

# *CITY OF GOODLETTSVILLE, TENNESSEE*

*Comprehensive Annual Financial Report*

*For the Fiscal Year Ended*

*June 30, 2016*



**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2016**

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## **Introductory Section**



December 14, 2016

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, 2016.

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, 2016, 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, 2016, 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 5,294 customers as of June 30, 2016. 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. The City has seen a significant increase on the Sumner County

side of the City in new single housing construction. 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 five new hotels, Towne Place by Marriott, Candlewood Suites, Hampton Inn, Holiday Inn Express, and Best Western, all scheduled to open in calendar year 2017. New businesses completing construction this year include Loden Vision's Corporate Office, Allied Modular Systems, Sky High (Rivergate Mall), and a new Goodlettsville Middle School. Businesses that have submitted plans for construction include a new assisted living facility, a small office building, and Higgs Pediatric Dentistry. 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 U.S. Department of Census estimates the current population for the City of Goodlettsville to be 16,994 (U.S. Department of Census). The City is conducting a special census at the time of this report, and is expected to be complete late in fiscal year 2017. It is anticipated that this special census will result in additional state shared tax revenue to the City for fiscal year 2018.

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 2016 unemployment rate for Nashville is 3.9% and Sumner County is 3.9%. The reported State of Tennessee average is 4.8% while the U.S. average is 4.9%.

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, Main Street Revitalization Project, and the Conference Drive Enhancement Project. Many of these projects are being funded wholly or in part by Federal and State grants.

## **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 not to 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 fund balance of \$8,210,512 for all governmental funds. This current unassigned fund balance for the General Fund is \$5,907,910 which represents 42% 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.

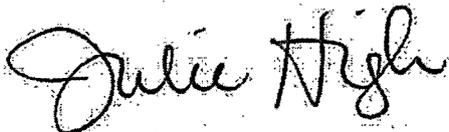
#### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Goodlettsville for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of the highly qualified Administration and Finance staff at the City of Goodlettsville. Credit must also be given to the City Manager and Board of Commissioners for their support of excellence in financial reporting and fiscal integrity. Also, the City is indebted to the staff of Parker, Parker and Associates for their invaluable guidance and assistance.

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.*



Government Finance Officers Association

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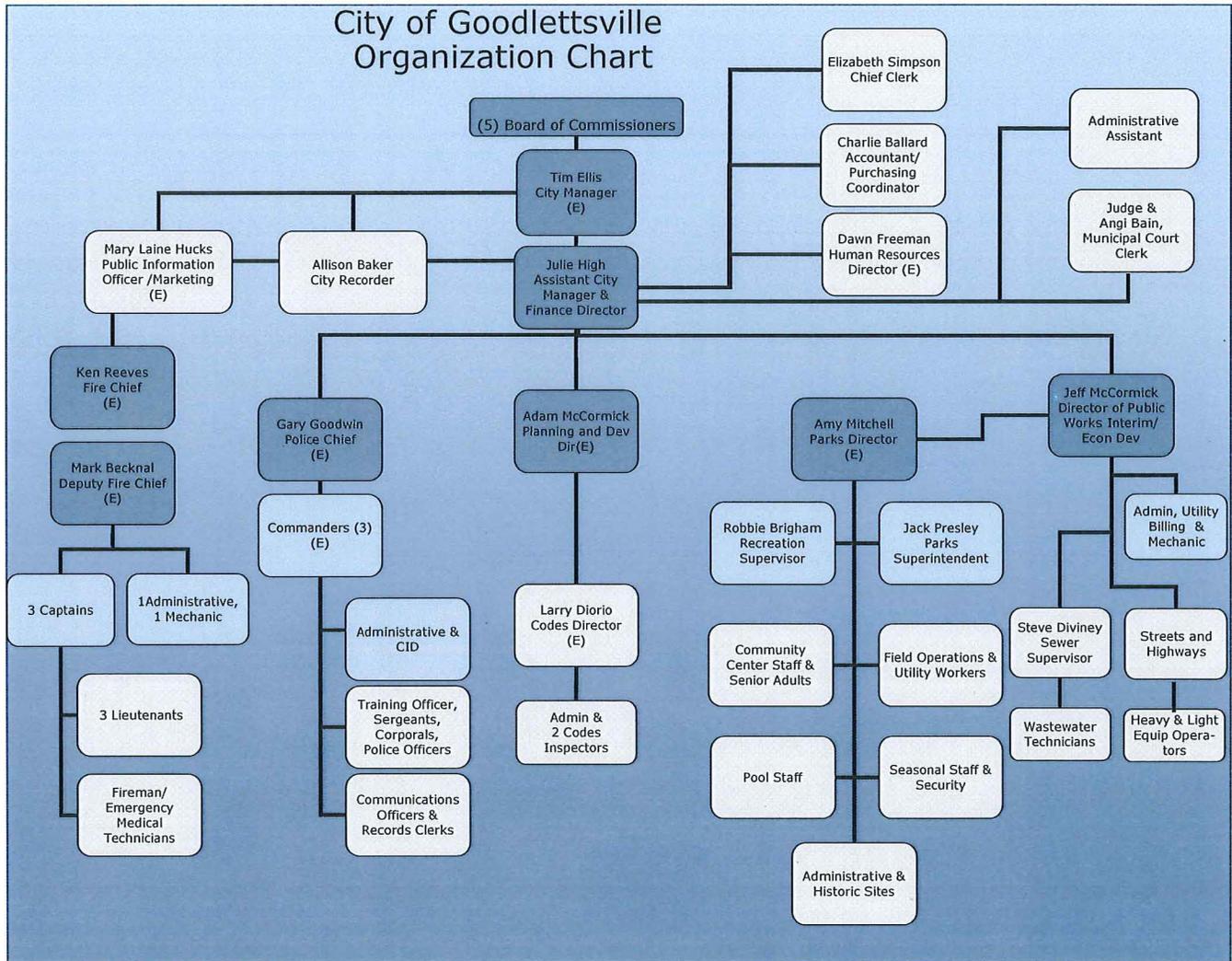
**City of Goodlettsville  
Tennessee**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

