>
Total noncurrent assets	<u>71,315,955</u>	<u>-</u>
Total assets	<u>80,178,801</u>	<u>1,895,774</u>
LIABILITIES		
Current liabilities:		
Accounts payable	340,970	26,076
Accrued bond interest	189,614	-
Accrued compensated absences	11,421	-
Payable to pension fund	64,411	-
Deferred revenue	51,840	-
Current portion of bonds and notes payable	1,013,000	-
Total current liabilities	<u>1,671,256</u>	<u>26,076</u>
Noncurrent liabilities:		
Bonds and notes payable, net of current portion and issuance costs	13,192,503	-
Accrued compensated absences	105,077	-
Other post employment benefits payable	948,824	-
Total noncurrent liabilities	<u>14,246,404</u>	<u>-</u>
Total liabilities	<u>15,917,660</u>	<u>26,076</u>
NET ASSETS		
Invested in capital assets, net of related debt	57,110,452	-
Unrestricted	7,150,689	1,869,698
Total net assets	<u>64,261,141</u>	<u>\$ 1,869,698</u>
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(69,469)	
Net assets of the business-type activity	<u>\$ 64,191,672</u>	

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2010

	Business-type Activity - Enterprise Fund Water and Sewer Fund	Governmental Activities - Internal Service Funds
Operating revenues:		
Metered water sales	\$ 2,906,790	\$ -
Sewer service fee	2,464,823	-
Service connections fees	70,138	-
Forfeited discounts	127,470	-
Charges for services	44,420	1,318,002
Contributions	-	4,831,591
Tower lease charges	289,399	-
Other	136,012	-
Total operating revenues	<u>6,039,052</u>	<u>6,149,593</u>
Operating expenses:		
Administrative and general	1,704,550	6,260,433
Pumping and filtering	1,368,701	-
Distribution system	1,560,293	-
Sewer lagoon	610,400	-
Depreciation	1,985,472	-
Total operating expenses	<u>7,229,416</u>	<u>6,260,433</u>
Operating income (loss)	<u>(1,190,364)</u>	<u>(110,840)</u>
Nonoperating revenues (expenses):		
Gain (loss) on sale of capital assets	2,913	-
Interest	45,045	780
Bond interest and fiscal charges	(603,543)	-
Total non-operating revenues (expenses)	<u>(555,585)</u>	<u>780</u>
Income (loss) before contributions and transfers	(1,745,949)	(110,060)
Capital contributions - water taps	11,500	-
Capital contributions - sewer taps	37,783	-
Capital contributions - development	146,560	-
Transfers out	(300,184)	-
Change in net assets	<u>(1,850,290)</u>	<u>(110,060)</u>
Total net assets - beginning	<u>66,111,431</u>	<u>1,979,758</u>
Total net assets - ending	<u>\$ 64,261,141</u>	<u>\$ 1,869,698</u>
Change in net assets	\$ (1,850,290)	
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(42,489)	
Change in net assets of the business-type activity	<u>\$ (1,892,779)</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, 2010

	Business-type Activity - Enterprise Fund Water and Sewer Fund	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 5,807,500	\$ -
Receipts from interfund services provided	-	6,149,593
Payments to suppliers	(2,176,163)	(6,252,302)
Payments to employees	(2,201,112)	-
Payments for interfunds services used	(40,119)	-
Other receipts	145,332	-
Net cash provided by (used for) operating activities	<u>1,535,438</u>	<u>(102,709)</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer to other fund	<u>(300,184)</u>	-
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from issuance of capital debt	1,020,063	-
Capital contributions	195,843	-
Purchases of capital assets	(1,075,238)	-
Principal paid on capital debt	(1,010,000)	-
Interest paid on capital debt	(563,000)	-
Gain (loss) on sale of capital assets	2,913	-
Net cash used by capital and related financing activities	<u>(1,429,419)</u>	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	686,334	-
Interest income	45,045	809
Net cash provided by investing activities	<u>731,379</u>	<u>809</u>
Net increase (decrease) in cash and cash equivalents	537,214	(101,900)
Cash and cash equivalents - beginning of the year	<u>3,460,052</u>	<u>1,997,670</u>
Cash and cash equivalents - end of the year	<u>\$ 3,997,266</u>	<u>\$ 1,895,770</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	\$ (1,190,364)	\$ -
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	1,985,472	-
Change in assets and liabilities		
Receivables	(190,750)	-
Prepaid expenses	(3,284)	-
Accounts payable	145,092	-
Accrued compensated absences	789,272	-
Net cash provided by (used for) operating activities	<u>\$ 1,535,438</u>	<u>\$ -</u>
Noncash investing, capital, and financing activities:		
Bond issue costs paid from proceeds	<u>\$ 25,736</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, 2010

	Employee Retirement Plan	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 2,576,747	\$ 89,441
Interest receivable	126,170	-
Investments, at fair value:		
Mutual funds	32,818,082	
Mortgage backed securities	901,088	-
Common stock	186,848	-
Total investments	<u>33,906,018</u>	<u>-</u>
Total assets	<u>36,608,935</u>	<u>\$ 89,441</u>
LIABILITIES		
Accounts payable	10,505	\$ -
Family assistance payable	-	38,011
Bail bonds payable	<u>-</u>	<u>51,430</u>
Total liabilities	<u>10,505</u>	<u>\$ 89,441</u>
NET ASSETS		
Held in trust for pension benefits and other purposes	<u>\$ 36,598,430</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, 2010

	Employee Retirement Plan
ADDITIONS	
Contributions:	
Employer	\$ 3,024,676
Plan members	838,310
Total contributions	<u>3,862,986</u>
Investment earnings (losses):	
Interest and dividends	1,117,306
Net depreciation in fair value of investments	3,421,848
Total investment earnings (loss)	<u>4,539,154</u>
Less investment expense	<u>(143,440)</u>
Net investment earnings (loss)	<u>4,395,714</u>
Total additions (reductions)	<u>8,258,700</u>
DEDUCTIONS	
Benefits	2,141,682
Administrative expense	34,823
Total deductions	<u>2,176,505</u>
Change in net assets	6,082,195
Net assets - beginning of the year	<u>30,516,235</u>
Net assets - end of the year	<u>\$ 36,598,430</u>

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

CITY OF BARTLETT, TENNESSEE
NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The 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 connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D - Assets, liabilities and fund 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 exclude normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the government values these capital assets at the estimated fair value of the item at the date of its donation.

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

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

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

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

6. Compensated absences

Compensated absences for accumulated unpaid vacation are accrued when incurred in 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. Compensated absences are paid out of the general fund, solid waste control fund, drainage control fund, and the proprietary fund.

Employees are generally reimbursed for accumulated unused sick leave, not to exceed 60 days, only upon retirement, and only for those employees employed prior to January 1, 1992. Sick leave is not accrued except at the governmental-wide 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 \$38,005,554 difference are as follows:

Bonds and capital outlay notes payable	\$ 25,044,236
Less: Deferred charge for refunding (to be amortized as interest expense)	(413,518)
Accrued interest payable	291,103
Net pension obligation	1,797,963
Other postemployment benefits liability	10,643,230
Compensated absences	<u>642,540</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental funds	 <u>\$ 38,005,554</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 (\$2,128,978) difference are as follows:

Capital outlays	\$ 2,918,385
Depreciation expense	<u>(5,047,363)</u>
 Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	 <u>\$ (2,128,978)</u>

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

The details of this (\$615,577) difference are as follows:

Debt issued or incurred:	
Issuance of bonds and capital notes	\$ (3,189,588)
Less: premium	7,304
Decrease in accrued interest payable	14,358
Amortization of issuance costs, discounts and charges	(9,831)
Principal repayment on general obligation debt	<u>2,562,180</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (615,577)</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, 2010, no fund's expenditures exceeded appropriations.

C. Deficit fund equity

As of June 30, 2010, no funds had a deficit fund equity.

NOTE 4 - DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

As of June 30, 2010, the City had the following investments in its Pension Trust Fund:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Modified Duration (in Years)</u>
Corporate & Mortgage Backed Bonds	\$ 901,088	10.47
Portfolio Weighted		10.47
Average Modified Duration		

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	BBB	2.36%	A1	0.04%	
	BBB-	0.05%	A3	0.05%	
	CCC	0.04%	BA2	0.74%	
	Not Rated		0.01%	Baa1	0.43%
				Baa2	1.18%
				Not Rated	0.02%

As of June 30, 2010, the Pension Trust Fund held two fixed income investments totaling \$323 or 0.001% 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 statutes, all cash, cash equivalents and unrestricted investments held by the Primary Government funds of the City are entirely covered by federal depository insurance, collateral held by the City’s agent in the City’s name, or by the State of Tennessee’s Local Government Investment Pool (LGIP). State legislation TCA 9.4.7 authorizes investments in the LGIP for local governments and other political subdivisions.

B. Receivables

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

	General Fund	Solid Waste Fund	Nonmajor Governmental	Water and Sewer	Internal Service Funds	Total
Receivables:						
Taxes	\$ 18,077,554	\$ -	\$ 708,537	\$ -	\$ -	\$ 18,786,091
Accounts receivable	-	-	-	1,327,412	-	1,327,412
Other	3,502,720	706,029	71,891	136,823	4	4,417,467
Gross receivables	21,580,274	706,029	780,428	1,464,235	4	24,530,970
Less: allowance for doubtful accounts	(1,034,631)	-	-	(75,860)	-	(1,110,491)
Net total receivables	<u>\$ 20,545,643</u>	<u>\$ 706,029</u>	<u>\$ 780,428</u>	<u>\$ 1,388,375</u>	<u>\$ 4</u>	<u>\$ 23,420,479</u>

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, 2010 were 92.3% of the tax levy. The property tax levy is without legal limit. The rate, as permitted by Tennessee State Law and City Charter, is set annually by the Board of Mayor and Aldermen and collected by the City Clerk.

The property tax rate for the year ended June 30, 2010, was \$1.54 per \$100 of assessed value as of January 1, 2009.

D. Capital assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,413,812	\$ 316,983	\$ -	\$ 7,730,795
Construction in progress	935,850	1,678,297	(1,682,062)	932,085
Total capital assets, not being depreciated	<u>8,349,662</u>	<u>1,995,280</u>	<u>(1,682,062)</u>	<u>8,662,880</u>
Capital assets, being depreciated:				
Buildings	34,465,256	1,592,895	(17,092)	36,041,059
Improvements	5,107,851	51,510	-	5,159,361
Equipment	7,308,013	249,931	(931,153)	6,626,791
Vehicles	13,519,687	620,811	(332,332)	13,808,166
Infrastructure	106,949,627	130,568	-	107,080,195
Total capital assets, being depreciated	<u>167,350,434</u>	<u>2,645,715</u>	<u>(1,280,577)</u>	<u>168,715,572</u>
Less accumulated depreciation for:				
Buildings	(7,676,008)	(691,198)	2,484	(8,364,722)
Improvements	(2,333,995)	(377,114)	-	(2,711,109)
Equipment	(5,841,891)	(447,544)	931,153	(5,358,282)
Vehicles	(9,339,284)	(1,009,114)	306,392	(10,042,006)
Infrastructure	(26,723,712)	(2,522,393)	-	(29,246,105)
Total accumulated depreciation	<u>(51,914,890)</u>	<u>(5,047,363)</u>	<u>1,240,029</u>	<u>(55,722,224)</u>
Total capital assets, being depreciated, net	<u>115,435,544</u>	<u>(2,401,648)</u>	<u>(40,548)</u>	<u>112,993,348</u>
Governmental activities capital assets, net	<u>\$ 123,785,206</u>	<u>\$ (406,368)</u>	<u>\$ (1,722,610)</u>	<u>\$ 121,656,228</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activity:				
Capital assets, not being depreciated:				
Land	\$ 931,906	\$ 123,345	\$ -	\$ 1,055,251
Construction in progress	1,662,957	472,270	(1,895,930)	239,297
Total capital assets, not being depreciated	<u>2,594,863</u>	<u>595,615</u>	<u>(1,895,930)</u>	<u>1,294,548</u>
Capital assets, being depreciated:				
Buildings	98,914	-	-	98,914
Improvements	93,068,235	2,137,941	-	95,206,176
Equipment	1,736,965	237,611	(15,920)	1,958,656
Total capital assets, being depreciated	<u>94,904,114</u>	<u>2,375,552</u>	<u>(15,920)</u>	<u>97,263,746</u>
Less accumulated depreciation for:				
Buildings	(17,308)	(3,970)	-	(21,278)
Improvements	(24,125,568)	(1,867,765)	-	(25,993,333)
Equipment	(1,129,911)	(113,737)	15,920	(1,227,728)
Total accumulated depreciation	<u>(25,272,787)</u>	<u>(1,985,472)</u>	<u>15,920</u>	<u>(27,242,339)</u>
Total capital assets, being depreciated, net	<u>69,631,327</u>	<u>390,080</u>	<u>-</u>	<u>70,021,407</u>
Business-type activity capital assets, net	<u>\$ 72,226,190</u>	<u>\$ 985,695</u>	<u>\$ (1,895,930)</u>	<u>\$ 71,315,955</u>

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

Governmental activities:	
General government	\$ 385,780
Public safety	911,520
Public works	3,140,589
Parks and recreation	532,504
Performing arts center	76,970
Total depreciation expense - governmental activities	<u>\$ 5,047,363</u>

Construction commitments

The government has active construction projects as of June 30, 2010. At year-end the government's commitments with contractors are as follows:

<u>Function/Activity</u>	<u>Commitment</u>
Major roads	\$ 1,582,750
General government	70,551
Water and sewer	47,237
	<u>\$ 1,700,538</u>

E. Interfund receivables, payables, and transfers

Interfund transfers represent subsidies and contributions provided to operating funds and capital project funds with no corresponding debt or promise to repay. Transfers out of the major funds, nonmajor governmental funds and enterprise funds generally represent debt service, cost allocation, capital project funding, and payments in lieu of taxes. Interfund transfers occurring between individual major funds and nonmajor governmental, enterprise, and internal service funds for the City during the year ended June 30, 2010 are as follows:

	<u>Transfer In:</u>			
	<u>General</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u>	<u>Nonmajor</u> <u>Governmental</u>	
Transfer out:				
General fund	\$ -	\$ 3,250	\$ 900,000	\$ 903,250
Solid water control fund	-	-	400,000	400,000
Nonmajor governmental funds	461,689	86,603		548,292
Capital projects fund	89,470	-	-	89,470
Water and sewer	300,184	-	-	300,184
Total transfers out	<u>\$ 851,343</u>	<u>\$ 89,853</u>	<u>\$ 1,300,000</u>	<u>\$ 2,241,196</u>

F. Leases

Operating Leases

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

2011	\$ 291,697
2012	271,463
2013	259,823
2014	117,104
2015	129,605
Total	<u>\$ 1,069,692</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 \$3,180,000 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.

