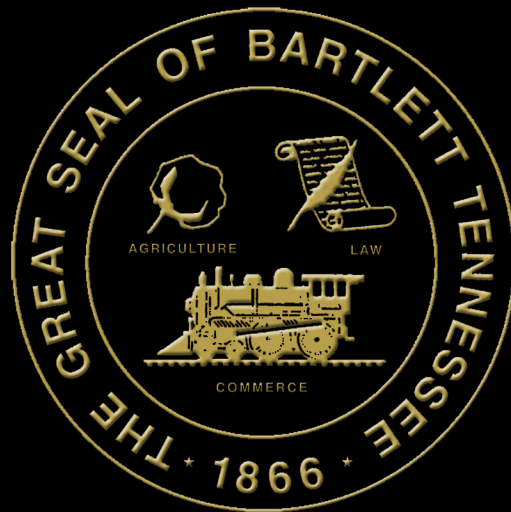
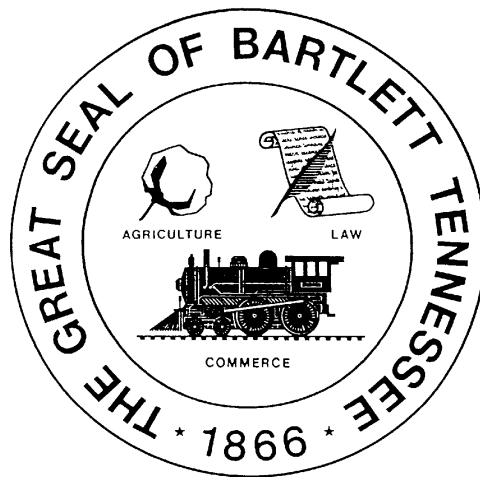


CITY OF BARTLETT **TENNESSEE**



Comprehensive Annual Financial Report **For The Fiscal Year Ended** **June 30, 2019**

CITY OF BARTLETT **TENNESSEE**



A. Keith McDonald, Mayor

Comprehensive Annual Financial Report **For The Fiscal Year Ended** **June 30, 2019**

Prepared by the City of Bartlett Finance Department

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INTRODUCTORY SECTION



City of Bartlett

A. Keith McDonald, Mayor

November 8, 2019

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, 2019, is hereby submitted as required by state statutes. These statutes require that all general purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) as set forth by the Government Accounting Standards Board (GASB) and have been audited by a firm of certified public accountants in accordance with the generally accepted government auditing standards.

This report consists of management's representations concerning the finances of the City of Bartlett. Consequently, management assumes full responsibility for the completeness and reliability of all 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. Additionally, the City has adopted written Internal Control Manual as required by the State of Tennessee. Because the cost of internal controls should not outweigh their benefits, the City of Bartlett's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Watkins Uiberall, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2019 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, 2019. 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.

**The Board of Mayor and Aldermen
City of Bartlett, Tennessee
November 8, 2019**

Profile of the Government

The City of Bartlett, incorporated on December 13, 1866, is located in Shelby County in the southwestern part of the state and celebrated its 150 year Sesquicentennial during the 2016 calendar year and 2017 fiscal year. The City currently occupies a land area of 32.30 square miles and serves an estimated population of 59,102. The City is empowered by state statutes to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, either by resolution for annexation by referendum or resolution by referendum by owners consent.

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

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

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

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

The City administration annually prepares a plan of services for the upcoming fiscal year and the estimated cost of providing those services. All department heads of the City of Bartlett are required to submit requests for appropriation to the Finance Director. Initial requests are reviewed by the Mayor, Chief Administrative Officer, and finance staff. The resulting plan is then reviewed by the Board of Mayor and Aldermen and is formally adopted by the passage of a budget ordinance on three separate readings. The ordinance is adopted by fund, function (e.g. public safety) and department (e.g. police). Department heads may make transfers of appropriations within their department. Transfers of appropriations between departments require the approval of a budget amendment by the BMA. Strict budgetary compliance is maintained by the automated accounting system to assure effective fiscal management and accountability. All requests for purchases are checked by the budgetary control system to assure that funds are available. Purchase orders and contracts are encumbered prior to release to vendors. The system controls are maintained within cost center levels and are set up within the Personnel, Operations, and Capital categories. Budget-to-actual comparisons are

provided in this report for each major fund and individual governmental funds for which an appropriation budget has been adopted.

Factors Affecting Financial Condition

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

Local economy

During the fiscal year the City of Bartlett experienced overall growth in the local economy and has made steady growth in housing permits and commercial improvements. The City currently has a state certified population of 56,488, making it the tenth largest city in Tennessee. Projections show the City is expected to grow to over 62,000 by 2020. Current population estimates show Bartlett with 59,102 residents.

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

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

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

Retail sales in the fiscal year and the current year show continued growth as the economy has improved. As a measure of the state economy the state sales tax distribution to Bartlett has risen by over 7.0% in the last three years and 17.1% in the last five years. Local sales tax collections were up 8.3% during the same five-year time period. During the fiscal year 2019 the City issued 49 permits for new single family residence structures with a value of \$12.3 million for an average of slightly over \$250,600 per residence. The City also issued 96 permits for commercial construction valued at \$96.2 million, up over 21% from the previous year. Commercial permits for Bartlett High School (\$55.4 million) and the new TCAT facility (\$13 million) accounted for 71.1% of this activity. The median household income in Bartlett is in excess

**The Board of Mayor and Aldermen
City of Bartlett, Tennessee
November 8, 2019**

of \$62,000 and the city is expected to continue to be the retail center of north Shelby County. Emphasis is being made on bringing more retail establishments into the City.

Brims, Odyssey Medical, EMS, Surface Dynamics, Titan Medical, Varsity, and Kele have all recently completed or announced expansions and acquisitions. St. Francis Hospital and Bartlett City Schools continue to grow in beds and enrollment. The City continues to work with its retail consulting firm based in Birmingham. The firm provides market analysis, strategic planning, and retail recruitment services. This group has been successful in bringing a number of retail establishments and restaurants to the City. Bartlett is also the location of property listed by the Tennessee Department of Economic Development as an "Economic Development Certified Site", which is an attractive site for prospective companies. The City feels it is well-positioned for future corporate and retail growth.

Long term capital improvements planning

The Board of Mayor and Aldermen adopts a Capital Improvements Program (CIP) that is a five year plan for capital expenditures to replace and improve the City's infrastructure and equipment. The program is reviewed and updated annually to revise project cost estimates and available revenue sources. Funding for capital improvement projects in the CIP is generally provided through issuance of general obligation and revenue bonds. The City issued \$6.65 million in general obligation bonds in FY2019 for the City's FY2019 CIP projects. CIP projects in the water and sewer fund were funded through reserves in that fund for FY2019. Highlights of the CIP program for 2020-2024 were:

- Road, Street, and Drainage improvement projects totaling \$39.68 million to improve access and traffic flow in the City. \$7.3 million of this amount will be for the widening and construction of Old Brownsville West highway while \$15 million will be devoted to city wide paving projects.
- Water and Sewer improvements and upgrades totaling \$4.4 million which includes water line extensions for Old Brownsville Road, Covington Pike and Kirby Whitten, an upgrade to the City's sewer plant #2, and sewer lines in annexed territory.
- Public safety buildings, parks improvements, vehicles and equipment including police cars, ambulances and fire trucks totaling \$12.9 million. Major projects in this category include city hall and justice center renovations, a new city shop for \$4.1 million and \$4.3 million in parks and recreation facilities and equipment.

Relevant financial policies

The City of Bartlett has adopted a comprehensive fund balance policy and debt management policy. Components of these policies provide a useful guide to financial operations and debt issuance. The City has utilized the municipal bond market almost exclusively for its capital funding needs while recognizing the opportunities to obtain lower interest capital note funding through the Tennessee Municipal Bond Fund. All debt issued is within the parameters of the adopted debt limits as specified in the Board of Mayor and Aldermen's debt management policy.

The City's fund balance policy provides that fund balances will be used prudently and conservatively to fund one time expenditures and stabilize the property tax rate. The fiscal year 2020 budget includes a budgeted use of \$3.23 million in fund balances in its special revenue funds and a planned surplus of \$402.7 thousand in the utility fund. The Bartlett City Board of Education has adopted a budget for FY2020 which uses \$2.5 million in fund balance. The City ended the 2019 fiscal year with over \$29.9 million in General Fund balance. The FY2020 General Fund budget does not require the use of fund balance. The Special Purpose School Fund ended FY2019 with a fund balance of \$35.9 million.

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

Major initiatives

During the year ended June 30, 2019, the City made \$41.7 million in capital improvement expenditures. The Bartlett school system incurred \$35.3 million of this expenditure for renovation and construction of a new high school and other

**The Board of Mayor and Aldermen
City of Bartlett, Tennessee
November 8, 2019**

small capital projects. The City's capital projects fund incurred the remaining \$6.4 million in costs including \$3.3 million in city wide overlay and paving projects, \$1.42 million on park projects, \$583,512 on public safety vehicles and justice center maintenance, \$896,484 for public works vehicles and city shop improvements, and \$88,245 for administrative vehicles and city hall renovations. The City has over \$24.6 million in budgeted but not spent capital projects funds for major initiatives such as Old Brownsville West construction and paving of Brother-Yale. Construction of a new city shop for fleet maintenance is scheduled to continue in FY20 and FY21 with \$4.15 million projected over the two year period. City hall renovations are expected to continue with plans to spend up to \$500,000 over the next two years.

Improvements to the City's roadways remain a major initiative for both short-term and long-term financing. The City has proposed \$15 million in city-wide overlay projects in the next five years in addition to the improvements to Old Brownsville West and Brother-Yale arteries.

Long term financial planning

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

Awards and Acknowledgements

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bartlett for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. This was the 30th 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 18th straight year for its annual budget document for the fiscal year beginning July 1, 2019. 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, 2020 has been submitted to the GFOA for review and it is anticipated that it will also receive this award.

Acknowledgement: The preparation of this CAFR could not have been accomplished without the efforts and dedicated services of the entire staff of the finance department throughout the fiscal year. I would like to express my appreciation to all 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**

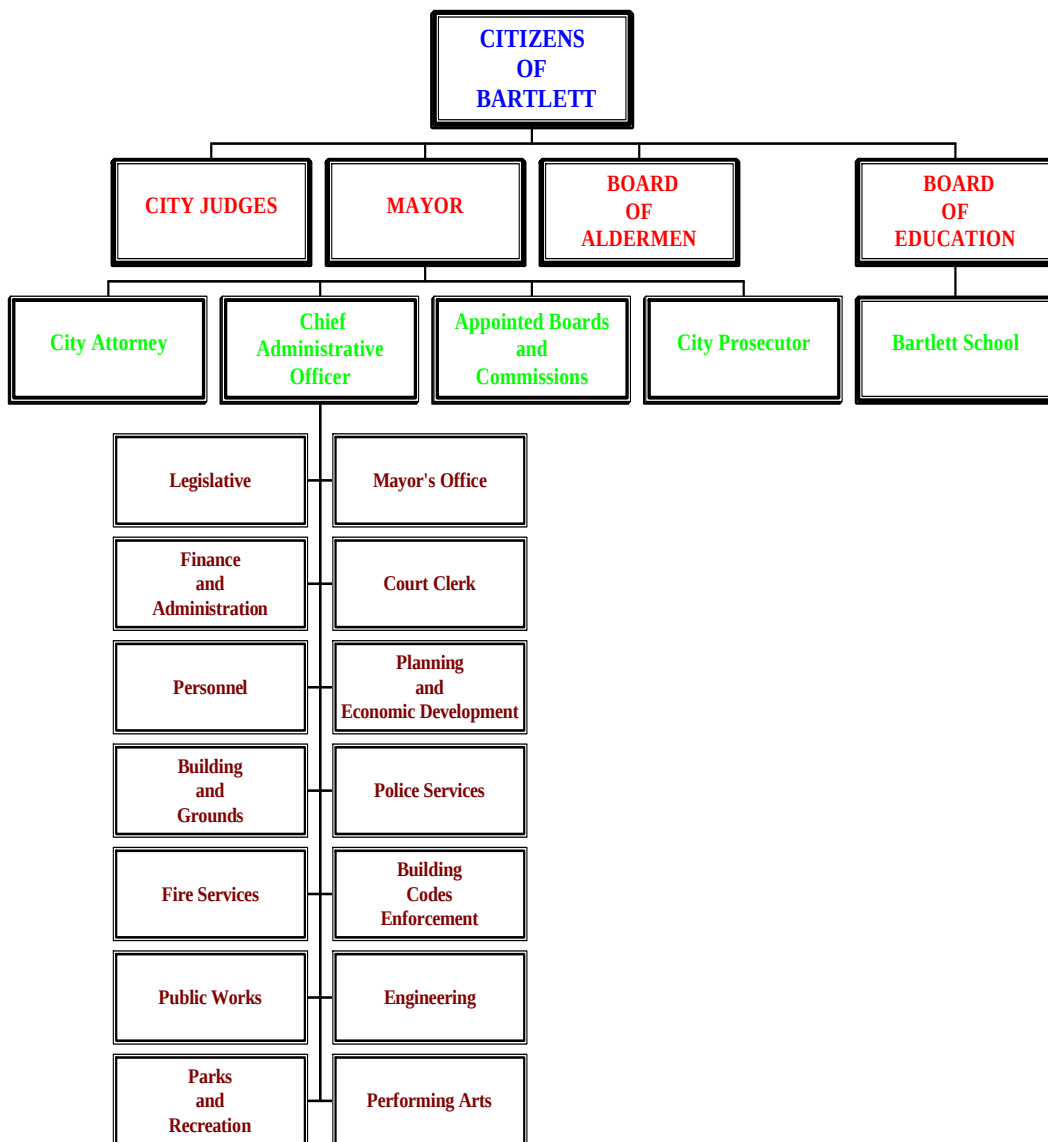
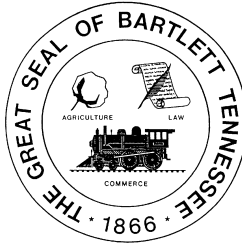
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF BARTLETT, TENNESSEE
ORGANIZATION CHART
June 30, 2019



CITY OF BARTLETT, TENNESSEE
CITY AND BOARD OF EDUCATION OFFICIALS
June 30, 2019

MAYOR

A. Keith McDonald (2022*)

ALDERMEN

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

CITY OFFICIALS

Chief Administrative Officer Mark S. Brown
City Attorney Edward McKenney Jr.
Director of Finance..... Dick Phebus**
Director of Personnel Ted Archdeacon
Director of Planning and Economic Development Kim Taylor
Director of Police Services..... Glen Williamson
Director of Fire Services Terry Wiggins
Director of Code Enforcement Jim Brown
Director of Public Works Mike Adams
Director of Engineering / City Engineer Rick McClanahan
Director of Parks and Recreation..... Shan Criswell
Director of the Performing Arts Center Michael Bollinger
Director of Community Relations Debbie Gelineau
Court Clerk..... Bill Lloyd

BOARD OF EDUCATION OFFICIALS

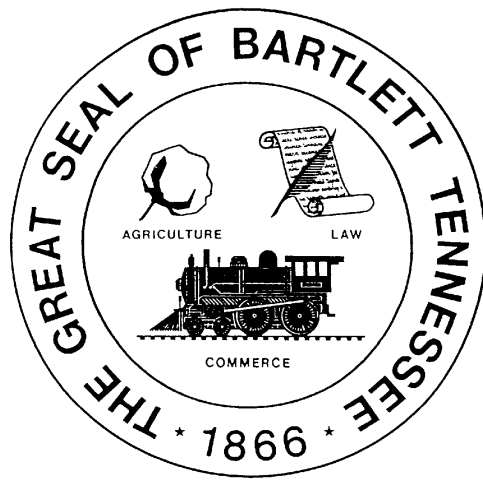
Chairman Shirley Jackson
Vice-Chairman David Cook
Board Member Erin Berry
Board Member Bryan Woodruff
Board Member Jeff Norris

BOARD OF EDUCATION ADMINISTRATION

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

* Date elected term expires

** Designated CMFO



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the statements of budgetary comparison for the general fund and general purpose school fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee, (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the statements of budgetary comparison for the general fund and general purpose school fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bartlett's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supporting schedules, and statistical information section, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards and state financial assistance, as presented in the government auditing standards section, is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, 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 and the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, supporting schedules, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2019 on our consideration of the City of Bartlett's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bartlett's internal control over financial reporting and compliance.



Memphis, Tennessee
November 8, 2019

CITY OF BARTLETT, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019

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, 2019. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal and notes to the financial statements.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$333,583,862 (net position). Of this amount, \$20,934,451 (unrestricted net position) may be used to meet the government's ongoing obligation to citizens and creditors.
- The City's total net position decreased by \$550,809. Net position for governmental activities decreased by \$589,195 while net position for business activities increased by \$38,386. While capital assets increased by \$20,251,989, due mostly to construction in progress, other assets decreased by \$15,516,521. Deferred outflows increased by \$5,984,144. Total liabilities increased \$9,757,279 and deferred inflows increased by \$1,513,142.
- At June 30, 2019, the City's governmental funds reported combined ending fund balances of \$99,093,215 a decrease of \$19,280,348 in comparison with the prior year. Approximately 81.88% of this amount is available for spending at the government's discretion (committed, assigned or unassigned fund balance). At June 30, 2019 unassigned fund balance for the General Fund was \$17,624,172, or 36.7% of General Fund expenditures.
- The City's total debt decreased by \$2,871,789 (2.9%) during the current fiscal year. The City issued \$5,295,000 in G.O. debt; \$1,355,000 in Capital Outlay Notes. The City paid down \$5,475,000 in existing general obligation bonds and water revenue bonds plus \$845,500 in capital notes and \$2,891,508 in capital lease obligations in FY 2019.

Overview of the Financial Statements

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

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

The government-wide financial statements are:

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The government-wide financial statements also include the operations of the Bartlett City Schools which are not considered legally separate for reporting purposes.

The government-wide financial statements can be found on pages 23-24 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 sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the School General Purpose Fund, the Capital Projects Fund, and the Education Capital Fund, all four of which are considered to be major funds. Data for the other twelve funds is combined into a single column with individual fund data for each of these non-major governmental funds provided in the form of combining and individual fund statements elsewhere in this report.

The City of Bartlett adopts an annual appropriation budget for its general, special revenue and debt service funds. A budgetary comparison statement has been provided for the General Fund, General Purpose School Fund, Capital Projects Fund, and Education Capital Fund (all major funds) to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 25-44 of this report.

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

Fiduciary funds -- Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 48-49 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 50-90 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 111-138 of this report.

Statistical Information: The statistical section, found on pages 150-174, presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the City's overall financial health.

Government-wide Financial Analysis

Net Position: Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$333,583,862 at the close of the most recent fiscal year, a decrease of \$550,809, or 0.2 percent, from last year.

The largest portion of the City's net position (93.7%) 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Condensed Statement of Net Position

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 145,601,544	\$ 160,479,567	\$ 12,975,556	\$ 13,614,054	\$ 158,577,100	\$ 174,093,621
Capital assets	327,747,843	306,858,939	66,612,219	67,249,134	394,360,062	374,108,073
Total assets	473,349,387	467,338,506	79,587,775	80,863,188	552,937,162	548,201,694
Deferred outflows of resources	32,903,240	27,445,111	1,395,173	869,158	34,298,413	28,314,269
Long-term liabilities outstanding	184,955,893	175,673,416	12,230,807	12,969,791	197,186,700	188,643,207
Other liabilities	13,071,004	11,799,053	629,871	688,036	13,700,875	12,487,089
Total liabilities	198,026,897	187,472,469	12,860,678	13,657,827	210,887,575	201,130,296
Deferred inflows of resources	42,098,594	40,594,817	665,544	656,179	42,764,138	41,250,996
Total deferred inflows	42,098,594	40,594,817	665,544	656,179	42,764,138	41,250,996
Net position:						
Net Investment in Capital Assets	246,674,617	250,600,800	59,169,879	58,717,586	305,844,496	309,318,386
Restricted	6,794,109	3,551,040	10,806	-	6,804,915	3,551,040
Unrestricted	12,658,410	12,564,491	8,276,041	8,700,754	20,934,451	21,265,245
Total net position	\$ 266,127,136	\$ 266,716,331	\$ 67,456,726	\$ 67,418,340	\$ 333,583,862	\$ 334,134,671

An additional portion of the City's net position (2.04%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$20,934,451) may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2019, the City is able to report positive balances in all three categories of net position for the government as a whole. Governmental activities reflected positive unrestricted amount of \$12,658,410 as a component of net position while business-type activities reflected a positive component of \$8,276,041. The City maintains a practice of providing adequate reserves for payment of debt service and capital projects while funding current operations with current revenue sources.

Changes in Net Position: Governmental activities decreased the City's net position by \$589,195 while Business-type activities increased the City's net position by \$38,386 resulting in a net decrease of \$550,809. Key elements of this decrease are as follows:

- Reductions to net position resulted partially from a decrease in cash and investments of \$15,516,521, and increases in capital assets of \$20,251,989. An increase in deferred outflows of resources of \$5,984,144 contributed to the overall increase in total assets and deferred outflows of \$10,719,612. This increase was offset by increases in liabilities and deferred inflows of resources of \$11,270,421. Liabilities increased by \$9,757,279 largely due to increases in pension liability and increases in long-term liabilities. Deferred inflows increased \$1,513,142 due to deferred property tax revenue and increases related to OPEB.
- Increase in net position for business-type activities of \$38,386 was due to increases in net pension liability and decreases in net OPEB liability.
- Depreciation expense of \$12,399,558 in governmental activities and \$2,444,683 in business-type activities was also a factor in the overall change in net position. Of the \$12,399,558 depreciation in governmental activities, \$5,081,230 was from education activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Condensed Statement of Activities

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for Services	\$ 19,483,131	\$ 19,495,448	\$ 8,320,764	\$ 8,309,887	\$ 27,803,895	\$ 27,805,335
Operating grants and contributions	56,980,922	54,494,403	-	-	56,980,922	54,494,403
Capital grants and contributions	3,705,487	4,303,482	417,438	530,163	4,122,925	4,833,645
General Revenues:						
Local taxes	78,822,113	77,370,179	-	-	78,822,113	77,370,179
Intergovernmental	6,362,513	6,233,732	-	-	6,362,513	6,233,732
Interest on investments	910,061	559,590	101,350	42,409	1,011,411	601,999
Other	542,263	555,670	27,923	61,070	570,186	616,740
Total revenues	<u>166,806,490</u>	<u>163,012,504</u>	<u>8,867,475</u>	<u>8,943,529</u>	<u>175,673,965</u>	<u>171,956,033</u>
Expenses						
General government	8,704,877	8,145,735	-	-	8,704,877	8,145,735
Public safety	33,365,314	30,569,645	-	-	33,365,314	30,569,645
Public works	22,057,199	20,016,316	-	-	22,057,199	20,016,316
Parks and recreation	5,376,867	5,019,903	-	-	5,376,867	5,019,903
Performing arts center	883,657	809,318	-	-	883,657	809,318
Recreation center	1,597,184	1,680,269	-	-	1,597,184	1,680,269
Education	92,755,009	85,294,993	-	-	92,755,009	85,294,993
Interest on long-term debt	2,655,578	2,556,020	-	-	2,655,578	2,556,020
Water and sewer	-	-	8,829,089	8,775,729	8,829,089	8,775,729
Total expenses	<u>167,395,685</u>	<u>154,092,199</u>	<u>8,829,089</u>	<u>8,775,729</u>	<u>176,224,774</u>	<u>162,867,928</u>
Changes in net position before transfers	<u>(589,195)</u>	<u>8,920,305</u>	<u>38,386</u>	<u>167,800</u>	<u>(550,809)</u>	<u>9,088,105</u>
Transfers	-	-	-	-	-	-
Change in net position	<u>(589,195)</u>	<u>8,920,305</u>	<u>38,386</u>	<u>167,800</u>	<u>(550,809)</u>	<u>9,088,105</u>
Net position - July 1, 2018, as previously reported	266,716,331	281,595,259	67,418,340	67,358,706	334,134,671	348,953,965
Effect of change in accounting principle	-	(23,799,233)	-	(108,166)	-	(23,907,399)
Net position, July 1, 2018 as restated	<u>266,716,331</u>	<u>257,796,026</u>	<u>67,418,340</u>	<u>67,250,540</u>	<u>334,134,671</u>	<u>325,046,566</u>
Net position - June 30, 2019	<u>\$ 266,127,136</u>	<u>\$ 266,716,331</u>	<u>\$ 67,456,726</u>	<u>\$ 67,418,340</u>	<u>\$ 333,583,862</u>	<u>\$ 334,134,671</u>

Governmental Activities: Current fiscal year revenues and transfers for the City's governmental activities were \$209,049,525 compared to \$174,602,051 last year. Expenses for the same period were \$445,961,665 compared to \$179,790,291 last year.

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

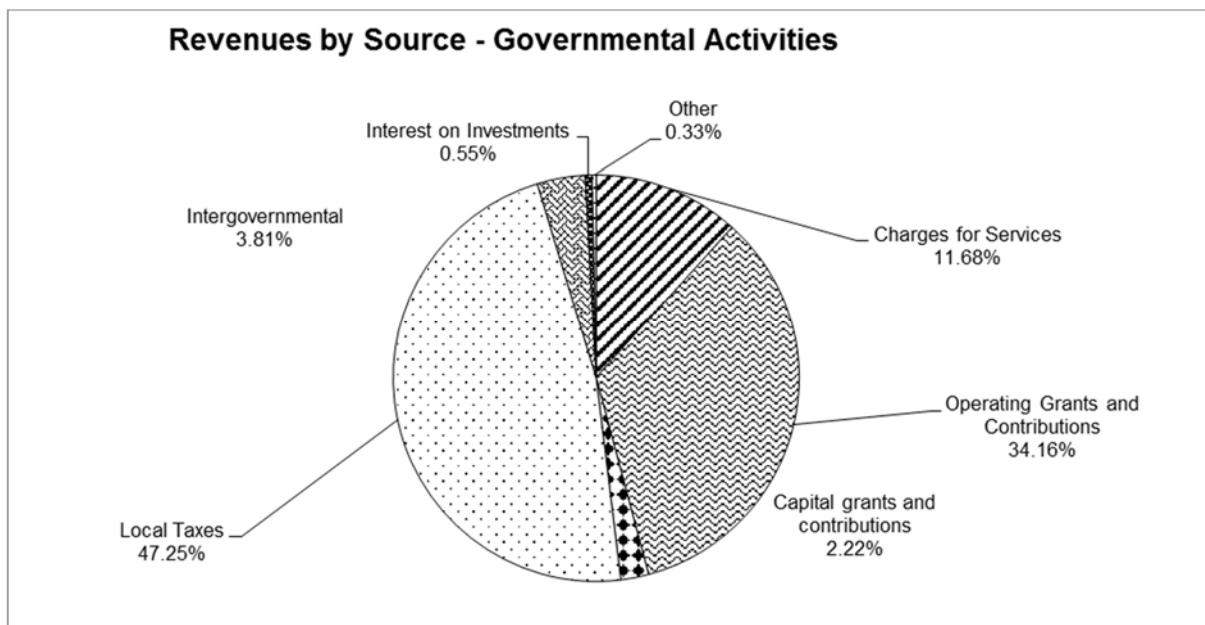
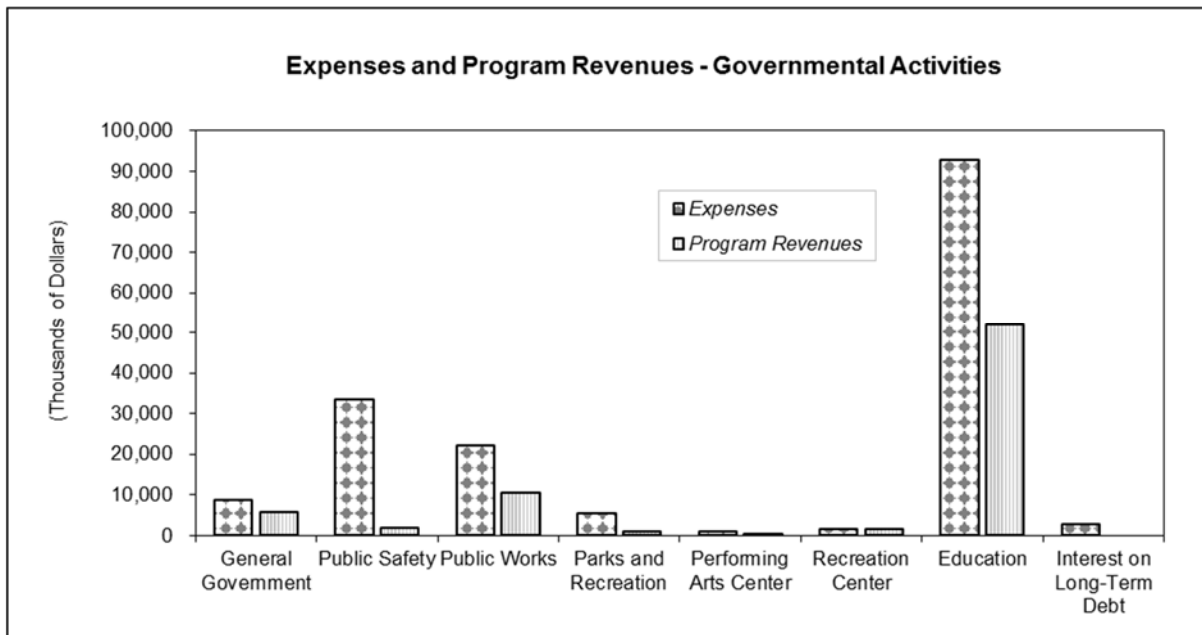
- The single largest source of governmental activity revenue was local taxes, increasing \$1,451,934 from FY2018 to \$78,822,113 in FY 2019. Operating grants and contributions, the second largest revenue source, increased \$2,486,519 to \$56,980,922 in FY 2019. Education operating grants and contributions amounted to \$54,366,870 of this amount.
- Capital grants and contributions was \$3,705,487 in FY2019 with education activities receiving \$2,708,391 or 73.1% of this amount.
- Local taxes increased \$1,451,934 during the year mainly from property taxes and local sales taxes.
- The City's portion of state intergovernmental revenue increased by \$128,781, reflecting continued revenue growth at the state level. Investment income increased \$409,412. The interest rates for authorized investments in addition to interest earned on unspent bond proceeds resulted in this increase.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Each area of program revenues is discussed below.

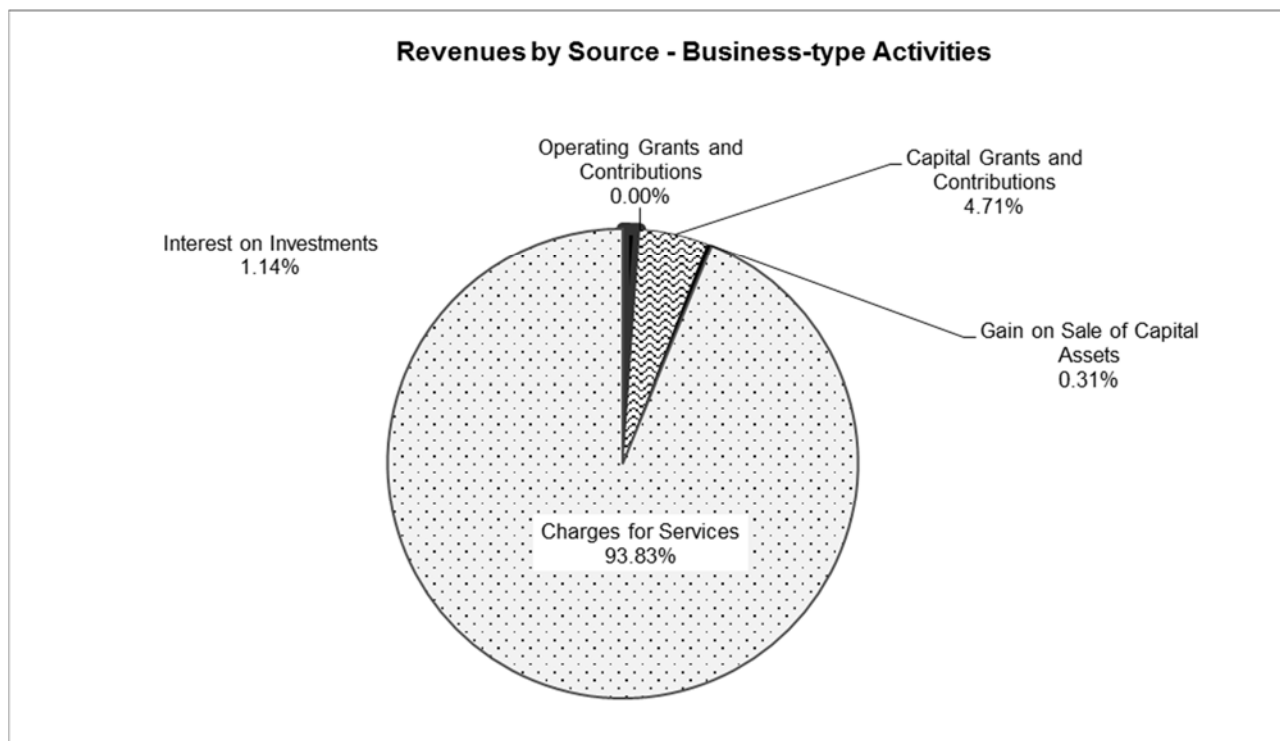
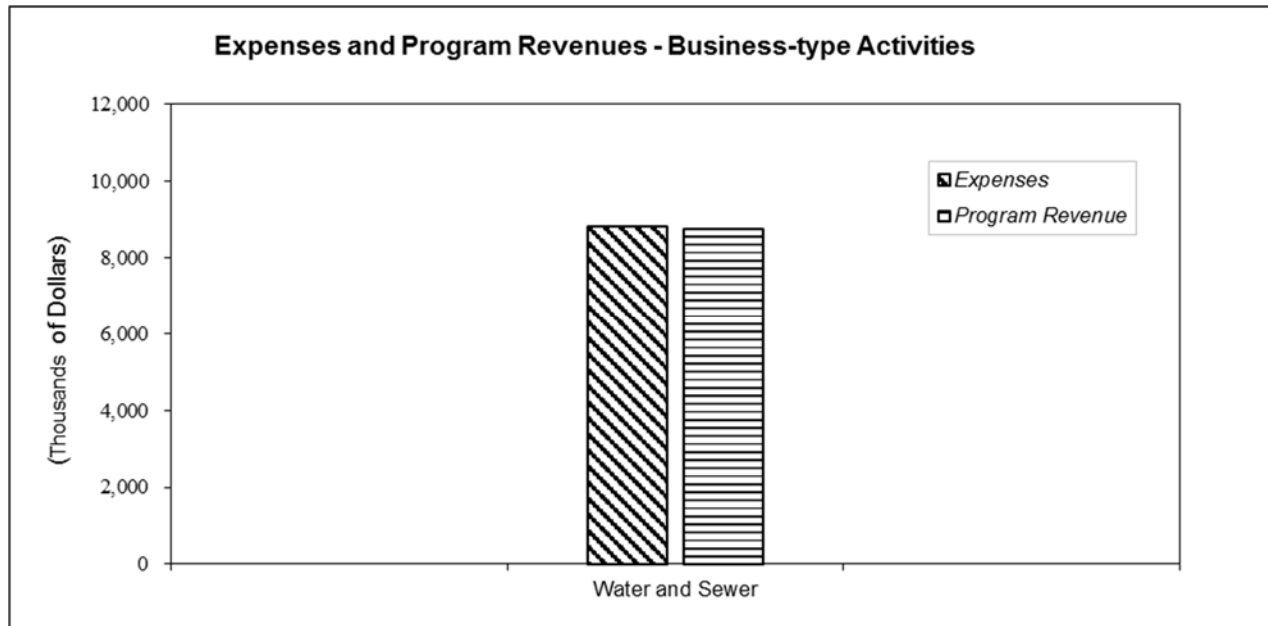
- Charges for services increased \$235,585 from the previous year due primarily to increases in public works and public safety activities.
- Operating grants and contributions increased \$2,486,519, primarily due to a \$2,653,889 increase in education operating grants from the State of Tennessee for operating revenues for the Bartlett City School system.
- Capital grants and contributions were \$598,005 less than the previous year; however, the City did receive \$997,096 for public works grants and \$2,708,391 in education grants from Shelby County.

