

CITY OF GOODLETTSVILLE, TENNESSEE

Comprehensive Annual Financial Report

For the Year Ended

June 30, 2014



CITY OF GOODLETTSVILLE, TENNESSEE
Comprehensive Annual Financial Report
June 30, 2014

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Introductory Section



December 19, 2014

Honorable Mayor,
Members of the Board of Commissioners, and
Citizens of the City of Goodlettsville

State law requires that every general-purpose government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

This report consists of management's representations concerning the finances of the City of Goodlettsville. 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 of Goodlettsville has established a comprehensive internal control framework that is designed both to protect the city's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Goodlettsville's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Goodlettsville'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 of Goodlettsville's financial statements have been audited by Parker, Parker and Associates PLC, 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 of Goodlettsville, for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Goodlettsville's financial statements, for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF THE CITY OF GOODLETTSVILLE

The City of Goodlettsville is located both in Sumner County and Metropolitan Nashville-Davidson County. While more than 50% of the land area of Goodlettsville is in Sumner County, approximately sixty percent of its residents live in the Metropolitan Nashville-Davidson County portion of the City. The City of Goodlettsville is one of five satellite cities operating within the Metropolitan Nashville area. It is approximately 16 miles from downtown Nashville, and is served by numerous major transportation systems including Interstate 65, U.S. 41, U.S. 31-W, and State Route 386.

The City of Goodlettsville incorporated in 1958 and operates under the City Commission/City Manager form of government. The Municipality's legislative body is a five member Board of Commissioners that is elected at-large. Each Commissioner is elected to a four-year alternating term with elections conducted every two years. The Mayor is the ceremonial head of the Municipality and presides at meetings of the Board. The City Manager is the chief administrative officer of the Municipality. The City Manager is appointed by the Board of Commissioners and serves at their pleasure.

The City of Goodlettsville provides a wide range of services which include police and fire protection, the construction and maintenance of highways, streets, and other infrastructure, sanitation services, recreational and cultural services, planning and zoning, and general administrative services. In addition, the City operates a sewer collection system that currently serves 4,209 customers as of June 30, 2014. Sewer treatment services are provided by The Metropolitan Government of Nashville and Davidson County.

Nashville Electric Service and Cumberland Electric Membership Corporation provide electric service to the City's residents and Nashville Gas provides natural gas distribution. Water distribution is provided by Madison Suburban Utility District, the White House Utility District, and Metro Water Services. The City contracts for solid waste disposal and recycling with a private contractor.

The Board of Commissioners is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of Goodlettsville's financial planning and control. A staff budget kick-off meeting is held in January each year. In February, the Board of Commissioners conduct two work sessions to prioritize the city's capital needs. Department Heads then are required to submit their budget requests to the Assistant City Manager/Finance Director. The City Manager conducts departmental meetings in March of each year. The City Manager and Assistant City Manager/Finance Director make revenue estimates for the upcoming year. The budget is submitted to the Board of Commissioners in March/April, with a Board of Commissioners Budget Study Session held in April. First reading of the Budget is usually in May, with a final reading and public hearing by June 30, the close of the City's fiscal year. The budget is prepared by fund (i.e. general), department (i.e. police), and object code. Department heads are authorized to expend funds within total departmental appropriations. However, amendments to the budget that change departmental and/or total appropriations require the adoption of an ordinance by the Board of Commissioners. Budget transfers between departments require approval of the Board of Commissioners. Budget to actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted.

LOCAL ECONOMY

The City of Goodlettsville is a growing residential and business community being a portion of the Nashville MSA. The local economy was able to sustain stability through the recent recession and is experiencing growth. New residential development is beginning to rebound and new construction planning and permitting is taking place. Construction has begun on a new 267 single family development

on the Sumner County side of the City and new single housing construction is taking place throughout the city. Local business is also rebounding and has recently seen growth with the expansion of employees at Tyson (Manufacturing), Dollar General (Corporate Office) and several smaller office and manufacturing facilities. New commercial construction is planned or taking place. Commercial construction includes expansions at Tyson Foods, Bus for Sale and Kroger as well as new projects including the Goodlettsville Middle School, Loden Vision's Corporate office, Allied Modular Building Systems, Sky High(Rivergate Mall) and Towne Place by Marriott. In addition, the city Economic Development staff is working on other projects that are in the advanced planning stage. The population of the City of Goodlettsville has experienced growth from 14,761 in 2000 to 15,921 in 2010. The projected population for the City of Goodlettsville for 2015 is 18,551 (U.S. Department of Census).

This Nashville area, including Goodlettsville, leads the State of Tennessee in economic growth in new business development as well as existing business growth. The Beacon Center of Tennessee ranks the 50 largest communities, on an annual basis, as to their business climate. Goodlettsville is currently (2013) ranked number 11 out of 50 cities for their positive business appeal. This ranking is up from 12 in 2012. Areas looked at for this study include Economic Vitality, Business Tax burden, and Community Allure with subcategories such as violent crime rate, tax rate, population growth, unemployment, median household income, cost of living index and high school graduation.

Though the Tennessee Department of Labor does not report unemployment rates for Goodlettsville, TN the area continues to see below average unemployment rates. The geographical boundaries of Goodlettsville lie in both Metro Nashville Davidson County and Sumner County in Tennessee. According to the TN Department of Labor the October 2014 unemployment rate for Nashville is 5.2% and Sumner County is 4.9%. The reported State of Tennessee average is 6.3 while the U.S. average is 5.5%.

The City of Goodlettsville through the City Manager, Department of Economic and Community Development and various other boards work continually to improve the economic outlook for the future of Goodlettsville and its citizens. Major projects scheduled to aid in future development include a revitalization program for the downtown area as well as an expanded parks and greenway system.

LONG-TERM FINANCIAL PLANNING

The City has numerous capital projects currently funded and under construction. Several of these are: Greenway/Bike/Pedestrian Project, Hwy 41/31W Lighting Project, High Mast Lighting Vietnam Veterans at Conference Drive and the Main Street Revitalization Project. Many of these projects are being funded wholly or in part by Federal and State grants. The City approved a \$.24 property tax increase in 2012 to assist in funding the local portion of projects such as those listed above.

FINANCIAL POLICIES

The City takes a conservative approach toward budgeting revenues in order to lessen the chance of a revenue shortage. This approach will help finance contingencies and unforeseen budget amendments. The City recognizes the importance of a diversified revenue system, and strives rely too heavily on one source. The City routinely reviews its various rates and fees and considers inflation and current market rates.

The City's Board has formally adopted a Fund Balance Policy which indicates that it will strive to maintain an unassigned fund balance in the General Fund in the range of 15% to 20% of operating expenditures. The City's fund balance has grown over the past ten years, to a current unassigned fund

balance \$4,189,562 for all governmental funds. This current unassigned fund balance for the General Fund is \$4,525,133 which represents 31% of the total operating expenditures in the General Fund, significantly exceeding that goal. The City's Board will review the policy every four years, and will monitor the fund balance continually throughout the budget year. The City also has a formally adopted Internal Financial Controls Policy and a Debt Management Policy, which serve to further strengthen its overall fiduciary duties to the citizens of Goodlettsville.

ACKNOWLEDGEMENTS

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of a highly qualified staff. I also acknowledge the thorough, professional, and timely manner in which the audit was conducted by our independent auditors, Parker, Parker and Associates. I thank the City Manager, Mayor and Board of Commissioners for their support of excellence in financial reporting and fiscal integrity.

Respectfully Submitted,



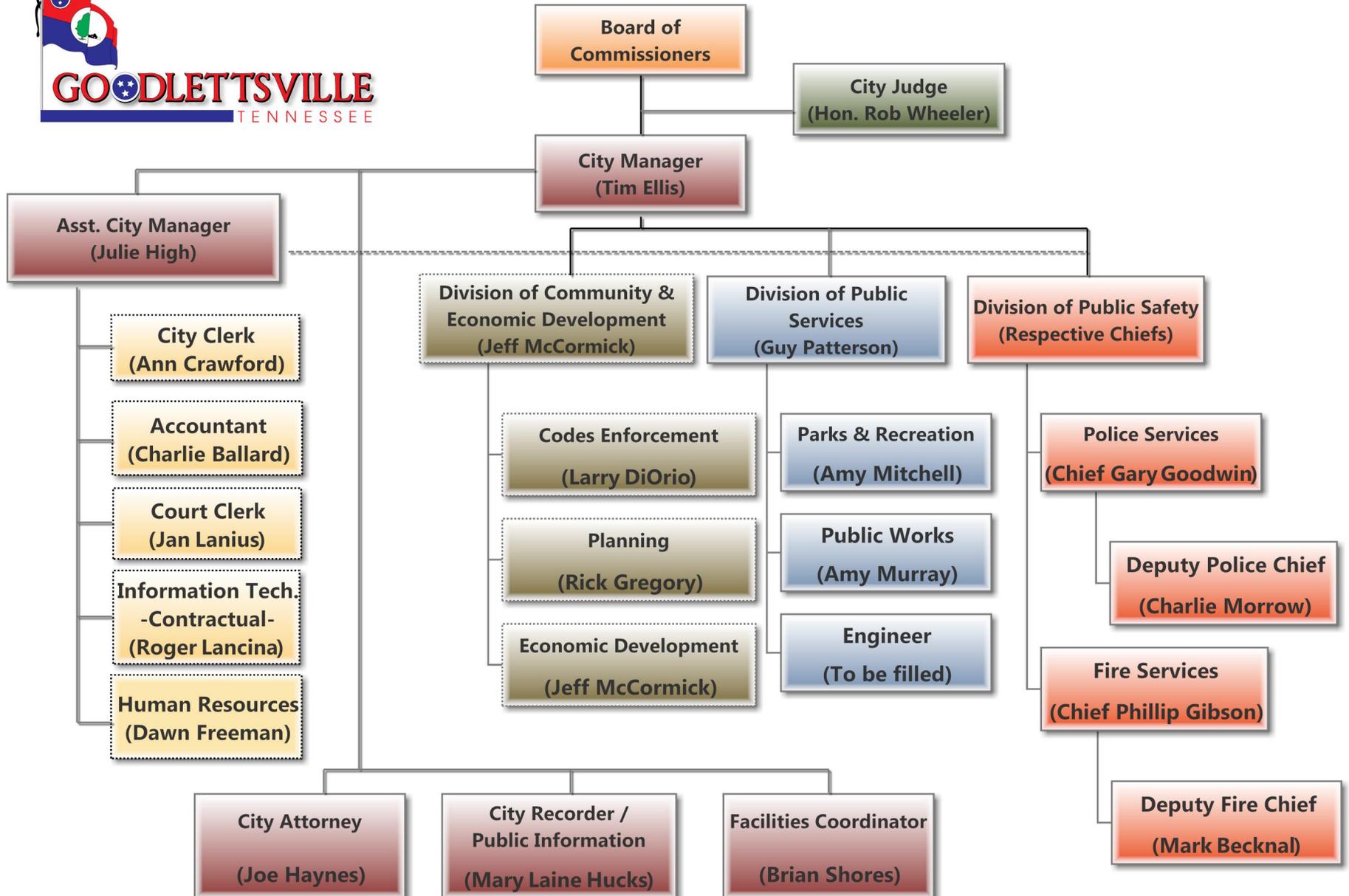
Julie High
Assistant City Manager

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A government committed to operating with efficiency and integrity in all we do as we strive to enhance the quality of life for the community we serve.



City of Goodlettsville Organizational Chart



CITY OF GOODLETTSVILLE, TENNESSEE
Roster of City Officials and
Schedule of Salaries and Official Bonds of Principal Officials
June 30, 2014

		<u>Period of Service</u>
City Commissioners		
Mayor	John Coombs	7/1/13 to 6/30/14
Vice Mayor	Jane Birdwell	7/1/13 to 6/30/14
Commissioner	Harry Bell	7/1/13 to 6/30/14
Commissioner	Jeff Duncan	7/1/13 to 6/30/14
Commissioner	Zach Young	7/1/13 to 6/30/14
City Manager	Tim Ellis	7/1/13 to 6/30/14
City Attorney	Joe Haynes	7/1/13 to 6/30/14
City Judge	Robert Wheeler	7/1/13 to 6/30/14
City Recorder	Alicia Prince	7/1/13 to 5/24/14
	Mary Laine Hucks	5/25/14 to 6/30/14
Chief of Police	Gary Goodwin	7/1/13 to 6/30/14
Director of Public Services	Guy Patterson	7/1/13 to 6/30/14
Director of Community Services	Jeff McCormick	7/1/13 to 6/30/14
Director of Finance and Administration, Assistant City Manager, CMFO Designee	Julie High	7/1/13 to 6/30/14
Fire Chief	Phillip Gibson	7/1/13 to 6/30/14

* Salary information has been omitted from this schedule.

** All employees of the City of Goodlettsville are covered under the Property and Crime policy with the TML Risk Management Pool up to \$150,000 crime coverage. The following positions have additional crime coverage under the TML policy:

City Manager	\$150,000
Chief of Police	\$150,000
Director of Finance and Administration	\$400,000

Financial Section

Parker, Parker & Associates, PLC

Certified Public Accountants

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GOODLETTSVILLE, TN 37072

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Independent Auditors' Report

To the Honorable Mayor
and the Members of the City Commission
Goodlettsville, Tennessee

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Goodlettsville, Tennessee, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the

respective budgetary comparison for the General Fund 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 schedule of funding progress on pages 6-12 and 38 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 Goodlettsville, Tennessee's basic financial statements. The introductory section, supplemental information on pages 39-46, other supplemental information on page 47, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information on pages 39-46 is the responsibility of management and was 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 supplemental information on pages 39-46 is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory, other supplemental information on page 47 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 December 1, 2014, on our consideration of the City of Goodlettsville, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Goodlettsville, Tennessee's internal control over financial reporting and compliance.

Parker, Parker & Associates

December 1, 2014

CITY OF GOODLETTSVILLE, TENNESSEE
Management's Discussion and Analysis
June 30, 2014

Description of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised 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 Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The Statement of Activities presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all activities of the City, including general government and administration, public safety, public works, sanitation, parks and recreation, and tourism. The business-type activity of the City includes the sewer operation. The government-wide financial statements can be found on pages 13-14 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 two categories-governmental funds and proprietary 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 current sources and uses 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 effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains four 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 one major fund. Data from the other three funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 15-18 of this report.

Proprietary Funds

The City maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its sewer operations. Proprietary funds provide the same type of

CITY OF GOODLETTSVILLE, TENNESSEE
Management's Discussion and Analysis
June 30, 2014

information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 19-21 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 22-36 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 38 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information on pensions. Combining and individual statements and schedules can be found on pages 39-40 of this report.

In addition, the City has included numerous statistical schedules as required by the GFOA Certificate of Excellence in Financial Reporting awards program. These schedules may be found on pages 48-69 of this report.

The activities of the City of Goodlettsville are accounted for in eight funds: General Fund, Drug Fund, Solid Waste Fund, Tourism Fund, Capital Projects, Fleet Management, Stormwater, and Sewer Fund. In addition, the General Fund is divided into five areas. The Grant, Fleet Maintenance, Street Aid, and Tourism sections account for the receipt and expenditure of revenues that are restricted to certain purposes, and the General section accounts for all other General Fund activities.

Condensed Comparative Data.

	Primary Government					
	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
ASSETS						
Current and Other Assets	\$ 13,537,241	\$ 14,917,013	\$ 9,184,639	\$ 8,466,153	\$ 22,721,879	\$ 23,383,165
Capital assets	18,550,326	15,917,239	31,474,971	32,458,307	50,025,297	48,375,546
Total assets	<u>32,087,567</u>	<u>30,834,252</u>	<u>40,659,609</u>	<u>40,924,460</u>	<u>72,747,176</u>	<u>71,758,712</u>
LIABILITIES						
Other liabilities	5,608,011	5,796,122	376,739	623,267	5,984,750	6,419,390
Long-term liabilities	7,341,452	7,071,084	9,550,877	10,303,443	16,892,330	17,374,527
Total liabilities	<u>12,949,463</u>	<u>12,867,207</u>	<u>9,927,617</u>	<u>10,926,710</u>	<u>22,877,080</u>	<u>23,793,918</u>
NET POSITION						
Net Investment in Capital Assets	14,221,387	11,437,421	22,085,086	22,302,641	36,306,473	33,740,062
Restricted	540,347	1,067,326	-	-	540,347	1,067,326
Unrestricted	4,376,371	5,462,298	8,646,906	7,695,108	13,023,277	13,157,406
Total net position	<u>\$ 19,138,104</u>	<u>\$ 17,967,045</u>	<u>\$ 30,731,992</u>	<u>\$ 29,997,749</u>	<u>\$ 49,870,097</u>	<u>\$ 47,964,794</u>

CITY OF GOODLETTSVILLE, TENNESSEE
Management's Discussion and Analysis
June 30, 2014

<u>Functions/Programs:</u>	Change in Net Assets					
	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Program Revenues						
Charges for Services	\$ 1,876,485	\$ 1,888,599	\$ 5,170,098	\$ 5,111,824	\$ 7,046,582	\$ 7,000,423
Operating grants and contributions	695,249	546,390	-	-	695,249	546,390
Capital grants and contributions	479,145	163,772	-	-	479,145	163,772
General Revenues	11,819,139	11,449,081	56,493	306,212	11,875,632	11,755,293
Total Revenues	14,870,018	14,047,842	5,226,590	5,418,036	20,096,608	19,465,878
Expenses						
General government	2,614,421	2,752,406	-	-	2,614,421	2,752,406
Public safety	6,497,320	5,706,302	-	-	6,497,320	5,706,302
Public Works	1,527,196	1,272,691	-	-	1,527,196	1,272,691
Sanitation	894,450	702,779	-	-	894,450	702,779
Parks and recreation	1,553,219	1,424,710	-	-	1,553,219	1,424,710
Tourism	501,046	509,145	-	-	501,046	509,145
Stormwater Utility	150,981	97,702	-	-	150,981	97,702
Interest on long-term debt	112,537	42,212	-	-	112,537	42,212
Sewer	-	-	4,340,130	4,173,995	4,340,130	4,173,995
Total Expenses	13,851,171	12,507,947	4,340,130	4,173,995	18,191,301	16,681,942
Increase (Decrease) in net position before transfers and extraordinary items	1,018,847	1,539,895	886,459	1,244,041	1,905,306	2,783,936
Extraordinary Item	-	-	-	5,000,000	-	5,000,000
Transfers	152,216	150,586	(152,216)	(150,586)	-	-
Increase (Decrease) in net position	1,171,064	1,690,483	734,243	6,093,455	1,905,308	7,783,936
Net position - beginning	17,967,040	16,276,562	29,997,749	23,904,294	47,964,789	40,180,856
Net position - ending	19,138,104	17,967,045	30,731,992	29,997,749	49,870,097	47,964,794

Overall analysis.