# City of Goodlettsville Organization Chart



**CITY OF GOODLETTSVILLE  
Roster of City Officials and  
Schedule of Salaries and Official Bonds of Principal Officials  
June 30, 2016**

|  |                  | <u>Period of Service</u> |
|--|------------------|--------------------------|
| <b>City Commissioners</b>  |                  |                          |
| Mayor  | John Coombs      | 7/1/15 to 6/30/16        |
| Vice Mayor   | Jeff Duncan      | 7/1/15 to 6/30/16        |
| Commissioner   | Rusty Tinnin     | 7/1/15 to 6/30/16        |
| Commissioner   | Harry Bell       | 7/1/15 to 6/30/16        |
| Commissioner   | Zach Young       | 7/1/15 to 6/30/16        |
| City Manager   | Tim Ellis        | 7/1/15 to 6/30/16        |
| City Attorney  | Joe Haynes       | 7/1/15 to 6/30/16        |
| City Judge   | Robert Wheeler   | 7/1/15 to 6/30/16        |
| City Recorder  | Mary Laine Hucks | 7/1/15 to 6/30/16        |
| Chief of Police  | Gary Goodwin     | 7/1/15 to 6/30/16        |
| Director of Public Services  | Guy Patterson    | 7/1/15 to 12/31/15       |
| Interim Director of Public Services/Economic Development                         | Jeff McCormick   | 1/1/2016 to 6/30/16      |
| Director of Planning and Development Services                                    | Addam McCormick  | 7/1/15 to 6/30/16        |
| Director of Finance and Administration,<br>Assistant City Manager, CMFO Designee | Julie High       | 7/1/15 to 6/30/16        |
| Fire Chief   | Ken Reeves       | 12/28/15 to 6/30/16      |
| Interim Fire Chief   | Mark Becknal     | 7/1/15 to 12/27/15       |

\* 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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## *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, the aggregate remaining fund information, and the budgetary comparison for the General Fund of the City of Goodlettsville, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Goodlettsville, Tennessee'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, 2016, 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, schedule of post-retirement health care benefit program funding progress, schedule of changes in net pension liability (asset) and related ratios based on participation in the public employee pension plan of TCRS, and schedule of contributions based on participation in the public employee pension plan of TCRS on pages 10-16 and 44-46 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 47-54, 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 47-54 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 47-54 is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2016, 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 the City of Goodlettsville, Tennessee's internal control over financial reporting and compliance.