General obligation notes payable

On December 23, 2008, the City entered into a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee through the Tennessee Municipal League for \$1,350,000 and \$1,000,000 for governmental and business-type activities, respectively. As of June 30, 2010, \$996,056 for governmental activities and \$203,251 for business-type activities of the total available note was drawn. The principal on this loan is paid annually while the interest is paid monthly based on a variable interest rate determined monthly by the remarketing agent. At June 30, 2010, the interest rate on this loan was 4.8%.

Revenue bonds

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

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 22,695,000	\$ 2,220,000	\$ (1,900,000)	\$ 23,015,000	\$ 1,975,000
Less deferred amounts:					
For issuance discounts	(13,157)	(7,304)	304	(20,157)	-
On refunding	(402,887)	(52,237)	61,763	(393,361)	-
Total bonds payable	22,278,956	2,160,459	(1,837,933)	22,601,482	1,975,000
Capital outlay notes	1,695,360	-	(619,180)	1,076,180	374,850
Note payable	26,468	969,588	(43,000)	953,056	953,056
Net pension obligation	862,441	935,522	-	1,797,963	-
Other postemployment benefits	5,198,022	5,445,208	-	10,643,230	-
Compensated absences	633,530	59,656	(50,646)	642,540	31,413
Governmental-type activity long-term liabilities	<u>\$ 30,694,777</u>	<u>\$ 9,570,433</u>	<u>\$ (2,550,759)</u>	<u>\$ 37,714,451</u>	<u>\$ 3,334,319</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 14,405,000	\$ 960,000	\$ (1,010,000)	\$ 14,355,000	\$ 980,000
Less deferred amounts:					
On refunding/costs	(368,943)	(28,942)	45,137	(352,748)	-
Total bonds payable	14,036,057	931,058	(964,863)	14,002,252	980,000
Note payable	117,452	85,799	-	203,251	33,000
Other postemployment benefits	160,165	788,659	-	948,824	-
Business-type activity long-term liabilities	<u>\$ 14,313,674</u>	<u>\$ 1,805,516</u>	<u>\$ (964,863)</u>	<u>\$ 15,154,327</u>	<u>\$ 1,013,000</u>

Bonds and similar debt payable at June 30, 2010, are comprised of the following individual issues:

	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Balance Outstanding at Year End</u>
Governmental activities:			
Bonds payable:			
1998A Serial Bonds	4.0-4.75	\$ 7,500,000	\$ 400,000
2001A Serial Bonds	2.6-4.9	3,270,000	1,385,000
2002 Serial Bonds	2.0-4.95	7,000,000	2,620,000
2003 Serial Bonds	3.0-4.3	3,275,000	2,440,000
2004 Serial Bonds	2.0-4.3	1,790,000	1,445,000
2005 Serial Bonds	3.0-4.1	8,195,000	7,400,000
2006 Serial Bonds	4.0	2,655,000	2,350,000
2007 Serial Bonds	4.0-4.05	2,955,000	2,755,000
2009 Serial Bonds	2.0-4.1	2,220,000	2,220,000
		<u>38,860,000</u>	<u>23,015,000</u>
2005 Capital Outlay note	3.67	1,507,500	470,180
2009 Capital Outlay note	3.14	740,500	606,000
2008 Note payable	4.4	996,056	953,056
		<u>\$ 42,104,056</u>	<u>25,044,236</u>
	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Balance Outstanding at Year End</u>
Business-type activities:			
Bonds payable:			
2001 Revenue Bonds	2.6 - 4.95	\$ 3,000,000	\$ 2,075,000
2002 Revenue Bonds	2.0 - 4.95	2,360,000	1,280,000
2003 Revenue Bonds	3.0 - 4.3	6,520,000	5,255,000
2004 Revenue Bonds	2.0-4.3	1,355,000	1,090,000
2005 Revenue Bonds	3.0-4.1	1,530,000	1,375,000
2006 Revenue Bonds	3.5-4.0	1,550,000	1,375,000
2007 Revenue Bonds	4.0-4.05	1,015,000	945,000
2009 Revenue Bonds	2.0-4.1	960,000	960,000
		<u>18,290,000</u>	<u>14,355,000</u>
2008 Note payable	4.4	235,251	203,251
		<u>\$ 18,525,251</u>	<u>14,558,251</u>
			<u>\$ 39,602,487</u>

Annual debt service requirements to maturity are as follows:

Years Ending June 30	Government Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 2,394,850	\$ 920,046	\$ 1,013,000	\$ 539,335
2012	1,565,330	841,729	1,060,000	506,110
2013	1,778,000	783,717	1,106,000	469,987
2014	1,845,000	720,456	1,133,000	431,499
2015	1,749,000	656,341	1,175,000	390,939
2016-2020	8,022,000	2,329,094	5,001,251	1,330,646
2021-2025	5,847,000	967,534	3,430,000	472,459
2026-2030	1,843,056	126,477	640,000	49,437
	<u>\$ 25,044,236</u>	<u>\$ 7,345,394</u>	<u>\$ 14,558,251</u>	<u>\$ 4,190,412</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, 2010 (the date of the latest actuarial valuation), PERS membership consisted of:

Retirees and beneficiaries currently receiving benefits	106
Terminated employees entitled to benefits but not yet receiving them	19
Active employees:	
Vested	322
Nonvested	<u>142</u>
Total	<u>589</u>

B. Funding Policy

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

C. Basis of Accounting

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

D. Plan Expenses

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

E. Method Used to Value Investments

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

F. Annual Pension Cost

For the year ended June 30, 2010, the City's annual pension cost of \$3,024,676 was less than the annual required contribution. The annual required contribution totaled \$4,024,609. The required contribution was determined as part of the July 1, 2009 annual actuarial valuation using the aggregate actuarial cost method. The aggregate actuarial cost method does not identify or

separately amortize unfunded actuarial liabilities; therefore, a schedule of funding progress is prepared using the entry-age actuarial cost method. Significant actuarial assumptions used in the computation included (a) a 7.5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4% 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, 2010 was \$24,154,818. Payroll for employees covered by this plan was \$21,398,047.

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

Annual required contribution	\$ 3,995,896
Interest on net pension obligation	28,713
Annual pension cost	<u>4,024,609</u>
Contributions made	<u>3,024,676</u>
Increase (decrease) in net pension obligation	999,933
Net pension obligation - beginning of year	<u>862,441</u>
Net pension obligation - end of year	<u><u>\$ 1,862,374</u></u>

G. Trend Information

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Annual pension cost	\$ 4,024,609	\$ 2,889,590	\$ 2,494,805
Percentage of APC contributed	75%	107%	97%
Net pension obligation	\$ 1,862,374	\$ 862,441	\$ 1,056,066

Six-year historical trend information (four 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%
7/1/2009	\$ 35,635,995	\$ 17,234,670	\$ 20,923,074	82%
7/1/2010	\$ 43,930,071	\$ 17,870,785	\$ 21,398,047	84%

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:

	2010	2009
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Claims incurred during the year	75,790	77,183
Claims payments	(75,790)	(77,183)
Unpaid claims, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>

Property, Plant and Equipment

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

Liability Coverage

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

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

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.

Plan Description

The City is the administrator of a single-employer Other Post Employment Benefit plan (OPEB). The plan provides for healthcare and dental benefits for retirees through the City's health insurance plans, which covers active and retired participants. The plan does not issue a stand-alone financial report.

Funding Policy

The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has engaged an actuary to calculate the ARC and related information per the provision of GASB Statement 45 for employers in plans with more than 100 hundred total plan members. The ARC represents a funding level that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The amortization method used is a level dollar, closed approach which amortizes the initial unfunded actuarial liability over thirty years, actuarial gains/losses over ten years, and plan amendments over fifteen years. For fiscal year 2010, the City made no contributions and instead elected to continue funding on a *pay-as-you-go* basis, which amounted to \$464,316 for 2010. These costs are recognized as an expense when claims or premiums are paid.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 6,414,368
Interest on net OPEB obligation	283,815
Adjustment to annual required contribution	-
Annual OPEB cost	<u>6,698,183</u>
Contributions or payments made	<u>(464,316)</u>
Increase in net OPEB obligation	<u>6,233,867</u>
Net OPEB obligation, beginning of year	2,111,527
Prior period adjustment	<u>3,246,660</u>
Net OPEB obligation, beginning of year as restated	<u>5,358,187</u>
Net OPEB obligation, end of year	<u><u>\$ 11,592,054</u></u>

Percentage of annual OPEB cost contributed	<u><u>6.9%</u></u>
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Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	\$ 82,007,419
Actuarial value of assets	<u>566,339</u>
Unfunded AAL (UAAL)	<u><u>\$ 81,441,080</u></u>
Funded ratio	<u><u>0.7%</u></u>
Covered payroll	<u><u>\$ 21,398,047</u></u>
UAAL as a % of covered payroll	<u><u>380.6%</u></u>

Actuarial Methods and Assumptions

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

The annual required contribution for the current year was determined as part of the July 1, 2008 actuarial valuation using the Projected Unit Credit actuarial cost method. The actuarial assumptions include a 6% a year rate of investment return and a base payroll growth rate of 5%. Per the actuarial study the assumed rate ranges from 9% in the short-term to 5% in the long-term for health care related costs.

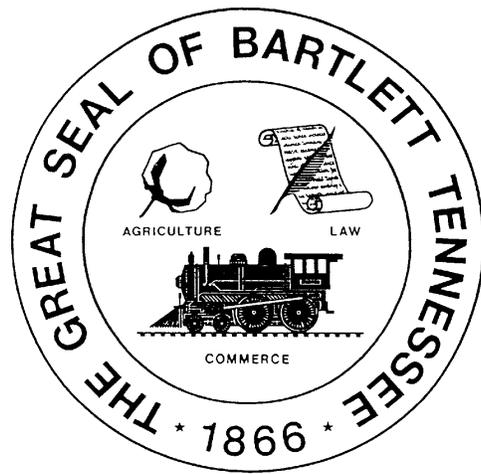
NOTE 10 – SUBSEQUENT EVENT

Subsequent to June 30, 2010, the City issued \$7,925,000 in General Obligation Refunding and Public Improvement and \$3,115,000 in Water and Sewer Revenue and Tax Refunding Bonds. The purpose of the bonds is to provide funds for the construction and improvements of various capital

projects within the City and its water and sewer system as well as to provide for the cost of issuance associated with this issue.

NOTE 11 – PRIOR PERIOD ADJUSTMENT

During 2010, a prior period adjustment was made on the governmental wide financial statements in the amount of \$3,246,660 to record other post employment benefits other than pension (OPEB), relating to fiscal year 2009. The prior year liability calculated by an actuary was based on anticipated changes which did not occur and reverted back to the original estimated liability.