The City's overall financial condition remained solid in Fiscal Year 2014. Revenues from governmental activities increased 6% and revenues generated by business-type activities decreased 3.5% from the prior fiscal year. Expenditures related to governmental activities for fiscal year 2014 increased 11% as the City completed or began several planned capital projects. Expenditures related to business-type activities increased 4% from the prior fiscal year. Most of that increase was due to a substantial increase in the amount of rain that fell this year, which ultimately increases the costs associated with treating wastewater. Net assets of the governmental activities increased approximately \$1.2 million and net assets of the City's business-type activities which is the Sewer Fund increased \$734,000 million from the prior fiscal year.

Capital expenditures in the General Fund increased in Fiscal Year 2014, as the City completed work under the Local Parks and Recreation Grant which included improvements to the Community Center and new playground equipment. The City also completed improvements to Rivergate Parkway which included resurfacing the entire road and installing underpass lighting on the bridges. The City utilized a grant through TDOT to make improvements to the Long Hollow Pike signalization and to improve intersections on Caldwell Drive and Moss Wright Park and at Madison Creek and Long Hollow Pike. The City also upgraded its entire radio system this year.

CITY OF GOODLETTSVILLE, TENNESSEE
Management's Discussion and Analysis
June 30, 2014

Fund analysis

General Fund - The General Fund is the largest component of the governmental activities. The City relies heavily on local sales tax revenues. The local option sales tax represents approximately 1/3 of the total revenues in the General Fund. The City collected local option sales tax of \$3,956,919 for the fiscal year 2014, compared to \$3,919,097 collected the prior fiscal year, an increase of \$37,822.

The City ended the year with a fund balance in the General Fund of \$7,064,809; \$502,320 is assigned to OPEB (Other Post- Employment Benefits) which is medical insurance benefit for retirees, \$1,217,002, is committed to remaining public works projects funded by the 2013 bond issue; and \$4,525,133 remained Unassigned Fund Balance at June 30, 2014.

Drug Fund – The Drug Fund had revenues of \$28,482 in Fiscal Year 2014 and proceeds from the sale of fixed assets of \$9,756. Expenditures in the drug fund included \$4,193 of operating expenditures, mainly related to the Police K-9 officer, and debt service of \$10,269.

Solid Waste Fund – The City began outsourcing its sanitation services to a private contractor beginning in 2012. The City collected \$722,361 in sanitation fees in Fiscal Year 2014, and \$8,687 in miscellaneous revenues. The City spent \$709,649 for the contracted sanitation and recycling services for the City. In addition there were other operating expenditures of approximately \$175,500. There were no capital expenditures for this fund during the fiscal year. Therefore, the fund balance in the Solid Waste Fund decreased \$154,104 to an ending balance of \$40,729 on June 30, 2014.

Tourism Fund - The tourism fund collected \$457,156 in hotel/motel tax revenue during Fiscal Year 2014, which was an increase of 3% over the prior year. The tourism fund also recorded admission fees and gift shop sales of \$24,592. Other miscellaneous revenues of \$1,963 were recorded as well. Expenditures in the Tourism fund were \$654,136 in Fiscal Year 2014, which included \$188,010 capital expenditures.

Capital Projects Fund-The Capital Projects Fund was established to record construction in progress. Once the capital project is complete, it is then transferred to fixed assets. During FY 2014, \$427,755 was spent related to the Congestion Mitigation Air Quality Program administered through TDOT. This project was 100% funded through the Federal Highway Administration. This grant requires the recipient to expend the funds and then request reimbursement through TDOT. The City continues to move forward on the Greenway project, and incurred \$44,600 in expenditures related to that project. This project is an 80/20 grant. There was \$10,700 of miscellaneous expenditures related to the final property purchased by the City under the FEMA Home Buyout Program, which was a result of the Flood of 2010. Grant Revenue recorded during the year totaled \$119,174 as a result of reimbursements that were received. As of June 30, 2014 there were outstanding requests for reimbursements from TDOT.

Fleet Management Fund-The Fleet Management Fund was established in fiscal year 2013 to record the accumulation of funds transferred from the general fund for the purpose of acquiring vehicles in the future. The City has dedicated all proceeds from sales of fixed assets in the general fund to the fleet management fund. It is the goal of the City with this fund fully established in three to four years, that funds will be readily available to purchase replacement passenger vehicles without outside financing. The current fund balance June 30, 2014 is \$639,178. This fund is reported as part of the general fund.

Sewer Fund - Operating revenues in the Sewer Fund increased during fiscal year 2014, as did operating expenditures. Operating revenues increased \$163,499 from \$4,959,999 in Fiscal Year 2013 to \$5,123,448 for Fiscal Year 2014. Operating expenses increased 5.5% or \$211,000 from the prior fiscal year of \$3,825,569 to \$4,036,749 in the current fiscal year. This increase was partially due to an increase in costs to treat wastewater due to the high volume of rain recorded this year. The net position in the Sewer Fund was increased \$734,243 during fiscal year 2014 to \$30,731,992.

Budget variances in the General Fund

The General Fund revenues exceeded budgeted revenues by over 5% (\$706,795). Most all of the City's revenue sources exceeded the budgeted revenue due to another year of an improved economy compared to a cautiously conservative budget. Total General Fund expenditures were 11% under budget (\$1,763,319) with all departments in the General Fund Operating Budget for Fiscal Year 2014 being under budget. Most of the variance was due to several capital projects being delayed. However, operating expenditures were under budget by 1% or \$126,944.

CITY OF GOODLETTSVILLE, TENNESSEE
Management's Discussion and Analysis
June 30, 2014

Capital asset and long-term debt activity

The City issued twenty year general obligation public improvement bonds in the amount of \$2,970,000 in 2013 to fund costs associated with the street and roadway enhancements in the City. Some of those projects continued into Fiscal Year 2014, such as improvements to Rivergate Parkway. Planning for the Greenway construction continued this year as the City incurred costs associated with the City's portion of an 80/20 grant through TDOT. Capital asset activity included the replacement of six vehicles in the Police department, as well as two pickup trucks in the Parks and Tourism department, and a truck in the Sewer department. In the Public Works Department, the City replaced a pavement roller and a utility truck. A wood chip grinder was purchased which greatly improves the efficiency of the City's chipping services. The City expended \$424,000 in Fiscal Year 2014 on the annual street paving program, and \$132,000 on improving sidewalks and stormwater drainage. Several projects were completed or continued in the City as a part of the Capital Projects Fund noted in the Fund Analysis section of this report.

Schedule of Changes in Capital Assets

	Balance June 30, 2013	Additions	Disposals	Balance June 30, 2014
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 4,136,838	\$ -	\$ -	\$ 4,136,838
Construction in Progress	279,893	44,597	123,691	200,799
Total Capital Assets not being Depreciated	\$ 4,416,730	\$ 44,597	\$ 123,690.85	\$ 4,337,637
Capital Assets being Depreciated				
Buildings	\$ 7,761,630	\$ -	\$ -	\$ 7,761,630
Improvements	5,392,213	1,873,534	-	7,265,747
Machinery & Equipment	7,872,611	1,450,845	539,473	8,783,983
Infrastructure	6,739,692	498,063	-	7,237,756
Total Capital Assets being Depreciated	\$ 27,766,147	\$ 3,822,442	\$ 539,473	\$ 31,049,116
Business-type Activities				
Capital Assets not being Depreciated				
Land	\$ 2,139,071	\$ -	\$ -	\$ 2,139,071
Construction in Progress	26,900	1,251	-	28,151
Total Capital Assets not being Depreciated	\$ 2,165,971	\$ 1,251	\$ -	\$ 2,167,221
Capital Assets being Depreciated				
Buildings	\$ 4,332,627	\$ -	\$ -	\$ 4,332,627
Improvements	5,200,913	12,395	-	5,213,308
Machinery & Equipment	1,883,841	26,762	36,124	1,874,479
Infrastructure	30,365,964	-	-	30,365,964
Total Capital Assets being Depreciated	\$ 41,783,343	\$ 39,157	\$ 36,124	\$ 41,786,377
Governmental Activities				
Accumulated Depreciation				
Buildings	\$ 3,754,568	\$ 182,978	\$ -	\$ 3,937,546
Improvements	2,368,952	236,557	-	2,605,510
Machinery & Equipment	6,981,146	454,239	539,473	6,895,912
Infrastructure	3,160,971	236,488	-	3,397,459
Total Accumulated Depreciation	\$ 16,265,638	\$ 1,110,262	\$ 539,473	\$ 16,836,427

CITY OF GOODLETTSVILLE, TENNESSEE
Management's Discussion and Analysis
June 30, 2014

Schedule of Changes in Capital Assets – Continued

Business-type Activities

Accumulated Depreciation				
Buildings	\$ 1,573,737	\$ 108,339	\$ -	\$ 1,682,076
Improvements	98,165	105,097	-	203,262
Machinery & Equipment	1,124,766	137,287	36,124	1,225,929
Infrastructure	8,694,340	673,019	-	9,367,359
Total Accumulated Depreciation	\$ 11,491,008	\$ 1,023,743	\$ 36,124	\$ 12,478,627
Total Governmental Activities, Net	\$ 15,917,239	\$ 2,756,778	\$ 123,691	\$ 18,550,326
Total Business-type Activities, Net	\$ 32,458,306	\$ (983,335)	\$ -	\$ 31,474,971

Schedule of Changes to Long-Term Liabilities – Governmental Activities

	Balance			Balance	Due within
	July 1, 2013	Additions	Reductions	June 30, 2014	1 Year
Compensated Absences	\$ 566,824	\$ 423,828	\$ 325,667	\$ 664,985	\$ -
Net OPEB Obligation	2,024,442	570,040	246,954	2,347,528	-
Capital Leases	1,396,026	453,113	474,985	1,374,154	377,306
Notes Payable	3,078,803	-	127,993	2,950,810	138,628
Debt Refunding Premium	4,990	-	1,015	3,975	-
Totals	\$ 7,071,084	\$ 1,446,981	\$ 1,176,614	\$ 7,341,451	\$ 515,934

Schedule of Changes to Long-Term Debt – Business-type Activities

	Balance			Balance	Due Within
	7/1/2013	Additions	Reductions	6/30/2014	1 Year
Compensated Absences	\$ 29,866	\$ 24,036	\$ 33,535	\$ 20,367	\$ -
Net OPEB Obligation	117,912	34,060	11,346	140,626	-
Revenue Bonds	9,774,590	-	717,243	9,057,347	716,638
Notes Payable	235,014	-	46,733	188,281	47,672
Debt Refunding Premium	146,060	-	1,803	144,257	-
Totals	\$ 10,303,442	\$ 58,096	\$ 810,660	\$ 9,550,878	\$ 764,310

Other Matters

Fiscal Year 2014 was a year of continued progress toward improving not only the financial position of the City, but also the quality of life for its citizens.

During FY14 the city purchased several new equipment items through a tax exempt lease purchase at an interest rate of 2.39%. The purpose of purchasing this new equipment was to replace several pieces of old, outdated and costly to operate items.

The city and Metro Nashville Water Services completed a sewer rate study as required by contract. As a result of that study a new contract was approved for waste water treatment that will be in effect through 2019.

The city completed the purchase and installation of a new P25 compliant 800 mghz. radio system for city operations.

The city recently completed its third year as a participant in the University of Tennessee Municipal Technical Advisory Services benchmarking program. The benchmarking program allows participating cities to compare themselves with other cities in the state in all operational areas. This allows for the city to determine cost saving measures that other cities may be utilizing.

During FY14, the City Manager consolidated the position of City Recorder and Public Information Officer.

CITY OF GOODLETTSVILLE, TENNESSEE
Management's Discussion and Analysis
June 30, 2014

The city began receiving certain franchise fees as a result of a Memorandum of Understanding with Metropolitan Nashville in regards to various public services, but one in particular was their willingness to share certain percentages of franchise fees..

The city completed its study of the stormwater utility fund fees and as a result adopted new fees that went into effect April 1, 2014.

The city continued funding it's start-up of the fleet management program by allocated \$400,000.00 to the fund during Fiscal Year 2014. This fund will eventually allow for the procurement of motor vehicles without the need of debt service.

The city continues to utilize lean government principles to identify the most efficient and effective methods in delivering services.

During FY14 the city still struggled with adequately funding the sanitation fund.

The economic outlook in the city continues to improve. However, tax collections during fiscal year 2014 did not realize any real growth. RiverGate Mall appears to be very aggressive in their desire to proactively market and recruit new long term tenants. The general interest of new retail and industry throughout the city seems to be increasing. Tyson Foods announced a \$50,000,000.00 expansion, Loden Vision announced construction of their new corporate headquarters and surgical center and the Metro Nashville Schools announced plans for the construction of a new middle school.

The city continues to strive to create positive regional partnerships with such organizations as the Metropolitan Planning Organization, Regional Transportation Authority, Sumner County Joint Economic Development Board, Sumner County Council of Governments, Forward Sumner, Metro Nashville Satellite Cities Group and Metropolitan Nashville Government.

CITY OF GOODLETTSVILLE, TENNESSEE
Statement of Net Position
June 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,268,220	\$ 8,620,802	\$ 15,889,022
Receivables, Net	6,087,845	563,736	6,651,581
Internal Balances, Net	-	-	-
Prepaid Expenses	181,176	-	181,176
Deposits	-	100	100
Subtotal Assets	<u>13,537,241</u>	<u>9,184,639</u>	<u>22,721,879</u>
Capital Assets:			
Land, Land Improvements & Construction in Progress	4,337,637	2,167,221	6,504,858
Other Capital Assets, Net of Depreciation	14,212,689	29,307,750	43,520,439
Total Capital Assets	<u>18,550,326</u>	<u>31,474,971</u>	<u>50,025,297</u>
 Total Assets	 <u>32,087,567</u>	 <u>40,659,609</u>	 <u>72,747,176</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	\$ 1,135,065	\$ 376,740	\$ 1,511,804
Deferred Revenue	4,287,537	-	4,287,537
Grant Advance	185,409	-	185,409
Long-term Liabilities:			
Compensated Absences	664,985	20,367	685,352
Net OPEB Obligation	2,347,528	140,626	2,488,154
Current Portion	515,935	764,310	1,280,245
Long-term Portion	3,809,029	8,481,318	12,290,347
Debt Refunding Premiums	3,975	144,257	148,232
Total Liabilities	<u>12,949,463</u>	<u>9,927,617</u>	<u>22,877,080</u>
NET POSITION			
Net Investment in Capital Assets	14,221,387	22,085,086	36,306,473
Restricted for:			
Drug	29,371	-	29,371
Tourism	323,333	-	323,333
Stormwater Utility	146,913	-	146,913
Solid Waste	40,729	-	40,729
Unrestricted	4,376,371	8,646,906	13,023,277
Total Net Position	<u>\$ 19,138,104</u>	<u>\$ 30,731,992</u>	<u>\$ 49,870,097</u>

See notes to the financial statements.

