

# **CITY OF BARTLETT TENNESSEE**

## **Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014**

Prepared by the City of Bartlett Finance Department

**CITY OF BARTLETT, TENNESSEE  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**TABLE OF CONTENTS**

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	Page
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1
GFOA Certificate of Achievement for Excellence in Financial Reporting	7
Organization Chart	8
City Officials	9
 <b>FINANCIAL SECTION</b>	
Independent Auditor's Report	10
Management's Discussion and Analysis	13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	27
Statement of Activities	28
Fund Financial Statements:	
Balance Sheet – Governmental Funds	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – General Fund	34
Statement of Net Position – Proprietary Funds	42
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	43
Statement of Cash Flows – Proprietary Funds	44
Statement of Fiduciary Net Position	45
Statement of Changes in Fiduciary Net Position	46
Notes to Financial Statements	47
Required Supplementary Information:	
Schedule of Other Post Employment Benefits Funding Progress	73
Schedule of Employee Retirement System Funding Progress	74
Schedule of Employee Retirement System Employer Contributions	75
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	78

## TABLE OF CONTENTS

---

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Nonmajor Governmental Funds	80
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund	85
Combining Statement of Net Position – Internal Service Funds	88
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds	89
Combining Statement of Cash Flows – Internal Service Funds	90
Combining Balance Sheet – Agency Funds	91
Combining Schedule of Changes in Assets and Liabilities – Agency Funds	92
Supplementary Schedules:	
Schedule of Bonds of Principal Officials	93
Schedule of Bonds and Notes Payable - Future Maturities (Including Interest) – Governmental Activities	94
Schedule of Bonds and Notes Payable – Future Maturities (Including Interest) – Business-Type Activity	96
Schedule of Property Taxes Receivable - General Fund	98
Schedule of Changes in Property Taxes Receivable - General Fund	99
Schedule of Expenditures of Federal Awards and State Financial Assistance	100
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance	102

### STATISTICAL INFORMATION SECTION (UNAUDITED)

Net Position by Component	104
Changes in Net Position	105
Fund Balances of Governmental Funds	107
Changes in Fund Balances of Governmental Funds	108
Assessed Value and Estimated Actual Value of Taxable Property	110
Direct and Overlapping Property Tax Rates	111
Principal Property Tax Payers	112
Property Tax Levies and Collections	113
Taxable Sales by Category	114
Direct and Overlapping Sales Tax Rates	115
Local Sales Tax Revenue by Industry	116
Ratios of Outstanding Debt by Type	117
Ratios of General Bonded Debt Outstanding	118
Direct and Overlapping Governmental Activities Debt	119
Water and Sewer Revenue Coverage	120
Demographics and Economic Statistics	121
Principal Employers	122
Full-time Equivalent City Government Employees by Function	123
Operating Indicators by Function/Program	124
Capital Assets Statistics by Function/Program	125
Schedule of Unaccounted for Water	126
Schedule of Utility Rates	127

## TABLE OF CONTENTS

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### **GOVERNMENT AUDITING STANDARDS SECTION**

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 <i>Government Auditing Standards</i>	128
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By OMB Circular A-133	130
Schedule of Findings and Questioned Costs	132



# City of Bartlett

*A. Keith McDonald, Mayor*

December 17, 2014

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

The Comprehensive Annual Financial Report, (CAFR) of the City of Bartlett, Tennessee (The City) for the fiscal year ended June 30, 2014, is hereby submitted. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) as set forth by the Government Accounting Standards Board (GASB) and have been audited in accordance with the generally accepted government auditing standards.

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

The City's financial statements have been audited by Watkins Uiberall, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2014 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor has issued an unmodified ("clean") opinion on the City of Bartlett's financial statements for the fiscal year ended June 30, 2014. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Bartlett was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal

grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the compliance report section of the CAFR.

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

### **Profile of the Government**

The City of Bartlett, incorporated in 1866, is located in Shelby County in the southwestern part of the state. The City currently occupies a land area of 32.30 square miles and serves a population of 56,488. The City is empowered by state statutes to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, 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 (BMA) consisting of the Mayor and six Aldermen. The Board, among other things, is responsible for passing ordinances, adopting the budget and appointing committees. The Mayor is responsible for carrying out the policies and ordinances of the Board, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments with confirmation of the BMA. The Board of Mayor and (Six) Aldermen are elected to four-year terms by popular vote. One-half of the Board is elected every two years.

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

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 of Bartlett has taken steps to create its own municipal school system which will serve a student population of approximately 9,000. The system became operational in July of 2014 and is now the second largest school system in Shelby County. A Board of Education was elected in late 2013 followed by the appointment of a School Superintendent shortly thereafter.

The City administration annually prepares a plan of services for the upcoming fiscal year and the estimated cost of providing those services. All department heads of the City of Bartlett are required to submit requests for appropriation to the Finance Director. Initial requests are reviewed by the Mayor, Chief Administrative Officer, and finance staff. The resulting plan is then reviewed by the Board of Mayor and Aldermen and is formally adopted by the passage of a budget ordinance. 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 BMA. Strict budgetary compliance is maintained by the automated accounting system to assure effective fiscal management and accountability. All requests for purchases are checked by the budgetary control system to assure that funds are available. Purchase orders and contracts are encumbered prior to release to vendors. The system controls are maintained within cost center levels and are basically set up within the Personnel, Operations, and Capital categories. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an 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**

During the fiscal year the City of Bartlett experienced overall growth in the local economy but like the state and national economy the pace of growth has not returned to pre-2008 levels. The City currently has a certified population of 56,488 and projections show 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 recently completed. 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 in the fiscal year and the current year show modest growth as the economy struggles to regain lost ground. During the fiscal year 2014 the City issued 160 permits for new single family residence structures with a value of \$33,123,444 or an average of \$207,022. The City also issued 86 permits for commercial construction valued at \$13,176,206. The median household income in Bartlett is in excess of \$62,000 and we expect Bartlett to continue to be the retail center of north Shelby County. Emphasis is being made on bringing more retail establishments into the City.

The regional economy continues its slow growth in retail sales with local sales tax collections increasing by 3.7% in FY2014 compared to FY2013. In FY2015 the City has projected a 3.0% increase in local sales tax collections over FY2014. Property taxes remain a significant portion of the City's revenue source bringing in 43.6% of total revenue for the general fund. Collections remain strong with approximately 97.7% of property tax levy collected during the fiscal year.

### **Additional Local Option Sales Tax**

Bartlett voters approved a one-half percent increase in the local option sales tax rate in August 2012. Revenue from this increase is accrued to the direct benefit of Bartlett and can be used for general purposes as determined by the Board of Mayor and Aldermen. Collections were \$3.98 million in FY2014 and projected to grow 3% for FY2015. The Board of Mayor and Aldermen have used this revenue source to provide local funding for the operation of the Bartlett Municipal School System.

### **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. Funding for FY2014 projects in the CIP came from general obligation and revenue bonds. However, the finance department, working with department heads, has identified sufficient unspent and unbudgeted CIP funds from prior years to fully fund the CIP program for FY2015. Highlights of the program for 2015-2019 are:

- Road, Street, and Drainage improvement projects totaling \$26.8 million to improve access and traffic flow in the City.
- Water and Sewer improvements and upgrades totaling \$5.56 million.
- Public safety buildings, parks improvements, vehicles and equipment including police cars, ambulances and fire trucks totaling \$8.16 million.

The City of Bartlett has adopted a comprehensive fund balance policy and debt management policy. Components of these policies provide a useful guide to financial operations and debt issuance. The City has maintained a policy of issuing less than \$5 million in new debt annually while recognizing the opportunities to refund certain bond issues at lower interest rates to generate substantial savings in future years. All the debt issued is within the parameters of the adopted debt limits as specified in the BMA's debt management policy.

### **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 2014 budget included a budgeted use of fund balance in the general fund and special revenues funds. The City ended the year well within the general fund balance policy of 20% of expenditures plus \$1,000,000 for emergencies and contingencies.

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

### **Major initiatives**

During the year ended June 30, 2014, the City made \$4.1 million in capital improvement expenditures including \$643,764 in city wide overlay projects, \$277,395 in Bartlett Boulevard slope failure expenditures (FEMA project), \$217,965 in Burloe Walking Bridge construction, \$417,935 to complete projects in various subdivisions, and \$152,816 in Brunswick Road improvements. The City plans to spend \$9.46 million in additional funds for city wide overlay through FY 2018 while spending a projected \$17.2 million in various engineering projects over the next five years. The City has plans to purchase a new ambulance and aerial fire truck for \$1.06 million in FY2015. A splash water park adjacent to the Bartlett recreation center is also planned for FY2015 at a cost of \$200,000.

### **Long term financial planning**

The City's fiscal year spending plan emphasizes a long-term goal of maintaining fiscal and financial stability. Annual budgets adopted by the Board of Mayor and Aldermen have consistently stressed a culture of cost-saving efforts while focusing on customers and quality of service provided the citizens.

The City was affirmed as AA1 by Moody's and AAA by Standard & Poor's rating agencies in October 2013. On October 8, 2013 the City refunded \$2,510,000 in general obligation bonds and \$660,000 in water and sewer revenue bonds and issued new bonds to defease certain obligations with higher interest rate coupons. The refunding issue had a net present value savings of \$135,928 and will save the City \$168,537 over the next four years in

interest costs. The City also issued \$3,525,000 in general obligation and water revenue bonds for the purpose of funding various capital projects.

## **Awards and Acknowledgements**

**Awards:** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bartlett for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the 25<sup>th</sup> consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit publishes an easily readable and efficiently organized comprehensive annual financial report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA Distinguished Budget Presentation Award for the 12<sup>th</sup> straight year for its annual budget document for the fiscal year beginning July 1, 2013. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. The annual budget document dated July 1, 2014 has been submitted to the GFOA for review and it is anticipated that it will also receive this award.

**Acknowledgement:** The preparation of this CAFR could not have been accomplished without the efforts and dedicated services of the entire staff of the finance department throughout the fiscal year. I would like to express my appreciation to all of the members of the department who assisted and contributed to this report, in addition to the City's independent certified public accountants, Watkins Uiberall, PLLC. Credit also must be given to the Mayor and Board of Aldermen for their support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Dick Phebus  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

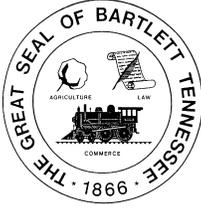
Presented to

**City of Bartlett**  
**Tennessee**

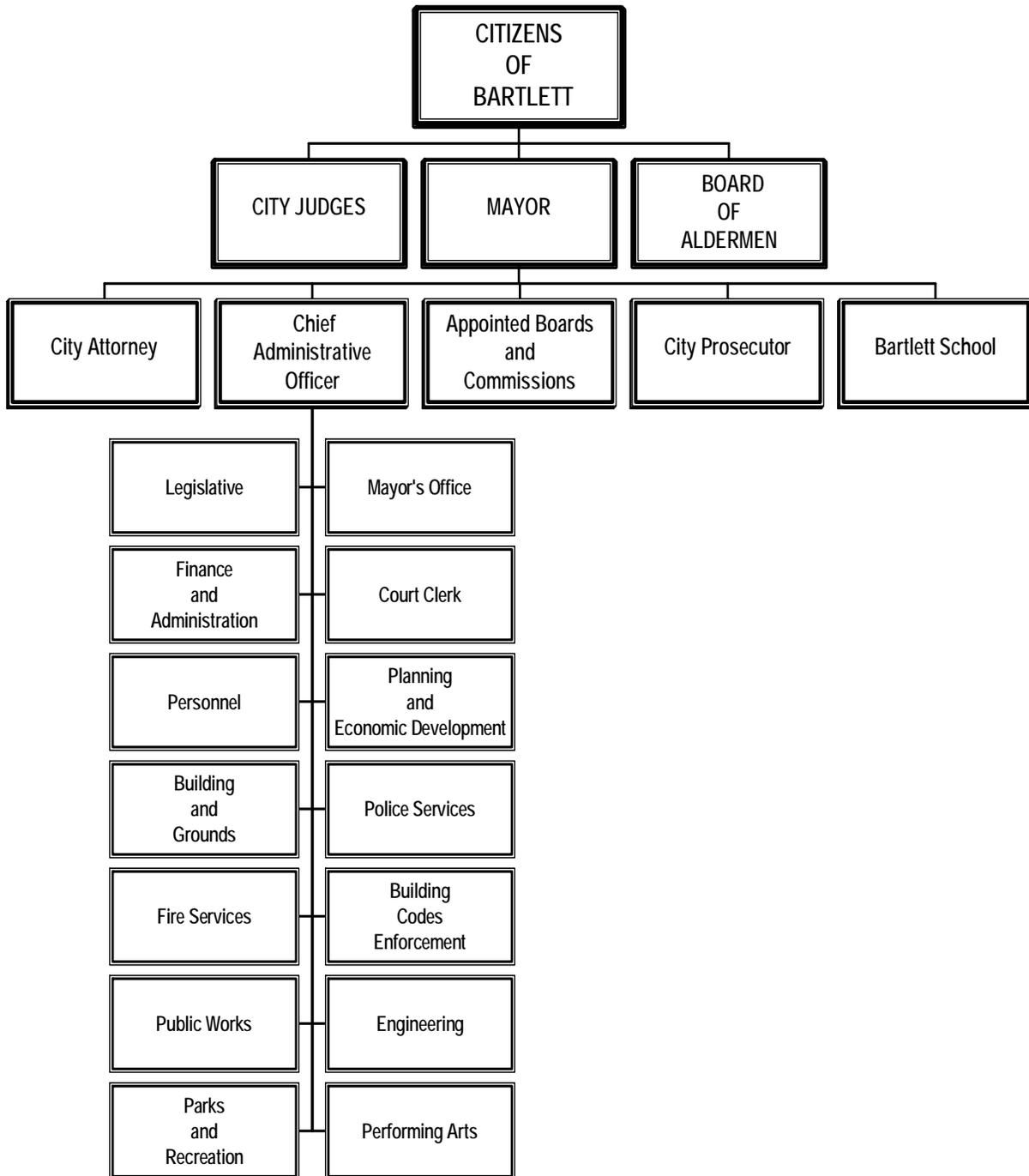
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



# CITY OF BARTLETT ORGANIZATION CHART JUNE 30, 2014



**CITY OF BARTLETT, TENNESSEE  
CITY OFFICIALS  
JUNE 30, 2014**

**MAYOR**

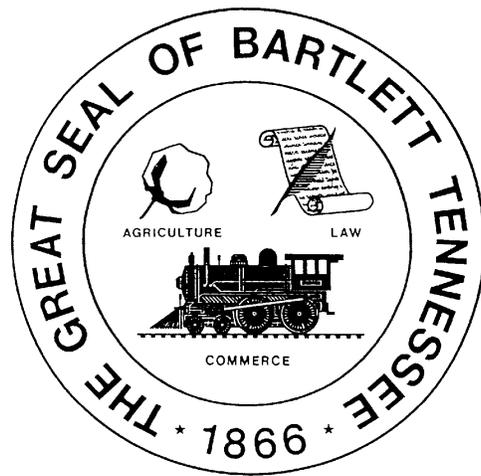
A. Keith McDonald (2014\*)

**ALDERMEN**

Jack Young, Vice Mayor (2016\*)  
W.C. (Bubba) Pleasant, Register (2014\*)  
David Parsons (2014\*)  
Emily Elliott (2014\*)  
Bobby Simmons (2016\*)  
Paula Sedgwick (2016\*)

Chief Administrative Officer	Mark S. Brown
City Attorney	Edward McKinney Jr.
Director of Finance	Dick Phebus
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
Director of Citizen Services	Jacquie Gore
Director of Community Relations	Debbie Morrison
Court Clerk	Bill Lloyd

\*(Date elected term expires)





Watkins Uiberall, PLLC  
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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the statement of budgetary comparison for the general fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee, (the "City") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the statement of budgetary comparison for the general fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bartlett's basic financial statements. The introductory section, combining and individual fund financial statements, supplementary schedules, and statistical information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 basic financial statements.

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

The introductory and statistical information 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 them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2014, on our consideration of the City of Bartlett's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bartlett's internal control over financial reporting and compliance.

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

Memphis, Tennessee  
December 17, 2014

## 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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal and notes to the financial statements.

### Financial Highlights

- The assets of the City exceeded its liabilities and deferred outflows at the close of the most recent fiscal year by \$ 340,596,512 (net position). Of this amount, \$5,631,970 (unrestricted net position) may be used to meet the government's ongoing obligation to citizens and creditors.
- The City's total net position increased by \$167,512,796, due in large part to the contribution of \$174,543,318 in donated educational assets from the Shelby County Board of Education. These assets were donated on June 1, 2014 as a result of the formation of a municipal school district in the City of Bartlett. Other factors affecting total net position included an increase in long-term debt from general obligation and revenue bond issuance coupled with an increase in current assets from cash and cash equivalents accumulation from increased revenue sources.
- At June 30, 2014, the City's governmental funds reported combined ending fund balances of \$41,110,767, an increase of \$2,071,669 in comparison with the prior year. Approximately 77.3% of this amount is available for spending at the government's discretion (committed, assigned or unassigned fund balance). At June 30, 2014 unassigned fund balance for the General Fund was \$24,211,101, or 58.9% of total General Fund expenditures.
- The City's total debt increased by \$1,437,083 (3.2%) during the current fiscal year. Key factors in this increase were the issuance of \$770,500 in capital outlay notes for equipment and vehicles, \$1,118,694 in variable rate debt, and \$5,719,687 in general obligation refunding and improvement bonds and \$1,926,390 water and sewer revenue and tax refunding bonds in FY 2014. The City paid down \$7,315,286 in existing debt in FY2014.

### Overview of the Financial Statements

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

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

The government-wide financial statements are:

- **Statement of Net Position** -- presents information on all of the City's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial net position of the City is improving or deteriorating.
- **Statement of Activities** -- presents information showing how the City's net position changed during the most recent fiscal year. All current year revenues and expenses are taken into account regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused leave).

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

The government-wide financial statements can be found on pages 27-29 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 twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues,

expenditures, and changes in fund balances for the General Fund and the capital projects fund both of which are considered to be major funds. Data for the other ten funds is combined into a single column with individual fund data for each of these non-major governmental funds provided in the form of combining and individual fund statements elsewhere in this report.

The City of Bartlett adopts an annual appropriation budget for its general, special revenue and debt service fund. 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 30-33 of this report.

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The business-type activity related to the Water and Sewer Fund is presented in a single column of the proprietary fund financial statements.

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

The basic proprietary fund financial statements can be found on page 42-44 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 45-46 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 47-72 of this report.

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. The required supplementary information (RSI) provides additional information regarding the City's other post-employment benefits (OPEB), the employee retirement system funding progress, the employee retirement system employer contributions, and bonds of principal officials.

**Combining and Individual Fund Statements and Schedules:** Combining schedules provide detail in connection with non-major governmental and internal service funds referred to earlier. Individual fund statements provide greater detail for the General Fund. Combining and individual fund statements and schedules can be found on pages 76-92 of this report.

**Statistical Information:** The statistical section, found on pages 104-127, presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the City's overall financial health.

### **Government-wide Financial Analysis**

**Net Position:** Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities and deferred inflows by \$340,596,512 at the close of the most recent fiscal year, an increase of \$167,512,796, or 96.8 percent, from last year.

The largest portion of the City's net position (94.9%) reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

## Condensed Statement of Net Position

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 64,336,459	\$ 61,516,947	\$14,727,968	\$11,766,262	\$ 79,064,427	\$ 73,283,209
Capital assets	289,387,045	116,409,955	67,908,093	68,849,477	357,295,138	185,259,432
<b>Total assets</b>	<b>353,723,504</b>	<b>177,926,902</b>	<b>82,636,061</b>	<b>80,615,739</b>	<b>436,359,565</b>	<b>258,542,641</b>
Deferred charge on refunding	477,203	-	272,800	-	750,003	-
Long-term liabilities outstanding	57,036,113	48,541,775	15,748,559	14,057,996	72,784,672	62,599,771
Other liabilities	5,018,312	4,050,612	555,476	555,993	5,573,788	4,606,605
<b>Total liabilities</b>	<b>62,054,425</b>	<b>52,592,387</b>	<b>16,304,035</b>	<b>14,613,989</b>	<b>78,358,460</b>	<b>67,206,376</b>
Unavailable revenue - property tax	18,154,596	18,250,152	-	-	18,154,596	18,250,152
Unavailable revenue - business tax	-	2,397	-	-	-	2,397
<b>Total deferred inflows</b>	<b>18,154,596</b>	<b>18,252,549</b>	<b>-</b>	<b>-</b>	<b>18,154,596</b>	<b>18,252,549</b>
<b>Net position:</b>						
Net Investment in Capital Assets	266,223,904	97,886,043	57,051,033	58,727,263	323,274,937	156,613,306
Restricted	9,068,239	9,165,573	2,621,366	2,090,986	11,689,605	11,256,559
Unrestricted	(1,300,457)	30,350	6,932,427	5,183,501	5,631,970	5,213,851
<b>Total net position</b>	<b>\$273,991,686</b>	<b>\$107,081,966</b>	<b>\$66,604,826</b>	<b>\$66,001,750</b>	<b>\$340,596,512</b>	<b>\$173,083,716</b>

An additional portion of the City's net position (3.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$5,631,970) may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2014, the City is able to report positive balances in all three categories of net position for the government as a whole. Governmental activities reflected a negative unrestricted amount as a component of net position while business-type activities reflected a positive component. The City maintains a practice of providing adequate reserves for payment of debt service and capital projects while funding current operations with current revenue sources.

**Changes in Net Position:** Governmental activities increased the City's net position by \$166,909,720 while Business-type activities increased the City's net assets by \$603,076 resulting in a net increase of \$167,512,796. Key elements of this increase are as follows:

- Contribution of \$174,543,318 in donated educational assets from the Shelby County Board of Education. These assets were donated on June 1, 2014 as a result of the formation of a municipal school district in the City of Bartlett.
- An increase in long-term debt from general obligation and revenue bond issuance as well as settlement liability associated with contribution of education assets coupled with an increase

in current assets from cash and cash equivalents accumulation from increased revenue sources.

- Depreciation expense of \$5,060,285 in governmental activities and \$2,085,856 in business-type activities was a factor in the overall change in net position.

### Condensed Statement of Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 15,026,511	\$ 13,870,424	\$ 8,374,269	\$ 8,432,753	\$ 23,400,780	\$ 22,303,177
Operating grants and contributions	2,758,332	3,274,028	41,903	39,801	2,800,235	3,313,829
Capital grants and contributions	174,543,318	526,768	184,388	185,720	174,727,706	712,488
<b>General Revenues:</b>						
Local taxes	34,507,981	32,334,847	-	-	34,507,981	32,334,847
Intergovernmental	4,957,503	4,808,506	-	-	4,957,503	4,808,506
Interest on investments	36,503	73,821	11,881	20,823	48,384	94,644
Other	378,864	423,296	-	-	378,864	423,296
<b>Total revenues</b>	<u>232,209,012</u>	<u>55,311,690</u>	<u>8,612,441</u>	<u>8,679,097</u>	<u>240,821,453</u>	<u>63,990,787</u>
<b>Expenses</b>						
General government	7,751,978	7,544,128	-	-	7,751,978	7,544,128
Public safety	28,251,298	24,315,277	-	-	28,251,298	24,315,277
Public works	14,394,975	18,568,846	-	-	14,394,975	18,568,846
Parks and recreation	3,950,132	3,899,743	-	-	3,950,132	3,899,743
Performing arts center	660,053	584,528	-	-	660,053	584,528
Recreation center	1,637,281	1,596,531	-	-	1,637,281	1,596,531
Education	7,795,442	-	-	-	7,795,442	-
Interest on long-term debt	852,897	1,119,654	-	-	852,897	1,119,654
Water and sewer	-	-	7,407,082	7,614,786	7,407,082	7,614,786
<b>Total expenses</b>	<u>65,294,056</u>	<u>57,628,707</u>	<u>7,407,082</u>	<u>7,614,786</u>	<u>72,701,138</u>	<u>65,243,493</u>
Changes in net position before transfers	<u>166,914,956</u>	<u>(2,317,017)</u>	<u>1,205,359</u>	<u>1,064,311</u>	<u>168,120,315</u>	<u>(1,252,706)</u>
Transfers	308,367	292,163	(308,367)	(292,163)	-	-
Change in net position	<u>167,223,323</u>	<u>(2,024,854)</u>	<u>896,992</u>	<u>772,148</u>	<u>168,120,315</u>	<u>(1,252,706)</u>
Net position - July 1, 2013, as previously reported	107,081,966	109,106,820	66,001,750	65,229,602	173,083,716	174,336,422
Prior period adjustments	(313,603)	-	(293,916)	-	(607,519)	-
Net position, July 1, 2013 as restated	<u>106,768,363</u>	<u>109,106,820</u>	<u>65,707,834</u>	<u>65,229,602</u>	<u>172,476,197</u>	<u>174,336,422</u>
<b>Net position - June 30, 2014</b>	<u>\$273,991,686</u>	<u>\$107,081,966</u>	<u>\$66,604,826</u>	<u>\$66,001,750</u>	<u>\$340,596,512</u>	<u>\$173,083,716</u>

**Governmental Activities:** Current fiscal year revenues and transfers for the City's governmental activities were \$232,517,379 compared to \$55,603,853 last year. Expenses for the same period were \$65,294,056 compared to \$57,628,707 last year, a 13.3% increase.