CITY OF BARTLETT, TENNESSEE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

June 30, 2010

	Special Revenue Funds						Debt Service Fund	Total Nonmajor Governmental Funds	
	State Street Aid Fund	Drug Enforcement Fund	General Improvement Fund	Drainage Control Fund	Parks Improvement Fund	DEA Task Force Fund			Grants Fund
ASSETS									
Cash and cash equivalents	\$ 412,902	\$ 366,149	\$ 744,878	\$ 354,932	\$ 1,007,538	\$ 267,085	\$ 18,581	\$ -	\$ 3,172,065
Receivables, net									
Taxes	248,617	-	-	-	-	-	-	459,920	708,537
Other	-	-	-	-	-	-	71,891	-	71,891
Prepaid expenses	-	-	3,500	-	-	-	-	-	3,500
Total assets	\$ 661,519	\$ 366,149	\$ 748,378	\$ 354,932	\$ 1,007,538	\$ 267,085	\$ 90,472	\$ 459,920	\$ 3,955,993
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 166,273	\$ 33,515	\$ 46,353	\$ -	\$ 18,250	\$ 542	\$ 2,520	\$ -	\$ 267,453
Deferred revenue	2,668	-	-	-	-	-	109,543	-	112,211
Due to other funds	-	-	-	-	-	35,485	-	48,611	84,096
Total liabilities	168,941	33,515	46,353	-	18,250	36,027	112,063	48,611	463,760
Fund balances:									
Reserved for encumbrances	62,370	37,663	5,719	-	3,708	-	232,266	-	341,726
Reserved for inventory	-	-	3,500	-	-	-	-	-	3,500
Reserved for debt service	-	-	-	-	-	-	-	411,309	411,309
Reserved for capital outlays	-	-	-	-	754,627	-	-	-	754,627
Unreserved	430,208	294,971	692,806	354,932	230,953	231,058	(253,857)	-	1,981,071
Total fund balance	492,578	332,634	702,025	354,932	989,288	231,058	(21,591)	411,309	3,492,233
Total liabilities and fund balances	\$ 661,519	\$ 366,149	\$ 748,378	\$ 354,932	\$ 1,007,538	\$ 267,085	\$ 90,472	\$ 459,920	\$ 3,955,993

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2010

	Special Revenue Funds			
	State Street Aid Fund	Drug Enforcement Fund	General Improvement Fund	Drainage Control Fund
REVENUES				
Taxes:				
Local sales taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental - state gas tax	1,352,741	-	-	-
Charges for services	39,328	-	593,646	7,000
Fines, forfeitures, and penalties	-	31,783	-	-
Federal and state grants	-	-	-	-
Interest on investments	-	-	-	3,437
Other	2,319	188,835	-	1,808
Total revenues	<u>1,394,388</u>	<u>220,618</u>	<u>593,646</u>	<u>12,245</u>
EXPENDITURES				
Street paving and repair	542,403	-	4,583	-
Drug enforcement	-	141,424	-	-
Drainage control	-	-	-	22,024
Parks improvement	-	-	-	-
Miscellaneous	2,208	-	174,203	-
Street lighting	1,165,071	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlays	-	340,776	55,084	125
Total expenditures	<u>1,709,682</u>	<u>482,200</u>	<u>233,870</u>	<u>22,149</u>
Excess (deficiency) of revenues over expenditures	(315,294)	(261,582)	359,776	(9,904)
OTHER FINANCING SOURCES (USES)				
Transfers in	500,000	-	-	-
Transfers out	-	-	(450,000)	-
Net change in fund balances	184,706	(261,582)	(90,224)	(9,904)
Fund balances - beginning	<u>307,872</u>	<u>594,216</u>	<u>792,249</u>	<u>364,836</u>
Fund balances - ending	<u>\$ 492,578</u>	<u>\$ 332,634</u>	<u>\$ 702,025</u>	<u>\$ 354,932</u>

<u>Parks Improvement Fund</u>	<u>DEA Task Force Fund</u>	<u>Grants Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 2,646,281	\$ 2,646,281
-	-	-	-	1,352,741
15,275	-	-	-	655,249
-	-	-	-	31,783
-	-	144,490	-	144,490
-	458	-	-	3,895
-	81,316	-	-	274,278
<u>15,275</u>	<u>81,774</u>	<u>144,490</u>	<u>2,646,281</u>	<u>5,108,717</u>
-	-	-	-	546,986
-	-	-	-	141,424
-	-	-	-	22,024
92,892	-	-	-	92,892
-	49,298	1,710	-	227,419
-	-	-	-	1,165,071
-	-	-	2,562,180	2,562,180
-	-	-	931,908	931,908
-	-	-	31,076	31,076
-	-	96,079	-	492,064
<u>92,892</u>	<u>49,298</u>	<u>97,789</u>	<u>3,525,164</u>	<u>6,213,044</u>
(77,617)	32,476	46,701	(878,883)	(1,104,327)
-	-	-	800,000	1,300,000
<u>(30,000)</u>	<u>-</u>	<u>(68,292)</u>	<u>-</u>	<u>(548,292)</u>
(107,617)	32,476	(21,591)	(78,883)	(352,619)
<u>1,096,905</u>	<u>198,582</u>	<u>-</u>	<u>490,192</u>	<u>3,844,852</u>
<u>\$ 989,288</u>	<u>\$ 231,058</u>	<u>\$ (21,591)</u>	<u>\$ 411,309</u>	<u>\$ 3,492,233</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
STATE STREET AID FUND				
Revenues:				
Intergovernmental/unrestricted - state gas tax	\$ 1,336,075	\$ 1,336,075	\$ 1,352,741	\$ 16,666
Charges for services	300,000	300,000	39,328	(260,672)
Interest on investments	500	500	-	(500)
Other	-	-	2,319	2,319
Total revenues	<u>1,636,575</u>	<u>1,636,575</u>	<u>1,394,388</u>	<u>(242,187)</u>
Expenditures:				
Street paving and repair	930,000	959,925	542,403	417,522
Street lighting	1,405,000	1,408,634	1,165,071	243,563
Miscellaneous	-	2,008	2,208	(200)
Total expenditures	<u>2,335,000</u>	<u>2,370,567</u>	<u>1,709,682</u>	<u>660,885</u>
Excess (deficiency) of revenues over expenditures	(698,425)	(733,992)	(315,294)	418,698
Other financing sources (uses):				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balance	(198,425)	(233,992)	184,706	418,698
Fund balance - beginning	<u>307,872</u>	<u>307,872</u>	<u>307,872</u>	<u>-</u>
Fund balance - ending	<u>\$ 109,447</u>	<u>\$ 73,880</u>	<u>\$ 492,578</u>	<u>\$ 418,698</u>
DRUG ENFORCEMENT FUND				
Revenues:				
Collection of fines and forfeitures	\$ 21,100	\$ 21,100	\$ 31,783	\$ 10,683
Interest on investments	3,000	3,000	-	(3,000)
Other	171,700	171,700	188,835	17,135
Total revenues	<u>195,800</u>	<u>195,800</u>	<u>220,618</u>	<u>24,818</u>
Expenditures:				
Personnel	30,000	93,000	92,980	20
Operations	113,600	65,640	48,444	17,196
Capital outlays	397,000	382,500	340,776	41,724
Total expenditures	<u>540,600</u>	<u>541,140</u>	<u>482,200</u>	<u>58,940</u>
Net change in fund balance	(344,800)	(345,340)	(261,582)	83,758
Fund balance - beginning	<u>594,216</u>	<u>594,216</u>	<u>594,216</u>	<u>-</u>
Fund balance - ending	<u>\$ 249,416</u>	<u>\$ 248,876</u>	<u>\$ 332,634</u>	<u>\$ 83,758</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
GENERAL IMPROVEMENT FUND				
Revenues:				
City service fees	\$ 596,250	\$ 596,250	\$ 593,646	\$ (2,604)
Interest on investments	4,000	4,000	-	(4,000)
Total revenues	<u>600,250</u>	<u>600,250</u>	<u>593,646</u>	<u>(6,604)</u>
Expenditures:				
Street paving and repairs	10,500	10,500	4,583	5,917
Capital outlays	200,000	196,480	55,084	141,396
Miscellaneous	158,000	176,000	174,203	1,797
Total expenditures	<u>368,500</u>	<u>382,980</u>	<u>233,870</u>	<u>149,110</u>
Excess (deficiency) of revenues over expenditures	231,750	217,270	359,776	142,506
Other financing sources (uses):				
Transfers out	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>
Net change in fund balance	(218,250)	(232,730)	(90,224)	142,506
Fund balance - beginning	<u>792,249</u>	<u>792,249</u>	<u>792,249</u>	<u>-</u>
Fund balance - ending	<u>\$ 573,999</u>	<u>\$ 559,519</u>	<u>\$ 702,025</u>	<u>\$ 142,506</u>
DRAINAGE CONTROL FUND				
Revenues:				
Drainage control fees	\$ 14,500	\$ 14,500	\$ 7,000	\$ (7,500)
Interest on investments	4,000	4,000	3,437	(563)
Other income	-	-	1,808	1,808
Total revenues	<u>18,500</u>	<u>18,500</u>	<u>12,245</u>	<u>(6,255)</u>
Expenditures:				
Personnel	60,200	60,200	16,228	43,972
Operations	16,800	16,800	5,796	11,004
Capital outlays	7,000	7,000	125	6,875
Total expenditures	<u>84,000</u>	<u>84,000</u>	<u>22,149</u>	<u>61,851</u>
Excess (deficiency) of revenues over expenditures	<u>(65,500)</u>	<u>(65,500)</u>	<u>(9,904)</u>	<u>55,596</u>
Net change in fund balance	(65,500)	(65,500)	(9,904)	55,596
Fund balance - beginning	<u>364,836</u>	<u>364,836</u>	<u>364,836</u>	<u>-</u>
Fund balance - ending	<u>\$ 299,336</u>	<u>\$ 299,336</u>	<u>\$ 354,932</u>	<u>\$ 55,596</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
PARKS IMPROVEMENT FUND				
Revenues:				
Charges for services	\$ 10,000	\$ 10,000	\$ 15,275	\$ 5,275
Interest on investments	10,000	10,000	-	(10,000)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>15,275</u>	<u>(4,725)</u>
Expenditures:				
Parks improvement	<u>30,000</u>	<u>59,400</u>	<u>92,892</u>	<u>(33,492)</u>
Excess (deficiency) of revenues over expenditures	(10,000)	(39,400)	(77,617)	(38,217)
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net change in fund balance	(10,000)	(69,400)	(107,617)	(38,217)
Fund balance - beginning	<u>1,096,905</u>	<u>1,096,905</u>	<u>1,096,905</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,086,905</u>	<u>\$ 1,027,505</u>	<u>\$ 989,288</u>	<u>\$ (38,217)</u>
DEA TASK FORCE FUND				
Revenues:				
Program income	\$ 40,000	\$ 40,000	\$ 81,316	\$ 41,316
Interest	400	400	458	58
Total revenues	<u>40,400</u>	<u>40,400</u>	<u>81,774</u>	<u>41,374</u>
Expenditures:				
Miscellaneous	19,200	50,200	49,298	902
Capital outlays	35,000	4,000	-	4,000
Total expenditures	<u>54,200</u>	<u>54,200</u>	<u>49,298</u>	<u>4,902</u>
Net change in fund balance	(13,800)	(13,800)	32,476	46,276
Fund balance - beginning	<u>198,582</u>	<u>198,582</u>	<u>198,582</u>	<u>-</u>
Fund balance - ending	<u>\$ 184,782</u>	<u>\$ 184,782</u>	<u>\$ 231,058</u>	<u>\$ 46,276</u>

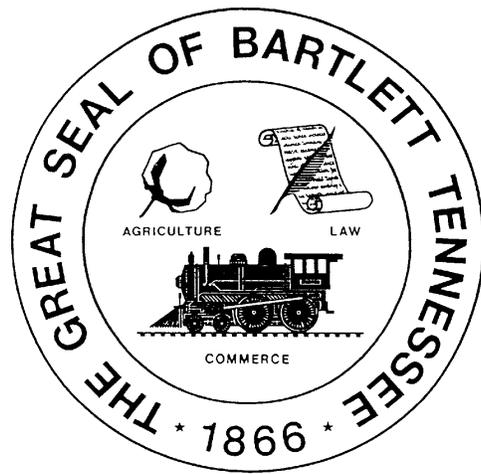
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CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
GRANTS FUND				
Revenues:				
Federal and state grants	\$ -	\$ 2,240,277	\$ 144,490	\$ (2,095,787)
Total revenues	-	2,240,277	144,490	(2,095,787)
Expenditures:				
Operating	-	-	1,710	(1,710)
Capital outlays	-	2,043,277	96,079	1,947,198
Total expenditures	-	2,043,277	97,789	1,945,488
Excess (deficiency) of revenues over expenditures	-	197,000	46,701	(150,299)
Other financing sources (uses):				
Transfers out	-	(197,000)	(68,292)	128,708
Net change in fund balance	-	-	(21,591)	(21,591)
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ (21,591)	\$ (21,591)
DEBT SERVICE FUND				
Revenues:				
Local sales taxes	\$ 2,661,868	\$ 2,661,868	\$ 2,646,281	\$ (15,587)
Interest on investments	1,500	1,500	-	(1,500)
Total revenues	2,663,368	2,663,368	2,646,281	(17,087)
Expenditures:				
Principal	2,562,180	2,562,180	2,562,180	-
Interest	1,007,374	1,007,374	931,908	75,466
Bond issuance costs	33,500	33,500	31,076	2,424
Total expenditures	3,603,054	3,603,054	3,525,164	77,890
Excess (deficiency) of revenues over expenditures	(939,686)	(939,686)	(878,883)	60,803
Other financing sources (uses):				
Transfers in	800,000	800,000	800,000	-
Net change in fund balances	(139,686)	(139,686)	(78,883)	60,803
Fund balance - beginning	490,192	490,192	490,192	-
Fund balances - ending	\$ 350,506	\$ 350,506	\$ 411,309	\$ 60,803