Expenses in governmental activities increased \$13,303,486 from the prior year. Major contributors to this increase were education expense increases of \$7,460,016 coupled with increases in public safety of \$2,795,669 and public works of \$2,040,883. Other governmental activities expenses in five additional categories accounted for the remaining increases of \$1,006,918.



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Business-type activities: Business-type activities increased the City's net position by \$38,386. Program revenues decreased from prior year by \$101,848 while other general revenues increased by \$25,794. Expenses were \$53,360 more than the previous year. While the change in net position decreased by \$129,414 from prior year, total activity resulted in positive change.



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$98,228,052, a decrease of \$20,145,511, in comparison with the prior year. Approximately 25.6% of this amount (\$25,158,509) constitutes restricted fund balance due to capital project fund restrictions while 17.4% (\$17,100,016) constitutes unassigned fund balance, which is available for spending at the government's discretion. Committed fund balance at June 30, 2019 was \$36,625,526 which includes a stabilization amount of \$11,986,712 for the General Fund equal to 20% of next fiscal year budgeted expenditures plus \$1,000,000 emergency funds and \$3,156,605 for debt service fund expenditures. The General Purpose School Fund also had \$21,482,209 in committed fund balance for existing capital projects. Governmental funds reported positive ending fund balances with the exception of the Schools Education Capital Project Fund of (\$524,156) and the Schools Discretionary Grants Fund of (\$5,541).

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 \$17,629,713, while total fund balance reached \$29,968,561. Other categories of fund balance for the General Fund were non-spendable (\$204,071), restricted (\$44,847), committed (\$11,986,712) and assigned (\$103,218). Non-spendable includes inventories and prepaid items; restricted includes amounts constrained for a specific purpose such as police criminal seizures; committed includes amounts designated by the governing body for emergencies and contingencies described above; and assigned includes the use of General Fund reserves to satisfy current year encumbrances. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 36.7% of total General Fund expenditures, while total fund balance represents 62.5% of that same amount.

The fund balance of the City's General Fund increased \$586,291 to \$29,968,561 during the current fiscal year. Key factors are as follows:

- Total revenues from taxes and other sources were up by \$1,090,265 over the previous year. Property tax revenue accounted for 36.3% of this increase. Local sales tax revenues were up \$462,854 from the prior year while charges for services increased by \$221,410. Intergovernmental revenues were up by \$128,781 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 interest on investments increased \$146,353; fines and forfeitures decreased \$206,496 while licenses and permits also decreased by \$99,192. Total revenues, transfers in and other financing sources were \$55,337,693 for the fiscal year, an increase of \$965,844 over the previous year.
- Expenditures for current activity in the General Fund increased by \$1,561,376 with general government and public safety expenditures accounting for 85.9% of this increase. Recreation center and performing arts activities accounted for a decrease of \$228,146 in expenditures while public works and parks combined for a net increase of \$347,987. Transfers out to other funds played a pivotal role in the change in the fund balance of the General Fund with a net financing use of \$6,771,703 compared to a net financing use of \$7,078,856 in the prior year. The net financing use of funds included transfers to the City municipal school district of \$2,346,019; transfers to the Debt Service Fund of \$3,555,000; \$100,000 to the Drainage Fund; and \$650,000 to the Capital Projects Fund of the city for improvements to Appling Road. Total expenditures and uses of funds were \$54,455,142.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The general purpose school fund focuses on providing educational instruction for students enrolled in the City's municipal school system. At June 30, 2019 the fund had a fund balance of \$35,920,463 all of which was restricted committed or assigned for educational purposes. During the year, the fund had revenues of \$82,880,751 from three major categories; Shelby County property taxes (\$24,814,180); local sales taxes (\$10,641,805); and intergovernmental revenue (\$45,712,507), which represents state of Tennessee education funding and Shelby County, Tennessee property and other tax allocations. Revenue from charges for services amounted to \$1,414,013. The fund had expenditures of \$76,269,716. Educational instruction accounted for \$72,669,097 while debt service principal and interest on capital lease amounted to \$3,554,685. Other financing sources and uses were comprised of sale of capital assets (\$1,400,000), transfers in from the City of Bartlett General Fund (\$2,346,019), and transfers from schools federal projects and grant funds (\$550,069). Transfers out to other funds included \$149,801 to the school Federal Project Fund; \$5,832,122 to the Education Capital Projects Fund; and \$1,000,000 to the City's Debt Service Fund for bond and interest payment on the City's 2017 Series general obligation bonds.

The capital projects fund focuses on revenues and expenditures for the acquisition, construction, and improvements of capital assets and infrastructure within the city. Revenues for the fund in FY2019 consisted of interest on investments of \$628,248 and miscellaneous receipts of \$1,994. Other finances resources consisted of \$6,650,000 debt issuance, \$432,362 premium on bonds issued, and \$1,401,316 transfers in from the City General Fund of \$750,000, Grants Fund of \$634,380, and Parks Improvement Fund of \$16,936. Expenditures on capital outlay projects totaled \$6,312,366, consisting of administrative projects, public safety and public works projects, city wide overlay projects, greenway projects, and parks and recreation projects. Transfers out of the capital projects fund included \$27,081,279 from Series 2017 bond funds to the schools Education Capital Projects Fund to defray construction expenses for the new Bartlett High School; \$249,320 to the City's Debt Service Fund from interest earnings; and \$2,600 to the State Street Aid Fund. The results of activity in the capital projects fund was a decrease of \$24,546,018 in fund balance to \$25,663,916 at June 30, 2019.

The education capital fund focuses on revenues and expenditures for the acquisition, construction, and improvements of capital assets for the Bartlett school system. Revenues for the fund in FY2019 consisted of \$3,278,707 state sales tax, income tax, and other taxes. Transfers in of \$32,913,401 were from bond proceeds on deposit from the 2017 Series general obligation bond proceeds. Expenditures for capital outlay projects totaled \$35,375,939 for construction of the new Bartlett High School and other capital projects during the year. The results of activity in the education capital fund was an increase of \$1,681,332 in fund balance to a positive balance of \$341,007 at June 30, 2019.

Proprietary funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As the City completed the fiscal year its proprietary funds, which include a water/sewer enterprise fund and an internal service fund, had a combined net position of \$69,306,535.

Unrestricted net position for the Water and Sewer fund at the end of the year amounted to \$1,987,436. The total increase in net position for the Water and Sewer fund was \$150,048. 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 \$379,300. This was due to receipt of \$124,200 in state grants for certified police and firemen, a planned use of fund balance of \$250,000 for a parks pavilion and roof repair at the Bartlett Justice Center. The difference between the original and final budget for expenditures increased by \$470,597. Public safety budget was increased by \$211,833 due to salary supplements received from the state of Tennessee and miscellaneous charges in the fire department. Transfers out to the City's capital projects fund was increased by \$250,000 for parks pavilion and roof repair to the justice center as noted above. Other small increases and decreases to various expenditure categories made up the difference.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- The General Fund revenues were \$495,147 less than budgeted. The variance was mostly due to not requiring the use of \$250,000 in budgeted fund balance. Property tax revenue was less than budget by \$233,053 while local tax collections fell short by \$277,848 less than projected. Intergovernmental revenue collections from the state of Tennessee exceeded the budget by \$166,513. Building permits and other licenses were \$160,107 less than budgeted. Charges for services were \$253,138 more than budgeted projections while fines and penalties from the City's court system came in at \$108,008 less than expected. Federal grants, donations, and interest on investments more \$181,828 more than budgeted while other resources were more than budgeted amounts by \$31,398. The city had estimated a planned use of fund balance of \$250,000; however, as noted above, \$0 of fund balance was used.
- General Fund expenditures were less than budgeted by \$1,204,759. City department heads strive to control costs within the respective departments. The largest positive variance was in General Government of \$456,516 while Public Safety had a positive variance of \$246,639. Parks and Recreation had a positive variance of \$213,615. Positive variances were also achieved in Public Works of \$156,739, Performing Arts Center of \$23,267, and Recreation Center of \$107,983. The City's final budget projected a net decrease in fund balance of \$71,397. Actual operations resulted in positive increase in fund balance of \$586,291, a budget to actual positive variance of \$657,688.

Capital Asset and Debt Administration

Capital assets: The City's total capital assets for its governmental and business type activities as of June 30, 2019 amounts to \$394,360,062 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, roads, highways, construction in progress, and other infrastructure. The total increase in City's capital assets for the current fiscal year was \$32,607,136 Depreciation expense for the year was \$14,844,241; \$12,399,558 from governmental activities and \$2,444,683 from business-type activities.

Condensed Statement of Capital Assets (Net of Depreciation)

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 13,364,955	\$ 13,363,531	\$ 1,475,223	\$ 1,438,944	\$ 14,840,178	\$ 14,802,475
Buildings	186,545,146	191,129,005	76,368	82,147	186,621,514	191,211,152
Improvements other than bldgs.	6,287,906	3,315,306	63,892,467	62,361,178	70,180,373	65,676,484
Equipment	11,248,210	14,827,540	1,036,321	1,143,694	12,284,531	15,971,234
Vehicles	7,403,840	6,789,214	-	-	7,403,840	6,789,214
Infrastructure	64,835,595	67,521,017	-	-	64,835,595	67,521,017
Contruction in progress	38,062,191	9,913,326	131,840	2,223,171	38,194,031	12,136,497
Total	\$ 327,747,843	\$ 306,858,939	\$ 66,612,219	\$ 67,249,134	\$ 394,360,062	\$ 374,108,073

Governmental activities saw an increase of \$50,184,559 in acquisition of land, buildings, equipment, vehicles, and infrastructure during FY2019 with \$19,345,561 in retirements. Business-type activities saw an increase of \$4,294,161 in capital asset acquisitions with \$2,526,043 in retirements. Additional information can be found in note 6 on pages 65-66 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Long-term debt: At the end of the current fiscal year, the City had total debt outstanding of \$97,244,569. Of this amount \$89,580,743 comprises debt backed by the full faith and credit of the government and capital outlay notes and capital leases and \$7,663,826 represents bonds secured primarily by a specified revenue source with a full faith and credit pledge.

Condensed Statement of Outstanding Debt General Obligation Bonds Revenue Bonds

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 79,026,629	\$ 78,168,505	\$ -	\$ -	\$ 79,026,629	\$ 78,168,505
Capital outlay note	5,411,000	5,072,150	-	-	5,411,000	5,072,150
General obligation note	821,000	885,000	-	-	821,000	885,000
Capital lease	4,322,114	7,213,622	-	-	4,322,114	7,213,622
Revenue bonds	-	-	7,054,826	8,121,081	7,054,826	8,121,081
Revenue note	-	-	609,000	656,000	609,000	656,000
Total	\$ 89,580,743	\$ 91,339,277	\$ 7,663,826	\$ 8,777,081	\$ 97,244,569	\$ 100,116,358

The City's total debt decreased \$2,871,789 or 2.8 percent during the current fiscal year. The City issued \$5,295,000 in general obligation bonds during the year to fund the FY19 Capital Projects Program. The City also issued \$1,355,000 in seven-year capital outlay notes during the year to purchase vehicles and equipment. There were no new issues of water and sewer revenue bonds or capital outlay notes for business-type activities. The City retired \$9,493,658 in debt through retirement of general obligation bonds, capital outlay notes, revenue bond payments, and capital lease payments.

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

Additional information on the City's long-term debt can be found at note 7 of the notes to the financial statements on pages 67-70 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Economic Factors and Next Year's Budgets and Rates

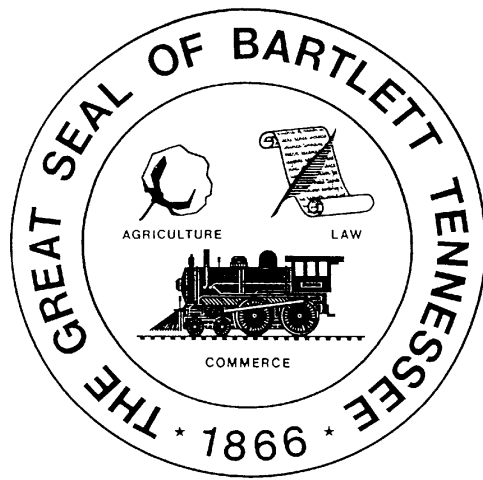
Factors considered in preparing the City's budget for the 2020 fiscal year are discussed fully in the budget document and include:

- The City uses conservative revenue forecasts for budgeting purposes. The primary source of funds remains property taxes. The potential impact of economic conditions in the area has been taken into consideration in projecting resources.
- Property tax revenues were projected to increase approximately 2.4% due to an increase in the overall growth in the tax base. The property tax rate for FY2020 is set at \$1.83 per hundred of assessed valuation. The housing market in Bartlett has rebounded 170% since 2010, providing a measure of stability in the property tax base. Continued growth in commercial construction and renovation projects has added to the base as well.
- Sales tax and other state shared revenue are projected to increase through sustained economic growth in the State of Tennessee and locally. While inflationary trends in the region compare favorably to national indices, the City has proposed FY2020 increases in sales tax revenues from FY2019 levels.
- Current service levels have been maintained in the General Fund in FY2020 by matching revenues and other financing sources to total expenditures. The City has added one full time custodial position at the City Shop, three (3) driver positions in general maintenance, and one (1) driver position in school ground maintenance.
- The City has increased water and sewer minimum rates by \$2 each per customer per month to cover expected increased costs of operations. This is the first increase in water/sewer rates since 2012. Sanitation rates were increased \$5 per month per customer for FY2020 to cover increased costs.
- Bartlett City schools have been in operation for five full years. A new high school is now under construction, with completion scheduled for fall of calendar 2020. A portion of the property tax revenues has been designated for the repayment of bond principal and interest on the debt. Bartlett Municipal Schools budgets \$1,000,000 annually for retirement of this debt as well.
- The adopted budget for the Bartlett Municipal School System is \$88.7 million in FY2020 and will require \$2.5 million from fund balance to fund the budget. The system operates 11 schools with projected enrollment of 8,300 students.
- The City adopted a General Fund operating budget of \$54.93 million for FY2020 which is a \$446 thousand increase from the FY2019 General Fund budget of \$54.48 million. There is no scheduled use of unassigned fund balance in FY2020.

At June 30, 2019 the fund balance in the General Fund was \$29,968,095 while the unassigned fund balance was \$17,629,713.

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, 2019, Fiscal Year 2019 and 2020 Budget Reports and other information about the City may be found on the City's website at www.cityofbartlett.org, as part of the City's commitment to transparency and our continuing usage of advancing technology and e-commerce.



FINANCIAL SECTION

CITY OF BARTLETT

T E N N E S S E E

BASIC FINANCIAL STATEMENTS

CITY OF BARTLETT, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activity	Total
ASSETS			
Cash and cash equivalents	\$ 101,841,383	\$ 12,626,348	\$ 114,467,731
Receivables			
Taxes	26,326,803	-	26,326,803
Accounts receivable	4,546,321	868,279	5,414,600
Other	363,785	403	364,188
Less allowance for doubtful accounts	(3,624,887)	(43,935)	(3,668,822)
Due from other governments	10,508,585	-	10,508,585
Internal balances	493,789	(493,789)	-
Inventories	222,099	-	222,099
Prepaid items	109,406	7,444	116,850
Capital assets, not being depreciated	51,427,146	1,607,063	53,034,209
Capital assets, being depreciated, net	276,320,697	65,005,156	341,325,853
Net pension asset	4,625,988	10,806	4,636,794
Restricted investments	188,272	-	188,272
Total assets	473,349,387	79,587,775	552,937,162
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	22,995,365	754,222	23,749,587
Related to OPEB	9,724,428	536,100	10,260,528
Deferred charge on refunding	183,447	104,851	288,298
Total deferred outflows of resources	32,903,240	1,395,173	34,298,413
LIABILITIES			
Accounts payable and accrued liabilities	7,810,000	405,328	8,215,328
Accrued interest payable	969,641	58,890	1,028,531
Accrued payroll	3,799,771	-	3,799,771
Unearned revenue	491,592	165,653	657,245
Noncurrent liabilities:			
Due within one year	8,379,853	1,000,382	9,380,235
Due in more than one year	88,759,727	6,798,076	95,557,803
Net pension liability	35,514,339	2,505,295	38,019,634
Net OPEB liability	52,301,974	1,927,054	54,229,028
Total liabilities	198,026,897	12,860,678	210,887,575
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	24,448,567	-	24,448,567
Related to pension	7,213,307	73,660	7,286,967
Related to OPEB	10,436,720	591,884	11,028,604
Total deferred inflows of resources	42,098,594	665,544	42,764,138
NET POSITION			
Net investment in capital assets	246,674,617	59,169,879	305,844,496
Restricted for:			
Net pension asset	4,625,988	10,806	4,636,794
Stabilization reserve trust	188,272	-	188,272
Streets	231,572	-	231,572
Solid waste	489,784	-	489,784
Drug enforcement	623,986	-	623,986
Public safety programs	44,847	-	44,847
Education	589,660	-	589,660
Unrestricted	12,658,410	8,276,041	20,934,451
Total net position	\$ 266,127,136	\$ 67,456,726	\$ 333,583,862

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 8,704,877	\$ 5,356,944	\$ 98,049	\$ -	\$ (3,249,884)	\$ -	\$ (3,249,884)
Public safety	33,365,314	1,484,881	404,163	-	(31,476,270)	-	(31,476,270)
Public works	22,057,199	7,105,512	2,005,206	997,096	(11,949,385)	-	(11,949,385)
Parks and recreation	5,376,867	877,715	106,634	-	(4,392,518)	-	(4,392,518)
Performing arts center	883,657	289,948	-	-	(593,709)	-	(593,709)
Recreation center	1,597,184	1,701,141	-	-	103,957	-	103,957
Education	92,755,009	2,666,990	54,366,870	2,708,391	(33,012,758)	-	(33,012,758)
Interest on long-term debt	2,655,578	-	-	-	(2,655,578)	-	(2,655,578)
Total governmental activities	167,395,685	19,483,131	56,980,922	3,705,487	(87,226,145)	-	(87,226,145)
Business-type activity:							
Water and sewer	8,829,089	8,320,764	-	417,438	-	(90,887)	(90,887)
Total primary government	<u>\$ 176,224,774</u>	<u>\$ 27,803,895</u>	<u>\$ 56,980,922</u>	<u>\$ 4,122,925</u>	(87,226,145)	(90,887)	(87,317,032)
General revenues:							
Property taxes					50,654,473	-	50,654,473
Local option sales tax					25,132,014	-	25,132,014
Other taxes							
Wholesale liquor and beer taxes					1,143,689	-	1,143,689
Local gross receipts tax					1,073,508	-	1,073,508
Business, cable tv, and hotel-motel taxes					818,429	-	818,429
Intergovernmental revenues:							
State sales tax					5,010,012	-	5,010,012
State income tax					311,368	-	311,368
Other state revenue					1,041,133	-	1,041,133
Other revenue					470,940	20,731	491,671
Interest on investments					910,061	101,350	1,011,411
Gain on sale of capital assets					71,323	7,192	78,515
Total general revenues and transfers					86,636,950	129,273	86,766,223
Change in net position					(589,195)	38,386	(550,809)
Net position - beginning					266,716,331	67,418,340	334,134,671
Net position - ending					<u>\$ 266,127,136</u>	<u>\$ 67,456,726</u>	<u>\$ 333,583,862</u>

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General Fund	General Purpose School Fund	Capital Projects Fund	Education Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 27,018,849	\$ 36,357,970	\$ 25,617,789	\$ 4,983,849	\$ 5,864,520	\$ 99,842,977
Receivables						
Taxes	25,754,811	-	-	-	571,992	26,326,803
Customer	3,805,686	-	-	-	740,635	4,546,321
Other	351,755	7,242	10	-	4,778	363,785
Less allowance for doubtful accounts	(3,593,249)	-	-	-	(31,638)	(3,624,887)
Due from other governments	3,280,071	4,604,949	-	873,692	1,749,873	10,508,585
Due from other funds	117,363	736,463	259,249	-	-	1,113,075
Inventory	173,063	-	-	-	49,036	222,099
Prepaid Items	31,008	-	-	-	78,398	109,406
Restricted investments	-	188,272	-	-	-	188,272
Total assets	<u>\$ 56,939,357</u>	<u>\$ 41,894,896</u>	<u>\$ 25,877,048</u>	<u>\$ 5,857,541</u>	<u>\$ 9,027,594</u>	<u>\$ 139,596,436</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 745,644	\$ 575,653	\$ 213,122	\$ 5,508,005	\$ 406,401	\$ 7,448,825
Accrued payroll	-	3,552,340	-	-	225,188	3,777,528
Due to other funds	19,533	2,876	-	-	1,090,666	1,113,075
Unearned revenue						
Recreation center	173,136	-	-	-	-	173,136
Developers	261,888	-	-	-	-	261,888
BPAC	7,500	-	-	-	-	7,500
Cafeteria balances	-	-	-	-	49,068	49,068
Total liabilities	<u>1,207,701</u>	<u>4,130,869</u>	<u>213,122</u>	<u>5,508,005</u>	<u>1,771,323</u>	<u>12,831,020</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue						
Taxes	25,054,113	1,843,564	-	-	-	26,897,677
Court fines	561,761	-	-	-	-	561,761
Ambulance	90,298	-	-	-	-	90,298
Property maintenance	56,923	-	-	-	-	56,923
Other	-	-	10	8,529	57,003	65,542
Total deferred inflows of resources	<u>25,763,095</u>	<u>1,843,564</u>	<u>10</u>	<u>8,529</u>	<u>57,003</u>	<u>27,672,201</u>
FUND BALANCES						
Nonspendable	204,071	-	-	-	127,434	331,505
Restricted	44,847	188,272	22,990,388	-	1,935,002	25,158,509
Committed	11,986,712	21,482,209	-	-	3,156,605	36,625,526
Assigned	103,218	14,249,982	2,673,528	341,007	1,985,768	19,353,503
Unassigned	17,629,713	-	-	-	(5,541)	17,624,172
Total fund balances	<u>29,968,561</u>	<u>35,920,463</u>	<u>25,663,916</u>	<u>341,007</u>	<u>7,199,268</u>	<u>99,093,215</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 56,939,357</u>	<u>\$ 41,894,896</u>	<u>\$ 25,877,048</u>	<u>\$ 5,857,541</u>	<u>\$ 9,027,594</u>	<u>\$ 139,596,436</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, 2019

Total fund balances, governmental funds		\$ 99,093,215
Amounts reported for governmental activities in the statement of net position are different because:		
(1) Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		327,747,843
(2) Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned or unavailable in the funds.		3,223,634
(3) Long-term debt is not due and payable in the current period and, therefore is not reported in the funds.		
Less: bonds payable	(70,680,000)	
Less: capital notes payable	(6,232,000)	
Less: settlement obligation	(4,257,351)	
Less: capital leases payable	(4,322,114)	
Less: unamortized premiums and discounts on debt	(7,960,239)	
Add: deferred amount on refunding	<u>183,447</u>	(93,268,257)
(4) Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Less: accrued interest payable	(969,641)	
Less: compensated absences payable	<u>(3,687,876)</u>	(4,657,517)
(5) Pension assets (liabilities) and other post-employment benefit (OPEB) liabilities result from the excess (deficiency) of trust assets over (under) total pension and OPEB liabilities. The amounts are not available for use in the current period; therefore, are not reported in the funds.		
Add: net pension asset	4,625,988	
Less: net pension liability	(35,514,339)	
Less: net other postemployment liability	<u>(52,301,974)</u>	(83,190,325)
(6) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	22,995,365	
Less: deferred inflows of resources related to pensions	(7,213,307)	
Add: deferred outflows of resources related to OPEB	9,724,428	
Less: deferred inflows of resources related to OPEB	<u>(10,436,720)</u>	15,069,766
(7) Internal service funds are used by management to charge the cost of health insurance, workers' compensation, and retiree health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		<u>2,108,777</u>
Net position of governmental activities		<u><u>\$ 266,127,136</u></u>

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	General Fund	General Purpose School Fund	Capital Projects Fund	Education Capital Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 25,871,947	\$ 24,814,180	\$ -	\$ -	\$ -	\$ 50,686,127
Local sales taxes	14,151,952	10,641,805	-	-	3,329,115	28,122,872
Intergovernmental						
State sales, income, and other tax	6,362,513	45,712,507	-	4,143,870	-	56,218,890
State gas tax	-	-	-	-	1,983,791	1,983,791
Licenses and permits	1,656,593	-	-	-	-	1,656,593
Charges for services	4,651,368	1,414,013	-	-	8,181,458	14,246,839
Fines, forfeitures, and penalties	1,776,992	-	-	-	110,049	1,887,041
Federal, state and other grants	153,891	-	-	-	10,038,211	10,192,102
Donations	28,254	-	-	-	-	28,254
Interest on investments	256,883	9,358	628,248	-	15,572	910,061
Other	131,040	288,888	1,994	-	49,018	470,940
Total revenues	<u>55,041,433</u>	<u>82,880,751</u>	<u>630,242</u>	<u>4,143,870</u>	<u>23,707,214</u>	<u>166,403,510</u>
EXPENDITURES						
Current						
General government	7,714,061	-	-	-	-	7,714,061
Public safety	27,921,085	-	-	-	583,516	28,504,601
Public works	5,957,383	-	-	-	9,856,090	15,813,473
Parks and recreation	4,151,427	-	-	-	-	4,151,427
Performing arts center	676,344	-	-	-	50,000	726,344
Recreation center	1,559,399	-	-	-	-	1,559,399
Education	-	72,669,097	-	-	9,370,378	82,039,475
Debt Service						
Principal	-	3,393,149	-	-	5,515,150	8,908,299
Interest	-	161,536	-	-	2,878,702	3,040,238
Bond issuance costs	-	-	11,648	-	74,569	86,217
Capital outlays	-	45,934	6,300,718	35,375,939	-	41,722,591
Total expenditures	<u>47,979,699</u>	<u>76,269,716</u>	<u>6,312,366</u>	<u>35,375,939</u>	<u>28,328,405</u>	<u>194,266,125</u>
Excess (deficiency) of revenues over (under) expenditures	7,061,734	6,611,035	(5,682,124)	(31,232,069)	(4,621,191)	(27,862,615)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	6,650,000	-	-	6,650,000
Premium on bonds issued	-	-	432,362	-	-	432,362
Sale of capital assets	91,456	1,400,000	-	-	8,449	1,499,905
Transfers in	204,804	2,896,088	1,401,316	32,913,401	5,230,406	42,646,015
Transfers out	(6,771,703)	(6,981,923)	(27,347,572)	-	(1,544,817)	(42,646,015)
Total other financing sources and uses	<u>(6,475,443)</u>	<u>(2,685,835)</u>	<u>(18,863,894)</u>	<u>32,913,401</u>	<u>3,694,038</u>	<u>8,582,267</u>
Net change in fund balances	586,291	3,925,200	(24,546,018)	1,681,332	(927,153)	(19,280,348)
Fund balances - beginning	<u>29,382,270</u>	<u>31,995,263</u>	<u>50,209,934</u>	<u>(1,340,325)</u>	<u>8,126,421</u>	<u>118,373,563</u>
Fund balances - ending	<u>\$ 29,968,561</u>	<u>\$ 35,920,463</u>	<u>\$ 25,663,916</u>	<u>\$ 341,007</u>	<u>\$ 7,199,268</u>	<u>\$ 99,093,215</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, 2019

Net change in fund balance - total governmental funds			\$ (19,280,348)
Amounts reported for governmental activities in the statement of activities are different because:			
(1) Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.			
Capital outlays capitalize	40,944,518		
Depreciation expense	(12,399,558)		
Loss from the disposition of capital assets	<u>(7,656,056)</u>	20,888,904	
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			(1,633,535)
(3) The issuance of long-term debt (e.g. bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Add: principal payments on long-term debt	9,014,851		
Less: proceeds from debt issuance	(6,650,000)		
Less: premium on current year issuance	<u>(432,362)</u>	1,932,489	
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Amortization of premiums and discounts	327,686		
Amortization of deferred amount on refunding debt	(42,288)		
Change in accrued interest payable	78,927		
Change in compensated absences	<u>(103,512)</u>	260,813	
(5) Payments of contributions to the pension plans and OPEB plan are recorded as expenditures in the governmental funds. Pension expense and OPEB expense are recorded on an actuarially determined basis in the statement of activities.			
Difference between actual contributions and pension expense	1,108,648		
Difference between actual contributions and OPEB expense	<u>(4,086,748)</u>	(2,978,100)	
(6) Internal service funds are used by management to charge the costs of health insurance, workmen's compensation, and retiree health insurance to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.			
		220,582	
Change in net position of governmental activities		<u>\$</u>	<u>(589,195)</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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
PROPERTY TAXES				
Property tax	\$ 24,105,000	\$ 24,105,000	\$ 23,964,048	\$ (140,952)
Property tax - prior year	250,000	250,000	193,609	(56,391)
Payments in lieu of taxes	1,640,000	1,640,000	1,605,372	(34,628)
Property tax interest and penalties	100,000	100,000	108,918	8,918
Total property taxes	26,095,000	26,095,000	25,871,947	(223,053)
LOCAL TAXES				
Local sales tax	11,306,800	11,306,800	11,119,286	(187,514)
Wholesale beer and liquor tax	1,209,000	1,209,000	1,143,689	(65,311)
Gross receipts tax	1,100,000	1,100,000	1,073,508	(26,492)
Business tax	94,000	94,000	119,342	25,342
CATV franchise tax	540,000	540,000	543,054	3,054
Hotel tax	180,000	180,000	153,073	(26,927)
Total local taxes	14,429,800	14,429,800	14,151,952	(277,848)
INTERGOVERNMENTAL				
State of Tennessee shared taxes				
Sales	4,964,000	4,964,000	5,010,012	46,012
Income taxes	240,000	240,000	311,368	71,368
Beer tax	28,000	28,000	26,150	(1,850)
Liquor tax	90,000	90,000	107,959	17,959
Bank excise tax	10,000	10,000	20,960	10,960
Receipts in lieu of tax - TVA	690,000	690,000	698,260	8,260
Reimbursements	60,000	60,000	75,642	15,642
State road maintenance	114,000	114,000	112,162	(1,838)
Total state shared taxes	6,196,000	6,196,000	6,362,513	166,513
LICENSES AND PERMITS				
Automobile stickers	1,200,000	1,200,000	1,254,927	54,927
Building and related permits	616,700	616,700	401,666	(215,034)
Total licenses and permits	1,816,700	1,816,700	1,656,593	(160,107)

(CONTINUED ON NEXT PAGE)

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
CHARGES FOR SERVICES				
Publication fees	\$ 1,000	\$ 1,000	\$ 1,200	\$ 200
Library fees	52,400	52,400	50,746	(1,654)
BSMC rental fees	166,400	166,400	151,420	(14,980)
Police and fire charges	30,000	30,000	34,075	4,075
Ambulance fees	1,300,000	1,300,000	1,410,187	110,187
Animal Shelter fees	113,900	113,900	85,935	(27,965)
Trash removal and weed cutting fees	35,000	35,000	49,001	14,001
Parks and recreation charges	876,430	876,430	877,715	1,285
Performing arts center	239,600	239,600	289,948	50,348
Recreation center	1,583,500	1,583,500	1,701,141	117,641
Total charge for services	4,398,230	4,398,230	4,651,368	253,138
FINES, FORFEITURES, AND PENALTIES	1,965,000	1,965,000	1,776,992	(188,008)
FEDERAL, STATE, AND OTHER GRANTS	-	124,200	153,891	29,691
DONATIONS	25,000	25,000	28,254	3,254
INTEREST ON INVESTMENTS	108,000	108,000	256,883	148,883
OTHER	123,650	128,650	131,040	2,390
PLANNED USE OF FUND BALANCE	-	250,000	-	(250,000)
Total Revenues	55,157,380	55,536,580	55,041,433	(495,147)

(CONTINUED ON NEXT PAGE)

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative				
Salaries	\$ 216,083	\$ 216,083	\$ 195,448	\$ 20,635
Benefits	94,790	94,790	86,273	8,517
Contractual services	176,000	117,000	89,711	27,289
Materials and supplies	3,000	3,000	1,354	1,646
Insurance	83,300	83,300	88,146	(4,846)
Other charges	260,200	252,045	220,508	31,537
	833,373	766,218	681,440	84,778
Mayor's office				
Salaries	451,978	451,978	450,986	992
Benefits	169,232	184,232	184,708	(476)
Contractual services	76,000	61,000	52,041	8,959
Maintenance and equipment rental	4,200	4,200	3,669	531
Materials and supplies	14,350	14,350	11,106	3,244
Insurance	1,900	1,900	1,482	418
Other charges	54,100	54,100	34,503	19,597
	771,760	771,760	738,495	33,265
Community relations				
Salaries	81,446	81,446	82,954	(1,508)
Benefits	32,965	37,965	35,720	2,245
Contractual services	55,000	55,000	45,701	9,299
Maintenance and equipment rental	34,200	44,200	33,491	10,709
Materials and supplies	54,000	54,000	67,103	(13,103)
Insurance	900	900	762	138
Other charges	57,348	66,798	42,719	24,079
	315,859	340,309	308,450	31,859
Finance and accounting				
Salaries	1,065,408	1,061,408	1,004,024	57,384
Benefits	422,559	422,559	408,416	14,143
Contractual services	92,000	92,000	90,281	1,719
Maintenance and equipment rental	2,200	2,200	936	1,264
Materials and supplies	13,500	13,500	15,495	(1,995)
Insurance	6,645	6,645	6,086	559
Other charges	46,750	48,750	50,023	(1,273)
Capital outlay	400	3,480	2,785	695
	1,649,462	1,650,542	1,578,046	72,496

(CONTINUED ON NEXT PAGE)

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
City Court				
Salaries	\$ 751,977	\$ 751,977	\$ 733,824	\$ 18,153
Benefits	287,245	287,245	290,289	(3,044)
Contractual services	49,500	49,500	36,870	12,630
Maintenance and equipment rental	3,000	3,000	2,653	347
Materials and supplies	6,700	6,700	5,680	1,020
Insurance	2,578	2,578	2,114	464
Other charges	10,700	10,700	8,686	2,014
	<u>1,111,700</u>	<u>1,111,700</u>	<u>1,080,116</u>	<u>31,584</u>
Personnel				
Salaries	315,217	315,217	313,055	2,162
Benefits	179,283	179,283	160,975	18,308
Contractual services	22,900	22,900	9,420	13,480
Maintenance and equipment rental	3,000	3,000	1,871	1,129
Materials and supplies	6,775	6,775	6,337	438
Insurance	1,307	1,307	1,097	210
Other charges	7,260	7,260	7,546	(286)
	<u>535,742</u>	<u>535,742</u>	<u>500,301</u>	<u>35,441</u>
Planning and economic development				
Salaries	331,152	331,152	312,262	18,890
Benefits	140,596	140,596	142,534	(1,938)
Contractual services	3,800	3,800	1,720	2,080
Maintenance and equipment rental	1,750	1,750	2,661	(911)
Materials and supplies	4,500	4,500	4,052	448
Insurance	1,233	1,233	1,028	205
Other charges	4,900	4,900	5,001	(101)
Capital outlay	-	-	-	-
	<u>487,931</u>	<u>487,931</u>	<u>469,258</u>	<u>18,673</u>
Building and grounds				
Salaries	105,840	105,840	102,039	3,801
Benefits	51,929	51,929	50,626	1,303
Contractual services	500	500	-	500
Maintenance and equipment rental	49,500	49,500	48,147	1,353
Materials and supplies	23,000	23,000	14,662	8,338
Insurance	10,750	10,750	10,503	247
Other charges	112,000	112,000	114,137	(2,137)
	<u>353,519</u>	<u>353,519</u>	<u>340,114</u>	<u>13,405</u>

(CONTINUED ON NEXT PAGE)