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

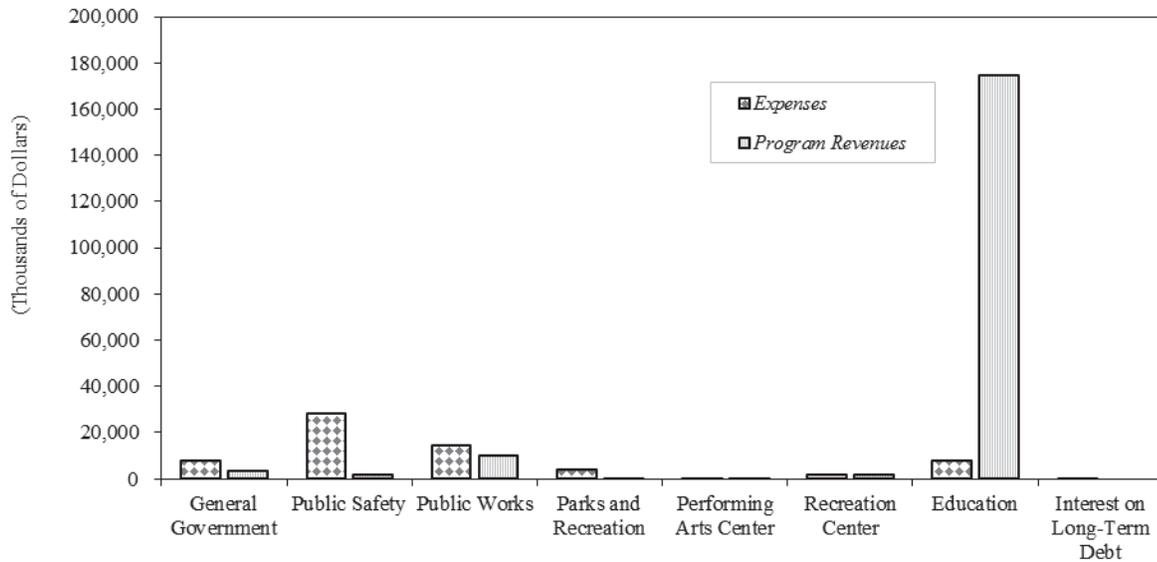
- The single largest source of governmental activity revenue, capital grants and contributions, increased due to contributions of capital assets from the Shelby County Board of Education for municipal school purposes.
- Property taxes increased \$1,048,337 to \$19,151,409 during the year.
- Local sales taxes, the next largest contributor of revenues, were up \$1,124,797, or 7.9 percent due to increased economic activity and recovery from the recent recession.
- The City's portion of state intergovernmental revenue increased by \$148,997, or 3.1 percent, again reflecting overall revenue growth and market returns for taxpayers in the current economic environment.
- Investment income decreased by \$37,311, or 50.6 percent. The City is still experiencing historically low interest rates for authorized investments.

Each area of program revenues is discussed below.

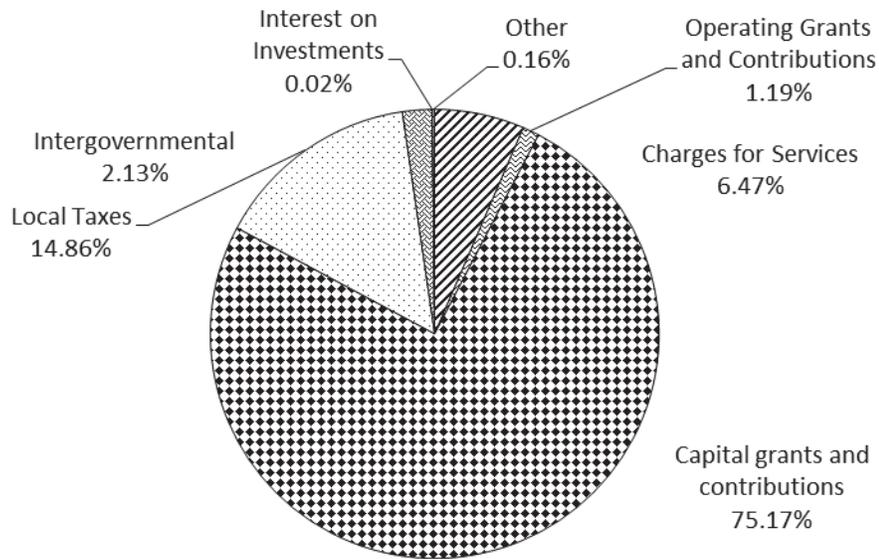
- Charges for services increased \$1,156,087, or 8.3 percent from the previous year due primarily to increases in sanitation fees and other public works activities.
- Operating grants and contributions decreased \$515,696, or 15.7 percent from the previous year, primarily due to a decrease in public works operating grants.
- Capital grants and contributions increased \$174,016,550 over the previous year, due to the contribution of capital assets from the Shelby County Board of Education described previously.

Expenses for governmental activities increased by \$7,665,349 or 13.3 percent. Increases in education expenses were \$7,795,442 while other functional categories combined for a decrease of \$130,093 in governmental activities. Interest on long-term debt decreased \$266,757 over the prior year primarily due to reductions in effective interest rates.

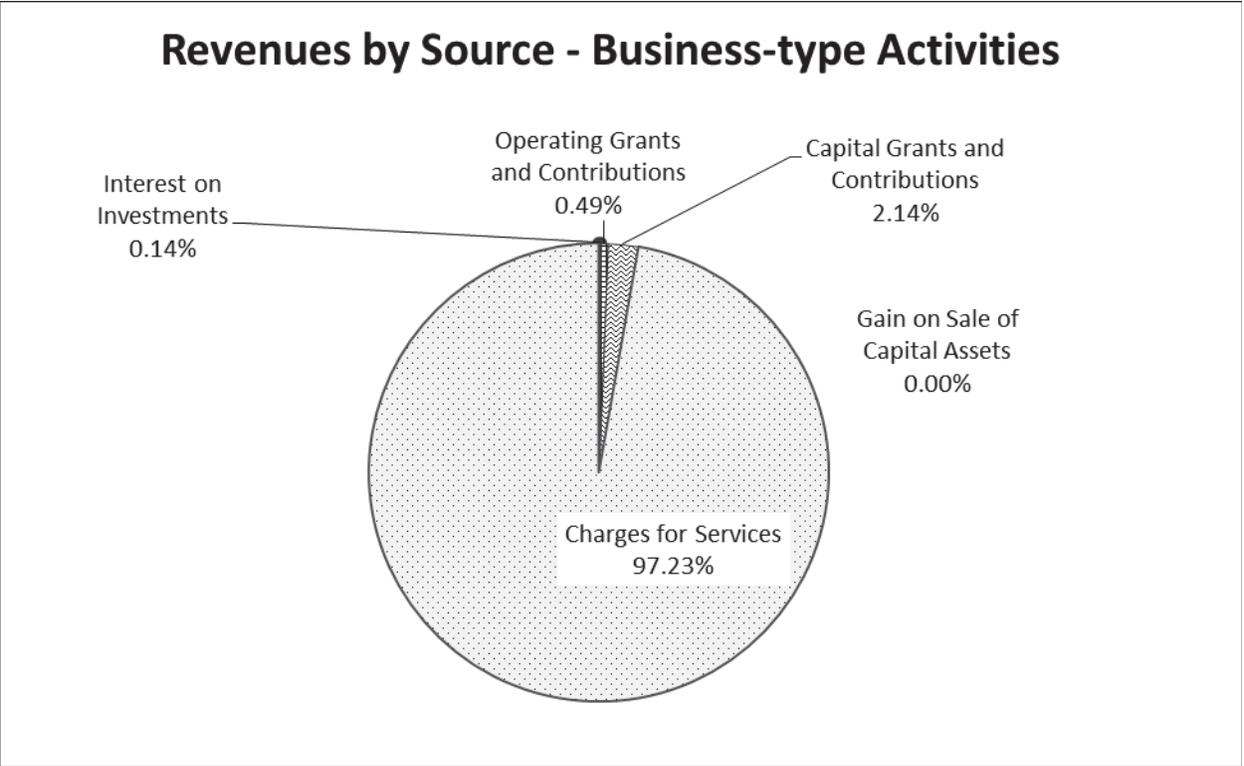
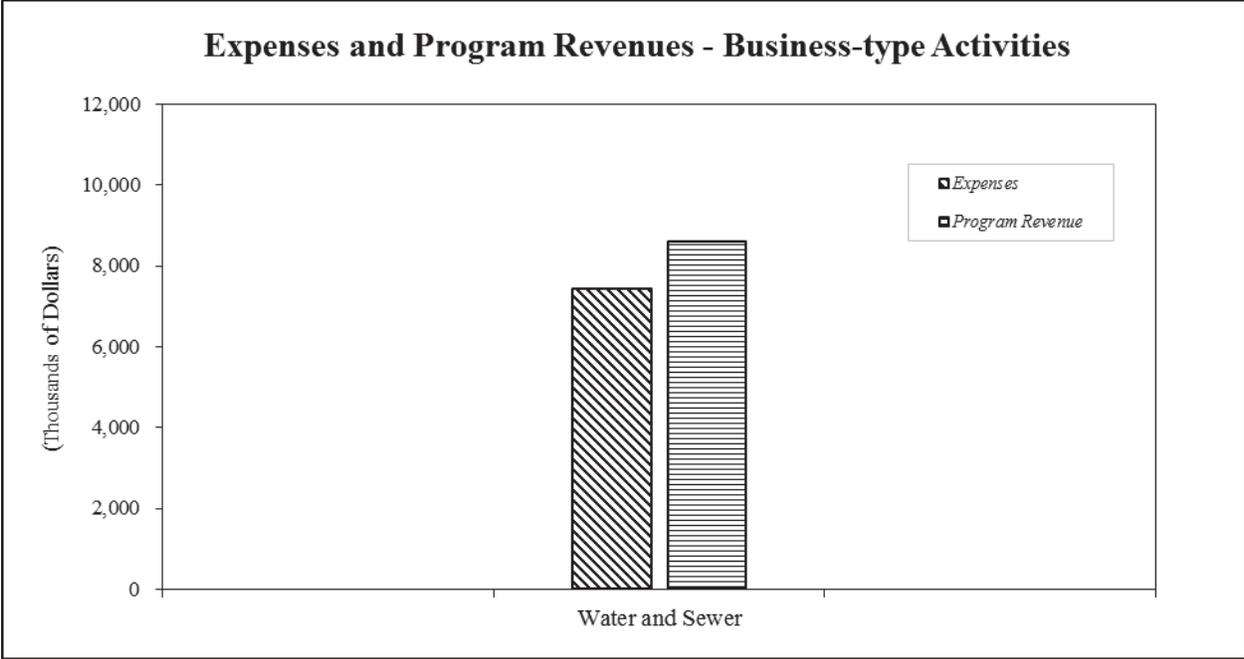
### Expenses and Program Revenues - Governmental Activities



### Revenues by Source - Governmental Activities



**Business-type activities:** Business-type activities increased the City’s net assets by \$896,992. Revenues were down slightly from prior year due to customer water conservation; however expenses were \$207,704 less than the previous year. Reductions in expenses related to the water and sewer distribution system accounted for the major portion of this decrease.



### Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to help control and manage money for particular purposes or to ensure and demonstrate compliance with finance-related legal requirements. The following provides a more detailed analysis of the City's funds.

**Governmental funds:** Governmental funds focus on providing information on near-term inflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$41,110,767, an increase of \$2,071,669, in comparison with the prior year. Approximately 58.9% of this total amount (\$24,211,101) constitutes unassigned fund balance, which is available for spending at the government's discretion. All of the governmental funds reported a positive ending fund balance.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$24,211,101, while total fund balance reached \$25,688,012. Other categories of fund balance for the General Fund were non-spendable (\$249,296), restricted (\$16,199), committed (\$1,000,000) and assigned (\$211,416). Non-spendable includes inventories and prepaid items; restricted includes amounts constrained for a specific purpose; committed includes amounts designated by the governing body for emergencies and contingencies; and assigned includes the use of General Fund reserves to fund the subsequent year's budget. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 59.3% of total General Fund expenditures, while total fund balance represents 62.96% of that same amount.

The fund balance of the City's General Fund increased by \$1,792,149 to \$25,688,012 during the current fiscal year. Key factors are as follows:

- Total revenues from taxes and other sources were up by \$1,746,414 over the previous year. Property tax revenues accounted for 41% of this amount while local sales tax collections accounted for approximately 58%. Intergovernmental revenues were up by \$148,997 over the previous year. These are revenues received from the State of Tennessee for sales, income, and other state imposed taxes and distributed back to cities on a prorated basis. Revenues from licenses and permits were up \$114,689 while other sources of revenue were down \$251,950. Total revenues, transfers in and other financing sources were \$44,586,787 for the fiscal year, an increase of \$1,512,442 over the previous year.

Expenditures for current activity in the General Fund increased by \$1,368,800 with general government and public safety expenditures accounting for 82.8% of this increase. Other current activities combined for a net increase of \$235,133. Other financing sources and uses played a pivotal role in the change in the fund balance of the General Fund with a net financing use of \$1,258,744 compared to a net financing source of \$631,111 in the prior year. The net financing use of funds included transfers to the City municipal school district for start-up costs associated with the opening of City schools on July 1, 2014. Total expenditures and uses of funds were \$42,086,599.

**Capital Projects Fund:** This fund focuses on project-to-date costs for many projects within the City. At the end of the year, the fund reported \$9,451,207 in fund balance, of which \$7,396,522 is

restricted and \$2,054,685 is assigned for completion of capital projects. Fund balance for this fund fluctuates from year to year based on debt issued and expenditures for capital projects; new debt increases fund balance while construction expenditures decreases it. For fiscal year 2014 there was a \$392,456 decrease in fund balance. Analysis of project income and expenditures follows:

- Project inflows for the year of \$4,129,528 includes \$3,504,587 in general obligation debt proceeds and premiums, and \$624,941 in interest, transfers in from other funds and miscellaneous revenues.
- Current year expenditures and transfers of \$4,521,984 include \$3,933,151 in capital expenditures on projects, \$43,599 for bond issuance costs and \$545,234 in transfers to other funds and other costs.

**Proprietary funds:** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As the City completed the fiscal year its proprietary funds, which include both an enterprise fund and an internal service fund, had a combined net position of \$68,030,323.

Unrestricted net position for the Water and Sewer fund at the end of the year amounted to \$7,086,882. The total increase in net position for the Water and Sewer fund was \$894,612. Other factors concerning the finances have already been addressed in the discussion of the City's business-type activities.

### **General Fund Budgetary Highlights**

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

- The difference between the original and final budget for revenues increased by \$104,400. This was due to receipt of state grants for certified police and firemen of \$104,400. The difference between the original and final budget for expenditures increased by \$810,525. Projected legal fees and professional services were reduced by \$128,264 while public safety fire and police were increased \$661,184 due to additional personnel and related benefits cost. Most of the remaining increase was due to funding the City's pension contribution to 100% of the actuarial recommended contribution for FY2014.
- The General Fund revenues were \$3,040,623 higher than budgeted. The variance was mostly due to local sales taxes of \$3,038,311 more than budgeted. Property taxes also were \$314,659 more than budgeted. Payments in lieu of taxes were \$491,500 more than budgeted while other local and state taxes experienced both increases and decreases from the prior budget year.
- General Fund expenditures were less than budgeted by \$1,422,299. City department heads strive to control costs within the respective departments. The largest positive variance was in General Government of \$910,473 while Public Safety had a positive variance of \$93,402. Cost savings were also achieved in Public Works of \$236,072, Parks and Recreation of \$38,162, Performing Arts Center of \$138,327, and Recreation Center of \$5,863.

## 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, 2014 amounts to \$357,295,138 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, roads, highways, construction in progress, and other infrastructure. The total increase in City's investment in capital assets for the current fiscal year was 92.8% (a 148.6% increase for governmental activities and a 1.4% decrease for business-type activities).

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

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 8,297,463	\$ 7,805,062	\$ 1,358,109	\$ 1,328,203	\$ 9,655,572	\$ 9,133,265
Buildings	197,957,555	26,117,551	61,756	65,726	198,019,311	26,183,277
Improvements other than bldgs.	1,990,725	1,954,413	64,375,721	65,118,771	66,366,446	67,073,184
Equipment	3,240,995	1,541,189	858,950	874,372	4,099,945	2,415,561
Vehicles	4,178,314	3,601,453	-	-	4,178,314	3,601,453
Infrastructure	70,070,533	72,287,642	-	-	70,070,533	72,287,642
Construction in progress	3,651,460	3,102,645	1,253,557	1,462,405	4,905,017	4,565,050
<b>Total</b>	<b>\$ 289,387,045</b>	<b>\$ 116,409,955</b>	<b>\$ 67,908,093</b>	<b>\$ 68,849,477</b>	<b>\$ 357,295,138</b>	<b>\$ 185,259,432</b>

Governmental activities saw an increase of \$178,812,976 in acquisition of land, buildings, equipment, vehicles, and infrastructure during FY2014 with \$1,174,393 in retirements. Business-type activities saw an increase of \$2,284,079 in capital asset acquisitions with \$1,523,267 in retirements.

Additional information on the City's capital assets can be found in note 4(D) on pages 57-58 of this report.

**Long-term debt:** At the end of the current fiscal year, the City had total debt outstanding of \$45,734,047. Of this amount \$32,126,935 comprises debt backed by the full faith and credit of the government and capital outlay notes and \$13,607,112 represents bonds secured primarily by a specified revenue source with a full faith and credit pledge.

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

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 28,876,934	\$ 29,085,958	\$ -	\$ -	\$ 28,876,934	\$ 29,085,958
Capital Outlay note	2,135,000	2,097,500	-	-	2,135,000	2,097,500
General Obligation note	1,115,001	812,055	-	-	1,115,001	812,055
Revenue bonds	-	-	13,053,912	12,475,000	13,053,912	12,475,000
Revenue note	-	-	826,000	99,251	826,000	99,251
<b>Total</b>	<u>\$ 32,126,935</u>	<u>\$ 31,995,513</u>	<u>\$ 13,879,912</u>	<u>\$ 12,574,251</u>	<u>\$ 46,006,847</u>	<u>\$ 44,569,764</u>

The City's total debt increased \$1,437,083 or 3.2 percent during the current fiscal year. The City issued \$5,719,948 in general obligation refunding and improvement bonds and \$1,926,390 in water and sewer revenue and tax refunding bonds during the year. The City also issued \$770,500 in seven-year capital outlay notes during the year to help fund vehicles and equipment. Final draws on variable rate debt in the amount of \$1,118,694 was used for general purposes and water line expansion projects. The City also retired \$7,315,286 in debt through current and advanced debt refundings and retirement of other existing debt.

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

Additional information on the City's long-term debt can be found at note 4(G) of the notes to the financial statements of this report.

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

Factors considered in preparing the City's budget for the 2015 fiscal year are discussed fully in the budget document and include:

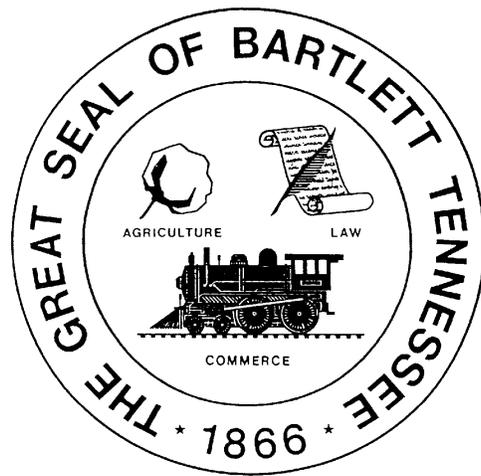
- The City uses conservative revenue forecasts for budgeting purposes. The primary source of funds remains property taxes. The potential impact of declining property values in the area has been taken into consideration in projecting resources.

- Property tax revenues were projected slightly higher due to new growth. There was no increase in the property tax rate for FY2015.
- Sales tax and other state shared revenue should increase as economic output improves. While inflationary trends in the region compare favorably to national indices, the City has proposed FY2015 appropriations which represent a slight increase from FY2014 levels.
- Current service levels have been maintained in the General Fund in FY2015 by matching revenues and other financing sources to total expenditures.
- The City is continuing to monitor operations of its Water/Sewer Fund to determine if increased user fees or cost containment measures should be initiated in the near term.
- The City has formed its own municipal school district through enactment of state laws and election of local school board members. Appropriations from the City's General Fund as contributions to the Bartlett City Municipal School District total \$2.2 million for FY2015.
- The adopted budget for the Bartlett Municipal School System is \$71.4 million in FY2015. The system operates 11 schools with projected enrollment of 8,420 students.

At June 30, 2014 the unassigned fund balance in the General Fund was \$24,211,101. The City has approved a General Fund operating budget of \$45,510,810 for FY2015.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 6400 Stage Road, Bartlett, Tennessee 38134. The Comprehensive Annual Financial Report June 30, 2014, Fiscal Year 2014 and 2015 Budget Reports and other information about the City may be found on the City's website at [www.cityofbartlett.org](http://www.cityofbartlett.org), as part of the City's commitment to transparency and our continuing usage of advancing technology and e-commerce.



**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF NET POSITION**

June 30, 2014

	Primary Government		Total
	Governmental Activities	Business-type Activity	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 30,777,583	\$ 11,038,745	\$ 41,816,328
Investments - unrestricted	8,234,177	2,987,591	11,221,768
Investments - restricted	69,843	-	69,843
Receivables (net of allowance for uncollectibles):			
Taxes	19,503,647	-	19,503,647
Accounts receivable	-	834,315	834,315
Other	5,289,673	3,371	5,293,044
Internal balances	154,455	(154,455)	-
Inventories	221,431	-	221,431
Prepaid items	85,650	18,401	104,051
Capital assets, not being depreciated	11,948,923	2,611,666	14,560,589
Capital assets, being depreciated, net	277,438,122	65,296,427	342,734,549
Total assets	<u>353,723,504</u>	<u>82,636,061</u>	<u>436,359,565</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	<u>477,203</u>	<u>272,800</u>	<u>750,003</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	2,193,532	380,351	2,573,883
Accrued interest payable	204,436	97,842	302,278
Unearned revenue	363,334	62,208	425,542
Other accrued payables	5,147	-	5,147
Accrued compensated absences	-	15,075	15,075
Noncurrent liabilities:			
Due within one year	3,865,321	1,255,000	5,120,321
Due in more than one year	55,422,655	14,493,559	69,916,214
Total liabilities	<u>62,054,425</u>	<u>16,304,035</u>	<u>78,358,460</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	<u>18,154,596</u>	<u>-</u>	<u>18,154,596</u>
<b>NET POSITION</b>			
Net investment in capital assets	266,223,904	57,051,033	323,274,937
Restricted for:			
Streets	739,690	-	739,690
Drug enforcement	492,275	-	492,275
Capital projects	7,396,522	2,621,366	10,017,888
DEA task force	423,553	-	423,553
Other	16,199	-	16,199
Unrestricted	(1,300,457)	6,932,427	5,631,970
Total net position	<u>\$ 273,991,686</u>	<u>\$ 66,604,826</u>	<u>\$ 340,596,512</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, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental Activities:				
General government	\$ 7,751,978	\$ 3,266,878	\$ 137,746	\$ -
Public safety	28,251,298	1,819,317	-	-
Public works	14,394,975	7,280,921	2,597,220	-
Parks and recreation	3,950,132	884,942	23,366	-
Performing arts center	660,053	289,071	-	-
Recreation center	1,637,281	1,485,382	-	-
Education	7,795,442	-	-	174,543,318
Interest on long-term debt	852,897	-	-	-
Total governmental activities	<u>65,294,056</u>	<u>15,026,511</u>	<u>2,758,332</u>	<u>174,543,318</u>
Business-type activity:				
Water and sewer	<u>7,407,082</u>	<u>8,374,269</u>	<u>41,903</u>	<u>184,388</u>
Total primary government	<u>\$ 72,701,138</u>	<u>\$ 23,400,780</u>	<u>\$ 2,800,235</u>	<u>\$ 174,727,706</u>
General revenues:				
Property taxes				
Local sales taxes				
State sales taxes				
Income and excise taxes				
Beer taxes				
Liquor taxes				
Bank excise taxes				
Receipts in lieu of tax - TVA				
Intergovernmental reimbursements				
Interest on investments				
Bond defaults				
Gain (loss) on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning, as previously reported				
Prior period adjustment				
Net position - beginning, as restated				
Net position - ending				

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

**Net (Expense) Revenue and  
Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (4,347,354)	\$ -	\$ (4,347,354)
(26,431,981)	-	(26,431,981)
(4,516,834)	-	(4,516,834)
(3,041,824)	-	(3,041,824)
(370,982)	-	(370,982)
(151,899)	-	(151,899)
166,747,876	-	166,747,876
(852,897)	-	(852,897)
127,034,105	-	127,034,105
-	1,193,478	1,193,478
127,034,105	1,193,478	128,227,583
19,151,409	-	19,151,409
15,356,572	-	15,356,572
3,914,053	-	3,914,053
313,907	-	313,907
25,842	-	25,842
60,516	-	60,516
5,520	-	5,520
604,217	-	604,217
33,448	-	33,448
36,503	11,881	48,384
350,473	-	350,473
28,391	-	28,391
308,367	(308,367)	-
40,189,218	(296,486)	39,892,732
167,223,323	896,992	168,120,315
107,081,966	66,001,750	173,083,716
(313,603)	(293,916)	(607,519)
106,768,363	65,707,834	172,476,197
\$ 273,991,686	\$ 66,604,826	\$ 340,596,512

**CITY OF BARTLETT, TENNESSEE**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

June 30, 2014

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 14,670,884	\$ 9,451,598	\$ 4,942,413	\$ 29,064,895
Investments - unrestricted	8,234,177	-	-	8,234,177
Investments - restricted	-	69,843	-	69,843
Receivables				
Taxes	19,244,787	-	791,821	20,036,608
Other	4,368,638	4,525	1,384,159	5,757,322
Less allowance for doubtful accounts	(996,359)	-	(4,251)	(1,000,610)
Due from other funds	23,483	75,802	-	99,285
Inventory	221,431	-	-	221,431
Prepaid Items	27,865	-	49,035	76,900
	<u>\$ 45,794,906</u>	<u>\$ 9,601,768</u>	<u>\$ 7,163,177</u>	<u>\$ 62,559,851</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 758,223	\$ 146,036	\$ 993,332	\$ 1,897,591
Other accrued payables	5,147	-	-	5,147
Due to other funds	-	-	99,285	99,285
Unearned revenue - rec. center	224,831	-	-	224,831
Unearned revenue - developers	27,552	-	-	27,552
Unearned revenue - property maintenance	94,100	-	-	94,100
Unearned revenue - BPAC	7,110	-	-	7,110
Total liabilities	<u>1,116,963</u>	<u>146,036</u>	<u>1,092,617</u>	<u>2,355,616</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - taxes	18,636,759	-	-	18,636,759
Unavailable revenue - court fines	351,892	-	-	351,892
Unavailable revenue - grants	1,280	-	606	1,886
Unavailable revenue - other	-	4,525	98,406	102,931
Total deferred inflows of resources	<u>18,989,931</u>	<u>4,525</u>	<u>99,012</u>	<u>19,093,468</u>
<b>FUND BALANCES</b>				
Nonspendable	249,296	-	-	249,296
Restricted	16,199	7,396,522	1,655,518	9,068,239
Committed	1,000,000	-	671,538	1,671,538
Assigned	211,416	2,054,685	3,644,492	5,910,593
Unassigned	24,211,101	-	-	24,211,101
Total fund balances	<u>25,688,012</u>	<u>9,451,207</u>	<u>5,971,548</u>	<u>41,110,767</u>
	<u>\$ 45,794,906</u>	<u>\$ 9,601,768</u>	<u>\$ 7,163,177</u>	<u>\$ 62,559,851</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 45,794,906</u>	<u>\$ 9,601,768</u>	<u>\$ 7,163,177</u>	<u>\$ 62,559,851</u>