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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest on investments	\$ (675,791)	\$ (675,791)	\$ 50,542	\$ 726,333
Other	1,338,158	1,338,158	127,174	(1,210,984)
Total revenues	662,367	662,367	177,716	(484,651)
EXPENDITURES				
Bond issue costs	-	-	28,790	(28,790)
<u>CIP Projects</u>				
Library	350,000	4,000,000	361	3,999,639
Administrative Vehicles 2010	20,000	20,000	-	20,000
Staff Building	50,000	1,086,286	862,818	223,468
Building/Infrastructure Improvements	500,000	500,000	125,037	374,963
Police Vehicles And Equipment 2009	435,000	435,000	4,800	430,200
Police Vehicles And Equipment 2010	97,000	97,000	96,694	306
Dispatch Consoles	32,600	32,600	36,441	(3,841)
Police Carpet Replacement	38,000	38,000	38,000	-
Fire Ambulances 2010	120,000	120,000	118,993	1,007
Fire Vehicles 2010	25,000	25,000	-	25,000
Fire Station #1 Addition	30,000	480,000	332,715	147,285
Kirby Whitten Street Improvements	200,000	1,881,000	7,128	1,873,872
Old Brownsville West	150,000	290,000	162	289,838
Bartlett Road Bridge	30,000	110,250	8,016	102,234
Rail Road Crossing Stage Road	-	476,000	56,603	419,397
Egypt Central/Kirby Whitten Si	10,000	180,000	1,492	178,508
Brunswick Road Improvements	30,000	380,000	16,271	363,729
O. Brownsville/Frank Crk Brdg	30,000	80,000	-	80,000
Kroger Signal Rehab	20,000	170,000	11,010	158,990
Appling Road Shoulder Improvements	-	695,000	101,490	593,510
Stage Rd. Slope Taper Inlet	30,000	30,000	-	30,000
Parks Vehicles & Equipment 2010	25,000	25,000	20,658	4,342
Recreation Center Equipment 2009	75,000	125,286	41,501	83,785
Recreation Center Equipment 2010	40,000	40,000	-	40,000
Burloe Walking Bridge	-	50,000	4,387	45,613
Fletcher Creek Greenway	-	100,000	32,997	67,003
Misc Drainage Improvements 2010	50,000	50,000	-	50,000
Total CIP projects expenditures	2,387,600	11,516,422	1,917,574	9,598,848
Total expenditures	2,387,600	11,516,422	1,946,364	9,570,058

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,725,233)	(10,854,055)	(1,768,648)	9,085,407
OTHER FINANCING SOURCES (USES)				
Issuance of debt	3,533,369	4,858,369	3,196,892	(1,661,477)
Transfers in	1,310,706	1,080,456	89,853	(990,603)
Transfers out	<u>(115,830)</u>	<u>(115,830)</u>	<u>(89,470)</u>	<u>26,360</u>
Total other financing sources (uses)	<u>4,728,245</u>	<u>5,822,995</u>	<u>3,197,275</u>	<u>(2,625,720)</u>
Net change in fund balance	3,003,012	(5,031,060)	1,428,627	6,459,687
Fund balance - beginning	<u>5,347,549</u>	<u>5,347,549</u>	<u>5,347,549</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 8,350,561</u></u>	<u><u>\$ 316,489</u></u>	<u><u>\$ 6,776,176</u></u>	<u><u>\$ 6,459,687</u></u>

CITY OF BARTLETT, TENNESSEE

COMBINING STATEMENT OF NET ASSETS – INTERNAL SERVICE FUNDS

June 30, 2010

	<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	\$ 927,165	\$ 402,266	\$ 566,339	\$ 1,895,770
Interest receivable	-	-	4	4
Total current assets	<u>927,165</u>	<u>402,266</u>	<u>566,343</u>	<u>1,895,774</u>
LIABILITIES				
Current liabilities:				
Accounts payable	<u>16,105</u>	<u>9,971</u>	-	<u>26,076</u>
NET ASSETS				
Unrestricted	<u><u>\$ 911,060</u></u>	<u><u>\$ 392,295</u></u>	<u><u>\$ 566,343</u></u>	<u><u>\$ 1,869,698</u></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, 2010

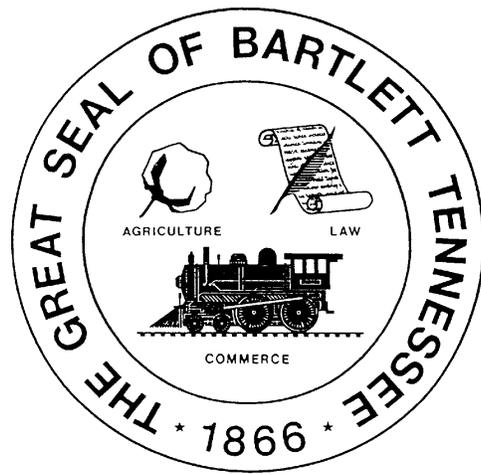
	<u>Health and Welfare Fund</u>	<u>Workmen's Compensation Fund</u>	<u>Retirees' Health Insurance Fund</u>	<u>Totals</u>
OPERATING REVENUES:				
Charges for services	\$ 819,662	\$ 498,340	\$ -	\$ 1,318,002
City contributions	4,413,382	-	418,209	4,831,591
Total operating revenues	5,233,044	498,340	418,209	6,149,593
OPERATING EXPENSES:				
Workers' compensation claims	-	75,790	-	75,790
Insurance premiums	5,239,518	469,024	464,316	6,172,858
Accounting and actuary services	-	-	11,785	11,785
Total operating expenses	5,239,518	544,814	476,101	6,260,433
Operating income (loss)	(6,474)	(46,474)	(57,892)	(110,840)
NONOPERATING REVENUES (EXPENSES):				
Intergovernmental revenue	745	-	-	745
Interest income	-	-	35	35
Total nonoperating revenues (expenses)	745	-	35	780
Change in net assets	(5,729)	(46,474)	(57,857)	(110,060)
Net assets - beginning	916,789	438,769	624,200	1,979,758
Net assets - ending	\$ 911,060	\$ 392,295	\$ 566,343	\$ 1,869,698

CITY OF BARTLETT, TENNESSEE

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2010

	<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	\$ 5,233,044	\$ 498,340	\$ 418,209	\$ 6,149,593
Payments to suppliers	<u>(5,238,028)</u>	<u>(538,173)</u>	<u>(476,101)</u>	<u>(6,252,302)</u>
Net cash provided by (used for) operating activities	(4,984)	(39,833)	(57,892)	(102,709)
CASH FLOWS FROM INVESTING ACTIVITIES				
Intergovernmental revenue	745	-	-	745
Interest income	<u>-</u>	<u>-</u>	<u>64</u>	<u>64</u>
Net increase (decrease) in cash and cash equivalents	(4,239)	(39,833)	(57,828)	(101,900)
Cash and cash equivalents - beginning	<u>931,404</u>	<u>442,099</u>	<u>624,167</u>	<u>1,997,670</u>
Cash and cash equivalents - ending	<u><u>\$ 927,165</u></u>	<u><u>\$ 402,266</u></u>	<u><u>\$ 566,339</u></u>	<u><u>\$ 1,895,770</u></u>
Reconciliation of operating income to net cash provided (used by) operating activities:				
Operating income (loss)	\$ (6,474)	\$ (46,474)	\$ (57,892)	\$ (110,840)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Decrease in accounts payable	<u>1,490</u>	<u>6,641</u>	<u>-</u>	<u>8,131</u>
Net cash provided by (used for) operating activities	<u><u>\$ (4,984)</u></u>	<u><u>\$ (39,833)</u></u>	<u><u>\$ (57,892)</u></u>	<u><u>\$ (102,709)</u></u>



CITY OF BARTLETT, TENNESSEE
COMBINING BALANCE SHEET – AGENCY FUNDS

June 30, 2010

	Family Assistance Fund	Bail Bond Fund	Total Agency Funds
ASSETS			
Cash and cash equivalents	\$ 38,011	\$ 51,430	\$ 89,441
Total assets	\$ 38,011	\$ 51,430	\$ 89,441
LIABILITIES			
Family assistance payable	\$ 38,011	\$ -	\$ 38,011
Bail bonds payable	-	51,430	51,430
Total liabilities	\$ 38,011	\$ 51,430	\$ 89,441

CITY OF BARTLETT, TENNESSEE

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS

For the Year Ended June 30, 2010

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Assets				
Family Assistance Fund				
Cash and cash equivalents	\$ 45,326	\$ 160,744	\$ (168,059)	\$ 38,011
Bail Bond Fund				
Cash and cash equivalents	<u>55,658</u>	<u>467,541</u>	<u>(471,769)</u>	<u>51,430</u>
	<u>\$ 100,984</u>	<u>\$ 628,285</u>	<u>\$ (639,828)</u>	<u>\$ 89,441</u>
Liabilities				
Family Assistance Fund				
Family assistance payable	\$ 45,326	\$ 160,744	\$ (168,059)	\$ 38,011
Bail Bond Fund				
Bail bonds payable	<u>55,658</u>	<u>467,541</u>	<u>(471,769)</u>	<u>51,430</u>
	<u>\$ 100,984</u>	<u>\$ 628,285</u>	<u>\$ (639,828)</u>	<u>\$ 89,441</u>

CITY OF BARTLETT, TENNESSEE

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

June 30, 2010

Fiscal Year	Series 2009 Bonds		Series 2007 Bonds		Series 2006 Bonds		Series 2005 Bonds		Series 2004 Bonds		Series 2003 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 85,000	\$ 67,878	\$ 110,000	\$ 110,725	\$ 110,000	\$ 94,000	\$ 215,000	\$ 269,271	\$ 75,000	\$ 53,128	\$ 285,000	\$ 82,800
2012	90,000	66,128	110,000	106,325	110,000	89,600	220,000	261,928	75,000	50,821	295,000	73,731
2013	90,000	64,328	115,000	101,825	110,000	85,200	635,000	246,965	80,000	48,340	310,000	63,668
2014	90,000	62,528	120,000	97,125	125,000	80,800	655,000	224,390	80,000	45,680	320,000	52,797
2015	95,000	60,678	125,000	92,225	125,000	75,800	680,000	201,028	85,000	42,833	330,000	41,258
2016	95,000	58,754	130,000	87,125	130,000	70,800	705,000	176,614	90,000	39,770	340,000	29,027
2017	95,000	56,687	135,000	81,825	135,000	65,600	730,000	150,778	90,000	36,575	130,000	20,268
2018	100,000	54,345	140,000	76,325	140,000	60,200	760,000	123,395	95,000	33,197	55,000	16,725
2019	100,000	51,745	145,000	70,625	150,000	54,600	785,000	94,616	100,000	29,540	55,000	14,553
2020	105,000	48,820	155,000	64,586	155,000	48,600	255,000	75,053	100,000	25,715	60,000	12,223
2021	110,000	45,512	160,000	58,168	160,000	42,400	265,000	65,106	105,000	21,690	60,000	9,747
2022	110,000	41,965	165,000	51,505	165,000	36,000	275,000	54,642	110,000	17,390	65,000	7,137
2023	115,000	38,166	170,000	44,595	175,000	29,400	285,000	43,580	115,000	12,832	65,000	4,391
2024	120,000	34,052	180,000	37,332	180,000	22,400	300,000	31,880	120,000	7,925	70,000	1,505
2025	125,000	29,641	185,000	29,712	185,000	15,200	310,000	19,602	125,000	2,688	-	-
2026	130,000	24,922	195,000	21,733	195,000	7,800	325,000	6,662	-	-	-	-
2027	130,000	19,982	205,000	13,281	-	-	-	-	-	-	-	-
2028	140,000	14,715	210,000	4,463	-	-	-	-	-	-	-	-
2029	145,000	9,050	-	-	-	-	-	-	-	-	-	-
2030	150,000	3,075	-	-	-	-	-	-	-	-	-	-
	<u>\$ 2,220,000</u>	<u>\$ 852,971</u>	<u>\$ 2,755,000</u>	<u>\$ 1,149,500</u>	<u>\$ 2,350,000</u>	<u>\$ 878,400</u>	<u>\$ 7,400,000</u>	<u>\$ 2,045,510</u>	<u>\$ 1,445,000</u>	<u>\$ 468,124</u>	<u>\$ 2,440,000</u>	<u>\$ 429,830</u>

*-As of June 30, 2010, \$996,055.12 of the \$1,350,000 loan was drawn. The full amount is expected to be drawn by December 31, 2010.