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Bartlett Station				
Salaries	\$ 212,293	\$ 212,293	\$ 206,291	\$ 6,002
Benefits	90,804	90,804	88,917	1,887
Contractual services	1,100	1,100	1,375	(275)
Maintenance and equipment rental	38,600	38,600	33,081	5,519
Materials and supplies	11,475	11,475	11,051	424
Insurance	9,300	9,300	9,654	(354)
Other charges	60,900	60,900	57,810	3,090
	<u>424,472</u>	<u>424,472</u>	<u>408,179</u>	<u>16,293</u>
Library				
Contractual services	1,158,560	1,147,560	1,143,546	4,014
Maintenance and equipment rental	9,000	9,000	7,138	1,862
Materials and supplies	6,000	6,000	6,866	(866)
Insurance	10,437	10,437	10,132	305
Other charges	44,300	44,300	39,536	4,764
Capital outlay	13,000	53,000	49,968	3,032
	<u>1,241,297</u>	<u>1,270,297</u>	<u>1,257,186</u>	<u>13,111</u>
General services				
Salaries	234,667	234,667	213,078	21,589
Benefits	108,725	108,725	99,656	9,069
Contractual services	2,250	2,250	444	1,806
Maintenance and equipment rental	4,000	4,000	2,361	1,639
Materials and supplies	14,400	14,400	15,848	(1,448)
Insurance	2,200	2,200	1,947	253
Other charges	2,145	2,145	1,804	341
Capital outlay	700	700	494	206
	<u>369,087</u>	<u>369,087</u>	<u>335,632</u>	<u>33,455</u>
Bartlett Station committee				
Contractual services	20,000	20,000	14,293	5,707
Incentives and improvements	55,000	55,000	1,795	53,205
Other charges	14,000	14,000	756	13,244
	<u>89,000</u>	<u>89,000</u>	<u>16,844</u>	<u>72,156</u>
Total general government	<u>8,183,202</u>	<u>8,170,577</u>	<u>7,714,061</u>	<u>456,516</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
PUBLIC SAFETY				
Police services				
Salaries	\$ 10,041,855	\$ 10,058,055	\$ 9,950,706	\$ 107,349
Benefits	4,389,659	4,419,659	4,526,957	(107,298)
Contractual services	108,000	110,000	71,569	38,431
Maintenance and equipment rental	245,500	245,500	254,910	(9,410)
Materials and supplies	516,300	520,675	491,890	28,785
Insurance	146,181	146,181	146,855	(674)
Other charges	264,600	334,276	310,493	23,783
Capital outlay	25,500	40,410	15,245	25,165
	<u>15,737,595</u>	<u>15,874,756</u>	<u>15,768,625</u>	<u>106,131</u>
Fire services				
Salaries	4,863,370	4,846,370	4,698,914	147,456
Benefits	2,197,550	2,197,550	2,268,074	(70,524)
Contractual services	34,800	34,800	17,422	17,378
Maintenance and equipment rental	132,200	147,200	168,190	(20,990)
Materials and supplies	170,350	170,350	171,780	(1,430)
Insurance	54,500	54,500	51,733	2,767
Other charges	97,250	133,850	123,851	9,999
Capital outlay	67,000	69,000	66,577	2,423
	<u>7,617,020</u>	<u>7,653,620</u>	<u>7,566,541</u>	<u>87,079</u>
Ambulance and medical services				
Salaries	2,150,384	2,119,384	2,073,975	45,409
Benefits	986,411	986,411	1,003,550	(17,139)
Contractual services	105,500	105,500	111,338	(5,838)
Maintenance and equipment rental	83,000	83,000	72,321	10,679
Materials and supplies	178,915	178,987	172,801	6,186
Insurance	14,700	14,700	18,001	(3,301)
Other charges	12,100	61,100	58,551	2,549
Capital outlay	57,000	62,000	61,783	217
	<u>3,588,010</u>	<u>3,611,082</u>	<u>3,572,320</u>	<u>38,762</u>
Codes enforcement				
Salaries	649,419	632,419	626,517	5,902
Benefits	293,033	278,033	281,041	(3,008)
Contractual services	7,800	7,800	5,811	1,989
Maintenance and equipment rental	9,700	56,700	56,714	(14)
Materials and supplies	21,350	21,350	19,694	1,656
Insurance	4,881	4,881	4,546	335
Other charges	25,438	25,438	17,949	7,489
Capital outlay	1,645	1,645	1,327	318
	<u>1,013,266</u>	<u>1,028,266</u>	<u>1,013,599</u>	<u>14,667</u>
Total public safety	<u>27,955,891</u>	<u>28,167,724</u>	<u>27,921,085</u>	<u>246,639</u>

(CONTINUED ON NEXT PAGE)

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
PUBLIC WORKS				
Administrative				
Salaries	\$ 316,099	\$ 316,099	\$ 314,761	\$ 1,338
Benefits	130,473	130,473	130,109	364
Contractual services	1,500	1,500	1,428	72
Maintenance and equipment rental	101,025	101,025	100,856	169
Materials and supplies	6,300	8,300	9,431	(1,131)
Insurance	3,350	3,350	2,913	437
Other charges	21,600	21,600	20,825	775
Capital outlay	725	725	400	325
	<u>581,072</u>	<u>583,072</u>	<u>580,723</u>	<u>2,349</u>
Engineering				
Salaries	268,718	268,718	269,611	(893)
Benefits	101,486	109,486	108,155	1,331
Contractual services	7,800	7,800	1,737	6,063
Maintenance and equipment rental	9,590	9,590	11,874	(2,284)
Materials and supplies	11,300	11,300	13,107	(1,807)
Insurance	1,900	1,900	1,490	410
Other charges	8,600	8,600	8,789	(189)
Capital outlay	-	1,000	260	740
	<u>409,394</u>	<u>418,394</u>	<u>415,023</u>	<u>3,371</u>
Inspection				
Salaries	402,038	402,038	389,558	12,480
Benefits	177,001	177,001	187,081	(10,080)
Contractual services	5,200	5,200	2,259	2,941
Maintenance and equipment rental	8,600	8,600	11,294	(2,694)
Materials and supplies	5,300	5,300	5,816	(516)
Insurance	6,300	6,300	6,332	(32)
Other charges	9,600	9,600	7,981	1,619
Capital outlay	-	5,000	4,634	366
	<u>614,039</u>	<u>619,039</u>	<u>614,955</u>	<u>4,084</u>
City shop				
Salaries	645,974	645,974	626,566	19,408
Benefits	285,546	285,546	297,212	(11,666)
Contractual services	1,800	1,800	588	1,212
Maintenance and equipment rental	22,500	22,500	25,739	(3,239)
Materials and supplies	35,600	45,600	36,838	8,762
Insurance	6,900	6,900	6,591	309
Other charges	26,033	26,033	30,242	(4,209)
Shop allocations	(325,325)	(325,325)	(333,640)	8,315
Capital outlay	12,500	12,500	9,667	2,833
	<u>711,528</u>	<u>721,528</u>	<u>699,803</u>	<u>21,725</u>

(CONTINUED ON NEXT PAGE)

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
General maintenance of roads and drainage				
Salaries	\$ 724,902	\$ 698,902	\$ 677,033	\$ 21,869
Benefits	425,904	425,904	420,694	5,210
Contractual services	9,450	9,450	3,158	6,292
Maintenance and equipment rental	69,700	69,700	53,715	15,985
Materials and supplies	271,850	271,850	255,311	16,539
Insurance	13,200	13,200	13,429	(229)
Other charges	41,300	41,300	35,254	6,046
Capital outlay	1,100	1,100	638	462
	<u>1,557,406</u>	<u>1,531,406</u>	<u>1,459,232</u>	<u>72,174</u>
Grounds maintenance				
Salaries	835,998	831,998	809,808	22,190
Benefits	339,062	324,062	329,312	(5,250)
Contractual services	1,500	1,500	795	705
Maintenance and equipment rental	196,720	196,720	182,124	14,596
Materials and supplies	70,000	74,000	86,468	(12,468)
Insurance	10,600	10,600	11,059	(459)
Other charges	10,633	10,633	9,919	714
Capital outlay	16,000	31,000	30,666	334
	<u>1,480,513</u>	<u>1,480,513</u>	<u>1,460,151</u>	<u>20,362</u>
Animal control				
Salaries	384,080	384,080	379,447	4,633
Benefits	210,495	210,495	206,100	4,395
Contractual services	32,400	32,400	26,600	5,800
Maintenance and equipment rental	11,275	11,275	6,850	4,425
Materials and supplies	92,200	92,200	87,018	5,182
Insurance	5,100	5,100	4,853	247
Other charges	20,420	20,420	13,278	7,142
Capital outlay	4,200	4,200	3,350	850
	<u>760,170</u>	<u>760,170</u>	<u>727,496</u>	<u>32,674</u>
Total public works	<u>6,114,122</u>	<u>6,114,122</u>	<u>5,957,383</u>	<u>156,739</u>
PARKS AND RECREATION				
Parks and recreation				
Salaries	252,386	252,386	210,601	41,785
Benefits	98,528	98,528	86,015	12,513
Contractual services	2,400	2,400	1,085	1,315
Maintenance and equipment rental	1,500	1,500	821	679
Materials and supplies	5,450	5,450	3,782	1,668
Insurance	7,300	7,300	7,294	6
Other charges	4,129	4,129	4,278	(149)
	<u>371,693</u>	<u>371,693</u>	<u>313,876</u>	<u>57,817</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Community center				
Salaries	\$ 608,871	\$ 600,871	\$ 596,334	\$ 4,537
Benefits	153,013	153,013	148,146	4,867
Contractual services	4,000	4,000	7,346	(3,346)
Maintenance and equipment rental	29,000	29,000	23,983	5,017
Materials and supplies	57,400	57,400	50,122	7,278
Insurance	8,600	8,600	8,514	86
Other charges	76,150	76,150	71,304	4,846
Capital outlay	7,000	21,042	20,603	439
	<u>944,034</u>	<u>950,076</u>	<u>926,352</u>	<u>23,724</u>
Athletics				
Salaries	408,860	408,860	381,424	27,436
Benefits	112,205	112,205	113,858	(1,653)
Contractual services	6,200	6,200	2,503	3,697
Maintenance and equipment rental	44,600	44,600	28,988	15,612
Materials and supplies	121,700	121,700	110,186	11,514
Insurance	13,000	13,000	13,705	(705)
Other charges	76,428	76,428	94,209	(17,781)
Capital outlay	24,000	30,398	20,583	9,815
	<u>806,993</u>	<u>813,391</u>	<u>765,456</u>	<u>47,935</u>
Parks maintenance				
Salaries	815,887	815,887	800,198	15,689
Benefits	326,303	331,303	346,094	(14,791)
Contractual services	2,600	2,600	982	1,618
Maintenance and equipment rental	271,220	265,220	247,003	18,217
Materials and supplies	141,100	141,100	134,459	6,641
Insurance	11,100	11,100	11,190	(90)
Other charges	11,688	11,688	9,906	1,782
Capital outlay	-	1,000	630	370
	<u>1,579,898</u>	<u>1,579,898</u>	<u>1,550,462</u>	<u>29,436</u>
School ground maintenance				
Salaries	127,027	127,027	95,617	31,410
Benefits	32,394	32,394	33,213	(819)
Contractual services	100	100	50	50
Maintenance and equipment rental	62,000	62,000	52,750	9,250
Materials and supplies	9,050	9,050	14,303	(5,253)
Insurance	1,300	1,300	955	345
Other charges	3,658	3,658	2,595	1,063
Capital outlay	8,000	8,000	7,675	325
	<u>243,529</u>	<u>243,529</u>	<u>207,158</u>	<u>36,371</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Senior center				
Salaries	\$ 209,474	\$ 209,474	\$ 202,959	\$ 6,515
Benefits	110,081	110,081	115,414	(5,333)
Contractual services	13,500	13,500	11,628	1,872
Maintenance and equipment rental	7,300	7,300	6,916	384
Materials and supplies	17,900	17,900	15,462	2,438
Insurance	4,000	4,000	4,029	(29)
Other charges	38,000	38,000	25,617	12,383
Capital outlay	6,200	6,200	6,098	102
	<u>406,455</u>	<u>406,455</u>	<u>388,123</u>	<u>18,332</u>
 Total parks and recreation	 <u>4,352,602</u>	 <u>4,365,042</u>	 <u>4,151,427</u>	 <u>213,615</u>
PERFORMING ARTS CENTER				
Salaries	428,940	432,940	435,212	(2,272)
Benefits	53,783	53,783	49,476	4,307
Contractual services	19,100	19,100	17,864	1,236
Maintenance and equipment rental	29,100	29,100	23,477	5,623
Materials and supplies	19,800	11,800	6,394	5,406
Insurance	10,500	10,500	10,311	189
Other charges	130,850	130,850	125,585	5,265
Capital outlay	-	11,538	8,025	3,513
Total performing arts center	<u>692,073</u>	<u>699,611</u>	<u>676,344</u>	<u>23,267</u>
RECREATION CENTER				
Salaries	981,911	981,911	907,518	74,393
Benefits	250,945	250,945	222,975	27,970
Contractual services	7,500	7,500	8,702	(1,202)
Maintenance and equipment rental	97,500	98,911	75,422	23,489
Materials and supplies	137,950	137,950	141,858	(3,908)
Insurance	18,300	18,300	18,421	(121)
Other charges	171,865	171,865	184,503	(12,638)
Capital outlay	-	-	-	-
Total recreation center	<u>1,665,971</u>	<u>1,667,382</u>	<u>1,559,399</u>	<u>107,983</u>
 Total Expenditures	 <u>48,963,861</u>	 <u>49,184,458</u>	 <u>47,979,699</u>	 <u>1,204,759</u>

(CONTINUED ON NEXT PAGE)

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

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 6,193,519	\$ 6,352,122	\$ 7,061,734	\$ 709,612
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	70,000	70,000	91,456	21,456
Transfers in	270,500	290,500	204,804	(85,696)
Transfers out	(6,534,019)	(6,784,019)	(6,771,703)	12,316
Total Other Financing Sources (Uses)	<u>(6,193,519)</u>	<u>(6,423,519)</u>	<u>(6,475,443)</u>	<u>(51,924)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (71,397)</u>	586,291	<u>\$ 657,688</u>
Fund balances - beginning			<u>29,382,270</u>	
Fund balances - ending			<u>\$ 29,968,561</u>	

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
PROPERTY TAXES				
Property tax	\$ 23,564,652	\$ 23,564,652	\$ 24,016,208	\$ 451,556
Property tax - prior year	375,462	375,462	373,275	(2,187)
Payments in lieu of tax	384,712	384,712	424,697	39,985
Total property taxes	24,324,826	24,324,826	24,814,180	489,354
LOCAL TAXES				
Sales tax	11,948,512	11,948,512	10,638,845	(1,309,667)
Business tax	3,272	3,272	2,960	(312)
Total local taxes	11,951,784	11,951,784	10,641,805	(1,309,979)
INTERGOVERNMENTAL				
State of Tennessee shared taxes				
Mixed drink taxes	82,000	82,000	107,959	25,959
Basic education program	41,261,415	41,261,415	43,222,983	1,961,568
Career ladder program	174,065	174,065	209,147	35,082
Wheel tax	802,787	802,787	2,161,054	1,358,267
Other	118,871	118,871	11,364	(107,507)
Total intergovernmental	42,439,138	42,439,138	45,712,507	3,273,369
CHARGES FOR SERVICES	785,128	1,785,128	1,414,013	(371,115)
INTEREST ON INVESTMENTS	-	-	9,358	9,358
OTHER	-	-	288,888	288,888
Total Revenues	79,500,876	80,500,876	82,880,751	2,379,875
EXPENDITURES				
EDUCATION				
Regular Instruction				
Salaries	29,604,402	29,604,402	28,210,462	1,393,940
Benefits	8,681,549	8,626,549	7,877,934	748,615
Contractual services	124,902	124,902	113,216	11,686
Materials and supplies	1,399,619	1,349,619	1,008,777	340,842
Other charges	102,200	102,200	66,142	36,058
	39,912,672	39,807,672	37,276,531	2,531,141
Alternative Education				
Salaries	294,844	294,844	290,328	4,516
Benefits	71,337	71,337	69,132	2,205
Contractual services	29,000	29,000	48,909	(19,909)
Materials and supplies	500	500	379	121
Other charges	2,500	2,500	901	1,599
	398,181	398,181	409,649	(11,468)

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Special Education				
Salaries	\$ 4,587,521	\$ 4,608,021	\$ 4,637,092	\$ (29,071)
Benefits	1,491,180	1,450,680	1,419,592	31,088
Contractual services	159,283	159,283	42,475	116,808
Materials and supplies	51,000	51,000	70,570	(19,570)
Other charges	-	-	2,177	(2,177)
	6,288,984	6,268,984	6,171,906	97,078
Technical Education				
Salaries	1,017,488	1,028,688	1,057,658	(28,970)
Benefits	313,757	302,557	269,855	32,702
Materials and supplies	35,273	35,273	25,328	9,945
Other charges	-	-	15	(15)
	1,366,518	1,366,518	1,352,856	13,662
Student Services				
Salaries	444,501	514,501	510,322	4,179
Benefits	115,371	115,371	144,130	(28,759)
Contractual services	31,250	31,650	31,374	276
Materials and supplies	8,000	7,850	7,498	352
Other charges	30,515	30,265	23,379	6,886
	629,637	699,637	716,703	(17,066)
Health Services				
Salaries	592,250	603,250	546,007	57,243
Benefits	207,292	196,292	144,349	51,943
Materials and supplies	7,000	7,000	6,900	100
Other charges	1,000	1,000	484	516
	807,542	807,542	697,740	109,802
Other Student Support				
Salaries	1,901,350	1,901,350	1,295,737	605,613
Benefits	518,870	518,870	372,323	146,547
Contractual services	-	-	122,519	(122,519)
Materials and supplies	-	-	4,039	(4,039)
Other charges	5,000	5,000	2,155	2,845
	2,425,220	2,425,220	1,796,773	628,447
Regular Instruction Support				
Salaries	1,346,258	1,346,258	1,426,872	(80,614)
Benefits	388,605	378,605	374,040	4,565
Materials and supplies	61,898	61,898	60,924	974
Other charges	207,750	207,750	137,748	70,002
	2,004,511	1,994,511	1,999,584	(5,073)

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Special Education Support				
Salaries	\$ 787,836	\$ 787,836	\$ 734,720	\$ 53,116
Benefits	210,978	210,978	189,271	21,707
Contractual services	142,000	142,000	112,150	29,850
Materials and supplies	15,000	24,100	20,173	3,927
Other charges	53,000	43,900	25,274	18,626
	<u>1,208,814</u>	<u>1,208,814</u>	<u>1,081,588</u>	<u>127,226</u>
Technical Education Support				
Salaries	96,237	96,237	95,350	887
Benefits	24,759	24,759	30,677	(5,918)
Other charges	-	-	365	(365)
	<u>120,996</u>	<u>120,996</u>	<u>126,392</u>	<u>(5,396)</u>
Technology				
Salaries	1,011,313	1,011,313	1,005,324	5,989
Benefits	346,634	346,634	326,370	20,264
Contractual services	208,320	208,320	266,736	(58,416)
Materials and supplies	228,375	228,375	196,653	31,722
Other charges	2,558,903	2,558,903	669,683	1,889,220
	<u>4,353,545</u>	<u>4,353,545</u>	<u>2,464,766</u>	<u>1,888,779</u>
Board of Education Services				
Salaries	192,812	194,812	194,601	211
Benefits	502,267	1,000,267	949,795	50,472
Contractual services	916,652	771,652	655,918	115,734
Materials and supplies	9,000	9,000	251	8,749
Insurance	246,500	246,500	230,947	15,553
Other charges	792,043	662,043	27,069	634,974
	<u>2,659,274</u>	<u>2,884,274</u>	<u>2,058,581</u>	<u>825,693</u>
Office of Superintendent				
Salaries	277,232	285,832	284,432	1,400
Benefits	70,601	70,601	85,871	(15,270)
Contractual services	75,000	66,400	21,202	45,198
Materials and supplies	34,189	32,499	1,758	30,741
Other charges	59,850	61,540	81,075	(19,535)
	<u>516,872</u>	<u>516,872</u>	<u>474,338</u>	<u>42,534</u>
Office of Principal				
Salaries	4,943,132	4,943,132	4,676,118	267,014
Benefits	1,515,277	1,510,877	1,353,326	157,551
Contractual services	10,000	14,400	-	14,400
Other charges	70,000	70,000	61,422	8,578
	<u>6,538,409</u>	<u>6,538,409</u>	<u>6,090,866</u>	<u>447,543</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Fiscal Services				
Salaries	\$ 909,999	\$ 898,799	\$ 770,543	\$ 128,256
Benefits	255,099	266,299	209,281	57,018
Contractual services	136,218	121,218	112,457	8,761
Materials and supplies	58,000	57,900	12,032	45,868
Other charges	33,949	49,049	13,897	35,152
	<u>1,393,265</u>	<u>1,393,265</u>	<u>1,118,210</u>	<u>275,055</u>
Human Resources				
Salaries	372,107	372,107	370,176	1,931
Benefits	162,700	162,700	72,539	90,161
Contractual services	59,000	59,000	37,832	21,168
Materials and supplies	4,500	4,500	1,295	3,205
Other charges	24,300	24,300	9,907	14,393
	<u>622,607</u>	<u>622,607</u>	<u>491,749</u>	<u>130,858</u>
Operation of Plant				
Salaries	605,170	625,470	625,384	86
Benefits	181,475	181,475	180,422	1,053
Contractual services	1,551,034	1,530,734	1,508,798	21,936
Materials and supplies	58,225	58,225	46,764	11,461
Other charges	1,789,121	1,789,121	1,717,395	71,726
	<u>4,185,025</u>	<u>4,185,025</u>	<u>4,078,763</u>	<u>106,262</u>
Maintenance of plant				
Salaries	626,460	652,960	650,184	2,776
Benefits	173,618	173,618	166,098	7,520
Contractual services	120,000	560,000	344,523	215,477
Materials and supplies	390,000	463,500	227,241	236,259
Other charges	3,000	3,000	2,359	641
	<u>1,313,078</u>	<u>1,853,078</u>	<u>1,390,405</u>	<u>462,673</u>
Transportation				
Contractual services	2,784,726	2,584,726	2,549,373	35,353
Other charges	318,000	318,000	322,324	(4,324)
	<u>3,102,726</u>	<u>2,902,726</u>	<u>2,871,697</u>	<u>31,029</u>
Total education	<u>79,847,876</u>	<u>80,347,876</u>	<u>72,669,097</u>	<u>7,678,779</u>

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
DEBT SERVICE				
Principal	\$ -	\$ -	\$ 3,393,149	\$ (3,393,149)
Interest	-	-	161,536	(161,536)
Total debt service	-	-	3,554,685	(3,554,685)
CAPITAL OUTLAY	-	-	45,934	(45,934)
Total Expenditures	79,847,876	80,347,876	76,269,716	4,078,160
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(347,000)	153,000	6,611,035	6,458,035
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	163,000	163,000	1,400,000	1,237,000
Transfers in	184,000	184,000	2,896,088	2,712,088
Transfers out	-	(1,000,000)	(6,981,923)	(5,981,923)
Total Other Financing Sources (Uses)	347,000	(653,000)	(2,685,835)	(2,032,835)
Net change in fund balances	\$ -	\$ (500,000)	3,925,200	\$ 4,425,200
Fund balances - beginning			31,995,263	
Fund balances - ending			\$ 35,920,463	

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

CITY OF BARTLETT, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019

	Business-Type Activity	Governmental Activities
	Enterprise Fund	
	Water and Sewer Fund	Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,626,348	\$ 1,998,406
Receivables		
Customers	868,279	-
Other	403	-
Less allowance for doubtful accounts	(43,935)	-
Prepaid expenses	7,444	-
Total current assets	13,458,539	1,998,406
Noncurrent assets:		
Capital assets, not being depreciated	1,607,063	-
Capital assets, being depreciated, net	65,005,156	-
Total capital assets (net of accumulated depreciation)	66,612,219	-
Net pension asset	10,806	-
Total assets	80,081,564	1,998,406
DEFERRED OUTFLOWS OF RESOURCES		
Related to pension	754,222	-
Related to OPEB	536,100	-
Deferred charges on refunding	104,851	-
Total deferred outflows of resources	1,395,173	-
LIABILITIES		
Current liabilities:		
Accounts payable	405,328	361,175
Accrued bond interest	58,890	-
Accrued payroll	-	22,243
Unearned revenue	165,653	-
Current portion of bonds and notes payable	980,000	-
Total current liabilities	1,609,871	383,418
Noncurrent liabilities:		
Bonds and notes payable, net of current portion, discounts, and premiums	6,683,826	-
Accrued compensated absences	134,632	-
Net pension liability	2,505,295	-
Net OPEB liability	1,927,054	-
Total noncurrent liabilities	11,250,807	-
Total liabilities	12,860,678	383,418
DEFERRED INFLOWS OF RESOURCES		
Related to pension	73,660	-
Related to OPEB	591,884	-
Total deferred inflows of resources	665,544	-
NET POSITION		
Net investment in capital assets	59,169,879	-
Unrestricted	8,780,636	1,614,988
Total net position	67,950,515	\$ 1,614,988
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(493,789)	
Net position of the business-type activity	\$ 67,456,726	

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, 2019

	Business-Type Activity	Governmental Activities
	Enterprise Fund	Internal Service Funds
	Water and Sewer Fund	
Operating Revenues:		
Metered water sales	\$ 3,999,470	\$ -
Sewer service fee	3,538,002	-
Service connections fees	105,599	-
Forfeited discounts	298,274	-
Charges for services	14,233	2,822,498
Tower lease charges	365,186	-
Contributions	-	6,662,273
Other	20,731	-
Total operating revenues	<u>8,341,495</u>	<u>9,484,771</u>
Operating Expenses:		
Administrative and general	2,218,475	9,390,378
Pumping and filtering	1,530,272	-
Distribution system	1,538,350	-
Sewer lagoon	760,928	-
Depreciation	2,444,684	-
Total operating expenses	<u>8,492,709</u>	<u>9,390,378</u>
Operating income (loss)	(151,214)	94,393
Nonoperating Revenues (Expenses):		
Interest	101,350	5,527
Bond interest and fiscal charges	(215,718)	-
Gain on sale of capital assets	7,192	-
Total non-operating expenses	<u>(107,176)</u>	<u>5,527</u>
Income (loss) before contributions and transfers	(258,390)	99,920
Capital contributions - water taps	66,000	-
Capital contributions - sewer taps	90,259	-
Capital contributions - development	261,179	-
Change in net position	<u>159,048</u>	<u>99,920</u>
Total net position - beginning, as originally reported	<u>67,791,467</u>	<u>1,515,068</u>
Total net position - ending	<u>\$ 67,950,515</u>	<u>\$ 1,614,988</u>
Change in net position	\$ 159,048	
Adjustment to reflect the consolidation of internal service funds related to the enterprise fund	(120,662)	
Change in net position of the business-type activity	<u>\$ 38,386</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, 2019

	Business-Type Activity	Governmental Activities
	Enterprise Fund Water and Sewer Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 8,364,444	\$ -
Receipts from interfund services provided	-	9,484,771
Payments to suppliers	(2,526,861)	(9,343,921)
Payments to employees	(3,760,758)	-
Other receipts	20,328	-
Net cash provided by operating activities	2,097,153	140,850
CASH FLOW USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributions	417,438	-
Purchases of capital assets	(1,807,769)	-
Proceeds from sale of capital assets	7,192	-
Principal paid on capital debt	(1,087,000)	-
Interest paid on capital debt	(225,248)	-
Net cash used for capital and related financing activities	(2,695,387)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	101,350	5,527
Net increase (decrease) in cash and cash equivalents	(496,884)	146,377
Cash and cash equivalents - beginning of the year	13,123,232	1,852,029
Cash and cash equivalents - end of the year	\$ 12,626,348	\$ 1,998,406
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ (151,214)	\$ 94,393
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	2,444,684	-
Pension expense in excess of employer contributions	(172,857)	-
Change in assets and liabilities		
Receivables	29,784	-
Prepaid expenses	1,974	-
Accounts payable	(64,336)	50,892
Accrued compensated absences	(4,375)	(4,435)
Deferred revenue	13,493	-
Net cash provided by operating activities	\$ 2,097,153	\$ 140,850

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2019

	Pension and OPEB Trust Funds	Combined Agency Funds
ASSETS		
Cash and cash equivalents	\$ 1,487,578	\$ 2,073,997
Accounts receivable	500,000	-
Interest receivable	119,673	-
Inventory	-	32,196
Investments		
Common stock	865,265	-
Exchange traded funds	661,388	-
Mutual funds	87,606,833	-
Private real estate fund	2,761,402	-
Total investments	<u>91,894,888</u>	<u>-</u>
Total assets	94,002,139	<u>\$ 2,106,193</u>
LIABILITIES		
Accounts payable	76,944	\$ -
Bail bonds payable	-	89,029
Family assistance payable	-	35,491
J. Rainey volunteer fund payable	-	9,719
Due to student general fund	-	904,235
Due to student groups	-	1,067,719
Total liabilities	<u>76,944</u>	<u>\$ 2,106,193</u>
NET POSITION		
Restricted for pensions	84,676,084	
Restricted for OPEBs	9,249,111	
Total net position	<u>\$ 93,925,195</u>	

The accompanying notes are an integral part of the financial statements

CITY OF BARTLETT, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2019

	Pension and OPEB Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 5,965,422
Plan members	1,146,531
Total contributions	<u>7,111,953</u>
Investment earnings (losses):	
Interest and dividends	2,472,639
Net appreciation in fair value of investments	3,207,170
Total investment earnings	<u>5,679,809</u>
 Total additions	 12,791,762
DEDUCTIONS	
Benefits	5,227,543
Premiums	813,957
Administrative expense	379,306
Total deductions	<u>6,420,806</u>
 Change in net position	 6,370,956
 Net position - beginning of the year	 <u>87,554,239</u>
 Net position - end of the year	 <u><u>\$ 93,925,195</u></u>

The accompanying notes are an integral part of the financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. However, currently there are no component units. The financial statements of the City include the financial statements of Bartlett City Board of Education ("Board of Education" or "Bartlett Schools"). The Board of Education's general purpose fund, federal projects fund, nutrition fund, and discretionary grants fund are each reported as special revenue funds of the City and the Board of Education's capital projects fund is considered a capital projects fund of the City. The Board of Education's OPEB trust fund represents a fiduciary fund of the City and the school activity funds are an agency fund of the City.

B. Basis of Presentation

1. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Certain eliminations have been made in regards to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and business type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, those transactions between governmental and business-type activities have not been eliminated.

The statement of net position presents information on all the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources, with the differences presented as net position. Net position is reported as one of three categories: net investment in capital assets, restricted, or unrestricted. Restricted net position is further classified as either net position restricted by enabling legislation or net position that is otherwise restricted.

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

2. Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The activities of the government are organized into funds, each of which are considered to be separate entities. Each fund is accounted for by providing a set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures/expenses. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Major Proprietary Fund: Water and Sewer Fund

Detailed descriptions of these funds are presented below.

3. *Governmental Fund Financial Statements*

Governmental fund financial statements include a balance sheet and statement of revenues, expenditures, and changes in fund balance individually for all major funds and in the aggregate for the remaining nonmajor funds. An accompanying schedule is presented to reconcile and explain the difference in fund balance and changes in fund balances as presented in these statements to net position and changes in net position presented in the government-wide financial statements. The governmental funds of the City are described below:

- a. **General Fund** – The primary operating fund of the City and accounts for all financial resources of the general government not specifically provided for in other funds. Most of the essential governmental services such as police and fire protection, community services, and general administration are reported in the general fund.
- b. **Special Revenue Funds** – These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted or committed to expenditures for specific purposes. The special revenue funds include the State Street Aid Fund, Solid Waste Control Fund, Drug Enforcement Fund, General Improvement Fund, Drainage Control Fund, Parks Improvement Fund, DEA Task Force Fund, Grants Fund, Federal Projects Fund, School Nutrition Fund, and School Discretionary Grants Fund. The special revenue funds also include the General Purpose School Fund which is considered a major fund and described in further detail below:

General Purpose School Fund – The operating fund of the Bartlett City Board of Education and accounts for all general revenues and other receipts that are not allocated by law or contractual agreement to another Bartlett City Board of Education fund, such as property tax revenue from Shelby County, Tennessee, Basic Education Program (BEP) funds, sales tax, etc. General operating expenditures and capital improvement costs that are not paid through other School funds are paid from the General Purpose School Fund.

- c. **Capital Projects Fund** – These funds account for all the financing of major governmental fund capital asset purchases. A fund is maintained for the City and the School capital improvement projects i.e. Capital Projects Fund and Education Capital Fund.
- d. **Debt Service Fund** – The fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

4. *Proprietary Fund Financial Statements*

Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows individually for all major enterprise funds and in the aggregate for the remaining nonmajor enterprise funds. A column representing internal service funds is also presented in these statements. However, internal service fund balances and activities are combined with the governmental activities in the government-wide financial statements. The proprietary funds of the City are described below:

- a. **Enterprise Fund** – Account for business-like activities provided to the general public. The activities are financed primarily by user charges and the measurement of the financial activity focuses on net income measurement similar to private sector businesses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- b. **Internal Service Fund** – Used to account for services provided to other departments and agencies of the government on a cost reimbursement basis. The City has two internal service funds: Health and Welfare Fund and Worker's Compensation Fund.

5. *Fiduciary Fund Financial Statements*

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

- a. **Pension (and Other Employee Benefit) Trust Fund** – These funds account for the activities and accumulation of resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans and other postemployment benefit plans. The City maintains two pension trust funds, the Employee Retirement Plan Fund and the Contributory Retirement Plan Fund which are used to account for the accumulation of resources to provide defined benefits to qualified employees upon retirement. In addition, the City and the School each use an Other Postemployment Benefits Fund ("City OPEB" and "School OPEB") to account for activity related to retiree group health and dental benefits.
- b. **Agency Fund** – These funds report resources held by the City in a purely custodial capacity. The Bail Bond Fund accounts for bail funds by persons awaiting trial in City Court. The Family Assistance Fund is used to provide families with financial hardship with monies to pay their utility bills. The Jeanette Rainey Volunteer Fund is used to reward individuals that exhibit exemplary character in a voluntary effort benefitting the City. In addition, the School Activity Funds are used to account for cash and inventory held by the Bartlett City Board of Education on behalf of the school activity fund for the Bartlett City Schools.

C. **Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the "economic resources" measurement focus. Accordingly, all of the City's assets and liabilities, including capital assets and long-term liabilities, along with deferred inflows and outflows of resources, are included in the accompanying statement of net position. The statement of activities presents changes in net position.

Proprietary funds and fiduciary funds are also accounted for using the "economic resources" measurement focus. Accordingly all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included in the statement of net position. The statement of revenues, expenses, and changes in net position presents revenues (additions) and expenses (deductions) in total net position. Agency funds do not use the economic resources measurement focus.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period. These funds use fund balance as their measure of available resources at the end of the period.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The government-wide financial statements are presented using the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available to finance expenditures of the current period. Revenues are 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. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, other local taxes, and intergovernmental revenues. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are considered to be measurable and available only when cash is received by the City. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 1 year of year-end). Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The issuance of long-term debt is reported as other financing sources.

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

1. Deposits and investments

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Receivables

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

Real and personal property taxes are levied by July 1 for each fiscal year on values assessed as of the prior January 1. The City has an enforceable legal claim as of January 1 (the assessment date). Property taxes are due on December 1 and are considered delinquent after February 28, at which time penalties and interest are assessed and property is available for tax lien. All property taxes are billed and collected by the City.

Property taxes receivable are recognized as of the date the City has an enforceable legal claim. Property taxes are reflected as revenues in the fiscal period for which they are levied, which is the subsequent fiscal year for the current fiscal year's assessment, provided they are received and collected within the current period or within 60 days following the fiscal year end (August 31). Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30. Delinquent taxes estimated to be collected subsequent to August 31 are included in the balance sheet as property taxes receivable and a deferred inflow of resources to reflect amounts that were not available as revenues at June 30, 2019. The property tax levy is without legal limit. The rate, as permitted by Tennessee State Law and City Charter, is set annually by the Board of Mayor and Aldermen and collected by the Finance Department.