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

CITY OF BARTLETT, TENNESSEE

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

June 30, 2014

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

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Total governmental fund balances	\$ 41,110,767
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	289,387,045
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned or unavailable in the funds.	929,131
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 position.	1,579,952
Long-term liabilities, including bonds payable, capital outlay notes, settlement liability, net pension obligation, and OPEB are not due and payable in the current period and therefore are not reported in the funds.	<u>(59,015,209)</u>
Net position of governmental activities	<u>\$ 273,991,686</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, 2014

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 19,156,626	\$ -	\$ -	\$ 19,156,626
Local sales taxes	12,402,614	-	2,953,958	15,356,572
Intergovernmental	4,957,503	-	-	4,957,503
Intergovernmental gas motor fuel	-	-	971,865	971,865
Intergovernmental gas 1989	-	-	155,961	155,961
Intergovernmental gas 3 cent	-	-	289,464	289,464
Intergovernmental special petroleum	-	-	102,476	102,476
Licenses and permits	1,591,717	-	-	1,591,717
Charges for services	3,845,320	-	6,834,247	10,679,567
Fines, forfeitures, and penalties	1,726,484	-	41,362	1,767,846
Federal, state and other grants	127,737	-	1,077,454	1,205,191
Donations	23,366	-	-	23,366
Interest on investments	7,405	28,875	223	36,503
Other	39,976	125,372	185,125	350,473
Total revenues	<u>43,878,748</u>	<u>154,247</u>	<u>12,612,135</u>	<u>56,645,130</u>
<b>EXPENDITURES</b>				
Current				
General government	6,900,535	-	359,039	7,259,574
Public safety	23,334,020	-	239,406	23,573,426
Public works	4,984,705	-	7,177,646	12,162,351
Parks and recreation	3,441,376	-	4,433	3,445,809
Performing arts center	622,298	-	-	622,298
Recreation center	1,544,921	-	-	1,544,921
Education	-	-	1,444,226	1,444,226
Debt Service				
Principal	-	-	3,339,000	3,339,000
Interest	-	-	789,595	789,595
Bond issuance costs	-	43,599	57,952	101,551
Other	-	198,904	-	198,904
Capital outlays	-	3,933,151	-	3,933,151
Total expenditures	<u>40,827,855</u>	<u>4,175,654</u>	<u>13,411,297</u>	<u>58,414,806</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,050,893</u>	<u>(4,021,407)</u>	<u>(799,162)</u>	<u>(1,769,676)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	3,304,445	-	3,304,445
Issuance of refunding bonds	-	-	2,510,000	2,510,000
Premium on bonds issued	-	200,142	25,079	225,221
Payment to refunding bond escrow agent	-	-	(2,535,079)	(2,535,079)
Sale of capital assets	28,391	-	-	28,391
Transfers in	679,648	470,694	2,712,611	3,862,953
Transfers out	(1,966,783)	(346,330)	(1,241,473)	(3,554,586)
Total other financing sources and uses	<u>(1,258,744)</u>	<u>3,628,951</u>	<u>1,471,138</u>	<u>3,841,345</u>
Net change in fund balances	1,792,149	(392,456)	671,976	2,071,669
Fund balances - beginning	23,895,863	9,843,663	5,299,572	39,039,098
Fund balances - ending	<u>\$ 25,688,012</u>	<u>\$ 9,451,207</u>	<u>\$ 5,971,548</u>	<u>\$ 41,110,767</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, 2014

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

Net change in fund balance - total governmental funds	\$	2,071,669
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.		(1,566,228)
The net affect of various miscellaneous transactions involving capital assets (i.e., donations) is to increase net position.		174,543,318
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		6,747
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This adjustment is for compensated absences, net pension obligation and other post employment benefits.		(1,393,815)
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 position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(6,478,554)
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>40,186</u>
Change in net position of governmental activities	\$	<u>167,223,323</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
<b>TAXES</b>				
Property tax	\$ 17,676,000	\$ 17,676,000	\$ 17,990,659	\$ 314,659
Property tax - prior year	550,000	550,000	289,844	(260,156)
Payments in lieu of taxes	265,000	265,000	756,500	491,500
Property tax interest and penalties	140,000	140,000	119,623	(20,377)
Local sales tax	6,848,000	6,848,000	9,886,311	3,038,311
Wholesale beer tax	807,500	807,500	744,726	(62,774)
Wholesale liquor tax	201,500	201,500	221,035	19,535
Gross receipts tax	900,000	900,000	765,735	(134,265)
Business tax	3,000	3,000	3,460	460
Interest, penalties, and collection fees on business tax	95,110	95,110	91,703	(3,407)
Hotel tax	170,000	170,000	194,390	24,390
CATV franchise tax	455,000	455,000	495,254	40,254
<b>Total taxes</b>	<b>28,111,110</b>	<b>28,111,110</b>	<b>31,559,240</b>	<b>3,448,130</b>
<b>INTERGOVERNMENTAL/UNRESTRICTED</b>				
State of Tennessee shared taxes				
Sales	4,000,000	4,000,000	3,914,053	(85,947)
Income taxes	230,000	230,000	313,907	83,907
Beer tax	28,000	28,000	25,842	(2,158)
Liquor tax	50,000	50,000	60,516	10,516
Bank excise tax	6,500	6,500	5,520	(980)
Receipts in lieu of tax - TVA	643,000	643,000	604,217	(38,783)
Reimbursements	-	-	33,448	33,448
<b>Total state taxes</b>	<b>4,957,500</b>	<b>4,957,500</b>	<b>4,957,503</b>	<b>3</b>
<b>LICENSES AND PERMITS</b>				
Automobile stickers	1,160,000	1,160,000	1,194,193	34,193
Beer and liquor licenses	15,750	15,750	16,420	670
Building and related permits	403,450	403,450	381,104	(22,346)
<b>Total licenses and permits</b>	<b>1,579,200</b>	<b>1,579,200</b>	<b>1,591,717</b>	<b>12,517</b>

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

**CITY OF BARTLETT, TENNESSEE**

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

For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>CHARGES FOR SERVICES</b>				
Police and fire charges	20,500	20,500	28,135	7,635
Publication fees	1,000	1,000	820	(180)
Trash removal and weed cutting fees	140,000	140,000	115,353	(24,647)
Parks and recreation charges	2,485,784	2,485,784	2,299,730	(186,054)
Performing arts center	241,500	241,500	273,826	32,326
City service fee	3,000	3,000	909	(2,091)
Ambulance fees	750,000	750,000	777,193	27,193
Animal Shelter fees	139,000	139,000	107,543	(31,457)
911 fees	15,000	15,000	2,594	(12,406)
Rental fees	140,000	140,000	163,303	23,303
Library fees	100,000	100,000	75,914	(24,086)
Total charge for services	<u>4,035,784</u>	<u>4,035,784</u>	<u>3,845,320</u>	<u>(190,464)</u>
<b>FINES, FORFEITURES, AND PENALTIES</b>	<u>1,945,000</u>	<u>1,945,000</u>	<u>1,726,484</u>	<u>(218,516)</u>
<b>FEDERAL AND STATE GRANTS</b>	<u>-</u>	<u>104,400</u>	<u>127,737</u>	<u>23,337</u>
<b>DONATIONS</b>	<u>8,500</u>	<u>8,500</u>	<u>23,366</u>	<u>14,866</u>
<b>INTEREST ON INVESTMENTS</b>	<u>10,000</u>	<u>10,000</u>	<u>7,405</u>	<u>(2,595)</u>
<b>OTHER</b>	<u>86,631</u>	<u>86,631</u>	<u>39,976</u>	<u>(46,655)</u>
Total revenues	<u>40,733,725</u>	<u>40,838,125</u>	<u>43,878,748</u>	<u>3,040,623</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, 2014

<b>EXPENDITURES:</b>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>GENERAL GOVERNMENT</b>				
Legislative Salaries	\$ 187,225	\$ 187,225	\$ 197,258	\$ (10,033)
Mayor's Office Salaries	421,582	421,582	424,441	(2,859)
Community Relations Salaries	66,207	66,207	66,206	1
Finance and Accounting Salaries	821,952	821,952	803,446	18,506
City Court Salaries	516,003	532,003	536,594	(4,591)
Building and Grounds Salaries	68,542	68,542	67,747	795
Personnel Salaries	228,733	228,733	214,772	13,961
Planning Salaries	233,050	233,050	235,385	(2,335)
General Services Salaries	178,692	188,692	179,874	8,818
Bartlett Station Municipal Center Salaries	210,044	210,044	207,972	2,072
Bonuses	71,522	71,522	63,142	8,380
Insurance	650,093	650,093	642,719	7,374
Payroll Taxes	223,126	223,126	223,989	(863)
Pension Contribution	382,926	408,582	408,582	-
Training	22,950	22,950	13,929	9,021
Legal Fees	868,000	721,736	306,881	414,855
Other Professional Services	195,910	213,910	165,070	48,840
Postage and Freight	36,100	36,100	28,426	7,674
Supplies	116,700	120,025	116,743	3,282
Notice Publications	35,000	35,000	41,202	(6,202)
Equipment	19,250	24,166	23,764	402
Telephone	80,154	80,743	85,771	(5,028)
Dues and Subscriptions	29,770	29,770	30,665	(895)
Repairs and Maintenance	228,025	241,946	88,931	153,015
Travel	56,950	56,950	27,821	29,129
Boards and Commission	84,400	85,759	71,302	14,457
Meetings	5,050	5,050	4,722	328
Miscellaneous Other Expenses	401,350	401,350	344,891	56,459
Mayor's Youth Council	2,500	2,500	2,974	(474)
Shop Allocation	7,800	7,800	7,800	-
Petroleum Supplies	18,600	18,600	13,345	5,255
Clothing & Uniforms	2,250	2,250	1,354	896
Printing	62,200	62,200	42,272	19,928
Bank Charges	30,500	30,500	12,474	18,026
Other Personnel Costs	47,850	47,850	43,741	4,109
Utilities	162,000	162,000	162,751	(751)
Advertising	10,500	10,500	5,749	4,751
Library Charge - City of Memphis	1,080,000	1,080,000	985,830	94,170
<b>Total general government</b>	<b>7,863,506</b>	<b>7,811,008</b>	<b>6,900,535</b>	<b>910,473</b>

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

**CITY OF BARTLETT, TENNESSEE**

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

For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>PUBLIC SAFETY</b>				
Police Department				
Police Salaries	8,042,790	8,258,589	8,246,693	11,896
Police Payroll Taxes	608,517	608,517	626,046	(17,529)
Police Bonus	201,628	201,628	193,420	8,208
Police Insurance	1,923,366	1,923,366	1,921,281	2,085
Police Pension Contribution	988,377	1,054,600	1,054,600	-
Police Training	61,000	64,996	89,553	(24,557)
Travel	35,000	40,000	31,512	8,488
Fees	15,500	15,500	9,616	5,884
Other Professional Services	5,000	5,000	264	4,736
Postage & Freight	3,250	3,250	1,793	1,457
Utilities	78,000	78,000	89,606	(11,606)
Telephone	118,500	118,500	139,101	(20,601)
Dues & Subscriptions	10,500	10,500	6,371	4,129
Meetings	2,500	2,500	2,105	395
Shop Allocation	50,000	50,000	50,000	-
Repairs & Maintenance	210,500	210,500	203,335	7,165
Supplies	47,000	47,000	46,106	894
Gas and Oil	332,136	332,136	325,232	6,904
Clothing & Uniforms	94,000	95,126	88,256	6,870
Equipment	26,250	30,753	15,539	15,214
Jail Expense	25,000	28,061	19,166	8,895
Other expense	6,500	6,500	2,434	4,066
Insurance	92,384	92,384	99,463	(7,079)
Claims	15,000	15,000	10,640	4,360
Total police department	12,992,698	13,292,406	13,272,132	20,274

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fire Department				
Salaries	4,161,707	4,367,107	4,329,997	37,110
Payroll Taxes	318,423	318,423	332,231	(13,808)
Insurance	1,044,605	1,044,605	1,068,026	(23,421)
Pension Contribution	525,101	560,284	560,284	-
Bonus	151,983	151,983	153,194	(1,211)
Training	19,100	19,100	9,256	9,844
Travel	2,500	2,500	1,817	683
Postage & Freight	1,000	1,000	309	691
Telephone	13,450	13,450	12,428	1,022
Utilities	64,000	64,000	64,788	(788)
Fees	1,100	1,100	1,375	(275)
Dues, Subscriptions, Publications	1,400	1,400	1,694	(294)
Shop Allocation	19,000	19,000	19,000	-
Repairs & Maintenance	103,700	153,700	176,008	(22,308)
Supplies	27,100	27,100	25,377	1,723
Gas & Oil	57,000	57,000	58,699	(1,699)
Clothing & Uniforms	49,500	49,500	46,427	3,073
Other Expense	18,560	18,560	9,157	9,403
Equipment	70,700	70,700	31,662	39,038
	<u>6,649,929</u>	<u>6,940,512</u>	<u>6,901,729</u>	<u>38,783</u>
Total fire department				
Ambulance and Medical Services				
Salaries	1,435,092	1,483,492	1,467,951	15,541
Payroll Taxes	108,245	108,245	107,639	606
Insurance	373,232	373,232	372,584	648
Pension Contributions	185,342	197,760	197,760	-
Training	11,000	11,000	5,020	5,980
Bonus	37,925	37,925	32,131	5,794
Travel	1,750	1,750	356	1,394
Postage & Freight	2,800	2,800	1,753	1,047
Other Expense	15,250	15,250	14,189	1,061
Telephone	6,510	6,510	6,531	(21)
Shop Allocation	10,000	10,000	10,000	-
Repairs & Maintenance	34,500	44,500	56,892	(12,392)
Supplies	58,800	58,875	77,705	(18,830)
Gas and Oil	32,000	32,000	33,212	(1,212)
Clothing & Uniforms	15,000	15,000	15,377	(377)
Equipment	2,500	2,500	-	2,500
	<u>2,329,946</u>	<u>2,400,839</u>	<u>2,399,100</u>	<u>1,739</u>
Total ambulance and medical services				

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Building Codes Enforcement				
Salaries	491,325	491,325	481,671	9,654
Bonus	13,076	13,076	12,898	178
Insurance	105,423	105,423	104,609	814
Payroll Taxes	37,668	37,668	36,907	761
Pension Contribution	65,335	69,713	69,713	-
Training	3,500	3,500	1,774	1,726
Postage & Freight	11,000	11,000	10,956	44
Other Expenses	4,360	4,360	2,151	2,209
Telephone	6,300	6,300	5,916	384
Shop Allocation	3,700	3,700	3,700	-
Repairs & Maintenance	19,500	19,500	7,801	11,699
Supplies	8,300	8,300	5,903	2,397
Gas & Oil	15,000	15,000	15,972	(972)
Equipment	4,800	4,800	1,088	3,712
	<u>789,287</u>	<u>793,665</u>	<u>761,059</u>	<u>32,606</u>
Total building codes enforcement				
	<u>22,761,860</u>	<u>23,427,422</u>	<u>23,334,020</u>	<u>93,402</u>
<b>PUBLIC WORKS</b>				
Salaries	3,080,866	3,080,866	2,957,670	123,196
Payroll Taxes	211,723	211,723	206,860	4,863
Insurance	769,522	769,522	750,724	18,798
Pension Contribution	371,352	396,234	396,234	-
Training	9,900	9,900	4,981	4,919
Postage & Freight	1,450	1,450	785	665
Utilities	40,500	40,500	41,726	(1,226)
Telephone	19,005	19,005	20,816	(1,811)
Shop Allocation	(223,985)	(223,985)	(228,366)	4,381
Repairs & Maintenance	373,850	380,840	358,714	22,126
Supplies	128,650	128,650	99,001	29,649
Clothing & Uniforms	16,950	16,950	16,436	514
Equipment	31,950	32,050	27,728	4,322
Other Expenses	6,975	6,975	5,009	1,966
Gas and Oil	171,100	171,100	163,772	7,328
Bonus	62,112	62,112	58,403	3,709
Professional Services	103,000	103,000	92,147	10,853
Dues & Subscriptions	2,785	2,785	2,760	25
Fees	11,100	11,100	9,305	1,795
	<u>5,188,805</u>	<u>5,220,777</u>	<u>4,984,705</u>	<u>236,072</u>
Total public works				

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>PARKS AND RECREATIONS</b>				
Salaries	1,912,307	1,932,307	1,887,956	44,351
Payroll Taxes	132,096	132,096	130,345	1,751
Insurance	380,052	380,052	395,462	(15,410)
Bonuses	31,136	31,136	30,004	1,132
Pension Contribution	165,822	176,933	176,933	-
Postage & Freight	4,952	4,952	4,977	(25)
Telephone	13,128	13,128	11,964	1,164
Shop Allocation	18,750	18,750	18,750	-
Repairs & Maintenance	199,240	204,540	234,398	(29,858)
Gas & Oil	44,100	44,100	43,468	632
Supplies	218,917	218,917	205,433	13,484
Dues & Subscriptions	7,830	7,830	7,468	362
Equipment	16,123	21,447	25,302	(3,855)
Training & Travel	17,650	17,650	9,746	7,904
Professional Services	81,000	81,000	76,981	4,019
Utilities	128,800	128,800	115,903	12,897
Other Expenses	12,900	12,900	18,677	(5,777)
Clothing & Uniforms	11,500	11,500	12,507	(1,007)
Fees	3,500	3,500	4,511	(1,011)
Special Events	38,000	38,000	30,591	7,409
	<u>3,437,803</u>	<u>3,479,538</u>	<u>3,441,376</u>	<u>38,162</u>
<b>PERFORMING ARTS CENTER</b>				
Salaries	362,174	456,864	352,977	103,887
Payroll Taxes	14,452	14,452	13,297	1,155
Insurance	60,782	60,782	49,343	11,439
Bonuses	3,789	3,789	3,087	702
Pension Contributions	22,699	24,220	24,220	-
Postage and Freight	7,500	9,322	4,983	4,339
Telephone	4,200	4,200	3,949	251
Shop Allocation	300	300	300	-
Repairs & Maintenance	32,700	34,200	25,361	8,839
Utilities	40,000	40,000	42,064	(2,064)
Supplies	32,200	42,121	34,376	7,745
Gas & Oil	4,000	4,000	3,329	671
Equipment	7,000	7,000	1,792	5,208
Public Awareness	29,000	29,000	36,001	(7,001)
Clothing & Uniforms	225	225	164	61
Fees	6,000	6,000	6,374	(374)
Other Expenses	9,300	9,300	16,239	(6,939)
Professional Services	10,000	11,950	1,950	10,000
Training & Travel	2,500	2,500	1,927	573
Dues & Subscriptions	400	400	565	(165)
	<u>649,221</u>	<u>760,625</u>	<u>622,298</u>	<u>138,327</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>RECREATION CENTER</b>				
Salaries	888,423	888,423	898,008	(9,585)
Payroll Taxes	56,747	56,747	61,316	(4,569)
Insurance	117,420	117,420	124,304	(6,884)
Bonuses	14,845	14,845	14,012	833
Pension Contributions	60,149	64,179	64,179	-
Postage & Freight	4,000	4,000	2,726	1,274
Telephone	7,600	7,600	8,692	(1,092)
Repairs & Maintenance	68,500	68,500	88,809	(20,309)
Gas & Oil	1,000	1,000	2,914	(1,914)
Supplies	71,000	78,720	60,431	18,289
Dues & Subscriptions	1,000	1,000	797	203
Equipment	5,500	5,500	8,983	(3,483)
Training & Travel	5,000	5,000	1,434	3,566
Professional Services	15,000	15,000	4,906	10,094
Utilities	140,000	140,000	134,418	5,582
Other Expenses	4,750	4,750	3,545	1,205
Clothing & Uniforms	3,500	4,100	3,887	213
Fees	26,500	26,500	29,343	(2,843)
Special Events	47,500	47,500	32,217	15,283
	<u>1,538,434</u>	<u>1,550,784</u>	<u>1,544,921</u>	<u>5,863</u>
Total recreation center				
Total expenditures	<u>41,439,629</u>	<u>42,250,154</u>	<u>40,827,855</u>	<u>1,422,299</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>(705,904)</u>	<u>(1,412,029)</u>	<u>3,050,893</u>	<u>1,618,324</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	70,000	70,000	28,391	(41,609)
Transfers in	691,360	751,559	679,648	(71,911)
Transfers out	(500,000)	(1,995,088)	(1,966,783)	28,305
	<u>261,360</u>	<u>(1,173,529)</u>	<u>(1,258,744)</u>	<u>(85,215)</u>
Total other financing sources (uses)				
Net change in fund balances	(444,544)	(2,585,558)	1,792,149	1,533,109
Fund balances - beginning,	<u>23,895,863</u>	<u>23,895,863</u>	<u>23,895,863</u>	<u>-</u>
Fund balances - ending	<u>\$ 23,451,319</u>	<u>\$ 21,310,305</u>	<u>\$ 25,688,012</u>	<u>\$ 1,533,109</u>

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

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

June 30, 2014

	<b>Business-type Activity - Enterprise Fund Water and Sewer Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 11,038,745	\$ 1,712,688
Investments (unrestricted)	2,987,591	-
Receivables		
Customers	841,230	-
Other	3,371	-
Less allowance for doubtful accounts	(6,915)	-
Prepaid expenses	18,401	8,750
Total current assets	14,882,423	1,721,438
Noncurrent assets:		
Capital assets, not being depreciated	2,611,666	-
Capital assets, being depreciated, net	65,296,427	-
Total capital assets (net of accumulated depreciation)	67,908,093	-
Total noncurrent assets	67,908,093	-
Total assets	82,790,516	1,721,438
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charges on refunding	272,800	-
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	380,351	295,941
Accrued bond interest	97,842	-
Accrued compensated absences	15,075	-
Deferred revenue	62,208	-
Current portion of bonds and notes payable	1,255,000	-
Total current liabilities	1,810,476	295,941
Noncurrent liabilities:		
Bonds and notes payable, net of current portion, discounts, and premiums	12,624,912	-
Payable to pension fund	185,085	-
Accrued compensated absences	85,858	-
Other post employment benefits payable	1,597,704	-
Total noncurrent liabilities	14,493,559	-
Total liabilities	16,304,035	295,941
<b>NET POSITION</b>		
Net investment in capital assets	57,051,033	-
Restricted - unspent bond funds	2,621,366	
Unrestricted	7,086,882	1,425,497
Total net position	66,759,281	\$ 1,425,497
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(154,455)	
Net position of the business-type activity	\$ 66,604,826	

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

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS**

For the Year Ended June 30, 2014

	<b>Business-type Activity - Enterprise Fund Water and Sewer Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
Operating revenues:		
Metered water sales	\$ 4,115,797	\$ -
Sewer service fee	3,496,499	-
Service connections fees	84,073	-
Forfeited discounts	292,948	-
Charges for services	23,353	1,660,668
Contributions	-	4,855,997
Tower lease charges	361,599	-
Demand response program	14,312	-
Grants	567	-
Other	27,024	-
Total operating revenues	<u>8,416,172</u>	<u>6,516,665</u>
Operating expenses:		
Administrative and general	1,381,924	6,474,099
Pumping and filtering	1,342,351	-
Distribution system	1,536,635	-
Sewer lagoon	603,727	-
CIP projects	32,521	-
Depreciation	2,085,857	-
Total operating expenses	<u>6,983,015</u>	<u>6,474,099</u>
Operating income (loss)	<u>1,433,157</u>	<u>42,566</u>
Nonoperating revenues (expenses):		
Interest	11,881	-
Bond interest and fiscal charges	(381,431)	-
Total non-operating revenues (expenses)	<u>(369,550)</u>	<u>-</u>
Income (loss) before contributions and transfers	1,063,607	42,566
Capital contributions - water taps	21,655	-
Capital contributions - sewer taps	40,675	-
Capital contributions - development	122,058	-
Capital contributions - capital assets	(45,016)	-
Transfers out	(308,367)	-
Change in net position	894,612	42,566
Total net position - beginning, as previously reported	66,158,585	<u>1,382,931</u>
Prior period adjustment	(293,916)	
Total net position - beginning, as restated	<u>65,864,669</u>	
Total net position - ending	<u>\$ 66,759,281</u>	<u>\$ 1,425,497</u>
Change in net position	\$ 894,612	
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	2,380	
Change in net position of the business-type activity	<u>\$ 896,992</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, 2014

	<b>Business-type Activity - Enterprise Fund Water and Sewer Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 9,137,216	\$ -
Receipts from interfund services provided	-	6,516,665
Payments to suppliers	(2,499,626)	(6,217,267)
Payments to employees	(2,264,356)	-
Payments for interfunds services used	-	-
Other receipts	24,428	-
Net cash provided by (used for) operating activities	<u>4,397,662</u>	<u>299,398</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer to other fund	<u>(308,367)</u>	-
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from issuance of capital debt	2,736,691	-
Capital contributions	139,372	-
Purchases of capital assets	(1,189,493)	-
Principal paid on capital debt	(1,863,000)	-
Interest paid on capital debt	(309,489)	-
Net cash used for capital and related financing activities	<u>(485,919)</u>	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(2,686)	-
Interest income	11,881	-
Net cash provided by investing activities	<u>9,195</u>	-
Net increase (decrease) in cash and cash equivalents	3,612,571	299,398
Cash and cash equivalents - beginning of the year	<u>7,426,174</u>	<u>1,413,290</u>
Cash and cash equivalents - end of the year	<u>\$ 11,038,745</u>	<u>\$ 1,712,688</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>		
Operating income	\$ 1,433,157	\$ 42,566
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	2,085,857	-
Change in assets and liabilities		
Receivables	779,235	-
Prepaid expenses	(15,166)	(8,750)
Accounts payable	73,707	265,582
Deferred revenue	(200)	-
Accrued compensated absences	41,072	-
Net cash provided by (used for) operating activities	<u>\$ 4,397,662</u>	<u>\$ 299,398</u>
<b>Noncash investing, capital, and financing activities:</b>		
Bond issue costs paid from proceeds	<u>\$ (33,963)</u>	-

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

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

June 30, 2014

	<b>Employee Retirement Plan</b>	<b>Other Post Employment Benefits</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,651,633	\$ 2,333,209	\$ 70,443
Interest receivable	289,161	-	-
Investments, at fair value:			
Mutual funds	58,500,880	-	
Common stock	29	-	-
Total investments	<u>58,500,909</u>	<u>-</u>	<u>-</u>
Total assets	<u>62,441,703</u>	<u>2,333,209</u>	<u>\$ 70,443</u>
<b>LIABILITIES</b>			
Accounts payable	56,520	-	-
Family assistance payable	-	-	36,179
Bail bonds payable	-	-	24,261
Jeanette Rainey volunteer fund payable	-	-	10,003
Total liabilities	<u>56,520</u>	<u>-</u>	<u>\$ 70,443</u>
<b>NET POSITION</b>			
Held in trust for pension benefits and other purposes	<u>\$ 62,385,183</u>	<u>\$ 2,333,209</u>	

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

**CITY OF BARTLETT, TENNESSEE**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

For the Year Ended June 30, 2014

	<b>Employee Retirement Plan</b>	<b>Other Post Employment Benefits</b>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 3,395,565	\$ 1,140,383
Plan members	911,954	-
Total contributions	<u>4,307,519</u>	<u>1,140,383</u>
Investment earnings (losses):		
Interest and dividends	1,683,679	200
Net appreciation in fair value of investments	6,343,780	-
Total investment earnings (loss)	<u>8,027,459</u>	<u>200</u>
Less investment expense	<u>(174,303)</u>	<u>-</u>
Net investment earnings (loss)	<u>7,853,156</u>	<u>200</u>
Total additions (reductions)	<u>12,160,675</u>	<u>1,140,583</u>
<b>DEDUCTIONS</b>		
Benefits	2,791,508	-
Premiums	-	555,709
Administrative expense	76,310	4,855
Total deductions	<u>2,867,818</u>	<u>560,564</u>
Change in net position	9,292,857	580,019
Net position - beginning of the year	<u>53,092,326</u>	<u>1,753,190</u>
Net position - end of the year	<u>\$ 62,385,183</u>	<u>\$ 2,333,209</u>

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

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

June 30, 2014

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

**A. Reporting Entity**

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

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

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

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

The government-wide financial statements (i.e., the statements of net position 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 or up to one year for grant revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

The water and sewer fund is the City's only major 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 other post employment benefits fund is used to account for the accumulation of resources to be used to provide health and dental benefits to all qualified retired employees.