CITY OF GOODLETTSVILLE, TENNESSEE
Statement of Activities
For the Year Ended June 30, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	<u>Expenses</u>	<u>Charges for Services</u>		<u>Operating</u>	<u>Capital</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
		<u>Grants and Contributions</u>	<u>Grants and Contributions</u>	<u>Grants and Contributions</u>				
Functions/Programs:								
Primary government:								
Governmental activities:								
General government	\$ 2,614,421	\$ 135,681	\$ 248,648	\$ 474,009	\$ -	\$ -	\$ -	\$ (1,756,082)
Public safety	6,497,320	457,760	-	5,136	-	-	-	(6,034,424)
Public works	1,527,196	2,100	446,060	-	-	-	-	(1,079,036)
Sanitation	894,450	730,821	-	-	-	-	-	(163,630)
Parks and recreation	1,553,219	326,325	-	-	-	-	-	(1,226,894)
Tourism	501,046	24,592	541	-	-	-	-	(475,914)
Stormwater Utility	150,981	199,206	-	-	-	-	-	48,225
Interest on long-term debt	112,537	-	-	-	-	-	-	(112,537)
Total Governmental Activities	13,851,171	1,876,485	695,249	479,145	-	-	-	(10,800,292)
Business-type Activities:								
Sewer	4,340,130	5,170,098	-	-	829,968	-	829,968	829,968
Total Business-type Activities	4,340,130	5,170,098	-	-	829,968	-	829,968	829,968
Total Primary Government	\$ 18,191,302	\$ 7,046,582	\$ 695,249	\$ 479,145	\$ (10,800,292)	\$ 829,968	\$ (9,970,324)	\$ (9,970,324)
General Revenues:								
Property and Personalty Taxes	\$ 4,346,568				\$ -	\$ -	\$ -	\$ 4,346,568
TVA and Other PILOT Taxes	223,155				-	-	-	223,155
Income Taxes	178,717				-	-	-	178,717
Sales Taxes	5,091,466				-	-	-	5,091,466
Alcoholic Beverage Taxes	687,448				-	-	-	687,448
Business Taxes	410,971				-	-	-	410,971
Hospitality Taxes	568,057				-	-	-	568,057
Franchise Taxes	252,384				-	-	-	252,384
Miscellaneous State Taxes	-				-	-	-	-
Unrestricted Investment Earnings	17,398				28,491	-	28,491	45,889
Insurance Proceeds	13,901				-	-	-	13,901
Miscellaneous	29,075				28,000	-	28,000	57,075
Transfers, Net	152,216				(152,216)	-	(152,216)	-
Total General Revenues, Extraordinary Item and Transfers	11,971,356				(95,725)	11,875,631	-	11,875,631
Change in Net Position								
	1,171,064				734,243	1,905,307	-	1,905,307
Net Position - July 1, 2013	17,967,040				29,997,749	47,964,790	-	47,964,790
Net Position - June 30, 2014	\$ 19,138,104				\$ 30,731,992	\$ 49,870,097	-	\$ 49,870,097

See notes to the financial statements.

CITY OF GOODLETTSVILLE, TENNESSEE
Balance Sheet
Governmental Funds
June 30, 2014

	<u>General Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash on Hand	\$ 117,713	\$ -	\$ 117,713
Cash in Bank	6,390,442	760,066	7,150,508
Receivables, Net	4,588,367	169,717	4,758,084
Intergovernmental Receivables	737,767	27,257	765,024
Prepaid Expenses	181,176	-	181,176
Total Assets	<u>\$ 12,015,465</u>	<u>\$ 957,040</u>	<u>\$ 12,972,504</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 458,830	\$ 449,111	\$ 907,941
Other Current Liabilities	88,125	751	88,876
Grant Advance	-	185,409	185,409
Accrued Wages	116,163	2,693	118,856
Deferred Revenue	4,287,537	-	4,287,537
Total Liabilities	<u>4,950,656</u>	<u>637,964</u>	<u>5,588,620</u>
Fund Balances			
Nonspendable:			
Prepaid Expense	181,176	-	181,176
Restricted For:			
Street Aid	-	-	-
Drug	-	29,371	29,371
Tourism	-	323,333	323,333
Stormwater Utility	-	146,913	146,913
Solid Waste Fund	-	40,729	40,729
Committed To:			
Fleet Maintenance	639,178	-	639,178
Assigned To:			
OPEB	502,320	-	502,320
Tourism	-	114,300	114,300
2013 Bond Issue	1,217,002	-	1,217,002
Unassigned	4,525,133	(335,571)	4,189,562
Total Fund Balances	<u>7,064,809</u>	<u>319,076</u>	<u>7,383,885</u>
Total Liabilities and Fund Balances	<u>\$ 12,015,465</u>	<u>\$ 957,040</u>	<u>\$ 12,972,505</u>

Reconciliation of Balance Sheet- Governmental Funds to Statement of Net Assets are different because:

Total Governmental Fund Balances	\$ 7,383,885
Assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	564,735
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	18,550,326
Some liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	(7,360,842)
Net Position of the Governmental Activities	<u>\$ 19,138,104</u>

See notes to the financial statements.

CITY OF GOODLETTSVILLE, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	<u>General Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Local Taxes	\$ 9,686,052	\$ -	\$ 9,686,052
Licenses and Permits	124,170	-	124,170
Fines	398,256	-	398,256
Drug and Gambling Revenue	-	28,482	28,482
Intergovernmental Revenues	2,296,400	-	2,296,400
Charges for Services	357,347	946,159	1,303,506
Hotel/ Motel Taxes	-	457,156	457,156
Interest	-	2,647	2,647
Miscellaneous Revenues	46,098	8,459	54,557
Total Revenues	<u>12,908,323</u>	<u>1,442,903</u>	<u>14,351,226</u>
Expenditures			
Current:			
General Government	2,245,637	-	2,245,637
Public Safety	5,944,757	-	5,944,757
Public Works (also see below)	939,453	-	939,453
Street Lights	118,168	-	118,168
Street Maintenance	24,297	-	24,297
Solid Waste	-	885,152	885,152
Drug Fund	-	4,193	4,193
Parks and Recreation	1,426,434	-	1,426,434
Tourism	-	466,126	466,126
Stormwater Utility	-	150,981	150,981
Debt Service:			
Principal	595,030	9,642	604,672
Interest	120,104	627	120,731
Capital Outlay	2,682,302	671,382	3,353,684
Street Paving	424,573	-	424,573
Total Expenditures	<u>14,520,755</u>	<u>2,188,103</u>	<u>16,708,857</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,612,432)</u>	<u>(745,200)</u>	<u>(2,357,632)</u>
Other Financing Sources (Uses)			
Contributions and Grants	465	119,713	120,178
Operating Transfers In	152,216	-	152,216
Sales of Capital Assets	33,269	9,756	43,025
Capital Leases	454,688	-	454,688
Insurance Recoveries	13,901	-	13,901
Total Other Financing Sources (Uses)	<u>654,539</u>	<u>129,469</u>	<u>784,008</u>
Net Change in Fund Balances	(957,893)	(615,731)	(1,573,624)
Fund Balance - July 1, 2013	<u>8,022,702</u>	<u>934,806</u>	<u>8,957,508</u>
Fund Balances - June 30, 2014	<u>\$ 7,064,809</u>	<u>\$ 319,075</u>	<u>\$ 7,383,885</u>

See notes to the financial statements.

CITY OF GOODLETTSVILLE, TENNESSEE
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2014

Amounts reported for governmental activities in the statement of activities are different from the amounts reported for governmental funds in the statement of revenues, expenditures and changes in fund balances because:

Net change in fund balances - total governmental funds	\$ (1,573,624)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
	2,633,087
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
	374,957
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
	157,890
Some expense 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.	
	(421,246)
Change in net position of governmental activities	\$ 1,171,064

See notes to the financial statements.

CITY OF GOODLETTSVILLE, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Major Governmental Funds
For the Year Ended June 30, 2014

	General Fund			
	Budgeted Amounts			Positive (Negative) Variance with Final
	Original	Final	Actual	Final
Revenues				
Local Taxes:				
Property and Personalty Taxes	4,259,428	4,259,428	4,348,152	\$ 88,724
Sales Taxes	3,935,000	3,935,000	3,956,919	21,919
Alcoholic Beverage Taxes	560,000	560,000	606,726	46,726
Business Taxes	300,000	300,000	410,971	110,971
Hospitality Taxes	65,000	65,000	110,900	45,900
Franchise Taxes	-	200,000	252,384	52,384
Licenses and Permits	158,000	158,000	124,170	(33,830)
Fines	350,000	350,000	398,256	48,256
Intergovernmental Revenues:				
Sales Taxes	1,075,000	1,075,000	1,134,547	59,547
Gasoline and Motor Fuel Taxes	415,000	415,000	283,416	(131,584)
Gas 1989 Taxes	-	-	45,537	45,537
Gas 3 Cent Taxes	-	-	84,517	84,517
Petroleum Special Taxes	30,000	30,000	32,590	2,590
Income Taxes	96,000	96,000	178,717	82,717
Alcoholic Beverage Taxes	69,000	69,000	66,156	(2,844)
TVA - In Lieu of Tax	125,000	125,000	223,155	98,155
Grants	289,600	289,600	247,765	(41,835)
Charges for Services	264,500	264,500	357,347	92,847
Miscellaneous Revenues	10,000	10,000	46,098	36,098
Total Revenues	<u>12,001,528</u>	<u>12,201,528</u>	<u>12,908,323</u>	<u>706,795</u>
Expenditures				
Current:				
General Government:				
Salaries and Benefits	1,341,173	1,371,173	1,387,232	(16,059)
Repairs and Maintenance	75,050	45,050	31,627	13,423
Supplies	59,500	59,500	75,993	(16,493)
Retirees Benefits	185,000	260,000	246,954	13,046
Other Operating Expenses	546,439	546,439	503,831	42,608
Public Safety - Police:				
Salaries and Benefits	3,711,456	3,731,456	3,779,139	(47,683)
Repairs and Maintenance	109,000	109,000	75,807	33,193
Supplies	95,000	95,000	89,822	5,178
Other Operating Expenses	369,016	369,016	390,227	(21,211)
Public Safety - Fire:				
Salaries and Benefits	1,318,611	1,353,611	1,327,677	25,934
Repairs and Maintenance	89,892	89,892	92,024	(2,132)
Supplies	40,000	40,000	36,034	3,966
Other Operating Expenses	152,404	152,404	154,029	(1,625)
Public Works:				
Salaries and Benefits	642,688	642,688	596,664	46,024
Repairs and Maintenance	180,000	180,000	142,403	37,597
Supplies	47,500	47,500	68,292	(20,792)
Street Lighting	115,000	115,000	118,168	(3,168)
Other Operating Expenses	167,201	167,201	156,390	10,811
Parks and Recreation:				
Salaries and Benefits	842,895	860,895	853,845	7,050
Repairs and Maintenance	211,000	211,000	216,206	(5,206)
Supplies	30,000	30,000	30,240	(240)
Other Operating Expenses	322,652	322,652	326,142	(3,490)
Debt Service:				
Principal	598,162	598,162	595,030	3,132
Interest	143,185	143,185	120,104	23,081
Capital Outlay	4,546,250	4,743,250	3,106,875	1,636,375
Total Expenditures	<u>15,939,074</u>	<u>16,284,074</u>	<u>14,520,755</u>	<u>1,763,319</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,937,546)</u>	<u>(4,082,546)</u>	<u>(1,612,432)</u>	<u>2,470,114</u>
Other Financing Sources (Uses)				
Contributions	-	-	465	465
Operating Transfers In	415,000	415,000	152,216	(262,784)
Operating Transfers Out	(368,760)	(368,760)	-	368,760
Sales of Capital Assets	18,295	18,295	33,269	14,974
Capital Leases	516,000	736,000	454,688	(281,312)
Insurance Recoveries	-	-	13,901	13,901
Total Other Financing Sources (Uses)	<u>580,535</u>	<u>800,535</u>	<u>654,539</u>	<u>(145,996)</u>
Net Change in Fund Balances	<u>(3,357,011)</u>	<u>(3,282,011)</u>	<u>(957,893)</u>	<u>2,324,118</u>
Fund Balance - July 1, 2013	<u>8,022,702</u>	<u>8,022,702</u>	<u>8,022,702</u>	<u>-</u>
Fund Balances - June 30, 2014	<u>\$ 4,665,691</u>	<u>\$ 4,740,691</u>	<u>\$ 7,064,809</u>	<u>\$ 2,324,118</u>

See notes to the financial statements.

CITY OF GOODLETTSVILLE, TENNESSEE
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-Type Activities Sewer Fund
Assets	
Current Assets	
Cash	\$ 8,620,802
Accounts Receivable, Less Allowance of \$4,235	563,736
Total Current Assets	9,184,539
Capital Assets	
Capital Assets	43,953,598
Accumulated Depreciation	(12,478,627)
Total Capital Assets	31,474,971
Utility Deposit	
Total Assets	100 40,659,609
Liabilities	
Current Liabilities	
Accounts Payable	\$ 325,604
Accrued Interest Payable	16,328
Accrued Wages, Payroll Taxes and Deductions Payable	6,119
Deposits Payable	28,689
Current Portion of Long-Term Liabilities	764,310
Total Current Liabilities	1,141,050
Long-Term Liabilities	
Compensated Absences Payable	20,367
Net OPEB Obligation	140,626
Notes Payable	6,848,499
Revenue Bonds Payable	1,632,819
Debt Refunding Premium	144,257
Total Long-Term Liabilities	8,786,567
Total Liabilities	9,927,617
Net Position	
Net Investment in Capital Assets	22,085,086
Unrestricted	8,646,906
Total Net Position	\$ 30,731,992

See notes to the financial statements.

CITY OF GOODLETTSVILLE, TENNESSEE
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities - Sewer Fund
Operating Revenues	
Charges for Services:	
Sewer Fees - Davidson County	\$ 4,121,138
Sewer Fees - Sumner County	944,018
Sewer Flow Charges	36,492
Permits/Connection Fees	21,800
Total Operating Revenues	5,123,448
Operating Expenses	
Cost of Services	2,091,867
Administration	907,373
Depreciation and Amortization	1,021,940
Insurance	15,493
Repairs and Maintenance	76
Total Operating Expenses	4,036,749
Operating Income	1,086,699
Non-Operating Revenues (Expenses)	
Interest Revenue	28,491
Interest Expense	(303,381)
Rental Income	28,000
Total Non-Operating Revenues (Expenses)	(246,890)
Income before Contributions and Transfers	839,809
Tap Fees	46,650
Transfers	(152,216)
Increase in Net Position	734,243
Net Position - July 1, 2013	29,997,749
Net Position - June 30, 2014	\$ 30,731,992

See notes to the financial statements.

CITY OF GOODLETTSVILLE, TENNESSEE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	<u>Business-type Activities - Sewer Fund</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 5,123,448
Cash Payments to Suppliers for Goods and Services	(2,307,849)
Cash Payments to Employees for Services	(540,716)
Net Cash Provided by Operating Activities	<u>2,274,883</u>
Cash Flows from Capital and Related Financing Activities:	
Principal Paid on Bonds/Notes	(763,977)
Interest Paid on Long-Term Debt	(307,596)
Cash Received from Tap Fees	46,650
Acquisition and Construction of Capital Assets	(40,407)
Net Cash Used by Capital and Related Financing Activities	<u>(1,065,330)</u>
Cash Flows from Noncapital Financing Activities:	
Increase in Transfer to Other Funds	(152,216)
Net Cash Used by Noncapital Financing Activities	<u>(152,216)</u>
Cash Flows from Investing Activities:	
Cash Received from Billboard Rentals	28,000
Interest Received	28,491
Net Cash Provided by Investing Activities	<u>56,491</u>
Net Increase in Cash	1,113,827
Cash at Beginning of Year	<u>7,506,975</u>
Cash at End of Year	<u><u>\$ 8,620,802</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 1,086,699
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	1,021,940
(Increase) Decrease in:	
Accounts Receivable	677,348
Prepaid Expenses	4,425
Increase (Decrease) in:	
Accounts Payable	(236,697)
Payroll Liabilities	(15,115)
Net OPEB Obligation	22,714
Due from/to Other Funds, Net	(286,431)
Net Cash Provided by Operating Activities	<u><u>\$ 2,274,883</u></u>

See notes to the financial statements.

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to Financial Statements
June 30, 2014

Note 1. Significant Accounting Policies

The City of Goodlettsville's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Reporting Entity

The City of Goodlettsville is a municipality governed by an elected five-member commission. These financial statements present the financial position and activities of the City government only. The City has no component units, thus no blended or discretely presented component units are included in these financial statements.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Fund Financial Statements

The government uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The City has its funds classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of general fixed assets (capital projects funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

The following is a list of the City's funds:

I. Governmental Fund Types

General Fund - primary operating fund of the City. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income.

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to Financial Statements – Continued
June 30, 2014

Note 1. Significant Accounting Policies – Continued

B. Government-wide and Fund Financial Statements - Continued

Special Revenue Funds - accounts for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities. The Special Revenue Funds are the Solid Waste Fund, Tourism Fund, Drug Fund and Stormwater Utility Fund. The Solid Waste, Tourism, Drug and Stormwater Utility Funds are not considered major funds for reporting purposes.

Capital Projects – accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays of governmental fund types including the acquisition and construction of capital facilities and other capital assets.

II. Proprietary Fund Types

Enterprise Fund - The Sewer Fund is used to account for the revenues generated from the charges for sanitary sewer services provided to the residential and commercial users of the City.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues to be available in the period for which levied if they are collected within 60 days of the end of the current fiscal period. Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Fines, permits and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to Financial Statements – Continued
June 30, 2014

Note 1. Significant Accounting Policies – Continued

D. Budgets and Budgetary Accounting

The City uses a modified accrual basis for budgeting in governmental funds and full accrual basis for budgeting in proprietary funds and has established the following procedures with regard to the budgetary data reflected in the financial statements:

1. Prior to May 15 the proposed operating budgets are presented to the City Commission for review and approval.
2. The budget is legally enacted through the passage of an ordinance which also sets the tax rate.
3. Revisions to the budget during the fiscal year require the City Commission's approval.
4. Budgets for the various funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

E. Cash and Cash Equivalents

The City defines its cash and cash equivalents to include only cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition, including restricted cash. State statutes authorize the City to invest in obligations of the U.S. Treasury, certificates of deposit, certain federal nonconvertible debt securities, repurchase agreements and the State Treasurer's Investment Pool. Cash equivalents are stated at cost.

F. Capital Assets

Capital assets, which includes property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses.