*Parker, Parker & Associates*

December 14, 2016

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Management's Discussion and Analysis**  
**June 30, 2016**

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 Position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows, with the net difference reported as net position. Over time, increases or decreases in net position 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 position changed during the fiscal year. All changes in net position 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, solid waste, parks and recreation, tourism, and stormwater. The business-type activity of the City includes the sewer operation. The government-wide financial statements can be found on pages 17-18 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 seven 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 six 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 19-22 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 - Continued**  
**June 30, 2016**

information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 23-25 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 26-43 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 pages 44-46 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 47-48 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 56-76 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, Electronic Ticket Fund, Capital Projects Fund, Storm Water Fund, and Sewer Fund. In addition, the General Fund is divided into four areas. The Grant, 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           |                      |                      |                      |
|                          | 2016                 | 2015                 | 2016                 | 2015                 | 2016                 | 2015                 |
| <b>ASSETS</b>            |                      |                      |                      |                      |                      |                      |
| Current and Other Assets | \$ 16,450,339        | \$ 14,187,830        | \$ 11,546,988        | \$ 10,308,401        | \$ 27,997,327        | \$ 24,496,231        |
| Capital assets           | 19,596,577           | 19,149,184           | 29,521,618           | 30,525,906           | 49,118,195           | 49,675,090           |
| Total assets             | <u>36,046,916</u>    | <u>33,337,014</u>    | <u>41,068,606</u>    | <u>40,834,307</u>    | <u>77,115,522</u>    | <u>74,171,321</u>    |
| <b>DEFERRED OUTFLOWS</b> |                      |                      |                      |                      |                      |                      |
| <b>OF RESOURCES</b>      |                      |                      |                      |                      |                      |                      |
| Deferred Outflows        | 2,336,920            | 1,269,703            | 152,053              | 79,591               | 2,488,973            | 1,349,294            |
| Total Deferred Outflows  | <u>2,336,920</u>     | <u>1,269,703</u>     | <u>152,053</u>       | <u>79,591</u>        | <u>2,488,973</u>     | <u>1,349,294</u>     |
| <b>LIABILITIES</b>       |                      |                      |                      |                      |                      |                      |
| Other liabilities        | 1,068,190            | 638,033              | 89,550               | 194,151              | 1,157,740            | 832,184              |
| Long-term liabilities    | 8,864,558            | 8,078,927            | 8,028,450            | 8,790,485            | 16,893,008           | 16,869,412           |
| Total liabilities        | <u>9,932,748</u>     | <u>8,716,960</u>     | <u>8,118,000</u>     | <u>8,984,636</u>     | <u>18,050,748</u>    | <u>17,701,596</u>    |
| <b>DEFERRED INFLOWS</b>  |                      |                      |                      |                      |                      |                      |
| <b>OF RESOURCES</b>      |                      |                      |                      |                      |                      |                      |
| Deferred Inflows         | 5,394,898            | 5,683,608            | 62,940               | 86,154               | 5,457,838            | 5,769,762            |
| Total Deferred Inflows   | <u>5,394,898</u>     | <u>5,683,608</u>     | <u>62,940</u>        | <u>86,154</u>        | <u>5,457,838</u>     | <u>5,769,762</u>     |
| <b>NET POSITION</b>      |                      |                      |                      |                      |                      |                      |
| Net Investment in        |                      |                      |                      |                      |                      |                      |
| Capital Assets           | 15,527,487           | 14,693,713           | 21,759,049           | 21,932,257           | 37,286,536           | 36,625,970           |
| Restricted               | 2,666,094            | 1,631,642            | -                    | -                    | 2,666,094            | 1,631,642            |
| Unrestricted             | 4,862,609            | 3,880,794            | 11,280,670           | 9,910,851            | 16,143,279           | 13,791,645           |
| Total net position       | <u>\$ 23,056,190</u> | <u>\$ 20,206,149</u> | <u>\$ 33,039,719</u> | <u>\$ 31,843,108</u> | <u>\$ 56,095,909</u> | <u>\$ 52,049,258</u> |