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. The Jeanette Rainey volunteer fund is to reward individuals that exhibit exemplary character in a voluntary effort benefitting the City. These funds are purely custodial and thus do not involve measurement of results of operations.

The General Purpose School Fund accounts for all expenditures and receipts associated with the City's public school system. Fiscal year 2015 will be the first year of operations for the school system.

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 balance**

### *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. Interfund receivables and payables*

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

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

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

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

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

### *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. Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an increase to net position that applies to a future period and is not recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this category. These items are amounts in the governmental funds that were receivable and measurable at year-end but were not available to finance expenditures for the current year. This includes unavailable revenues from property taxes, court fines, grants and business licenses.

### *9. Fund balance*

Governmental funds utilize a fund balance representation for fund equity. Fund balance is categorized as non-spendable, restricted, committed, assigned or unassigned. A description of each category is provided below.

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

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

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

**Assigned Fund Balance** – amounts intended to be used by the City for a specific purpose, but are neither restricted nor committed. The intent shall be expressed by the Board of Mayor and Aldermen (BMA) or an official delegated the authority to assign amounts. This is a residual classification for all governmental funds other than the general fund after amounts for non-spendable, restricted, and committed have been classified. The BMA has authorized the finance director to assign amounts in the general fund for a specific purpose. At June 30, 2014, an assigned was made for a portion of general fund balance to fund in the subsequent fiscal year an amount equal to the encumbered balance of purchase orders issued in fiscal year 2014 but will not be liquidated until after July 1, 2014. Unlike commitments, assignments generally only exist temporarily; therefore additional action is not required to remove an assignment.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the City to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

## **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 position**

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities,

including bonds payable, capital outlay notes, settlement liability, net pension obligation, and OPEB are not due and payable in the current period and therefore are not reported in the funds."

The details of this \$59,015,209 difference are as follows:

Bonds and capital outlay notes payable	\$ 31,140,002
Add: Deferred amount for issuance premiums	986,933
Less: Deferred amount for refundings	(477,203)
Accrued interest payable	204,436
Net pension obligation	2,854,994
Other postemployment benefits liability	15,087,511
Accrued vacation	2,251,863
Shelby County Board of Education settlement liability	7,298,316
Less: Deferred amount for issuance discount	(947,100)
Compensated absences	<u>615,457</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	 <u>\$ 59,015,209</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 position 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 are allocated over their estimated useful lives and reported as depreciation expense." The details of the (\$1,566,228) difference are as follows:

Capital outlays	\$ 3,494,057
Depreciation expense	<u>(5,060,285)</u>
 Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	 <u>\$ (1,566,228)</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 position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

The details of this (\$6,478,554) difference are as follows:

Debt issued or incurred:	
Issuance of bonds and capital notes	\$ (5,814,445)
Settlement liability incurred	(7,298,316)
Less: premium	(225,221)
Amortization of issuance discount	947,100
Decrease in accrued interest payable	47,324
Amortization of premiums and deferred refunding amounts	(9,075)
Principal repayment on general obligation debt	3,339,000
Payment to escrow agent for refunding	<u>2,535,079</u>
 Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	          <u>\$ (6,478,554)</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 in the assigned, committed, and restricted fund balance categories 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, 2014, no fund's expenditures exceeded appropriations.

**C. Deficit fund equity**

As of June 30, 2014, none of the funds had a deficit fund balance.

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

**A. Deposits and investments**

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.

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	Capital Projects Fund	Nonmajor Governmental	Water and Sewer	Total
Receivables:					
Taxes	\$ 19,244,787	\$ -	\$ 791,821	\$ -	\$ 20,036,608
Accounts receivable	-	-		841,230	841,230
Other	4,368,638	4,525	1,384,159	3,371	5,760,693
Gross receivables	23,613,425	4,525	2,175,980	844,601	26,638,531
Less: allowance for doubtful accounts	(996,359)	-	(4,251)	(6,915)	(1,007,525)
Net total receivables	<u>\$ 22,617,066</u>	<u>\$ 4,525</u>	<u>\$ 2,171,729</u>	<u>\$ 837,686</u>	<u>\$ 25,631,006</u>

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned as “unearned revenue”. At the end of the current fiscal year, unavailable revenue principally represents: (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, 2014 were 97.72% 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 Finance Department.

The property tax rate for the year ended June 30, 2014, was \$1.62 per \$100 of assessed value as of January 1, 2013.

### D. Capital assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 7,805,062	\$ 492,401	\$ -	\$ 8,297,463
Construction in progress	3,102,645	987,639	(438,824)	3,651,460
Total capital assets, not being depreciated	<u>10,907,707</u>	<u>1,480,040</u>	<u>(438,824)</u>	<u>11,948,923</u>
Capital assets, being depreciated:				
Buildings	36,660,638	172,848,133	-	209,508,771
Improvements	5,586,278	301,060	-	5,887,338
Equipment	8,081,767	2,178,148	(424,364)	9,835,551
Vehicles	14,840,502	1,634,588	(307,772)	16,167,318
Infrastructure	109,160,534	371,007	(3,433)	109,528,108
Total capital assets, being depreciated	<u>174,329,719</u>	<u>177,332,936</u>	<u>(735,569)</u>	<u>350,927,086</u>
Less accumulated depreciation for:				
Buildings	(10,543,087)	(1,008,129)	-	(11,551,216)
Improvements	(3,631,865)	(264,748)	-	(3,896,613)
Equipment	(6,540,578)	(477,678)	423,700	(6,594,556)
Vehicles	(11,239,049)	(1,040,522)	290,567	(11,989,004)
Infrastructure	(36,872,892)	(2,584,683)	-	(39,457,575)
Total accumulated depreciation	<u>(68,827,471)</u>	<u>(5,375,760)</u>	<u>714,267</u>	<u>(73,488,964)</u>
Total capital assets, being depreciated, net	<u>105,502,248</u>	<u>171,957,176</u>	<u>(21,302)</u>	<u>277,438,122</u>
Governmental activities capital assets, net	<u>\$ 116,409,955</u>	<u>\$ 173,437,216</u>	<u>\$ (460,126)</u>	<u>\$ 289,387,045</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activity:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,328,203	\$ 29,906	\$ -	\$ 1,358,109
Construction in progress	1,462,405	885,738	(1,094,586)	1,253,557
Total capital assets, not being depreciated	<u>2,790,608</u>	<u>915,644</u>	<u>(1,094,586)</u>	<u>2,611,666</u>
Capital assets, being depreciated:				
Buildings	98,914	-	-	98,914
Improvements	96,866,707	1,258,761	(313,625)	97,811,843
Equipment	2,397,568	109,674	(115,056)	2,392,186
Total capital assets, being depreciated	<u>99,363,189</u>	<u>1,368,435</u>	<u>(428,681)</u>	<u>100,302,943</u>
Less accumulated depreciation for:				
Buildings	(33,188)	(3,970)	-	(37,158)
Improvements	(31,747,936)	(1,956,795)	268,609	(33,436,122)
Equipment	(1,523,196)	(125,091)	115,051	(1,533,236)
Total accumulated depreciation	<u>(33,304,320)</u>	<u>(2,085,856)</u>	<u>383,660</u>	<u>(35,006,516)</u>
Total capital assets, being depreciated, net	<u>66,058,869</u>	<u>(717,421)</u>	<u>(45,021)</u>	<u>65,296,427</u>
Business-type activity capital assets, net	<u>\$ 68,849,477</u>	<u>\$ 198,223</u>	<u>\$ (1,139,607)</u>	<u>\$ 67,908,093</u>

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

Governmental activities:	
General government	\$ 324,511
Public safety	886,842
Public works	3,250,701
Parks and recreation	528,584
Performing arts center	69,647
Total depreciation expense - governmental activities	<u>\$ 5,060,285</u>

Shelby County Board of Education donated education assets totaling \$104,800 in land, \$172,339,000 in buildings, \$252,700 in improvements other than buildings, and \$1,846,818 in machinery and equipment to the City during the year. The assets were valued at fair market value and were capitalized.

## Construction and other significant commitments

The government has active construction projects as of June 30, 2014. At year-end the government's commitments with contractors are as follows:

<u>Function/Activity</u>	<u>Commitment</u>
Major roads construction & improvement	\$ 615,750
Building improvements	166,530
Vehicles and equipment	343,651
Utility construction and improvement	728,190
	<u>\$ 1,854,121</u>

## E. Interfund receivables, payables, and transfers

At June 30, 2014, amounts to be received or paid with current available resources are reported as receivable and payable to other funds. The amount payable to the general fund and nongovernmental funds results from the time lag between dates that the interfund service are provided or reimbursable expenditures occur, and when transactions are recorded. The composition of interfund balances as of June 30, 2014, is as follows:

<b>Due to:</b>	<b>Due from:</b>	
	<b>Nonmajor Governmental</b>	<b>Total</b>
Capital projects	\$ 75,802	\$ 75,802
General fund	23,483	23,483
	<u>\$ 99,285</u>	<u>\$ 99,285</u>

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, 2014 are as follows:

<b>Transfer out:</b>	<b>Transfer In:</b>			
	<b>General Fund</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
General fund	\$ -	\$ -	1,966,783	\$ 1,966,783
Nonmajor governmental funds	270,779	470,694	500,000	1,241,473
Capital projects fund	100,502	-	245,828	346,330
Water and sewer	308,367	-	-	308,367
Total transfers out	<u>\$ 679,648</u>	<u>\$ 470,694</u>	<u>\$ 2,712,611</u>	<u>\$ 3,862,953</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:

2015	\$ 378,263
2016	383,906
2017	392,704
2018	392,703
2019	272,758
Thereafter	506,928
Total	<u>\$ 2,327,262</u>

## G. Long Term Debt

### *General obligation bonds*

On October 8, 2013, the City issued \$2,180,000 General Obligation Improvement Bonds, Series 2013A and \$1,345,000 Water and Sewer Revenue and Tax Improvement Bonds, Series 2013B, maturing on September 1, 2033 with an average interest rate of 3.22%. The proceeds of the Series 2013 Bonds will be used to fund the costs of certain public improvement projects including fire department stations and facilities and improvement of streets, roads, and other infrastructure. The proceeds will additionally be used for extensions and improvements to the water and sewer system of the City. The net proceeds of the 2013 Bonds totaled \$3,741,513 (net of underwriting fees) and were deposited with the City.

On October 8, 2013, the City issued \$2,510,000 General Obligation Refunding Bonds, Series 2013A, maturing on September 1, 2018, with interest rates ranging from 3.50% to 3.75%. The Series 2013A Bonds refunded certain maturities of various outstanding Bond Series. By issuing the Series 2013A Bonds, the City obtained an estimated economic gain (difference between the present values of the debt service payments on the defeased debt and new debt) of \$107,460. The refunding will reduce the City's debt service payments over the next four years by an estimated \$135,165.

On October 8, 2013, the City issued \$660,000 Water and Sewer Revenue and Tax Refunding Bonds, Series 2013B, maturing on September 1, 2018, with interest rates ranging from 3.50% to 3.75%. The Series 2013B Bonds refunded certain maturities of various outstanding Bond Series. By issuing the Series 2013B Bonds, the City obtained an estimated economic gain (difference between the present values of the debt service payments on the defeased debt and new debt) of \$28,468. The refunding will reduce the City's debt service payments over the next four years by an estimated \$33,372.

## Defeased Bonds

In the prior FY2013 year, the City defeased certain obligation bonds by placing the proceeds of new bonds in irrevocable escrow accounts to provide for all future debt service requirements on the retired bonds. Accordingly, the escrow account assets and the liability for the defeased bonds were not included in the City's financial statements. As of June 30, 2013, \$5,060,000 of general obligation bonds and \$1,315,000 of water and sewer revenue and tax bonds were considered defeased and remained outstanding. The cash balance at June 30, 2013 in the irrevocable trust escrow account was \$6,654,423. These defeased bonds were retired on February 1, 2014. The balance in the trust escrow account at June 30, 2014 was \$0.

In the current year, the City has defeased certain other obligation bonds by placing the proceeds of new bonds in irrevocable escrow accounts to provide for all future debt service requirements on the retired bonds. On October 8, 2013, \$3,201,673 of bond proceeds was placed in an irrevocable escrow account to provide for future debt requirements of these defeased bonds. On November 11, 2013, \$2,510,000 of General Obligation and Refunding Bonds, Series 2005, and \$660,000 in Water and Sewer Revenue and Tax Refunding and Improvement Bonds, Series 2005 were retired using the proceeds of the escrow accounts. On June 30, 2014 the balance of the trust escrow accounts was \$0.

### *General obligation notes payable and capital outlay notes*

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. During FY2014 the City had drawn the remaining \$353,945 for governmental purposes and \$764,749 for business-type purposes. Balances at June 30, 2014 were \$1,115,001 and \$826,000, respectively. Principal on these loans are paid annually in May while the interest is paid monthly based on a variable rate determined by the remarketing agent. At June 30, 2014, the interest rate on this loan was .24%.

On September 25, 2013, the City issued seven-year capital outlay note in the amount of \$770,500 through the Tennessee Municipal Bond Fund. The note bears an interest rate of 2.13% with final maturity on September 1, 2020. Proceeds of the note were used to purchase vehicles and equipment. Also on June 30, 2014, the City was obligated on two additional capital outlay notes; one issued on September 15, 2011 with a balance of \$239,500 and one issued on February 15, 2013 with a balance of \$1,125,000. Proceeds of both notes were used for the purchase of vehicles and equipment in governmental funds.

### *Revenue bonds*

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

## Settlement Liability

The City entered into a settlement agreement with the Board of Commissioners of Shelby County, Shelby County, Tennessee, and the Shelby County Board of Education. The Bartlett City Board of Education agreed to pay the Shelby County Board of Education \$608,193 per year for twelve years with the first payment due by November 1, 2014 and the remaining payments due by November 1 each year following. The City elected to establish the liability incurred through the settlement agreement at its present value with a discount rate of 2.41%. For the year ended June 30, 2014, the City recorded a net liability of \$6,351,216 and education legal expense for the same amount in the government-wide financial statements.

## Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 28,265,000	\$ 4,690,000	\$ (5,065,000)	\$ 27,890,000	\$ 2,645,000
Less deferred amounts:					
Premiums	30,140	1,029,687	(72,893)	986,934	-
Total bonds payable	28,295,140	5,719,687	(5,137,893)	28,876,934	2,645,000
Capital outlay notes	2,097,500	770,500	(733,000)	2,135,000	519,000
Note payable	812,056	353,945	(51,000)	1,115,001	54,000
Net pension obligation	2,854,969	25	-	2,854,994	-
Other postemployment benefits	13,816,441	1,271,070	-	15,087,511	-
Compensated absences	2,744,600	182,799	(60,079)	2,867,320	39,128
Shelby County Board of Education settlement liability	-	7,298,316	-	7,298,316	608,193
Less deferred amount for issuance discount	-	(947,100)	-	(947,100)	-
Governmental-type activity long-term liabilities	<u>\$ 50,620,706</u>	<u>\$ 14,649,242</u>	<u>\$ (5,981,972)</u>	<u>\$ 59,287,976</u>	<u>\$ 3,865,321</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
Bonds payable:					
Revenue bonds	\$ 12,475,000	\$ 2,005,000	\$ (1,825,000)	\$ 12,655,000	\$ 1,215,000
Less deferred amounts:					
Premiums	(264,885)	(78,610)	742,407	398,912	-
Total bonds payable	12,210,115	1,926,390	(1,082,593)	13,053,912	1,215,000
Note payable	99,251	764,749	(38,000)	826,000	40,000
Compensated absences	84,619	1,239	-	85,858	-
Net pension obligation	185,085	-	-	185,085	-
Other postemployment benefits	1,563,545	34,159	-	1,597,704	-
Business-type activity long-term liabilities	<u>\$ 14,142,615</u>	<u>\$ 2,726,537</u>	<u>\$ (1,120,593)</u>	<u>\$ 15,748,559</u>	<u>\$ 1,255,000</u>

For governmental activities, net pension obligation, other postemployment benefits, and compensated absences are generally liquidated by the general fund.

For the governmental activities and business-type activities, \$14,837,807 and \$2,621,366, respectively, of bond proceeds and capital notes were not spent as of June 30, 2014. As such, these proceeds were not included in the calculation of net investment in capital assets.

Bonds and similar debt payable at June 30, 2014, are comprised of the following individual issues:

	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Balance Outstanding at Year End</u>
<b>Governmental activities:</b>			
Bonds payable:			
2007 Serial Bonds	4.0-4.05	\$ 2,955,000	\$ 2,300,000
2009 Serial Bonds	2.0-4.1	2,220,000	1,865,000
2010 Serial Bonds	2.0-3.5	7,925,000	6,110,000
2011 Serial Bonds	2.0-2.625	4,545,000	3,385,000
2012 Serial Bonds	2.0-3.0	9,865,000	9,540,000
2013 Serial Bonds	3.0-3.625	4,690,000	4,690,000
		<u>32,200,000</u>	<u>27,890,000</u>
2008 Note payable*	0.24	1,350,000	1,115,001
Capital Note 2012	2.03	691,500	239,500
Capital Note 2013 A	1.78	1,300,000	1,125,000
Capital Note 2013 B	2.13	770,500	770,500
		<u>\$ 36,312,000</u>	<u>\$ 31,140,001</u>

\* As of June 30, 2014, \$1,350,000 of the \$1,350,000 loan had been drawn.

Variable rate Tennessee Municipal Bond Fund loan rate for June 30, 2014 was 0.24%

	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Balance Outstanding at Year End</u>
<b>Business-type activities:</b>			
Bonds payable:			
2007 Serial Bonds	4.0-4.05	\$ 1,015,000	\$ 790,000
2009 Serial Bonds	2.0-4.1	960,000	805,000
2010 Serial Bonds	2.0-2.65	3,115,000	2,465,000
2011 Serial Bonds	2.0-2.75	4,305,000	3,220,000
2012 Serial Bonds	2.0-3.0	3,440,000	3,370,000
2013 Serial Bonds	3.0-3.625	2,005,000	2,005,000
		<u>14,840,000</u>	<u>12,655,000</u>
2008 Note payable **	0.24	1,000,000	826,000
		<u>\$ 15,840,000</u>	<u>13,481,000</u>
			<u>\$ 44,621,001</u>

\*\* As of June 30, 2014, \$1,000,000 of the \$1,000,000 loan had been drawn.

Annual debt service requirements to maturity are as follows:

<u>Years Ending</u> <u>June 30</u>	<u>Government Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 3,218,000	\$ 770,829	\$ 1,255,000	\$ 321,879
2016	3,175,000	700,084	1,362,000	293,821
2017	3,023,000	626,996	1,303,000	264,076
2018	3,025,000	550,955	1,065,000	235,975
2019	3,104,000	473,418	1,087,000	209,784
2020-2024	9,475,000	1,445,571	4,602,000	675,843
2025-2029	4,620,000	531,113	2,022,000	248,170
2030-2034	1,500,001	106,870	785,000	58,501
	<u>\$ 31,140,001</u>	<u>\$ 5,205,836</u>	<u>\$ 13,481,000</u>	<u>\$ 2,308,049</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.

## I. Fund Balances by Purpose

Following is more detailed information on the governmental fund balances:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable for:				
Inventory	\$ 221,431	\$ -	\$ -	\$ 221,431
Prepaid expenditures	27,865	-	-	27,865
Total nonspendable fund balance	<u>249,296</u>	<u>-</u>	<u>-</u>	<u>249,296</u>
Restricted for:				
Capital projects	-	7,396,522	-	7,396,522
State street aid	-	-	739,690	739,690
Drug enforcement	-	-	492,275	492,275
DEA task force	-	-	423,553	423,553
Sexual offender registry program	12,199	-	-	12,199
Police Criminal Seizures	4,000	-	-	4,000
Total restricted fund balance	<u>16,199</u>	<u>7,396,522</u>	<u>1,655,518</u>	<u>9,068,239</u>
Committed for:				
Emergency purposes	1,000,000	-	-	1,000,000
Debt service	-	-	671,538	671,538
Total committed fund balance	<u>1,000,000</u>	<u>-</u>	<u>671,538</u>	<u>1,671,538</u>
Assigned to:				
Capital projects	-	\$ 2,054,685	-	2,054,685
State street aid	-	-	828,559	828,559
Solid waste	-	-	1,402,362	1,402,362
General improvement	-	-	513,850	513,850
Drainage control	-	-	185,436	185,436
Parks improvement	-	-	667,744	667,744
School General Purpose Fund	-	-	46,541	46,541
Encumbrances	211,416	-	-	211,416
Appropriated fund balance FY15 budget	-	-	-	-
Total assigned fund balance	<u>211,416</u>	<u>2,054,685</u>	<u>3,644,492</u>	<u>5,910,593</u>
Unassigned	<u>24,211,101</u>	<u>-</u>	<u>-</u>	<u>24,211,101</u>
Total fund balances	<u>\$ 25,688,012</u>	<u>\$ 9,451,207</u>	<u>\$ 5,971,548</u>	<u>\$ 41,110,767</u>

## 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, 2014 (the date of the latest actuarial valuation), PERS membership consisted of:

Retirees and beneficiaries currently receiving benefits	135
Terminated employees entitled to benefits but not yet receiving them	25
Active employees:	
Vested	382
Nonvested	<u>99</u>
Total	<u>641</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 (17.4% 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, 2014, the City's annual pension cost of \$3,395,590 was less than the annual required contribution. The annual required contribution totaled \$3,579,580. The required contribution was determined as part of the July 1, 2013, annual actuarial valuation using the aggregate actuarial cost method. Significant actuarial assumptions used in the computation include (a) 7.5 percent investment rate of return (net of administrative expenses) and (b) projected salary increases of 4% per year. Both (a) and (b) include an inflation component of 2.5 percent. The actuarial value of 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, 2014, was \$26,729,236. Payroll for employees covered by this plan was \$23,205,853.

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

Annual required contribution	\$ 3,579,580
Interest on net pension obligation	228,004
Adjustment to annual required contribution	<u>(411,994)</u>
Annual pension cost	3,395,590
Contributions made	<u>3,395,565</u>
Increase (decrease) in net pension obligation	<u>25</u>
Net pension obligation - beginning of year	<u>3,040,054</u>
Net pension obligation - end of year	<u><u>\$ 3,040,079</u></u>

## G. Funded Status and Funding Progress

As of June 30, 2014, the actuarial accrued liability for benefits was \$82,987,053 of which \$20,555,421 was underfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$23,205,853, and the ratio of unfunded actuarial accrued liability to the covered payroll was 88%. The actuarial value of the assets as of July 1, 2014 is \$62,431,632. The funded ratio, the actuarial value of plan assets over the actuarial accrued liability is 75.23 percent.