** - This is a variable rate loan. Interest rate assumed is 4.4% which was the rate for June 2010.

CITY OF BARTLETT, TENNESSEE

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

June 30, 2010

Fiscal Year	Series 2002 Bonds		Series 2001 Bonds		Series 1998 Bonds		2008 Note Payable		Capital Outlay Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal*	Interest**	Principal	Interest	Principal	Interest
2011	\$ 605,000	\$ 89,484	\$ 90,000	\$ 62,639	\$ 400,000	\$ 18,400	\$ 45,000	\$ 41,934	\$ 374,850	\$ 29,787	\$ 2,394,850	\$ 920,046
2012	135,000	77,838	95,000	58,845	-	-	47,000	39,954	388,330	16,559	1,565,330	841,729
2013	140,000	73,264	95,000	54,831	-	-	49,000	37,886	154,000	7,410	1,778,000	783,717
2014	145,000	68,346	100,000	50,564	-	-	51,000	35,730	159,000	2,496	1,845,000	720,456
2015	150,000	63,109	105,000	45,924	-	-	54,000	33,486	-	-	1,749,000	656,341
2016	155,000	57,502	110,000	40,951	-	-	56,000	31,110	-	-	1,811,000	591,653
2017	160,000	51,496	115,000	35,662	-	-	59,000	28,646	-	-	1,649,000	527,537
2018	170,000	44,996	120,000	30,051	-	-	61,000	26,050	-	-	1,641,000	465,284
2019	175,000	37,987	130,000	24,019	-	-	64,000	23,366	-	-	1,704,000	401,051
2020	185,000	30,446	135,000	17,576	-	-	67,000	20,550	-	-	1,217,000	343,569
2021	190,000	22,383	140,000	10,855	-	-	70,000	17,602	-	-	1,260,000	293,463
2022	200,000	13,850	150,000	3,712	-	-	73,000	14,522	-	-	1,313,000	240,723
2023	210,000	4,725	-	-	-	-	76,000	11,310	-	-	1,211,000	188,999
2024	-	-	-	-	-	-	80,000	7,966	-	-	1,050,000	143,060
2025	-	-	-	-	-	-	83,000	4,446	-	-	1,013,000	101,289
2026	-	-	-	-	-	-	18,056	794	-	-	863,056	61,911
2027	-	-	-	-	-	-	-	-	-	-	335,000	33,263
2028	-	-	-	-	-	-	-	-	-	-	350,000	19,178
2029	-	-	-	-	-	-	-	-	-	-	145,000	9,050
2030	-	-	-	-	-	-	-	-	-	-	150,000	3,075
	<u>\$ 2,620,000</u>	<u>\$ 635,426</u>	<u>\$ 1,385,000</u>	<u>\$ 435,629</u>	<u>\$ 400,000</u>	<u>\$ 18,400</u>	<u>\$ 953,056</u>	<u>\$ 375,352</u>	<u>\$ 1,076,180</u>	<u>\$ 56,252</u>	<u>\$ 25,044,236</u>	<u>\$ 7,345,394</u>

CITY OF BARTLETT, TENNESSEE

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

June 30, 2010

Fiscal Year	Series 2009 Bonds		Series 2007 Bonds		Series 2006 Bonds		Series 2005 Bonds		Series 2004 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	35,000	29,363	35,000	38,233	65,000	54,041	115,000	47,586	55,000	40,098
2012	40,000	28,613	40,000	36,732	65,000	51,701	125,000	43,530	60,000	38,328
2013	40,000	27,813	40,000	35,133	70,000	49,345	130,000	39,068	60,000	36,408
2014	40,000	27,013	40,000	33,532	70,000	46,790	135,000	34,430	60,000	34,413
2015	40,000	26,213	45,000	31,833	75,000	44,200	135,000	29,705	65,000	32,255
2016	40,000	25,402	45,000	30,032	75,000	41,200	140,000	24,858	65,000	29,980
2017	40,000	24,532	45,000	28,233	80,000	38,200	150,000	19,635	70,000	27,582
2018	45,000	23,510	50,000	26,333	85,000	35,000	155,000	14,030	70,000	25,027
2019	45,000	22,340	50,000	24,320	85,000	31,600	155,000	8,256	75,000	22,307
2020	45,000	21,057	50,000	22,270	90,000	28,200	15,000	5,065	75,000	19,439
2021	45,000	19,674	55,000	20,091	95,000	24,600	20,000	4,395	80,000	16,395
2022	50,000	18,140	55,000	17,809	95,000	20,800	20,000	3,620	85,000	13,095
2023	50,000	16,452	60,000	15,422	100,000	17,000	20,000	2,830	85,000	9,652
2024	50,000	14,702	60,000	12,932	105,000	13,000	20,000	2,030	90,000	5,997
2025	55,000	12,811	65,000	10,306	110,000	8,800	20,000	1,225	95,000	2,043
2026	55,000	10,776	65,000	7,544	110,000	4,400	20,000	410	-	-
2027	60,000	8,590	70,000	4,675	-	-	-	-	-	-
2028	60,000	6,250	75,000	1,594	-	-	-	-	-	-
2029	60,000	3,865	-	-	-	-	-	-	-	-
2030	65,000	1,333	-	-	-	-	-	-	-	-
	<u>\$ 960,000</u>	<u>\$ 368,449</u>	<u>\$ 945,000</u>	<u>\$ 397,024</u>	<u>\$ 1,375,000</u>	<u>\$ 508,877</u>	<u>\$ 1,375,000</u>	<u>\$ 280,673</u>	<u>\$ 1,090,000</u>	<u>\$ 353,019</u>

*-As of June 30, 2010, \$235,251 of the \$1,000,000 loan had been drawn. The full \$1M is expected to be drawn by December 31, 2010.

** - This is a variable rate loan. Interest rate assumed is 4.4% which was the rate for June 2010.

CITY OF BARTLETT, TENNESSEE

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

June 30, 2010

Fiscal Year	Series 2003 Bonds		Series 2002 Bonds		Series 2001 Bonds		2008 Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal*	Interest**	Principal	Interest
2011	460,000	187,265	80,000	48,925	135,000	93,824	33,000	8,943	\$ 1,013,000	\$ 539,335
2012	475,000	172,646	80,000	46,375	140,000	88,185	35,000	7,491	1,060,000	506,110
2013	500,000	156,427	85,000	43,630	145,000	82,163	36,000	5,951	1,106,000	469,987
2014	515,000	138,915	85,000	40,698	150,000	75,708	38,000	4,367	1,133,000	431,499
2015	525,000	120,453	90,000	37,590	160,000	68,690	40,000	2,695	1,175,000	390,939
2016	550,000	100,827	90,000	34,282	165,000	61,174	21,251	935	1,191,251	347,755
2017	485,000	81,437	95,000	30,754	175,000	53,181	-	-	1,140,000	303,554
2018	220,000	67,932	100,000	26,914	185,000	44,585	-	-	910,000	263,331
2019	230,000	59,043	105,000	22,748	190,000	35,538	-	-	935,000	226,152
2020	240,000	49,523	110,000	18,245	200,000	26,055	-	-	825,000	189,854
2021	245,000	39,519	115,000	13,406	210,000	16,035	-	-	865,000	154,115
2022	260,000	28,975	120,000	8,265	220,000	5,445	-	-	905,000	146,531
2023	270,000	17,778	125,000	2,813	-	-	-	-	710,000	81,947
2024	280,000	6,020	-	-	-	-	-	-	605,000	54,681
2025	-	-	-	-	-	-	-	-	345,000	35,185
2026	-	-	-	-	-	-	-	-	250,000	23,130
2027	-	-	-	-	-	-	-	-	130,000	13,265
2028	-	-	-	-	-	-	-	-	135,000	7,844
2029	-	-	-	-	-	-	-	-	60,000	3,865
2030	-	-	-	-	-	-	-	-	65,000	1,333
	<u>\$ 5,255,000</u>	<u>\$ 1,226,760</u>	<u>\$ 1,280,000</u>	<u>\$ 374,645</u>	<u>\$ 2,075,000</u>	<u>\$ 650,583</u>	<u>\$ 203,251</u>	<u>\$ 30,382</u>	<u>\$ 14,558,251</u>	<u>\$ 4,190,412</u>

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF PROPERTY TAXES RECEIVABLE – GENERAL FUND

June 30, 2010

<u>Year of Levy</u>	
2010	\$ 16,959,601
2009	666,838
2008	247,246
2007	72,913
2006	34,251
2005	30,688
2004	19,100
2003	18,118
2002	18,179
2001	4,302
2000	6,318
Total property tax receivable	<u>\$ 18,077,554</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, 2010

	<u>Total</u>	<u>Current Year</u> <u>2010</u>	<u>Prior Years</u>									
			<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Property taxes receivable - beginning of year	\$ 18,579,529	\$ -	\$16,889,691	\$1,324,459	\$199,427	\$53,304	\$36,282	\$23,090	\$21,215	\$19,344	\$5,173	\$7,544
ADD:												
Tax levied:	16,959,601	16,959,601	-	-	-	-	-	-	-	-	-	-
Adjustments	703,930	-	730,597	(27,222)	3,282	(2,767)	40	-	-	-	-	-
Total Additions	<u>17,663,531</u>	<u>16,959,601</u>	<u>730,597</u>	<u>(27,222)</u>	<u>3,282</u>	<u>(2,767)</u>	<u>40</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEDUCT:												
Collections - Net of Refunds	(18,149,449)	-	(16,953,450)	(1,046,619)	(125,003)	(15,068)	(2,970)	(1,807)	(2,076)	(1,048)	(494)	(914)
Releases	(16,057)	-	-	(3,372)	(4,793)	(1,218)	(2,664)	(2,183)	(1,021)	(117)	(377)	(312)
Total Deductions	<u>(18,165,506)</u>	<u>-</u>	<u>(16,953,450)</u>	<u>(1,049,991)</u>	<u>(129,796)</u>	<u>(16,286)</u>	<u>(5,634)</u>	<u>(3,990)</u>	<u>(3,097)</u>	<u>(1,165)</u>	<u>(871)</u>	<u>(1,226)</u>
Property taxes receivable - end of year	18,077,554	16,959,601	666,838	247,246	72,913	34,251	30,688	19,100	18,118	18,179	4,302	6,318
Less: Allowance for uncollectibles	(512,085)	(333,151)	(58,762)	(33,317)	(14,531)	(16,009)	(20,168)	(8,514)	(8,049)	(9,373)	(4,069)	(6,142)
Property taxes receivable, net	<u>\$ 17,565,469</u>	<u>\$ 16,626,450</u>	<u>\$ 608,076</u>	<u>\$ 213,929</u>	<u>\$ 58,382</u>	<u>\$ 18,242</u>	<u>\$ 10,520</u>	<u>\$ 10,586</u>	<u>\$ 10,069</u>	<u>\$ 8,806</u>	<u>\$ 233</u>	<u>\$ 176</u>

CITY OF BARTLETT , TENNESSEE

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

For the Year Ended June 30, 2010

CFDA Number	Federal Grantor/Pass-Through Grantor/ Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
<u>Federal Awards</u>					
10.664	<u>U.S. Department of Agriculture</u> Cooperative Forestry Assistance Passed thru State of Tennessee	\$ -	\$ -	\$ 505	\$ 505
10.664	<u>U.S. Department of Agriculture</u> Cooperative Forestry Assistance Passed thru State of Tennessee	-	-	3,686	3,686
	Total Program 10.664	-	-	4,191	4,191
14.218	<u>U.S. Department of HUD</u> Community Development Block Grant	-	-	75,201	75,201
16.607	<u>U.S. Department of Justice</u> Bulletproof Vest Partnership Program	-	1,095	1,710	615
16.738	<u>U.S. Department of Justice</u> Passed thru Shelby County	-	11,700	9,975	(1,725)
ARRA 16.804	<u>U.S. Department of Justice</u> American Reinvestment Recovery Act Passed thru Shelby County Grant # 2009-SB-B9-2466	-	49,333	-	(49,333)
ARRA 20.205	<u>U.S. Department of Transportation</u> American Reinvestment Recovery Act Passed thru State of Tennessee Grant # 79PLMF0083	-	31,891	33,758	1,867
ARRA 20.205	<u>U.S. Department of Transportation</u> American Reinvestment Recovery Act Passed thru State of Tennessee Grant # 79PLMF0102	-	-	8,124	8,124
ARRA 20.205	<u>U.S. Department of Transportation</u> American Reinvestment Recovery Act Passed thru State of Tennessee Grant # 79PLMF0084	-	-	12,626	12,626

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2010

CFDA Number	Federal Grantor/Pass-Through Grantor/ Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
ARRA 20.205	<u>U.S. Department of Transportation</u> American Reinvestment Recovery Act Passed thru State of Tennessee Grant # 79PLMF0108	-	-	8,149	8,149
20.205	<u>U.S. Department of Transportation</u> Passed thru State of Tennessee Grant # 090163	-	-	6,412	6,412
20.205	<u>U.S. Department of Transportation</u> Passed thru State of Tennessee Grant # 090171	-	-	26,397	26,397
20.205	<u>U.S. Department of Transportation</u> Passed thru State of Tennessee Grant # 090172	-	-	3,509	3,509
	Total Program 20.205	-	31,891	98,975	67,084
20.314	<u>U.S. Department of Transportation</u> Passed thru State of Tennessee Grant # 79045222594	-	56,603	56,603	-
20.607	<u>U.S. Department of Transportation</u> Passed thru State of Tennessee	-	27,703	27,703	-
20.607	<u>U.S. Department of Transportation</u> Passed thru State of Tennessee Grant # Z-09214580-00	3,823	15,512	11,689	-
	Total Program 20.607	3,823	43,215	39,392	-
ARRA 81.128	<u>U.S. Department of Energy</u> American Reinvestment Recovery Act Block Grant Grant # DE-EE002140	-	18,750	18,750	-

CITY OF BARTLETT, TENNESSEE

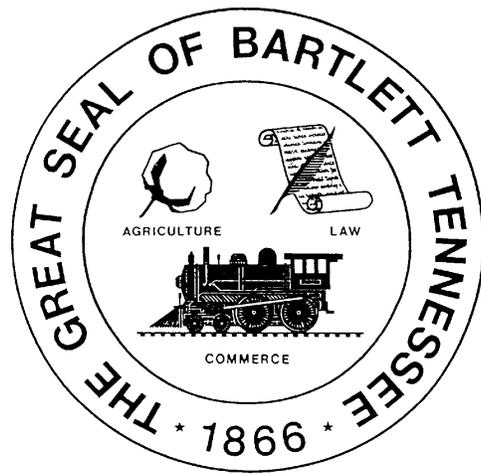
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)**