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

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

3. Interfund Transactions

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

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

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

4. Inventories and prepaid items

Inventories consist of expendable supplies held for consumption and are valued at cost. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at estimated acquisition value at the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items put in place since 1980. The government was able to estimate the historical cost for the initial reporting of these assets through review of historical records, including subdivision bond summaries, contract documents, and capital project summaries.

Land and construction in progress are not depreciated. Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	25-50 years
Other improvements	10-60 years
Machinery and equipment	3-15 years
Vehicles	7-10 years
Infrastructure	20-50 years

6. Deferred outflows of resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. The City has qualifying items for reporting in this category. The unamortized discount on refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Other deferred outflows of resources include those related to pension and OPEB changes and employer contributions to the pension plan after the measurement date.

7. Compensated absences

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

Under the Bartlett City Board of Education's sick leave policy, both certified and classified employees earn one sick day for each month employed and accumulate for an unlimited number of days. Upon retirement, accumulated sick days convert to service time with the Tennessee Consolidated Retirement System (TCRS). If an employee leaves the school district prior to retirement, the accumulated sick days can be carried to another school district or converted to service credit with TCRS. For vacation, an employee may accumulate up to twenty-five vacation days. Unused vacation is paid out for any employee leaving the school district provided they have completed at least six months of service.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Long-term obligations

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

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

9. Deferred inflows of resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an increase to net position that applies to a future period and is not recognized as an inflow of resources (revenue) until that time. The City has several types of items that qualify for reporting in this category. These items are amounts in the governmental funds that were receivable and measureable at year-end but were not available to finance expenditures for the current year. This includes unavailable revenues from property taxes and other revenues. In addition, deferred inflows of resources include those related to pension and OPEB changes.

10. Net Position and Fund balance

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

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

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

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

In the fund financial statements, governmental funds report fund balances in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classification consist of the following five components, as applicable:

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned – amounts intended to be used by the City for a specific purpose, but are neither restricted nor committed. The intent shall be expressed by the Board of Mayor and Aldermen or a designee authorized by the Board of Mayor and Aldermen with authority to assign amounts. The nature of the actions necessary to remove or modify an assignment is not as rigid as required under a committed fund balance classification. The City Finance Director has been authorized to assign amounts in the general fund for a specific purpose in accordance with fund balance policy established by the Board of Mayor and Aldermen. The Bartlett City Board of Education has the authority to assign the fund balance for the School Funds. Amounts in excess of nonspendable, restricted, and committed fund balance in funds other than the general fund are reported as assigned fund balance.

Unassigned – represents the residual balance available for any purpose in the general fund 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.

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

11. Pensions and Other Postemployment Benefits

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

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

12. Fair Value Measurements

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets and liabilities recorded at fair value in the statements of net position are categorized based on the level of judgment associated with the inputs used to measure their value. The three categories of level inputs are as follows: Level 1 inputs include unadjusted quoted prices in active markets for identical assets or liabilities accessible at the measurement date; Level 2 inputs include quoted prices for similar assets or liabilities; quoted prices for identical or similar assets or liabilities in inactive markets; or other inputs that can be corroborated by observable market data. Such inputs include market interest rates and volatilities, spreads and yield curves; Level 3 inputs are inputs which are unobservable for the asset or liability and rely on management's own assumptions that market participants would use in pricing the asset or liability.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In determining fair value, the City utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The methods used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at reporting date.

13. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E – New Governmental Accounting Standards Board (GASB) Pronouncements

The City implemented GASB Statement No. 82, *Certain Asset Retirement Obligations* which requires accounting and financial reporting for certain asset retirement obligations (ARO). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. As of June 30, 2019, the City of Bartlett has not identified asset retirement obligations that have been incurred.

GASB Statement No. 84, *Fiduciary Activities* was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The requirements of GASB Statement No. 84 are effective for fiscal year 2020. The City of Bartlett is currently evaluating the impact of GASB Statement No. 84 may have on its financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of the Construction Period*, was issued to enhance the relevance and comparability of information about capital assets and the costs of borrowing for a period and to simplify accounting for interest cost incurred before the end of a construction period. The requirements are effective for fiscal periods beginning after December 15, 2019, with early implementation encouraged. The City of Bartlett implemented the new standard as of June 30, 2019.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

The Board of Mayor and Aldermen annually approves the operating budgets of the general, special revenue, capital projects, debt service, and enterprise funds of the City. The capital projects plan is multi-year. The total budgets of these funds constitute legal spending limits, requiring ordinance amendment. Transfers within the funds are accomplished by resolution of the Board of Mayor and Aldermen to authorize expenditures of various grants received and to adjust the individual fund budgets as required within the total dollar limitations of the budget ordinance. While no supplemental appropriations were required during the year, the accompanying budgetary data has been revised for amendments authorized by resolution during the year. The Bartlett City Board of Education annually approves the operating budgets of the general purpose school fund, federal projects, school nutrition, discretionary grants, and education capital fund. Annual budgets are adopted on a basis consistent with Tennessee Code Annotated, which is not materially different than the modified accrual basis of accounting for all governmental funds.

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

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Excess of expenditures over appropriations

For the year ended June 30, 2019, expenditures exceeded appropriations in the School Nutrition Fund by \$89,534.

C. Deficit fund equity

As of June 30, 2019, the Discretionary Grants Fund had a deficit balance of \$5,541 due to the timing of expenditures and reimbursements of expenditures.

NOTE 3 - DEPOSITS

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

Custodial Risk – Custodial risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for custodial risk is to follow state guidelines. As of June 30, 2019, all bank deposits were entirely insured by federal depository insurance and collateralized by the Bank Collateral Pool of the State of Tennessee.

NOTE 4 - INVESTMENTS

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

The School is a member of the Tennessee Consolidated Retirement System ("TCRS") Stabilization Reserve Trust. The School has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the School or City. The trust is authorized to make investments as directed by the TCRS Board of Trustees. The School may not impose restrictions on investments placed by the trust on their behalf.

In addition to investments allowed by the City, the fiduciary funds' investment policies authorize investments in mutual funds, common stocks, and other equities. The Pension Trust Fund's Investment Policy has been formally adopted by the City's Board of Mayor and Aldermen.

A. Primary Government Investments

The Tennessee Local Government Investment Pool ("LGIP") represents 100% of the primary government's investments at June 30, 2019. These investments are reported at amortized cost which approximates fair value and are included as cash equivalents.

NOTE 4 – INVESTMENTS (CONTINUED)

B. Restricted Investments – TCRS Stabilization Reserve Trust

Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust ("TRGT"). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares. For further information concerning the School Department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2019/ag18092.pdf>. The following table summarizes fair value disclosures and measurements for Bartlett School's investments held by the TRGT on its behalf June 30, 2019:

Investments at Fair Value	Level 1	Level 2	Level 3	Total
U.S. equity	\$ 58,364	\$ -	\$ -	\$ 58,364
Developed market international equity	26,358	-	-	26,358
Emerging market international equity	7,531	-	-	7,531
U.S. fixed income	-	37,654	-	37,654
Short-term securities	-	1,884	-	1,884
Real estate	-	-	18,827	18,827
	<u>92,253</u>	<u>39,538</u>	<u>18,827</u>	<u>150,618</u>
Investments at amortized cost using NAV				
Private equity and strategic lending	-	-	-	37,654
Total restricted investments	<u>\$ 92,253</u>	<u>\$ 39,538</u>	<u>\$ 18,827</u>	<u>\$ 188,272</u>

C. Fiduciary Investments

The City administers three fiduciary funds and Bartlett Schools administers one fiduciary fund whose investments are held by a third party trustee bank. Additionally, the City and Bartlett Schools utilizes an advisor to select appropriate investment choices. The following table summarizes fair value disclosures and measurements for fiduciary investments at June 30, 2019:

Investments at Fair Value	Level 1	Level 2	Level 3	Total
Fiduciary Activities:				
Common stock	\$ 865,265	\$ -	\$ -	\$ 865,265
Exchange traded funds	661,388	-	-	661,388
Equity mutual funds	54,268,171	-	-	54,268,171
Fixed income mutual funds	33,293,188	-	-	33,293,188
Alternative mutual funds	45,474	-	-	45,474
Private real estate fund	-	-	2,761,402	2,761,402
	<u>\$ 89,133,486</u>	<u>\$ -</u>	<u>\$ 2,761,402</u>	<u>\$ 91,894,888</u>

The table below set forth a summary of changes in the fair value of level 3 assets for the year ended June 30, 2019:

	Level 3
Balance, beginning of year	\$ 2,559,437
Dividends received and reinvested	154,111
Unrealized appreciation in estimated fair value	81,445
Management fees	(33,591)
Balance, end of year	<u>\$ 2,761,402</u>

NOTE 4 – INVESTMENTS (CONTINUED)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2019:

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

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

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Bartlett School's does not have the ability to limit TRGT investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City and Bartlett Schools manages its exposure to declines in fair value by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City and Bartlett Schools invests operating funds primarily in shorter-term securities or the LGIP and limits the average maturity of the portfolio to those established by TCA 6-5-106 for commercial paper and repurchase agreements and four years for investments in securities of the U.S. Treasury, Federal Government sponsored agencies, or certificates of deposit.

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

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. Bartlett Schools places no limit on the amount the TRGT may invest in one issuer. The City and Bartlett Schools have adopted the investment policy established by TCA 6-5-106 for investments other than those held for Pension and OPEB benefits. The City diversifies its fiduciary fund investment portfolios so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. The City had no investments that comprised more than 5% of its total investments at June 30, 2019.

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

NOTE 5 – INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2019, is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds		
General Fund		
General Purpose School Fund	\$ 2,876	\$ 19,533
Grants Fund	112,028	-
DEA Task Force Fund	2,459	-
	<u>117,363</u>	<u>19,533</u>
General Purpose School Fund		
General Fund	19,533	2,876
School Federal Projects Fund	572,398	-
School Discretionary Grants Funds	144,532	-
	<u>736,463</u>	<u>2,876</u>
Capital Projects Fund		
Grants Fund	259,249	-
Total major funds	<u>1,113,075</u>	<u>22,409</u>
Nonmajor Funds		
Grants Fund		
General Fund	-	112,028
Capital Projects Fund	-	259,249
DEA Task Force Fund		
General Fund	-	2,459
Schools Federal Projects Fund		
General Purpose School Fund	-	572,398
Schools Discretionary Grants Fund		
General Purpose School Fund	-	144,532
Total nonmajor	<u>-</u>	<u>1,090,666</u>
	<u>\$ 1,113,075</u>	<u>\$ 1,113,075</u>

These balances resulted from the time lag between the dates that the interfund goods and services are provided or reimbursable expenditures occur and when payments between funds are made.

NOTE 5 – INTERFUND TRANSACTIONS (CONTINUED)

The composition of interfund transfers for the year ended June 30, 2019 is as follows:

	Transfers In	Transfers Out
Major Funds		
General Fund		
Grants Fund	\$ 22,931	\$ -
General Improvement Fund	167,500	-
Capital Projects Fund	14,373	750,000
General Purpose School Fund	-	2,346,019
Drug Enforcement Fund	-	20,684
Debt Service Fund	-	3,555,000
Drainage Control Fund	-	100,000
	<u>204,804</u>	<u>6,771,703</u>
General Purpose School Fund		
General Fund	2,346,019	-
Federal Projects Fund	502,028	149,801
Discretionary Grants Fund	48,041	-
Education Capital Projects Fund	-	5,832,122
Debt Service Fund	-	1,000,000
	<u>2,896,088</u>	<u>6,981,923</u>
Capital Projects Fund		
General Fund	750,000	14,373
Parks Improvements Fund	16,936	-
Grants Fund	634,380	-
Education Capital Projects Fund	-	27,081,279
Debt Service Fund	-	249,320
State Street Aid Fund	-	2,600
	<u>1,401,316</u>	<u>27,347,572</u>
Education Capital Projects Fund		
General Purpose School Fund	5,832,122	-
Capital Projects Fund	27,081,279	-
	<u>32,913,401</u>	<u>-</u>
Total major	<u>37,415,609</u>	<u>41,101,198</u>

NOTE 5 – INTERFUND TRANSACTIONS (CONTINUED)

	<u>Transfers In</u>	<u>Transfers Out</u>
Nonmajor Funds		
State Street Aid Fund		
Capital Projects Fund	\$ 2,600	\$ -
Solid Waste Fund		
Debt Service Fund	-	153,000
General Improvement Fund		
General Fund	-	167,500
Drug Awareness Fund		
General Fund	20,685	-
Drainage Control		
General Fund	100,000	-
Parks Improvement Plan		
Capital Projects Fund	-	16,936
Grants Fund		
General Fund	-	22,932
Capital Projects Fund	-	634,380
Federal Projects Fund		
General Purpose School Fund	149,801	502,028
Discretionary Grants Fund		
General Purpose School Fund	-	48,041
Debt Service Fund		
General Purpose School Fund	1,000,000	-
General Fund	3,555,000	-
Solid Waste Fund	153,000	-
Capital Projects Fund	249,320	-
	<u>4,957,320</u>	<u>-</u>
Total nonmajor	<u>5,230,406</u>	<u>1,544,817</u>
	<u>\$ 42,646,015</u>	<u>\$ 42,646,015</u>

Transfers from the general fund were made to provide sufficient positive fund balance within the special revenue and enterprise funds and to provide capital project funding. Transfers from the general purpose school fund were made to provide sufficient positive fund balance within the other School special revenue funds.

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

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,363,531	\$ 1,424	\$ -	\$ 13,364,955
Construction in progress	9,913,326	37,388,906	(9,240,041)	38,062,191
Total capital assets, not being depreciated	23,276,857	37,390,330	(9,240,041)	51,427,146
Capital assets, being depreciated:				
Buildings and improvements	218,079,578	7,754,158	(6,965,200)	218,868,536
Other improvements	10,021,754	1,991,583	-	12,013,337
Machinery and equipment	25,766,416	795,744	(2,148,876)	24,413,284
Vehicles	21,495,755	2,182,948	(991,444)	22,687,259
Infrastructure	117,664,889	69,796	-	117,734,685
Total capital assets, being depreciated	393,028,392	12,794,229	(10,105,520)	395,717,101
Less accumulated depreciation for:				
Buildings and improvements	(28,495,516)	(4,390,163)	562,289	(32,323,390)
Other improvements	(5,161,505)	(563,926)	-	(5,725,431)
Machinery and equipment	(10,938,876)	(3,166,979)	940,781	(13,165,074)
Vehicles	(14,706,541)	(1,523,272)	946,394	(15,283,419)
Infrastructure	(50,143,872)	(2,755,218)	-	(52,899,090)
Total accumulated depreciation	(109,446,310)	(12,399,558)	2,449,464	(119,396,404)
Total capital assets, being depreciated, net	283,582,082	394,671	(7,656,056)	276,320,697
Governmental activities capital assets, net	\$ 306,858,939	\$ 37,785,001	\$ (16,896,097)	\$ 327,747,843
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,438,944	\$ 36,279	\$ -	\$ 1,475,223
Construction in progress	2,223,171	395,082	(2,486,413)	131,840
Total capital assets, not being depreciated	3,662,115	431,361	(2,486,413)	1,607,063
Capital assets, being depreciated:				
Buildings and improvements	125,315	-	-	125,315
Other improvements	103,716,176	3,703,729	-	107,419,905
Machinery and equipment	3,190,920	159,091	(39,630)	3,310,381
Total capital assets, being depreciated	107,032,411	3,862,820	(39,630)	110,855,601
Less accumulated depreciation for:				
Buildings and improvements	(43,168)	(5,779)	-	(48,947)
Other improvements	(41,354,998)	(2,172,440)	-	(43,527,438)
Machinery and equipment	(2,047,226)	(266,464)	39,630	(2,274,060)
Total accumulated depreciation	(43,445,392)	(2,444,683)	39,630	(45,850,445)
Total capital assets, being depreciated, net	63,587,019	1,418,137	-	65,005,156
Business-type activities capital assets, net	\$ 67,249,134	\$ 1,849,498	\$ (2,486,413)	\$ 66,612,219

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General government	\$ 373,786
Public safety	2,128,136
Public works	3,754,429
Parks and recreation	968,135
Performing arts center	93,842
Education	5,081,230
Total depreciation expense - governmental activities	<u>\$ 12,399,558</u>
Business-type Activities:	<u>\$ 2,444,683</u>

Construction and other significant commitments

The government has active construction projects as of June 30, 2019. At year-end the government's commitments with contractors are as follows:

<u>Function/Activity</u>	<u>Commitment</u>
City construction	
Major roads construction & improvement	\$ 936,063
Building improvements	375,282
Vehicles and equipment	970,728
Utility construction and improvement	269,397
Education construction	
Building improvements	36,088,552
	<u>\$ 38,640,022</u>

NOTE 7 – LONG-TERM LIABILITIES

1. Long-Term Debt

General obligation and revenue bonds

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

On October 18, 2018, the City issued \$5,295,000 General Obligation Public Improvement Bonds, Series 2018, maturing September 1, 2038 with a true interest cost of 3.3621%. The proceeds will be used to fund, in whole or in part, the (i) acquisition of land for and construction, repair, renovation, improvement and equipping of public buildings and facilities, including a municipal center, justice center, performing arts and conference center and parks and recreational facilities; (ii) acquisition of public safety vehicles; (iii) design, construction, repair and improvement of streets, roads, greenways and bridges, including sidewalks, signage, signalization, drainage improvements, other streetscape improvements and acquisition of rights-of-ways in connection therewith; (iv) acquisition of all property, real and personal, appurtenant to the foregoing; (v) payment of architectural, engineering, legal, fiscal and administrative costs incident to the foregoing; (vi) reimbursement to the City for funds previously expended for any of the foregoing, and (vii) payment of costs related to issuance and sale of the Bonds.

General obligation capital outlay notes and other loans

The City issues capital outlay notes and other loans to provide funds for the acquisition, improvement, and construction of major capital facilities and equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith and credit of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 8 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt.

On July 26, 2018, the City issued a seven-year capital outlay note in the amount of \$1,355,000 through the Tennessee Municipal Bond Fund. The note bears an interest rate of 3.49% with final maturity of August 1, 2025. Proceeds from the note were used to finance certain public works projects, consisting of the acquisition of vehicles and equipment for the police, fire, codes enforcement, public works, engineering, and departments of the City; the acquisition of parks and recreation vehicles and equipment for the parks department of the City, plus recreation equipment, and renovations to parks department facilities, the acquisition of all other property real and personal appurtenant thereto and connected with such work, and to pay all legal, fiscal, administrative, and engineering costs incident thereto.

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Debt outstanding as of June 30, 2019 consisted of the following:

	Interest Rates	Maturity Date	Original Issue	Balance Outstanding at Year End
Governmental activities:				
General obligation bonds:				
2010 Serial Bonds	2.0-3.5	2031	\$ 7,925,000	\$ 2,670,000
2011 Serial Bonds	2.0-2.625	2024	4,545,000	1,130,000
2012 Serial Bonds	2.0-3.0	2033	9,865,000	5,725,000
2013 Serial Bonds	3.0-3.625	2034	4,690,000	1,815,000
2015 Serial Bonds	2.0-5.0	2036	5,100,000	4,550,000
2016 Serial Bonds	2.0-3.0	2037	6,550,000	6,080,000
2017 Serial Bonds	5.0-4.0	2038	44,930,000	43,415,000
2018 Serial Bonds	5.0-4.0	2038	5,295,000	5,295,000
			<u>88,900,000</u>	<u>70,680,000</u>
2008 TML note*	0.45	2029	1,350,000	821,000
Capital outlay notes				
Capital Note 2013 A	1.78	2020	1,300,000	196,000
Capital Note 2013 B	2.13	2021	770,500	233,000
Capital Note 2014	2.19	2022	1,041,000	466,000
Capital Note 2015	2.03	2023	1,064,000	627,000
Capital Note 2016	1.94	2024	1,127,500	823,000
Capital Note 2017	2.33	2025	1,969,150	1,711,000
Capital Note 2018	3.49	2025	1,355,000	1,355,000
			<u>8,627,150</u>	<u>5,411,000</u>
			<u>\$ 98,877,150</u>	<u>\$ 76,912,000</u>
Business-type activities:				
Revenue bonds:				
2007 Serial Bonds	4.0-4.05	2028	\$ 1,015,000	\$ 555,000
2009 Serial Bonds	2.0-4.1	2030	960,000	595,000
2010 Serial Bonds	2.0-2.65	2023	3,115,000	1,035,000
2011 Serial Bonds	2.0-2.75	2024	4,305,000	1,180,000
2012 Serial Bonds	2.0-3.0	2033	3,440,000	2,335,000
2013 Serial Bonds	3.0-3.625	2034	2,005,000	1,100,000
			<u>14,840,000</u>	<u>6,800,000</u>
2008 TML note*	0.94	2029	1,000,000	609,000
			<u>\$ 15,840,000</u>	<u>\$ 7,409,000</u>

*Variable rate Tennessee Municipal Bond Fund loan rate for June 30, 2019 was 2.07%

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

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

Years Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 5,518,000	\$ 2,874,431	\$ 980,000	\$ 195,791
2021	5,224,000	2,694,928	1,002,000	170,519
2022	4,909,000	2,520,049	1,039,000	143,179
2023	4,462,000	2,352,437	837,000	116,909
2024	4,286,000	2,192,251	744,000	95,226
2024-2028	18,778,000	8,605,025	2,022,000	266,715
2029-2033	18,385,000	4,833,370	785,000	58,501
2034-2038	15,350,000	1,225,080	-	-
	<u>\$ 76,912,000</u>	<u>\$ 27,297,571</u>	<u>\$ 7,409,000</u>	<u>\$ 1,046,840</u>

2. Settlement Liability

In January 2014, the City and the School entered into a settlement agreement with the Board of Commissioners of Shelby County, Shelby County, Tennessee, and the Shelby County Board of Education. The School agreed to pay the Shelby County Board of Education twelve annual installments of \$608,193. The School elected to establish the liability incurred through the settlement agreement at its present value with a discount rate of 2.41%. Future payments under the settlement liability are as follows:

Years Ending June 30	Amount
2020	\$ 608,193
2021	608,193
2022	608,193
2023	608,193
2024	608,193
2023-2026	<u>1,216,386</u>
Total payments	4,257,351
Less amount representing interest	<u>(386,390)</u>
	<u>\$ 3,870,961</u>

3. Capital Leases

The City has entered into several lease agreements on behalf of the Schools for financing the acquisition of computer equipment to be used in the classrooms. The scheduled minimum lease payment under the agreements includes interest ranging from .897% to .900%. The cumulative amount of assets acquired under all capital leases amounted to \$4,572,425. Capital leases obligations outstanding under the agreements are as follows:

	Interest Rates	Maturity Date	Original Issue	Balance Outstanding at Year End
Governmental activities:				
Capital Lease 2017 B	0.897	2021	1,060,800	556,717
Capital Lease 2018	0.900	2021	5,031,856	3,765,397
			<u>\$ 6,092,656</u>	<u>\$ 4,322,114</u>

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

The following is a schedule of the future minimum lease payments at June 30:

Years Ending June 30	Amount
2020	\$ 1,559,915
2021	1,559,915
2022	1,277,789
Total payments	4,397,619
Less amount representing interest	(75,505)
	<u>\$ 4,322,114</u>

4. Changes in long-term liabilities

A summary of long-term liability activity, including debt, for the year ended June 30, 2019 is as follows. Additional detailed information is available following the summary.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 69,820,000	\$ 5,295,000	\$ (4,435,000)	\$ 70,680,000	\$ 4,235,000
Capital outlay notes	5,072,150	1,355,000	(1,016,150)	5,411,000	1,216,000
Note payable	885,000	-	(64,000)	821,000	67,000
Settlement obligation	4,865,544	-	(608,193)	4,257,351	608,193
Capital lease payable	7,213,622	-	(2,891,508)	4,322,114	1,521,014
Unamortized premiums (discounts), net	7,855,563	432,362	(327,686)	7,960,239	-
Total long-term debt	95,711,879	7,082,362	(9,342,537)	93,451,704	7,647,207
Compensated absences	3,584,364	575,397	(471,885)	3,687,876	732,646
Net pension liability*	25,689,500	9,824,839	-	35,514,339	-
Net OPEB liability*	50,687,673	1,614,301	-	52,301,974	-
	<u>\$ 175,673,416</u>	<u>\$ 19,096,899</u>	<u>\$ (9,814,422)</u>	<u>\$ 184,955,893</u>	<u>\$ 8,379,853</u>
Business-type activities:					
Revenue bonds	\$ 7,840,000	\$ -	\$ (1,040,000)	\$ 6,800,000	\$ 930,000
Note payable	656,000	-	(47,000)	609,000	50,000
Unamortized premiums	281,081	-	(26,255)	254,826	-
Total long-term debt	8,777,081	-	(1,113,255)	7,663,826	980,000
Compensated absences	139,007	877	(5,252)	134,632	20,382
Net pension liability*	1,651,409	853,886	-	2,505,295	-
Net OPEB liability*	2,402,294	-	(475,240)	1,927,054	-
	<u>\$ 12,969,791</u>	<u>\$ 854,763</u>	<u>\$ (1,593,747)</u>	<u>\$ 12,230,807</u>	<u>\$ 1,000,382</u>

*net increase (decrease) shown

For governmental activities, net pension liability, other postemployment benefits, and compensated absences are generally liquidated by the general fund and general purpose school fund. For the governmental activities and business-type activities, \$22,990,388 of bond proceeds and capital notes were not spent as of June 30, 2019. As such, these proceeds were not included in the calculation of net investment in capital assets.

NOTE 8 – DEFERRED LOSS ON REFUNDING

The unamortized deferred loss on refunding relates to General Obligation Refunding Bonds for governmental activities and Water and Sewer Revenue Refunding Bonds for business-type activities. Deferred loss on refunding reported in the statement of net position at June 30, 2019 consists of the following:

	Governmental Activities	Business-Type Activities	Total
Series 2004	\$ 1,005	\$ -	\$ 1,005
Series 2005	3,010	-	3,010
Series 2007	321	-	321
Series 2010	23,795	30,329	54,124
Series 2011	7,434	20,476	27,910
Series 2012	131,255	54,046	185,301
Series 2016	16,627	-	16,627
	<u>\$ 183,447</u>	<u>\$ 104,851</u>	<u>\$ 288,298</u>

NOTE 9 – FUND BALANCES BY PURPOSE

Following is more detailed information on the governmental fund balances:

	General Fund	General Purpose School Fund	Capital Projects Fund	Education Capital Fund	Other Governmental Funds	Total
Nonspendable for:						
Inventory	\$ 173,063	\$ -	\$ -	\$ -	\$ 49,036	\$ 222,099
Prepaid expenditures	31,008	-	-	-	78,398	109,406
Total nonspendable fund balance	204,071	-	-	-	127,434	331,505
Restricted for:						
Capital projects	-	-	22,990,388	-	-	22,990,388
State street aid	-	-	-	-	231,572	231,572
Solid Waste	-	-	-	-	489,784	489,784
Drug enforcement	-	-	-	-	255,071	255,071
DEA task force	-	-	-	-	368,915	368,915
Sexual offender registry program	18,035	-	-	-	-	18,035
Police Criminal Seizures	26,812	-	-	-	-	26,812
Stabilization reserve trust	-	188,272	-	-	-	188,272
Education	-	-	-	-	589,660	589,660
Total restricted fund balance	44,847	188,272	22,990,388	-	1,935,002	25,158,509
Committed for:						
Financial Stabilization	10,986,712	-	-	-	-	10,986,712
Emergency purposes	1,000,000	-	-	-	-	1,000,000
Capital projects	-	21,482,209	-	-	-	21,482,209
Debt service	-	-	-	-	3,156,605	3,156,605
Total committed fund balance	11,986,712	21,482,209	-	-	3,156,605	36,625,526
Assigned to:						
Capital projects	-	5,500,000	2,673,528	341,007	-	8,514,535
OPEB trust payments	-	2,000,000	-	-	-	2,000,000
Education	-	5,749,982	-	-	-	5,749,982
Debt service	-	1,000,000	-	-	-	1,000,000
State street aid	-	-	-	-	907,539	907,539
General improvement	-	-	-	-	222,267	222,267
Drainage control	-	-	-	-	208,688	208,688
Parks improvement	-	-	-	-	647,274	647,274
Encumbrances	103,218	-	-	-	-	103,218
Total assigned fund balance	103,218	14,249,982	2,673,528	341,007	1,985,768	19,353,503
Unassigned	17,629,713	-	-	-	(5,541)	17,624,172
Total fund balances	<u>\$ 29,968,561</u>	<u>\$ 35,920,463</u>	<u>\$ 25,663,916</u>	<u>\$ 341,007</u>	<u>\$ 7,199,268</u>	<u>\$ 99,093,215</u>

As of June 30, 2019, the general fund assigned fund balance of \$103,218 for encumbrances consisting of outstanding purchase orders to be paid in the subsequent year for operations and maintenance items.

NOTE 10 – PENSIONS

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

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

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

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

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

The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute.

NOTE 10 – PENSIONS (CONTINUED)

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

	Net Pension Asset	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources
Governmental Activities				
Employee Pension Plan	\$ -	\$ 10,691,640	\$ 35,514,339	\$ 992,020
Employee Cash Balance Plan	257,172	-	-	87,575
BOE Legacy Plan	391,668	1,158,067	-	448,483
BOE Hybrid Plan	124,826	132,866	-	5,078
Teacher Legacy Plan	3,591,107	10,860,865	-	5,626,263
Teacher Hybrid Plan	261,215	151,927	-	53,888
Total governmental activities	<u>\$ 4,625,988</u>	<u>\$ 22,995,365</u>	<u>\$ 35,514,339</u>	<u>\$ 7,213,307</u>
Business-Type Activities				
Employee Pension Plan	\$ -	\$ 754,222	\$ 2,505,295	\$ 69,980
Employee Cash Balance Plan	10,806	-	-	3,680
Total business-type activities	<u>\$ 10,806</u>	<u>\$ 754,222</u>	<u>\$ 2,505,295</u>	<u>\$ 73,660</u>

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

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

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

Under the BOE Legacy Plan and Teacher Legacy Plan, members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest 5 consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Under the BOE Hybrid Plan and Teacher Hybrid Plan, members are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Benefits are determined by a formula using the member's highest 5 consecutive year average compensation and the member's years of service credit. Members vest with 5 years of service credit. Service related disability benefits are provided regardless of length of service. 5 years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria.

NOTE 10 – PENSIONS (CONTINUED)

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A 1% COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Plan and Teacher Hybrid Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, under the BOE Hybrid Plan, Teacher Legacy Plan, and Teacher Hybrid Plan, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Employees Covered by Benefit Terms

The City Employee Pension Plan and Employee Cash Balance Plan have a measurement date of June 30, 2019 while the School TCRS Plans have a measurement date of June 30, 2018. As of the respective plan measurement dates, the following employees were covered by the benefit terms of the agent plans:

	City Pension Plan	City Cash Balance Plan	School TCRS BOE	
			Legacy Plan	Hybrid Plan
Inactive employees or beneficiaries currently receiving benefits	196	-	24	-
Inactive employees entitled to but not yet receiving benefits	34	3	49	27
Active employees	335	182	162	71
	565	185	235	98

Contributions

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

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

Employer contributions to each plan for the year ended June 30, 2019 were as follows:

	City Pension Plan	City Cash Balance Plan	School TCRS BOE		School TCRS Teacher	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
Employer contributions	\$ 3,406,793	\$ 405,977	\$ 510,500	\$ 44,011	\$ 3,695,257	\$ 124,810
Covered payroll	20,009,086	7,118,575	5,507,008	2,683,578	35,350,223	6,376,605
As a percentage of covered payroll	17.03%	5.70%	9.27%	1.64%	10.45%	1.96%

NOTE 10 – PENSIONS (CONTINUED)

B. Actuarial Assumptions

City Administered Employee Pension Plan

The total pension liability was determined as part of the June 30, 2019 actuarial valuation using the entry age normal level percent of pay cost method. Significant actuarial assumptions used in the valuation include:

Inflation	2.5%
Salary increases	3.5%, compounded annually
Investment rate of return	7.25%, net of investment expense, including inflation
Mortality table	Pub G-2010 for general employees ages 18-54 Pub-2010 for healthy employees over age 54

Changes of Assumptions

In 2019, the following assumptions were changed: decreased the investment rate of return from 7.50% to 7.25%; and mortality assumptions were modified.

Investment Policy

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

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

Rate of Return

For the year ended June 30, 2019, the annual approximate rate of return on investments was 6.54%. The rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at actuarially determined rates. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods projected benefit payments to determine the total pension liability.

NOTE 10 – PENSIONS (CONTINUED)

City Administered Employee Cash Balance Plan

The total pension liability was determined as part of the June 30, 2019 actuarial valuation using the entry age normal level percent of pay, actuarial cost method. Significant actuarial assumptions used in the valuation include:

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

Investment Policy

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

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

Rate of Return

For the year ended June 30, 2019, the annual approximate rate of return on investments was 7.60%. The rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 5%. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at actuarially determined rates. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods projected benefit payments to determine the total pension liability.

NOTE 10 – PENSIONS (CONTINUED)

TCRS Administered Pension Plans

The total pension liability as of June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Investment Policy

The long-term expected rate of return on pension plan investments were established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5%. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5% based on a blending of the factors described above.