## H. Trend Information

The schedule of funding progress, presented as required supplementary information immediately follows the notes, and presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The following is a summary of the three-year trend of the years ended June 30:

	2014	2013	2012
Annual pension cost	\$ 3,395,590	\$ 3,787,195	\$ 3,581,767
Percentage of APC contributed	100%	81%	85%
Net pension obligation	\$ 3,040,079	\$ 3,040,054	\$ 2,338,272

## NOTE 6 - 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. The contract with the City of Memphis expires on December 31, 2014 and has been renewed.

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.

Additionally, there was \$377,087 of other encumbrances outstanding at June 30, 2014.

## NOTE 7 - 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:

	2014	2013
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Claims incurred during the year	168,835	184,579
Claims payments	(168,835)	(184,579)
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 8 - 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.

At June 30, 2014, the membership consisted of:

Retirees and beneficiaries currently receiving benefits	110
Active employees	<u>480</u>
Total	<u>590</u>

### **A. Plan Description**

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

### **B. Funded Status and 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 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. As of June 30, 2014, the actuarial accrued liability for benefits was \$20,856,583 of which \$18,523,374 was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$23,261,853, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 80%. The actuarial value of the assets for the other post employment benefits as of July 1, 2014, is \$2,333,209. The funded ratio, the actuarial value of plan assets over the actuarial accrued liability, is 11.1%

### C. 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	\$ 3,415,940
Interest on net OPEB obligation	768,999
Adjustment to annual required contribution	<u>(1,739,322)</u>
Annual OPEB cost	2,445,617
Contributions or payments made	<u>1,140,384</u>
Increase in net OPEB obligation	1,305,233
Net OPEB obligation, beginning of year	<u>15,379,978</u>
Net OPEB obligation, end of year	<u><u>\$ 16,685,211</u></u>

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Following is a summary of the three-year trend for the years ended June 30:

Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2012	\$ 2,352,147	46.4%	\$ 14,102,110
6/30/2013	\$ 2,381,724	46.3%	\$ 15,379,978
6/30/2014	\$ 2,445,617	46.6%	\$ 16,685,211

The schedule of funding progress, presented as required supplementary information immediately follows the notes, and presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

### D. 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 OPEB plan investments are valued at fair market value based on quoted market prices as obtained by the trustee of the OPEB plan's assets.

The annual required contribution for the current year was determined as part of the July 1, 2012, actuarial valuation using the Projected Unit Credit actuarial cost method. The actuarial assumptions include a 5% a year rate of investment return, a 2.5% inflation rate, and a base payroll growth rate of 5%. The actuarial valuation uses the RP2000 Mortality Table and the 1987 Commissioner's Group Disability Table for disability rates. Per the actuarial study, the post-retirement rates range from 9% in the short-term to 5% in the long-term for health care related costs. Retirement rates range from age 55 to age 65, there is no expense loading, and 80% of active participants are assumed to be married and wives are assumed to be three years younger than husbands.

### E. Amortization of Net OPEB Obligation

The amortization method used is the level dollar, closed approach which amortizes the initial unfunded actuarial liability over thirty years, actual gains/losses over ten years, and plan amendments over twenty years. The equivalent single amortization period is 25 years.

<u>Established</u>	<u>Base</u>	<u>Amount</u>	<u>Payment</u>	<u>Period</u>	<u>Balance</u>
7/1/2008	Initial	\$ 63,599,222	\$ 3,940,210	24	\$ 57,088,023
7/1/2010	Plan Amendment	\$ (44,335,936)	(2,834,229)	24	(41,063,936)
7/1/2012	(Gain)/Loss	\$ (438,153)	(54,041)	8	(366,741)
7/1/2014	(Gain)/Loss	\$ 2,866,028	353,489	10	2,866,028
Total			<u>\$ 1,405,429</u>		<u>\$ 18,523,374</u>

The amortization for the year ending June 30, 2014 is as follows:

<u>Date</u> <u>Established</u>	<u>Type of</u> <u>Base</u>	<u>Initial</u> <u>Amount</u>	<u>Payment</u>	<u>Remaining</u> <u>Period</u>	<u>Remaining</u> <u>Balance</u>
7/1/2014	Obligation	\$ 16,685,211	\$2,057,915	10	\$ 16,685,211

### NOTE 9 – ACCOUNTING PRONOUNCEMENTS

The City plans to adopt GASB Statement No. 68, Accounting and *Financial Reporting for Pensions Amendment of GASB Statement No. 27*, required for fiscal periods beginning after June 15, 2014, in fiscal 2015. This Statement replaces the requirements of Statements No. 27, *Accounting for Pensions by State and Local Government Employers*, and No. 50, *Pension Disclosures*, as they

relate to pensions that are provided through pension plans administered through trusts or equivalent arrangements that meet certain criteria. Management is in the process of determining the effects that the adoption of this Statement will have on the City's financial statements.

#### **NOTE 10 – SUBSEQUENT EVENT**

On June 3, 2014, the Board of Mayor and Aldermen (The Board) authorized the issuance of \$10,000,000 in revenue anticipation notes for the purpose of meeting appropriations made for the Bartlett City Board of Education (BOE) for the fiscal year 2015. The Board also passed a separate resolution on June 3, 2014, requiring the BOE to repay all proceeds from these revenue anticipation notes transferred to the BOE no later than June 30, 2015.

On July 22, 2014, the Board amended the original authorizing resolution to provide security for the notes from the taxes and revenues of the City of Bartlett. On July 23, 2014, the City sold the \$10,000,000 Revenue Anticipation Note, Series 2014 via a negotiated sale to Regions Bank at a taxable variable interest rate of 0.57% with a rate cap of 0.72%. Interest shall be paid monthly with principal due at maturity on June 30, 2015. On August 12, 2014, the City made its first of four possible draws on the Series 2014 note of \$2,000,000.

On August 12, 2014, the City issued a seven-year capital outlay note in the amount of \$1,041,000 through the Tennessee Municipal Bond Fund. The note bears an interest rate of 2.19% with final maturity on September 1, 2021. Proceeds of the note were used to finance certain public works projects, consisting of the acquisition of vehicles and equipment for the administrative, police, fire, codes enforcement, public works, parks and engineering departments of the City as identified in the FY2015 Capital Improvement Program Budget.

Subsequent to June 30, 2014, the City created a defined contribution pension plan for employees hired on or after July 1, 2014.

#### **NOTE 11 – PRIOR PERIOD ADJUSTMENT**

Prior to July 1, 2013, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of Governmental Accounting Standards Board Statement No. 65, debt issuance costs become period costs. An adjustment to decrease beginning net position of \$607,519 has been recognized for accumulated debt issuance costs on the government – wide financial statements.

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF OTHER POST EMPLOYMENT BENEFITS FUNDING PROGRESS**

For the Six Years Ended June 30

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Valuation Date	Value of Assets	Accrued Liability	Unfunded Accrued Liability - PUC	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2009	\$ 624,167	\$ 68,971,215	\$ 68,347,048	0.9%	\$ 20,923,074	327%
7/1/2010	\$ 566,339	\$ 17,867,243	\$ 17,300,904	3.2%	\$ 21,398,047	81%
7/1/2011	\$ 623,056	\$ 19,266,337	\$ 18,643,281	3.2%	\$ 21,536,382	87%
7/1/2012	\$ 1,205,847	\$ 17,461,310	\$ 16,255,463	6.9%	\$ 21,797,237	75%
7/1/2013	\$ 1,754,053	\$ 17,717,752	\$ 15,963,699	9.9%	\$ 21,797,237	73%
7/1/2014	\$ 2,333,209	\$ 20,856,583	\$ 18,523,374	11.1%	\$ 23,261,853	80%

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF EMPLOYEE RETIREMENT SYSTEM FUNDING PROGRESS**

For the Six Years Ended June 30

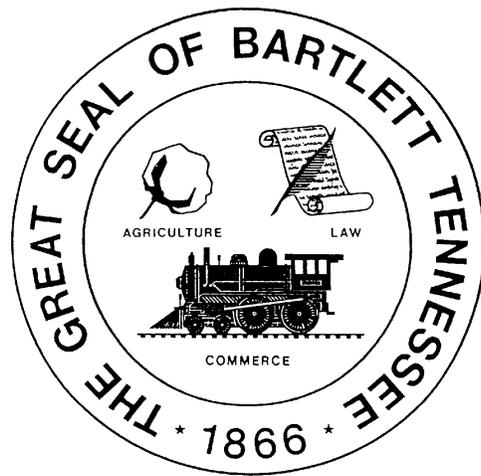
<u>Actuarial Valuation Date</u>	<u>Actuarial Valuation of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability - FIL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2009	\$ 35,635,995	\$52,870,665	\$ 17,234,670	67.40%	\$ 20,923,074	82%
7/1/2010	\$ 43,930,721	\$61,801,506	\$ 17,870,785	71.08%	\$ 21,398,047	84%
7/1/2011	\$ 46,749,452	\$63,984,119	\$ 17,234,667	73.06%	\$ 21,569,182	80%
7/1/2012	\$ 48,406,662	\$65,138,712	\$ 16,732,050	74.31%	\$ 21,797,237	77%
7/1/2013	\$ 51,920,032	\$77,329,284	\$ 25,409,252	67.14%	\$ 22,101,474	115%
7/1/2014	\$ 62,431,632	\$82,987,053	\$ 20,555,421	75.23%	\$ 23,205,853	88%

**CITY OF BARTLETT, TENNESSEE**  
**SCHEDULE OF EMPLOYEE RETIREMENT SYSTEM**  
**EMPLOYER CONTRIBUTIONS**

For the Six Years Ended June 30

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<u>Year Ended</u> <u>June 30</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u>	<u>Percent</u> <u>Contributed</u>
2009	\$ 2,846,355	108%
2010	\$ 3,995,896	76%
2011	\$ 3,579,847	85%
2012	\$ 3,446,116	89%
2013	\$ 3,928,712	78%
2014	\$ 3,579,580	95%



**CITY OF BARTLETT, TENNESSEE**

**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2014

	<b>Special Revenue Funds</b>					
	<b>State Street Aid Fund</b>	<b>Solid Waste Control Fund</b>	<b>Drug Enforcement Fund</b>	<b>General Improvement Fund</b>	<b>Drainage Control Fund</b>	<b>Parks Improvement Fund</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,483,207	\$ 738,846	\$ 674,338	\$ 409,156	\$ 185,901	\$ 667,995
Receivables, net						
Taxes	269,742	-	-	-	-	-
Other	267	860,329	-	66,781	-	-
Less allowance for doubtful accounts	-	(3,795)	-	(456)	-	-
Prepaid expenditures	-	-	-	49,035	-	-
Due from other funds	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,753,216</b>	<b>\$ 1,595,380</b>	<b>\$ 674,338</b>	<b>\$ 524,516</b>	<b>\$ 185,901</b>	<b>\$ 667,995</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 184,700	\$ 104,620	\$ 182,063	\$ 925	\$ 465	\$ 251
Due to other funds	-	-	-	-	-	-
<b>Total liabilities</b>	<b>184,700</b>	<b>104,620</b>	<b>182,063</b>	<b>925</b>	<b>465</b>	<b>251</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - grants	-	-	-	-	-	-
Unavailable revenue - other	267	88,398	-	9,741	-	-
<b>Total deferred inflows     of resources</b>	<b>267</b>	<b>88,398</b>	<b>-</b>	<b>9,741</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	739,690	-	492,275	-	-	-
Committed	-	-	-	-	-	-
Assigned	828,559	1,402,362	-	513,850	185,436	667,744
<b>Total fund balance</b>	<b>1,568,249</b>	<b>1,402,362</b>	<b>492,275</b>	<b>513,850</b>	<b>185,436</b>	<b>667,744</b>
Total liabilities, deferred inflows of resources and fund balances	<b>\$ 1,753,216</b>	<b>\$ 1,595,380</b>	<b>\$ 674,338</b>	<b>\$ 524,516</b>	<b>\$ 185,901</b>	<b>\$ 667,995</b>

<u>DEA Task Force Fund</u>	<u>Grants Fund</u>	<u>General Purpose School Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 403,645	\$ -	\$ 229,866	\$ 149,459	\$ 4,942,413
-	-	-	522,079	791,821
19,960	99,891	336,931	-	1,384,159
-	-	-	-	(4,251)
-	-	-	-	49,035
-	-	-	-	-
<u>\$ 423,605</u>	<u>\$ 99,891</u>	<u>\$ 566,797</u>	<u>\$ 671,538</u>	<u>\$ 7,163,177</u>
\$ 52	\$ -	\$ 520,256	\$ -	\$ 993,332
-	99,285	-	-	99,285
<u>52</u>	<u>99,285</u>	<u>520,256</u>	<u>-</u>	<u>1,092,617</u>
-	606	-	-	606
-	-	-	-	98,406
-	606	-	-	99,012
-	-	-	-	-
423,553	-	-	-	1,655,518
-	-	-	671,538	671,538
-	-	46,541	-	3,644,492
<u>423,553</u>	<u>-</u>	<u>46,541</u>	<u>671,538</u>	<u>5,971,548</u>
<u>\$ 423,605</u>	<u>\$ 99,891</u>	<u>\$ 566,797</u>	<u>\$ 671,538</u>	<u>\$ 7,163,177</u>

**CITY OF BARTLETT, TENNESSEE**

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

For the Year Ended June 30, 2014

	<b>Special Revenue Funds</b>			
	<b>State Street Aid Fund</b>	<b>Solid Waste Control Fund</b>	<b>Drug Enforcement Fund</b>	<b>General Improvement Fund</b>
<b>REVENUES</b>				
Taxes:				
Local sales taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental - state gas tax	1,519,766	-	-	-
Charges for services	743,902	5,435,816	-	625,745
Fines, forfeitures, and penalties	-	-	41,362	-
Federal and state grants	-	273,734	-	-
Interest on investments	-	-	-	-
Program income	-	7,006	67,883	-
Total revenues	<u>2,263,668</u>	<u>5,716,556</u>	<u>109,245</u>	<u>625,745</u>
<b>EXPENDITURES</b>				
Street paving and repair	545,534	-	-	1,222
Solid waste control	-	4,873,897	-	-
Drug enforcement	-	-	119,539	-
Drainage control	-	-	-	-
Parks improvement	-	-	-	-
Miscellaneous	-	-	-	203,797
Street lighting	1,296,295	-	-	-
Education	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlays	-	49,205	95,673	154,020
Total expenditures	<u>1,841,829</u>	<u>4,923,102</u>	<u>215,212</u>	<u>359,039</u>
Excess (deficiency) of revenues over expenditures	<u>421,839</u>	<u>793,454</u>	<u>(105,967)</u>	<u>266,706</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Transfers in	58,002	-	-	-
Transfers out	-	(500,000)	-	(250,000)
Total other financing sources and uses	<u>58,002</u>	<u>(500,000)</u>	<u>-</u>	<u>(250,000)</u>
Net change in fund balances	479,841	293,454	(105,967)	16,706
Fund balances - beginning	<u>1,088,408</u>	<u>1,108,908</u>	<u>598,242</u>	<u>497,144</u>
Fund balances - ending	<u>\$ 1,568,249</u>	<u>\$ 1,402,362</u>	<u>\$ 492,275</u>	<u>\$ 513,850</u>

<u>Drainage Control Fund</u>	<u>Parks Improvement Fund</u>	<u>DEA Task Force Fund</u>	<u>Grants Fund</u>	<u>General Purpose School Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,953,958	\$ 2,953,958
-	-	-	-	-	-	1,519,766
3,600	1,200	-	-	23,984	-	6,834,247
-	-	-	-	-	-	41,362
-	-	-	803,720	-	-	1,077,454
40	-	183	-	-	-	223
-	-	110,236	-	-	-	185,125
<u>3,640</u>	<u>1,200</u>	<u>110,419</u>	<u>803,720</u>	<u>23,984</u>	<u>2,953,958</u>	<u>12,612,135</u>
-	-	-	-	-	-	546,756
-	-	-	-	-	-	4,873,897
-	-	-	-	-	-	119,539
95,392	-	-	-	-	-	95,392
-	4,433	-	-	-	-	4,433
-	-	4,556	4,851	-	-	213,204
-	-	-	-	-	-	1,296,295
-	-	-	-	1,309,767	-	1,309,767
-	-	-	-	-	3,339,000	3,339,000
-	-	-	-	-	789,595	789,595
-	-	-	-	-	57,952	57,952
5,076	-	19,638	307,396	134,459	-	765,467
<u>100,468</u>	<u>4,433</u>	<u>24,194</u>	<u>312,247</u>	<u>1,444,226</u>	<u>4,186,547</u>	<u>13,411,297</u>
<u>(96,828)</u>	<u>(3,233)</u>	<u>86,225</u>	<u>491,473</u>	<u>(1,420,242)</u>	<u>(1,232,589)</u>	<u>(799,162)</u>
-	-	-	-	-	2,510,000	2,510,000
-	-	-	-	-	25,079	25,079
-	-	-	-	-	(2,535,079)	(2,535,079)
181,949	5,877	-	-	1,466,783	1,000,000	2,712,611
-	-	-	(491,473)	-	-	(1,241,473)
<u>181,949</u>	<u>5,877</u>	<u>-</u>	<u>(491,473)</u>	<u>1,466,783</u>	<u>1,000,000</u>	<u>1,471,138</u>
85,121	2,644	86,225	-	46,541	(232,589)	671,976
<u>100,315</u>	<u>665,100</u>	<u>337,328</u>	<u>-</u>	<u>-</u>	<u>904,127</u>	<u>5,299,572</u>
<u>\$ 185,436</u>	<u>\$ 667,744</u>	<u>\$ 423,553</u>	<u>\$ -</u>	<u>\$ 46,541</u>	<u>\$ 671,538</u>	<u>\$ 5,971,548</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>STATE STREET AID FUND</b>				
Revenues:				
Intergovernmental/unrestricted - state gas tax	\$ 1,610,000	\$ 1,610,000	\$ 1,519,766	\$ (90,234)
Charges for services	-	555,800	743,902	188,102
Other	3,000	3,000	-	(3,000)
Total revenues	<u>1,613,000</u>	<u>2,168,800</u>	<u>2,263,668</u>	<u>94,868</u>
Expenditures:				
Street paving and repair	150,000	767,237	545,534	221,703
Street lighting	1,340,000	1,340,000	1,296,295	43,705
Total expenditures	<u>1,490,000</u>	<u>2,107,237</u>	<u>1,841,829</u>	<u>265,408</u>
Excess (deficiency) of revenues over expenditures	123,000	61,563	421,839	360,276
Other financing sources (uses):				
Transfers in	-	-	58,002	58,002
Net change in fund balance	123,000	61,563	479,841	418,278
Fund balance - beginning	<u>1,088,408</u>	<u>1,088,408</u>	<u>1,088,408</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,211,408</u>	<u>\$ 1,149,971</u>	<u>\$ 1,568,249</u>	<u>\$ 418,278</u>
<b>SOLID WASTE CONTROL FUND</b>				
Revenues:				
Charges for services	\$ 5,444,182	\$ 5,444,182	\$ 5,435,816	\$ (8,366)
Federal and state grants	-	-	268,670	268,670
State recycling rebate	-	-	5,064	5,064
Other income	4,000	4,000	7,006	3,006
Total revenues	<u>5,448,182</u>	<u>5,448,182</u>	<u>5,716,556</u>	<u>268,374</u>
Expenditures:				
Personnel	2,819,557	2,833,531	2,736,241	97,290
Operations	1,864,752	1,885,752	2,137,656	(251,904)
Capital outlays	78,000	78,000	49,205	28,795
Total expenditures	<u>4,762,309</u>	<u>4,797,283</u>	<u>4,923,102</u>	<u>(125,819)</u>
Excess (deficiency) of revenues over expenditures	685,873	650,899	793,454	142,555
Other financing sources (uses):				
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Net change in fund balance	185,873	150,899	293,454	142,555
Fund balance - beginning	<u>1,108,908</u>	<u>1,108,908</u>	<u>1,108,908</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,294,781</u>	<u>\$ 1,259,807</u>	<u>\$ 1,402,362</u>	<u>\$ 142,555</u>

**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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>DRUG ENFORCEMENT FUND</b>				
Revenues:				
Collection of fines and forfeitures	\$ 27,500	\$ 27,500	\$ 41,362	\$ 13,862
Other	189,000	189,000	67,883	(121,117)
Total revenues	<u>216,500</u>	<u>216,500</u>	<u>109,245</u>	<u>(107,255)</u>
Expenditures:				
Personnel	54,000	54,000	46,436	7,564
Operations	171,300	171,300	73,103	98,197
Capital outlays	157,500	157,500	95,673	61,827
Total expenditures	<u>382,800</u>	<u>382,800</u>	<u>215,212</u>	<u>167,588</u>
Net change in fund balance	(166,300)	(166,300)	(105,967)	60,333
Fund balance - beginning	<u>598,242</u>	<u>598,242</u>	<u>598,242</u>	<u>-</u>
Fund balance - ending	<u>\$ 431,942</u>	<u>\$ 431,942</u>	<u>\$ 492,275</u>	<u>\$ 60,333</u>
<b>GENERAL IMPROVEMENT FUND</b>				
Revenues:				
City service fees	\$ 630,000	\$ 630,000	\$ 625,745	\$ (4,255)
Expenditures:				
Street paving and repairs	2,000	2,000	1,222	778
Capital outlays	133,000	179,571	154,020	25,551
Miscellaneous	245,000	247,995	203,797	44,198
Total expenditures	<u>380,000</u>	<u>429,566</u>	<u>359,039</u>	<u>70,527</u>
Excess (deficiency) of revenues over expenditures	250,000	200,434	266,706	66,272
Other financing sources (uses):				
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net change in fund balance	-	(49,566)	16,706	66,272
Fund balance - beginning	<u>497,144</u>	<u>497,144</u>	<u>497,144</u>	<u>-</u>
Fund balance - ending	<u>\$ 497,144</u>	<u>\$ 447,578</u>	<u>\$ 513,850</u>	<u>\$ 66,272</u>

**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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>DRAINAGE CONTROL FUND</b>				
Revenues:				
Drainage control fees	\$ 1,000	\$ 1,000	\$ 3,600	\$ 2,600
Interest on investments	500	500	40	(460)
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>3,640</u>	<u>2,140</u>
Expenditures:				
Personnel	103,558	104,031	86,698	17,333
Operations	10,850	10,850	8,694	2,156
Capital outlays	5,000	5,000	5,076	(76)
Total expenditures	<u>119,408</u>	<u>119,881</u>	<u>100,468</u>	<u>19,413</u>
Excess (deficiency) of revenues over expenditures	(117,908)	(118,381)	(96,828)	(17,273)
Other financing sources (uses)				
Transfers in	<u>181,949</u>	<u>181,949</u>	<u>181,949</u>	<u>-</u>
Net change in fund balance	64,041	63,568	85,121	(17,273)
Fund balance - beginning	<u>100,315</u>	<u>100,315</u>	<u>100,315</u>	<u>-</u>
Fund balance - ending	<u>\$ 164,356</u>	<u>\$ 163,883</u>	<u>\$ 185,436</u>	<u>\$ (17,273)</u>
<b>PARKS IMPROVEMENT FUND</b>				
Revenues:				
Charges for services	\$ -	\$ -	\$ 1,200	\$ 1,200
Expenditures:				
Parks improvement	<u>-</u>	<u>25,000</u>	<u>4,433</u>	<u>20,567</u>
Excess (deficiency) of revenues over expenditures	-	(25,000)	(3,233)	21,767
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>5,877</u>	<u>5,877</u>
Net change in fund balance	-	(25,000)	2,644	27,644
Fund balance - beginning	<u>665,100</u>	<u>665,100</u>	<u>665,100</u>	<u>-</u>
Fund balance - ending	<u>\$ 665,100</u>	<u>\$ 640,100</u>	<u>\$ 667,744</u>	<u>\$ 27,644</u>

**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, 2014

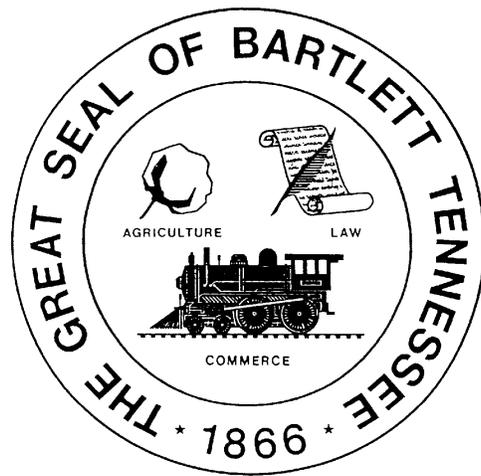
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>DEA TASK FORCE FUND</b>				
Revenues:				
Program income	\$ 80,000	\$ 80,000	\$ 110,236	\$ 30,236
Interest	500	500	183	(317)
Total revenues	<u>80,500</u>	<u>80,500</u>	<u>110,419</u>	<u>29,919</u>
Expenditures:				
Miscellaneous	32,900	32,900	4,556	28,344
Capital outlays	108,000	108,000	19,638	88,362
Total expenditures	<u>140,900</u>	<u>140,900</u>	<u>24,194</u>	<u>116,706</u>
Net change in fund balance	(60,400)	(60,400)	86,225	(86,787)
Fund balance - beginning	<u>337,328</u>	<u>337,328</u>	<u>337,328</u>	<u>-</u>
Fund balance - ending	<u>\$ 276,928</u>	<u>\$ 276,928</u>	<u>\$ 423,553</u>	<u>\$ (86,787)</u>
<b>GRANTS FUND</b>				
Revenues:				
Federal and state grants	\$ -	\$ 1,177,115	\$ 803,720	\$ (373,395)
Expenditures:				
Operating	-	2,226	4,851	(2,625)
Capital outlays	-	493,624	307,396	186,228
Total expenditures	<u>-</u>	<u>495,850</u>	<u>312,247</u>	<u>183,603</u>
Excess (deficiency) of revenues over expenditures	-	681,265	491,473	(189,792)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(681,265)	(491,473)	189,792
Total other financing sources (uses)	<u>-</u>	<u>(681,265)</u>	<u>(491,473)</u>	<u>189,792</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>GENERAL PURPOSE SCHOOL FUND</b>				
Revenues:				
Charges for services	\$ -	\$ 109,400	\$ 23,984	\$ (85,416)
Local grants	-	-	-	-
Total revenues	-	109,400	23,984	(85,416)
Expenditures:				
Education	-	1,353,022	1,309,767	43,255
Capital outlays	-	156,356	134,459	21,897
Total expenditures	-	1,509,378	1,444,226	65,152
Excess (deficiency) of revenues over expenditures	-	(1,399,978)	(1,420,242)	(20,264)
Other financing sources (uses):				
Transfers in	-	1,495,088	1,466,783	(28,305)
Transfers out	-	-	-	-
Total other financing sources (uses)	-	1,495,088	1,466,783	(28,305)
Net change in fund balance	-	95,110	46,541	(48,569)
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ 95,110	\$ 46,541	\$ (48,569)
<b>DEBT SERVICE FUND</b>				
Revenues:				
Local sales taxes	\$ 2,974,000	\$ 2,974,000	\$ 2,953,958	\$ (20,042)
Interest on investments	-	-	-	-
Expenditures:				
Principal	3,339,000	3,339,000	3,339,000	-
Interest	879,595	879,595	789,595	90,000
Bond issuance costs	63,500	63,500	57,952	5,548
Total expenditures	4,282,095	4,282,095	4,186,547	95,548
Excess (deficiency) of revenues over expenditures	(1,308,095)	(1,308,095)	(1,232,589)	75,506
Other financing sources (uses):				
Refunding bonds issued	-	-	2,510,000	(2,510,000)
Premium on bonds issued	-	-	25,079	(25,079)
Payment to refunding bond escrow agent	-	-	(2,535,079)	2,535,079
Transfers in	1,000,000	1,000,000	1,000,000	-
Total other financing sources (uses)	1,000,000	1,000,000	1,000,000	-
Net change in fund balances	(308,095)	(308,095)	(232,589)	75,506
Fund balance - beginning	904,127	904,127	904,127	-
Fund balance - ending	\$ 596,032	\$ 596,032	\$ 671,538	\$ 75,506