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and over three years of useful life. Infrastructure assets capitalized have an original cost of \$100,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are expensed. Estimated useful lives are as follows:

	Estimated Useful Life (Years)
Buildings	40
Improvements	7 - 40
Machinery & Equipment	5 - 10
Infrastructure	15 - 20

G. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. An employee's total accumulated vacation time may not exceed the following amounts: 120 hours after five years of employment; 160 hours after ten years of employment; and 400 hours after twenty years of employment. Employees may accumulate unused sick time up to 960 hours, of which 50% is paid upon retirement.

H. Property Tax

Taxes are levied on October 1 and are due and payable on or before February 28 of the following year. Uncollected property taxes attach as an enforceable lien on property as of March 1. Property tax revenues are recognized when levied. An allowance is established for delinquent taxes to the extent that their collectability is doubtful.

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to Financial Statements – Continued
June 30, 2014

Note 1. Significant Accounting Policies – Continued

H. Property Tax – Continued

Under GASB *Codification of Governmental Accounting and Financial Reporting Standards, Section N50, Non-Exchange Transactions*, property taxes are imposed nonexchange revenue. Assets (accounts receivable) from imposed nonexchange transactions are recorded when the City has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. The assessment date has been designated in the enabling legislation as of January 1. Therefore, the City has recorded the succeeding year's receivable and deferred revenue for taxes assessed as of year-end that will not be received until after year-end.

I. Interfund Receivables and Payables

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

J. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Residual amounts due at year-end on quasi-external transactions are show as due to/from other funds.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. All other interfund transfers are reported as operating transfers.

K. Long-Term Liabilities

Long-term liabilities consist of bonds, notes, and other indebtedness including liabilities associated with compensated absences and post-employment benefits. 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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

L. Fund Balance

The City classifies fund balances in accordance with GASB *Codification of Governmental Accounting and Financial Reporting Standards, Section 1800.142, Fund Balance Reporting*. This statement classifies fund balances into clearly defined categories making the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints as defined in the City's fund balance policy:

Nonspendable Fund Balance – Funds that cannot be spent due to their form (e.g. inventories, prepaid items, and long term receivables) or funds that legally or contractually must be maintained intact (e.g. endowments).

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to Financial Statements – Continued
June 30, 2014

Note 1. Significant Accounting Policies – Continued

L. Fund Balance - Continued

Restricted Fund Balance – Funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation (e.g. state or federal requirements restricting use of certain funds, creditor loan covenants, and private donations).

Committed Fund Balance – Funds that are set aside for a specific purpose by the City's highest level of decision-making authority (i.e. Board of Commission) and the highest form of authority (ordinance). This commitment of funds is authorized by ordinance and is binding unless removed by ordinance. Formal action must be taken prior to the end of the fiscal year; however, the actual amount can be determined after the close of the year.

Assigned Fund Balance – Funds that are set aside with the intent to be used for a specific purpose by the City's highest level of decision making authority (i.e. Board of Commission) or a body or official that has been given the authority to assign funds.

Assignment of fund balance is less formal than the commitment of fund balance. It does not require formal action. The City Commission has given no other body or official authority to assign funds.

Unassigned Fund Balance – Excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. This category is also referred to as "surplus".

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) amounts are available, it shall be the policy of the City to use the restricted amounts first as permitted under the law. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the City to use the committed amounts first, followed by the assigned amounts and then unassigned amounts determined by management.

M. Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Government-wide and proprietary fund net position are divided into three components:

Net investment in capital assets - consists of the historical cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net position – consist of assets that have limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted – all other net position is reported in this category.

The government-wide financial statements split the City programs between governmental and business-type activities. The beginning net position amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net position amount for governmental activities reflects fund balance for governmental funds adjusted for the conversion to the accrual basis of accounting from last year.

N. Deferred Outflows/Inflows of Resources

The City reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary or governmental funds financial statements. No deferred outflows of resources affected the government-wide and proprietary or governmental funds financial statements for the current year.

The City reports increases in net assets that relate to future periods as deferred inflows of resources in a separate section of its government-wide and proprietary or governmental funds financial statements. No deferred inflows of resources affected the government-wide and proprietary or governmental funds financial statements for the current year.

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to Financial Statements – Continued
June 30, 2014

Note 1. Significant Accounting Policies – Continued

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sewer services. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund.

P. Contributions of Capital

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. Contributions of capital assets are recorded as revenue in the Statement of Revenue, Expenses and Changes in Net Position.

Q. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2. Cash and Investments

The City has no formal deposit and investment policies other than those prescribed by State of Tennessee statute and explained below.

Deposits in financial institutions are required by State statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of the deposits placed in the institutions, less the amount protected by Federal Deposit Insurance Corporation insurance (FDIC). Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool.

As of June 30, 2014, all of the City's deposits and investments were held by financial institutions which participate in the bank collateral pool administered by the Treasurer of the State of Tennessee or in the State of Tennessee Local Government Investment Pool ("LGIP"). Participating banks in the bank collateral pool determine the aggregate balance of their public fund accounts. The amount of collateral required to secure these public deposits must be at least 105% of the average daily balance of public deposits held. Collected securities required to be pledged by the participant 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 individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under the additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of custodial credit risk disclosure.

Note 3. Pension Plan

A. Plan Description

Employees of the City of Goodlettsville are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in performance of duty. Members joining the system on or after July 1, 1979 become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the Tennessee

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to Financial Statements – Continued
June 30, 2014

Note 3. Pension Plan – Continued

A. Plan Description – Continued

Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the City of Goodlettsville participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to Tennessee Treasury Department, Consolidated Retirement System, 15th Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

B. Funding Policy

The City of Goodlettsville had previously adopted a noncontributory retirement plan for its employees by assuming employee contributions up to 5.0 percent of annual covered payroll. As of January 1, 2013, the City of Goodlettsville has elected to discontinue the non-contributory provision for all future hires. This will require all new hires to contribute 5.0 percent of earnable compensation. Employees who are employed prior to January 1, 2013 will continue to be eligible for the noncontributory provision.

The City of Goodlettsville is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2014 was 14.55% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the City of Goodlettsville is established and may be amended by the TCRS Board of Trustees.

C. Annual Pension Cost

For the year ending June 30, 2014, the City of Goodlettsville's annual pension cost of \$795,723 to TCRS was equal to the City of Goodlettsville's required and actual contributions. The required contribution was determined as part of the July 1, 2011 actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected 3.0 percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The City of Goodlettsville's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011 was 3 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2014	\$ 795,723	100.00%	\$ -
June 30, 2013	\$ 821,234	100.00%	\$ -
June 30, 2012	\$ 920,050	100.00%	\$ -

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to Financial Statements – Continued
June 30, 2014

Note 3. Pension Plan – Continued

D. Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 92.18 percent funded. The actuarial accrued liability for benefits was \$22.48 million, and the actuarial value of assets was \$20.72 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.76 million. The covered payroll (annual payroll of active employees covered by the plan) was \$5.03 million, and the ratio of the UAAL to the covered payroll was 34.97 percent.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

(Dollar Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/(c)
July 1, 2013	\$ 20,723	\$ 22,481	\$ 1,758	92.18%	\$ 5,027	34.97%
July 1, 2011	\$ 18,415	\$ 19,650	\$ 1,235	93.72%	\$ 5,627	21.95%
July 1, 2009	\$ 14,455	\$ 15,090	\$ 635	95.79%	\$ 5,455	11.63%

Note 4. Deferred Compensation Plan

The City has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by ING Life Insurance and Annuity Company. The plan is available to full time employees after they have been with the City for six months. Employees may defer up to 25% of their gross pay to a maximum amount allowable under current IRS regulations per year. Deferred compensation is not available to employees until termination, retirement, death or financial hardship. The City made matching contributions totaling \$0 to the plan for the year ended June 30, 2014.

Note 5. Post-retirement Health Care Benefits

A. Program Description

The City provides post-retirement health care benefits (medical and life insurance) through a single-employer defined benefit healthcare plan to all employees who retire from the City on or after attaining age 55 with at least 5 years of service, or at any age with at least 25 years of service. Eligibility for continued medical benefits under the City's plan requires the retired employee be eligible for benefits from the Tennessee Consolidated Retirement System (See Note 4). Benefits for retirees under age 65 are deemed to be similar to those benefits provided for actives. The healthcare plan is assumed to be the primary plan of benefits prior to age 65. It is assumed to pay benefits secondary to Medicare after attaining age 65. Participants do not receive prescription drug benefits from the City upon attaining Medicare eligibility except as may be provided under the employer group insurance plan.

B. Funding Policy

The City provides the benefits by paying a portion of the retirees' insurance premiums for medical and life insurance coverage under fully insured plans. Certain current retirees are grandfathered under the provision of a fixed, non-escalating contribution rate. Other retirees and spouses must pay a percentage of the total premium cost. The percentage of the premium paid by the retirees and spouses depends on the years of service at retirement. It is assumed that all escalating premium contributions will increase in the future with medical trend. The City contribution to the program consists of pay-as-you-go premiums in excess of the retiree contributions. Plan members contributed approximately \$32,144 for fiscal 2014, approximately 15% of total premiums. The City contributions to the program for the fiscal year 2014 were \$258,300.

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to Financial Statements – Continued
June 30, 2014

Note 5. Post-retirement Health Care Benefits – Continued

C. Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefit (OPEB) cost (expense) for the program is calculated based on the annual required contribution ("ARC") of the employer, an amount actuarially determined in accordance with the parameters of GASB *Codification of Governmental Accounting and Financial Reporting Standards, Section P50, Post-employment Benefits Other than Pension Benefits – Employer Reporting*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

	Governmental Activities	Business Activities	Total
Annual required contribution (ARC)	\$ 563,359	\$ 33,661	\$ 597,020
Interest on net OPEB obligation	90,971	5,435	96,406
Adjustments to annual required contributions	(84,290)	(5,036)	(89,326)
Annual OPEB cost (expense)	<u>570,040</u>	<u>34,060</u>	<u>604,100</u>
Contributions made	(246,954)	(11,346)	(258,300)
Increase in net OPEB obligation	323,086	22,714	345,800
Net OPEB obligation - beginning of the year	2,024,442	117,912	2,142,354
Net OPEB obligation - end of the year	<u>\$ 2,347,528</u>	<u>\$ 140,626</u>	<u>\$ 2,488,154</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 were as follows:

YEAR ENDED JUNE 30,	ANNUAL OPEB COST	ANNUAL EMPLOYER CONTRIBUTION	PERCENTAGE OF ANNUAL OPEB COST CONTRIBUTED	NET ENDING OPEB OBLIGATION/ (ASSET)
2014	\$ 604,100	\$ 258,300	43%	\$ 2,488,154
2013	\$ 614,595	\$ 187,999	31%	\$ 2,142,353
2012	\$ 608,657	\$ 151,532	21%	\$ 1,258,632

D. Funding Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$7,731,031, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$5,465,892, and the ratio of the unfunded actuarial liability to the covered payroll was 141.4%.

Actuarial values of the program involve estimates of the value of reported amounts and assumptions of the probability of occurrences of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The City has designated \$500,000 assigned general fund balance plus interest earnings for OPEB obligation. Since the city has not established an irrevocable trust, there are no separate plan assets reported under GASB *Codification Section P50*.

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to Financial Statements – Continued
June 30, 2014

Note 5. Post-retirement Health Care Benefits – Continued

E. Actuarial Methods and Assumptions – Continued

Projections of benefits for financial reporting purposes are based on the program (as understood by the employer and eligible participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participants at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation performed as of July 1, 2012, the individual unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% investment rate of return (compounded annually net after investment expenses) and an annual healthcare cost trend rate of 8% graded to 5% uniformly over 6 years. Both rates include a 3% inflation assumption. The City's unfunded actuarial accrued liability is being amortized as a level dollar of active member payroll over a closed period. The remaining amortization period at July 1, 2012 was 30 years.

Note 6. Property Taxes Receivable

Gross property taxes receivable of \$4,614,604 is summarized in the Revenue Capacity Information portion of the Statistical Section of this report on pages 53-57.

Note 7. Capital Assets

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2014:

	Balance			Balance
	June 30, 2013	Additions	Disposals	June 30, 2014
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 4,136,838	\$ -	\$ -	\$ 4,136,838
Construction in Progress	279,893	44,597	123,691	200,799
Total Capital Assets not being Depreciated	\$ 4,416,730	\$ 44,597	\$ 123,690.85	\$ 4,337,637
Capital Assets being Depreciated				
Buildings	\$ 7,761,630	\$ -	\$ -	\$ 7,761,630
Improvements	5,392,213	1,873,534	-	7,265,747
Machinery & Equipment	7,872,611	1,450,845	539,473	8,783,983
Infrastructure	6,739,692	498,063	-	7,237,756
Total Capital Assets being Depreciated	\$ 27,766,147	\$ 3,822,442	\$ 539,473	\$ 31,049,116
Business-type Activities				
Capital Assets not being Depreciated				
Land	\$ 2,139,071	\$ -	\$ -	\$ 2,139,071
Construction in Progress	26,900	1,251	-	28,151
Total Capital Assets not being Depreciated	\$ 2,165,971	\$ 1,251	\$ -	\$ 2,167,221
Capital Assets being Depreciated				
Buildings	\$ 4,332,627	\$ -	\$ -	\$ 4,332,627
Improvements	5,200,913	12,395	-	5,213,308
Machinery & Equipment	1,883,841	26,762	36,124	1,874,479
Infrastructure	30,365,964	-	-	30,365,964
Total Capital Assets being Depreciated	\$ 41,783,343	\$ 39,157	\$ 36,124	\$ 41,786,377

Note 7. Capital Assets – Continued

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to Financial Statements – Continued
June 30, 2014

Governmental Activities

Accumulated Depreciation				
Buildings	\$ 3,754,568	\$ 182,978	\$ -	\$ 3,937,546
Improvements	2,368,952	236,557	-	2,605,510
Machinery & Equipment	6,981,146	454,239	539,473	6,895,912
Infrastructure	3,160,971	236,488	-	3,397,459
Total Accumulated Depreciation	<u>\$ 16,265,638</u>	<u>\$ 1,110,262</u>	<u>\$ 539,473</u>	<u>\$ 16,836,427</u>

Business-type Activities

Accumulated Depreciation				
Buildings	\$ 1,573,737	\$ 108,339	\$ -	\$ 1,682,076
Improvements	98,165	105,097	-	203,262
Machinery & Equipment	1,124,766	137,287	36,124	1,225,929
Infrastructure	8,694,340	673,019	-	9,367,359
Total Accumulated Depreciation	<u>\$ 11,491,008</u>	<u>\$ 1,023,743</u>	<u>\$ 36,124</u>	<u>\$ 12,478,627</u>

Total Governmental Activities, Net	\$ 15,917,239	\$ 2,756,778	\$ 123,691	\$ 18,550,326
Total Business-type Activities, Net	\$ 32,458,306	\$ (983,335)	\$ -	\$ 31,474,971

Depreciation Expense by Function

General Government	142,274
Public Safety	349,100
State Street Aid	390,909
Sanitation	6,387
Parks & Recreation	125,308
Tourism	96,285
Sewer	1,023,743
	<u>\$ 2,134,005</u>

The City received insurance proceeds in the amount of \$13,901 for the impairment of various capital assets disposed during 2014.

Note 8. Long-Term Debt

Below is a condensed schedule of maturities for long-term debt and obligations at June 30, 2014. A detailed Schedule of Long-term Debt, Principal, and Interest Requirements is included on page 46 of this report.