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Management's Discussion and Analysis - Continued**  
**June 30, 2016**

| <u>Functions/Programs:</u>                           | Change in Net Assets |                   |                   |                   |                   |                   |
|--|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | Governmental         |                   | Business-type     |                   | Total             |                   |
|  | Activities           |                   | Activities        |                   |                   |                   |
|  | 2016                 | 2015              | 2016              | 2015              | 2016              | 2015              |
| <b>Program Revenues</b>                              |                      |                   |                   |                   |                   |                   |
| Charges for Services                                 | \$ 3,057,296         | \$ 2,686,075      | \$ 5,895,504      | \$ 5,384,763      | \$ 8,952,800      | \$ 8,070,838      |
| Operating grants and contributions                   | 507,891              | 486,551           | -                 | -                 | 507,891           | 486,551           |
| Capital grants and contributions                     | 970,273              | 85,251            | -                 | 37,818            | 970,273           | 123,069           |
| <b>General Revenues</b>                              | <b>13,059,301</b>    | <b>12,261,206</b> | <b>80,464</b>     | <b>58,669</b>     | <b>13,139,765</b> | <b>12,319,875</b> |
| <b>Total Revenues</b>                                | <b>17,594,761</b>    | <b>15,519,083</b> | <b>5,975,968</b>  | <b>5,481,250</b>  | <b>23,570,729</b> | <b>21,000,333</b> |
| <b>Expenses</b>                                      |                      |                   |                   |                   |                   |                   |
| General government                                   | 2,367,320            | 2,261,558         | -                 | -                 | 2,367,320         | 2,261,558         |
| Public safety  | 7,217,111            | 6,396,791         | -                 | -                 | 7,217,111         | 6,396,791         |
| Public Works   | 1,618,968            | 1,665,390         | -                 | -                 | 1,618,968         | 1,665,390         |
| Sanitation   | 893,407              | 917,317           | -                 | -                 | 893,407           | 917,317           |
| Parks and recreation                                 | 1,765,258            | 1,499,135         | -                 | -                 | 1,765,258         | 1,499,135         |
| Tourism  | 665,425              | 602,624           | -                 | -                 | 665,425           | 602,624           |
| Stormwater Utility                                   | 263,846              | 99,357            | -                 | -                 | 263,846           | 99,357            |
| Interest on long-term debt                           | 88,910               | 117,292           | -                 | -                 | 88,910            | 117,292           |
| Sewer  | -                    | -                 | 4,643,832         | 4,141,980         | 4,643,832         | 4,141,980         |
| <b>Total Expenses</b>                                | <b>14,880,245</b>    | <b>13,559,464</b> | <b>4,643,832</b>  | <b>4,141,980</b>  | <b>19,524,077</b> | <b>17,701,444</b> |
| Increase (Decrease) in net position before transfers | 2,714,516            | 1,959,619         | 1,332,136         | 1,339,270         | 4,046,652         | 3,298,889         |
| Transfers  | 135,525              | 156,112           | (135,525)         | (156,112)         | -                 | -                 |
| Increase (Decrease) in net position                  | 2,850,041            | 2,115,731         | 1,196,611         | 1,183,158         | 4,046,652         | 3,298,889         |
| Net Position - Beginning                             | 20,206,149           | 19,138,104        | 31,843,108        | 30,731,992        | 52,049,257        | 49,870,096        |
| Prior Period Adjustment                              | -                    | (1,047,686)       | -                 | (72,042)          | -                 | (1,119,728)       |
| <b>Net Position - Ending</b>                         | <b>23,056,190</b>    | <b>20,206,149</b> | <b>33,039,719</b> | <b>31,843,108</b> | <b>56,095,909</b> | <b>52,049,257</b> |

**Overall analysis**

The City's overall financial condition improved significantly in Fiscal Year 2016. Revenues from governmental activities increased 13.4% and revenues generated by business-type activities increased 9.0% from the prior fiscal year. Expenditures related to governmental activities for fiscal year 2016 increased 9.7% from 2015, and expenditures related to business-type activities increased 12.1% from the prior fiscal year. Net position of the governmental activities increased \$2,850,041 and net position of the City's business-type activities which is the Sewer Fund increased \$1,196,611 from the prior fiscal year.

Capital expenditures in the General Fund were slightly more than the prior year. The City recorded \$1,668,586 in capital expenditures in the governmental funds, plus an additional \$462,943 resurfacing City streets. The City's Main Street Enhancement Project began, and was in the final design phase at the time of this report. The City received a FEMA Firefighting Grant which was used to purchase Self-Contained Breathing Apparatus and Air Compressor.

**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 \$4,262,318 in fiscal year 2016 compared to \$3,917,650 for the fiscal year 2015, an increase of \$344,668 or 8.8%. The City's property tax rate has remained constant for the past two years.