**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, 2014

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Interest on investments	\$ -	\$ -	\$ 28,875	\$ 28,875
Subdivision in lieu of capital construction	-	-	11,268	11,268
Intergovernmental revenue	-	-	100,383	100,383
Penalty and interest sidewalk	-	-	7,119	7,119
Other	-	-	6,602	6,602
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>154,247</b>	<b>154,247</b>
<b>EXPENDITURES</b>				
Other	-	-	198,904	(198,904)
Bond issue costs	-	-	43,599	(43,599)
	-	-	242,503	(242,503)
<u>CIP Projects</u>				
CIP Available Project Funds	-	2,347,488	-	2,347,488
Closed Projects from Prior Years	2,240,979	-	-	-
Administrative Vehicles 2013	30,000	19,999	19,999	-
Administrative Vehicles 2014	30,000	30,000	-	30,000
Building/Infrastructure Improvements	(3,267)	110,233	26,552	83,681
City Hall Improvements	25,533	25,533	10,325	15,208
Police Vehicles & Equipment 2011	16,221	16,221	7,384	8,837
Police Vehicles & Equipment 2012	26,713	26,713	-	26,713
Police Vehicles & Equipment 2013	107,308	104,745	9,279	95,466
Police Vehicles & Equipment 2014	292,000	292,000	292,000	-
Police Vehicles & Equip Annex 2013	11,052	11,052	-	11,052
Brush Truck 2014	-	122,330	122,330	-
Fire Vehicles 2013	-	4,821	4,821	-
Fire Vehicles & Equipment 2014	30,000	29,965	29,965	-
Z-Tron Alerting System	2,980	2,980	-	2,980
Fire Buildings Improvements	100,000	100,000	22,733	77,267
Fire Bldgs Impr. Fire Station #3	100,000	100,000	100,000	-
Fire Training Facility	889,400	889,400	53,245	836,155
Bartlett Blvd. Overpass Rehab	342,112	419,923	(884)	420,807
Public Works Vehicles & Equip 2012	14,980	14,980	-	14,980
Public Works Vehicles & Equip 2013	639,705	639,705	596,911	42,794
Public Works Vehicles & Equip 2014	224,000	224,000	101,792	122,208
PW Vehicles & Equip Annexation 2013	487,572	487,572	483,960	3,612
Kirby Whitten Street Improvements-Lgip	446,917	(399,918)	20,590	(420,508)
Engineering Vehicles 2012	21,500	25,992	804	25,188
Old Brownsville West-Lgip	467,072	37,072	3,843	33,229
Old Brownsville West R.O.W	600,000	1,030,000	-	1,030,000
Bartlett Road Bridge	292,804	292,804	8,894	283,910
Brunswick Road Improvements	267,923	267,923	152,816	115,107
O. Brownsville/Frank Crk Brdg Rehab	388,028	388,028	11,422	376,606

**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, 2014

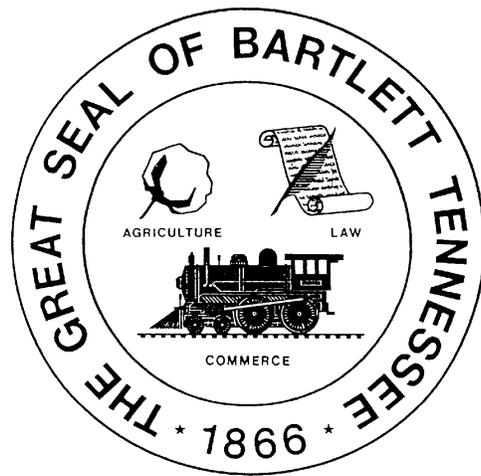
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Stage Rd. Slope Taper Inlet	30,000	30,000	-	30,000
City Wide Overlay	992,242	993,554	643,764	349,790
Yale Road - Street Improvement	(162,341)	(3,430)	(3,430)	-
Yale Road Utility Relocation	(7,054)	-	-	-
Bartlett Station Redevelopment	155,141	155,141	-	155,141
Elmore Park Rd. Paving	(459,782)	3,180	3,180	-
Bond Default Hampton Grove Subdivision	(270,307)	29,693	(17,679)	47,372
Bond Default Montello Subdivision	(8,716)	41,284	37,035	4,249
Bond Default Gailyn Manor Phase I	-	37,970	-	37,970
Bond Default Gailyn Manor Phase II	(3,206)	221,764	74,165	147,599
Bond Default Brookemeade	(76,536)	173,465	99,405	74,060
Bond Default Stonecrest	(63,706)	236,294	114,411	121,883
Bond Default Ravencrest Phase 3	(14,951)	45,049	45,049	-
Bond Default Hampton Grove North	-	100,000	65,549	34,451
Altruria & Memph. Arlington Signal	256,593	286,593	10,766	275,827
Fema Sirens	30,000	66,359	66,359	-
Fema Bartlett Blvd Slope Failure	(8,310)	356,163	277,395	78,768
Fletcher Creek Greenway Ph1	24,000	24,000	17,670	6,330
Parks Vehicles & Equipment 2011	34,887	34,887	34,819	68
Parks Vehicles & Equipment 2012	4,874	4,874	4,750	124
Parks Vehicles & Equipment 2014	101,500	101,500	100,260	1,240
Recreation Center Equipment 2012	7,166	7,166	7,166	-
Recreation Cntr Equip/Repairs 2013	93,000	93,000	26,813	66,187
Recreation Cntr Equip/Repairs 2014	93,000	93,000	2,972	90,028
Burloe Walking Bridge	299,488	217,965	217,965	-
Fletcher Creek Greenway Master Plan	39,958	4,850	4,850	-
Broadway Drainage Project	150,000	-	-	-
Misc Drainage Improvements 2008	23,369	23,369	21,136	2,233
Misc Drainage Improvements 2010	50,000	50,000	-	50,000
Misc Drainage Improvements 2012	50,000	50,000	-	50,000
Misc Drainage Improvements 2013	50,000	50,000	-	50,000
Misc Drainage Improvements 2014	50,000	50,000	-	50,000
<b>Total CIP projects expenditures</b>	<b>9,551,838</b>	<b>11,239,251</b>	<b>3,933,151</b>	<b>7,306,100</b>
<b>Total expenditures</b>	<b>9,551,838</b>	<b>11,239,251</b>	<b>4,175,654</b>	<b>7,063,597</b>

**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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(9,551,838)	(11,239,251)	(4,021,407)	7,217,844
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	-	3,304,445	3,304,445
Premium on bonds issued	-	-	200,142	200,142
Transfers in	-	-	470,694	470,694
Transfers out	<u>(258,051)</u>	<u>(258,051)</u>	<u>(346,330)</u>	<u>(88,279)</u>
Total other financing sources (uses)	<u>(258,051)</u>	<u>(258,051)</u>	<u>3,628,951</u>	<u>3,887,002</u>
Net change in fund balance	(9,809,889)	(11,497,302)	(392,456)	11,104,846
Fund balance - beginning	<u>9,843,663</u>	<u>9,843,663</u>	<u>9,843,663</u>	<u>-</u>
Fund balance - ending	<u>\$ 33,774</u>	<u>\$ (1,653,639)</u>	<u>\$ 9,451,207</u>	<u>\$ 11,104,846</u>



**CITY OF BARTLETT, TENNESSEE**

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

June 30, 2014

	<u>Health and Welfare Fund</u>	<u>Workmen's Compensation Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,178,894	\$ 533,794	\$ 1,712,688
Prepaid insurance	8,750	-	8,750
Total current assets	<u>1,187,644</u>	<u>533,794</u>	<u>1,721,438</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	<u>277,441</u>	<u>18,500</u>	<u>295,941</u>
<b>NET POSITION</b>			
Unrestricted	<u>\$ 910,203</u>	<u>\$ 515,294</u>	<u>\$ 1,425,497</u>

**CITY OF BARTLETT, TENNESSEE**

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

For the Year Ended June 30, 2014

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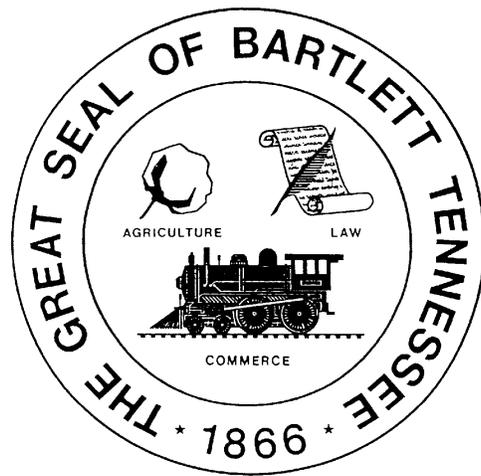
	<u>Health and Welfare Fund</u>	<u>Workmen's Compensation Fund</u>	<u>Totals</u>
<b>OPERATING REVENUES:</b>			
Charges for services	985,426	\$ 675,242	\$ 1,660,668
City contributions	<u>4,855,997</u>	<u>-</u>	<u>4,855,997</u>
Total operating revenues	5,841,423	675,242	6,516,665
<b>OPERATING EXPENSES:</b>			
Workers' compensation claims	-	168,835	168,835
Insurance premiums	5,805,612	464,652	6,270,264
Professional services	<u>35,000</u>	<u>-</u>	<u>35,000</u>
Total operating expenses	<u>5,840,612</u>	<u>633,487</u>	<u>6,474,099</u>
Operating income (loss)	811	41,755	42,566
Net position - beginning	<u>909,392</u>	<u>473,539</u>	<u>1,382,931</u>
Net position - ending	<u>\$ 910,203</u>	<u>\$ 515,294</u>	<u>\$ 1,425,497</u>

**CITY OF BARTLETT, TENNESSEE**

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

For the Year Ended June 30, 2014

	<u>Health and Welfare Fund</u>	<u>Workmen's Compensation Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from interfund services provided	\$ 5,841,423	\$ 675,242	\$ 6,516,665
Payments to suppliers	<u>(5,586,392)</u>	<u>(630,875)</u>	<u>(6,217,267)</u>
Net cash provided by (used for) operating activities	255,031	44,367	299,398
Net increase (decrease) in cash and cash equivalents	255,031	44,367	299,398
Cash and cash equivalents - beginning	<u>923,863</u>	<u>489,427</u>	<u>1,413,290</u>
Cash and cash equivalents - ending	<u><u>\$ 1,178,894</u></u>	<u><u>\$ 533,794</u></u>	<u><u>\$ 1,712,688</u></u>
<b>Reconciliation of operating income to net cash provided (used by) operating activities:</b>			
Operating income (loss)	\$ 811	\$ 41,755	\$ 42,566
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Decrease in prepaid insurance	(8,750)	-	(8,750)
Increase (decrease) in accounts payable	<u>262,970</u>	<u>2,612</u>	<u>265,582</u>
Net cash provided by (used for) operating activities	<u><u>\$ 255,031</u></u>	<u><u>\$ 44,367</u></u>	<u><u>\$ 299,398</u></u>



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

June 30, 2014

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	<b>Family Assistance Fund</b>	<b>Bail Bond Fund</b>	<b>Jeanette Rainey Volunteer Fund</b>	<b>Total Agency Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 36,179	\$ 24,261	\$ 10,003	\$ 70,443
Total assets	\$ 36,179	\$ 24,261	10,003	\$ 70,443
<b>LIABILITIES</b>				
Family assistance payable	\$ 36,179	\$ -	\$ -	\$ 36,179
Bail bonds payable	-	24,261	-	24,261
Jeanette Rainey volunteer payable	-	-	10,003	10,003
Total liabilities	\$ 36,179	\$ 24,261	\$ 10,003	\$ 70,443

**CITY OF BARTLETT, TENNESSEE**

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

For the Year Ended June 30, 2014

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Assets</b>				
<b>Family Assistance Fund</b>				
Cash and cash equivalents	\$ 37,838	\$ 12,970	\$ (14,629)	\$ 36,179
<b>Bail Bond Fund</b>				
Cash and cash equivalents	42,949	278,808	(297,496)	24,261
<b>Jeanette Rainey Volunteer Fund</b>				
Cash and cash equivalents	-	10,003	-	10,003
	<u>\$ 80,787</u>	<u>\$ 301,781</u>	<u>\$ (312,125)</u>	<u>\$ 70,443</u>
<b>Liabilities</b>				
<b>Family Assistance Fund</b>				
Family assistance payable	\$ 37,838	\$ 12,970	\$ (14,629)	\$ 36,179
<b>Bail Bond Fund</b>				
Bail bonds payable	42,949	278,808	(297,496)	24,261
<b>Jeanette Rainey Volunteer Fund</b>				
Jeanette Rainey volunteer fund payable	-	10,003	-	10,003
	<u>\$ 80,787</u>	<u>\$ 301,781</u>	<u>\$ (312,125)</u>	<u>\$ 70,443</u>

**CITY OF BARTLETT, TENNESSEE**  
**SCHEDULE OF BONDS OF PRINCIPAL OFFICIALS**

June 30, 2014

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	<u>Amount of Bond *</u>
A. Keith McDonald - Mayor	\$ 150,000
Mark Brown - Chief Administrative Officer	\$ 150,000
Ed McKenney, Jr. - City Attorney	\$ 150,000
Jacque Gore - Director of Citizen Services	\$ 150,000
Debbie Morrison - Director of Community Relations	\$ 150,000
Dick Phebus, Director of Finance & CMFOA Designee	\$ 150,000
Bill Lloyd - Court Clerk	\$ 150,000
Peter Voss - Director of Personnel	\$ 150,000
Terry Emerick - Director of Planning and Economic Development	\$ 150,000
Gary Rikard - Director of Police Services	\$ 150,000
Terry Wiggins - Director of Fire Services	\$ 150,000
Jim Brown - Director of Code Enforcement	\$ 150,000
Bill Yearwood - Director of Public Works	\$ 150,000
Rick McClanahan - Director of Engineering	\$ 150,000
David Thompson - Director of Parks and Recreation	\$ 150,000
Ron Jewell - Director of Performing Arts Center	\$ 150,000

\* Officials are bonded under errors and omissions policy for \$150,000 per occurrence

CITY OF BARTLETT, TENNESSEE

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

June 30, 2014

Fiscal Year	Series 2013 Bonds		Series 2012 Bonds		Series 2011 Bonds		Series 2010 Bonds		Series 2009 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 535,000	\$ 136,219	\$ 630,000	\$ 246,288	\$ 600,000	\$ 65,744	\$ 660,000	\$ 129,213	\$ 95,000	\$ 60,678
2016	560,000	119,794	765,000	232,338	610,000	53,644	670,000	115,913	95,000	58,754
2017	575,000	102,769	785,000	212,913	395,000	43,594	685,000	102,363	95,000	56,687
2018	590,000	85,294	805,000	189,063	325,000	36,394	705,000	88,463	100,000	54,345
2019	615,000	67,219	830,000	164,538	325,000	29,894	720,000	74,213	100,000	51,745
2020	95,000	56,569	855,000	139,263	335,000	23,294	735,000	59,203	105,000	48,820
2021	100,000	53,644	625,000	117,063	335,000	15,756	745,000	42,547	110,000	45,512
2022	105,000	50,569	640,000	98,088	350,000	7,194	390,000	28,825	110,000	41,965
2023	105,000	47,419	660,000	78,588	55,000	2,131	245,000	20,734	115,000	38,166
2024	110,000	44,194	690,000	61,788	55,000	722	60,000	16,694	120,000	34,052
2025	115,000	40,819	700,000	47,450	-	-	65,000	14,894	125,000	29,641
2026	115,000	37,369	715,000	31,969	-	-	65,000	12,944	130,000	24,922
2027	120,000	33,844	110,000	22,481	-	-	70,000	10,875	130,000	19,982
2028	125,000	30,169	115,000	19,528	-	-	70,000	8,688	140,000	14,715
2029	125,000	26,419	115,000	16,509	-	-	75,000	6,375	145,000	9,050
2030	130,000	22,431	120,000	13,200	-	-	75,000	3,891	150,000	3,075
2031	135,000	17,956	125,000	9,525	-	-	75,000	1,313	-	-
2032	140,000	13,144	125,000	5,775	-	-	-	-	-	-
2033	145,000	8,066	130,000	5,775	-	-	-	-	-	-
2034	150,000	2,719	-	-	-	-	-	-	-	-
	\$ 4,690,000	\$ 996,626	\$ 9,540,000	\$ 1,712,142	\$ 3,385,000	\$ 278,367	\$ 6,110,000	\$ 737,148	\$ 1,865,000	\$ 592,109

CITY OF BARTLETT, TENNESSEE

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

June 30, 2014

Fiscal Year	Series 2007 Bonds		2008 Note Payable		Capital Outlay Notes		Total	
	Principal	Interest	Principal*	Interest**	Principal	Interest	Principal	Interest
2015	\$ 125,000	\$ 92,225	\$ 54,000	\$ 2,665	\$ 519,000	\$ 37,797	\$ 3,218,000	\$ 770,829
2016	130,000	87,125	56,000	2,535	289,000	29,981	3,175,000	700,084
2017	135,000	81,825	59,000	2,401	294,000	24,444	3,023,000	626,996
2018	140,000	76,325	61,000	2,259	299,000	18,812	3,025,000	550,955
2019	145,000	70,625	64,000	2,111	305,000	13,073	3,104,000	473,418
2020	155,000	64,586	67,000	1,957	311,000	7,227	2,658,000	400,919
2021	160,000	58,168	70,000	1,796	118,000	1,257	2,263,000	335,743
2022	165,000	51,505	73,000	1,628	-	-	1,833,000	279,774
2023	170,000	44,595	76,000	1,452	-	-	1,426,000	233,085
2024	180,000	37,332	80,000	1,268	-	-	1,295,000	196,050
2025	185,000	29,712	83,000	1,075	-	-	1,273,000	163,591
2026	195,000	21,733	87,000	875	-	-	1,307,000	129,812
2027	205,000	13,281	91,000	666	-	-	726,000	101,129
2028	210,000	4,463	95,000	447	-	-	755,000	78,010
2029	-	-	99,001	218	-	-	559,001	58,571
2030	-	-	-	-	-	-	475,000	42,597
2031	-	-	-	-	-	-	335,000	28,794
2032	-	-	-	-	-	-	265,000	18,919
2033	-	-	-	-	-	-	275,000	13,841
2034	-	-	-	-	-	-	150,000	2,719
	<b>\$ 2,300,000</b>	<b>\$ 733,500</b>	<b>\$ 1,115,001</b>	<b>\$ 23,353</b>	<b>\$ 2,135,000</b>	<b>\$ 132,591</b>	<b>\$ 31,140,001</b>	<b>\$ 5,205,836</b>

\*\* - This is a variable rate loan. Interest rate assumed is 0.24% which was the rate for June 2014.

CITY OF BARTLETT, TENNESSEE

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

June 30, 2014

Fiscal Year	Series 2013 Bonds		Series 2012 Bonds		Series 2011 Bonds		Series 2010 Bonds		Series 2009 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 165,000	\$ 60,271	\$ 140,000	\$ 88,156	\$ 545,000	\$ 63,163	\$ 280,000	\$ 50,269	\$ 40,000	\$ 26,213
2016	175,000	55,171	220,000	84,556	565,000	52,063	275,000	44,719	40,000	25,402
2017	185,000	49,771	215,000	79,131	490,000	41,513	285,000	39,119	40,000	24,532
2018	190,000	44,146	225,000	72,531	215,000	34,463	295,000	33,319	45,000	23,510
2019	190,000	38,446	235,000	65,631	225,000	30,063	295,000	27,419	45,000	22,340
2020	60,000	34,696	240,000	58,506	230,000	25,513	305,000	21,228	45,000	21,057
2021	60,000	32,896	250,000	51,156	230,000	20,913	310,000	14,306	45,000	19,674
2022	65,000	31,021	260,000	43,506	235,000	15,675	320,000	6,625	50,000	18,140
2023	65,000	29,071	265,000	35,631	240,000	9,738	100,000	1,315	50,000	16,452
2024	65,000	27,121	265,000	29,006	245,000	3,369	-	-	50,000	14,702
2025	70,000	25,096	275,000	23,434	-	-	-	-	55,000	12,811
2026	70,000	22,996	285,000	17,306	-	-	-	-	55,000	10,776
2027	70,000	20,896	65,000	13,247	-	-	-	-	60,000	8,590
2028	75,000	18,721	65,000	11,541	-	-	-	-	60,000	6,250
2029	75,000	16,321	70,000	9,769	-	-	-	-	60,000	3,865
2030	80,000	13,686	70,000	7,800	-	-	-	-	65,000	1,333
2031	80,000	10,966	75,000	5,625	-	-	-	-	-	-
2032	85,000	8,066	75,000	3,375	-	-	-	-	-	-
2033	90,000	4,894	75,000	1,125	-	-	-	-	-	-
2034	90,000	1,631	-	-	-	-	-	-	-	-
	<b>\$ 2,005,000</b>	<b>\$ 545,883</b>	<b>\$ 3,370,000</b>	<b>\$ 701,032</b>	<b>\$ 3,220,000</b>	<b>\$ 296,473</b>	<b>\$ 2,465,000</b>	<b>\$ 238,319</b>	<b>\$ 805,000</b>	<b>\$ 255,647</b>

CITY OF BARTLETT, TENNESSEE

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

June 30, 2014

Fiscal Year	Series 2007 Bonds		2008 Note Payable		Total	
	Principal	Interest	Principal*	Interest**	Principal	Interest
2015	\$ 45,000	\$ 31,833	\$ 40,000	\$ 1,974	\$ 1,255,000	\$ 321,879
2016	45,000	30,032	42,000	1,878	1,362,000	293,821
2017	45,000	28,233	43,000	1,777	1,303,000	264,076
2018	50,000	26,333	45,000	1,673	1,065,000	235,975
2019	50,000	24,320	47,000	1,565	1,087,000	209,784
2020	50,000	22,270	50,000	1,451	980,000	184,721
2021	55,000	20,091	52,000	1,331	1,002,000	160,367
2022	55,000	17,809	54,000	1,206	1,039,000	133,982
2023	60,000	15,422	57,000	1,076	837,000	108,705
2024	60,000	12,932	59,000	938	744,000	88,068
2025	65,000	10,306	62,000	796	527,000	72,443
2026	65,000	7,544	64,000	648	539,000	59,270
2027	70,000	4,675	67,000	493	332,000	47,901
2028	75,000	1,594	70,000	332	345,000	38,438
2029	-	-	74,000	163	279,000	30,118
2030	-	-	-	-	215,000	22,819
2031	-	-	-	-	155,000	16,591
2032	-	-	-	-	160,000	11,441
2033	-	-	-	-	165,000	6,019
2034	-	-	-	-	90,000	1,631
	<u>\$ 790,000</u>	<u>\$ 253,394</u>	<u>\$ 826,000</u>	<u>\$ 17,301</u>	<u>\$ 13,481,000</u>	<u>\$ 2,308,049</u>

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF PROPERTY TAXES RECEIVABLE – GENERAL FUND

June 30, 2014

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<u>Year of Levy</u>	
2014	\$ 18,542,430
2013	424,740
2012	108,654
2011	49,915
2010	33,365
2009	28,538
2008	13,227
2007	6,467
2006	6,459
2005	13,359
2004	17,633
Total property tax receivable	<u>\$ 19,244,787</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, 2014