Discount Rate

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

NOTE 10 – PENSIONS (CONTINUED)

C. Net Pension Liability (Asset)

The net pension liability (asset) for each City administered plan was measured as of June 30, 2019 and each TCRS administered plan was measured as of June 30, 2018. The total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of the respective dates. The components of the net pension liability (asset) as of those dates are as follows:

	Agent Plans				Cost-Sharing Plans	
	City Pension Plan	City Cash Balance Plan	School TCRS BOE Legacy Plan	School TCRS BOE Hybrid Plan	School TCRS Teacher Legacy Plan	School TCRS Teacher Hybrid Plan
Total Pension Liability						
Service cost	\$ 1,981,057	\$ 702,503	\$ 756,037	\$ 103,334		
Interest	7,838,989	51,353	263,253	18,776		
Differences between expected and actual experience	1,456,453	(7,216)	(147,684)	28,209		
Changes in assumptions	8,375,749	-	-	-		
Benefit payments, including refunds	(4,887,789)	(26,765)	(21,275)	-		
Net change in total pension liability	14,764,459	719,875	850,331	150,319		
Total pension liability - beginning	105,973,212	1,040,447	2,885,680	155,651		
Total pension liability - ending	120,737,671	1,760,322	3,736,011	305,970		
Plan Fiduciary Net Position						
Contributions - employer	\$ 3,406,793	\$ 405,977	\$ 539,893	\$ 83,885		
Contributions - employee	790,676	355,855	291,206	104,858		
Net investment income	5,098,831	111,604	285,934	26,040		
Benefit payments	(4,887,789)	(26,765)	(21,275)	-		
Administrative expense	(322,777)	(14,158)	(15,822)	(6,654)		
Net change in plan fiduciary net position	4,085,734	832,513	1,079,936	208,129		
Plan fiduciary net position - beginning	78,632,303	1,195,787	3,047,743	222,667		
Plan fiduciary net position - ending	82,718,037	2,028,300	4,127,679	430,796		
Net pension liability (asset)	\$ 38,019,634	\$ (267,978)	\$ (391,668)	\$ (124,826)		
Proportionate share of net pension liability (asset)					\$ (3,591,107)	\$ (261,215)
Proportionate share at June 30, 2018 measurement date					1.020515%	0.575962%
Proportionate share at June 30, 2017 measurement date					0.979236%	0.494995%

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

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

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

	Current Rate	1% Decrease	Current Rate	1% Increase
Net pension liability (asset)				
City Employee Pension Plan	7.25%	\$ 54,457,622	\$ 38,019,634	\$ 24,393,653
City Employee Cash Balance Plan	5.00%	221,393	(267,978)	(586,943)
School TCRS BOE Legacy Plan	7.25%	224,635	(391,668)	(893,547)
School TCRS BOE Hybrid Plan	7.25%	(53,028)	(124,826)	(180,218)
Proportionate share of the net pension asset				
School TCRS Teacher Legacy Plan	7.25%	\$ 27,682,516	\$ (3,591,107)	\$ (29,465,673)
School TCRS Teacher Hybrid Plan	7.25%	40,384	(261,215)	(483,422)

NOTE 10 – PENSIONS (CONTINUED)

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

For the year ended June 30, 2019, the City reported pension expense and deferred outflows of resources and deferred inflows of resources related to each plan from the following sources:

	City Pension Plan	City Cash Balance Plan	School TCRS BOE		School TCRS Teacher	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
Pension Expense (Negative Pension Expense)	\$ 5,367,509	\$ 320,808	\$ 540,839	\$ 9,470	\$ 1,017,763	\$ 86,718
Deferred Outflows of Resources						
Differences between expected and actual experience	\$ 2,369,501	\$ -	\$ 605,780	\$ 84,762	\$ 725,885	\$ 14,794
Net difference between projected and actual earnings on plan investments	481,242	-	-	-	-	-
Changes in assumptions	8,595,119	-	41,787	4,093	2,120,925	12,323
Changes in proportion of net pension liability (asset)	-	-	-	-	4,318,798	-
Contributions subsequent to the measurement date of June 30, 2018	-	-	510,500	44,011	3,695,257	124,810
	<u>\$ 11,445,862</u>	<u>\$ -</u>	<u>\$ 1,158,067</u>	<u>\$ 132,866</u>	<u>\$ 10,860,865</u>	<u>\$ 151,927</u>
Deferred Inflows of Resources						
Differences between expected and actual experience	\$ 1,062,000	\$ 53,238	\$ 394,629	\$ -	\$ 4,844,688	\$ 10,404
Net difference between projected and actual earnings on plan investments	-	38,017	53,854	5,078	781,575	14,755
Changes in assumptions	-	-	-	-	-	-
Change in proportion of net pension liability (asset)	-	-	-	-	-	28,729
	<u>\$ 1,062,000</u>	<u>\$ 91,255</u>	<u>\$ 448,483</u>	<u>\$ 5,078</u>	<u>\$ 5,626,263</u>	<u>\$ 53,888</u>

The amounts shown above for "Contributions subsequent to the measurement date of June 30, 2018," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	City Pension Plan	City Cash Balance Plan	School TCRS BOE		School TCRS Teacher	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
2020	\$ 1,250,308	\$ (13,541)	\$ 46,677	\$ 8,308	\$ 2,786,020	\$ (4,400)
2021	541,173	(13,970)	42,474	8,264	898,906	(4,869)
2022	858,145	(10,730)	28,658	7,883	(1,841,726)	(6,972)
2023	925,621	(9,086)	47,570	8,966	(303,855)	(3,116)
2024	773,501	(2,328)	54,808	9,625	-	(1,150)
Thereafter	6,035,114	(41,600)	(21,103)	40,731	-	(6,264)

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

NOTE 10 – PENSIONS (CONTINUED)**E. Trusted Pension Plan without Stand-Alone Financial Statements**

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

	<u>City Cash Balance Plan</u>
<u>Statements of Pension Trust Net Position</u>	
ASSETS	
Cash and cash equivalents	\$ 315,488
Interest receivable	2,484
Investments, at fair value:	
Common stock	214,021
Mutual funds	<u>1,496,307</u>
Total investments	<u>1,710,328</u>
Total assets	<u>2,028,300</u>
LIABILITIES	
Accounts payable	<u>1,594</u>
NET POSITION	
Restricted for pension	<u><u>\$ 2,026,706</u></u>
<u>Statements of Changes in Pension Plan Net Position</u>	
ADDITIONS	
Contributions:	
Employer	\$ 405,977
Plan members	<u>355,855</u>
Total contributions	761,832
Investment earnings (losses):	
Interest and dividends	38,949
Net appreciation in fair value of investments	<u>73,485</u>
Total investment earnings	<u>112,434</u>
Total additions	874,266
DEDUCTIONS	
Benefits	18,964
Administrative expense	<u>10,989</u>
Total deductions	<u>29,953</u>
Change in net position	844,313
NET POSITION RESTRICTED FOR PENSION	
Beginning of year	<u>1,182,393</u>
End of year	<u><u>\$ 2,026,706</u></u>

NOTE 11 – DEFINED CONTRIBUTION EMPLOYEE BENEFIT PLAN

School TCRS Hybrid 401k Plans

The Teacher Retirement Plan and the Hybrid Public Employee Retirement Plan (the Hybrid Plans) provide a combination of a defined benefit plan and a defined contribution plan. The defined benefit portion of the Hybrid Plans are managed by TCRS. The defined contribution assets are deposited into the State's 401(k) plan where the employee manages the investments within the 401(k) plan. Participants may, at their option, contribute 2% of their salaries and employers are required to contribute 5% of those salaries to the defined contribution (401(k)) portion of the Hybrid plans. Participants are immediately vested in contributions. Contributions are made on a tax-deferred basis. During 2019, the Board of Education's employer contribution to the Hybrid Plans was \$563,234.

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

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

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

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

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

	Net OPEB Asset	Deferred Outflows of Resources	Net OPEB Liability	Deferred Inflows of Resources
Governmental Activities				
City OPEB Plan	\$ -	6,807,739	\$ 24,470,945	\$ 7,516,117
School OPEB Plan	-	2,916,689	27,831,029	2,920,603
Total governmental activities	<u>\$ -</u>	<u>\$ 9,724,428</u>	<u>\$ 52,301,974</u>	<u>\$ 10,436,720</u>
Business-Type Activities				
City OPEB Plan	<u>\$ -</u>	<u>\$ 536,100</u>	<u>\$ 1,927,054</u>	<u>\$ 591,884</u>

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

A. General Information about the OPEB Plan

Benefits Provided

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

The School OPEB plan provides healthcare for retirees and their dependents. Benefits are provided through a third-party insurer. Legacy retirees may continue to participate in the School's plan options that are available to its active employees for life. Non-legacy retirees may receive a monthly stipend of an undesignated amount. Surviving spouses of legacy retirees are able to stay on the plan at their own expense until eligible for Medicare. The premium charged to retirees is the portion of premiums not covered by the Bartlett Board of Education explicit subsidy.

Employees Covered by Benefit Terms

Plan membership as of January 1, 2018, the date of the City OPEB valuation, and June 30, 2018, the date of the School OPEB valuation, consisted of the following:

	City OPEB Plan	School OPEB Plan
Inactive employees or beneficiaries currently receiving benefits	146	58
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	490	963
	<u>636</u>	<u>1,021</u>

Contributions

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

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

Employer contributions to each plan for the year ended June 30, 2019 were as follows:

	City OPEB Plan	School OPEB Plan
Employer contributions	\$ 1,338,763	\$ 813,889
Covered payroll	25,222,312	53,548,702
As a percentage of covered payroll	5.31%	1.52%

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

B. Actuarial Assumptions

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

City Administered OPEB Plan

The total OPEB liability was determined by an actuarial valuation as of January 1, 2018 using the entry age normal level percent of pay, actuarial cost method applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019. Significant actuarial assumptions used in the valuation include:

Inflation	2.5%
Salary increases	3.5%
Investment rate of return	7.5%, net of investment expense, including inflation
Mortality table	RP-2000 with 2% load for expected mortality improvement
Health care cost trend rate	8.0% initial rate, 4.0% ultimate rate, 9 year grading period

Investment Policy

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

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

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on investment was 6.43%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate Information

The discount rate used in valuing OPEB liabilities in funded plans as of the measurement date must be based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that they are sufficient to pay for projected benefit payments and the OPEB plan assets are invested using a strategy that will achieve that return. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) must be used. The final equivalent single discount rate as of June 30, 2019 is 7.5%.

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

Bartlett City Schools Administered OPEB Plan

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 using the entry age normal level percent of pay, actuarial cost method applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019. Significant actuarial assumptions used in the valuation include:

Inflation	3.0%
Salary increases	Graded salary ranges from 7.5% to 3.7% based on age
Investment rate of return	7.5%, net of investment expense, including inflation
Mortality table	RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017
Health care cost trend rate	8.5% initial rate, 5.0% ultimate rate, 8 year grading period

Changes of Assumptions

In 2019, the School OPEB assumptions were changed to reflect updated health care trend rates.

Investment Policy

The Bartlett City Board of Education has placed funds with the Tennessee School Board Association OPEB Trust ("TSBA OPEB Trust") to be used to pre-fund a portion of the OPEB liability. The assets of the TSBA OPEB Trust are commingled with other participant's funds for investment purposes, but are held in an irrevocable trust for each plan participant and may be used only for the payment of benefits to the members of the plan in accordance with the terms of their plan. The TSBA OPEB Trust's policy in regard to allocation of invested assets is established and may be amended by the TSBA OPEB Trust Board of Trustees by a majority vote of its members. The TSBA OPEB Trust obtains an annual audit, which may be obtained from the TSBA at 525 Brick Church Park Drive, Nashville, TN 37207; however, the audit for the year ended June 30, 2018, was not available from other auditors as of the date of this report.

It is the policy of the TSBA OPEB Trust Board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future rates of return are developed for each major asset class. These expected future rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage. The best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2019 is summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	42%	9.36%
Developed market international equity	18%	7.78%
Emerging market international equity	5%	11.40%
Fixed income	35%	4.69%
	100%	7.55%

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on investment was 9.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate Information

The discount rate used in valuing OPEB liabilities in funded plans as of the measurement date must be based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that they are sufficient to pay for projected benefit payments and the OPEB plan assets are invested using a strategy that will achieve that return. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) must be used. The final equivalent single discount rate as of June 30, 2019 is 7.5% with the assumption that Bartlett City Board of Education will eventually pay the pay-go costs out of the OPEB Trust at the time the Trust is expected to be sufficient to finance all future benefit payments.

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)**C. Net OPEB Liability**

The components of the net OPEB liability for each plan at June 30, 2019, were as follows:

	City OPEB Plan	School OPEB Plan
Total OPEB Liability		
Service cost	\$ 637,448	\$ 1,170,208
Interest	2,365,694	2,294,983
Differences between expected and actual experience	(715,882)	(2,030,141)
Changes in assumptions	-	1,940
Benefit payments, including refunds	(813,957)	(313,889)
Net change in total OPEB liability	1,473,303	1,123,101
Total OPEB liability - beginning	31,304,756	29,583,669
Total OPEB liability - ending	32,778,059	30,706,770
Plan Fiduciary Net Position		
Contributions - employer	1,338,763	813,889
Net investment income	367,743	100,803
Benefit payments	(813,957)	(313,889)
Administrative expense	(27,809)	(9,644)
Net change in plan fiduciary net position	864,740	591,159
Plan fiduciary net position - beginning	5,515,320	2,284,582
Plan fiduciary net position - ending	6,380,060	2,875,741
Net OPEB liability (asset)	<u>\$ 26,397,999</u>	<u>\$ 27,831,029</u>

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

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

	Current Discount Rate	1% Decrease	Current Rate	1% Increase
Net OPEB liability (asset)				
City OPEB Plan	7.50%	\$ 29,672,190	\$ 26,397,999	\$ 22,624,185
School OPEB Plan	7.50%	32,180,476	27,831,029	24,232,995

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate

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

	Current Healthcare Cost Trend Rate	1% Decrease	Current Rate	1% Increase
Net OPEB liability (asset)				
City OPEB Plan	8% decreasing to 4%	\$ 23,583,228	\$ 26,397,999	\$ 31,574,077
School OPEB Plan	8.5% decreasing to 5%	23,900,593	27,831,029	32,728,198

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)**D. OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the City and School reported OPEB expense and deferred outflows of resources and deferred inflows of resources related to each OPEB plan from the following sources:

	City OPEB Plan	School OPEB Plan
OPEB Expense	<u>\$ 2,513,766</u>	<u>\$ 3,309,867</u>
Deferred Outflows of Resources		
Differences between expected and actual experience	\$ 7,343,839	\$ 1,428,469
Net difference between projected and actual earnings on plan investments	-	44,657
Changes in assumptions	-	1,443,563
	<u>\$ 7,343,839</u>	<u>\$ 2,916,689</u>
Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 693,671	\$ 2,920,603
Net difference between projected and actual earnings on plan investments	71,694	-
Changes in assumptions	7,342,636	-
	<u>\$ 8,108,001</u>	<u>\$ 2,920,603</u>

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

	City OPEB Plan	School OPEB Plan
2020	\$ (85,236)	\$ 6,623
2021	(85,236)	6,623
2022	(44,930)	14,167
2023	(30,781)	17,880
2024	(43,623)	159
Thereafter	(474,356)	(49,366)

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

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

	<u>City OPEB Fund</u>	<u>School OPEB Fund</u>
<u>Statements of OPEB Trust Net Position</u>		
ASSETS		
Cash and cash equivalents	\$ 423,999	\$ 34,792
Accounts receivable	-	500,000
Interest receivable	8,096	-
Investments, at fair value:		
Common stock	625,651	-
Exchange traded funds	-	661,388
Mutual funds	5,322,315	1,679,561
Total investments	<u>5,947,966</u>	<u>2,340,949</u>
Total assets	<u>6,380,061</u>	<u>2,875,741</u>
LIABILITIES		
Accounts payable	<u>6,691</u>	<u>-</u>
NET POSITION		
Restricted for OPEB	<u>\$ 6,373,370</u>	<u>\$ 2,875,741</u>
<u>Statements of Changes in OPEB Plan Net Position</u>		
ADDITIONS		
Contributions:		
Employer	\$ 1,338,763	\$ 813,889
Total contributions	1,338,763	813,889
Investment earnings (losses):		
Interest and dividends	148,664	90,232
Net appreciation in fair value of investments	219,078	10,571
Total investment earnings	<u>367,742</u>	<u>100,803</u>
Total additions	1,706,505	914,692
DEDUCTIONS		
Benefits	-	313,889
Administrative expense	28,278	9,644
Total deductions	<u>842,235</u>	<u>323,533</u>
Change in net position	864,270	591,159
NET POSITION RESTRICTED FOR OPEB		
Beginning of year	5,509,100	2,284,582
End of year	<u>\$ 6,373,370</u>	<u>\$ 2,875,741</u>

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Lease Revenues

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

<u>Years Ending June 30</u>	<u>Amount</u>
2020	\$ 282,495
2021	220,109
2022	218,816
2023	177,809
2024	61,040
Thereafter	-
Total	<u><u>\$ 960,269</u></u>

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

Contracts

The City has entered 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.

Legal Contingencies

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

NOTE 14 - RISK MANAGEMENT

Insurance Other Than Health Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City considers it more economically feasible to participate in a public entity risk pool as opposed to purchasing commercial insurance for certain general liability, workers' compensation, and property and casualty insurance. As such, the City participates in the Public Entity Partners Risk Management Pool (the "Pool"), which is a public entity risk pool consisting of member political subdivisions of the State of Tennessee. The City pays an annual premium to the Pool and each political subdivision that has participated in the Pool is subject to assessment if the funds it paid as premiums are insufficient to meet the obligations of the Pool. The Pool may reinsure through the Local Government Reinsurance Fund of Tennessee or a commercial insurance company. The City continues to carry commercial insurance for all other risks of loss, including certain general liability and property and casualty insurance. The City has replacement cost insurance, including earthquake coverage, on all buildings and on mobile equipment and vehicles costing more than \$25,000 each.

The City has not incurred any losses in excess of commercial insurance coverage for the past 3 fiscal years. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 14 - RISK MANAGEMENT (CONTINUED)

Worker's Compensation

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

	2019	2018
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Claims incurred during the year	121,406	98,997
Claims payments	(121,406)	(98,997)
Unpaid claims, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>

Health Insurance

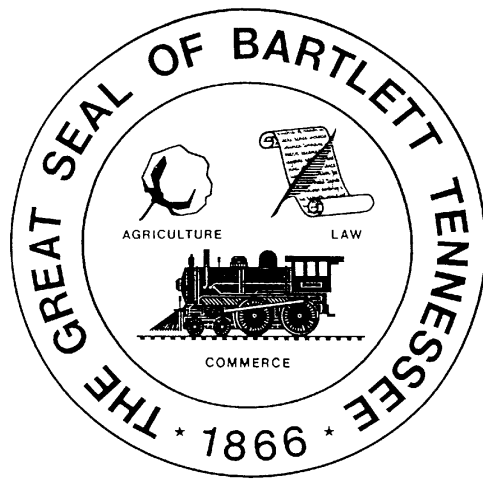
The City of Bartlett and the Bartlett City Board of Education participate in the Interlocal Health Benefits Plan Asset Trust in order to reduce costs of benefit plan administration and lower premium rates related to healthcare benefits. The Interlocal Health Plan is accounted for as a public entity risk pool but operates solely as a risk-sharing pool. Benefits and premium requirements are established and may be amended by an insurance committee. Members have the option of choosing between a Health Reimbursement Account (HRA) option, an Exclusive Provider Organization (EPO) option, and a basic option for healthcare benefits. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in term of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The plan has a separately issued Comprehensive Annual Report (CAFR) and can be found on the state's website at http://www.comptroller.tn.gov/RA_MA_Financial/.

The City and the School are only liable for their portion of plan premiums plus any outstanding capital requirements from the Interlocal Health Plan. The liability for any incurred-but-not-reported claims is borne by the Interlocal Health Plan and not by the individual members. During the year ended June 30, 2019, the City of Bartlett and the Bartlett City Board of Education contributed premiums of \$8,077,258 and \$8,429,145, respectively to the Interlocal Health Benefits Plan Asset Trust.

NOTE 15 – SUBSEQUENT EVENTS

On June 25, 2019, the Board of Mayor and Aldermen (The Board) authorized the issuance of \$2,440,000 in capital outlay notes in two separate resolutions. On July 30, 2019, and again on September 12, 2019, the City issued seven-year capital outlay notes in the amount of \$1,410,000 and \$1,030,000 respectively, through the Tennessee Municipal Alternative Loan Fund. The notes bear an interest rate of 3.14% each with final maturity of August 1, 2026. Proceeds from the notes will be used to finance certain public works projects, consisting of the acquisition of vehicles and other equipment for the police, fire, codes enforcement, public works, engineering, and parks and recreation departments of the City's Recreation Center and Senior Center and Performing Arts Conference Center, the acquisition of all other property real and personal appurtenant thereto and connected with such work, and to pay all legal, fiscal, administrative, and engineering costs incident thereto.

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



CITY OF BARTLETT

T E N N E S S E E

REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total Pension Liability										
Service cost	\$ 1,981,057	\$ 2,086,834	\$ 2,228,857	\$ 2,263,398	\$ 2,332,699	\$ 2,231,818	\$ 2,364,680	\$ 2,359,896	\$ 2,362,761	\$ 2,326,555
Interest	7,838,989	7,507,230	7,161,402	6,606,832	6,224,029	5,799,696	5,556,860	5,232,466	4,917,355	4,530,703
Changes of benefit items	-	-	-	-	-	365,972	-	-	-	-
Differences between expected and actual experience	1,456,453	(564,406)	(705,043)	1,038,862	304,733	77,265	(229,653)	(871,985)	(779,458)	439,808
Changes in assumptions	8,375,749	-	-	1,090,182	-	-	(1,789,990)	-	-	-
Benefit payments	(4,887,789)	(4,218,862)	(3,787,480)	(3,387,978)	(3,195,130)	(2,816,982)	(2,664,082)	(2,395,115)	(2,299,188)	(2,141,702)
Net change in total pension liability	14,764,459	4,810,796	4,897,736	7,611,296	5,666,331	5,657,769	3,237,815	4,325,262	4,201,470	5,155,364
Total pension liability - beginning	105,973,212	101,162,416	96,264,680	88,653,384	82,987,053	77,329,284	74,091,469	69,766,207	65,564,737	60,409,373
Total pension liability - ending	120,737,671	105,973,212	101,162,416	96,264,680	88,653,384	82,987,053	77,329,284	74,091,469	69,766,207	65,564,737
Plan Fiduciary Net Position										
Contributions - employer	3,406,793	3,477,162	3,326,960	3,127,818	3,205,170	3,395,565	3,085,413	3,052,605	3,063,599	3,024,676
Contributions - employee	790,676	830,520	870,940	893,670	915,772	911,954	881,552	872,176	829,711	838,310
Net investment income	5,098,831	5,807,523	6,566,084	1,317,984	1,584,193	8,017,388	5,067,448	586,516	7,024,828	4,539,174
Benefit payments	(4,887,789)	(4,218,862)	(3,787,480)	(3,387,978)	(3,195,130)	(2,816,982)	(2,664,082)	(2,395,115)	(2,299,188)	(2,141,702)
Administrative expense	(322,777)	(309,679)	(283,943)	(260,895)	(279,158)	(220,734)	(200,461)	(195,550)	(173,945)	(182,840)
Net change in plan fiduciary net position	4,085,734	5,586,664	6,692,561	1,690,599	2,230,847	9,287,191	6,169,870	1,920,632	8,445,005	6,077,618
Plan fiduciary net position - beginning	78,632,303	73,045,639	66,353,078	64,662,479	62,431,632	53,144,441	46,974,571	45,053,939	36,608,934	30,531,316
Plan fiduciary net position - ending	82,718,037	78,632,303	73,045,639	66,353,078	64,662,479	62,431,632	53,144,441	46,974,571	45,053,939	36,608,934
Net pension liability	<u>\$ 38,019,634</u>	<u>\$ 27,340,909</u>	<u>\$28,116,777</u>	<u>\$29,911,602</u>	<u>\$23,990,905</u>	<u>\$20,555,421</u>	<u>\$24,184,843</u>	<u>\$27,116,898</u>	<u>\$24,712,268</u>	<u>\$28,955,803</u>
Plan fiduciary net position as a percentage of the total pension liability	68.51%	74.20%	72.21%	68.93%	72.94%	75.23%	68.72%	63.40%	64.58%	55.84%
Covered payroll	\$ 20,009,086	\$ 21,107,876	\$22,042,673	\$22,505,784	\$23,205,853	\$22,101,474	\$21,797,237	\$21,569,182	\$21,398,047	\$20,923,074
Net pension liability as a percentage of covered payroll	190.01%	129.53%	127.56%	132.91%	103.38%	93.00%	110.95%	125.72%	115.49%	138.39%

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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 3,406,793	\$ 3,477,162	\$ 3,326,960	\$ 3,089,488	\$ 3,042,488	\$ 3,395,590	\$ 3,787,195	\$ 3,581,767	\$ 3,323,279	\$ 3,675,765
Contributions	<u>3,406,793</u>	<u>3,477,162</u>	<u>3,326,960</u>	<u>3,127,818</u>	<u>3,205,170</u>	<u>3,395,565</u>	<u>3,085,413</u>	<u>3,052,605</u>	<u>3,063,599</u>	<u>3,024,676</u>
Contribution deficiency (surplus)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (38,330)</u>	<u>\$ (162,682)</u>	<u>\$ 25</u>	<u>\$ 701,782</u>	<u>\$ 529,162</u>	<u>\$ 259,680</u>	<u>\$ 651,089</u>
Covered payroll	\$ 20,009,086	\$ 21,107,876	\$ 22,042,673	\$ 22,505,784	\$ 23,205,853	\$ 22,101,474	\$ 21,797,237	\$ 21,569,182	\$ 21,398,047	\$ 20,923,074
Contributions as a percentage of covered payroll	17.03%	16.47%	15.09%	13.90%	13.81%	15.36%	14.16%	14.15%	14.32%	14.46%

NOTE 1 - VALUATION DATE

Actuarially determined contributions are calculated as of January 1st, 18 months prior to the fiscal year in which contributions are reported.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed
Remaining amortization period	23 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3.5%, including inflation
Investment rate of return	7.5%, net of plan investment expense, including inflation
Retirement age	62
Mortality	RP-2000 with a 2% load for expected mortality improvement
Withdrawal rates	T-3 Actuaries Pension Handbook
Other Information	Closed to new employees after 6/30/2014

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN
EMPLOYEE PENSION PLAN
Last Ten Fiscal Years June 30

	Annual Money-Weighted Rate of Return <u>Net of Investment Expenses</u>
2019	6.5%
2018	7.5%
2017	9.4%
2016	1.6%
2015	2.1%
2014	14.5%
2013	10.2%
2012	0.8%
2011	18.3%
2010	13.8%

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

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

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

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

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

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

NOTE 1 - VALUATION DATE

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

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN
EMPLOYEE CASH BALANCE PENSION PLAN
Last Ten Fiscal Years June 30

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

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

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

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

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

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

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

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

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

NOTE 1 - VALUATION DATE

Actuarially determined contribution rates for fiscal year 2019 were calculated based on the June 30, 2017 actuarial valuation.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation method	10 year smoothed with a 20% corridor to market value
Inflation	2.50%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4%
Investment rate of return	7.25%, net of investment expenses, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.25%

NOTE 3 - CHANGES OF ASSUMPTIONS

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

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

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

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

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

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

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

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

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

NOTE 1 - VALUATION DATE

Actuarially determined contribution rates for fiscal year 2019 were calculated based on the June 30, 2017 actuarial valuation.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation method	10 year smoothed with a 20% corridor to market value
Inflation	2.50%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4%
Investment rate of return	7.25%, net of investment expenses, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.25%

NOTE 3 - CHANGES OF ASSUMPTIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	2019	2018	2017
Total OPEB Liability			
Service cost	\$ 637,448	\$ 637,448	\$ 720,694
Interest	2,365,694	1,507,704	1,439,231
Changes of benefit items	-	-	-
Differences between expected and actual experience	(715,882)	8,323,018	(26,865)
Changes in assumptions	-	(8,321,654)	-
Benefit payments	(813,957)	(708,131)	(653,224)
Other changes	-	-	-
Net change in total OPEB liability	1,473,303	1,438,385	1,479,836
Total OPEB liability - beginning	31,304,756	29,866,371	28,386,535
Total OPEB liability - ending	32,778,059	31,304,756	29,866,371
Plan Fiduciary Net Position			
Contributions - employer	1,338,763	1,308,590	1,260,999
Net investment income	367,743	316,640	399,190
Benefit payments	(813,957)	(708,131)	(653,224)
Administrative expense	(27,809)	(45,663)	(31,824)
Net change in plan fiduciary net position	864,740	871,436	975,141
Plan fiduciary net position - beginning	5,515,320	4,643,884	3,668,743
Plan fiduciary net position -ending	6,380,060	5,515,320	4,643,884
Net OPEB liability (asset)	\$ 26,397,999	\$ 25,789,436	\$ 25,222,487
Plan fiduciary net position as a percentage of the total OPEB liability	19.46%	17.62%	15.55%
Covered payroll	\$ 25,222,312	\$ 25,222,312	\$ 24,384,565
Net OPEB liability as a percentage of covered payroll	104.66%	102.25%	103.44%

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

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

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

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

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

NOTE 1 - VALUATION DATE

January 1, 2018 with results actuarially rolled forward to June 30, 2019 on a "no loss/no gain" basis.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

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

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

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

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

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

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

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

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

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

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

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

NOTE 1 - VALUATION DATE

July 1, 2017 with results actuarially rolled forward to June 30, 2018 on a "no loss/no gain" basis.

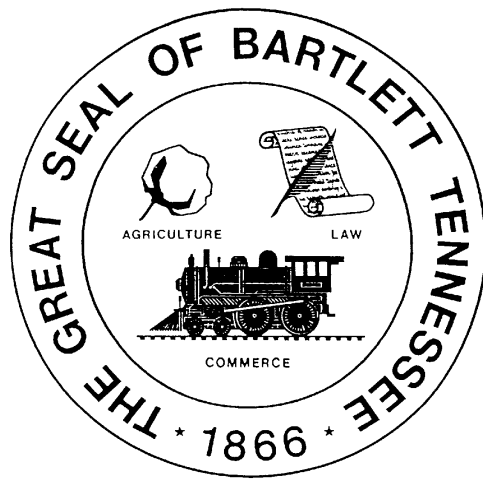
NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN
SCHOOL OTHER POSTEMPLOYMENT BENEFIT PLAN
Last Ten Fiscal Years June 30

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

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



FUND STATEMENTS

CITY OF BARTLETT

T E N N E S S E E

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

COMBINING NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

Parks Improvement Fund - The City imposes a parks improvement impact fee on all new residential development to provide funds for the acquisition and maintenance of playground equipment.

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

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

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

CITY OF BARTLETT, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Special Revenue Funds						
	State Street Aid Fund	Solid Waste Control Fund	General Improvement Fund	Drug Enforcement Fund	Drainage Control Fund	Parks Improvement Fund	DEA Task Force Fund
ASSETS							
Cash and cash equivalents	\$ 921,001	\$ 1,917	\$ 178,124	\$ 379,373	\$ 209,255	\$ 647,274	\$ 383,838
Receivables							
Taxes	-	-	-	-	-	-	-
Customer	-	669,056	71,579	-	-	-	-
Other	-	4,329	-	-	-	-	-
Less allowance for doubtful accounts	-	(28,529)	(3,109)	-	-	-	-
Due from other governments	342,910	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Prepaid items	-	-	78,398	-	-	-	-
	<u>-</u>	<u>-</u>	<u>78,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,263,911</u>	<u>\$ 646,773</u>	<u>\$ 324,992</u>	<u>\$ 379,373</u>	<u>\$ 209,255</u>	<u>\$ 647,274</u>	<u>\$ 383,838</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ 124,800	\$ 105,162	\$ 19,151	\$ 124,302	\$ 567	\$ -	\$ 12,464
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	2,459
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>124,800</u>	<u>105,162</u>	<u>19,151</u>	<u>124,302</u>	<u>567</u>	<u>-</u>	<u>14,923</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue							
Other	-	51,827	5,176	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>51,827</u>	<u>5,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	78,398	-	-	-	-
Restricted	231,572	489,784	-	255,071	-	-	368,915
Committed	-	-	-	-	-	-	-
Assigned	907,539	-	222,267	-	208,688	647,274	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>1,139,111</u>	<u>489,784</u>	<u>300,665</u>	<u>255,071</u>	<u>208,688</u>	<u>647,274</u>	<u>368,915</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,263,911</u>	<u>\$ 646,773</u>	<u>\$ 324,992</u>	<u>\$ 379,373</u>	<u>\$ 209,255</u>	<u>\$ 647,274</u>	<u>\$ 383,838</u>

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CITY OF BARTLETT, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
	Grants Fund	Federal Projects Fund	School Nutrition Fund	Discretionary Grants Fund		
ASSETS						
Cash and cash equivalents	\$ -	\$ 61,200	\$ 489,458	\$ 8,467	\$ 2,584,613	\$ 5,864,520
Receivables						
Taxes	-	-	-	-	571,992	571,992
Customer	-	-	-	-	-	740,635
Other	-	-	449	-	-	4,778
Less allowance for doubtful accounts	-	-	-	-	-	(31,638)
Due from other governments	371,277	887,315	-	148,371	-	1,749,873
Inventory	-	-	49,036	-	-	49,036
Prepaid items	-	-	-	-	-	78,398
Total assets	<u>\$ 371,277</u>	<u>\$ 948,515</u>	<u>\$ 538,943</u>	<u>\$ 156,838</u>	<u>\$ 3,156,605</u>	<u>\$ 9,027,594</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ 12,176	\$ 980	\$ 6,799	\$ -	\$ 406,401
Accrued payroll	-	214,140	-	11,048	-	225,188
Due to other funds	371,277	572,398	-	144,532	-	1,090,666
Unearned revenue	-	-	49,068	-	-	49,068
Total liabilities	<u>371,277</u>	<u>798,714</u>	<u>50,048</u>	<u>162,379</u>	<u>-</u>	<u>1,771,323</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue						
Other	-	-	-	-	-	57,003
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,003</u>
FUND BALANCES						
Nonspendable	-	-	49,036	-	-	127,434
Restricted	-	149,801	439,859	-	-	1,935,002
Committed	-	-	-	-	3,156,605	3,156,605
Assigned	-	-	-	-	-	1,985,768
Unassigned	-	-	-	(5,541)	-	(5,541)
Total fund balances	<u>-</u>	<u>149,801</u>	<u>488,895</u>	<u>(5,541)</u>	<u>3,156,605</u>	<u>7,199,268</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 371,277</u>	<u>\$ 948,515</u>	<u>\$ 538,943</u>	<u>\$ 156,838</u>	<u>\$ 3,156,605</u>	<u>\$ 9,027,594</u>

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	Special Revenue Funds						
	State Street Aid Fund	Solid Waste Control Fund	General Improvement Fund	Drug Enforcement Fund	Drainage Control Fund	Parks Improvement Fund	DEA Task Force Fund
REVENUES							
Local sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental							
State gas tax	1,983,791	-	-	-	-	-	-
Charges for services	191,295	6,067,581	665,605	-	4,000	-	-
Fines, forfeitures, and penalties	-	-	-	110,049	-	-	-
Federal, state and other grants	-	21,415	-	-	-	-	247,902
Interest on investments	2,929	436	530	1,600	578	2,388	305
Other	18,706	10,653	-	7,159	12,500	-	-
Total revenues	2,196,721	6,100,085	666,135	118,808	17,078	2,388	248,207
EXPENDITURES							
Current							
Public safety	-	-	-	306,844	-	-	217,552
Public works	2,282,010	6,552,051	579,042	-	103,319	-	-
Performing arts center	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Total expenditures	2,282,010	6,552,051	579,042	306,844	103,319	-	217,552
Excess (deficiency) of revenues over (under) expenditures	(85,289)	(451,966)	87,093	(188,036)	(86,241)	2,388	30,655
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	-	8,449	-	-	-	-	-
Transfers in	2,600	-	-	20,685	100,000	-	-
Transfers out	-	(153,000)	(167,500)	-	-	(16,936)	-
Total other financing sources and uses	2,600	(144,551)	(167,500)	20,685	100,000	(16,936)	-
Net change in fund balances	(82,689)	(596,517)	(80,407)	(167,351)	13,759	(14,548)	30,655
Fund balances - beginning	1,221,800	1,086,301	381,072	422,422	194,929	661,822	338,260
Fund balances - ending	\$ 1,139,111	\$ 489,784	\$ 300,665	\$ 255,071	\$ 208,688	\$ 647,274	\$ 368,915

(CONTINUED ON NEXT PAGE)

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
	Grants Fund	Federal Projects Fund	School Nutrition Fund	Discretionary Grants Fund		
REVENUES						
Local sales taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,329,115	\$ 3,329,115
Intergovernmental						
State gas tax	-	-	-	-	-	1,983,791
Charges for services	-	-	1,252,977	-	-	8,181,458
Fines, forfeitures, and penalties	-	-	-	-	-	110,049
Federal, state and other grants	1,106,100	6,189,111	1,549,438	924,245	-	10,038,211
Interest on investments	-	-	-	-	6,806	15,572
Other	-	-	-	-	-	49,018
Total revenues	1,106,100	6,189,111	2,802,415	924,245	3,335,921	23,707,214
EXPENDITURES						
Current						
Public safety	59,120	-	-	-	-	583,516
Public works	339,668	-	-	-	-	9,856,090
Performing arts center	50,000	-	-	-	-	50,000
Education	-	5,687,083	2,801,550	881,745	-	9,370,378
Debt Service						
Principal	-	-	-	-	5,515,150	5,515,150
Interest	-	-	-	-	2,878,702	2,878,702
Bond issuance costs	-	-	-	-	74,569	74,569
Total expenditures	448,788	5,687,083	2,801,550	881,745	8,468,421	28,328,405
Excess (deficiency) of revenues over (under) expenditures	657,312	502,028	865	42,500	(5,132,500)	(4,621,191)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	-	-	-	8,449
Transfers in	-	149,801	-	-	4,957,320	5,230,406
Transfers out	(657,312)	(502,028)	-	(48,041)	-	(1,544,817)
Total other financing sources and uses	(657,312)	(352,227)	-	(48,041)	4,957,320	3,694,038
Net change in fund balances	-	149,801	865	(5,541)	(175,180)	(927,153)
Fund balances - beginning	-	-	488,030	-	3,331,785	8,126,421
Fund balances - ending	\$ -	\$ 149,801	\$ 488,895	\$ (5,541)	\$ 3,156,605	\$ 7,199,268