The City ended the year with a fund balance in the General Fund of \$8,210,512, which was an increase of \$679,814. Within this fund balance, \$503,949 is assigned to OPEB (Other Post-Employment Benefits) which is medical insurance benefit for retirees, \$1,606,580 is committed to Fleet Maintenance, \$192,073 is non-spendable, and \$5,907,910 remained Unassigned Fund Balance at June 30, 2016.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Management's Discussion and Analysis - Continued**  
**June 30, 2016**

*Police Drug Fund* – The Police Drug Fund had revenues of \$22,788 in Fiscal Year 2016 and proceeds from the sale of fixed assets of \$2,268. Expenditures in the drug fund totaled \$28,141 of operating expenditures, mainly related to the Police K-9 officer. The ending fund balance June 30, 2016 for the Drug Fund was \$31,803.

*Solid Waste Fund* – The City began outsourcing its sanitation services to a private contractor beginning in 2012. The City collected \$993,865 in sanitation fees in Fiscal Year 2016, and \$4,048 in miscellaneous revenues. The City spent \$724,240 for the contracted sanitation and recycling services for the City. In addition, labor and related benefit costs of \$75,740 were incurred related to the operations of an onsite sanitation drop-off facility operated internally by Public Works, as well as other operating expenditures of \$83,375 and capital expenditures of \$59,059. The capital expenditures included the purchase of a compactor for the onsite drop-off facility and replacement containers to be distributed to residents as needed. Revenues exceeded expenditures in the Solid Waste. The Solid Waste Fund ended fiscal year 2016 with a fund balance of \$57,589.

*Tourism Fund* – Hotel/Motel tax revenue increased \$83,640 (15.4%) in FY 2016 over the prior year. Collections totaled \$625,861 in Hotel/Motel tax revenue in FY 2016. The tourism fund also recorded admission fees and gift shop sales of \$29,713. Other miscellaneous revenues of \$3,025 were recorded as well. Expenditures in the Tourism fund are mostly related to the operation of the City's Historic Sites. Those expenditures totaled \$393,344 in Fiscal Year 2016. The Tourism Fund ended fiscal year 2016 with a fund balance of \$744,623.

*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. The City collected \$295,459 related to the Congestion Mitigation Air Quality Program (CMAQ) administered through TDOT. This project was 100% funded through the Federal Highway Administration, and was largely related to traffic synchronization and signalization. This grant requires the recipient to expend the funds and then request reimbursement through TDOT. This project was completed and closed in fiscal year 2016. The City spent approximately \$417,317 in the Capital Projects Fund related to engineering and design of the Main Street Redevelopment Project and \$18,910 on the Conference Drive Enhancement Project. These projects are being funded by a grant administered by TDOT as well. Both of these projects are 80/20 grants, and require recipients to expend the funds and then request reimbursement through TDOT. The City received \$285,038 in reimbursements related to those two projects in fiscal year 2016. The City also received \$9,264 in reimbursements from TDOT related to prior year expenditures on the Greenway Project, which is also an 80/20 grant administered through TDOT, which is still in the Right of Way phase.

*Storm Water Utility Fund*-The Storm Water Utility is responsible for funding the operation, construction and maintenance of storm water management devices, for storm water system planning, and management. The storm water utility generates its revenue through user fees. In FY 2016, revenues generated from storm water fees were \$972,130. The fund also recorded \$5,597 in interest revenue. Total expenditures related to storm water operations, repair and maintenance was \$593,315 in FY 2016. This resulted in a \$384,412 increase to the ending fund balance at June 30, 2016 of \$1,480,381.

*Electronic Citation Fund* – The Electronic Citation Fund is a special revenue fund that was established to account for the electronic citation fee, which is assigned to each traffic citation resulting in a conviction. These fees are assessed as court costs and paid by traffic offenders. Funds collected may only be used for the maintenance of an electronic citation program or technology related to such a program. Revenues recorded in the Electronic Citation Fund for FY 2016 totaled \$10,077 and there were no expenditures in this fund. The current fund balance at June 30, 2016 is \$16,085.

*Sewer Fund* - Operating revenues in the Sewer Fund increased during fiscal year 2016, as did operating expenditures. Operating revenues increased \$416,041 (7.7%) from \$5,348,913 in Fiscal Year 2015 to \$5,764,954 for Fiscal Year 2016. Operating expenses increased \$524,222 (13.45%) from the prior fiscal year of \$3,909,227 to \$4,433,449 in the current fiscal year. The net position in the Sewer Fund was increased \$1,196,611 during fiscal year 2016 to \$33,039,719.