Year Ended	Principal Due	Interest Due
<u>June 30,</u>		
2015	1,280,245	355,686
2016	1,315,035	318,792
2017	1,275,159	284,592
2018	1,127,078	248,678
2019	914,969	218,644
2020-2024	2,527,138	887,328
2025-2029	2,876,677	532,311
2030-2033	2,254,291	127,400
Total Long-Term Debt	<u>\$ 13,570,592</u>	<u>\$ 2,973,431</u>

Note 8. Long-Term Debt – Continued

Long-term debt and obligations payable at June 30, 2014 are comprised of the following:

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to Financial Statements – Continued
June 30, 2014

Business-type Activities

State Revolving Loan #09-224, Bearing Interest Payments at 2.88% Per Annum, Interest only until construction was 90% complete then Payable in Monthly Installments with the Final Payment Due July 2033 \$ 7,003,156

General Obligation Refunding Bond, Series 2011 Issued to Refinance Existing Debt, Bearing Interest at a Variable Rate ranging from 2.00% to 4.00% per Annum, Payable in Annual Installments with the Final Payment Due September 1, 2018. 2,054,191

Capital Lease Payable to Municipal Leasing Consultants, LLC Bearing Interest at 1.9901% Per Annum, Payable in Annual Installments of \$51,417, Principal and Interest Payments are Based on Total Debt of \$286,431. 188,281

Total Sewer Fund Debt Payable 9,245,628
Less: Current Portion (764,310)

Long-Term Debt Payable - Sewer Fund \$ 8,481,318

The following is a summary of changes to long-term debt in the Business-type activities during the year ended June 30, 2014:

	Balance 7/1/2013	Additions	Reductions	Balance 6/30/2014	Due Within 1 Year
Compensated Absences	\$ 29,866	\$ 24,036	\$ 33,535	\$ 20,367	\$ -
Net OPEB Obligation	117,912	34,060	11,346	140,626	-
Revenue Bonds	9,774,590	-	717,243	9,057,347	716,638
Notes Payable	235,014	-	46,733	188,281	47,672
Debt Refunding Premium	146,060	-	1,803	144,257	-
Totals	<u>\$ 10,303,442</u>	<u>\$ 58,096</u>	<u>\$ 810,660</u>	<u>\$ 9,550,878</u>	<u>\$ 764,310</u>

Governmental Activities

Long-term debt and obligations payable at June 30, 2014 are comprised of the following:

General Obligation Refunding Bond, Series 2012 Issued to Refinance Existing Debt, Bearing Interest at a Variable Rate ranging from 2.00% to 3.00% per Annum, Payable in Annual Installments with the Final Payment Due June 30, 2033 \$ 2,860,000

General Obligation Refunding Bond, Series 2011 Issued to Refinance Existing Debt, Bearing Interest at a Variable Rate ranging from 2.00% to 4.00% per Annum, Payable in Annual Installments with the Final Payment Due September 1, 2018 90,810

Capital Lease Payable to Municipal Leasing Consultants, LLC Bearing Interest at 1.9901% Per Annum, Payable in Annual Installments of \$269,908, Principal and Interest Payments are Based on Total Debt of \$1,503,569. 988,216

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to Financial Statements – Continued
June 30, 2014

Note 8. Long-Term Debt - Continued
Governmental Activities – Continued

Capital Lease Payable to Municipal Leasing Consultants, LLC Bearing Interest at 2.39% Per Annum, Payable in Annual Installments of \$65,552, Principal and Interest Payments are Based on Total Debt of \$313,000.	247,449
Capital Lease Payable to Municipal Leasing Consultants, LLC Bearing Interest at 6% Per Annum, Payable in Annual Installments of \$49,451, Principal and Interest Payments are Based on Total Debt of \$140,113.	90,662
Capital Lease Payable to First Freedom Bank for Equipment Bearing Interest at 5.75% Per Annum, Payable in Annual Installments of \$26,052, Principal and Interest Payments are Based on Total Debt of \$116,522.	<u>47,827</u>
Total Governmental Activities Long-Term Obligations	4,324,964
Less: Current Portion	<u>(515,935)</u>
Total Long-Term Governmental Activities Obligations	<u><u>\$ 3,809,029</u></u>

The following is a summary of changes to long-term liabilities in the Governmental activities during the year ended June 30, 2014. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund.

	Balance	Balance	Due within
	July 1, 2013	July 1, 2013	1 Year
	July 1, 2013	Additions	Reductions
	July 1, 2013	July 1, 2013	July 1, 2013
	July 1, 2013	July 1, 2013	July 1, 2013
Compensated Absences	\$ 566,824	\$ 423,828	\$ 325,667
Net OPEB Obligation	2,024,442	570,040	246,954
Capital Leases	1,396,026	453,113	474,985
Notes Payable	3,078,803	-	127,993
Debt Refunding Premium	4,990	-	1,015
Totals	<u>\$ 7,071,084</u>	<u>\$ 1,446,981</u>	<u>\$ 1,176,614</u>
			<u>\$ 7,341,451</u>
			<u>\$ 515,934</u>

Note 9. Capital Leases

The City has ongoing lease agreements for the following capital assets as of June 30, 2014:

	Capitalized
	Cost
Public Safety Vehicles	\$ 355,358
General Government Vehicles/Equipment	469,568
Parks and Recreation Vehicles	35,817
Drug Fund Equipment	38,604
Public Works Equipment	1,167,811
Sewer Equipment	<u>286,431</u>
Total Assets in Machinery & Equipment	<u><u>\$ 2,353,589</u></u>

These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception dates. The future minimum lease payments and the net present value of the minimum lease payments as of June 30, 2014, are as follows:

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to Financial Statements – Continued
June 30, 2014

Year Ended June 30,	Future Minimum Lease Pmts
2015	\$ 462,378
2016	462,374
2017	386,873
2018	202,003
2019	136,359
Total Minimum Lease Payments	1,649,987
Less: Amount Representing Interest	87,552
Present Value of Future Minimum Lease Payments	\$ 1,737,539

Note 10. Construction Commitments

The City has the following construction projects in progress at June 30, 2014:

Construction Project	Total Estimated Cost	Total Expenses thru FYE 6/30/14
Governmental Activities:		
Greenway	n/a	\$ 200,800
Total Governmental Activities		\$ 200,800
Business Type Activities:		
Sewer Project	n/a	\$ 28,150

Note 11. Interfund Receivables/Payables/Transfers

The composition of interfund balances as of June 30, 2014, is as follows:

Due To	Solid Waste		Tourism		Sewer Fund	Total
	General Fund	Fund	Drug Fund	Fund		
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Solid Waste Fund	-	-	-	-	-	-
Drug Fund	-	-	-	-	-	-
Tourism Fund	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The composition of interfund transfers for the year ended June 30, 2014, is as follows:

Transfer From	Transfer To			Total
	General Fund	Drug Fund	Capital Projects Fund	
General Fund	\$ -	\$ -	\$ -	\$ -
Solid Waste Fund	-	-	-	-
Drug Fund	-	-	-	-
Sewer Fund	152,216	-	-	152,216
Total	\$ 152,216	\$ -	\$ -	\$ 152,216

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to Financial Statements – Continued
June 30, 2014

Note 11. Interfund Receivables/Payables/Transfers - Continued

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfer from the sewer fund to the general fund was a result of payments in lieu of tax that do not represent equivalent services provided (1).

Note 12. Contracts

The City has the following contracts for the billing and collection of sewer and sanitation charges for users:

- Madison Suburban Utility District (MSUD) handles the billing and collection of sewer and sanitation charges for users in Davidson County. The City currently pays MSUD \$2.06 for sewer and \$1.25 for sanitation and stormwater plus an adjustment based on Consumer Price Index (CPI) per bill per month.
- White House Utility District handles the billing and collection of sewer charges for users of the sewer system in Sumner County for a fee of \$1.50 per customer per month.
- The Department of Water Services of Metropolitan Nashville also provides sewage treatment and disposal for a contracted fee. The utility price is \$1 /100 cubic feet of water flowing through each point of connection with adjustments for minimum and maximum flow levels and points of origin. The agreement also provides for indexed adjustment to the utility price annually. This agreement expires September 2030.

Note 13. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Tennessee Municipal League Risk Management Pool (TMLRMP), a public entity risk pool currently operating as a common risk management and insurance program for municipalities. The City pays an annual premium to the TMLRMP for its insurance coverage. The TMLRMP is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. Settled claims of the city have not exceeded insurance coverage in any of the past three fiscal years.

Note 14. Upcoming Accounting Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 require governments provided defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary statements and component units will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements for the year ended June 30, 2015.

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CITY OF GOODLETTSVILLE, TENNESSEE
Schedule of Retirement Plan Funding Progress
(Dollar Amounts in Thousands)
June 30, 2014

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/(c))
July 1, 2013	20,723	22,481	1,758	92.18%	5,027	34.97%
July 1, 2011	18,415	19,650	1,235	93.72%	5,627	21.95%
July 1, 2009	14,455	15,090	635	95.79%	5,455	11.63%

Refer to Footnote 4 for additional information and a description of the plan.

CITY OF GOODLETTSVILLE, TENNESSEE
Schedule of Post-retirement Health Care Benefits Program
(Dollar Amounts in Thousands)
June 30, 2014

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/(c))
July 1, 2013	-	7,728	7,728	0.00%	5,466	141.38%

The Governmental Accounting Standards Board (GASB) requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The unit credit actuarial cost method has been used by the program for funding purposes.

Refer to Footnote 6 for additional information and a description of the program.

CITY OF GOODLETTSVILLE, TENNESSEE
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2014

	Special Revenue				Total	Capital Projects		Total
Assets	Solid Waste Fund	Drug Fund	Tourism Fund	Stormwater Utility Fund	Special Revenue Funds	Capital Projects Fund	Non-major Governmental Funds	Total
Cash	\$ (30,918)	\$ 29,751	\$ 474,783	\$ 184,546	\$ 658,162	\$ 101,903	\$ 760,065	
Receivables, Net	136,039	-	-	33,678	169,717	27,257	196,974	
Total Assets	\$ 105,121	\$ 29,751	\$ 474,783	\$ 218,224	\$ 827,879	\$ 129,160	\$ 957,040	
Liabilities and Fund Equity								
Liabilities								
Accounts Payable	\$ 62,082	\$ 380	\$ 36,016	\$ 71,311	\$ 169,789	\$ 279,322	\$ 449,111	
Other Liabilities	751	-	-	-	751	-	751	
Grant Advance	-	-	-	-	-	185,409	185,409	
Accrued Wages	1,559	-	1,134	-	2,693	-	2,693	
Total Liabilities	\$ 64,392	\$ 380	\$ 37,150	\$ 71,311	\$ 173,233	\$ 464,731	\$ 637,964	
Fund Balances								
Nonspendable:								
Restricted For:								
Drug Fund	-	29,371	-	-	29,371	-	29,371	
Tourism Fund	-	-	323,333	-	323,333	-	323,333	
Stormwater Utility Fund	-	-	-	146,913	146,913	-	146,913	
Solid Waste Fund	40,729	-	-	-	40,729	-	40,729	
Committed To:								
Assigned To:								
Tourism Fund	-	-	114,300	-	114,300	-	114,300	
Unassigned	-	-	-	-	-	(335,571)	(335,571)	
Total Fund Balances	\$ 40,729	\$ 29,371	\$ 437,633	\$ 146,913	\$ 654,646	\$ (335,571)	\$ 319,075	
Total Liabilities and Fund Balances	\$ 105,121	\$ 29,751	\$ 474,783	\$ 218,224	\$ 827,879	\$ 129,160	\$ 957,040	

CITY OF GOODLETTSVILLE, TENNESSEE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue					Total Special Revenue Funds	Capital Projects		Total Non-major Governmental Funds
	Solid Waste Fund	Drug Fund	Tourism Fund	Stormwater Utility Fund			Capital Projects Fund		
Revenues									
Drug Revenue	\$ -	\$ 28,482	\$ -	\$ -	\$ 28,482	\$ -	\$ -	\$ 28,482	
Hotel/ Motel Taxes	-	-	457,156	-	457,156	-	-	457,156	
Charges for Services	722,361	-	24,592	199,206	946,159	-	-	946,159	
Interest	228	2	1,963	454	2,647	-	-	2,647	
Miscellaneous Revenue	8,459	-	-	-	8,459	-	-	8,459	
Total Revenues	731,048	28,484	483,711	199,660	1,442,903	-	-	1,442,903	
Expenditures									
Current:									
Solid Waste Fund	885,152	-	-	-	885,152	-	-	885,152	
Drug Fund	-	4,193	-	-	4,193	-	-	4,193	
Tourism Fund	-	-	466,126	-	466,126	-	-	466,126	
Stormwater Utility Fund	-	-	-	150,981	150,981	-	-	150,981	
Debt Service:									
Principal	-	9,642	-	-	9,642	-	-	9,642	
Interest	-	627	-	-	627	-	-	627	
Capital Outlay	-	-	188,010	-	188,010	-	483,372	671,382	
Total Expenditures	885,152	14,462	654,136	150,981	1,704,731	483,372	483,372	2,188,103	
Excess of Revenues Over (Under) Expenditures	(154,104)	14,022	(170,425)	48,679	(261,828)	(483,372)	(483,372)	(745,200)	
Other Financing Sources (Uses)									
Contributions and Grants	-	-	540	-	540	119,174	-	119,713	
Proceeds from Sale of Capital Assets	-	9,756	-	-	9,756	-	-	9,756	
Total Other Financing Sources (Uses)	-	9,756	540	-	10,296	119,174	119,174	129,469	
Net Change in Fund Balances	(154,104)	23,778	(169,885)	48,679	(251,532)	(364,199)	(364,199)	(615,730)	
Fund Balance - July 1, 2013	194,833	5,593	607,518	98,234	906,178	28,628	28,628	934,806	
Fund Balance - June 30, 2014	\$ 40,729	\$ 29,371	\$ 437,633	\$ 146,913	\$ 654,646	\$ (335,571)	\$ (335,571)	\$ 319,075	

See independent auditors' report.

CITY OF GOODLETTSVILLE, TENNESSEE
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds - Nonmajor Funds
For the Year Ended June 30, 2014

	Solid Waste Fund				Drug Fund			
	Original Budgeted	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Original Budgeted	Final Budgeted	Actual	Variance Favorable (Unfavorable)
Revenues								
Drug and Gambling Revenue	\$ -	\$ -	\$ -	\$ -	\$ 20,857	\$ 20,857	\$ 28,482	\$ 7,625
Charges for Services	738,300	738,300	722,361	(15,939)	-	-	-	-
Interest	-	-	228	228	-	-	2	2
Miscellaneous Revenues	15,000	15,000	8,459	(6,541)	-	-	-	-
Total Revenues	<u>753,300</u>	<u>753,300</u>	<u>731,048</u>	<u>(22,252)</u>	<u>20,857</u>	<u>20,857</u>	<u>28,484</u>	<u>7,627</u>
Expenditures								
Current:								
Solid Waste								
Salaries and Benefits	100,592	100,592	110,210	(9,618)	-	-	-	-
General and Administrative	35,000	35,000	41,524	(6,524)	-	-	-	-
Supplies and Miscellaneous	4,556	4,556	18,569	(14,013)	-	-	-	-
Repairs and Maintenance	6,500	6,500	5,200	1,300	-	-	-	-
Disposal Fees	625,000	745,000	709,649	35,351	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Drug and Gambling								
Salaries and Benefits	-	-	-	-	-	-	-	-
General and Administrative	-	-	-	-	7,260	7,260	902	6,358
Supplies and Miscellaneous	-	-	-	-	2,740	2,740	3,291	(551)
Repairs and Maintenance	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	10,857	10,857	9,642	1,215
Interest	-	-	-	-	-	-	627	(627)
Total Expenditures	<u>771,648</u>	<u>891,648</u>	<u>885,152</u>	<u>6,496</u>	<u>20,857</u>	<u>20,857</u>	<u>14,462</u>	<u>6,395</u>
Excess of Revenues Over (Under) Expenditures	(18,348)	(138,348)	(154,104)	(15,756)	-	-	14,022	14,022
Other Financing Sources								
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	9,756	9,756
Operating Transfers In	-	-	-	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-	-	9,756	9,756
Net Change in Fund Balance	(18,348)	(138,348)	(154,104)	(15,756)	-	-	23,778	23,778
Fund Balance - July 1, 2013	<u>194,833</u>	<u>194,833</u>	<u>194,833</u>	<u>-</u>	<u>5,593</u>	<u>5,593</u>	<u>5,593</u>	<u>-</u>
Fund Balance - June 30, 2014	<u>\$ 176,485</u>	<u>\$ 56,485</u>	<u>\$ 40,729</u>	<u>\$ (15,756)</u>	<u>\$ 5,593</u>	<u>\$ 5,593</u>	<u>\$ 29,371</u>	<u>\$ 23,778</u>

See independent auditors' report.

CITY OF GOODLETTSVILLE, TENNESSEE
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds - Nonmajor Funds
For the Year Ended June 30, 2014

	Tourism Fund				Stormwater Utility Fund			
	Original Budgeted	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Original Budgeted	Final Budgeted	Actual	Variance Favorable (Unfavorable)
Revenues								
Hotel/ Motel Tax	\$ 425,000	\$ 425,000	\$ 457,156	\$ 32,156	\$ -	\$ -	\$ -	\$ -
Charges for Services	25,000	25,000	24,592	(408)	320,000	320,000	199,206	(120,794)
Interest	-	-	1,963	1,963	-	-	454	454
Total Revenues	450,000	450,000	483,711	33,711	320,000	320,000	199,660	(120,340)
Expenditures								
Current:								
Tourism								
Salaries and Benefits	300,299	300,299	288,389	11,910	-	-	-	-
Supplies and Miscellaneous	31,500	31,500	27,805	3,695	-	-	-	-
Repairs and Maintenance	70,000	70,000	54,393	15,607	-	-	-	-
Other Operating Expenses	119,570	119,570	95,539	24,031	-	-	-	-
Capital Outlay	200,500	200,500	188,010	12,490	-	-	-	-
Stormwater Utility								
Stormwater Quality	-	-	-	-	150,000	150,000	144,736	5,264
General and Administrative	-	-	-	-	42,302	42,302	6,245	36,057
Total Expenditures	721,869	721,869	654,136	67,733	192,302	192,302	150,981	41,321
Excess of Revenues Over (Under) Expenditures	(271,869)	(271,869)	(170,425)	101,444	127,698	127,698	48,679	(79,019)
Other Financing Sources								
Contributions and Grants	-	-	540	540	-	-	-	-
Total Other Financing Sources	-	-	540	540	-	-	-	-
Net Change in Fund Balance	(271,869)	(271,869)	(169,885)	101,984	127,698	127,698	48,679	(79,019)
Fund Balance - July 1, 2013	607,518	607,518	607,518	-	98,234	98,234	98,234	-
Fund Balance - June 30, 2014	\$ 335,649	\$ 335,649	\$ 437,633	\$ 101,984	\$ 225,932	\$ 225,932	\$ 146,913	\$ (79,019)

CITY OF GOODLETTSVILLE, TENNESSEE
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>	<u>Project (Over) Under Budget</u>
Revenues					
FEMA Proceeds	\$ 514,172	\$ 10,639	\$ 524,811	\$ -	\$ (524,811)
TDOT Landscape	152,051	-	152,051	-	(152,051)
TDOT Greenway, Etc.	-	108,534	108,534	1,903,873	1,795,339
Total Revenues	<u>666,223</u>	<u>119,174</u>	<u>785,397</u>	<u>1,903,873</u>	<u>1,118,476</u>
Expenditures					
Capital Outlay:					
FEMA Home Buyout	588,097	10,700	598,797	-	(598,797)
TDOT Landscape Exit 96	60,532	160	60,692	-	(60,692)
TDOT Landscape Exit 97	42,598	160	42,758	-	(42,758)
TDOT Traffic Synchronization/Signalization	70,165	427,755	497,920	428,835	(69,085)
TDOT Greenway/Bike	156,202	44,597	200,799	1,843,798	1,642,999
Total Expenditures	<u>917,594</u>	<u>483,372</u>	<u>1,400,966</u>	<u>2,272,633</u>	<u>871,667</u>
Other Financing Sources (Uses)					
Operating Transfers In	280,000	-	280,000	368,760	88,760
Total Other Financing Sources (Uses)	<u>280,000</u>	<u>-</u>	<u>280,000</u>	<u>368,760</u>	<u>88,760</u>
Net Change in Fund Balances	28,629	(364,199)	(335,570)	-	335,570
Fund Balance - July 1, 2013	<u>(163,938)</u>	<u>28,628</u>	<u>(163,938)</u>	<u>-</u>	<u>163,938</u>
Fund Balance - June 30, 2014	<u>\$ (135,309)</u>	<u>\$ (335,571)</u>	<u>\$ (499,508)</u>	<u>\$ -</u>	<u>\$ 499,508</u>

Note: The City has adopted project-length budgets for the capital projects fund.