For the Year Ended June 30, 2010

CFDA Number	Federal Grantor/Pass-Through Grantor/ Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
97.036	<u>U.S. Department of Homeland Security</u> Public Assistance Grants FEMA FEMA-1851-DR-TN	360,291	78,852	342,215	623,654
97.036	<u>U.S. Department of Homeland Security</u> FEMA-1909-DR-TN	-	-	88,911	88,911
	Total Program 97.036	360,291	78,852	431,126	712,565
	Total Federal Awards	364,114	291,439	735,923	808,598
	<u>State Financial Assistance</u>				
	<u>Tennessee Arts Commission</u> Cultural Arts Center Grants Grant # 3-G/08	(153)	-	-	(153)
	<u>Tennessee Emergency Management Agency</u> Grant # Z-34101-0000002125	60,048	-	57,036	117,084
	<u>Tennessee Emergency Management Agency</u>	-	-	14,819	14,819
	Total State Financial Assistance	59,895	-	71,855	131,750
	Total Federal Awards and State Financial Assistance	\$ 424,009	\$ 291,439	\$ 807,778	\$ 940,348

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	87
These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.	
Revenue Capacity	93
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	100
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	104
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	106
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

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

CITY OF BARTLETT, TENNESSEE

NET ASSET BY COMPONENT

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Government activities					
Invested in capital assets, net of related debt	\$ 95,636,824	\$ 98,573,298	\$ 100,172,375	\$ 99,381,535	\$ 97,005,354
Restricted for:					
Debt Service	843,967	787,628	1,287,085	490,192	411,309
Public Works	2,700,432	2,740,016	3,054,670	2,197,575	2,045,558
Unrestricted	<u>19,212,342</u>	<u>21,676,916</u>	<u>22,062,263</u>	<u>22,834,414</u>	<u>16,152,717</u>
Total government activities net assets	<u><u>\$ 118,393,565</u></u>	<u><u>\$ 123,777,858</u></u>	<u><u>\$ 126,576,393</u></u>	<u><u>\$ 124,903,716</u></u>	<u><u>\$ 115,614,938</u></u>
 Business-type activities					
Invested in capital assets, net of related debt	\$ 54,249,248	\$ 55,858,400	\$ 57,258,511	\$ 57,703,738	\$ 57,110,451
Restricted					
Unrestricted	<u>7,533,721</u>	<u>9,799,498</u>	<u>9,534,033</u>	<u>8,380,713</u>	<u>7,081,221</u>
Total business-type activities net assets	<u><u>\$ 61,782,969</u></u>	<u><u>\$ 65,657,898</u></u>	<u><u>\$ 66,792,544</u></u>	<u><u>\$ 66,084,451</u></u>	<u><u>\$ 64,191,672</u></u>
 Primary government					
Invested in capital assets, net of related debt	\$ 149,886,072	\$ 154,431,698	\$ 157,430,886	\$ 157,085,273	\$ 154,115,805
Restricted for:					
Debt Service	843,967	787,628	1,287,085	490,192	411,309
Public Works	2,700,432	2,740,016	3,054,670	2,197,575	2,045,558
Unrestricted	<u>26,746,063</u>	<u>31,476,414</u>	<u>31,596,296</u>	<u>31,215,127</u>	<u>23,233,938</u>
Total primary government net assets	<u><u>\$ 180,176,534</u></u>	<u><u>\$ 189,435,756</u></u>	<u><u>\$ 193,368,937</u></u>	<u><u>\$ 190,988,167</u></u>	<u><u>\$ 179,806,610</u></u>

CITY OF BARTLETT, TENNESSEE

CHANGES IN NET ASSETS

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses					
Governmental activities:					
General government	\$ 5,632,745	\$ 6,072,578	\$ 6,146,033	\$ 6,881,987	\$ 7,711,577
Public safety	17,516,545	18,764,451	19,489,332	22,891,377	26,256,730
Public works	10,771,605	10,898,616	14,018,688	14,742,339	14,432,134
Parks and recreation	3,406,312	3,628,496	3,813,114	4,091,798	4,246,207
Performing arts center	548,560	531,287	554,099	543,258	630,035
Recreation center	1,386,275	1,449,420	1,395,700	1,740,618	1,820,873
Interest on long-term debt	956,263	1,011,629	1,073,576	1,012,600	976,084
Total government activities expenses	<u>40,218,305</u>	<u>42,356,477</u>	<u>46,490,543</u>	<u>51,903,977</u>	<u>56,073,640</u>
Business-type activities:					
Water and sewer	5,542,130	6,681,378	6,861,747	7,217,654	7,875,448
Total primary government expenses	<u>\$ 45,760,435</u>	<u>\$ 49,037,855</u>	<u>\$ 53,352,290</u>	<u>\$ 59,121,631</u>	<u>\$ 63,949,088</u>
Program Revenues					
Governmental activities:					
General government	\$ 2,754,193	\$ 2,888,013	\$ 2,897,835	\$ 3,695,591	\$ 3,719,823
Public safety	2,248,281	1,978,286	1,763,428	1,568,950	1,689,385
Public works	5,926,718	5,509,626	5,912,018	6,130,611	5,942,462
Parks and recreation	951,827	905,401	999,875	993,003	935,433
Performing arts center	267,082	265,246	270,559	250,636	278,161
Recreation center	1,920,813	1,920,327	1,920,572	1,827,796	1,669,614
Operating grants and contributions	919,185	674,122	561,296	1,941,514	1,193,165
Capital grants and contributions	-	-	-	870,185	168,069
Total government activities revenues	<u>14,988,099</u>	<u>14,141,021</u>	<u>14,325,583</u>	<u>17,278,286</u>	<u>15,596,112</u>
Business-type activities:					
Water and sewer	6,406,480	9,223,712	7,612,974	6,141,851	6,039,052
Operating grants and contributions	3,139,940	1,260,413	429,088	590,610	195,843
Total business-type activities revenues	<u>9,546,420</u>	<u>10,484,125</u>	<u>8,042,062</u>	<u>6,732,461</u>	<u>6,234,895</u>
Total primary government program revenues	<u>\$ 24,534,519</u>	<u>\$ 24,625,146</u>	<u>\$ 22,367,645</u>	<u>\$ 24,010,747</u>	<u>\$ 21,831,007</u>

(Continued)

CITY OF BARTLETT, TENNESSEE

CHANGES IN NET ASSETS

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Net (expense)/revenue					
Governmental activities	\$ (25,230,206)	\$ (28,215,456)	\$ (32,164,960)	\$ (34,625,691)	\$ (40,477,528)
Business-type activities	4,004,290	3,802,747	1,180,315	(485,193)	(1,640,553)
Total primary government net expense	<u>\$ (21,225,916)</u>	<u>\$ (24,412,709)</u>	<u>\$ (30,984,645)</u>	<u>\$ (35,110,884)</u>	<u>\$ (42,118,081)</u>
 General Revenues and Other Changes in Net Assets					
Governmental activities:					
Property taxes	\$ 13,137,495	\$ 15,189,418	\$ 14,823,724	\$ 17,570,811	\$ 18,083,999
Local sales taxes	10,446,702	11,346,090	11,447,876	10,362,031	10,240,841
Intergovernmental/unrestricted	4,807,677	5,472,144	5,910,366	4,050,633	5,246,434
Interest on investments	676,342	1,000,014	801,765	229,974	83,058
Gain on sale of assets	-	8,083	52,947	22,051	18,301
Other	892,827	334,463	276,917	396,481	462,593
Transfers	242,022	249,537	311,553	321,033	300,184
Total government activities	<u>30,203,065</u>	<u>33,599,749</u>	<u>33,625,148</u>	<u>32,953,014</u>	<u>34,435,410</u>
Business-type activities:					
Interest on investments	141,883	321,719	265,884	97,117	45,045
Other	-	-	-	1,016	2,913
Transfers	(242,022)	(249,537)	(311,553)	(321,033)	(300,184)
Total primary government	<u>\$ 30,102,926</u>	<u>\$ 33,671,931</u>	<u>\$ 33,579,479</u>	<u>\$ 32,730,114</u>	<u>\$ 34,183,184</u>
 Change in Net Assets					
Governmental activities	4,972,859	5,384,293	1,460,188	(1,672,677)	(6,042,118)
Business-type activities	3,904,151	3,874,929	1,134,646	(708,093)	(1,892,779)
Total primary government	<u>\$ 8,877,010</u>	<u>\$ 9,259,222</u>	<u>\$ 2,594,834</u>	<u>\$ (2,380,770)</u>	<u>\$ (7,934,897)</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)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General fund										
Reserved	\$ 398,721	\$ 466,397	\$ 275,383	\$ 651,888	\$ 399,177	\$ 385,617	\$ 509,527	\$ 412,714	\$ 463,388	\$ 403,937
Unreserved	<u>6,774,615</u>	<u>7,356,993</u>	<u>7,395,176</u>	<u>7,941,065</u>	<u>8,418,234</u>	<u>9,922,141</u>	<u>11,987,145</u>	<u>14,752,382</u>	<u>14,993,801</u>	<u>16,082,051</u>
Total General Fund	<u><u>\$ 7,173,336</u></u>	<u><u>\$ 7,823,390</u></u>	<u><u>\$ 7,670,559</u></u>	<u><u>\$ 8,592,953</u></u>	<u><u>\$ 8,817,411</u></u>	<u><u>\$ 10,307,758</u></u>	<u><u>\$ 12,496,672</u></u>	<u><u>\$ 15,165,096</u></u>	<u><u>\$ 15,457,189</u></u>	<u><u>\$ 16,485,988</u></u>
All other governmental funds										
Reserved	\$ 1,603,381	\$ 4,070,322	\$ 1,863,515	\$ 2,384,978	\$ 3,410,580	\$ 5,261,180	\$ 5,197,034	\$ 3,538,529	\$ 4,462,446	\$ 3,208,614
Unreserved, reported in:										
Special revenue funds	2,338,518	2,026,729	1,777,529	1,756,786	1,916,840	1,989,091	2,196,379	2,624,208	2,432,421	1,981,071
Solid waste fund	-	-	-	-	-	-	-	-	549,162	999,772
Capital projects fund	1,568,607	1,302,519	4,271,461	4,278,177	2,217,444	3,854,413	2,717,766	4,581,609	2,553,729	5,078,724
Total all other governmental funds	<u><u>\$ 5,510,506</u></u>	<u><u>\$ 7,399,570</u></u>	<u><u>\$ 7,912,505</u></u>	<u><u>\$ 8,419,941</u></u>	<u><u>\$ 7,544,864</u></u>	<u><u>\$ 11,104,684</u></u>	<u><u>\$ 10,111,179</u></u>	<u><u>\$ 10,744,346</u></u>	<u><u>\$ 9,997,758</u></u>	<u><u>\$ 11,268,181</u></u>

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

CITY OF BARTLETT, TENNESSEE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues										
Taxes										
Property taxes	\$ 8,612,356	\$ 9,439,426	\$ 9,495,854	\$ 11,045,723	\$ 11,423,316	\$ 12,438,854	\$ 13,982,802	\$ 17,076,772	\$ 17,214,579	\$ 17,963,040
Local sales taxes	8,110,936	8,885,495	9,229,507	9,205,960	9,880,716	10,446,702	11,346,090	11,447,876	10,362,031	10,240,841
Sales taxes (local share)	3,921,739	4,323,583	4,153,052	4,139,479	4,180,051	4,807,677	5,472,144	5,910,366	5,389,404	5,246,434
Licenses and permits	1,506,647	1,511,074	1,733,853	1,862,786	1,720,629	2,284,121	2,022,104	1,649,327	1,425,783	1,479,812
Charges for services	6,278,890	5,996,394	6,894,915	7,594,545	8,015,731	9,497,796	9,001,671	9,719,205	9,912,159	9,636,103
Fines, forfeitures and penalties	1,762,633	1,689,208	1,786,840	1,685,042	1,601,748	1,622,260	1,688,409	1,623,563	2,057,354	1,987,336
Federal and state grants	415,533	706,063	123,505	601,628	674,746	494,011	485,233	381,503	224,465	777,551
Donations	7,990	5,400	11,071	16,531	20,057	20,302	90,889	30,656	21,528	15,715
Interest on investments	264,992	216,985	137,188	143,259	288,620	625,466	931,673	750,659	220,482	82,278
Other	483,385	230,272	234,234	455,087	569,729	378,760	334,463	276,917	396,481	462,593
Total revenues	<u>31,365,101</u>	<u>33,003,900</u>	<u>33,800,019</u>	<u>36,750,040</u>	<u>38,375,343</u>	<u>42,615,949</u>	<u>45,355,478</u>	<u>48,866,844</u>	<u>47,224,266</u>	<u>47,891,703</u>
Expenditures										
General government	2,525,647	2,966,017	3,295,134	3,555,531	4,482,552	5,243,741	5,749,891	5,967,027	5,992,322	6,314,723
Public safety	11,540,840	12,185,560	13,659,989	14,353,954	15,115,945	16,245,518	17,827,289	19,150,132	20,399,914	21,050,533
Public works	7,889,444	7,728,646	8,691,690	9,199,577	9,414,698	10,049,074	10,953,524	11,894,956	11,501,238	10,481,199
Parks and recreation	2,265,687	2,477,666	2,653,990	2,919,742	2,766,305	2,965,994	3,174,928	3,356,605	3,834,751	3,298,906
Performing arts center	349,120	382,623	426,932	434,248	503,680	534,299	525,744	549,875	539,899	579,361
Recreation center	926,651	1,052,202	1,112,031	1,177,520	1,236,549	1,291,924	1,353,908	1,431,086	1,437,412	1,425,701
Debt Service										
Principal	2,097,938	2,272,711	2,230,000	2,480,000	2,275,000	2,327,790	2,294,860	2,367,190	2,520,800	2,562,180
Interest	1,045,725	1,044,702	983,558	847,013	853,142	874,978	927,552	982,739	972,113	931,908
Bond issuance cost	1,062	32,552	75,661	47,997	42,664	82,796	40,631	53,141	13,851	59,866
Capital Outlay	1,255,430	2,359,419	3,420,529	1,358,402	5,758,501	3,416,761	4,998,447	4,469,523	1,576,513	2,403,481
Total expenditures	<u>29,897,544</u>	<u>32,502,098</u>	<u>36,549,514</u>	<u>36,373,984</u>	<u>42,449,036</u>	<u>43,032,875</u>	<u>47,846,774</u>	<u>50,222,274</u>	<u>48,788,813</u>	<u>49,107,858</u>
Excess (deficiency) of revenues over (under) expenditures	1,467,557	501,802	(2,749,495)	376,056	(4,073,693)	(416,926)	(2,491,296)	(1,355,430)	(1,564,547)	(1,216,155)