CITY OF BARTLETT, TENNESSEE

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE STREET AID FUND**

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental - state gas tax				
Gas motor fuel	\$ 1,800,000	\$ 1,800,000	\$ 1,069,607	\$ (730,393)
Gas 1989	-	-	170,630	170,630
Gas 3 cent	-	-	743,554	743,554
Charges for services	225,000	225,000	191,295	(33,705)
Interest on investments	-	-	2,929	2,929
Other income	-	-	18,706	18,706
Total revenues	<u>2,025,000</u>	<u>2,025,000</u>	<u>2,196,721</u>	<u>171,721</u>
EXPENDITURES				
Public Works				
Materials and supplies	2,080,000	2,080,000	2,079,197	803
Capital outlay	<u>395,000</u>	<u>395,000</u>	<u>202,813</u>	<u>192,187</u>
Total expenditures	<u>2,475,000</u>	<u>2,475,000</u>	<u>2,282,010</u>	<u>192,990</u>
Deficiency of revenues under expenditures	(450,000)	(450,000)	(85,289)	364,711
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>-</u>	<u>2,600</u>	<u>2,600</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>2,600</u>	<u>2,600</u>
Net change in fund balances	<u>\$ (450,000)</u>	<u>\$ (450,000)</u>	(82,689)	<u>\$ 367,311</u>
Fund balances - beginning			<u>1,221,800</u>	
Fund balances - ending			<u>\$ 1,139,111</u>	

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 6,092,000	\$ 6,092,000	\$ 6,067,581	\$ (24,419)
Federal, state and other grants	10,800	10,800	21,415	10,615
Interest on investments	-	-	436	436
Other income	4,000	4,000	10,653	6,653
Total revenues	6,106,800	6,106,800	6,100,085	(6,715)
EXPENDITURES				
Public Works				
Salaries	2,189,109	2,069,109	2,065,505	3,604
Benefits	974,077	974,077	957,216	16,861
Contractual services	1,050,741	1,090,741	1,074,624	16,117
Maintenance and equipment rental	606,750	706,750	676,367	30,383
Materials and supplies	411,700	431,700	425,751	5,949
Insurance	53,700	53,700	58,593	(4,893)
Other charges	54,300	54,300	50,393	3,907
Capital outlay	1,121,200	1,251,309	1,243,602	7,707
Total expenditures	6,461,577	6,631,686	6,552,051	79,635
Deficiency of revenues under expenditures	(354,777)	(524,886)	(451,966)	72,920
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	8,449	8,449
Transfers out	(153,000)	(153,000)	(153,000)	-
Net change in fund balances	\$ (507,777)	\$ (677,886)	(596,517)	\$ 81,369
Fund balances - beginning			1,086,301	
Fund balances - ending			\$ 489,784	

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 670,000	\$ 670,000	\$ 665,605	\$ (4,395)
Interest on investments	-	-	530	530
Total revenues	670,000	670,000	666,135	(3,865)
EXPENDITURES				
Public Works				
Contractual services	10,000	10,000	1,163	8,837
Maintenance and equipment rental	363,000	399,000	386,484	12,516
Other charges	108,700	108,700	120,142	(11,442)
Capital outlay	119,600	84,600	71,253	13,347
Total expenditures	601,300	602,300	579,042	23,258
Excess of revenues over expenditures	68,700	67,700	87,093	19,393
OTHER FINANCING SOURCES (USES)				
Transfers out	(167,500)	(167,500)	(167,500)	-
Net change in fund balances	\$ (98,800)	\$ (99,800)	(80,407)	\$ 19,393
Fund balances - beginning			381,072	
Fund balances - ending			\$ 300,665	

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DRUG ENFORCEMENT FUND

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines, forfeitures, and penalties	\$ 209,000	\$ 209,000	\$ 110,049	\$ (98,951)
Interest on investments	-	-	1,600	1,600
Other income	1,000	1,000	7,159	6,159
Total revenues	210,000	210,000	118,808	(91,192)
EXPENDITURES				
Public Safety				
Salaries	70,000	70,000	24,024	45,976
Benefits	8,000	8,000	1,742	6,258
Contractual services	26,500	26,500	397	26,103
Maintenance and equipment rental	15,000	15,000	3,597	11,403
Materials and supplies	73,500	73,500	41,173	32,327
Other charges	71,000	71,000	36,490	34,510
Capital outlay	209,500	242,254	199,421	42,833
Total expenditures	473,500	506,254	306,844	199,410
Deficiency of revenues under expenditures	(263,500)	(296,254)	(188,036)	108,218
OTHER FINANCING SOURCES (USES)				
Transfers in	33,000	33,000	20,685	(12,315)
Net change in fund balances	\$ (230,500)	\$ (263,254)	(167,351)	\$ 95,903
Fund balances - beginning			422,422	
Fund balances - ending			\$ 255,071	

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DRAINAGE CONTROL FUND

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 8,000	\$ 8,000	\$ 4,000	\$ (4,000)
Interest on investments	-	-	578	578
Other Income	12,526	12,526	12,500	(26)
Total revenues	20,526	20,526	17,078	(3,448)
EXPENDITURES				
Public Works				
Salaries	67,359	67,359	65,145	2,214
Benefits	27,817	28,817	30,116	(1,299)
Contractual services	15,150	14,824	1,487	13,337
Materials and supplies	750	750	-	750
Other charges	9,450	9,450	6,571	2,879
Total expenditures	120,526	121,200	103,319	17,881
Deficiency of revenues under expenditures	(100,000)	(100,674)	(86,241)	14,433
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
Net change in fund balances	\$ -	\$ (674)	13,759	\$ 14,433
Fund balances - beginning			194,929	
Fund balances - ending			\$ 208,688	

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Interest on investments	\$ -	\$ -	\$ 2,388	\$ 2,388
OTHER FINANCING SOURCES (USES)				
Transfers out	(16,936)	(16,936)	(16,936)	-
Net change in fund balances	<u>\$ (16,936)</u>	<u>\$ (16,936)</u>	(14,548)	<u>\$ 2,388</u>
Fund balances - beginning			<u>661,822</u>	
Fund balances - ending			<u>\$ 647,274</u>	

CITY OF BARTLETT, TENNESSEE**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEA TASK FORCE FUND**

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal, state and other grants	\$ 100,000	\$ 100,000	\$ 247,902	\$ 147,902
Interest income	200	200	305	105
Total revenues	100,200	100,200	248,207	148,007
EXPENDITURES				
Public Safety				
Contractual services	20,000	20,000	406	19,594
Maintenance and equipment rental	3,000	3,000	850	2,150
Materials and supplies	6,000	6,000	3,761	2,239
Other charges	5,200	5,200	5,304	(104)
Capital outlay	245,000	259,363	207,231	52,132
Total expenditures	279,200	293,563	217,552	76,011
Net change in fund balances	<u>\$ (179,000)</u>	<u>\$ (193,363)</u>	30,655	<u>\$ 224,018</u>
Fund balances - beginning			<u>338,260</u>	
Fund balances - ending			<u>\$ 368,915</u>	

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Federal, state and other grants	\$ 5,041,872	\$ 7,298,992	\$ 1,106,100	\$ (6,192,892)
Other income	52,688	52,688	-	(52,688)
Total revenues	5,094,560	7,351,680	1,106,100	(6,245,580)
EXPENDITURES				
Public Safety				
Police				
Contractual services	2,000	2,000	-	2,000
Materials and supplies	3,638	12,758	9,120	3,638
Fire				
Capital outlay	-	50,000	50,000	-
Engineering				
Capital outlay	510,493	510,493	339,668	170,825
Parks and Recreation				
Capital outlay	-	200,000	-	200,000
Performing Arts Center				
Capital outlay	-	50,000	50,000	-
Total expenditures	516,131	825,251	448,788	376,463
Excess of revenues over expenditures	4,578,429	6,526,429	657,312	(5,869,117)
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,560,407)	(6,508,407)	(657,312)	5,851,095
Net change in fund balances	\$ 18,022	\$ 18,022	-	\$ (18,022)
Fund balances - beginning			-	
Fund balances - ending			\$ -	

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal, state and other grants	\$ 2,655,659	\$ 7,522,695	\$ 6,189,111	\$ (1,333,584)
EXPENDITURES				
Education				
Regular instruction				
Salaries	423,610	1,379,670	1,241,904	137,766
Benefits	112,289	274,240	246,762	27,478
Contractual services	85,452	163,427	105,492	57,935
Materials and supplies	214,551	1,697,384	1,450,101	247,283
Other charges	5,809	4,327	4,391	(64)
Special education				
Salaries	476,733	725,706	735,210	(9,504)
Benefits	139,498	258,752	241,954	16,798
Materials and supplies	55,516	56,079	28,904	27,175
Other charges	100	200	-	200
Health services				
Salaries	1,432	2,071	2,071	-
Benefits	-	350	302	48
Other student support				
Salaries	16,636	166,943	93,307	73,636
Benefits	7,077	54,213	28,942	25,271
Contractual services	-	-	-	-
Materials and supplies	311	8,541	7,343	1,198
Other charges	20	31,026	25,560	5,466
Regular instruction support				
Salaries	138,795	526,823	411,644	115,179
Benefits	31,351	133,946	110,378	23,568
Contractual services	-	11,500	-	11,500
Materials and supplies	12,519	5,758	2,221	3,537
Other charges	475,012	497,942	94,352	403,590
Special education support				
Salaries	47,700	680,479	652,768	27,711
Benefits	-	181,885	174,077	7,808
Contractual services	15,000	-	-	-
Materials and supplies	5,920	17,838	6,547	11,291
Other charges	10,830	21,877	20,325	1,552
Technology				
Other charges	4,704	2,695	1,764	931
Board of education services				
Contractual services	-	131	93	38

(CONTINUED ON NEXT PAGE)

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Transportation				
Contractual services	-	654	671	(17)
Other charges	-	500	-	500
Total expenditures	<u>2,280,865</u>	<u>6,904,957</u>	<u>5,687,083</u>	<u>1,217,874</u>
Excess of revenues over expenditures	374,794	617,738	502,028	(115,710)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	149,801	149,801
Transfers out	<u>(374,794)</u>	<u>(617,738)</u>	<u>(502,028)</u>	<u>115,710</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>149,801</u>	<u>\$ 149,801</u>
Fund balances - beginning			-	
Fund balances - ending			<u>\$ 149,801</u>	

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Charges for services	\$ 2,391,016	\$ 2,391,016	\$ 1,252,977	\$ (1,138,039)
Federal, state and other grants	45,000	45,000	1,549,438	1,504,438
Other income	276,000	276,000	-	(276,000)
Total revenues	<u>2,712,016</u>	<u>2,712,016</u>	<u>2,802,415</u>	<u>90,399</u>
EXPENDITURES				
Education				
Cafeteria				
Salaries	1,167,675	1,167,675	1,087,767	79,908
Benefits	315,541	312,541	265,075	47,466
Contractual services	160,000	160,000	146,829	13,171
Materials and supplies	1,064,500	1,067,500	1,288,732	(221,232)
Other charges	4,300	4,300	13,147	(8,847)
Total expenditures	<u>2,712,016</u>	<u>2,712,016</u>	<u>2,801,550</u>	<u>(89,534)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	865	<u>\$ 865</u>
Fund balances - beginning			<u>488,030</u>	
Fund balances - ending			<u>\$ 488,895</u>	

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Federal, state and other grants	\$ 213,496	\$ 1,067,147	\$ 924,245	\$ (142,902)
EXPENDITURES				
Education				
Regular instruction				
Materials and supplies	60	8,200	8,200	-
Technical education				
Materials and supplies	-	157,404	154,788	2,616
Health services				
Salaries	19,551	73,128	72,830	298
Benefits	3,505	12,638	12,417	221
Materials and supplies	1,752	2,215	2,186	29
Other charges	998	2,020	1,952	68
Other student support				
Contractual services	15,000	30,775	30,775	-
Materials and supplies	15,900	276,245	138,293	137,952
Other charges	-	55,579	56,399	(820)
Regular instruction support				
Salaries	-	475	475	-
Benefits	167	25	25	-
Contractual services	2,460	5,688	5,688	-
Materials and supplies	-	16,653	16,665	(12)
Other charges	10,986	12,985	12,223	762
Technical education support				
Materials and supplies	-	1,000	1,000	-
Other charges	-	9,496	8,914	582
Cafeteria				
Salaries	-	-	300	(300)
Early Childhood Education				
Salaries	51,867	189,311	188,769	542
Benefits	21,534	69,607	69,097	510
Contractual services	38,880	74,880	74,880	-
Materials and supplies	102	18,277	19,040	(763)
Other charges	6,284	7,985	6,829	1,156
Total expenditures	189,046	1,024,586	881,745	142,841
Excess of revenues over expenditures	24,450	42,561	42,500	(61)

(CONTINUED ON NEXT PAGE)

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers out	(24,450)	(42,561)	(48,041)	(5,480)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(5,541)	<u>\$ (5,541)</u>
Fund balances - beginning			-	
Fund balances - ending			<u>\$ (5,541)</u>	

CAPITAL PROJECTS

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

CAPITAL PROJECTS FUND

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

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest income	\$ 232,351	\$ 232,351	\$ 628,248	\$ 395,897
Other income	-	-	1,994	1,994
Total revenues	232,351	232,351	630,242	397,891
EXPENDITURES				
DEBT SERVICE				
Debt issuance costs	-	-	11,648	(11,648)
CAPITAL OUTLAY				
Administrative				
CIP Available Project Funds	1,866	2,516	-	2,516
BMSC Maintenances 2019	150,000	150,000	10,760	139,240
Administrative Vehicles 2019	65,000	61,377	61,377	-
City Hall Renovations 2018	16,108	16,108	16,108	-
TCAT Land Acquisition	185,868	185,868	-	185,868
Public Safety				
Police Vehicles & Equipment 2017	1,663	1,663	1,663	-
Police Vehicles & Equipment 2018	48,752	48,752	48,752	-
Police Vehicles & Equipment 2019	335,000	335,000	321,982	13,018
Justice Center Maintenance	150,000	250,000	25,321	224,679
Justice Center Maintenance	100,000	100,000	100,000	-
Fire Truck/Pumper 2018	600,000	600,000	59,462	540,538
Fire Ambulances 2018	98	-	-	-
Fire Training Facility	9,495	9,495	1,342	8,153
Code Enforcement Vehicle 2019	25,000	24,990	24,990	-
Code Enforcement Vehicle 2018	5,123	-	-	-
Public Works				
Bartlett Blvd. Overpass Rehab	1,119,379	1,119,379	23,942	1,095,437
Public Works Vehicles & Equip 2018	188,916	188,916	188,916	-
Public Works Vehicles & Equip 2019	680,000	680,000	659,496	20,504
City Shop	-	250,000	24,130	225,870
Engineering				
Westbrook Road Bridge	396,918	-	-	-
Engineering Vehicles 2017	22,233	-	-	-
Old Brownsville West R.O.W	12,638,290	12,638,290	124,479	12,513,811
O. Brownsville/Frank Crk Brdg Rehab	1,460,269	1,460,269	294,246	1,166,023
Bond Default Hampton Grove Subdivision	47,372	47,372	-	47,372
Bond Default Gailyn Manor Phase I	11,970	11,970	-	11,970
Bond Default Gailyn Manor Phase II	108,307	108,307	108,307	-
Bond Default Brookemeade	74,059	74,059	-	74,059
Bond Default Stonecrest	32,321	32,321	-	32,321

(CONTINUED ON NEXT PAGE)

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

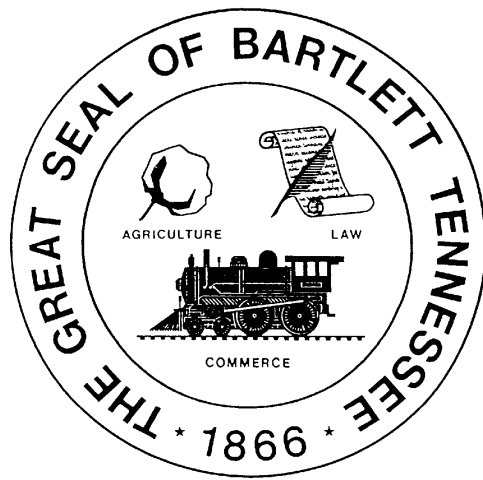
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Engineering (Continued)				
Bond Default Hampton Grove North	\$ 951	\$ 951	\$ -	\$ 951
Bond Default Rockyford Ph E-2	30,000	30,000	-	30,000
Fletcher Creek Greenway Ph2	1,170,289	1,170,289	116,203	1,054,086
Fletcher Creek Greenway Ph3	549,993	549,993	2,850	547,143
Ellis Road Hill Removal	82,800	4,690	-	4,690
Elmore Box	199,750	199,750	950	198,800
Brother & Stage Left Turn	300,000	300,000	49,150	250,850
ADA Transition Plan TDOT	119,252	119,252	108,861	10,391
City Wide Overlay P2	2,478,824	1,996,824	1,841,589	155,235
Brother-Yale Paving	-	2,410,000	23,764	2,386,236
Appling Road Improvements	500,000	650,000	179,460	470,540
Misc Drainage Improvements 2019	400,000	400,000	-	400,000
Misc Drainage Improvements 2016	158,616	158,616	149,485	9,131
Misc Drainage Improvements 2017	376,728	454,837	306,015	148,822
Parks & Recreation				
Parks Vehicles & Equipment 2018	2,185	2,185	2,185	-
Parks Vehicles & Equipment 2019	170,000	170,000	87,205	82,795
W.J. Freeman Park Project	1,491,815	2,103,832	347,055	1,756,777
Parks Maintenances 2018	334,246	334,246	221,915	112,331
Parks Maintenances 2019	306,936	306,936	187,540	119,396
Parks Restroom Renovations 2017	12,018	-	-	-
Parks Restroom Renovations 2018	200,000	100,000	32,500	67,500
Parks Restroom Renovations 2019	650,000	350,000	-	350,000
Singleton Equip/Repairs 2018	29,000	29,000	19,000	10,000
Singleton Equip/Repairs 2019	25,000	25,000	-	25,000
Senior Cntr Equip/Repairs 2019	35,000	35,000	34,905	95
Recreation Cntr Equip/Repairs 2018	144,254	144,254	92,904	51,350
Recreation Cntr Equip/Repairs 2019	70,000	70,000	2,640	67,360
BPACC Repairs & Improvements 2019	310,000	337,356	310,618	26,738
BPACC Repairs & Improvements 2018	98,669	98,669	88,651	10,018
Total capital outlay	28,720,333	30,948,332	6,300,718	24,647,614
Total expenditures	28,720,333	30,948,332	6,312,366	24,635,966
Deficiency of revenues under expenditures	(28,487,982)	(30,715,981)	(5,682,124)	25,033,857
OTHER FINANCING SOURCES (USES)				
Issuance of debt	6,650,000	6,650,000	6,650,000	-
Premium on bonds issued	420,000	420,000	432,362	12,362
Transfers in	14,105,147	15,929,575	1,401,316	(14,528,259)
Transfers out	(42,053,904)	(42,053,904)	(27,347,572)	14,706,332
Total other financing uses	(20,878,757)	(19,054,329)	(18,863,894)	190,435
Net change in fund balances	<u><u>\$(49,366,739)</u></u>	<u><u>\$(49,770,310)</u></u>	<u><u>(24,546,018)</u></u>	<u><u>\$ 25,224,292</u></u>
Fund balances - beginning			50,209,934	
Fund balances - ending			<u><u>\$ 25,663,916</u></u>	

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 1,675,000	\$ 4,143,870	\$ 2,468,870
Other income	-	1,794,250	-	1,794,250
Total revenues	-	3,469,250	4,143,870	4,263,120
EXPENDITURES				
Capital outlay	-	7,094,250	35,375,939	(28,281,689)
Deficiency of revenues under expenditures	-	(3,625,000)	(31,232,069)	(27,607,069)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,625,000	32,913,401	29,288,401
Total other financing sources	-	3,625,000	32,913,401	29,288,401
Net change in fund balances	\$ -	\$ -	1,681,332	\$ 1,681,332
Fund balances - beginning			(1,340,325)	
Fund balances - ending			\$ 341,007	



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

DEBT SERVICE FUND

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

CITY OF BARTLETT, TENNESSEE

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

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sales taxes	\$ 3,378,400	\$ 3,378,400	\$ 3,329,115	\$ (49,285)
Interest on investments	-	-	6,806	6,806
Total revenues	3,378,400	3,378,400	3,335,921	(42,479)
EXPENDITURES				
Debt Service				
Principal	5,515,150	5,515,150	5,515,150	-
Interest	2,862,751	2,862,751	2,878,702	(15,951)
Bond issuance costs	93,500	93,500	74,569	18,931
Total expenditures	8,471,401	8,471,401	8,468,421	2,980
Deficiency of revenues under expenditures	(5,093,001)	(5,093,001)	(5,132,500)	(39,499)
OTHER FINANCING SOURCES (USES)				
Transfers in	4,908,000	4,908,000	4,957,320	49,320
Net change in fund balances	\$ (185,001)	\$ (185,001)	(175,180)	\$ 9,821
Fund balances - beginning			3,331,785	
Fund balances - ending			\$ 3,156,605	

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

INTERNAL SERVICE FUNDS

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

Health & Welfare Fund

Workmen's Compensation Fund

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2019

	Health and Welfare Fund	Workers' Compensation Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,211,025	\$ 787,381	\$ 1,998,406
Total current assets	<u>1,211,025</u>	<u>787,381</u>	<u>1,998,406</u>
LIABILITIES			
Current liabilities			
Accounts payable	353,180	7,995	361,175
Accrued payroll	22,243	-	22,243
Total current liabilities	<u>375,423</u>	<u>7,995</u>	<u>383,418</u>
NET POSITION			
Unrestricted	<u>\$ 835,602</u>	<u>\$ 779,386</u>	<u>\$ 1,614,988</u>

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2019

	Health and Welfare Fund	Workers' Compensation Fund	Total
OPERATING REVENUES			
Charges for services	\$ 1,895,397	\$ 927,101	\$ 2,822,498
City contributions	6,662,273	-	6,662,273
Total revenues	8,557,670	927,101	9,484,771
OPERATING EXPENSES			
Administrative and general			
Workers' compensation claims	-	121,406	121,406
Insurance premiums	8,587,157	679,392	9,266,549
Other expenses	2,423	-	2,423
Total operating expenses	8,589,580	800,798	9,390,378
Operating income	(31,910)	126,303	94,393
NONOPERATING REVENUES			
Interest income	3,394	2,133	5,527
Change in net position	(28,516)	128,436	99,920
Fund balances - beginning	864,118	650,950	1,515,068
Fund balances - ending	\$ 835,602	\$ 779,386	\$ 1,614,988

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2019

	Health and Welfare Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 8,557,670	\$ 927,101	\$ 9,484,771
Payments to suppliers	(8,532,318)	(811,603)	(9,343,921)
Net cash provided by operating activities	25,352	115,498	140,850
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	3,394	2,133	5,527
Net increase in cash and cash equivalents	28,746	117,631	146,377
Cash and cash equivalents - beginning	1,182,279	669,750	1,852,029
Cash and cash equivalents - ending	<u>\$ 1,211,025</u>	<u>\$ 787,381</u>	<u>\$ 1,998,406</u>
Reconciliation of operating income to net cash from operating activities			
Operating income (loss)	\$ (31,910)	\$ 126,303	\$ 94,393
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Increase (decrease) in accounts payable	61,697	(10,805)	50,892
Increase (decrease) in accrued payroll	(4,435)	-	(4,435)
Net cash provided by (used for) operating activities	<u>\$ 25,352</u>	<u>\$ 115,498</u>	<u>\$ 140,850</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

FIDUCIARY FUNDS

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

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

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

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2019

	Employee Retirement Plan	Contributory Retirement Plan	City OPEB Fund	School OPEB Fund	Total Pension and OPEB Trust Funds
ASSETS					
Cash and cash equivalents	\$ 713,299	\$ 315,488	\$ 423,999	\$ 34,792	\$ 1,487,578
Accounts receivable	-	-	-	500,000	500,000
Interest receivable	109,093	2,484	8,096	-	119,673
Investments					
Common stock	25,593	214,021	625,651	-	865,265
Exchange traded funds	-	-	-	661,388	661,388
Mutual funds	79,108,650	1,496,307	5,322,315	1,679,561	87,606,833
Private real estate fund	2,761,402	-	-	-	2,761,402
Total investments	<u>81,895,645</u>	<u>1,710,328</u>	<u>5,947,966</u>	<u>2,340,949</u>	<u>91,894,888</u>
Total assets	<u>82,718,037</u>	<u>2,028,300</u>	<u>6,380,061</u>	<u>2,875,741</u>	<u>94,002,139</u>
LIABILITIES					
Accounts payable	68,659	1,594	6,691	-	76,944
NET POSITION					
Restricted for pensions	82,649,378	2,026,706	-	-	84,676,084
Restricted for OPEBs	-	-	6,373,370	2,875,741	9,249,111
Total net position	<u>\$ 82,649,378</u>	<u>\$ 2,026,706</u>	<u>\$ 6,373,370</u>	<u>\$ 2,875,741</u>	<u>\$ 93,925,195</u>

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2019

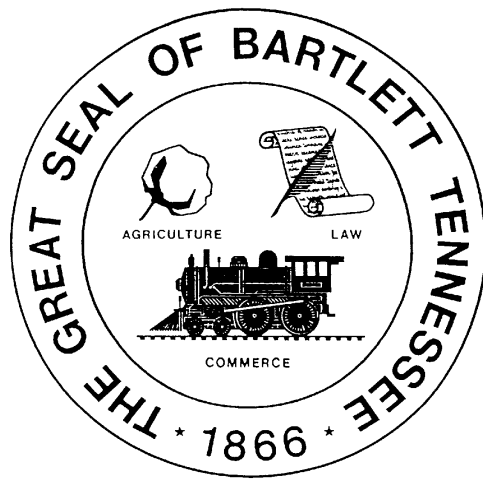
	Employee Retirement Plan	Contributory Retirement Plan	City OPEB Fund	School OPEB Fund	Total Pension and OPEB Trust Funds
ADDITIONS					
Contributions:					
Employer	\$ 3,406,793	\$ 405,977	\$ 1,338,763	\$ 813,889	\$ 5,965,422
Plan members	790,676	355,855	-	-	1,146,531
Total contributions	4,197,469	761,832	1,338,763	813,889	7,111,953
Investment earnings (losses):					
Interest and dividends	2,194,794	38,949	148,664	90,232	2,472,639
Net appreciation in fair value of investments	2,904,036	73,485	219,078	10,571	3,207,170
Total investment earnings	5,098,830	112,434	367,742	100,803	5,679,809
Total additions	9,296,299	874,266	1,706,505	914,692	12,791,762
DEDUCTIONS					
Benefits	4,894,690	18,964	-	313,889	5,227,543
Premiums	-	-	813,957	-	813,957
Administrative expense	330,395	10,989	28,278	9,644	379,306
Total deductions	5,225,085	29,953	842,235	323,533	6,420,806
Change in net position	4,071,214	844,313	864,270	591,159	6,370,956
Net position - beginning	78,578,164	1,182,393	5,509,100	2,284,582	87,554,239
Net position - ending	<u>\$ 82,649,378</u>	<u>\$ 2,026,706</u>	<u>\$ 6,373,370</u>	<u>\$ 2,875,741</u>	<u>\$ 93,925,195</u>

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2019

	Bail Bond Fund	Family Assistance Fund	J. Rainey Volunteer Fund	School Activity Fund	Total Funds
ASSETS					
Cash and cash equivalents	\$ 89,029	\$ 35,491	\$ 9,719	\$ 1,939,758	\$ 2,073,997
Inventory	-	-	-	32,196	32,196
Total assets	<u>\$ 89,029</u>	<u>\$ 35,491</u>	<u>\$ 9,719</u>	<u>\$ 1,971,954</u>	<u>\$ 2,106,193</u>
LIABILITIES					
Bail bonds payable	\$ 89,029	\$ -	\$ -	\$ -	\$ 89,029
Family assistance payable	-	35,491	-	-	35,491
J. Rainey volunteer fund payable	-	-	9,719	-	9,719
Due to student general fund	-	-	-	904,235	904,235
Due to student groups	-	-	-	1,067,719	1,067,719
Total liabilities	<u>\$ 89,029</u>	<u>\$ 35,491</u>	<u>\$ 9,719</u>	<u>\$ 1,971,954</u>	<u>\$ 2,106,193</u>

CITY OF BARTLETT, TENNESSEE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2019

	Beginning Balance	Increases	Decreases	Ending Balance
Assets				
Bail Bond Fund				
Cash and cash equivalents	\$ 59,893	\$ 659,333	\$ (630,197)	\$ 89,029
Family Assistance Fund				
Cash and cash equivalents	29,336	17,447	(11,292)	35,491
Jeanette Rainey Volunteer Fund				
Cash and cash equivalents	9,719	-	-	9,719
School Activity Funds				
Cash	1,665,267	3,261,370	(2,986,879)	1,939,758
Inventory	30,828	153,733	(152,365)	32,196
	<u>\$ 1,795,043</u>	<u>\$ 4,091,883</u>	<u>\$ (3,780,733)</u>	<u>\$ 2,106,193</u>
Liabilities				
Bail Bond Fund				
Bail bonds payable	\$ 59,893	\$ 659,333	\$ (630,197)	\$ 89,029
Family Assistance Fund				
Family assistance payable	29,336	17,447	(11,292)	35,491
Jeanette Rainey Volunteer Fund				
Jeanette Rainey volunteer fund payable	9,719	-	-	9,719
School Activity Funds				
Due to student general fund	872,694	1,022,322	(990,781)	904,235
Due to student groups	823,401	2,281,517	(2,037,199)	1,067,719
	<u>\$ 1,795,043</u>	<u>\$ 3,980,619</u>	<u>\$ (3,669,469)</u>	<u>\$ 2,106,193</u>



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BARTLETT

T E N N E S S E E

SUPPORTING SCHEDULES

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BONDS AND NOTES PAYABLE - GOVERNMENTAL FUNDS
June 30, 2019

Fiscal Year	Series 2018 Bonds		Series 2017 Bonds		Series 2016 Bonds		Series 2015 Bonds		Series 2013 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 165,000	\$ 228,325	\$ 1,605,000	\$ 1,911,225	\$ 245,000	\$ 123,150	\$ 200,000	\$ 194,150	\$ 95,000	\$ 56,569
2021	170,000	219,950	1,680,000	1,829,100	250,000	116,950	205,000	190,100	100,000	53,644
2022	180,000	211,200	1,760,000	1,743,100	255,000	110,650	205,000	186,000	105,000	50,569
2023	190,000	201,950	1,850,000	1,652,850	260,000	105,500	210,000	181,850	105,000	47,419
2024	200,000	192,200	1,830,000	1,560,850	380,000	99,100	215,000	175,450	110,000	44,194
2025	210,000	181,950	1,925,000	1,466,975	390,000	91,400	225,000	166,650	115,000	40,819
2026	220,000	171,200	2,030,000	1,368,100	400,000	83,500	235,000	157,450	115,000	37,369
2027	230,000	159,950	2,135,000	1,263,975	400,000	75,500	245,000	146,625	120,000	33,844
2028	245,000	148,075	2,235,000	1,154,725	415,000	67,350	255,000	134,125	125,000	30,169
2029	255,000	135,575	2,155,000	1,044,975	425,000	58,950	270,000	121,000	125,000	26,419
2030	270,000	123,800	2,270,000	934,350	430,000	50,400	280,000	107,250	130,000	22,431
2031	280,000	112,800	2,375,000	830,100	300,000	43,100	295,000	92,875	135,000	17,956
2032	290,000	101,400	2,470,000	733,200	305,000	37,050	310,000	77,750	140,000	13,144
2033	300,000	89,600	2,570,000	632,400	310,000	30,900	325,000	61,875	145,000	8,066
2034	315,000	77,300	2,680,000	527,400	320,000	24,600	340,000	45,250	150,000	2,719
2035	325,000	64,500	2,785,000	418,100	325,000	17,988	360,000	27,750	-	-
2036	340,000	51,200	2,895,000	304,500	330,000	11,027	375,000	9,375	-	-
2037	355,000	37,300	3,020,000	186,200	340,000	3,740	-	-	-	-
2038	370,000	22,800	3,145,000	62,900	-	-	-	-	-	-
2039	385,000	7,700	-	-	-	-	-	-	-	-
	<u>\$ 5,295,000</u>	<u>\$ 2,538,775</u>	<u>\$ 43,415,000</u>	<u>\$ 19,625,025</u>	<u>\$ 6,080,000</u>	<u>\$ 1,150,855</u>	<u>\$ 4,550,000</u>	<u>\$ 2,075,525</u>	<u>\$ 1,815,000</u>	<u>\$ 485,331</u>

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CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BONDS AND NOTES PAYABLE - GOVERNMENTAL FUNDS
June 30, 2019

Fiscal Year	Series 2012 Bonds		Series 2011 Bonds		Series 2010 Bonds		2008 Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest*	Principal	Interest
2020	\$ 855,000	\$ 139,263	\$ 335,000	\$ 23,294	\$ 735,000	\$ 59,203	\$ 67,000	\$ 16,881	\$ 4,302,000	\$ 2,752,060
2021	625,000	117,063	335,000	15,756	745,000	42,547	70,000	15,489	4,180,000	2,600,599
2022	640,000	98,088	350,000	7,194	390,000	28,825	73,000	14,035	3,958,000	2,449,661
2023	660,000	78,588	55,000	2,131	245,000	20,734	76,000	12,518	3,651,000	2,303,540
2024	690,000	61,788	55,000	722	60,000	16,694	80,000	10,938	3,620,000	2,161,936
2025	700,000	47,450	-	-	65,000	14,894	83,000	9,277	3,713,000	2,019,415
2026	715,000	31,969	-	-	65,000	12,944	87,000	7,552	3,867,000	1,870,084
2027	110,000	22,481	-	-	70,000	10,875	91,000	5,745	3,401,000	1,718,995
2028	115,000	19,528	-	-	70,000	8,688	95,000	3,854	3,555,000	1,566,514
2029	115,000	16,509	-	-	75,000	6,375	99,000	1,881	3,519,000	1,411,684
2030	120,000	13,200	-	-	75,000	3,891	-	-	3,575,000	1,255,322
2031	125,000	9,525	-	-	75,000	1,313	-	-	3,585,000	1,107,669
2032	125,000	5,775	-	-	-	-	-	-	3,640,000	968,319
2033	130,000	1,950	-	-	-	-	-	-	3,780,000	824,791
2034	-	-	-	-	-	-	-	-	3,805,000	677,269
2035	-	-	-	-	-	-	-	-	3,795,000	528,338
2036	-	-	-	-	-	-	-	-	3,940,000	376,102
2037	-	-	-	-	-	-	-	-	3,715,000	227,240
2038	-	-	-	-	-	-	-	-	3,515,000	85,700
2039	-	-	-	-	-	-	-	-	385,000	7,700
	<u>\$ 5,725,000</u>	<u>\$ 663,177</u>	<u>\$ 1,130,000</u>	<u>\$ 49,097</u>	<u>\$ 2,670,000</u>	<u>\$ 226,983</u>	<u>\$ 821,000</u>	<u>\$ 98,170</u>	<u>\$ 71,501,000</u>	<u>\$ 26,912,938</u>

* This is a variable rate loan. Annual interest rate assumed is 2.07% which is based on the June 2019 interest rate.