CITY OF GOODLETTSVILLE, TENNESSEE
 Schedule of Expenditures of Federal Awards and State Financial Assistance
 For the Year Ended June 30, 2014

from GF G-1

Federal Grantor / Pass-Through Grantor / Program Title	CFDA Number	Pass Through Entity	Contract Number	Beginning (Accrued) / Deferred	Cash Receipts	Expenditures	Ending (Accrued) / Deferred
Federal Awards - ARRA							
<u>Environmental Protection Agency</u>							
<u>Pass-through programs:</u>							
Capitalization Grants for Clean Water	ARRA - 66.458	Tennessee State Revolving Loan Fund	CWA 2009-224	\$ (280,261)	\$ 280,261	\$ -	\$ -
Capitalization Grants for Clean Water	ARRA - 66.458	Tennessee State Revolving Loan Fund	CWA 2009-224	(70,065)	70,065	-	-
Total Environmental Protection Agency and Federal Awards - ARRA				<u>(350,326)</u>	<u>350,326</u>	-	-
Federal Awards							
<u>Federal Emergency Management Agency</u>							
<u>Pass-through programs:</u>							
Hazard Mitigation	97.039	Tennessee Emergency Management Agency	DR-1909-0005	87,290	16,146	-	103,436
Hazard Mitigation	97.039	Tennessee Emergency Management Agency	DR-1909-0027	(61)	7,979	7,898	-
Total Federal Emergency Management Agency				<u>87,209</u>	<u>24,125</u>	<u>7,898</u>	<u>103,436</u>
Department of Transportation							
<u>Pass-through programs:</u>							
Congestion Mitigation and Air Quality Improvement	20.205	Tennessee Department of Transportation	CM-174(19), CM-861(10), CM-174(20)	7,168	46,278	427,755	(374,309)
Interchange Landscaping and Beautification Project	20.205	Tennessee Department of Transportation	19(L)LM-F3-029	(23,529)	23,529	-	-
Bicycle/Pedestrian Improvements and Greenway Project	20.205	Tennessee Department of Transportation	CM-932(1)	(131,370)	35,000	35,678	(132,048)
Total Department of Transportation				<u>(147,731)</u>	<u>104,807</u>	<u>463,433</u>	<u>(506,357)</u>
Total Federal Awards				<u>(410,846)</u>	<u>479,258</u>	<u>471,330</u>	<u>(402,921)</u>
State Financial Assistance							
<u>Tennessee Emergency Management Agency</u>							
Hazard Mitigation	N/A	N/A	DR-1909-005	79,591	5,382	-	84,973
Hazard Mitigation	N/A	N/A	DR-1909-0027	(14)	2,674	2,675	(15)
Total Tennessee Emergency Management Agency				<u>79,577</u>	<u>8,056</u>	<u>2,675</u>	<u>84,958</u>
Tennessee Department of Environment and Conservation							
Capitalization Grants for Clean Water State Revolving Fund	N/A	N/A	CWA 2009-224	(350,324)	350,324	-	-
Local Parks and Recreation Fund	N/A	N/A	LPRF TDEC-35465	-	193,063	213,183	(20,121)
Total Tennessee Department of Environment and Conservation				<u>(350,324)</u>	<u>543,387</u>	<u>213,183</u>	<u>(20,121)</u>
Commission on Fire Fighting							
Commission on Fire Fighting	N/A	N/A	N/A	-	9,000	9,000	-
Tennessee Peace Officers Standards and Training	N/A	N/A	N/A	-	21,000	21,000	-
Peace Officer Standard and Training Commission	N/A	N/A	N/A	(6,463)	6,463	-	-
Tennessee Department of Transportation	N/A	N/A	19(L)LM-F3-029	(65,500)	5,000	5,000	(65,500)
Interchange Landscaping and Beautification Project	N/A	N/A	PT-14-64	-	5,000	5,000	-
Governor's Highway Safety Office - HI Visibility	N/A	N/A		(71,963)	11,463	5,000	(65,500)
Total Tennessee Department of Transportation				<u>(342,710)</u>	<u>592,905</u>	<u>250,858</u>	<u>(663)</u>
Total State Financial Assistance				<u>(753,556)</u>	<u>1,072,163</u>	<u>722,188</u>	<u>(403,563)</u>

Note 1. Basis of Presentation
 The accompanying Schedule of Expenditures of Federal and State Financial Assistance includes the federal and state grant activity of the City of Goodlettsville, Tennessee under the programs of the federal and state governments for the year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of the City of Goodlettsville, Tennessee, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Goodlettsville, Tennessee.

Note 2. 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 in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
 (2) Pass-through entity identifying numbers are presented where available.

Note 3. Loans Outstanding
 At June 30, 2014, there was an outstanding balance of \$7,003,157 on 09-224 State Revolving Loan Fund. There were payments of \$310,235 to the State Revolving Loan Fund during the current fiscal year.

CITY OF GOODLETTSVILLE, TENNESSEE
Schedule of Reserve, Receipts and Disbursements
for State Street Aid
For the Year Ended June 30, 2014

State Street Aid

Beginning Reserve for State Street Aid		\$ 250,105
Receipts		
Gas Taxes	446,060	
Total Receipts	446,060	446,060
Expenditures		
Street Lights	118,168	
Street Maintenance	24,297	
Street Paving	129,128	
Long-term Debt	-	
Capital Improvements	424,573	
		696,165
Ending Reserve for State Street Aid		\$ (0)

See independent auditors' report.

CITY OF GOODLETTSVILLE, TENNESSEE
 Schedule of Long-Term Debt, Principal, and Interest Requirements
 By Fiscal Year
 June 30, 2014

Fiscal Year Ended June 30,	Governmental Activities						Business-type Activities						Total
	General Obligation Refunding Bond, Series 2012		2013 Municipal Leasing Consultants Equipment Lease		General Obligation Refunding Bond, Series 2011		2012 Stringfellow, Inc. Equipment Lease		2014 Municipal Leasing Consultants Equipment Lease		2014 Municipal Leasing Consultants Equipment Lease		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2015	120,000	68,655	250,236	19,669	18,628	2,165	23,228	2,824	59,832	5,720	44,011	5,440	
2016	125,000	65,055	255,221	14,689	19,051	1,594	24,599	1,452	61,068	4,484	46,651	2,799	
2017	130,000	61,305	260,300	9,610	19,475	1,178	-	-	62,527	3,025	-	-	
2018	130,000	57,405	110,190	4,429	20,321	533	-	-	64,022	1,530	-	-	
2019	135,000	53,505	112,269	2,237	13,335	-	-	-	-	-	-	-	
2020	140,000	50,805	-	-	-	-	-	-	-	-	-	-	
2021	140,000	48,005	-	-	-	-	-	-	-	-	-	-	
2022	145,000	45,205	-	-	-	-	-	-	-	-	-	-	
2023	145,000	42,305	-	-	-	-	-	-	-	-	-	-	
2024	150,000	39,405	-	-	-	-	-	-	-	-	-	-	
2025	150,000	36,405	-	-	-	-	-	-	-	-	-	-	
2026	155,000	33,405	-	-	-	-	-	-	-	-	-	-	
2027	160,000	30,305	-	-	-	-	-	-	-	-	-	-	
2028	160,000	26,905	-	-	-	-	-	-	-	-	-	-	
2029	165,000	23,225	-	-	-	-	-	-	-	-	-	-	
2030	170,000	19,100	-	-	-	-	-	-	-	-	-	-	
2031	175,000	14,850	-	-	-	-	-	-	-	-	-	-	
2032	180,000	10,038	-	-	-	-	-	-	-	-	-	-	
2033	185,000	5,088	-	-	-	-	-	-	-	-	-	-	
Total	\$ 2,860,000	\$ 730,971	\$ 985,216	\$ 50,634	\$ 90,810	\$ 5,470	\$ 47,827	\$ 4,276	\$ 247,449	\$ 14,759	\$ 90,662	\$ 8,239	
Fiscal Year Ended June 30,	Governmental Activities						Business-type Activities						Total
	Total Governmental		SRL 2010 \$12.5 Million Loan		General Obligation Refunding Bond, Series 2011		2013 Municipal Leasing Consultants Equipment Lease		Total Business-type		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2015	515,935	104,473	295,266	198,482	421,372	48,985	47,672	3,746	764,310	251,213	1,280,245	355,686	
2016	531,590	90,073	303,883	189,865	430,949	36,056	48,613	2,798	783,445	228,719	1,315,035	318,792	
2017	472,302	75,118	312,751	180,997	440,525	26,647	49,581	1,830	802,857	209,474	1,275,159	284,592	
2018	324,533	63,897	321,878	171,870	459,679	12,067	20,988	844	802,545	184,781	1,127,078	248,678	
2019	260,604	55,742	331,272	162,476	301,666	-	21,427	426	654,365	162,902	914,969	218,644	
2020	140,000	50,805	340,939	152,809	-	-	-	-	340,939	152,809	480,939	203,614	
2021	140,000	48,005	350,888	142,860	-	-	-	-	350,888	142,860	490,888	190,865	
2022	145,000	45,205	361,129	132,619	-	-	-	-	361,129	132,619	506,129	177,824	
2023	145,000	42,305	371,668	122,081	-	-	-	-	371,668	122,081	516,668	164,386	
2024	150,000	39,405	382,514	111,234	-	-	-	-	382,514	111,234	532,514	150,639	
2025	150,000	36,405	393,677	100,072	-	-	-	-	393,677	100,072	543,677	136,477	
2026	155,000	33,405	405,166	88,583	-	-	-	-	405,166	88,583	560,166	121,988	
2027	160,000	30,305	416,990	76,758	-	-	-	-	416,990	76,758	576,990	107,063	
2028	160,000	26,905	429,160	64,589	-	-	-	-	429,160	64,589	589,160	91,494	
2029	165,000	23,225	441,684	52,064	-	-	-	-	441,684	52,064	606,684	75,289	
2030	170,000	19,100	454,573	39,175	-	-	-	-	454,573	39,175	624,573	56,275	
2031	175,000	14,850	467,839	25,909	-	-	-	-	467,839	25,909	642,839	40,759	
2032	180,000	10,038	481,492	12,257	-	-	-	-	481,492	12,257	661,492	22,295	
2033	185,000	5,088	140,387	983	-	-	-	-	140,387	983	325,387	6,071	
Total	\$ 4,324,964	\$ 814,349	\$ 7,003,156	\$ 2,025,683	\$ 2,054,191	\$ 123,755	\$ 188,281	\$ 9,644	\$ 9,245,628	\$ 2,159,082	\$ 13,570,592	\$ 2,873,431	

CITY OF GOODLETTSVILLE, TENNESSEE
Schedule of Property Tax Rates and Assessments
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Levy Year</u>	<u>Tax Rate Per \$100 Davidson</u>	<u>Tax Rate Per \$100 Sumner</u>	<u>Realty Tax Levy</u>
2014	2013	0.8785	0.8785	\$ 4,346,568
2013	2012	0.87	0.87	4,317,671
2012	2011	.6338	.6338	3,137,842
2011	2010	.6338	.6338	3,117,133
2010	2009	.6338	.6338	3,085,580
2009	2008	.66	.66	2,887,879
2008	2007	.66	.66	2,840,113
2007	2006	.64	.69	2,689,509
2006	2005	.70	.66	2,615,245
2005	2004	.70	.66	2,582,866

See independent auditors' report.

Statistical Section

CITY OF GOODLETTSVILLE, TENNESSEE
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June 30, 2014

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City of Goodlettsville
Financial Trends Information
Net Assets by Component-Last Ten Fiscal Years
(prepared using the accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Investment in capital assets, net of related debt	12,700,060	12,430,012	12,471,317	12,003,926	12,726,830	12,294,327	11,896,924	11,678,308	11,437,421	14,221,387
Restricted for:										
State Street Aid	369,853	384,604	359,790	322,662	104,943	29,752	53,880	-	250,105	-
Conference Drive	-	-	-	-	-	-	600,202	600,911	-	-
Drug Fund	-	-	12,264	2,913	17,100	(5,733)	-	-	-	29,371
Tourism	80,208	177,155	343,259	510,371	707,413	832,935	802,736	963,510	874,573	323,333
Solid Waste Fund	-	-	-	-	-	-	-	-	-	40,729
Stormwater Utility	-	-	-	-	-	-	-	-	-	146,913
Other Purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	2,773,063	2,553,398	2,443,297	1,885,139	1,484,644	1,878,211	1,526,506	3,033,833	5,404,946	4,376,371
Total Net Assets	15,923,204	15,545,169	15,629,927	14,725,011	15,040,930	15,029,492	14,880,248	16,276,562	17,967,045	19,138,104

Business Type Activities										
Investment in capital assets, net of related debt	14,884,800	15,122,632	17,149,036	17,599,243	17,813,801	17,808,778	18,953,282	18,953,282	22,302,641	22,085,086
Restricted for:										
State Street Aid	-	-	-	-	-	-	-	-	-	-
Conference Drive	-	-	-	-	-	-	-	-	-	-
Drug Fund	-	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-	-
Solid Waste Fund	-	-	-	-	-	-	-	-	-	-
Stormwater Utility	-	-	-	-	-	-	-	-	-	-
Other Purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	4,999,227	5,324,198	4,553,595	4,343,604	4,145,918	4,390,079	3,422,731	4,951,012	7,695,108	8,646,906
Total Net Assets	19,884,027	20,446,830	21,702,631	21,942,847	21,959,719	22,198,857	22,376,013	23,904,294	29,997,749	30,731,992

Primary Government										
Investment in capital assets, net of related debt	27,584,860	27,552,644	29,620,353	29,603,169	30,540,631	30,103,105	30,850,206	30,631,590	33,740,062	36,306,473
Restricted for:										
State Street Aid	369,853	384,604	359,790	322,662	104,943	29,752	53,880	-	250,105	-
Conference Drive	-	-	-	-	-	-	600,202	600,911	-	-
Drug Fund	-	-	12,264	2,913	17,100	(5,733)	-	-	-	29,371
Tourism	80,208	177,155	343,259	510,371	707,413	832,935	802,736	963,510	874,573	323,333
Solid Waste Fund	-	-	-	-	-	-	-	-	-	40,729
Stormwater Utility	-	-	-	-	-	-	-	-	-	146,913
Other Purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	7,772,310	7,877,596	6,996,892	6,228,743	5,630,562	6,268,290	4,949,237	7,984,845	13,100,054	13,023,277
Total Net Assets	35,807,231	35,991,999	37,332,558	36,667,858	37,000,649	37,228,349	37,256,261	40,180,856	47,964,794	49,870,096