CITY OF BARTLETT, TENNESSEE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Other financing sources (uses)										
Transfers in	1,660,000	2,973,767	2,615,000	2,504,904	2,790,907	2,370,505	1,949,007	3,453,333	2,104,194	2,241,196
Transfers out	(1,660,000)	(2,936,451)	(2,615,000)	(2,504,904)	(2,660,907)	(2,128,483)	(1,699,470)	(3,141,780)	(1,783,161)	(1,941,012)
Debt Proceeds-General Obligation	1,450,000	2,000,000	2,939,482	1,053,774	3,297,500	4,693,464	3,408,000	2,955,001	766,968	3,189,588
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)	-	7,304
Payment to refunded bond escrow agent	-	(1,270,000)	(3,865,195)	(2,238,982)	-	(3,501,536)	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	542,521	16,442	52,947	22,051	18,301
Total other financing sources (uses)	<u>1,450,000</u>	<u>2,037,316</u>	<u>3,109,599</u>	<u>1,053,774</u>	<u>3,423,074</u>	<u>5,467,093</u>	<u>3,686,705</u>	<u>3,318,674</u>	<u>1,110,052</u>	<u>3,515,377</u>
Net change in fund balances	<u>\$ 2,917,557</u>	<u>\$ 2,539,118</u>	<u>\$ 360,104</u>	<u>\$ 1,429,830</u>	<u>\$ (650,619)</u>	<u>\$ 5,050,167</u>	<u>\$ 1,195,409</u>	<u>\$ 1,963,244</u>	<u>\$ (454,495)</u>	<u>\$ 2,299,222</u>
Debt Service as a percentage of noncapital expenditures	11.0%	11.0%	9.5%	9.1%	9.3%	7.8%	7.3%	7.0%	6.9%	6.8%

CITY OF BARTLETT, TENNESSEE

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

	<u>Real Property</u>				<u>Commercial Personal Property</u>	<u>Total Taxable Assessed Value</u>	<u>Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
	<u>Residential Property</u>	<u>Farm Property</u>	<u>Commercial Property</u>	<u>Public Utilities Property</u>					
2001	429,311,225	1,405,725	143,157,005	7,416,893	34,106,080	615,396,928	1.29	2,210,307,460	27.84%
2002	493,129,125	1,677,325	198,838,536	9,299,642	37,718,830	740,663,458	1.23	2,621,148,770	28.26%
2003	503,398,450	1,381,325	209,396,141	8,401,212	39,482,970	762,060,098	1.23	2,691,447,031	28.31%
2004	517,285,550	1,280,225	210,884,485	8,596,491	35,394,680	773,441,431	1.38	2,737,164,384	28.26%
2005	537,048,350	1,263,100	215,355,155	8,748,698	33,957,950	796,373,253	1.38	2,822,607,920	28.21%
2006	618,439,825	3,018,275	250,902,900	9,080,210	42,506,320	923,947,530	1.31	3,273,422,973	28.23%
2007	729,515,750	2,949,150	240,391,810	15,104,373	42,698,020	1,030,659,103	1.31	3,703,507,696	27.83%
2008	757,507,150	2,658,500	244,269,130	13,186,328	38,901,240	1,056,522,348	1.54	3,808,483,242	27.74%
2009	777,311,375	2,467,500	248,946,505	13,089,168	42,776,070	1,084,590,618	1.54	3,912,651,861	27.72%
2010	817,642,200	2,419,225	284,892,370	14,312,922	41,036,030	1,160,302,747	1.49	4,132,645,800	28.08%

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

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

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

Fiscal Year	(Per \$100 of Assessed Valuation)		Total
	City	County	
2001	1.29	3.54	4.83
2002	1.23	3.79	5.02
2003	1.23	3.79	5.02
2004	1.38	4.09	5.47
2005	1.38	4.09	5.47
2006	1.31	4.09	5.40
2007	1.31	4.09	5.40
2008	1.54	4.09	5.63
2009	1.54	4.09	5.63
2010	1.49	4.06	5.55

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

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

<u>Taxpayer</u>	<u>2010</u>			<u>2001</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	\$ 29,938,150	1	2.58%	\$ 10,930,000	1	1.48%
Saint Francis Hospital	20,819,000	2	1.79%			
Bartlett Logistics One LLC	11,268,000	3	0.97%			
Bristol Park at Wolfchase GP	9,413,560	4	0.81%			
Bell South Telecommunications	9,328,921	5	0.80%	4,993,685	6	0.68%
WNI/Tennessee LP	7,400,000	6	0.64%	6,109,440	2	0.83%
UHS of Lakeside INC	6,502,160	7	0.56%	4,101,520	7	0.56%
Belvedere Apartments INC	5,400,000	8	0.47%			
Walmart Real Estate Trust	5,203,120	9	0.45%	5,007,680	5	0.68%
Lowes Home Centers INC	4,204,000	10	0.36%			
Stage Centre Co				5,747,160	3	0.78%
Quail Appartments LP				5,671,160	4	0.77%
Lightman Michael A				3,549,440	8	0.48%
International Technology				3,389,440	9	0.46%
Sam's Real Estate Trust				3,052,240	10	0.41%
Totals	<u>\$ 109,476,911</u>		<u>9.44%</u>	<u>\$ 52,551,765</u>		<u>7.13%</u>

Source: City of Bartlett Tax Department

CITY OF BARTLETT, TENNESSEE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Subsequent Tax Collections	Total Tax Collections	Percent of Tax Collections to Tax Levy	Outstanding Delinquent Tax
2001	7,946,661	7,905,200	99.48%	39,506	7,944,706	99.98%	1,955
2002	9,085,997	8,956,762	98.58%	124,933	9,081,695	99.95%	4,302
2003	9,376,124	9,230,212	98.44%	127,733	9,357,945	99.81%	18,179
2004	10,699,648	10,218,983	95.51%	462,547	10,681,530	99.83%	18,118
2005	11,100,118	10,795,149	97.25%	285,869	11,081,018	99.83%	19,100
2006	12,103,713	11,455,642	94.65%	617,383	12,073,025	99.75%	30,688
2007	13,303,791	12,963,800	97.44%	305,740	13,269,540	99.74%	34,251
2008	16,828,729	16,297,479	96.84%	458,337	16,755,816	99.57%	72,913
2009	17,259,716	15,935,257	92.33%	1,077,213	17,012,470	98.57%	247,246
2010	17,620,288	16,953,450	96.22%	-	16,953,450	96.22%	666,838

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Apparel & Accessories	\$ 5,320,018	\$ 5,642,218	\$ 6,309,246	\$ 6,470,629	\$ 6,872,110	\$ 6,185,927	\$ 7,795,639	\$ 7,927,804	\$ 7,230,366
General Merchandise	148,068,872	162,691,252	169,528,404	174,520,905	177,921,853	180,394,277	188,367,395	187,097,170	186,397,564
Food Stores	74,900,644	83,179,666	87,337,290	87,245,173	85,387,228	84,232,024	91,890,586	93,857,918	92,427,281
Eating & Drinking Places	56,969,674	47,644,071	44,102,474	51,790,882	56,580,753	58,237,164	61,878,927	61,383,105	63,675,086
Furniture & Home Decor	21,432,549	24,681,069	25,943,384	26,482,073	20,588,298	19,890,999	19,079,129	17,663,833	11,738,317
Building Materials	29,550,033	53,939,789	63,150,488	75,945,538	91,178,839	83,988,276	120,249,335	58,115,255	44,961,710
MV Dealers & Serv. Stations	29,241,868	29,354,199	29,677,835	31,742,956	32,826,569	34,627,712	39,862,821	41,202,131	36,806,567
Other Retail	42,248,276	44,931,524	51,064,490	57,662,704	61,479,007	64,440,718	65,690,399	64,743,878	61,129,859
All Other Outlets	116,230,265	140,250,479	84,469,252	91,620,732	114,563,730	106,569,459	119,608,101	120,544,025	119,383,755
Total	<u><u>\$ 523,962,199</u></u>	<u><u>\$ 592,314,267</u></u>	<u><u>\$ 561,582,863</u></u>	<u><u>\$ 603,481,592</u></u>	<u><u>\$ 647,398,387</u></u>	<u><u>\$ 638,566,556</u></u>	<u><u>\$ 714,422,332</u></u>	<u><u>\$ 652,535,119</u></u>	<u><u>\$ 623,750,505</u></u>

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>
2001	1.125%	1.125%	6.00%
2002	1.125%	1.125%	6.00%
2003	1.125%	1.125%	7.00%
2004	1.125%	1.125%	7.00%
2005	1.125%	1.125%	7.00%
2006	1.125%	1.125%	7.00%
2007	1.125%	1.125%	7.00%
2008	1.125%	1.125%	7.00%
2009	1.125%	1.125%	7.00%
2010	1.125%	1.125%	7.00%

Source: City of Bartlett Finance Department

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

CITY OF BARTLETT, TENNESSEE
LOCAL SALES TAX REVENUE BY INDUSTRY
FISCAL YEARS 2000 AND 2010

Sector	Fiscal Year 2001				Fiscal Year 2010			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	452	53.36%	\$ 8,897,984	78.58%	511	52.41%	\$ 11,262,270	80.75%
Services	236	27.86%	959,449	8.47%	260	26.67%	1,275,769	9.15%
Manufacturing	45	5.31%	577,652	5.10%	63	6.46%	121,120	0.87%
Wholesale Trade	58	6.85%	705,650	6.23%	73	7.49%	1,108,293	7.95%
Construction	22	2.60%	55,243	0.49%	29	2.97%	31,551	0.23%
Finance Insurance Real Estate	7	0.83%	1,393	0.01%				
Transportation and Utilites	10	1.18%	56,114	0.50%	7	0.72%	64,933	0.47%
Agriculture	4	0.47%	9,036	0.08%	9	0.92%	29,954	0.21%
Other, Non Classified	13	1.53%	60,450	0.53%	23	2.36%	52,750	0.38%
Total	\$ 847	100.00%	\$ 11,322,971	100.00%	975	100.00%	\$ 13,946,640	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.
5. Due to too few taxpayers in the category, the Finance Insurance and Real Estate category has been left blank intentionally.