**Budget variances in the General Fund**

The General Fund revenues exceeded budgeted revenues by 8.5% (\$1,095,281). 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 12.9% under budget (\$2,075,181) with all departments in the General Fund Operating Budget for Fiscal Year 2016 being under budget. These things combined resulted in a positive net change in the fund balance of \$679,814 with an ending balance at June 30, 2016 of \$8,210,512.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Management's Discussion and Analysis - Continued**  
**June 30, 2016**

Capital asset and long-term debt activity

The City purchased 7 new police vehicles (\$213,906) with a capital lease. A totaled Police vehicle was also replaced (\$24,348) using insurance proceeds. The fire department acquired a new self-contained breathing apparatus system with an air compressor (\$244,593) via a Firefighting Grant through FEMA. The Public Works Department acquired a new swap loader (\$142,891) which was financed by a capital lease. Detailed information related to Capital Assets may be found in Note 7 on pages 37-38; and detailed schedules related to Long-Term Debt and Capital Leases are found in Note 8 and Note 9 on pages 38-41.

**Schedule of Changes in Capital Assets**

|   | Balance<br>6/30/2015 | Additions             | Disposals           | Transfers          | Balance<br>6/30/2016 |
|---|----------------------|-----------------------|---------------------|--------------------|----------------------|
| <b>Governmental Activities</b>                    |                      |                       |                     |                    |                      |
| <b>Capital Assets not being Depreciated</b>       |                      |                       |                     |                    |                      |
| Land  | \$ 4,136,838         | \$ -                  | \$ -                | \$ -               | \$ 4,136,838         |
| Construction in Progress                          | 262,463              | 476,227               | -                   | -                  | 738,690              |
| <b>Total Capital Assets not being Depreciated</b> | <b>\$ 4,399,301</b>  | <b>\$ 476,227</b>     | <b>\$ -</b>         | <b>\$ -</b>        | <b>\$ 4,875,528</b>  |
| <b>Capital Assets being Depreciated</b>           |                      |                       |                     |                    |                      |
| Buildings   | \$ 7,761,630         | \$ -                  | \$ -                | \$ -               | \$ 7,761,630         |
| Improvements                                      | 7,510,306            | 64,643                | 11,729              | -                  | 7,563,220            |
| Machinery & Equipment                             | 9,720,124            | 770,557               | 1,201,187           | 22,710             | 9,312,204            |
| Infrastructure                                    | 7,921,687            | 801,148               | -                   | -                  | 8,722,835            |
| <b>Total Capital Assets being Depreciated</b>     | <b>\$ 32,913,747</b> | <b>\$ 1,636,348</b>   | <b>\$ 1,212,916</b> | <b>\$ 22,710</b>   | <b>\$ 33,359,889</b> |
| <b>Business-type Activities</b>                   |                      |                       |                     |                    |                      |
| <b>Capital Assets not being Depreciated</b>       |                      |                       |                     |                    |                      |
| Land  | \$ 2,139,071         | \$ 15,449             | \$ -                | \$ -               | \$ 2,154,520         |
| Construction in Progress                          | 28,150               | -                     | -                   | -                  | 28,150               |
| <b>Total Capital Assets not being Depreciated</b> | <b>\$ 2,167,221</b>  | <b>\$ 15,449</b>      | <b>\$ -</b>         | <b>\$ -</b>        | <b>\$ 2,182,670</b>  |
| <b>Capital Assets being Depreciated</b>           |                      |                       |                     |                    |                      |
| Buildings   | \$ 4,332,627         | \$ -                  | \$ -                | \$ -               | \$ 4,332,627         |
| Improvements                                      | 5,213,308            | -                     | -                   | -                  | 5,213,308            |
| Machinery & Equipment                             | 1,944,437            | 13,455                | -                   | (22,710)           | 1,935,182            |
| Infrastructure                                    | 30,365,964           | -                     | -                   | -                  | 30,365,964           |
| <b>Total Capital Assets being Depreciated</b>     | <b>\$ 41,856,336</b> | <b>\$ 13,455</b>      | <b>\$ -</b>         | <b>\$ (22,710)</b> | <b>\$ 41,847,081</b> |
| <b>Governmental Activities</b>                    |                      |                       |                     |                    |                      |
| <b>Accumulated Depreciation</b>                   |                      |                       |                     |                    |                      |
| Buildings   | \$ 4,120,524         | \$ 182,978            | \$ -                | \$ -               | \$ 4,303,502         |
| Improvements                                      | 2,939,143            | 355,286               | 11,729              | -                  | 3,282,700            |
| Machinery & Equipment                             | 7,413,327            | 776,446               | 1,179,115           | 22,332             | 7,032,990            |
| Infrastructure                                    | 3,690,869            | 328,779               | -                   | -                  | 4,019,648            |
| <b>Total Accumulated Depreciation</b>             | <b>\$ 18,163,863</b> | <b>\$ 1,643,489</b>   | <b>\$ 1,190,844</b> | <b>\$ 22,332</b>   | <b>\$ 18,638,840</b> |
| <b>Business-type Activities</b>                   |                      |                       |                     |                    |                      |
| <b>Accumulated Depreciation</b>                   |                      |                       |                     |                    |                      |
| Buildings   | \$ 1,790,416         | \$ 108,339            | \$ -                | \$ -               | \$ 1,898,755         |
| Improvements                                      | 310,838              | 107,576               | -                   | -                  | 418,414              |
| Machinery & Equipment                             | 1,348,858            | 143,880               | -                   | (22,332)           | 1,470,406            |
| Infrastructure                                    | 10,047,539           | 673,019               | -                   | -                  | 10,720,558           |
| <b>Total Accumulated Depreciation</b>             | <b>\$ 13,497,651</b> | <b>\$ 1,032,814</b>   | <b>\$ -</b>         | <b>\$ (22,332)</b> | <b>\$ 14,508,133</b> |
| <b>Total Governmental Activities, Net</b>         | <b>\$ 19,149,184</b> | <b>\$ 469,086</b>     | <b>\$ 22,072</b>    | <b>\$ 378</b>      | <b>\$ 19,596,577</b> |
| <b>Total Business-type Activities, Net</b>        | <b>\$ 30,525,906</b> | <b>\$ (1,003,910)</b> | <b>\$ -</b>         | <b>\$ (378)</b>    | <b>\$ 29,521,618</b> |