City of Goodlettsville
Financial Trends Information
Changes in Net Assets-Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental Activities:										
General government	3,469,208	3,708,549	2,342,184	2,952,980	3,084,557	2,885,572	3,441,250	3,320,663	2,752,406	2,614,421
Public Safety	3,424,869	3,764,760	5,145,295	5,363,001	5,113,792	5,339,890	5,502,153	5,663,684	5,706,302	6,497,320
Public Works	806,274	1,152,245	1,104,566	1,214,839	1,216,964	1,142,901	1,245,971	1,053,706	1,272,691	1,527,196
Sanitation	741,445	757,549	776,246	754,109	755,411	751,294	845,076	863,007	702,779	894,450
Parks and recreation	1,024,914	1,084,657	1,476,666	1,542,379	1,589,483	1,251,512	1,313,301	1,291,967	1,424,710	1,553,219
Tourism	361,615	322,200	309,084	289,944	173,820	270,514	323,864	383,334	509,145	501,046
Tornado Relief	-	423,344	128,001	3,646	-	-	-	-	-	-
Stormwater Utility	-	-	-	-	-	-	-	-	97,702	150,981
Interest expense on long term debt	53,733	53,422	52,857	69,465	56,429	60,363	40,026	32,329	42,212	112,537
Total governmental activities expenses	9,882,058	11,266,726	11,334,899	12,190,363	11,990,456	11,702,046	12,711,641	12,608,690	12,507,947	13,851,170
Business-Type Activities										
Sewer	2,662,971	2,956,179	2,945,012	3,116,698	3,381,879	3,746,237	4,264,052	3,380,407	4,173,995	4,340,130
Total business-type activities expenses	2,662,971	2,956,179	2,945,012	3,116,698	3,381,879	3,746,237	4,264,052	3,380,407	4,173,995	4,340,130
Total primary government expenses	12,545,029	14,222,905	14,279,911	15,307,061	15,372,335	15,448,283	16,975,693	15,989,097	16,681,942	18,191,300
Program Revenues										
Governmental Activities:										
Charges for Services:										
General government	76,137	14,695	412,791	419,824	243,585	221,549	236,453	137,127	197,237	135,681
Public Safety	207,869	185,047	248,452	418,263	374,942	331,612	249,802	377,653	450,102	457,760
Public Works	150,202	197,171	70,931	26,644	11,000	28,647	30,822	4,500	2,100	2,100
Sanitation	16,200	15,825	12,280	13,747	750,628	755,567	822,711	801,298	764,672	730,821
Parks and recreation	214,795	222,322	217,378	255,952	251,078	250,796	249,439	271,804	251,980	326,325
Tourism	48,292	49,790	46,833	39,415	19,813	26,643	26,112	24,315	26,572	24,592
Stormwater Utility	-	-	-	-	-	-	-	-	195,936	199,206
Operating Grants and Contributions	134,080	472,132	587,464	580,549	451,559	535,204	467,800	473,505	546,390	695,249
Capital Grants and Contributions	-	-	-	-	726,750	83,578	314,946	1,492,334	163,772	479,145
Total governmental activities program revenues	847,575	1,156,982	1,596,129	1,754,394	2,829,355	2,233,596	2,398,085	3,582,536	2,598,761	3,050,879
Business-Type Activities										
Charges for Services:										
Sewer	2,980,866	3,291,138	3,244,761	3,213,085	3,309,267	3,931,217	4,493,710	4,972,421	5,111,824	5,170,098
Capital Grants and Contributions	115,107	123	-	-	-	-	-	-	-	-
Total business-type activities program revenues	3,095,973	3,291,261	3,244,761	3,213,085	3,309,267	3,931,217	4,493,710	4,972,421	5,111,824	5,170,098
Total primary government program revenues	3,943,548	4,448,243	4,840,890	4,967,479	6,138,622	6,164,813	6,891,795	8,554,957	7,710,585	8,220,977
Net (Expense)/Revenue										
Governmental Activities										
	(9,034,483)	(10,109,744)	(9,738,770)	(10,435,969)	(9,161,101)	(9,468,450)	(10,313,556)	(9,026,154)	(9,909,186)	(10,800,291)
Business-Type Activities										
	433,002	335,082	299,749	96,387	(72,612)	184,980	229,658	1,592,014	937,829	829,968
Total primary government net expense	(8,601,481)	(9,774,662)	(9,439,021)	(10,339,582)	(9,233,713)	(9,283,470)	(10,083,898)	(7,434,140)	(8,971,357)	(9,970,323)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property and Personalty Taxes	2,647,157	2,718,140	2,858,107	2,887,839	2,941,434	3,085,580	3,117,133	3,137,842	4,317,671	4,346,568
TVA and Other PILOT Taxes	-	-	-	88,596	55,504	162,379	291,630	248,490	282,786	223,155
Income Taxes	51,182	58,929	87,277	148,558	181,943	208,520	98,458	112,017	154,168	178,717
Sales Taxes	5,031,285	5,095,626	4,850,810	4,926,136	4,629,297	4,468,555	4,934,557	5,023,136	5,015,288	5,091,466
Alcoholic Beverage Taxes	564,025	585,423	603,514	658,151	641,687	645,542	658,616	687,506	710,163	687,448
Business Taxes	338,095	319,008	390,419	360,501	346,151	312,670	341,693	338,337	380,080	410,971
Hospitality Taxes	334,639	353,144	393,689	384,460	329,861	342,195	443,718	523,124	546,679	568,057
Franchise Taxes	-	-	-	-	-	-	-	-	-	252,384
Miscellaneous State Taxes	531,669	531,184	136,039	144,599	155,243	4,710	4,014	5,813	8,163	-
Unrestricted Investment Earnings	38,934	92,994	156,780	110,367	26,318	8,444	9,127	8,651	15,013	17,398
Insurance Recoveries and Gain on Disposal of Capital Assets	-	-	245,789	31,888	-	110,221	98,308	195,157	2,680	13,901
Miscellaneous	57,178	36,277	20,322	52,472	91,754	30,664	28,806	32,315	16,372	29,075
Transfers, Net	-	-	80,784	80,784	77,829	77,529	105,359	110,083	150,586	152,216
Total governmental activities	9,594,164	9,790,725	9,823,530	9,874,351	9,477,021	9,457,009	10,131,419	10,422,471	11,599,669	11,971,356
Business-Type Activities										
Investment Earnings	84,344	217,722	271,593	174,078	54,396	22,915	23,384	18,350	25,996	28,491
Insurance Recoveries and Gain on Disposal of Capital Assets	-	-	717,564	-	66,691	-	-	-	-	-
Miscellaneous	10,475	10,000	47,680	50,534	46,225	24,834	29,473	28,000	280,216	28,000
Extraordinary Item	-	-	(80,784)	(80,784)	(77,829)	(77,529)	(105,359)	(110,083)	(150,586)	(152,216)
Transfers, Net	-	-	-	-	-	-	-	-	5,000,000	-
Total business-type activities	94,819	227,722	956,053	143,828	89,483	(29,780)	(52,502)	(63,733)	5,155,626	(95,725)
Total primary government	9,688,983	10,018,447	10,779,583	10,018,179	9,566,504	9,427,229	10,078,917	10,358,738	16,755,295	11,875,631
Change in Net Assets										
Governmental Activities										
	559,681	(319,019)	84,760	(561,618)	315,920	(11,441)	(182,137)	1,396,317	1,690,483	1,171,065
Business-Type Activities										
	527,821	562,804	1,255,802	240,215	16,871	155,200	177,156	1,528,281	6,093,455	734,243
Total primary government	1,087,502	243,785	1,340,562	(321,403)	332,791	143,759	(4,981)	2,924,598	7,783,938	1,905,308

City of Goodlettsville
Financial Trends Information
Fund Balances, Governmental Funds, Last Ten Years
(prepared using the modified accrual basis of accounting)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Funds:										
General Fund										
Reserved					1,441,289	1,450,846	1,462,424	1,310,645	1,116,808	471,609
Unreserved and undesignated					2,536,110	1,863,214	1,613,316	2,107,259	2,011,185	2,970,126
Nonspendable	181,176	154,732	187,562	107,846	-	-	-	-	-	-
Restricted	-	250,105	600,911	654,082	-	-	-	-	-	-
Committed	639,178	494,462	288,552	417,825	-	-	-	-	-	-
Assigned	1,719,322	2,498,074	501,462	500,830	-	-	-	-	-	-
Unassigned	4,525,133	4,625,329	1,986,638	2,032,259	-	-	-	-	-	-
Total General Fund	7,064,809	8,022,702	3,565,125	3,712,842	3,977,399	3,314,060	3,075,740	3,417,904	3,127,993	3,441,735
All Other Governmental Funds										
Reserved for Special Revenue Funds					103,963	17,904	(16,376)	19,426	(6,829)	29,374
Reserved for Capital Projects Funds					-	-	-	-	-	-
Unreserved reported in Special Revenue Funds					-	-	-	-	-	-
Unreserved reported in Capital Projects Funds					-	-	-	-	-	-
Restricted reported in Special Revenue Funds	319,075	906,178	931,263	1,067,565	-	-	-	-	-	-
Restricted reported in Capital Projects Fund	-	28,628	(163,938)	-	-	-	-	-	-	-
Total all other governmental funds	319,075	934,806	767,325	1,067,565	103,963	17,904	(16,376)	19,426	(6,829)	29,374
Total	7,383,884	8,957,508	4,332,450	4,780,407	4,081,362	3,331,964	3,059,364	3,437,330	3,121,164	3,471,109

*In 2011 the classifications of fund balance have been changed to reflect the implementation of GASB 54.

City of Goodlettsville
Financial Trends Information
Changes in Fund Balances, Governmental Funds, Last Ten Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues:										
Local Taxes	9,686,052	9,358,808	8,178,409	8,210,565	7,642,524	7,901,636	8,182,818	7,985,827	8,113,879	8,113,960
Licenses and Permits	124,170	196,576	104,264	236,258	158,204	210,480	417,264	448,773	187,990	145,156
Fines	398,256	383,982	314,991	221,503	303,867	276,741	341,525	204,265	143,754	180,175
Drug and Gambling Revenue	28,482	17,185	29,038	27,312	23,127	56,070	32,936	22,810	19,190	16,972
Intergovernmental Revenues	2,296,400	2,022,271	1,972,315	2,024,861	1,999,777	2,539,936	1,858,423	1,944,912	1,489,740	1,440,874
Charges for Services	1,303,506	1,276,304	1,108,487	1,091,767	1,037,406	1,197,771	512,939	452,957	428,514	409,227
Hotel/Motel Taxes	457,156	442,943	426,303	362,354	272,081	-	-	-	-	-
Interest	2,647	2,554	3,771	1,080	-	-	-	-	-	-
Miscellaneous Revenues	54,557	33,394	46,083	75,457	65,870	119,546	162,839	177,102	215,655	82,993
Total Revenues	14,351,226	13,734,017	12,183,661	12,253,157	11,502,856	12,302,180	11,508,744	11,236,646	10,598,722	10,389,357
Expenditures:										
Current:										
General Government	2,245,637	2,571,592	2,750,629	2,525,674	2,324,676	2,368,115	2,707,055	2,028,209	3,549,871	3,362,309
Public Safety	5,944,757	5,194,172	5,006,644	5,039,840	4,862,765	4,768,967	4,993,285	4,818,828	3,439,874	3,150,734
Public Works	1,081,918	940,156	940,662	969,315	960,243	46,980	27,696	31,452	29,299	20,597
Solid Waste	885,152	823,067	803,679	773,941	702,062	940,758	936,324	853,306	661,084	605,307
Drug Fund	4,193	14,125	238,232	36,676	45,960	715,511	686,556	689,125	640,079	608,587
Parks and Recreation	1,426,434	1,250,466	1,227,117	1,248,625	1,218,791	1,367,782	1,317,488	1,249,166	899,147	837,222
Storm Expenditures	466,126	422,642	330,259	131,648	57,937	203,219	298,798	309,084	331,935	359,825
Tourism	150,981	97,702	391,465	616,030	477,341	404,484	450,845	524,281	510,720	469,854
Stormwater Utility	604,672	435,381	32,951	55,135	60,784	61,195	59,439	6,210	48,825	55,963
Debt Service-Principal	3,778,257	2,484,254	2,015,897	456,563	734,701	1,230,399	1,045,704	1,315,062	552,986	624,745
Debt Service-Interest	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total expenditures	16,708,858	14,265,396	13,771,950	12,140,436	11,688,672	12,107,410	12,557,853	11,952,724	11,087,164	10,095,143
Excess of revenues over (under) expenditures	(2,357,632)	(531,379)	(1,588,289)	112,721	(185,816)	194,770	(1,049,109)	(716,078)	(488,442)	294,214
Other Financing Sources & Uses:										
Contributions and grants	120,178	230,334	444,797	-	-	-	5,513	64,357	11,000	50,000
Bonds, notes, and leases	454,688	4,476,411	287,766	152,205	271,818	77,829	552,957	630,500	174,972	121,204
Operating transfers	152,216	251,813	174,629	105,359	77,529	-	80,784	80,784	-	-
Sale of capital assets	43,025	195,199	37,982	24,988	-	-	-	44,680	11,541	13,122
Insurance recoveries	13,901	2,680	195,157	98,308	585,889	31,888	-	211,924	-	-
Total other financing sources (uses)	784,008	5,156,437	1,140,331	380,860	935,236	77,829	671,142	1,032,245	197,513	184,326
Special Item	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	(1,573,624)	4,625,058	(447,958)	493,581	749,420	272,599	(377,967)	316,167	(290,929)	478,540
Debt Service as % of noncapital expenditures	5.61%	3.97%	3.61%	5.74%	4.91%	4.28%	4.43%	4.99%	5.31%	5.55%

City of Goodlettsville
Revenue Capacity Information
Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Years

Tax Year	Fiscal Year	Tangible/						Total Assessed Value	Total Direct Tax Rate *	Estimated Actual Taxable Value	Taxable Assessed Value As a Percentage of Actual Taxable Value
		Commercial/Industrial	Residential	Farm/Other Property	Intangible Personal Property	Public Utility Property	Total Assessed Value				
2013	2014	224,005,440	226,711,862	5,689,603	29,788,960	11,755,464	497,951,329	\$0.8785	1,612,847,183	30.87%	
2012	2013	219,888,933	229,427,882	4,655,626	30,127,424	12,310,088	496,409,953	\$0.8700	1,628,807,560	30.48%	
2011	2012	221,226,526	227,294,125	3,936,138	30,458,619	12,259,342	495,174,750	\$0.6338	1,609,404,205	30.77%	
2010	2011	205,653,793	225,728,300	4,226,638	29,001,494	11,237,135	475,847,360	\$0.6338	1,555,073,926	30.60%	
2009	2010	202,357,510	220,925,750	4,334,571	30,430,300	11,239,157	469,287,288	\$0.6338	1,541,665,322	30.44%	
2008	2009	187,204,849	203,118,150	3,925,734	25,694,001	10,322,789	430,265,523	\$0.6600	1,588,197,466	27.09%	
2007	2008	183,076,639	198,681,550	4,062,584	30,391,174	10,507,862	426,719,809	\$0.6600	1,508,134,675	28.29%	
2006	2007	180,360,856	193,251,675	4,168,134	30,252,913	11,769,111	419,802,689	\$0.6400	1,368,386,873	30.68%	
2005	2006	178,327,103	173,458,650	4,516,609	30,188,626	11,985,005	398,475,993	\$0.7000	1,322,043,065	30.14%	
2004	2005	161,165,718	161,106,025	4,400,416	26,156,335	11,367,978	364,196,472	\$0.7000	1,221,999,646	29.80%	

* per \$100 of assessed valuation

City of Goodlettsville
Revenue Capacity Information
Direct and Overlapping Property Tax Rates, Last Ten Years

Fiscal Year	Levy Year	Direct Rate*		Overlapping Rates**		Total	
		Sumner City	Davidson City	Sumner County	Davidson County	Sumner City	Davidson City
2005	2004	\$ 0.6600	\$ 0.7000	\$ 2.5900	\$ 4.0400	\$ 3.2500	\$ 4.7400
2006	2005	\$ 0.6600	\$ 0.7000	\$ 2.5900	\$ 4.0400	\$ 3.2500	\$ 4.7400
2007	2006	\$ 0.6900	\$ 0.6400	\$ 2.2800	\$ 4.0400	\$ 2.9700	\$ 4.6800
2008	2007	\$ 0.6600	\$ 0.6600	\$ 2.2800	\$ 4.0400	\$ 2.9400	\$ 4.7000
2009	2008	\$ 0.6600	\$ 0.6600	\$ 2.2800	\$ 4.0400	\$ 2.9400	\$ 4.7000
2010	2009	\$ 0.6338	\$ 0.6338	\$ 2.0208	\$ 3.5600	\$ 2.6546	\$ 4.1938
2011	2010	\$ 0.6338	\$ 0.6338	\$ 2.0208	\$ 3.5600	\$ 2.6546	\$ 4.1938
2012	2011	\$ 0.6338	\$ 0.6338	\$ 2.0208	\$ 3.5600	\$ 2.6546	\$ 4.1938
2013	2012	\$ 0.8700	\$ 0.8700	\$ 2.0208	\$ 4.0400	\$ 2.8908	\$ 4.9100
2014	2013	\$ 0.8785	\$ 0.8785	\$ 2.0208	\$ 3.9200	\$ 2.8993	\$ 4.7985

Source-County Tax Assessor

Levied per \$100 of assessed value

*Property tax rate within the City may differ by County

** Property tax rate levied on County Property within the City

City of Goodlettsville
Revenue Capacity Information
Principal Property Taxpayers

Taxpayer	2014			2009		
	Total Assessed Value	Rank	Percent of Total Assessed Value	Total Assessed Value	Rank	Percent of Total Assessed Value
Dollar General	42,241,207	1	8.74%	44,542,300	1	9.49%
Realty Assoc Iowa Corp	26,285,100	2	5.44%	37,247,120	2	7.94%
Rivergate Mall	25,655,700	3	5.31%	26,896,800	3	5.73%
KC Investors	22,883,900	4	4.73%	23,585,656	4	5.03%
Preston Run Apts	21,081,300	5	4.36%	22,294,500	5	4.75%
IBP/Tyson	20,382,750	6	4.22%	19,200,000	6	4.09%
Piccadilly	19,614,100	7	4.06%	15,672,700	7	3.34%
Lenoxgate	17,160,000	8	3.55%	14,663,000	8	3.12%
United Fidelity Bank and Pedcor	11,121,200	9	2.30%	10,843,200	9	2.31%
Armed Services Mutual Benefit	8,924,300	10	1.85%	9,498,116	10	2.02%
Totals	<u>215,349,557</u>		<u>44.54%</u>	<u>224,443,392</u>		<u>47.83%</u>
Total Assessed Value	<u>483,497,023</u>			<u>469,287,288</u>		

Source: City Tax Rolls

Note: Historical data for tax year 2005 (nine years ago), is unavailable.