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
CAPITAL OUTLAY NOTES - GOVERNMENTAL FUNDS
June 30, 2019

Fiscal Year	2012 Capital Note		2013 Capital Note		2014 Capital Note		2015 Capital Note		2016 Capital Note		2017 Capital Note		2018 Capital Note		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 196,000	\$ 3,488	\$ 115,000	\$ 3,738	\$ 152,000	\$ 8,541	\$ 152,000	\$ 11,185	\$ 158,000	\$ 14,434	\$ 269,000	\$ 36,732	\$ 174,000	\$ 44,253	\$ 1,216,000	\$ 122,371
2021	-	-	118,000	1,257	155,000	5,179	155,000	8,079	161,000	11,340	275,000	30,395	180,000	38,079	1,044,000	94,329
2022	-	-	-	-	159,000	1,741	158,000	4,892	165,000	8,177	282,000	23,906	187,000	31,672	951,000	70,388
2023	-	-	-	-	-	-	162,000	1,644	168,000	4,947	288,000	17,265	193,000	25,041	811,000	48,897
2024	-	-	-	-	-	-	-	-	171,000	1,659	295,000	10,473	200,000	18,183	666,000	30,315
2025	-	-	-	-	-	-	-	-	-	-	302,000	3,518	207,000	11,081	509,000	14,599
2026	-	-	-	-	-	-	-	-	-	-	-	-	214,000	3,734	214,000	3,734
	<u>\$ 196,000</u>	<u>\$ 3,488</u>	<u>\$ 233,000</u>	<u>\$ 4,995</u>	<u>\$ 466,000</u>	<u>\$ 15,461</u>	<u>\$ 627,000</u>	<u>\$ 25,800</u>	<u>\$ 823,000</u>	<u>\$ 40,557</u>	<u>\$ 1,711,000</u>	<u>\$ 122,289</u>	<u>\$ 1,355,000</u>	<u>\$ 172,043</u>	<u>\$ 5,411,000</u>	<u>\$ 384,633</u>

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BARTLETT CITY BOARD OF EDUCATION LONG-TERM DEBT - GOVERNMENTAL FUNDS
June 30, 2019

Fiscal Year	2017 Capital Lease		2018 Capital Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 277,115	\$ 5,011	\$ 1,243,901	\$ 33,888	\$ 1,521,016	\$ 38,899
2021	279,602	2,524	1,255,096	22,693	1,534,698	25,217
2022	-	-	1,266,400	11,389	1,266,400	11,389
	<u>\$ 556,717</u>	<u>\$ 7,535</u>	<u>\$ 3,765,397</u>	<u>\$ 67,970</u>	<u>\$ 4,322,114</u>	<u>\$ 75,505</u>

Fiscal Year	Shelby County Settlement Obligation		
	Principal	Interest	Total
2020	\$ 513,865	\$ 94,328	\$ 608,193
2021	526,387	81,806	608,193
2022	539,214	68,979	608,193
2023	552,354	55,839	608,193
2024	565,814	42,379	608,193
2025	579,601	28,592	608,193
2026	593,726	14,467	608,193
	<u>\$ 3,870,961</u>	<u>\$ 386,390</u>	<u>\$ 4,257,351</u>

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BONDS AND NOTE PAYABLE - WATER AND SEWER FUND
June 30, 2019

Fiscal Year	Series 2013 Bonds		Series 2012 Bonds		Series 2011 Bonds		Series 2010 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 60,000	\$ 34,696	\$ 240,000	\$ 58,506	\$ 230,000	\$ 25,513	\$ 305,000	\$ 21,228
2021	60,000	32,896	250,000	51,156	230,000	20,913	310,000	14,306
2022	65,000	31,021	260,000	43,506	235,000	15,675	320,000	6,625
2023	65,000	29,071	265,000	35,631	240,000	9,738	100,000	1,313
2024	65,000	27,121	265,000	29,006	245,000	3,369	-	-
2025	70,000	25,096	275,000	23,434	-	-	-	-
2026	70,000	22,996	285,000	17,306	-	-	-	-
2027	70,000	20,896	65,000	13,247	-	-	-	-
2028	75,000	18,721	65,000	11,541	-	-	-	-
2029	75,000	16,321	70,000	9,769	-	-	-	-
2030	80,000	13,686	70,000	7,800	-	-	-	-
2031	80,000	10,966	75,000	5,625	-	-	-	-
2032	85,000	8,066	75,000	3,375	-	-	-	-
2033	90,000	4,894	75,000	1,125	-	-	-	-
2034	90,000	1,631	-	-	-	-	-	-
	<u>\$ 1,100,000</u>	<u>\$ 298,078</u>	<u>\$ 2,335,000</u>	<u>\$ 311,027</u>	<u>\$ 1,180,000</u>	<u>\$ 75,208</u>	<u>\$ 1,035,000</u>	<u>\$ 43,472</u>

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CITY OF BARTLETT, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
BONDS AND NOTE PAYABLE - WATER AND SEWER FUND
June 30, 2019

Fiscal Year	Series 2009 Bonds		Series 2007 Bonds		2008 Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest*	Principal	Interest
2020	\$ 45,000	\$ 21,058	\$ 50,000	\$ 22,270	\$ 50,000	\$ 12,521	\$ 980,000	\$ 195,792
2021	45,000	19,674	55,000	20,091	52,000	11,483	1,002,000	170,519
2022	50,000	18,140	55,000	17,809	54,000	10,403	1,039,000	143,179
2023	50,000	16,453	60,000	15,423	57,000	9,280	837,000	116,909
2024	50,000	14,703	60,000	12,933	59,000	8,096	744,000	95,228
2025	55,000	12,811	65,000	10,306	62,000	6,871	527,000	78,518
2026	55,000	10,776	65,000	7,544	64,000	5,584	539,000	64,206
2027	60,000	8,590	70,000	4,675	67,000	4,254	332,000	51,662
2028	60,000	6,250	75,000	1,594	70,000	2,862	345,000	40,968
2029	60,000	3,865	-	-	74,000	1,406	279,000	31,361
2030	65,000	1,333	-	-	-	-	215,000	22,819
2031	-	-	-	-	-	-	155,000	16,591
2032	-	-	-	-	-	-	160,000	11,441
2033	-	-	-	-	-	-	165,000	6,019
2034	-	-	-	-	-	-	90,000	1,631
	<u>\$ 595,000</u>	<u>\$ 133,653</u>	<u>\$ 555,000</u>	<u>\$ 112,645</u>	<u>\$ 609,000</u>	<u>\$ 72,760</u>	<u>\$ 7,409,000</u>	<u>\$ 1,046,843</u>

* This is a variable rate loan. Annual interest rate assumed is 2.07% which is based on the June 2019 interest rate.

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE - GENERAL FUND
For the Year Ended June 30, 2019

	Total	2019	Prior Years										
			2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008 & Prior
Property taxes receivable - beginning of year	\$ 24,949,636	\$ -	\$24,348,694	\$347,588	\$82,981	\$46,975	\$37,503	\$27,379	\$17,762	\$13,427	\$9,355	\$7,292	\$10,680
Add:													
Tax levied:	25,083,771	\$25,083,771	-	-	-	-	-	-	-	-	-	-	-
Adjustments	440,055	-	449,776	(6,968)	(3,071)	318	-	-	-	-	-	-	-
Total Additions	<u>25,523,826</u>	<u>\$25,083,771</u>	<u>449,776</u>	<u>(6,968)</u>	<u>(3,071)</u>	<u>318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deduct:													
Collections - Net of Refunds	(24,696,324)	-	(24,463,003)	(157,935)	(38,788)	(13,922)	(9,840)	(4,262)	(3,391)	(3,338)	(829)	(368)	(648)
Releases	(22,328)	-	-	(777)	(2,734)	(2,461)	(2,452)	(2,442)	(1,316)	(601)	(1,701)	(1,631)	(6,213)
Total Deductions	<u>(24,718,652)</u>	<u>-</u>	<u>(24,463,003)</u>	<u>(158,712)</u>	<u>(41,522)</u>	<u>(16,383)</u>	<u>(12,292)</u>	<u>(6,704)</u>	<u>(4,707)</u>	<u>(3,939)</u>	<u>(2,530)</u>	<u>(1,999)</u>	<u>(6,861)</u>
Property taxes receivable - end of year	25,754,810	25,083,771	\$335,467	181,908	38,388	30,910	25,211	20,675	13,055	9,488	6,825	\$5,293	\$3,819
Less: Allowance for uncollectibles	(635,205)	(501,675)	(27,059)	(21,003)	(9,763)	(15,260)	(15,742)	(15,116)	(9,674)	(7,324)	(4,862)	(3,956)	(3,771)
Property taxes receivable, net	<u>\$ 25,119,605</u>	<u>\$ 24,582,096</u>	<u>\$ 308,408</u>	<u>\$ 160,905</u>	<u>\$ 28,625</u>	<u>\$ 15,650</u>	<u>\$ 9,469</u>	<u>\$ 5,559</u>	<u>\$ 3,381</u>	<u>\$ 2,164</u>	<u>\$ 1,963</u>	<u>\$ 1,337</u>	<u>\$ 48</u>

Delinquent Taxes

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF BONDS OF PRINCIPAL OFFICIALS
June 30, 2019

Amount of Bond/Issuance*

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

Mayor

A. Keith McDonald

Six Aldermen (each)*

Jack Young

W.C. (Bubba) Pleasant

David Parsons

Emily Elliott

Bobby Simmons

Paula Sedgwick

City Administrative Officer*

Mark Brown

City Attorney

Ed McKenney, Jr.

City Clerk

Stefanie McGee

Director of Community Relations

Debbie Gelineau

Finance Director & CMFOA Designee

Dick Phebus

Court Clerk

Bill Lloyd

Director of Personnel

Ted Archdeacon

Director of Planning and Economic Development

Kim Taylor

Director of Police Services

Glen Williamson

Director of Fire Services

Terry Wiggins

Director of Code Enforcement

Jim Brown

Director of Public Works

Mike Adams

Director of Engineering

Rick McClanahan

Director of Parks and Recreation

Shan Criswell

Director of Performing Arts Center

Michael Bollinger

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF UTILITY RATE STRUCTURE AND NUMBER OF CUSTOMERS
June 30, 2019

As of June 30, 2019, City of Bartlett, Tennessee served approximately 21,515 water customers and 20,332 sewer customers and had the following rate structure in place:

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

CITY OF BARTLETT, TENNESSEE

SCHEDULE OF UNACCOUNTED FOR WATER

For the Year Ended June 30, 2019



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

WAS v5.0
American Water Works Association
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Water Audit Report for: **Bartlett Water Department (0000765)**
 Reporting Year: **2019** 7/2018 - 6/2019

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

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

WATER SUPPLIED

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

----- Enter grading in column 'E' and 'J' ----->

Volume from own sources:	+ ? 8	2,014.672	MG/Yr		
Water imported:	+ ? 8	0.000	MG/Yr		
Water exported:	+ ?	0.000	MG/Yr		

WATER SUPPLIED: 2,014.672 MG/Yr

Master Meter and Supply Error Adjustments

Pcnt:	+ ? 7	Value:	MG/Yr	
	+ ?	Value:	MG/Yr	
	+ ?	Value:	MG/Yr	

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

AUTHORIZED CONSUMPTION

Billed metered:	+ ? 9	1,776.157	MG/Yr	
Billed unmetered:	+ ? 9	0.000	MG/Yr	
Unbilled metered:	+ ? 9	55.816	MG/Yr	
Unbilled unmetered:	+ ? 5	21.393	MG/Yr	

AUTHORIZED CONSUMPTION: 1,853.366 MG/Yr

Click here: ?
for help using option buttons below

Pcnt: Value: 21.393 MG/Yr

Use buttons to select percentage of water supplied OR value

Pcnt: 0.25% Value: MG/Yr

Pcnt: 1.00% Value: MG/Yr

Pcnt: 0.25% Value: MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption)

161.306 MG/Yr

Apparent Losses

Unauthorized consumption: + ? 5.037 MG/Yr

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

Customer metering inaccuracies: + ? 9 18.505 MG/Yr

Systematic data handling errors: + ? 9 4.440 MG/Yr

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

Apparent Losses: 27.982 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 133.324 MG/Yr

WATER LOSSES: 161.306 MG/Yr

Click here: ?
for help using option buttons below

Pcnt: Value: 21.393 MG/Yr

Use buttons to select percentage of water supplied OR value

Pcnt: 0.25% Value: MG/Yr

Pcnt: 1.00% Value: MG/Yr

Pcnt: 0.25% Value: MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 238.515 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains: + ? 9 369.5 miles

Number of active AND inactive service connections: + ? 9 21,891

Service connection density: + ? 59 conn./mile main

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

Average length of customer service line: + ? (length of service line, beyond the property boundary, that is the responsibility of the utility)

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

Average operating pressure: + ? 7 68.0 psi

COST DATA

Total annual cost of operating water system: + ? 10 \$6,534,214 \$/Year

Customer retail unit cost (applied to Apparent Losses): + ? 8 \$2.22 \$/1000 gallons (US)

Variable production cost (applied to Real Losses): + ? 9 \$522.14 \$/Million gallons

☐ Use Customer Retail Unit Cost to value real losses

*** YOUR SCORE IS: 82 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Volume from own sources

2: Unauthorized consumption

3: Systematic data handling errors

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF UNACCOUNTED FOR WATER (CONTINUED)
For the Year Ended June 30, 2019

AWWA Free Water Audit Software:		WAS v5.0
System Attributes and Performance Indicators		American Water Works Association Copyright © 2014. All Rights Reserved.
Water Audit Report for: Bartlett Water Department (0000765)		
Reporting Year: 2019 7/2018 - 6/2019		
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 82 out of 100 ***		
System Attributes:		
	Apparent Losses:	27.982 MG/Yr
+	Real Losses:	133.324 MG/Yr
=	Water Losses:	161.306 MG/Yr
? Unavoidable Annual Real Losses (UARL):		131.12 MG/Yr
Annual cost of Apparent Losses:		\$62,120
Annual cost of Real Losses:		\$69,614 Valued at Variable Production Cost
Return to Reporting Worksheet to change this assumption		
Performance Indicators:		
Financial:	Non-revenue water as percent by volume of Water Supplied:	11.8%
	Non-revenue water as percent by cost of operating system:	2.6% Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	3.50 gallons/connection/day
	Real Losses per service connection per day:	16.69 gallons/connection/day
	Real Losses per length of main per day*:	N/A
	Real Losses per service connection per day per psi pressure:	0.25 gallons/connection/day/psi
From Above, Real Losses = Current Annual Real Losses (CARL):		133.32 million gallons/year
? Infrastructure Leakage Index (ILI) [CARL/UARL]:		1.02
* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline		

STATISTICAL SECTION

CITY OF BARTLETT, TENNESSEE
STATISTICAL INFORMATION SECTION
For the Year Ended June 30, 2019

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.	151
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	157
Debt Capacity 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.	164
Demographic and Economic Information 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.	169
Operating Information 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.	171

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Government activities										
Net Investment in Capital Assets	\$ 97,005,354	\$ 87,234,488	\$ 93,659,549	\$ 98,790,350	\$ 266,223,904	\$ 265,573,498	\$ 263,277,473	\$ 268,541,209	\$ 250,600,800	\$ 246,674,617
Restricted for:										
Debt Service	411,309	580,372	952,372	904,127	-	-	-	-	-	-
Streets	2,045,558	570,891	803,065	1,088,408	739,690	960,632	435,923	-	370,073	231,572
Park improvements	-	706,523	665,100	665,100	-	-	-	-	-	-
Capital projects	-	-	-	-	7,396,522	4,941,960	-	-	-	-
DEA task force	-	-	-	-	423,553	405,430	263,386	313,367	-	-
Drug enforcement	-	449,086	585,392	598,242	492,275	491,661	451,216	490,096	760,682	623,986
Education	-	-	-	-	-	-	-	349,026	475,938	589,660
Solid waste	-	-	-	-	-	-	-	1,245,982	1,086,301	489,784
Net pension asset	-	-	-	-	-	-	-	155,906	835,406	4,625,988
Other purposes	-	235,451	321,684	337,328	16,199	-	349,874	19,218	22,640	233,119
Unrestricted	16,152,717	20,914,652	12,119,658	4,698,411	(1,300,457)	(5,472,307)	6,566,878	10,480,458	12,564,491	12,658,410
Total government activities net position	\$ 115,614,938	\$ 110,691,463	\$ 109,106,820	\$ 107,081,966	\$ 273,991,686	\$ 266,900,874	\$ 271,344,750	\$ 281,595,262	\$ 266,716,331	\$ 266,127,136
Business-type activities										
Net Investment in Capital Assets	\$ 57,110,451	\$ 56,092,212	\$ 58,771,208	\$ 58,727,263	\$ 57,051,033	\$ 57,658,219	\$ 57,533,711	\$ 57,820,422	\$ 58,717,586	\$ 59,169,879
Net Pension Asset	-	-	-	-	-	-	-	-	-	10,806
Restricted - Capital projects	-	-	-	-	2,621,366	1,965,536	-	-	-	-
Unrestricted	7,081,221	7,544,300	6,458,394	7,274,487	6,932,427	6,723,957	9,253,333	9,538,284	8,700,754	8,276,041
Total business-type activities net position	\$ 64,191,672	\$ 63,636,512	\$ 65,229,602	\$ 66,001,750	\$ 66,604,826	\$ 66,347,712	\$ 66,787,044	\$ 67,358,706	\$ 67,418,340	\$ 67,456,726
Primary government										
Net Investment in Capital Assets	\$ 154,115,805	\$ 143,326,700	\$ 152,430,757	\$ 157,517,613	\$ 323,274,937	\$ 323,231,717	\$ 320,811,184	\$ 326,361,631	\$ 309,318,386	\$ 305,844,496
Restricted for:										
Debt Service	411,309	580,372	952,372	904,127	-	-	-	-	-	-
Streets	2,045,558	570,891	803,065	1,088,408	739,690	960,632	435,923	-	370,073	231,572
Park improvements	-	706,523	665,100	665,100	-	-	-	-	-	-
Capital projects	-	-	-	-	10,017,888	6,907,496	-	-	-	-
DEA task force	-	-	-	-	423,553	405,430	263,386	313,367	-	-
Drug enforcement	-	449,086	585,392	598,242	492,275	491,661	451,216	490,096	760,682	623,986
Education	-	-	-	-	-	-	-	349,026	475,938	589,660
Solid waste	-	-	-	-	-	-	-	1,245,982	1,086,301	489,784
Net pension asset	-	-	-	-	-	-	-	155,906	835,406	4,636,794
Other purposes	-	235,451	321,684	337,328	16,199	-	349,874	19,218	22,640	233,119
Unrestricted	23,233,938	28,458,952	18,578,052	11,972,898	5,631,970	1,251,650	15,820,211	20,018,742	21,265,245	20,934,451
Total primary government net position	\$ 179,806,610	\$ 174,327,975	\$ 174,336,422	\$ 173,083,716	\$ 340,596,512	\$ 333,248,586	\$ 338,131,794	\$ 348,953,968	\$ 334,134,671	\$ 333,583,862

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 7,711,577	\$ 7,016,910	\$ 7,508,236	\$ 7,544,128	\$ 7,751,978	\$ 8,194,427	\$ 8,945,508	\$ 8,175,577	\$ 8,145,735	\$ 8,704,877
Public safety	26,256,730	24,532,698	25,841,866	24,315,277	28,251,298	27,217,650	28,907,473	29,948,247	30,569,645	33,365,314
Public works	14,432,134	15,767,322	15,148,440	18,568,846	14,394,975	15,190,501	17,226,976	16,123,280	20,016,316	22,057,199
Parks and recreation	4,246,207	4,319,311	4,369,653	3,899,743	3,950,132	4,277,840	4,603,219	4,668,957	5,019,903	5,376,867
Performing arts center	630,035	773,715	597,215	584,528	660,053	645,051	705,416	725,909	809,318	883,657
Recreation center	1,820,873	1,718,237	1,752,728	1,596,531	1,637,281	1,618,553	1,808,051	1,680,898	1,680,269	1,597,184
Education	-	-	-	-	7,795,442	69,978,551	77,495,002	76,913,672	85,294,993	92,755,009
Interest on long-term debt	976,084	927,525	757,919	1,119,654	852,897	894,813	1,118,293	1,227,153	2,556,020	2,655,578
Total government activities expenses	<u>56,073,640</u>	<u>55,055,718</u>	<u>55,976,057</u>	<u>57,628,707</u>	<u>65,294,056</u>	<u>128,017,386</u>	<u>140,809,938</u>	<u>139,463,693</u>	<u>154,092,199</u>	<u>167,395,685</u>
Business-type activities:										
Water and sewer	7,875,448	7,275,464	7,508,717	7,614,786	7,407,082	7,694,263	7,860,001	8,449,758	8,775,729	8,829,089
Total primary government expenses	<u>\$ 63,949,088</u>	<u>\$ 62,331,182</u>	<u>\$ 63,484,774</u>	<u>\$ 65,243,493</u>	<u>\$ 72,701,138</u>	<u>\$ 135,711,649</u>	<u>\$ 148,669,939</u>	<u>\$ 147,913,451</u>	<u>\$162,867,928</u>	<u>\$ 176,224,774</u>
Program Revenues										
Governmental activities:										
General government	\$ 3,719,823	\$ 2,987,511	\$ 3,368,184	\$ 3,378,393	\$ 3,266,878	\$ 3,253,548	\$ 3,196,065	\$ 5,673,793	\$ 5,611,778	\$ 5,356,944
Public safety	1,689,385	1,660,752	1,695,470	1,608,651	1,819,317	2,247,713	2,758,987	1,474,601	1,519,032	1,484,881
Public works	5,942,462	5,942,888	5,872,537	6,152,226	7,280,921	9,595,679	8,071,894	6,784,396	6,860,716	7,105,512
Parks and recreation	935,433	966,105	927,648	916,375	884,942	912,682	934,943	862,264	876,015	877,715
Performing arts center	278,161	267,997	274,638	262,696	289,071	288,091	193,275	174,851	256,352	289,948
Recreation center	1,669,614	1,588,369	1,532,690	1,552,083	1,485,382	1,460,396	1,501,587	1,579,736	1,657,507	1,701,141
Education	-	-	-	-	-	777,380	3,010,331	2,821,738	2,714,048	2,666,990
Operating grants and contributions	1,193,165	3,070,185	3,349,489	3,274,028	2,758,332	44,118,649	48,287,720	51,833,703	54,494,403	56,980,922
Capital grants and contributions	168,069	337,368	559,499	526,768	174,543,318	-	2,535,261	1,415,217	4,303,482	3,705,487
Total government activities revenues	<u>15,596,112</u>	<u>16,821,175</u>	<u>17,580,155</u>	<u>17,671,220</u>	<u>192,328,161</u>	<u>62,654,138</u>	<u>70,490,063</u>	<u>72,620,299</u>	<u>78,293,333</u>	<u>80,169,540</u>
Business-type activities:										
Water and sewer	6,039,052	6,294,620	8,745,547	8,432,753	8,374,269	8,294,446	8,329,734	8,416,266	8,309,887	8,320,764
Operating grants and contributions	195,843	233,559	138,595	39,801	41,903	25,090	7,078	-	-	-
Capital grants and contributions	-	462,965	482,843	185,720	184,388	715,368	517,727	1,108,091	530,163	417,438
Total business-type activities revenues	<u>6,234,895</u>	<u>6,991,144</u>	<u>9,366,985</u>	<u>8,658,274</u>	<u>8,600,560</u>	<u>9,034,904</u>	<u>8,854,539</u>	<u>9,524,357</u>	<u>8,840,050</u>	<u>8,738,202</u>
Total primary government program revenues	<u>\$ 21,831,007</u>	<u>\$ 23,812,319</u>	<u>\$ 26,947,140</u>	<u>\$ 26,329,494</u>	<u>\$ 200,928,721</u>	<u>\$ 71,689,042</u>	<u>\$ 79,344,602</u>	<u>\$ 82,144,656</u>	<u>\$ 87,133,383</u>	<u>\$ 88,907,742</u>
Net (expense)/revenue										
Governmental activities	\$ (40,477,528)	\$ (38,234,543)	\$ (38,395,902)	\$ (39,957,487)	\$ 127,034,105	\$ (65,363,248)	\$ (70,319,875)	(66,843,394)	(75,798,866)	(87,226,145)
Business-type activities	(1,640,553)	(284,320)	1,858,268	1,043,488	1,193,478	1,340,641	994,538	1,074,599	64,321	(90,887)
Total primary government net expense	<u>\$ (42,118,081)</u>	<u>\$ (38,518,863)</u>	<u>\$ (36,537,634)</u>	<u>\$ (38,913,999)</u>	<u>\$ 128,227,583</u>	<u>\$ (64,022,607)</u>	<u>\$ (69,325,337)</u>	<u>\$ (65,768,795)</u>	<u>(75,734,545)</u>	<u>(87,317,032)</u>

(Continued on next page)

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 18,083,999	\$ 17,819,265	\$ 17,781,386	\$ 18,103,072	\$ 19,151,409	\$ 40,991,528	\$ 41,285,648	\$ 43,589,225	\$ 50,313,613	\$ 50,654,473
Local sales taxes	10,240,841	10,583,911	11,288,513	14,231,775	15,356,572	23,933,578	23,068,693	23,469,320	27,056,566	28,167,640
Intergovernmental/unrestricted	5,246,434	4,072,733	4,691,816	4,731,793	4,957,503	5,588,354	9,073,388	9,147,026	6,233,732	6,362,513
Interest on investments	83,058	108,663	95,808	73,821	36,503	29,213	30,646	64,163	559,590	910,061
Gain (Loss) on sale of assets	18,301	-	-	-	28,391	22,372	(111,182)	62,065	59,379	71,323
Other	462,593	422,661	1,964,827	500,009	350,473	505,241	114,923	199,262	496,291	470,940
Transfers	300,184	303,835	296,566	292,163	308,367	605,061	571,666	562,842	-	-
Total government activities	<u>34,435,410</u>	<u>33,311,068</u>	<u>36,118,916</u>	<u>37,932,633</u>	<u>40,189,218</u>	<u>71,675,347</u>	<u>74,033,782</u>	<u>77,093,903</u>	<u>84,719,171</u>	<u>86,636,950</u>
Business-type activities:										
Interest on investments	45,045	32,995	25,379	20,823	11,881	5,170	9,822	19,950	42,409	101,350
Gain (Loss) on sale of assets	-	-	-	-	-	-	-	-	8,255	7,192
Other	2,913	-	6,009	-	-	1,987	6,638	39,955	52,815	20,731
Transfers	(300,184)	(303,835)	(296,566)	(292,163)	(308,367)	(605,061)	(571,666)	(562,842)	-	-
Total primary government	<u>\$ 34,183,184</u>	<u>\$ 33,040,228</u>	<u>\$ 35,853,738</u>	<u>\$ 37,661,293</u>	<u>\$ 39,892,732</u>	<u>\$ 71,077,443</u>	<u>\$ 73,478,576</u>	<u>\$ 76,590,966</u>	<u>\$ 84,822,650</u>	<u>\$ 86,766,223</u>
Change in Net Position										
Governmental activities	(6,042,118)	(4,923,475)	(2,276,986)	(2,024,854)	167,223,323	6,312,099	3,713,907	10,250,509	8,920,305	(589,195)
Business-type activities	(1,892,779)	(555,160)	1,593,090	772,148	896,992	742,737	439,332	571,662	167,800	38,386
Total primary government	<u>\$ (7,934,897)</u>	<u>\$ (5,478,635)</u>	<u>\$ (683,896)</u>	<u>\$ (1,252,706)</u>	<u>\$ 168,120,315</u>	<u>\$ 7,054,836</u>	<u>\$ 4,153,239</u>	<u>\$ 10,822,171</u>	<u>\$ 9,088,105</u>	<u>\$ (550,809)</u>

CITY OF BARTLETT, TENNESSEE
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Reserved	\$ 403,937	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	16,082,051	-	-	-	-	-	-	-	-	-
Nonspendable	-	213,718	187,260	207,569	249,296	228,952	206,905	217,498	232,020	204,071
Restricted	-	-	-	14,664	16,199	17,332	18,651	19,215	22,640	44,847
Committed	-	-	1,100,000	1,000,000	1,000,000	1,756,561	1,000,000	1,000,000	11,852,220	11,986,712
Assigned	-	1,777,509	797,474	905,070	211,416	161,226	76,021	164,577	71,397	103,218
Unassigned	-	15,684,006	16,655,499	21,768,560	24,211,101	26,496,930	27,562,053	27,106,310	17,203,993	17,629,713
Total General Fund	\$ 16,485,988	\$ 17,675,233	\$ 18,740,233	\$ 23,895,863	\$ 25,688,012	\$ 28,661,001	\$ 28,863,630	\$ 28,507,600	\$ 29,382,270	\$ 29,968,561
All other governmental funds										
Reserved	\$ 3,208,614	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,981,071	-	-	-	-	-	-	-	-	-
Solid waste fund	999,772	-	-	-	-	-	-	-	-	-
Capital projects fund	5,078,724	-	-	-	-	-	-	-	-	-
Nonspendable	-	3,500	-	-	-	100,013	163,796	130,691	174,130	127,434
Restricted	-	8,142,957	6,047,897	6,986,500	9,052,040	13,117,429	24,033,178	8,401,362	50,607,361	25,113,662
Committed	-	1,072,950	1,523,263	904,127	671,538	560,760	462,835	1,387,070	3,331,785	24,638,814
Assigned	-	3,362,502	7,055,831	7,252,608	5,699,177	5,650,519	6,771,591	28,428,320	36,218,342	19,250,285
Unassigned	-	(21,503)	(17,422)	-	-	-	-	-	(1,340,325)	(5,541)
Total all other governmental funds	\$ 11,268,181	\$ 12,560,406	\$ 14,609,569	\$ 15,143,235	\$ 15,422,755	\$ 19,428,721	\$ 31,431,400	\$ 38,347,443	\$ 88,991,293	\$ 69,124,654
Total governmental funds	\$ 27,754,169	\$ 30,235,639	\$ 33,349,802	\$ 39,039,098	\$ 41,110,767	\$ 48,089,722	\$ 60,295,030	\$ 66,855,043	\$ 118,373,563	\$ 99,093,215

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
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes										
Property taxes	\$ 17,963,040	\$ 17,976,858	\$ 17,767,922	\$ 18,441,025	\$ 19,156,626	\$ 41,047,854	\$ 41,565,572	\$ 43,204,199	\$ 50,134,500	\$ 50,686,127
Local sales taxes	10,240,841	10,491,343	11,288,513	14,231,775	15,356,572	23,933,578	26,337,729	26,413,821	27,076,383	28,122,872
Intergovernmental	5,246,434	5,550,454	6,296,770	6,326,051	6,477,269	43,537,763	45,630,720	50,461,687	53,184,881	58,202,681
Licenses and permits	1,479,812	1,512,694	1,532,178	1,477,028	1,591,717	1,705,373	1,698,105	1,842,422	1,755,785	1,656,593
Charges for services	9,636,103	9,499,172	9,329,329	9,563,056	10,679,567	12,901,463	13,685,642	13,682,211	13,883,567	14,246,839
Fines, forfeitures and penalties	1,987,336	1,827,808	1,932,544	1,934,970	1,767,846	1,618,173	1,480,555	2,012,189	2,153,179	1,887,041
Federal and state grants	777,551	2,051,424	2,175,900	1,703,270	1,205,191	6,188,421	8,294,670	8,824,724	9,858,401	10,192,102
Donations	15,715	13,226	12,400	14,670	23,366	33,570	111,776	81,784	43,990	28,254
Interest on investments	82,278	106,933	95,772	73,814	36,503	29,213	30,646	64,163	559,590	910,061
Program income	-	-	-	-	-	505,241	442,421	-	-	-
Other	462,593	339,138	1,897,652	495,267	350,473	575,805	2,558,994	199,262	496,291	470,940
Total revenues	47,891,703	49,369,050	52,328,980	54,260,926	56,645,130	132,076,454	141,836,830	146,786,462	159,146,567	166,403,510
Expenditures										
General government	6,314,723	5,921,099	6,360,953	6,871,755	7,259,574	7,083,713	7,348,641	7,152,839	7,498,620	7,714,061
Public safety	21,050,533	21,504,877	22,191,861	22,878,768	23,573,426	23,858,657	24,292,717	25,647,257	27,044,069	28,504,601
Public works	10,481,199	12,242,078	10,569,373	12,252,056	12,162,351	12,141,119	13,943,561	13,591,579	14,161,150	15,813,473
Parks and recreation	3,298,906	3,554,826	3,381,304	3,297,743	3,445,809	3,578,079	3,761,631	3,870,934	4,055,658	4,151,427
Performing arts center	579,361	562,989	558,610	543,778	622,298	546,657	561,926	587,870	694,405	726,344
Recreation center	1,425,701	1,448,045	1,513,102	1,490,018	1,544,921	1,528,253	1,638,717	1,623,146	1,669,484	1,559,399
Education	-	-	-	-	1,444,226	69,875,388	74,570,641	75,969,049	83,716,049	82,039,475
Debt Service										
Principal	2,562,180	2,394,850	2,112,330	2,814,000	3,339,000	3,993,038	5,203,158	5,607,730	5,755,885	8,908,299
Interest	931,908	910,148	864,423	807,602	789,595	799,912	857,787	1,102,097	1,885,784	3,040,238
Bond issuance cost	59,866	103,204	63,812	125,193	101,551	9,525	103,337	127,364	322,391	86,217
Other	-	-	-	-	198,904	-	-	-	-	-
Capital Outlay	2,403,481	3,746,887	5,553,028	5,025,385	3,933,151	4,053,692	8,043,565	15,504,408	17,531,312	41,722,591
Total expenditures	49,107,858	52,389,003	53,168,796	56,106,298	58,414,806	127,468,033	140,325,681	150,784,273	164,334,807	194,266,125
Excess (deficiency) of revenues over (under) expenditures	(1,216,155)	(3,019,953)	(839,816)	(1,845,372)	(1,769,676)	4,608,421	1,511,149	(3,997,811)	(5,188,240)	(27,862,615)

(Continued on next page)

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

Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other financing sources (uses)										
Transfers in	2,241,196	1,762,329	2,620,929	2,453,623	3,862,953	5,341,403	8,757,452	11,268,400	15,455,484	42,646,015
Transfers out	(1,941,012)	(1,458,494)	(2,324,363)	(2,161,460)	(3,554,586)	(4,736,342)	(8,185,786)	(10,705,558)	(15,455,484)	(42,646,015)
Debt Proceeds-General Obligation	3,189,588	5,085,000	3,376,500	4,890,000	3,304,445	1,743,101	9,104,000	10,698,298	49,621,006	6,650,000
Refunding bond issued	-	3,315,000	1,860,000	6,275,000	2,510,000	-	-	-	2,310,000	-
Premium (Discount) on bond issued	7,304	115,971	157,460	612,570	225,221	-	895,732	205,667	7,018,888	432,362
Payment to refunded bond escrow ager	-	(3,329,241)	(1,885,494)	(6,590,897)	(2,535,079)	-	-	(971,048)	(2,324,413)	-
Sale of capital assets	18,301	10,858	148,947	89,269	28,391	22,372	122,761	62,065	81,279	1,499,905
Total other financing sources (uses)	3,515,377	5,501,423	3,953,979	5,568,105	3,841,345	2,370,534	10,694,159	10,557,824	56,706,760	8,582,267
Net change in fund balances	\$ 2,299,222	\$ 2,481,470	\$ 3,114,163	\$ 3,722,733	\$ 2,071,669	\$ 6,978,955	\$ 12,205,308	\$ 6,560,013	\$ 51,518,520	\$ (19,280,348)
Debt Service as a percentage of noncapital expenditures	7.6%	6.7%	5.9%	6.9%	7.5%	3.9%	4.6%	5.2%	5.3%	7.4%

CITY OF BARTLETT, TENNESSEE

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

	Real Property				Commercial Personal Property	Total Taxable Assessed Value	Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Farm Property	Commercial Property	Public Utilities Property					
2010	817,642,200	2,419,225	284,892,370	14,312,922	41,036,030	1,160,302,747	1.54	4,158,669,295	27.90%
2011	816,594,875	2,553,900	270,612,325	13,515,174	39,753,910	1,143,030,184	1.49	4,113,660,743	27.79%
2012	818,851,275	2,217,700	264,203,305	12,747,832	43,261,760	1,141,281,872	1.49	4,115,082,776	27.73%
2013	818,021,950	2,249,600	261,021,890	12,870,447	47,034,500	1,141,198,387	1.49	4,116,932,713	27.72%
2014	790,943,125	3,923,425	292,745,380	11,954,325	49,061,100	1,148,627,355	1.49	4,099,378,236	28.02%
2015	796,465,875	3,922,700	279,411,507	12,181,492	51,606,320	1,143,587,894	1.62	4,097,084,367	27.91%
2016	805,356,975	3,628,475	280,738,592	11,736,707	46,644,450	1,148,105,199	1.62	4,117,440,767	27.88%
2017	816,270,975	3,489,325	281,659,297	11,621,065	45,394,340	1,158,435,002	1.62	4,158,397,609	27.86%
2018	918,372,600	3,697,300	329,210,340	9,579,414	51,723,570	1,312,583,224	1.83	4,885,845,816	26.87%
2019	930,899,075	3,615,975	331,409,970	9,346,347	56,353,640	1,331,625,007	1.83	4,757,085,300	27.99%