CITY OF BARTLETT, TENNESSEE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Government Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	General Obligation Note	Capital Note	Capital Lease	Revenue Bonds	Revenue Note			
2001	20,030,000	-	1,450,000	42,938	10,020,000	-	31,542,938	4.14%	761
2002	21,245,000	-	-	-	11,775,000	-	33,020,000	4.06%	782
2003	22,205,000	-	-	-	12,160,000	-	34,365,000	3.98%	806
2004	20,990,000	-	-	-	15,350,000	-	36,340,000	3.84%	833
2005	20,505,000	-	1,507,500	-	15,545,000	-	37,557,500	3.74%	866
2006	23,155,000	-	1,314,170	-	14,625,000	-	39,094,170	3.42%	899
2007	23,715,000	-	1,867,850	-	15,165,000	-	40,747,850	3.28%	868
2008	24,750,000	-	1,420,660	-	15,285,000	-	41,455,660	3.03%	846
2009	22,695,000	26,468	1,695,360	-	14,405,000	117,452	38,939,280	2.78%	795
2010	23,015,000	953,055	1,076,180	-	14,355,000	203,251	39,602,486	2.76%	808

CITY OF BARTLETT, TENNESSEE

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Capital Note	Capital Lease	General Obligation Note	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2001	20,030,000	1,450,000	42,938	-	21,522,938	0.97%	520
2002	21,245,000	-	-	-	21,245,000	0.81%	503
2003	22,205,000	-	-	-	22,205,000	0.83%	521
2004	20,990,000	-	-	-	20,990,000	0.77%	481
2005	20,505,000	1,507,500	-	-	22,012,500	0.78%	508
2006	23,155,000	1,314,170	-	-	24,469,170	0.75%	563
2007	23,715,000	1,867,850	-	-	25,582,850	0.69%	545
2008	24,750,000	1,420,660	-	-	26,170,660	0.69%	534
2009	22,695,000	1,695,360	-	26,468	24,416,828	0.62%	498
2010	23,015,000	1,076,180	-	953,055	25,044,235	0.61%	511

CITY OF BARTLETT, TENNESSEE

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2010

<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	\$ 25,044,235	100.00%	\$ 25,044,235
Shelby County	<u>1,707,260,182</u>	5.90%	<u>100,773,288</u>
Totals Direct and Overlapping Debt	<u>\$ 1,732,304,417</u>		<u>\$ 125,817,523</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		Total	Coverage
				Principal	Interest		
2001	6,970,022	3,544,845	3,425,177	1,390,000	589,561	1,979,561	1.73
2002	5,958,023	3,198,385	2,759,638	1,245,000	590,984	1,835,984	1.50
2003	6,753,253	3,500,754	3,252,499	1,420,000	562,568	1,982,568	1.64
2004	7,749,801	3,751,076	3,998,725	1,125,000	544,863	1,669,863	2.39
2005	7,616,473	3,949,404	3,667,069	1,160,000	621,735	1,781,735	2.06
2006	9,688,303	4,071,905	5,616,398	1,255,000	569,220	1,824,220	3.08
2007	8,205,579	4,237,489	3,968,090	1,010,000	573,585	1,583,585	2.51
2008	8,307,946	4,352,229	3,955,717	895,000	593,012	1,488,012	2.66
2009	6,830,594	4,662,988	2,167,606	880,000	581,992	1,461,992	1.48
2010	6,282,853	5,243,944	1,038,909	1,010,000	563,000	1,573,000	0.66

(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 (2)	Personal Income (Thousands of \$)	Per Capita Personal Income (4)	Unemployment Rate (3)	
2001	41,425	761,434	40,861	1.6%	
2002	42,212	813,248	41,963	1.9%	
2003	42,626	862,729	42,804	2.2%	
2004	43,608	945,428	45,103	2.3%	
2005	43,354	1,002,909	46,005	4.6%	
2006	43,500	1,142,755	49,685	4.5%	
2007	46,954 (3)	1,243,614	52,165	3.7%	(5)
2008	49,000	1,366,711	54,778	5.5%	(5)
2009	49,000	1,401,567	57,512	7.4%	(5)
2010	49,000	1,435,413	60,388	8.3%	(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>2010</u>			<u>2001</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	0.00%	807	1	4.61%
Youth Villages		2				
The City of Bartlett		3	0.00%	594	2	3.39%
Lakeside Behavioral Health		4				
USDA Cotton Classing Division		5	0.00%	450	4	2.57%
Wal-Mart Supercenter		6	0.00%	500	3	2.86%
Saint Francis Hospital-Bartlett		7	0.00%			
United Parcel Service		8	0.00%	175	8	1.00%
Gyrus, ENT		9	0.00%			
Kele Inc.		10	0.00%	222	6	1.27%
The Kroger Company				326	5	1.86%
Garner Automotive Products				200	7	1.14%
Ellendale Electric Company				170	9	0.97%
Seessel's by Albertson's				165	10	0.94%
Total	<u>0</u>		<u>0.00%</u>	<u>3,609</u>		<u>20.62%</u>

Source: Bartlett Chamber of Commerce

CITY OF BARTLETT, TENNESSEE

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Department										
General Fund										
Legislative Board	3	3	3	4	4	4	4	3	3	3
Mayor's Office	9	9	10	11	11	12	12	14	15	15
Finance	10	11	11	13	13	14	14	14	14	14
City Court	8	8	9	9	10	10	11	11	12	12
Personnel	3	4	4	4	4	4	5	4	4	4
Planning	4	4	4	4	5	5	5	4	4	4
Police										
Officers	80	84	84	86	90	92	98	105	110	110
Civilians	35	39	37	37	36	33	33	36	38	38
Fire Services and Ambulance										
Firefighters & Officers	66	70	72	73	77	77	93	94	94	94
Civilians	1	1	1	1	1	1	1	1	1	1
Codes Enforcement	8	8	8	9	10	12	12	12	12	11
Public Works	44	43	46	48	49	52	52	53	54	53
Engineering	9	7	9	11	12	11	11	11	11	11
Parks & Recreation	76	79	82	85	85	88	81	80	80	80
Performing Arts	3	3	4	4	4	3	3	4	4	4
Special Revenue Funds										
Solid Waste Fund	30	31	32	32	34	35	37	38	38	39
Drainage Control Fund	0	0	0	0	1	1	1	1	1	1
Utility Fund										
Administration	7	7	6	5	6	9	11	12	12	12
Water & Wastewater Services	20	21	19	19	19	15	15	15	15	15
Plant Operations	5	5	5	5	5	5	5	5	5	5
Sewer Lagoon	2	2	2	3	4	4	4	4	4	3
Total	<u>423</u>	<u>439</u>	<u>448</u>	<u>463</u>	<u>480</u>	<u>487</u>	<u>508</u>	<u>521</u>	<u>531</u>	<u>529</u>

Source: City of Bartlett Finance Department and Personnel Department.

CITY OF BARTLETT, TENNESSEE
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
Residential permits issued	270	293	373	358	322	291	344	159	75	99
Commercial permits issued	91	131	107	106	93	129	111	94	71	59
Fire										
Emergency responses	2,492	2,692	2,773	3,114	3,152	3,581	3,663	3,776	3,832	4,178
Structure fires	104	88	85	105	107	197	45	57	42	49
Inspections	907	2,173	2,957	1,812	2,589	3,506	3,369	3,449	2,213	2,203
Refuse collection										
Total refuse collected (tons)	36,438	34,389	51,948	35,326	41,357	44,432	44,105	44,824	45,246	56,166
Refuse taken to landfill	22,825	22,824	23,475	24,386	25,330	26,911	26,391	27,015	25,743	25,714
Library										
Volumes in collections	88,915	90,844	89,102	82,257	82,691	83,107	84,666	99,256	102,013	101,158
Total volumes borrowed	404,966	392,571	390,046	359,331	349,977	324,968	302,272	297,581	363,367	359,367
Water										
New connections	369	366	491	557	463	412	475	153	81	66
Water customers	16,977	17,343	17,834	18,391	18,854	19,266	19,741	19,894	19,975	20,041
Sewer										
Sewer customers	15,403	15,810	16,330	16,790	17,271	17,814	18,132	18,444	18,624	18,757

CITY OF BARTLETT, TENNESSEE
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police Stations	1	1	1	1	1	1	1	2	2	2
Fire Stations	4	4	4	4	4	4	5	5	5	5
Public Works										
Streets (miles)	188	188	188	188	238	268	268	277	277	277
Parks & Recreation										
Acreage	416	416	416	416	607	671	671	688	706	706
Parks #										
Developed	23	23	23	23	22	22	24	24	24	24
Undeveloped	2	2	2	2	2	2	2	2	3	3
Tennis courts	14	14	14	14	12	12	14	14	14	14
Baseball fields	9	9	9	9	17	17	17	17	17	17
Walking trails(miles)	9	9	9	9	11	11	11	12	12	12
Water										
Water lines (miles)	317	317	317	317	331	331	331	370	371	371
Water connections	16,953	17,343	17,834	18,424	18,854	19,266	19,741	19,894	19,975	20,041
Water plants	3	3	3	3	4	4	4	4	4	4
Storage tanks	8	8	8	8	9	9	9	9	9	9
Wastewater										
Sanitary sewers (miles)	252	252	252	312	313	313	313	313	316	349
Sewer connections	15,380	15,810	16,330	16,827	17,271	17,814	18,132	18,444	18,624	18,757

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF UNACCOUNTED FOR WATER

For the Year Ended June 30, 2010

(All amounts in gallons)

A. Water Treated and Purchased:		
B.	Water Pumped (potable)	2,095,673,000
C.	Water Purchased	0
D.	Total Water Treated and Purchased	2,095,673,000
	(Sum Lines B and C)	
E. Accounted for Water:		
F.	Water Sold	1,909,715,300
G.	Metered for Consumption (in house usage)	0
H.	Fire Department(s) Usage	55,000
I.	Flushing	0
J.	Tank Cleaning/Filling	2,250,000
K.	Street Cleaning	41,868,100
L.	Bulk Sales	0
M.	Water Bill Adjustments	2,626,400
N.	Total Accounted for Water	1,956,514,800
	(Sum Lines F thru M)	
O.	Unaccounted for Water	139,158,200
	(Line D minus Line N)	
P.	Percent Unaccounted for Water	6.64%
Q.	Other (explain)	0

Explain Other:

All amounts included in this schedule are supported by documentation on file at the water system. If no support is on file for a line item or if the line item is not applicable, a "0" is shown.

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF UTILITY RATES

June 30, 2010

Water

Sewer

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

<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>	<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>
First 2,000 gallons	\$ 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):

<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>	<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>
First 2,000 gallons	\$ 6.00	\$ -	First 2,000 gallons	\$ 6.27	\$ -
Next 8,000 gallons/1,000 gal.	-	1.860	Over 2,000 gallons/1,000 gal.	-	1.233
Over 10,000 gallons/1,000 gal.	-	1.710	Maximum monthly	27.60	-

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

<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>	<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>
First 2,000 gallons	\$ 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			

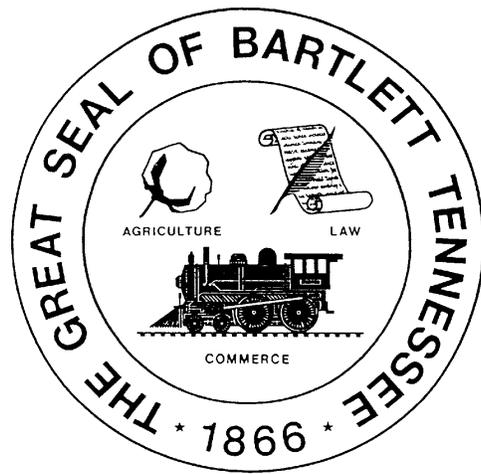
Commercial, rural customers (volume charge is 1,000 gal):

<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>	<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>
First 2,000 gallons	\$ 10.75	\$ -	First 2,000 gallons	\$ 15.27	\$ -
Next 8,000 gallons/1,000 gal.	-	2.170	Over 2,000 gallons/1,000 gal.	-	1.333
Over 10,000 gallons/1,000 gal.	-	1.990			

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

Number of Customers at Year-end:

Water	20,041
Sewer	18,757





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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 solid waste control fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee (the "City") as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 29, 2010. 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a

combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider finding 2010-3, described in the accompanying schedule of findings and questioned costs to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2010-1 and 2010-2, described in the accompanying schedule of findings and questioned costs to be significant deficiencies.

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 findings identified in our audit are described in the accompanying schedule of findings and questioned costs. 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 Mikusall, PLLC

Memphis, Tennessee
December 29, 2010



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

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

Compliance

We have audited the City of Bartlett, Tennessee (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2010. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards, issued by the Comptroller General of the United States; the OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control over Compliance

Management of the City, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the Board of Mayor and Aldermen, 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 Mikusall, PLLC

Memphis, Tennessee
December 29, 2010

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Bartlett, Tennessee (the "City").
2. Three control deficiencies disclosed during the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. Two of these conditions are significant deficiencies. One deficiency is reported as a material weakness.
3. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal awards programs are reported in the Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for the City expresses an unqualified opinion on the major program.
6. There were no audit findings required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The program tested as major program was U.S. Department of Homeland Security Public Assistance Grant FEMA (CFDA No. 97.036).
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The City was not determined to be a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCIES

2010-1: *Condition:* The City has a lack of segregation of duties in the cash disbursements process.

Criteria: The same employee prints, prepares checks, and mails to the vendor.

Cause: There is a small office environment in the finance department.

Effect: The employee having access to print and mail checks, has the ability to perpetrate and conceal fraud.

Recommendation: We recommend segregating these duties and having another employee mail checks.

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

2010-2: *Condition:* The City has a lack of segregation of duties in the collection of property tax receipts.

Criteria: The same employee opens mail, prepares the deposit slip, and posts activity to the customer's account.

Cause: There is a small office environment in the finance department.

Effect: Allowing the same employee to perform these functions increases the risk that errors or misappropriation could occur and go undetected.

Recommendation: Cash receipts should be opened and controlled by a person independent of the person responsible for the property tax receivable subsidiary ledger.

Management's Response: The City will evaluate the 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.

MATERIAL WEAKNESS

2010-3: *Condition:* A prior period adjustment was made on the government wide financial statements to correctly state the City's post employment benefits other than pension (OPEB) liability.

Criteria: The fiscal year 2009 post employment benefits other than pension (OPEB) was incorrectly stated.

Cause: The fiscal year 2009 liability calculated by an actuary was based on anticipated changes which did not occur and the liability reverted back to the original estimated liability.

Effect: A \$3.2 million adjustment was made on the government wide financial statements which related to fiscal year 2009.

Recommendation: We recommend the City reviews the actuary's report and liability for accuracy before fiscal year end.

Management's Response: Anticipated subsequent changes to the post employment benefits (OPEB) used to calculate the Fiscal Year 2009 liability were not made as anticipated in the actuary's report. Current and future post employment benefits (OPEB) liabilities as determined by the actuary will be based on the benefits in effect at the time of the calculation.

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

NONE