Note: Fiscal Year 2014 reflects Tax Year 2013 and Fiscal Year 2009 reflects 2008 Tax Year

City of Goodlettsville
Revenue Capacity Information
Property Tax Levies and Collections, Last Ten Fiscal Years

Fiscal Year Levy Year	Total Tax Levy	Current		Delinquent Tax Collections	Total Collections	Total		Outstanding Delinquent Taxes as Percent of Current Levy
		Tax Collections	Percent Collected			Collected as Percent of Current Levy	Outstanding Delinquent Taxes	
* 2005	2,582,866	2,551,930	98.80%	-	2,551,930	98.80%	30,936	1.20%
2006	2,689,609	2,489,396	92.56%	70,241	2,559,637	95.17%	27,371	1.02%
2007	2,840,113	2,751,356	96.87%	205,131	2,956,487	104.10%	2,624	0.09%
2008	2,887,879	2,653,397	91.88%	72,216	2,725,613	94.38%	3,354	0.12%
2009	2,887,879	2,827,316	97.90%	209,409	3,036,725	105.15%	14,570	0.50%
2010	3,085,580	2,946,791	95.50%	71,386	3,018,177	97.82%	26,982	0.87%
2011	3,117,133	2,960,454	94.97%	99,747	3,060,201	98.17%	45,597	1.46%
2012	3,126,381	2,977,789	95.25%	160,052	3,137,841	100.37%	148,593	4.75%
2013	4,333,550	4,167,047	96.16%	95,036	4,262,083	98.35%	166,503	3.84%
2014	4,346,390	4,205,129	96.75%	221,623	4,426,752	101.85%	141,261	3.25%

* Breakdown between current year collections and delinquent collections is unavailable.

City of Goodlettsville
Revenue Capacity Information
Local Sales Tax Collections, Last Ten Fiscal Years

Fiscal Year	Total Remittances From State *	City			County Rate**	Local			State			Total		
		Direct	Rate	Rate		Tax Rate								
2005	4,231,725	1.125%	1.125%	1.125%	2.25%	7.00%	9.25%							
2006	4,179,327	1.125%	1.125%	1.125%	2.25%	7.00%	9.25%							
2007	3,813,886	1.125%	1.125%	1.125%	2.25%	7.00%	9.25%							
2008	3,874,468	1.125%	1.125%	1.125%	2.25%	7.00%	9.25%							
2009	3,656,330	1.125%	1.125%	1.125%	2.25%	7.00%	9.25%							
2010	3,528,506	1.125%	1.125%	1.125%	2.25%	7.00%	9.25%							
2011	3,952,584	1.125%	1.125%	1.125%	2.25%	7.00%	9.25%							
2012	3,953,658	1.125%	1.125%	1.125%	2.25%	7.00%	9.25%							
2013	3,919,097	1.125%	1.125%	1.125%	2.25%	7.00%	9.25%							
2014	3,956,919	1.125%	1.125%	1.125%	2.25%	7.00%	9.25%							

*Remittances above represent the City's portion of the Local Option Sales Tax collections

**The county rate for both Sumner County and Davidson County has been the same for the past ten years

City of Goodlettsville, Tennessee
Revenue Capacity Information
Local Sales Tax Revenue by Industry, Principal Employers, Fiscal Years 2004 and 2013

Sector	Fiscal Year 2005			Fiscal Year 2014		
	Number of Filers	% of Total	Tax Liability	% of Total	Tax Liability	% of Total
1 Retail Trade	390	60.47%	\$5,923,365	56.15%	\$5,516,330	81.31%
2 Services	143	22.17%	\$547,418	24.06%	\$577,083	8.51%
3 Manufacturing	44	6.82%	\$145,311	5.70%	\$151,365	2.23%
4 Wholesale Trade	40	6.20%	\$239,574	5.17%	\$219,862	3.24%
5 Construction	7	1.09%	\$30,927	1.25%	\$48,855	0.72%
6 Finance Insurance Real Estate	unavailable		unavailable		unavailable	
7 Transportation and Utilities	5	0.78%	\$25,971	0.89%	\$31,377	0.46%
8 Agriculture	unavailable		unavailable		unavailable	
9 Other, Non Classified	9	1.40%	\$58,075	5.88%	\$120,631	1.78%
Total	645	100.00%	\$7,111,307	100.00%	\$6,784,694	100.00%

Source: Tennessee Department of Revenue, Research Section

Notes:

- Figures subject to revision due to amended taxpayer returns.
- 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 amounts reflected within the financial report.
- Changes in local telecommunications sourcing rules in 2003 reduced the number of taxpayers reporting in Transportation and Utilities.
- Does not include Goodlettsville share of county clerk or out-of-state taxpayer amounts.
- Totals include data for unavailable categories.

City of Goodlettsville
Revenue Capacity Information
Local Taxable Sales by Category, Last Ten Calendar Years

Category	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1 Apparel Stores	\$20,900,253	\$23,638,422	\$18,202,400	\$14,501,849	\$13,937,126	\$11,177,219	\$13,091,318	\$15,453,478	\$14,034,012	\$14,690,460
2 General Merchandise Stores	\$78,057,588	\$73,690,657	\$73,426,296	\$70,321,287	\$61,059,296	\$56,717,443	\$57,495,030	\$56,713,043	\$52,234,437	\$51,820,521
3 Food Stores	\$45,218,882	\$45,715,959	\$47,598,732	\$56,340,607	\$59,599,667	\$58,652,022	\$59,847,661	\$63,667,049	\$66,800,404	\$69,476,181
4 Eating and Drinking Places	\$42,625,545	\$40,789,164	\$42,284,576	\$42,998,737	\$42,269,392	\$41,159,929	\$42,109,529	\$42,673,201	\$43,794,512	\$43,411,685
5 Furniture Stores	\$16,161,019	\$17,105,900	\$20,164,197	\$20,715,070	\$20,779,124	\$16,149,990	\$16,371,262	\$15,505,792	\$16,169,382	\$18,634,467
6 Building Materials	\$15,431,966	\$15,725,822	\$15,991,172	\$3,268,267	\$2,227,767	\$2,379,458	\$1,401,986	\$1,043,947	\$958,844	\$1,021,571
7 MV Dealers and Service Stations	\$15,985,092	\$16,225,095	\$15,714,833	\$12,869,674	\$11,958,492	\$12,554,851	\$14,263,250	\$13,658,966	\$14,107,079	\$14,409,443
8 Other Retail	\$29,458,158	\$33,049,249	\$34,992,658	\$33,475,928	\$30,593,859	\$25,638,895	\$26,709,519	\$31,428,412	\$29,801,699	\$32,079,415
9 All Other Outlets	\$47,045,650	\$52,381,933	\$54,825,634	\$53,226,202	\$45,636,755	\$39,655,013	\$50,722,679	\$58,612,437	\$57,085,973	\$54,768,538
Total	\$310,884,153	\$318,322,201	\$323,200,498	\$307,717,621	\$288,061,478	\$264,084,820	\$282,012,234	\$298,756,325	\$294,986,342	\$300,312,281

Source: Department of Revenue, Research Section

Note: Figures subject to revision due to amended taxpayer returns.

City of Goodlettsville
Debt Capacity Information
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percent of Personal Income*	Debt Per Capita	
	Population	General Obligation Bonds	Capital Leases	Capital Notes	General Obligation Bonds	Loan-Wastewater	State	Capital Leases				Capital Notes
2005	13,780	1,110,000	426,961	-	660,000		4,994,567	-	-	7,191,528	2.27%	522
2006	14,761	840,000	367,530	-	585,000		4,718,842	-	-	6,511,372	1.57%	441
2007	14,761	1,225,500	126,898	-	510,000		4,454,556	-	-	6,316,954	1.52%	428
2008	14,761	949,600	305,879	200,000	430,000		4,153,084	-	300,000	6,338,563	1.53%	429
2009	14,761	688,810	178,710	183,336	340,000		3,812,044	-	275,000	5,477,900	1.32%	371
2010	15,921	422,930	245,946	166,667	230,000		4,625,014	-	250,000	5,941,557	1.33%	373
2011	15,921	281,730	256,333	-	3,400,000		7,722,973	-	-	11,661,036	2.61%	732
2012	15,921	126,584	307,780	-	2,863,536		11,178,796	-	-	14,476,696	3.26%	909
2013	15,921	3,078,803	1,396,025	-	2,461,198		7,313,392	235,014	-	14,484,432	3.26%	910
2014	15,921	2,950,810	1,374,154	-	2,054,191		7,003,156	188,281	-	13,570,592	3.05%	852

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

City of Goodlettsville
Debt Capacity Information
Ratios of General Obligation Debt Outstanding, Last Ten Fiscal Years

Fiscal Year	Population	Total Assessed Value	General Obligation Bonds	Capital Leases	Capital Notes	Total	Ratio of		Net
							General Obligation Debt to Assessed Value	General Obligation Debt Per Capita	
2005	13,780	364,196,472	1,110,000	426,961	-	1,536,961	0.42%	112	
2006	14,761	398,475,993	840,000	367,530	-	1,207,530	0.30%	82	
2007	14,761	419,802,689	1,225,500	126,898	-	1,352,398	0.32%	92	
2008	14,761	426,719,809	949,600	305,879	200,000	1,455,479	0.34%	99	
2009	14,761	430,265,523	688,810	178,710	183,336	1,050,856	0.24%	71	
2010	15,921	469,287,288	422,930	246,946	166,667	836,543	0.18%	53	
2011	15,921	475,847,360	281,730	256,333	-	538,063	0.11%	34	
2012	15,921	495,174,750	126,584	307,780	-	434,364	0.09%	27	
2013	15,921	496,409,953	3,078,803	1,396,025	-	4,474,828	0.90%	281	
2014	15,921	497,951,329	2,950,810	1,374,154	-	4,324,964	0.87%	272	

City of Goodlettsville
Debt Capacity Information
Direct and Overlapping Governmental Activities Debt

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to City *	Amount Applicable to City *
City of Goodlettsville	\$ 13,570,592	100.00%	\$ 13,570,592
Sumner County	126,410,000	11.85%	\$ 14,980,613
Davidson County	\$ 2,262,920,000	2.47%	\$ 55,902,271

* Based upon Assessed Value of Property in:

Sumner County	\$4,201,832,547
Davidson County	\$20,157,034,927
City of Goodlettsville	\$497,951,329

City of Goodlettsville
Debt Capacity Information
Debt Margin Information, Last Ten Fiscal Years

Fiscal Year	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Assessed Value \$	497,951,329	\$ 496,409,953	495,174,750	475,847,360	469,287,288	430,265,523	426,719,809	419,802,689	398,475,993	364,196,472
General Obligation Debt \$	13,570,592	14,484,432	14,476,696	11,661,036	5,941,557	5,477,900	6,338,563	6,316,954	6,511,372	7,191,528
Debt as % of Assessed Value	2.73%	2.92%	2.92%	2.45%	1.27%	1.27%	1.49%	1.50%	1.63%	1.97%

Note- The City has no legal debt limit

City of Goodlettsville
Debt Capacity Information
Demographic and Economic Statistics, Last Ten Years

Year	Population	Total Personal Income	Per Capita Personal Income *	Median Age	Education Level in Years of Schooling	Davidson Unemployment Rate**
2005	13,780	316,195,880	22,946	37.00	13.41	4.5
2006	14,761	414,311,748	28,068	37.00	13.41	4.2
2007	14,761	414,311,748	28,068	37.00	13.41	3.9
2008	14,761	414,311,748	28,068	37.00	13.41	5.5
2009	14,761	414,311,748	28,068	37.00	13.41	9.0
2010	15,921	446,870,628	28,068	39.90	13.62	8.9
2011	15,921	446,870,628	28,068	39.90	13.62	8.2
2012	15,921	444,371,031	27,911	39.90	13.62	6.6
2013	15,921	444,371,031	27,911	39.90	13.62	6.9
2014	15,921	444,371,031	27,911	39.90	13.62	6.9

*Total personal income is calculated using population and per capita personal income information.

**U.S. Bureau of Labor and Statistics

City of Goodlettsville
Demographic and Economic Information
Principal Employers

	2014		2008	
	Employer	Product/Service	Employees	Rank
Tyson Foods, Inc	Meat Packing	1,600	1,512	1
Dollar General Corporation HDQ	Retail Distribution	1,300	900	2
Associated Wholesale Grocers	Food Distribution	895	400	3
USF Holland Motor Freight	Distribution	400	300	4
City of Goodlettsville	Government	131	139	5
Des-Case	Filters	90	-	6

83 Note: Historical data (nine years ago) is not available

City of Goodlettsville
Operating Information
Full-time Equivalent City Government by Function, Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government	11	12	13	13	11	12	12	10	10	10
Community Services	6	6	7	7	7	7	7	6	6	6
Police	56	57	56	57	53	54	54	51	49	48
Fire	19	19	19	19	18	18	18	18	18	18
Hwys and Streets	15	14	14	14	11	11	12	12	11	11
Parks and Recreation	18	17	17	18	19	19	20	20	19	19
Sanitation	0	0	0	5	7	7	7	7	7	7
Sewer	6	6	6	6	9	9	9	8	8	8
Total	131	131	132	139	135	137	139	132	128	127

City of Goodlettsville
Operating Information
Operating Indicators by Function/Program

	Fiscal Year	
	2013	2012
Police		
Calls for Service	41,559	34,780
Traffic Accidents	909	935
		29,263
		1,200
Fire		
Calls for Service	2,730	2,713
EMS/Rescue Incidents	1,772	1,837
Structure fires	10	18
Fire Inspections	57	73
		2,651
		1,836
		18
		73
Community Services		
Total Permits Issued	181	99
Construction Plans Reviewed	51	12
Certificates of Occupancy Issued	46	73
Building Inspections	310	271
		188
		37
		33
		318

Note: Accurate historical statistical data prior to fiscal year 2012 for these indicators is not available

Operating Information
Capital Assets Statistics by Function/Program, Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police										
Stations	2	2	1	1	1	1	1	1	1	1
Vehicles	50	53	52	*	*	*	*	*	*	*
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Trucks	6	6	6	6	6	6	5	5	5	5
Autos and trucks	3	3	3	3	3	3	3	3	3	3
Inflatable boat with motor	1	1	1	0	0	0	0	0	0	0
Public Works										
Streets (miles)	85	85	85	85	83	83	83	83	82	82
Traffic Signals	21	21	21	21	20	20	19	19	19	19
Parks and Recreation										
Acreage	210	210	205.4	205.4	205.4	205.4	205.4	185.9	185.9	185.9
Playgrounds	3	3	3	3	3	3	3	3	3	3
Baseball/softball diamonds	12	12	12	12	12	12	12	12	12	12
Soccer/football fields	14	14	14	14	14	14	14	14	14	14
Dog parks	1	1	1	1	1	1	1	1	1	1
Historical sites	2	2	2	2	2	2	2	2	2	2

* Data not available

CITY OF GOODLETTSVILLE, TENNESSEE
Utility Rate Structure and Number of Customers
For the Year Ended June 30, 2014

The City of Goodlettsville's Sewer Fund had approximately 4,402 customers at June 30, 2014. Its rate structure was as follows:

Residential
*(Minimum Charges per Month up to 200
Cubic Feet Usage)*

Meter Size	Rate (\$)
5/8"	10.45
3/4"	29.67
1"	35.74
1 1/2"	52.53
2"	70.74
3"	93.35
4"	152.12
6"	238.86
8"	373.54
10"	373.54

Small Commercial and Industrial
*(Minimum Charges per Month up to 200
Cubic Feet Usage)*

Meter Size	Rate (\$)
5/8"	11.68
3/4"	33.23
1"	40.02
1 1/2"	58.84
2"	79.23
3"	104.54
4"	170.36
6"	267.53
8"	418.37
10"	418.37

Usage over 200
Cubic Feet 6.50 per 100 cu.ft.

Usage over 200
Cubic Feet 7.27 per 100 cu.ft.

Intermediate Commercial and Industrial
*(Minimum Charges per Month up to 200
Cubic Feet Usage)*

Meter Size	Rate (\$)
5/8"	38.26
3/4"	54.26
1"	59.44
1 1/2"	73.82
2"	90.17
3"	112.86
4"	178.64
6"	275.81
8"	429.34
10"	429.34

Large Commercial and Industrial
*(Minimum Charges per Month up to 200
Cubic Feet Usage)*

Meter Size	Rate (\$)
5/8"	1,476.63
3/4"	1,492.59
1"	1,497.78
1 1/2"	1,512.14
2"	1,528.50
3"	1,542.86
4"	1,608.72
6"	1,705.88
8"	1,867.69
10"	1,867.69

Usage over 200
Cubic Feet 3.43 per 100 cu.ft.

Usage over 200
Cubic Feet 4.48 per 100 cu.ft.

The City also had approximately 4,500 Solid waste customers at June 30, 2014 that are charged \$13/month per residential living unit.

Internal Control and Compliance Section

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INDEPENDENT AUDITORS' 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 Honorable Mayor and the
Members of the City Commission
City of Goodlettsville, 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, and the aggregate remaining fund information of City of Goodlettsville, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise City of Goodlettsville, Tennessee's basic financial statements and have issued our report thereon dated December 1, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Goodlettsville, Tennessee'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 City of Goodlettsville, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Goodlettsville, Tennessee's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Parker, Parker & Associates

December 12, 2013