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Management's Discussion and Analysis - Continued**  
**June 30, 2016**

**Schedule of Changes to Long-Term Liabilities – Governmental Activities**

|                        | Balance             |                     |                     | Balance             |                      |
|------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
|                        | July 1, 2015        | Additions           | Reductions          | June 30, 2016       | Due within<br>1 Year |
| Compensated Absences   | \$ 579,100          | \$ 368,519          | \$ 421,293          | \$ 526,326          | \$ 421,293           |
| Net OPEB Obligation    | 2,660,784           | 615,819             | 283,150             | 2,993,453           | -                    |
| Capital Leases         | 1,640,329           | 432,000             | 671,371             | 1,400,958           | 537,439              |
| Bonds Payable          | 2,812,182           | -                   | 144,051             | 2,668,131           | 149,475              |
| Debt Refunding Premium | 2,960               | -                   | 2,960               | -                   | -                    |
| Net Pension Liability  | 383,572             | 892,118             | -                   | 1,275,690           | -                    |
| <b>Totals</b>          | <b>\$ 8,078,927</b> | <b>\$ 2,308,456</b> | <b>\$ 1,522,825</b> | <b>\$ 8,864,558</b> | <b>\$ 1,108,207</b>  |

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

|                                   | Balance             |                   |                   | Balance             |                      |
|-----------------------------------|---------------------|-------------------|-------------------|---------------------|----------------------|
|                                   | 7/1/2015            | Additions         | Reductions        | 6/30/2016           | Due Within<br>1 Year |
| Compensated Absences              | \$ 18,191           | \$ 6,757          | \$ 11,871         | \$ 13,077           | \$ 11,871            |
| Net OPEB Obligation               | 154,602             | 38,639            | 25,049            | 168,192             | -                    |
| State Revolving Loan              | 6,757,101           | -                 | 329,872           | 6,427,229           | 312,751              |
| General Obligation Refunding Bond | 1,632,819           | -                 | 430,949           | 1,201,870           | 440,525              |
| Capital Leases                    | 140,616             | -                 | 48,613            | 92,003              | 49,581               |
| Debt Refunding Premium            | 63,113              | -                 | 21,646            | 41,467              | 21,639               |
| Net Pension Liability             | 24,044              | 60,568            | -                 | 84,612              | -                    |
| <b>Totals</b>                     | <b>\$ 8,790,486</b> | <b>\$ 105,964</b> | <b>\$ 868,000</b> | <b>\$ 8,028,450</b> | <b>\$ 836,367</b>    |

**Other Matters**

Fiscal Year 2016 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 FY16, the city took over the utility billing and collection functions from the water utilities. This project has allowed the City to bill utility services (Sewer, Sanitation, and Storm Water) in-house, rather than outsourcing to the various Water districts. The goal of this project was to provide citizens with a quality service, and to have a better management and financial control of its own utilities, while saving money for the citizens. The City sent its first utility bills to residents in July 2015. By taking those functions over, the City has been able to reduce costs, as well as, improved its oversight and control of the finances of these funds. This project took approximately two years of planning and culminated in July 2015 when the City processed and delivered the first bills.