	Total	Current Year	Prior Years									
		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Property taxes receivable - beginning of year</b>	\$ 19,717,246	\$ -	\$ 18,622,604	\$ 804,075	\$ 114,511	\$ 59,620	\$ 36,361	\$ 18,308	\$ 15,122	\$ 9,448	\$ 15,757	\$ 21,440
<b>ADD:</b>												
Tax levied:	18,542,430	\$ 18,542,430	-	-	-	-	-	-	-	-	-	-
Adjustments	191,831	-	231,828	(18,099)	(6,197)	(15,437)	-	-	-	-	-	(264)
Total Additions	18,734,261	18,542,430	231,828	(18,099)	(6,197)	(15,437)	-	-	-	-	-	(264)
<b>DEDUCT:</b>												
Collections - Net of Refunds	(19,179,366)	-	(18,429,692)	(676,305)	(54,479)	(7,938)	(4,990)	(2,251)	(3,670)	-	-	(41)
Releases	(27,354)	-	-	(1,017)	(3,920)	(2,880)	(2,833)	(2,830)	(4,985)	(2,989)	(2,398)	(3,502)
Total Deductions	(19,206,720)	-	(18,429,692)	(677,322)	(58,399)	(10,818)	(7,823)	(5,081)	(8,655)	(2,989)	(2,398)	(3,543)
<b>Property taxes receivable - end of year</b>	19,244,787	18,542,430	424,740	108,654	49,915	33,365	28,538	13,227	6,467	6,459	13,359	17,633
Less: Allowance for uncollectibles	(501,515)	(373,379)	(31,761)	(18,011)	(10,682)	(11,582)	(11,077)	(6,240)	(4,258)	(6,057)	(12,985)	(15,483)
<b>Property taxes receivable, net</b>	\$ 18,743,272	\$ 18,169,051	\$ 392,979	\$ 90,643	\$ 39,233	\$ 21,783	\$ 17,461	\$ 6,987	\$ 2,209	\$ 402	\$ 374	\$ 2,150

**CITY OF BARTLETT , TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**

For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
<u>Federal Awards</u>						
U.S. Department of Justice						
Bulleproof Vest Partnership Program	16.607	2009BUBX09047514	\$ 3,000	\$ 3,000	-	-
Bulleproof Vest Partnership Program	16.607		-	551	1,351	800
Bulleproof Vest Partnership Program	16.607		4,749	8,250	3,501	-
Total Program 16.607			<u>7,749</u>	<u>11,801</u>	<u>4,852</u>	<u>800</u>
Highway Planning and Construction	20.205	090163	17,831	17,831	6,717	6,717
Highway Planning and Construction	20.205	090171	477	4,037	3,560	-
Highway Planning and Construction	20.205	090172	37,527	211,493	173,966	-
Highway Planning and Construction	20.205	79PLM-F0-070	-	-	14,136	14,136
Highway Planning and Construction	20.205	79LPLM-F3-104	42,903	45,447	2,544	-
Highway Planning and Construction	20.205	79PLM-F1-221	-	4,000	9,138	5,138
Highway Planning and Construction	20.205	79LPLM-F3-225	11,464	13,724	10,766	8,506
Total Program 20.205			<u>110,202</u>	<u>296,532</u>	<u>220,827</u>	<u>34,497</u>
U.S. Department of Transportation/TN Dept of Transportation						
State and Community Highway Safety	20.600	Z14GHS437	-	-	13,587	13,587
State and Community Highway Safety	20.600		8,118	15,310	7,192	-
Total Program 20.600			<u>8,118</u>	<u>15,310</u>	<u>20,779</u>	<u>13,587</u>
U.S. Department of Homeland Security						
Disaster Grants - Public Assistance	97.036	FEMA-1979-DR-TN	-	-	269,381	269,381
Disaster Grants - Public Assistance	97.036	FEMA-1979-DR-TN	6,233	177,384	208,047	36,896
Total Program 97.036			<u>6,233</u>	<u>177,384</u>	<u>477,428</u>	<u>306,277</u>
Total Federal Awards			<u>132,302</u>	<u>501,027</u>	<u>723,886</u>	<u>355,161</u>

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

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
<u>State Financial Assistance</u>						
Tennessee Arts Commission	N/A	3-G/08	(153)	-	-	(153)
Tennessee Emergency Management Agency	N/A		2,786	31,303	34,674	6,157
Tennessee Emergency Management Agency	N/A		-	-	25,278	25,278
Total State Financial Assistance			2,633	31,303	59,952	31,282
Total Federal Awards and State Financial Assistance			\$ 134,935	\$ 532,330	\$ 783,838	\$ 386,443

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

**CITY OF BARTLETT, TENNESSEE**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**

For the Year Ended June 30, 2014

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state grant activity of the City of Bartlett under programs of the federal government for the year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City of Bartlett, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Bartlett.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

**NOTE 3 - RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE TO THE FINANCIAL STATEMENTS**

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

Total grant revenue per governmental funds financial statements	\$ 1,205,191
Add: Grant revenue per proprietary fund	567
Less: Deferred revenue at the fund level	(10,124)
Less: Non-federal and non-state grants	(411,796)
Total federal awards and state financial assistance	<u>\$ 783,838</u>

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

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>104</b>
These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.	
<b>Revenue Capacity</b>	<b>110</b>
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
<b>Debt Capacity</b>	<b>117</b>
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>121</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place, to help make comparisons over time and with other governments.	
<b>Operating Information</b>	<b>123</b>
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information generally include the 10-year period 2005-2014.

**CITY OF BARTLETT, TENNESSEE**  
**NET POSITION BY COMPONENT**

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Government activities</b>										
Net Investment in Capital Assets	\$ 18,091,187	\$ 95,636,824	\$ 98,573,298	\$ 100,172,375	\$ 99,381,535	\$ 97,005,354	\$ 87,234,488	\$ 93,659,549	\$ 98,790,350	\$ 266,223,904
Restricted for:										
Debt Service	1,165,229	843,967	787,628	1,287,085	490,192	411,309	580,372	952,372	904,127	-
Streets	1,257,925	2,700,432	2,740,016	3,054,670	2,197,575	2,045,558	570,891	803,065	1,088,408	739,690
Park improvements							706,523	665,100	665,100	-
Capital projects							449,086	585,392	598,242	7,396,522
Drug enforcement							235,451	321,684	337,328	492,275
DEA task force							20,914,652	12,119,658	4,698,411	423,553
Other purposes										16,199
Unrestricted	14,188,254	19,212,342	21,676,916	22,062,263	22,834,414	16,152,717	20,914,652	12,119,658	4,698,411	(1,300,457)
<b>Total government activities</b>										
<b>net position</b>	<u>\$ 34,702,595</u>	<u>\$ 118,393,565</u>	<u>\$ 123,777,858</u>	<u>\$ 126,576,393</u>	<u>\$ 124,903,716</u>	<u>\$ 115,614,938</u>	<u>\$ 110,691,463</u>	<u>\$ 109,106,820</u>	<u>\$ 107,081,966</u>	<u>\$ 273,991,686</u>
<b>Business-type activities</b>										
Net Investment in Capital Assets	\$ 18,045,906	\$ 54,249,248	\$ 55,858,400	\$ 57,258,511	\$ 57,703,738	\$ 57,110,451	\$ 56,092,212	\$ 58,771,208	\$ 58,727,263	\$ 57,051,033
Restricted - Capital projects	-									2,621,366
Unrestricted	5,592,576	7,533,721	9,799,498	9,534,033	8,380,713	7,081,221	7,544,300	6,458,394	7,274,487	6,932,427
<b>Total business-type</b>										
<b>activities net position</b>	<u>\$ 23,638,482</u>	<u>\$ 61,782,969</u>	<u>\$ 65,657,898</u>	<u>\$ 66,792,544</u>	<u>\$ 66,084,451</u>	<u>\$ 64,191,672</u>	<u>\$ 63,636,512</u>	<u>\$ 65,229,602</u>	<u>\$ 66,001,750</u>	<u>\$ 66,604,826</u>
<b>Primary government</b>										
Net Investment in Capital Assets	\$ 36,137,093	\$ 149,886,072	\$ 154,431,698	\$ 157,430,886	\$ 157,085,273	\$ 154,115,805	\$ 143,326,700	\$ 152,430,757	\$ 157,517,613	\$ 323,274,937
Restricted for:										
Debt Service	1,165,229	843,967	787,628	1,287,085	490,192	411,309	580,372	952,372	904,127	-
Streets/Public works	1,257,925	2,700,432	2,740,016	3,054,670	2,197,575	2,045,558	570,891	803,065	1,088,408	739,690
Park improvements							706,523	665,100	665,100	-
Capital projects							449,086	585,392	598,242	10,017,888
Drug enforcement							235,451	321,684	337,328	492,275
DEA task force							28,458,952	18,578,052	11,972,898	423,553
Other purposes										16,199
Unrestricted	19,780,830	26,746,063	31,476,414	31,596,296	31,215,127	23,233,938	28,458,952	18,578,052	11,972,898	5,631,970
<b>Total primary government</b>										
<b>net position</b>	<u>\$ 58,341,077</u>	<u>\$ 180,176,534</u>	<u>\$ 189,435,756</u>	<u>\$ 193,368,937</u>	<u>\$ 190,988,167</u>	<u>\$ 179,806,610</u>	<u>\$ 174,327,975</u>	<u>\$ 174,336,422</u>	<u>\$ 173,083,716</u>	<u>\$ 340,596,512</u>

**CITY OF BARTLETT, TENNESSEE**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,905,983	\$ 5,632,745	\$ 6,072,578	\$ 6,146,033	\$ 6,881,987	\$ 7,711,577	\$ 7,016,910	\$ 7,508,236	\$ 7,544,128	\$ 7,751,978
Public safety	16,227,428	17,516,545	18,764,451	19,489,332	22,891,377	26,256,730	24,532,698	25,841,866	24,315,277	28,251,298
Public works	10,283,522	10,771,605	10,898,616	14,018,688	14,742,339	14,432,134	15,767,322	15,148,440	18,568,846	14,394,975
Parks and recreation	3,117,719	3,406,312	3,628,496	3,813,114	4,091,798	4,246,207	4,319,311	4,369,653	3,899,743	3,950,132
Performing arts center	576,954	548,560	531,287	554,099	543,258	630,035	773,715	597,215	584,528	660,053
Recreation center	1,460,706	1,386,275	1,449,420	1,395,700	1,740,618	1,820,873	1,718,237	1,752,728	1,596,531	1,637,281
Education	-	-	-	-	-	-	-	-	-	7,795,442
Interest on long-term debt	856,067	956,263	1,011,629	1,073,576	1,012,600	976,084	927,525	757,919	1,119,654	852,897
Total government activities expenses	37,428,379	40,218,305	42,356,477	46,490,543	51,903,977	56,073,640	55,055,718	55,976,057	57,628,707	65,294,056
Business-type activities:										
Water and sewer	5,505,561	5,542,130	6,681,378	6,861,747	7,217,654	7,875,448	7,275,464	7,508,717	7,614,786	7,407,082
<b>Total primary government expenses</b>	<b>\$ 42,933,940</b>	<b>\$ 45,760,435</b>	<b>\$ 49,037,855</b>	<b>\$ 53,352,290</b>	<b>\$ 59,121,631</b>	<b>\$ 63,949,088</b>	<b>\$ 62,331,182</b>	<b>\$ 63,484,774</b>	<b>\$ 65,243,493</b>	<b>\$ 72,701,138</b>
<b>Program Revenues</b>										
Governmental activities:										
General government	\$ 2,619,322	\$ 2,754,193	\$ 2,888,013	\$ 2,897,835	\$ 3,695,591	\$ 3,719,823	\$ 2,987,511	\$ 3,368,184	\$ 3,378,393	\$ 3,266,878
Public safety	1,567,093	2,248,281	1,978,286	1,763,428	1,568,950	1,689,385	1,660,752	1,695,470	1,608,651	1,819,317
Public works	4,725,358	5,926,718	5,509,626	5,912,018	6,130,611	5,942,462	5,942,888	5,872,537	6,152,226	7,280,921
Parks and recreation	1,066,426	951,827	905,401	999,875	993,003	935,433	966,105	927,648	916,375	884,942
Performing arts center	247,643	267,082	265,246	270,559	250,636	278,161	267,997	274,638	262,696	289,071
Recreation center	1,714,793	1,920,813	1,920,327	1,920,572	1,827,796	1,669,614	1,588,369	1,532,690	1,552,083	1,485,382
Operating grants and contributions	694,803	919,185	674,122	561,296	1,941,514	1,193,165	3,070,185	3,349,489	3,274,028	2,758,332
Capital grants and contributions	-	-	-	-	870,185	168,069	337,368	559,499	526,768	174,543,318
Total government activities revenues	12,635,438	14,988,099	14,141,021	14,325,583	17,278,286	15,596,112	16,821,175	17,580,155	17,671,220	192,328,161
Business-type activities:										
Water and sewer	6,147,670	6,406,480	9,223,712	7,612,974	6,141,851	6,039,052	6,294,620	8,745,547	8,432,753	8,374,269
Operating grants and contributions	1,388,163	3,139,940	1,260,413	429,088	590,610	195,843	233,559	138,595	39,801	41,903
Capital grants and contributions	-	-	-	-	-	-	462,965	482,843	185,720	184,388
Total business-type activities revenue	7,535,833	9,546,420	10,484,125	8,042,062	6,732,461	6,234,895	6,991,144	9,366,985	8,658,274	8,600,560
<b>Total primary government program revenues</b>	<b>\$ 20,171,271</b>	<b>\$ 24,534,519</b>	<b>\$ 24,625,146</b>	<b>\$ 22,367,645</b>	<b>\$ 24,010,747</b>	<b>\$ 21,831,007</b>	<b>\$ 23,812,319</b>	<b>\$ 26,947,140</b>	<b>\$ 26,329,494</b>	<b>\$ 200,928,721</b>

(Continued)

**CITY OF BARTLETT, TENNESSEE**  
**CHANGES IN NET POSITION**

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (24,792,941)	\$ (25,230,206)	\$ (28,215,456)	\$ (32,164,960)	\$ (34,625,691)	\$ (40,477,528)	\$ (38,234,543)	\$ (38,395,902)	\$ (39,957,487)	\$ 127,034,105
Business-type activities	2,030,272	4,004,290	3,802,747	1,180,315	(485,193)	(1,640,553)	(284,320)	1,858,268	1,043,488	1,193,478
<b>Total primary government net expense</b>	<b>\$ (22,762,669)</b>	<b>\$ (21,225,916)</b>	<b>\$ (24,412,709)</b>	<b>\$ (30,984,645)</b>	<b>\$ (35,110,884)</b>	<b>\$ (42,118,081)</b>	<b>\$ (38,518,863)</b>	<b>\$ (36,537,634)</b>	<b>\$ (38,913,999)</b>	<b>\$ 128,227,583</b>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes	\$ 11,454,910	\$ 13,137,495	\$ 15,189,418	\$ 14,823,724	\$ 17,570,811	\$ 18,083,999	\$ 17,819,265	\$ 17,781,386	\$ 18,103,072	\$ 19,151,409
Local sales taxes	9,880,716	10,446,702	11,346,090	11,447,876	10,362,031	10,240,841	10,583,911	11,288,513	14,231,775	15,356,572
Intergovernmental/unrestricted	4,180,051	4,807,677	5,472,144	5,910,366	4,050,633	5,246,434	4,072,733	4,691,816	4,731,793	4,957,503
Interest on investments	309,598	676,342	1,000,014	801,765	229,974	83,058	108,663	95,808	73,821	36,503
Gain (Loss) on sale of assets	-	-	8,083	52,947	22,051	18,301	-	-	-	28,391
Other	5,466,929	892,827	334,463	276,917	396,481	462,593	422,661	1,964,827	500,009	350,473
Transfers	-	242,022	249,537	311,553	321,033	300,184	303,835	296,566	292,163	308,367
<b>Total government activities</b>	<b>31,292,204</b>	<b>30,203,065</b>	<b>33,599,749</b>	<b>33,625,148</b>	<b>32,953,014</b>	<b>34,435,410</b>	<b>33,311,068</b>	<b>36,118,916</b>	<b>37,932,633</b>	<b>40,189,218</b>
Business-type activities:										
Interest on investments	80,640	141,883	321,719	265,884	97,117	45,045	32,995	25,379	20,823	11,881
Other	-	-	-	-	1,016	2,913	-	6,009	-	-
Transfers	-	(242,022)	(249,537)	(311,553)	(321,033)	(300,184)	(303,835)	(296,566)	(292,163)	(308,367)
<b>Total primary government</b>	<b>\$ 31,372,844</b>	<b>\$ 30,102,926</b>	<b>\$ 33,671,931</b>	<b>\$ 33,579,479</b>	<b>\$ 32,730,114</b>	<b>\$ 34,183,184</b>	<b>\$ 33,040,228</b>	<b>\$ 35,853,738</b>	<b>\$ 37,661,293</b>	<b>\$ 39,892,732</b>
<b>Change in Net Assets</b>										
Governmental activities	6,499,263	4,972,859	5,384,293	1,460,188	(1,672,677)	(6,042,118)	(4,923,475)	(2,276,986)	(2,024,854)	167,223,323
Business-type activities	2,110,912	3,904,151	3,874,929	1,134,646	(708,093)	(1,892,779)	(555,160)	1,593,090	772,148	896,992
<b>Total primary government</b>	<b>\$ 8,610,175</b>	<b>\$ 8,877,010</b>	<b>\$ 9,259,222</b>	<b>\$ 2,594,834</b>	<b>\$ (2,380,770)</b>	<b>\$ (7,934,897)</b>	<b>\$ (5,478,635)</b>	<b>\$ (683,896)</b>	<b>\$ (1,252,706)</b>	<b>\$ 168,120,315</b>

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General fund</b>										
Reserved	\$ 399,177	\$ 385,617	\$ 509,527	\$ 412,714	\$ 463,388	\$ 403,937	\$ -	\$ -	\$ -	\$ -
Unreserved	8,418,234	9,922,141	11,987,145	14,752,382	14,993,801	16,082,051	-	-	-	-
Nonspendable	-	-	-	-	-	-	213,718	187,260	207,569	249,296
Restricted	-	-	-	-	-	-	-	-	14,664	16,199
Committed	-	-	-	-	-	-	-	1,100,000	1,000,000	1,000,000
Assigned	-	-	-	-	-	-	1,777,509	797,474	905,070	211,416
Unassigned	-	-	-	-	-	-	15,684,006	16,655,499	21,768,560	24,211,101
<b>Total General Fund</b>	<b>\$ 8,817,411</b>	<b>\$ 10,307,758</b>	<b>\$ 12,496,672</b>	<b>\$ 15,165,096</b>	<b>\$ 15,457,189</b>	<b>\$ 16,485,988</b>	<b>\$ 17,675,233</b>	<b>\$ 18,740,233</b>	<b>\$ 23,895,863</b>	<b>\$ 25,688,012</b>
<b>All other governmental funds</b>										
Reserved	\$ 3,410,580	\$ 5,261,180	\$ 5,197,034	\$ 3,538,529	\$ 4,462,446	\$ 3,208,614	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	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	2,217,444	3,854,413	2,717,766	4,581,609	2,553,729	5,078,724	-	-	-	-
Nonspendable	-	-	-	-	-	-	3,500	-	-	-
Restricted	-	-	-	-	-	-	8,142,957	6,047,897	6,986,500	9,052,040
Committed	-	-	-	-	-	-	1,072,950	1,523,263	904,127	671,538
Assigned	-	-	-	-	-	-	3,362,502	7,055,831	7,252,608	5,699,177
Unassigned	-	-	-	-	-	-	(21,503)	(17,422)	-	-
<b>Total all other governmental funds</b>	<b>\$ 7,544,864</b>	<b>\$ 11,104,684</b>	<b>\$ 10,111,179</b>	<b>\$ 10,744,346</b>	<b>\$ 9,997,758</b>	<b>\$ 11,288,181</b>	<b>\$ 12,560,406</b>	<b>\$ 14,609,569</b>	<b>\$ 15,143,235</b>	<b>\$ 15,422,755</b>
<b>Total governmental funds</b>	<b>\$ 16,362,275</b>	<b>\$ 21,412,442</b>	<b>\$ 22,607,851</b>	<b>\$ 25,909,442</b>	<b>\$ 25,454,947</b>	<b>\$ 27,754,169</b>	<b>\$ 30,235,639</b>	<b>\$ 33,349,802</b>	<b>\$ 39,039,098</b>	<b>\$ 41,110,767</b>

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

CITY OF BARTLETT, TENNESSEE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

Revenues	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Taxes										
Property taxes	\$ 11,423,316	\$ 12,438,854	\$ 13,982,802	\$ 17,076,772	\$ 17,214,579	\$ 17,963,040	\$ 17,976,858	\$ 17,767,922	\$ 18,441,025	\$ 19,156,626
Local sales taxes	9,880,716	10,446,702	11,346,090	11,447,876	10,362,031	10,240,841	10,491,343	11,288,513	14,231,775	15,356,572
Intergovernmental	4,180,051	4,807,677	5,472,144	5,910,366	5,389,404	5,246,434	5,550,454	6,296,770	6,326,051	6,477,269
Licenses and permits	1,720,629	2,284,121	2,022,104	1,649,327	1,425,783	1,479,812	1,512,694	1,532,178	1,477,028	1,591,717
Charges for services	8,015,731	9,497,796	9,001,671	9,719,205	9,912,159	9,636,103	9,499,172	9,329,329	9,563,056	10,679,567
Fines, forfeitures and penalties	1,601,748	1,622,260	1,688,409	1,623,563	2,057,354	1,987,336	1,827,808	1,932,544	1,934,970	1,767,846
Federal and state grants	674,746	494,011	485,233	381,503	224,465	777,551	2,051,424	2,175,900	1,703,270	1,205,191
Donations	20,057	20,302	90,889	30,656	21,528	15,715	13,226	12,400	14,670	23,366
Interest on investments	288,620	625,466	931,673	750,659	220,482	82,278	106,933	95,772	73,814	36,503
Other	569,729	378,760	334,463	276,917	396,481	462,593	339,138	1,897,652	495,267	350,473
<b>Total revenues</b>	<b>38,375,343</b>	<b>42,615,949</b>	<b>45,355,478</b>	<b>48,866,844</b>	<b>47,224,266</b>	<b>47,891,703</b>	<b>49,369,050</b>	<b>52,328,980</b>	<b>54,260,926</b>	<b>56,645,130</b>
<b>Expenditures</b>										
General government	4,482,552	5,243,741	5,749,891	5,967,027	5,992,322	6,314,723	5,921,099	6,360,953	6,871,755	7,259,574
Public safety	15,115,945	16,245,518	17,827,289	19,150,132	20,399,914	21,050,533	21,504,877	22,191,861	22,878,768	23,573,426
Public works	9,414,698	10,049,074	10,953,524	11,894,956	11,501,238	10,481,199	12,242,078	10,569,373	12,252,056	12,162,351
Parks and recreation	2,766,305	2,965,994	3,174,928	3,356,605	3,834,751	3,298,906	3,554,826	3,381,304	3,297,743	3,445,809
Performing arts center	503,680	534,299	525,744	549,875	539,899	579,361	562,989	558,610	543,778	622,298
Recreation center	1,236,549	1,291,924	1,353,908	1,431,086	1,437,412	1,425,701	1,448,045	1,513,102	1,490,018	1,544,921
Education	-	-	-	-	-	-	-	-	-	1,444,226
Debt Service										
Principal	2,275,000	2,327,790	2,294,860	2,367,190	2,520,800	2,562,180	2,394,850	2,112,330	2,814,000	3,339,000
Interest	853,142	874,978	927,552	982,739	972,113	931,908	910,148	864,423	807,602	789,595
Bond issuance cost	42,664	82,796	40,631	53,141	13,851	59,866	103,204	63,812	125,193	101,551
Other	-	-	-	-	-	-	-	-	-	198,904
Capital Outlay	5,758,501	3,416,761	4,998,447	4,469,523	1,576,513	2,403,481	3,746,887	5,553,028	5,025,385	3,933,151
<b>Total expenditures</b>	<b>42,449,036</b>	<b>43,032,875</b>	<b>47,846,774</b>	<b>50,222,274</b>	<b>48,788,813</b>	<b>49,107,858</b>	<b>52,389,003</b>	<b>53,168,796</b>	<b>56,106,298</b>	<b>58,414,806</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,073,693)</b>	<b>(416,926)</b>	<b>(2,491,296)</b>	<b>(1,355,430)</b>	<b>(1,564,547)</b>	<b>(1,216,155)</b>	<b>(3,019,953)</b>	<b>(839,816)</b>	<b>(1,845,372)</b>	<b>(1,769,676)</b>

CITY OF BARTLETT, TENNESSEE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Other financing sources (uses)</b>										
Transfers in	2,790,907	2,370,505	1,949,007	3,453,333	2,104,194	2,241,196	1,762,329	2,620,929	2,453,623	3,862,953
Transfers out	(2,660,907)	(2,128,483)	(1,699,470)	(3,141,780)	(1,783,161)	(1,941,012)	(1,458,494)	(2,324,363)	(2,161,460)	(3,554,586)
Debt Proceeds-General Obligation	3,297,500	4,693,464	3,408,000	2,955,001	766,968	3,189,588	5,085,000	3,376,500	4,890,000	3,304,445
Refunding bond issued	-	3,501,536	-	-	-	-	3,315,000	1,860,000	6,275,000	2,510,000
Premium (Discount) on bond issued	(4,426)	(10,914)	12,726	(827)	-	7,304	115,971	157,460	612,570	225,221
Payment to refunded bond escrow agent	-	(3,501,536)	-	-	-	-	(3,329,241)	(1,885,494)	(6,590,897)	(2,535,079)
Capital leases	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	542,521	16,442	52,947	22,051	18,301	10,858	148,947	89,269	28,391
<b>Total other financing sources (uses)</b>	<b>3,423,074</b>	<b>5,467,093</b>	<b>3,686,705</b>	<b>3,318,674</b>	<b>1,110,052</b>	<b>3,515,377</b>	<b>5,501,423</b>	<b>3,953,979</b>	<b>5,568,105</b>	<b>3,841,345</b>
<b>Net change in fund balances</b>	<b>\$ (650,619)</b>	<b>\$ 5,050,167</b>	<b>\$ 1,195,409</b>	<b>\$ 1,963,244</b>	<b>\$ (454,495)</b>	<b>\$ 2,299,222</b>	<b>\$ 2,481,470</b>	<b>\$ 3,114,163</b>	<b>\$ 3,722,733</b>	<b>\$ 2,071,669</b>
<b>Debt Service as a percentage of noncapital expenditures</b>	<b>8.5%</b>	<b>8.1%</b>	<b>7.5%</b>	<b>7.3%</b>	<b>7.6%</b>	<b>7.6%</b>	<b>6.7%</b>	<b>5.9%</b>	<b>6.9%</b>	<b>7.5%</b>

CITY OF BARTLETT, TENNESSEE

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

	Real Property			Commercial Personal Property	Total Taxable Assessed Value	Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Farm Property	Commercial Property					
2005	537,048,350	1,263,100	215,355,155	33,957,950	796,373,253	1.38	2,822,607,920	28.21%
2006	618,439,825	3,018,275	250,902,900	42,506,320	923,947,530	1.31	3,273,422,973	28.23%
2007	729,515,750	2,949,150	240,391,810	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	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	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	41,036,030	1,160,302,747	1.49	4,158,669,295	27.90%
2011	816,594,875	2,553,900	270,612,325	39,753,910	1,143,030,184	1.49	4,113,660,743	27.79%
2012	818,851,275	2,217,700	264,203,305	43,261,760	1,141,281,872	1.49	4,115,082,776	27.73%
2013	818,021,950	2,249,600	261,021,890	47,034,500	1,141,198,387	1.49	4,116,932,713	27.72%
2014	790,943,125	3,923,425	292,745,380	49,061,100	1,148,627,355	1.62	4,099,378,236	28.02%

**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**

<u>Fiscal Year</u>	<u>(Per \$100 of Assessed Valuation)</u>					<u>Total Direct &amp; Overlapping Rates</u>
	<u>City</u>	<u>County</u>				
	<u>Direct Rate</u>	<u>General Fund</u>	<u>Education</u>	<u>Debt Service</u>		
2005	1.38	1.31	2.03	0.70	0.05	5.47
2006	1.31	1.22	2.02	0.80	0.05	5.40
2007	1.31	1.22	2.02	0.80	0.05	5.40
2008	1.54	1.22	2.02	0.80	0.05	5.63
2009	1.54	1.22	2.02	0.80	0.05	5.63
2010	1.49	1.23	1.98	0.81	0.04	5.55
2011	1.49	1.33	1.90	0.79	0.04	5.55
2012	1.49	1.36	1.91	0.75	0.04	5.55
2013	1.49	1.36	1.91	0.75	0.04	5.55
2014	1.62	1.45	2.14	0.79	0.04	6.04

**Notes:**

All property in Shelby County was reappraised for the 1997, 2001, 2005, 2009 and 2013 tax years.  
There is no allocation for City property tax rate.