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

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

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

Fiscal Year	(Per \$100 of Assessed Valuation)					Total Direct & Overlapping Rates
	City	County				
	Direct	General		Debt	Rural School	
	Rate	Fund	Education	Service	Bonds	
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
2015	1.62	1.45	2.14	0.78	-	5.99
2016	1.62	1.45	2.14	0.78	-	5.99
2017	1.62	1.45	2.14	0.78	-	5.99
2018	1.83	1.43	1.99	0.69	-	5.94
2019	1.83	1.49	1.94	0.62	-	5.88

Notes:

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

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

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

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

CITY OF BARTLETT, TENNESSEE
Principal Property Tax Payers
Current and Ten Years Ago

Taxpayer	FY 2019			FY 2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Brother International	\$ 33,615,450	1	2.54%	\$ 29,938,150	1	2.58%
Tenet Healthcare/ St. Francis	31,477,830	2	2.38%	20,938,150	2	1.80%
Walmart Real Estate Trust	13,085,500	3	0.99%	5,203,120	9	0.45%
UHS of Lakeland Inc	12,126,250	4	0.92%	6,502,160	7	0.56%
Passco Wolfchase DST	11,227,160	5	0.85%	9,413,560	4	0.81%
Gyros AMCI INC	11,077,340	6	0.84%			
Kroger Limited Partnership	7,509,010	7	0.57%			
Robinwood Retirement Community	7,426,370	8	0.56%			0.00%
Branch Bartlett Associates LP	7,369,600	9	0.56%	7,400,000	6	0.64%
Belvedere Apartments Inc	5,634,770	10	0.43%	5,400,000	8	
Bell South Telecommunications				9,328,921	5	0.80%
Bartlett Logistics One LLC				11,268,000	3	0.97%
Lowes Home Centers INC				4,204,000	10	0.36%
Totals	\$ 140,549,280		10.63%	\$ 109,596,061		8.98%

Source: City of Bartlett Tax Department

CITY OF BARTLETT, TENNESSEE
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Subsequent Tax Collections	Total Tax Collections	Percent of Tax Collections to Tax Levy	Outstanding Delinquent Tax
2019	24,798,470	24,463,004	98.65%		24,463,004	98.65%	335,466
2018	24,381,665	24,034,077	98.57%	165,680	24,199,757	99.25%	181,908
2017	18,768,520	18,460,798	98.36%	269,334	18,730,132	99.80%	38,388
2016	18,606,509	18,357,222	98.66%	218,377	18,575,599	99.83%	30,910
2015	18,542,430	18,129,378	97.77%	387,841	18,517,219	99.86%	25,211
2014	18,622,604	18,197,864	97.72%	404,065	18,601,929	99.89%	20,675
2013	17,002,029	16,197,954	95.27%	791,020	16,988,974	99.92%	13,055
2012	17,016,533	16,375,709	96.23%	631,336	17,007,045	99.94%	9,488
2011	16,959,601	16,416,548	96.80%	536,228	16,952,776	99.96%	6,825
2010	16,889,691	16,222,853	96.05%	661,545	16,884,398	99.97%	5,293

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

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Apparel & Accessories	\$ 7,236,266	\$ 6,964,217	\$ 6,552,552	\$ 7,320,187	\$ 7,219,358	\$ 6,909,183	\$ 6,426,432	\$ 6,458,641	\$ 5,971,198	\$ 6,507,063
General Merchandise	186,397,564	182,996,084	180,444,412	184,429,439	182,661,578	180,054,366	181,438,039	179,850,866	180,827,643	188,734,126
Food Stores	91,300,913	89,692,964	94,225,750	98,885,240	104,465,717	109,889,286	114,039,735	117,244,949	116,373,314	116,601,770
Eating & Drinking Places	63,744,573	62,454,566	65,120,356	69,029,684	69,991,843	76,419,477	80,766,538	83,220,815	83,168,705	70,941,794
Furniture Stores	11,738,317	12,757,864	14,248,753	13,108,868	14,014,358	14,989,790	14,401,648	15,929,942	17,019,870	20,214,594
Building Materials	44,961,710	46,657,984	45,407,128	45,561,130	47,280,575	48,112,941	48,652,167	50,573,946	50,800,699	49,198,207
MV Dealers & Serv. Stations	38,041,811	40,423,739	41,379,659	44,781,673	46,905,576	45,884,447	49,148,765	51,534,694	55,048,910	56,550,478
Other Retail	61,241,302	55,754,890	57,317,368	61,008,643	58,419,734	59,952,539	68,801,657	72,686,210	71,594,756	68,622,340
All Other Outlets	<u>119,525,964</u>	<u>120,365,454</u>	<u>130,931,521</u>	<u>138,042,558</u>	<u>144,207,920</u>	<u>158,111,643</u>	<u>164,781,784</u>	<u>173,014,542</u>	<u>143,822,034</u>	<u>156,697,511</u>
Total	<u>\$ 624,188,420</u>	<u>\$ 618,067,762</u>	<u>\$ 635,627,499</u>	<u>\$ 662,167,422</u>	<u>\$ 675,166,659</u>	<u>\$ 700,323,672</u>	<u>\$ 728,456,765</u>	<u>\$ 750,514,605</u>	<u>\$ 724,627,129</u>	<u>\$ 734,067,883</u>

Source: Tennessee Department of Revenue, Research Division
Note: Figures subject to revision due to amended taxpayer returns.

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

Year	City Direct Rate	Shelby County	State of Tennessee
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%
2015	1.625%	1.125%	7.00%
2016	1.625%	1.125%	7.00%
2017	1.625%	1.125%	7.00%
2018	1.625%	1.125%	7.00%
2019	1.625%	1.125%	7.00%

Source: City of Bartlett Finance Department

Note: Local option tax can be changed by referendum up to the maximum allowed by state law - currently 2.75%

CITY OF BARTLETT, TENNESSEE
Local Sales Tax Revenue by Industry
Fiscal Years 2010 and 2019

Sector	Fiscal Year 2010				Fiscal Year 2019			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	514	52.13%	\$ 11,273,316	80.76%	322	33.30%	\$ 15,733,769	75.89%
Services	262	26.57%	1,273,850	9.13%	178	18.41%	1,818,203	8.77%
Manufacturing	63	6.39%	121,120	0.87%	44	4.55%	199,689	0.96%
Wholesale Trade	73	7.40%	1,108,293	7.94%	40	4.14%	691,755	3.34%
Construction	29	2.94%	32,419	0.23%	18	1.86%	71,595	0.35%
Finance Insurance Real Estate	2	0.20%	1,060	0.01%	8	0.83%	1,819	0.01%
Transportation and Utilities	8	0.81%	64,933	0.47%	4	0.41%	105,647	0.51%
Agriculture	9	0.91%	29,954	0.21%	7	0.72%	33,767	0.16%
Other, Non Classified	26	2.64%	54,054	0.39%	346	35.78%	2,077,038	10.02%
Total	986	100.00%	\$ 13,958,999	100.00%	967	100.00%	\$ 20,733,282	100.00%

Source: Tennessee Department of Revenue, Research Division.

Notes:

1. Figures subject to revision due to amended taxpayer returns.
2. Figures represent local sales tax collected by taxpayers during the period, not disbursements from the Department of Revenue. Thus, amounts presented above do not match to amounts reflected within the financial report.
3. 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			
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
2015	26,177,752	1,061,000	2,657,000	535,256	11,809,309	786,000	43,026,317	2.36%	762
2016	29,247,448	1,005,000	3,293,000	2,194,316	10,459,704	744,000	46,943,468	2.50%	831
2017	32,045,250	946,000	3,842,500	3,562,443	9,170,077	701,000	50,267,270	2.60%	865
2018	78,168,505	885,000	5,072,150	7,213,622	8,121,081	656,000	100,116,358	5.11%	1,694
2019	79,026,629	821,000	5,411,000	4,322,114	7,054,826	609,000	97,244,569	4.92%	1,645

Notes:

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

Governmental Capital Notes totaled \$5,411,000 at June 30, 2019. Seven (7) separate notes made up this amount with fixed interest rates ranging from 1.78% to 2.19%. These notes were for equipment purchases in the City's CIP program.

Governmental Capital Leases totaled \$4,322,114 at June 30, 2019. These leases were for laptop computers for students enrolled in the Bartlett City School System.

CITY OF BARTLETT, TENNESSEE
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Capital Note	Capital Lease	General Obligation Note	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
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	-	1,115,000	32,126,934	0.78%	569
2015	26,177,752	2,657,000	535,256	1,061,000	30,431,008	0.74%	539
2016	29,247,448	3,293,000	2,194,316	1,005,000	35,739,764	0.87%	633
2017	32,045,250	3,842,500	3,562,443	946,000	40,396,193	0.97%	695
2018	78,168,505	5,072,150	7,213,622	885,000	91,339,277	1.87%	1,686
2019	79,026,629	5,411,000	4,322,114	821,000	89,580,743	1.88%	1,633

CITY OF BARTLETT, TENNESSEE
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019

<u>Name of Government Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Bartlett (1)</u>	<u>Overlapping Debt (2)</u>
City Net General Obligation Debt	\$ 89,580,743	100.00%	\$ 89,580,743
Shelby County	<u>965,473,891</u>	6.94%	<u>66,960,192</u>
Totals Direct and Overlapping Debt	<u>\$ 1,055,054,634</u>		<u>\$ 156,540,935</u>

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

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

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

The City of Bartlett has no legal debt limit

CITY OF BARTLETT, TENNESSEE
Statement of Debt
As of June 30, 2019

General Obligation Bonded Debt:		
Existing G.O. Bonds	\$ 70,680,000	
Total Public Improvement Bonded Debt		\$ 70,680,000
Existing Water and Sewer Bonds ¹	\$ 6,800,000	
Total Water and Sewer Bonded Debt		\$ 6,800,000
Total Bonded Debt		77,480,000
Less Self Supporting Debt		(6,800,000)
Net Bonded Debt		\$ 70,680,000
Net Overlapping Bonded Debt		\$ 68,454,980
Less: Self-Supporting Bonded Debt		-
Net Overlapping Bonded Debt		68,454,980
Bonded Debt Outstanding Including Overlapping Bonded Debt		145,934,980
Net Bonded Debt Outstanding Including Net Overlapping Bonded Debt		\$ 139,134,980

	<u>City of Bartlett</u>	<u>City and Net Overlapping</u>
Net Direct Debt Per Capita	\$ 1,181	\$ 2,273
Total Debt Per Capita	1,314	2,406
Net Debt / Actual Value	1.45%	2.86%
Total Debt / Actual Value	1.59%	3.00%
Net Debt / Assessed Value	5.19%	10.22%
Total Debt / Assessed Value	5.69%	10.72%

	<u>Bartlett</u>	<u>Shelby County</u>
FY 2019 Assessed Value	\$1,361,351,590	\$ 19,200,201,477
FY 2019 Appraised Value	\$4,862,913,800	\$ 65,859,545,300
2019 Estimated Population ²	59,102	936,961

Shelby County's unaudited Net Bonded Debt as of June 30, 2019 \$ 965,473,891

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

1. Payable primarily from revenues of the City's water and sewer system but, in case of a deficiency of such revenues, are secured by and payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the City.

2. Source: U.S. Census Bureau

CITY OF BARTLETT, TENNESSEE
Water and Sewer Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Utility Service Charges	Less: Operating Expenses (1)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
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	8,658,274	5,162,390	3,495,884	1,181,000	334,159	1,515,159	2.31
2014	8,600,560	4,897,158	3,703,402	1,203,000	309,680	1,512,680	2.45
2015	8,319,536	5,252,452	3,067,084	1,255,000	321,627	1,576,627	1.95
2016	8,336,812	5,330,520	3,006,292	1,362,000	293,949	1,655,949	1.82
2017	8,456,221	5,731,406	2,724,815	1,303,000	275,000	1,578,000	1.73
2018	8,405,111	6,092,835	2,312,276	1,065,000	240,857	1,305,857	1.77
2019	8,442,845	6,048,025	2,394,820	1,087,000	225,248	1,312,248	1.82

(1) Excludes depreciation expense.

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

CITY OF BARTLETT, TENNESSEE
Demographic and Economic Statistics
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (2)</u>	<u>Personal Income (Thousands of \$)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>	
2010	49,000	1,450,510	60,388	8.1%	(4)
2011	54,613	1,646,770	60,991	8.0%	(4)
2012	54,613	1,663,854	61,601	6.8%	(4)
2013	54,613	1,663,071	62,217	7.6%	(4)
2014	56,488	1,676,560	62,840	7.0%	(4)
2015	56,488	1,826,608	63,468	5.9%	(4)
2016	56,488	1,875,644	64,103	4.7%	(4)
2017	58,107	1,934,541	64,744	3.8%	(4)
2018	59,102	1,957,810	65,391	4.5%	(4)
2019	59,102	1,977,388	66,045	2.9%	(4)

Sources:

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

CITY OF BARTLETT, TENNESSEE
Principal Employers
Current Year and Ten Years Ago

Taxpayer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Bartlett City Schools	918	1	3.07%			
Youth Villages	697	2	2.33%	620	2	2.58%
Brother International\Brother USA	650	3	2.17%	1,000	1	4.16%
Saint Francis Hospital-Bartlett	610	4	2.04%	400	5	1.67%
The City of Bartlett	512	5	1.71%	470	3	1.96%
Covenant Dove	502	6	1.68%			
Lakeside Behavioral Health	469	7	1.57%	440	4	1.83%
USDA Cotton Classing Division	420	8	1.40%	400	5	1.67%
Wal-Mart Supercenter	420	9	1.40%	400	5	1.67%
United Parcel Service	275	10	0.92%	275	8	1.14%
Gyrus, ENT				228	9	0.95%
Kele Inc.				210	10	0.87%
Total	5,473		18.28%	4,443		18.50%

Source: Bartlett Chamber of Commerce

CITY OF BARTLETT, TENNESSEE
OTHER REVENUE SOURCES
As of June 30, 2019

The following briefly describes major sources of revenue other than ad valorem taxes:

CITY SERVICE FEE

The City assesses a service fee of \$2.50 per month on each household and each business. Twenty-five percent (25%) of this fee goes into the General Fund. The remaining seventy-five percent (75%) goes into a special improvement fund for small scale capital projects, library materials and technology improvements.

GENERAL SALES TAX

The General (local) Sales Tax is levied at a rate of 2.75% of the first \$1,600 of a sale of any single item. The taxes collected are divided on a 59-41 basis between the City and Shelby County Board of Education, respectively. The City's share of the General Sales Tax accounts for approximately 28% of total General Fund revenues and is the City's second largest revenue source.

On August 2, 2012, the City held a referendum to increase the local option sales tax in the town by 0.5% to 2.75%. The City uses the funds generated by the sales tax increase to provide a portion of the funding for the City's new school system as discussed in the "Education" section herein. Collections from the City's additional ½ cent local sales tax were \$4.48 million in FY 2019.

BEER SALES TAX

A 17% tax on the wholesale price of beer containing not more than 5% alcohol is collected by the wholesaler and remitted monthly, less a collection fee.

ALCOHOLIC BEVERAGE TAX

A 5% inspection fee is charged to retailers on the sale of alcoholic beverages. The fee is based on the wholesale price, collected by the wholesaler, and remitted monthly less collection fees.

AUTO REGISTRATION FEE

The City assesses a \$25 auto registration fee on each truck and car registered in the City. This fee is collected by the Shelby County Court Clerk under contract with the City and is remitted to the City on a monthly basis.

FRANCHISE TAXES

The City collects a franchise tax for cable television of 5% of subscriber revenues.

GROSS RECEIPTS TAX

The City levies a gross receipts tax, based upon a percentage of gross sales, which varies with the classification of businesses. There are four basic classifications with the tax rate varying between wholesale and retail and type of business. Fifteen percent (15%) of the local portion of the receipts of this tax are remitted to the State.

SANITATION FEE

In FY 2015, The City assessed a \$25.00 per month sanitation fee on all residents. The City collected \$6,024,671 and \$6,067,581 in Solid Waste collection fees in fiscal year 2018 and 2019, respectively.

STATE TAX REVENUE (LOCAL SHARE)

- (1) State Sales Tax - A 7% sales tax is imposed on the gross proceeds from retail sale or use of tangible property or service. A portion is returned to the City on a per capita basis.
- (2) Gasoline Taxes - The City receives a portion of the State imposed gasoline tax for street purposes. The FY19 share in the state gasoline tax brought in \$1,983,791 in revenue for the State Street Aid Fund, a 4.7% increase over FY18.
- (3) State Income Tax - The City receives income from this source, which is a tax on dividends on stock and interest on certain financial instruments. The tax rate was 3% in FY19 and resulted in revenues of \$311,368, a reduction of 28.6% from FY18.
- (4) Other State Taxes - The City also receives revenues derived from other miscellaneous state taxes including Liquor by the Drink Tax and TVA in-Lieu-of-Tax Payments.

CHARGES FOR SERVICES

The City has substantially expanded its parks and recreation programs. Charges for services of these programs, which in the past have been negligible will account for an increasing portion of the budget over the next couple years. In fiscal year 2019, Parks and Recreation received \$2,868,804 for charges for services.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Department										
General Fund										
Legislative Board	3	3	3	3	3	3	3	3	3	3
Mayor's Office	15	16	16	15	16	15	15	14	14	14
Finance	13	13	14	13	15	15	16	16	16	16
City Court	11	11	12	12	12	12	12	12	12	12
Personnel	4	4	4	4	4	4	4	5	5	5
Planning	3	3	3	3	4	4	4	4	5	5
Police										
Officers	110	110	108	111	111	113	113	119	123	124
Civilians	38	39	39	38	41	41	41	42	42	42
Fire Services and Ambulance										
Firefighters & Officers	94	93	94	94	96	95	97	99	103	105
Civilians	1	2	2	2	1	1	1	1	1	1
Codes Enforcement	11	9	9	9	10	10	10	11	12	12
Public Works	52	53	53	53	56	59	60	60	60	62
Engineering	10	10	8	8	8	8	7	8	8	9
Parks & Recreation	74	74	76	75	73	73	75	74	76	80
Performing Arts	3	3	3	3	3	3	4	4	4	4
Special Revenue Funds										
General Purpose School Fund	0	0	0	0	0	784	805	813	846	864
Solid Waste Fund	38	38	36	39	41	41	42	41	41	43
Drainage Control Fund	1	1	1	1	1	1	1	1	1	1
Utility Fund										
Administration	11	11	6	7	7	6	7	7	7	7
Water & Wastewater Services	15	15	20	20	20	19	21	20	22	22
Plant Operations	5	5	4	6	5	5	5	6	6	7
Sewer Lagoon	4	3	3	2	4	4	4	4	3	4
Total	516	516	514	518	531	1316	1347	1364	1410	1442

Source: City of Bartlett Finance Department and Personnel Department.

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
Residential permits issued	99	72	107	139	179	218	216	191	125	51
Commercial permits issued	59	88	93	72	86	80	87	111	132	96
Fire										
Emergency responses	4,178	3,749	4,022	4,322	4,633	4,669	5,009	5,247	5,914	5,853
Structure fires	49	69	56	38	40	48	33	32	22	22
Inspections	2,203	2,277	2,297	3,400	3,242	4,299	3,568	2,650	2,710	2,795
Refuse collection										
Total refuse collected (tons)	56,166	44,606	46,668	45,717	54,110	49,391	52,048	52,098	48,092	52,957
Refuse taken to landfill	25,714	25,161	26,511	27,167	28,128	31,296	30,767	31,262	30,595	34,771
Library										
Volumes in collections	101,158	101,672	102,783	104,537	108,138	107,689	110,740	110,011	105,184	106,546
Total volumes borrowed	359,367	340,156	330,717	313,089	300,081	276,631	273,034	251,976	234,154	220,441
Water										
New connections	66	119	190	171	11	235	269	180	215	64
Water customers	20,041	20,160	20,350	20,521	20,532	20,767	21,036	21,216	21,431	21,515
Sewer										
Sewer customers	18,757	19,098	19,314	19,517	19,266	19,679	19,776	19,971	20,215	20,332

Source: Indicators provided from internal departmental records.

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police Stations	2	2	2	2	2	2	2	2	2	2
Fire Stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Streets (miles)	277	277	277	301	301	301	301	301	301	301
Parks & Recreation										
Acreage	706	736	736	736	736	736	736	736	736	736
Parks #										
Developed	24	25	25	25	25	25	25	25	25	25
Undeveloped	3	3	3	3	3	3	3	3	3	3
Tennis courts	14	14	14	14	14	14	14	14	14	14
Baseball fields	17	18	18	18	18	18	18	18	18	18
Walking trails(miles)	12	12	12	12	12	12	14	14	14	14
School Buildings	-	-	-	-	11	11	11	11	11	11
Water										
Water lines (miles)	371	371	371	372	372	372	372	372	372	372
Water connections	20,041	20,160	20,350	20,521	20,532	20,767	21,036	21,216	21,431	21,515
Water plants	4	4	4	4	4	4	4	4	4	4
Storage tanks	9	9	10	10	10	10	10	10	10	10
Wastewater										
Sanitary sewers (miles)	349	349	349	353	353	353	353	353	353	353
Sewer connections	18,757	19,098	19,314	19,517	19,266	19,679	19,776	19,971	20,215	20,332

Source: City of Bartlett Functional Departments

COMPLIANCE SECTION

CITY OF BARTLETT

T E N N E S S E E

GOVERNMENT AUDITING STANDARDS SECTION

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
U.S. Department of Agriculture						
<u>Passed through TN Department of Education</u>						
<i>Child Nutrition Cluster</i>						
School Breakfast Program	10.553		\$ -	\$ 249,947	\$ 249,947	\$ -
National School Lunch Program - Non-Cash Assistance	10.555		-	200,255	200,255	-
National School Lunch Program - Cash Assistance	10.555		-	1,074,413	1,074,413	-
Subtotal - CFDA 10.555			-	1,274,668	1,274,668	-
Subtotal Child Nutrition Cluster			-	1,524,615	1,524,615	-
<u>Passed through TN Department of Agriculture</u>						
USDA Cooperative Forestry Assistance	10.664		-	1,750	1,750	-
Total U.S. Department of Agriculture			-	1,526,365	1,526,365	-
U.S. Department of Housing and Urban Development						
<u>Passed through TN Dept. of Economic and Community Development</u>						
<i>CDBG - Entitlement Grants Cluster</i>						
Community Development Block Grants	14.218		18,022	18,022	-	-
Community Development Block Grants	14.218		5,722	348,386	342,664	-
Total U.S. Department of Housing and Urban Development			23,744	366,408	342,664	-
U.S. Department of Justice						
<u>Direct Award</u>						
Bulletproof Vest Partnership Program	16.607		8,050	8,050	-	-
Bulletproof Vest Partnership Program	16.607		-	-	9,120	9,120
Equitable Sharing Program	16.922	TN0790600	-	247,902	247,902	-
Total U.S. Department of Justice			8,050	255,952	257,022	9,120
U.S. Department of Transportation						
<u>Passed through TN Department of Transportation</u>						
<i>Highway Planning and Construction Cluster</i>						
Highway Planning and Construction	20.205	170007 STP-M-9419(9)	17,817	75,037	91,914	34,694
Highway Planning and Construction	20.205		-	2,280	2,280	-
Highway Planning and Construction	20.205	110050 STP-M-9419(8)	507,800	533,529	235,397	209,668
Highway Planning and Construction	20.205	170053 TAP-M-09419(10)	20,840	100,169	87,089	7,760
Highway Planning and Construction	20.205	60087 STP-M-9419(2)	229,804	328,609	98,805	-
Highway Planning and Construction	20.205		-	11,882	19,011	7,129
Subtotal - Highway Planning and Construction Cluster			776,261	1,051,506	534,496	259,251
<i>Highway Safety Cluster</i>						
State and Community Highway Safety	20.600	56132(PT) Z18THS018	1,716	12,467	10,751	-
State and Community Highway Safety	20.600		-	6,277	9,185	2,908
Subtotal - State and Community Highway Safety			1,716	18,744	19,936	2,908
Total U.S. Department of Transportation			777,977	1,070,250	554,432	262,159

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, 2019

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Contract Number	Beginning Accrued (Deferred)	Cash Receipts	Expenditures	Ending Accrued (Deferred)
U.S. Department of Education						
<u>Passed through TN Department of Education</u>						
Title I Grants to Local Education Agencies	84.010		\$ 284,013	\$ 3,586,173	\$ 3,740,655	\$ 438,495
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013		5,984	48,612	45,293	2,665
<i>Special Education Cluster (IDEA)</i>						
Special Education - Grants to States (IDEA, Part B)	84.027		287,278	1,953,742	2,024,694	358,230
Special Education - Preschool Grants (IDEA Preschool)	84.173		-	41,462	41,462	-
Subtotal - Special Education Cluster (IDEA)			287,278	1,995,204	2,066,156	358,230
<u>Direct Award</u>						
Safe and Drug-Free Schools and Communities National Programs	84.184		30,000	70,607	58,743	18,136
Safe and Drug-Free Schools and Communities National Programs	84.184		-	99,921	110,325	10,404
Subtotal - CFDA 84.184			30,000	170,528	169,068	28,540
<u>Passed through TN Department of Education</u>						
English Language Acquisition State Grants	84.365		48	24,154	24,365	259
Supporting Effective Instruction State Grant	84.367		18,347	127,211	121,774	12,910
Education Technology State Grants, Recovery Act	84.386		6,898	89,153	89,385	7,130
Student Support and Academic Enrichment Program	84.424		8,452	126,414	161,944	43,982
Total U.S. Department of Education			641,020	6,167,449	6,418,640	892,211
U.S. Department of Health & Human Services						
<u>Passed through TN Department of Education</u>						
<i>477 Cluster</i>						
Temporary Assistance for Needy Families (TANF)	93.558		16,532	184,935	189,709	21,306
<i>CCDF Cluster</i>						
Child Care and Development Block Grant	93.575		39,384	39,384	28,924	28,924
Total U.S. Department of Health & Human Services			55,916	224,319	218,633	50,230
U.S. Department of Homeland Security						
<u>TN Emergency Management Agency</u>						
Hazard Mitigation Grant (HMGP)	97.039	4171DRTNP00000005	108,134	108,134	-	-
Hazard Mitigation Grant (HMGP)	97.039	4189DRTNP00000005	172,514	172,514	-	-
Total U.S. Department of Homeland Security			280,648	280,648	-	-
Total Federal Awards			1,787,355	9,891,391	9,317,756	1,213,720

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, 2019

State Financial Assistance	CFDA Number	Contract Number	Accrued (Deferred)	Cash Receipts	Expenditures	Accrued (Deferred)
Ready to be Ready Coaching Network	N/A		\$ 1,475	\$ 9,930	\$ 10,000	\$ 1,545
Arts Students Ticket Subsidies	N/A		-	2,314	2,314	-
TAC Arts 360	N/A		15,861	15,861	11,447	11,447
TAC Arts 360 - Rivercrest	N/A		-	-	22,376	22,376
TAC - SPECOPS	N/A		1,957	1,957	-	-
TN Department of Education Child Nutrition State Match Funds	N/A		-	24,825	24,825	-
TN Department of Environment and Conservation	N/A		128,624	228,508	99,884	-
CTE Equipment Grant	N/A		-	172,399	222,316	49,917
Tennessee Dept. of Military, TEMA Hazard Mitigation Grant Program	N/A	HMGP-4171-0006 34101-22317	18,022	18,022	-	-
Tennessee Dept. of Military, TEMA Hazard Mitigation Grant Program	N/A	HMGP-4189-0002 34101-20417	28,752	28,752	-	-
Champion Creatively Alive Children (CCAC)	N/A		-	2,500	2,496	(4)
SCSEF Voluntary Pre-K	N/A		-	195,623	195,623	-
SCEF Growing Teachers	N/A		-	3,401	3,401	-
Perkins Reserve Consolidated Grant	N/A		-	-	6,110	6,110
Total State Financial Assistance			<u>194,691</u>	<u>704,092</u>	<u>600,792</u>	<u>91,391</u>
Total Federal Awards and State Financial Assistance			<u>\$ 1,982,046</u>	<u>\$ 10,595,483</u>	<u>\$ 9,918,548</u>	<u>\$ 1,305,111</u>

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

CITY OF BARTLETT, TENNESSEE**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**For the Year Ended June 30, 2019

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state grant activity of the City of Bartlett, Tennessee (the City) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Total grant revenue per governmental funds financial statements	\$ 10,192,102
Less: Non-federal and non-state grants	(273,554)
Total federal awards and state financial assistance	<u>\$ 9,918,548</u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the statements of budgetary comparison for the general fund and general purpose school fund, and the aggregate remaining fund information of the City of Bartlett, Tennessee (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 8, 2019.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001 – 2019-006 that we consider to be material weaknesses.

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*, but another matter that is required to be reported under the State of Tennessee Department of Audit, *Audit Manual* which is described in the accompanying Schedule of Findings and Questioned Costs as item 2019-007.

City's Responses to Findings

The City's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Wilkerson, PLLC". The signature is written in a cursive, flowing style.

Memphis, Tennessee
November 8, 2019

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Bartlett, Tennessee (the "City")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

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

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

Memphis, Tennessee
November 8, 2019

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

SECTION I – SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

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

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

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

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

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

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

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

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

Identification of major programs:

CFDA Number: 84.010 – Title I Grants to Local Education Agencies

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

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

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS

Material Weaknesses

2019-001 Recording Capital Assets

Condition: Capital expenditures were not properly capitalized and depreciated or not properly transferred out of construction in progress for the presentation at the government-wide level.

Criteria: Expenditures meeting the definition and threshold for capitalization should be capitalized. Capital asset in construction in progress should be depreciated once placed in service.

Effect: Capital assets were understated by material amounts.

Recommendation: We recommend that Bartlett City Board of Education review all capital expenditures prior to year-end to assess if all items have been properly recorded and marked as capitalized assets and depreciated as such. We recommend for the Bartlett City Board of Education to review the date of completion of construction in progress and verify each project is substantially complete prior to transferring assets into capitalized assets.

Managements Comments: Bartlett City Board of Education will review the construction in progress listing quarterly to ensure completed projects are placed in service.

2019-002 Failure to Record Capital Asset Disposals

Condition: Bartlett City Board of Education system does not have an adequate review process to ensure disposals of capital assets are removed from the capital asset software. Capital assets were sold but were not removed from the capital asset software.

Criteria: Capital assets should only include the net book value of existing capital assets.

Effect: Capital assets and accumulated depreciation were overstated by material amounts.

Recommendation: We recommend that Bartlett City Board of Education review all the capital asset listing, at least quarterly, to ensure that all capital assets exist and disposals have been properly removed.

Managements Comments: Bartlett City Board of Education will review the capital asset listing quarterly to ensure disposals are removed.

2019-003 Reconciliation of Interfund Transactions

Condition: Bartlett City Board of Education interfund transactions were not reconciled at year end.

Criteria: A good system of internal controls over financial reporting should include procedures over the maintenance of accounting records to prevent, detect, or correct potential misstatements.

Effect: Material adjustments were required to reconcile interfund transactions.

Recommendation: We recommend that Bartlett City Board of Education include procedures to reconcile interfund transactions on a monthly basis.

Managements Comments: Interfund transactions will be reconciled monthly

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2019

2019-004 Purchase Orders for Capital Projects

Condition: In order to track outstanding purchase orders in the subsequent fiscal year, Bartlett City Board of Education rolls forward the encumbered balance of the outstanding purchase orders to accounts payable.

Criteria: Expenditures should be recognized when they are incurred not when they are encumbered.

Effect: Accounts payable and expenditures were materially overstated by amounts that had not been incurred.

Recommendation: We recommend that Bartlett City Board of Education review accounts payable at year end to ensure amounts recorded represent expenditures that have been incurred.

Managements Comments: Going forward, Bartlett City Board of Education will no longer roll purchase orders to capital assets.

2019-005 Revenue Collected outside of the Availability Period

Condition: Sales taxes collected after the 60 day availability period were recorded not reversed against revenue and shown as unavailable revenue at year end.

Criteria: Under the modified accrual basis of accounting, revenues are recognized when they are both measurable and available to finance expenditures in the current period i.e. within 60 days of fiscal year end for non-grant revenues.

Effect: Revenue was overstated and unavailable revenue was understated by material amounts.

Recommendation: We recommend that Bartlett City Board of Education review year end receivables for receipts occurring outside the availability period and adjust revenue accordingly.

Managements Comments: Funds received more than 60 days following the close of the fiscal year that relate to the prior year will be recorded as unavailable revenue.

2019-006 Recording Receivables Due from County Government

Condition: Annually the County government fails to notify the Bartlett City Board of Education of amounts allocated related to delinquent property taxes and CIP appropriations. Internal control procedures over year-end financial close and reporting do not include steps to gather the receivable amounts from the County government, but rely on audit procedures to identify the misstatements. This lack of oversight resulted in understatement of receivables and unavailable revenue as well as recognition of subsequently receipts of the receivables within 60 days of year end as revenue in the subsequent period.

Criteria: A good system of internal controls over financial reporting should include procedures to identify and collect all significant transactions for inclusion in the financial statements.

Effect: Understatement of receivables, unavailable revenue, and revenue at the fund level.

Recommendation: We recommend that Bartlett City Board of Education include procedures to gather information related to the amounts due from the County.

Managements Comments: Year-end closing procedures will include contacting the County government for information regarding delinquent taxes and CIP allocation.

CITY OF BARTLETT, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2019

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV – STATE AUDIT MANUAL FINDINGS AND QUESTIONED COSTS

COMPLIANCE AND OTHER MATTERS

2019-007 Expenditures in Excess of Budget

Condition: In the School Nutrition Fund, expenditures exceeded budget by approximately \$90,000.

Criteria: Expenditures should be kept within amounts appropriated in the budget ordinance and any amendments thereto.

Effect: Expenditures were in excess of approved amounts.

Recommendation: Expenditures should not be incurred in amounts that exceed the budget. We recommend that Bartlett City Board of Education either delay expenditures or appropriately amend the budget.

Managements Comments: Although expenditures exceeded the budget, the revenue collected also exceeded budget and sufficiently covered the additional expenditures. In the future, Board approval will be sought when expenditures exceed the approved budget.

CITY OF BARTLETT, TENNESSEE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2019

SECTION V – PRIOR YEAR AUDIT FINDINGS

A. PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

Prior Year Finding Number	Finding Title	Status
2018-001	Recording Capital Assets (Bartlett City Board of Education – Material Weakness) (Original Finding #2018-001)	Repeated/ 2019-001

B. PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.



MANAGEMENT'S CORRECTIVE ACTION PLAN

The Bartlett City Board of Education respectfully submits the following corrective action plan for the year ended June 30, 2019. The findings from the June 30, 2019, schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

2019-001: Recording Capital Assets

Planned Corrective Action: Quarterly review of capital expenditures and construction in progress

2019-002: Failure to Record Capital Asset Disposals

Planned Corrective Action: Quarterly review of disposals

2019-003 Reconciliation of Interfund Transactions

Planned Corrective Action: Reconcile interfund transactions quarterly

2019-004 Purchase Orders for Capital Projects

Planned Corrective Action: Do not roll purchase orders for capital projects

2019-005 Revenue Collected outside of the Availability Period

Planned Corrective Action: Use deferred revenue account for receipts 60 days after the close of the fiscal year-end.

2019-006 Recording Receivables Due from County Government

Planned Corrective Action: Contact Shelby County Government as part of year-end closing procedures.

2019-007 Expenditures in Excess of Budget

Planned Corrective Action: When anticipated expenditures exceed the approved budget, a budget amendment will be prepared for Board approval.

Contact Person Responsible for Each Corrective Action: Teresa K. Winter, Chief Financial Officer
Anticipated Completion Date for Each Corrective Action: June 30, 2020

Respectively submitted,

Teresa K. Winter
Chief Financial Officer, Bartlett City Board of Education