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

<u>Taxpayer</u>	<u>2014</u>			<u>2005</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	\$ 30,715,270	1	2.69%	\$ 19,921,660	1	2.49%
Tenet Healthcare Corp.	22,185,400	2	1.94%	7,461,200	2	0.93%
PASSCO Legends LLC	11,585,040	3	1.02%	6,638,000	3	0.83%
BellSouth Telecommunications	7,161,960	4	0.63%	5,520,535	5	0.69%
WNI/Tennessee LP	6,878,954	5	0.60%	6,109,440	4	0.76%
UHS of Lakeside INC	6,423,120	6	0.56%	3,336,160	9	0.42%
Kroger Limited Partnership	6,124,640	7	0.54%			
Gyrus ENT, LLC	5,910,110	8	0.52%			
Walmart Real Estate Trust	5,203,120	9	0.46%	4,788,120	7	0.60%
Belvedere Apartments INC	5,182,600	10	0.45%			
Quail Apartments LP				5,120,000	6	0.64%
Lowes Home Centers INC				4,335,640	8	0.54%
Stage Centre Co				3,084,040	10	0.39%
<b>Totals</b>	<b>\$ 107,370,214</b>		<b>9.41%</b>	<b>\$ 66,314,795</b>		<b>8.29%</b>

Source: City of Bartlett Tax Department

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

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Subsequent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Tax Collections to Tax Levy</b>	<b>Outstanding Delinquent Tax</b>
2014	18,622,604	18,197,864	97.72%	-	18,197,864	97.72%	424,740
2013	17,002,029	16,197,954	95.27%	695,421	16,893,375	99.36%	108,654
2012	17,016,533	16,375,709	96.23%	590,909	16,966,618	99.71%	49,915
2011	16,959,601	16,416,548	96.80%	509,688	16,926,236	99.80%	33,365
2010	16,889,691	16,222,853	96.05%	638,300	16,861,153	99.83%	28,538
2009	16,512,787	15,188,328	91.98%	1,311,232	16,499,560	99.92%	13,227
2008	16,032,561	15,501,311	96.69%	524,783	16,026,094	99.96%	6,467
2007	13,337,267	12,898,750	96.71%	432,058	13,330,808	99.95%	6,459
2006	11,981,029	11,509,245	96.06%	458,425	11,967,670	99.89%	13,359
2005	10,869,219	10,564,250	97.19%	302,822	10,867,072	99.98%	2,147

**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 TEN CALENDAR YEARS**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Apparel & Accessories	\$ 6,470,629	\$ 6,872,110	\$ 6,185,927	\$ 7,795,639	\$ 7,927,804	\$ 7,236,266	\$ 6,964,217	\$ 6,552,552	\$ 7,320,187	\$ 7,219,358
General Merchandise	174,520,905	177,921,853	180,394,277	188,367,395	187,097,170	186,397,564	182,996,084	180,444,412	184,429,439	182,661,578
Food Stores	87,245,173	84,426,648	83,238,510	90,850,188	92,753,194	91,300,913	89,692,964	94,225,750	98,885,240	104,465,717
Eating & Drinking Places	51,790,882	56,580,753	58,237,164	61,878,927	61,383,105	63,744,573	62,454,566	65,120,356	69,029,711	69,991,843
Furniture Stores	26,482,073	20,588,298	19,890,999	19,079,129	17,663,833	11,738,317	12,757,864	14,248,753	13,108,868	14,014,358
Building Materials	75,945,538	91,178,839	83,988,276	120,249,335	58,115,255	44,961,710	46,657,984	45,407,128	45,563,480	47,280,575
MV Dealers & Serv. Stations	31,742,956	33,787,149	35,621,226	40,903,219	42,329,861	38,041,811	40,423,739	41,379,659	44,745,428	46,905,576
Other Retail	57,662,704	61,465,576	64,426,759	66,467,209	64,731,620	61,241,302	55,754,890	57,317,368	61,008,620	58,419,734
All Other Outlets	91,620,732	114,577,161	106,583,418	119,669,533	120,590,286	119,618,074	120,491,386	131,040,773	138,156,271	144,291,750
<b>Total</b>	<b>\$ 603,481,592</b>	<b>\$ 647,398,387</b>	<b>\$ 638,566,556</b>	<b>\$ 715,260,574</b>	<b>\$ 652,592,128</b>	<b>\$ 624,280,530</b>	<b>\$ 618,193,694</b>	<b>\$ 635,736,751</b>	<b>\$ 662,247,244</b>	<b>\$ 675,250,489</b>

Source: Tennessee Department of Revenue, Research Division

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

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<u>Year</u>	<u>City Direct Rate</u>	<u>Shelby County</u>	<u>State of Tennessee</u>
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%
2011	1.125%	1.125%	7.00%
2012	1.125%	1.125%	7.00%
2013	1.625%	1.125%	7.00%
2014	1.625%	1.125%	7.00%

**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 2005 AND 2014**

Sector	Fiscal Year 2005			Fiscal Year 2014			
	Number of Filers	Percentage of Total	Tax Liability	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	476	59.28%	\$ 11,820,000	457	48.11%	\$ 14,704,157	78.79%
Services	195	24.28%	934,928	236	24.84%	1,808,677	9.69%
Manufacturing	44	5.48%	701,422	51	5.37%	195,954	1.05%
Wholesale Trade	53	6.60%	331,971	57	6.00%	1,442,695	7.73%
Construction	16	1.99%	34,752	26	2.74%	82,104	0.44%
Finance Insurance Real Estate <sup>2</sup>				6	0.63%	1,462	0.01%
Transportation and Utilities	10	1.25%	70,298	5	0.53%	109,553	0.59%
Agriculture <sup>2</sup>				9	0.95%	19,925	0.11%
Other, Non Classified	9	1.12%	28,529	103	10.84%	297,699	1.60%
<b>Total</b>	<b>803</b>	<b>100.00%</b>	<b>\$ 13,921,900</b>	<b>950</b>	<b>100.00%</b>	<b>\$ 18,662,226</b>	<b>100.00%</b>

**Source:** Tennessee Department of Revenue, Research Division.

**Notes:**

1. Figures subject to revision due to amended taxpayer returns.
2. Figures from fiscal year 2005 not shown due to insufficient filers.
3. Figures represent local sales tax collected by taxpayers during the period, not disbursements from the Department of Revenue. Thus, amounts presented above do not match to amounts reflected within the financial report.
4. Does not include Bartlett's share of county clerk or out-of-state taxpayer amounts.

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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	General Obligation Note	Capital Note	Capital Lease	Revenue Bonds	Revenue Note	Revenue Note	Revenue Note			
2005	20,489,247	-	1,507,500	-	15,545,000	-	-	37,541,747	3.74%	866	
2006	23,142,399	-	1,314,170	-	14,612,413	-	-	39,068,982	3.42%	898	
2007	23,678,733	-	1,867,850	-	15,165,000	-	-	40,711,583	3.27%	867	
2008	24,736,573	-	1,420,660	-	15,272,413	-	-	41,429,646	3.03%	846	
2009	22,681,843	26,468	1,695,360	-	14,405,000	117,452	-	38,926,123	2.78%	794	
2010	22,994,843	953,055	1,076,180	-	14,355,000	203,251	-	39,582,329	2.73%	808	
2011	25,862,312	908,055	1,176,330	-	13,490,000	170,251	-	41,606,948	2.53%	762	
2012	27,166,228	861,055	1,327,500	-	12,410,000	135,251	-	41,900,034	2.52%	767	
2013	29,085,958	812,055	2,097,500	-	12,475,000	99,251	-	44,569,764	2.68%	816	
2014	28,876,934	1,115,001	2,135,000	-	13,053,912	826,000	-	46,006,847	2.74%	814	

Notes:  
Governmental G.O. Note of \$1,115,001 with variable interest rate is for general improvements. Interest rate at 6/30/14 was 0.24%.  
Governmental Capital Outlay Notes totaled \$2,135,000 at June 30, 2014. Three (3) separate notes made up this amount with fixed rates ranging from 1.78% to 2.13%. These notes were for equipment purchases in the City's CIP program.

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Capital Note</b>	<b>Capital Lease</b>	<b>General Obligation Note</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2005	20,489,247	1,507,500	-	-	21,996,747	0.78%	507
2006	23,142,399	1,314,170	-	-	24,456,569	0.75%	562
2007	23,678,733	1,867,850	-	-	25,546,583	0.69%	544
2008	24,736,573	1,420,660	-	-	26,157,233	0.69%	534
2009	22,681,843	1,695,360	-	26,468	24,403,671	0.62%	498
2010	22,994,843	1,076,180	-	953,055	25,024,078	0.60%	511
2011	25,862,312	1,176,330	-	908,055	27,946,697	0.68%	512
2012	27,166,228	1,327,500	-	861,055	29,354,783	0.71%	538
2013	29,085,958	2,097,500	-	812,055	31,995,513	0.78%	586
2014	28,876,934	2,135,000	-	1,115,001	32,126,935	0.78%	569

**CITY OF BARTLETT, TENNESSEE**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

As of June 30, 2014

---

<b>Name of Government Unit</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to Bartlett (1)</b>	<b>Overlapping Debt (2)</b>
City Net General Obligation Debt	\$ 32,126,935	100.00%	\$ 32,126,935
Shelby County	1,291,562,191	6.70%	86,501,581
<b>Totals Direct and Overlapping Debt</b>	<b>\$ 1,323,689,126</b>		<b>\$ 118,628,516</b>

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

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

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

The City of Bartlett has no legal debt limit

**CITY OF BARTLETT, TENNESSEE**  
**WATER AND SEWER REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Utility Service Charges	Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		Total
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
2011	7,024,139	4,781,719	2,242,420	1,013,000	500,254	1,513,254	1.48
2012	9,398,373	4,897,935	4,500,438	1,100,000	401,108	1,501,108	3.00
2013	8,679,097	5,547,568	3,131,529	1,181,000	329,226	1,510,226	2.07
2014	8,600,560	7,407,082	1,193,478	1,203,000	314,408	1,517,408	0.79

(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**

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<u>Fiscal Year</u>	<u>Population (2)</u>	<u>Personal Income (Thousands of \$)</u>	<u>Per Capita Personal Income (4)</u>	<u>Unemployment Rate (3)</u>	
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	1,450,510	60,388	8.1%	(5)
2011	54,613	1,646,770	60,991	8.0%	(5)
2012	54,613	1,663,854	61,601	6.8%	(5)
2013	54,613	1,663,071	62,217	7.6%	(5)
2014	56,488	1,676,560	62,840	7.0%	(5)

**Sources:**

- (1) Estimated Unless otherwise noted
- (2) Federal 2010 Census for FY2011; other years certified by Tennessee Department of Economic and Community Development
- (3) Special Local Census
- (4) U.S. Census Bureau
- (5) Tennessee Department of Labor

**CITY OF BARTLETT, TENNESSEE**

**PRINCIPAL EMPLOYERS**

**CURRENT YEAR AND TEN YEARS AGO**

<u>Taxpayer</u>	<u>2014</u>			<u>2005</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>
Youth Villages	897	1	3.36%			
Saint Francis Hospital-Bartlett	546	2	2.05%	315	5	1.44%
The City of Bartlett	523	3	1.96%	565	2	2.59%
Covenant Dove	502	4	1.88%			
Brother International\Brother USA	500	5	1.87%	1,000	1	4.59%
Lakeside Behavioral Health	469	6	1.76%			
USDA Cotton Classing Division	450	7	1.69%	400	3	1.83%
Wal-Mart Supercenter	420	8	1.57%	394	4	1.81%
United Parcel Service	275	9	1.03%	275	6	1.26%
Kele Inc.	200	10	0.75%	206	7	0.94%
The Kroger Company				200	8	0.92%
Gyrus, ENT				150	10	0.69%
The King's Daughter & Sons Home				160	9	0.73%
<b>Total</b>	<u>4,782</u>		<u>17.92%</u>	<u>3,665</u>		<u>16.81%</u>

**Source:** Bartlett Chamber of Commerce

CITY OF BARTLETT, TENNESSEE

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Department</b>										
General Fund										
Legislative Board	4	4	4	3	3	3	3	3	3	3
Mayor's Office	11	12	12	14	15	15	16	16	15	15
Finance	13	14	14	14	14	13	13	14	13	13
City Court	10	10	11	11	13	11	11	12	12	12
Personnel	4	4	5	4	4	4	4	4	4	4
Planning	5	5	5	4	4	3	3	3	3	4
Police										
Officers	90	92	98	105	110	110	110	108	111	111
Civilians	36	33	33	36	38	38	39	39	38	41
Fire Services and Ambulance										
Firefighters & Officers	77	77	93	94	94	94	93	94	94	95
Civilians	1	1	1	1	1	1	2	2	2	2
Codes Enforcement	10	12	12	12	11	11	9	9	9	10
Public Works	49	52	52	53	54	52	53	53	53	51
Engineering	12	11	11	11	12	10	10	8	8	8
Parks & Recreation	85	88	81	80	78	74	74	76	75	73
Performing Arts	4	3	3	4	3	3	3	3	3	3
Special Revenue Funds										
Solid Waste Fund	34	35	37	38	38	38	38	36	39	41
Drainage Control Fund	1	1	1	1	1	1	1	1	1	1
Utility Fund										
Administration	6	9	11	12	11	11	11	6	7	7
Water & Wastewater Services	19	15	15	15	15	15	15	20	20	20
Plant Operations	5	5	5	5	5	5	5	4	6	5
Sewer Lagoon	4	4	4	4	4	4	3	3	2	4
<b>Total</b>	<b>480</b>	<b>487</b>	<b>508</b>	<b>521</b>	<b>528</b>	<b>516</b>	<b>516</b>	<b>514</b>	<b>518</b>	<b>523</b>

Source: City of Bartlett Finance Department and Personnel Department.

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

**LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
General government										
Residential permits issued	322	291	344	159	75	99	72	107	139	179
Commercial permits issued	93	129	111	94	71	59	88	93	72	86
Fire										
Emergency responses	3,152	3,581	3,663	3,776	3,832	4,178	3,749	4,022	4,322	4,633
Structure fires	107	197	45	57	42	49	69	56	38	40
Inspections	2,589	3,506	3,369	3,449	2,213	2,203	2,277	2,297	3,400	3,242
Refuse collection										
Total refuse collected (tons)	41,357	44,432	44,105	44,824	45,246	56,166	44,606	46,668	45,717	54,110
Refuse taken to landfill	25,330	26,911	26,391	27,015	25,743	25,714	25,161	26,511	27,167	28,128
Library										
Volumes in collections	82,691	83,107	84,666	99,256	102,013	101,158	101,672	102,783	104,537	108,138
Total volumes borrowed	349,977	324,968	302,272	297,581	363,367	359,367	340,156	330,717	313,089	300,081
Water										
New connections	430	412	475	153	81	66	119	190	171	11
Water customers	18,854	19,266	19,741	19,894	19,975	20,041	20,160	20,350	20,521	20,532
Sewer										
Sewer customers	17,271	17,814	18,132	18,444	18,624	18,757	19,098	19,314	19,517	19,266

Source: Indicators provided from internal departmental records.

CITY OF BARTLETT, TENNESSEE

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

LAST TEN YEARS

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police Stations	1	1	1	2	2	2	2	2	2	2
Fire Stations	4	4	5	5	5	5	5	5	5	5
Public Works										
Streets (miles)	238	268	268	277	277	277	277	277	301	301
Parks & Recreation										
Acreage	607	671	671	688	706	706	736	736	736	736
Parks #										
Developed	22	22	24	24	24	24	25	25	25	25
Undeveloped	2	2	2	2	3	3	3	3	3	3
Tennis courts	12	12	14	14	14	14	14	14	14	14
Baseball fields	17	17	17	17	17	17	18	18	18	18
Walking trails(miles)	11	11	11	12	12	12	12	12	12	12
Water										
Water lines (miles)	331	331	331	370	371	371	371	371	375	375
Water connections	18,854	19,266	19,741	19,894	19,975	20,041	20,160	20,350	20,521	20,532
Water plants	4	4	4	4	4	4	4	4	4	4
Storage tanks	9	9	9	9	9	9	9	10	10	10
Wastewater										
Sanitary sewers (miles)	313	313	313	313	316	349	349	349	353	353
Sewer connections	17,271	17,814	18,132	18,444	18,624	18,757	19,098	19,314	19,517	19,266

Source: City of Bartlett Functional Departments

# CITY OF BARTLETT, TENNESSEE

## SCHEDULE OF UNACCOUNTED FOR WATER

### For the Year Ended June 30, 2014

AWWA WLCC Free Water Audit Software: Reporting Worksheet				Back to Instructions
Copyright © 2010, American Water Works Association. All Rights Reserved.		WAS v4.2		
Water Audit Report for: <b>City of Bartlett</b>				
Reporting Year: <b>FY14</b>   7/2013 - 6/2014				
Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades				
<b>All volumes to be entered as: MILLION GALLONS (US) PER YEAR</b>				
<b>WATER SUPPLIED</b>				
<< Enter grading in column 'E'				
Volume from own sources:	?	8	2,054.290	Million gallons (US)/yr (MG/Yr)
Master meter error adjustment (enter positive value):	?	7	4.609	under-registered MG/Yr
Water imported:	?	8	2.562	MG/Yr
Water exported:	?	N/A	0.000	MG/Yr
<b>WATER SUPPLIED:</b>			<b>2,061.461</b>	MG/Yr
<b>AUTHORIZED CONSUMPTION</b>				
Billed metered:	?	9	1,856.681	MG/Yr
Billed unmetered:	?	9	0.000	MG/Yr
Unbilled metered:	?	9	39.174	MG/Yr
Unbilled unmetered:	?	4	32.336	MG/Yr
<b>AUTHORIZED CONSUMPTION:</b>			<b>1,928.190</b>	MG/Yr
<b>WATER LOSSES (Water Supplied - Authorized Consumption)</b>				
			<b>133.271</b>	MG/Yr
<b>Apparent Losses</b>				
Unauthorized consumption:	?		5.154	MG/Yr
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed				
Customer metering inaccuracies:	?	9	19.150	MG/Yr
Systematic data handling errors:	?	7	0.000	MG/Yr
<b>Apparent Losses:</b>			<b>24.304</b>	
<b>Real Losses (Current Annual Real Losses or CARL)</b>				
Real Losses = Water Losses - Apparent Losses:	?		108.967	MG/Yr
<b>WATER LOSSES:</b>			<b>133.271</b>	MG/Yr
<b>NON-REVENUE WATER</b>				
<b>NON-REVENUE WATER:</b>			<b>204.780</b>	MG/Yr
= Total Water Loss + Unbilled Metered + Unbilled Unmetered				
<b>SYSTEM DATA</b>				
Length of mains:	?	9	372.9	miles
Number of active AND inactive service connections:	?	9	20,916	
Connection density:			56	conn./mile main
Average length of customer service line:	?	6	5.0	ft (pipe length between curbstop and customer meter or property boundary)
Average operating pressure:	?	7	68.0	psi
<b>COST DATA</b>				
Total annual cost of operating water system:	?	10	\$4,443,292	\$/Year
Customer retail unit cost (applied to Apparent Losses):	?	8	\$4.01	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	?	10	\$473.69	\$/Million gallons
<b>PERFORMANCE INDICATORS</b>				
<b>Financial Indicators</b>				
Non-revenue water as percent by volume of Water Supplied:				9.9%
Non-revenue water as percent by cost of operating system:				4.1%
Annual cost of Apparent Losses:				\$97,458
Annual cost of Real Losses:				\$51,616
<b>Operational Efficiency Indicators</b>				
Apparent Losses per service connection per day:				3.18 gallons/connection/day
Real Losses per service connection per day*:				14.27 gallons/connection/day
Real Losses per length of main per day*:				N/A
Real Losses per service connection per day per psi pressure:				0.21 gallons/connection/day/psi
Unavoidable Annual Real Losses (UARL):				131.63 million gallons/year
From Above, Real Losses = Current Annual Real Losses (CARL):				108.97 million gallons/year
Infrastructure Leakage Index (ILI) [CARL/UARL]:				0.83
* only the most applicable of these two indicators will be calculated				
<b>WATER AUDIT DATA VALIDITY SCORE:</b>				
<b>*** YOUR SCORE IS: 82 out of 100 ***</b>				
A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score				
<b>PRIORITY AREAS FOR ATTENTION:</b>				
Based on the information provided, audit accuracy can be improved by addressing the following components:				
1: Volume from own sources				
2: Master meter error adjustment				
3: Unauthorized consumption				
<a href="#">For more information, click here to see the Grading Matrix worksheet</a>				

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF UTILITY RATES**

June 30, 2014

**Water**

**Sewer**

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

<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>	<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>
First 2,000 gallons	\$ 5.80	\$ -	First 2,000 gallons	\$ 6.19	\$ -
Next 8,000 gallons/1,000 gal.	-	1.800	Over 2,000 gallons/1,000 gal.	-	1.640
Over 10,000 gallons/1,000 gal.	-	1.650	Maximum monthly	32.00	-

**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	\$ 8.70	\$ -	First 2,000 gallons	\$ 9.09	\$ -
Next 8,000 gallons/1,000 gal.	-	2.700	Over 2,000 gallons/1,000 gal.	-	1.790
Over 10,000 gallons/1,000 gal.	-	2.480	Maximum monthly	40.00	-

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

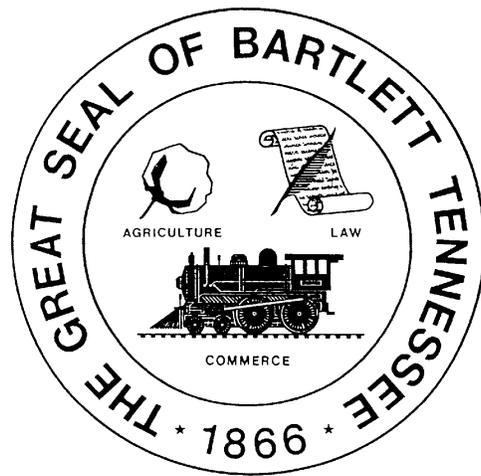
<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>	<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>
First 2,000 gallons	\$ 10.88	\$ -	First 2,000 gallons	\$ 14.89	\$ -
Next 8,000 gallons/1,000 gal.	-	2.100	Over 2,000 gallons/1,000 gal.	-	1.790
Over 10,000 gallons/1,000 gal.	-	1.910			

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

<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>	<u>Gallons</u>	<u>Base Charge</u>	<u>Volume Charge</u>
First 2,000 gallons	\$ 15.59	\$ -	First 2,000 gallons	\$ 22.14	\$ -
Next 8,000 gallons/1,000 gal.	-	3.150	Over 2,000 gallons/1,000 gal.	-	1.930
Over 10,000 gallons/1,000 gal.	-	2.890			

Number of Customers at Year-end:

Water	20,532
Sewer	19,266





Watkins Uiberall, PLLC  
Certified Public Accountants

Independent Member of BKR International

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the statements of budgetary comparison for the general fund, and the aggregate remaining fund information of the City of Bartlett (the "City"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 17, 2014.

### **Internal Control over Financial Reporting**

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

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

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

any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

Memphis, Tennessee  
December 17, 2014



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

### Report on Compliance for Each Major Federal Program

We have audited the City of Bartlett's (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 the City's major federal program for the year ended June 30, 2014. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

## Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2014.

## Report on Internal Control over Compliance

Management of the City, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Memphis, Tennessee  
December 17, 2014

**CITY OF BARTLETT, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2014

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**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of the City of Bartlett, Tennessee (the "City").
2. No significant deficiencies or material weaknesses relating to 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*.
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award program are reported in the Independent Auditor's Report on Compliance for Each Major Program on Internal Control over Compliance Required By OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for the City expresses an unmodified opinion on the major program.
6. There were no audit findings required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The program tested as major program was U.S. Department of Homeland Security (CFDA No. 97.036) Disaster Grants – Public Assistance.
8. The threshold for distinguishing between Type A and B programs was \$300,000.
9. The City was determined to be a low risk auditee.

**B. FINDINGS – FINANCIAL STATEMENTS**

NONE

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

NONE