The city continued funding its start-up of the fleet management program by its continued commitment of \$400,000 to the program during Fiscal Year 2016. At June 30, 2016, \$1,606,580 of the General Fund is committed to the fleet maintenance program. This committed fund balance will eventually allow for the procurement of motor vehicles without the need of debt service.

Local Option Sales Tax collections increased significantly in fiscal year 2016 due to an improved economy. Collections for the year were \$4,262,318 which was a \$344,668 increase from fiscal year 2015, 8.8%. Staff monitors local option sales tax collections very closely and routinely requests situs reports from the Tennessee Department of Revenue to verify businesses are coded correctly that are in the City of Goodlettsville.

For the third consecutive year, the City of Goodlettsville received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2015.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Management's Discussion and Analysis - Continued**  
**June 30, 2016**

The City's Solid Waste Fund operated soundly during fiscal year 2016. In March of 2015, the city increased the monthly residential sanitation fee by \$3.00, to more adequately fund that operation, and as a result, a transfer of funds from the City's General Fund was not required for fiscal year 2016. The City outsources the garbage pickup and recycling services, while continuing to operate an onsite collection facility.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Statement of Net Position**  
**June 30, 2016**

|   | <b>Primary Government</b>          |                                     |                      |
|---|------------------------------------|-------------------------------------|----------------------|
|   | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>         |
| <b>ASSETS</b>   |                                    |                                     |                      |
| Cash and Cash Equivalents                             | \$ 9,824,013                       | \$ 10,954,469                       | \$ 20,778,482        |
| Receivables, Net                                      | 6,433,147                          | 584,301                             | 7,017,448            |
| Prepaid Items   | 193,179                            | 8,118                               | 201,297              |
| Deposits  | -                                  | 100                                 | 100                  |
| Subtotal Assets                                       | <u>16,450,339</u>                  | <u>11,546,988</u>                   | <u>27,997,327</u>    |
| Capital Assets:                                       |                                    |                                     |                      |
| Land, Land Improvements<br>& Construction in Progress | 4,875,528                          | 2,182,670                           | 7,058,198            |
| Other Capital Assets, Net of Depreciation             | 14,721,049                         | 27,338,948                          | 42,059,997           |
| Total Capital Assets                                  | <u>19,596,577</u>                  | <u>29,521,618</u>                   | <u>49,118,195</u>    |
| Total Assets  | <u>36,046,916</u>                  | <u>41,068,606</u>                   | <u>77,115,522</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                 |                                    |                                     |                      |
| Deferred Pensions                                     | 2,336,920                          | 152,053                             | 2,488,973            |
| Total Deferred Outflows of Resources                  | <u>2,336,920</u>                   | <u>152,053</u>                      | <u>2,488,973</u>     |
| <b>LIABILITIES</b>                                    |                                    |                                     |                      |
| Accounts Payable and Other Current Liabilities        | 1,068,190                          | 89,550                              | 1,157,740            |
| Long-term Liabilities:                                |                                    |                                     |                      |
| Compensated Absences                                  | 526,326                            | 13,077                              | 539,403              |
| Net OPEB Obligation                                   | 2,993,453                          | 168,192                             | 3,161,645            |
| Current Portion of Long-term Debt                     | 686,914                            | 802,857                             | 1,489,771            |
| Long-term Debt  | 3,382,175                          | 6,959,712                           | 10,341,887           |
| Net Pension Liability                                 | 1,275,690                          | 84,612                              | 1,360,302            |
| Total Liabilities                                     | <u>9,932,748</u>                   | <u>8,118,000</u>                    | <u>18,050,748</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                  |                                    |                                     |                      |
| Deferred Property Tax Revenue                         | 4,362,420                          | -                                   | 4,362,420            |
| Deferred Pensions                                     | 1,032,478                          | 62,940                              | 1,095,418            |
| Total Deferred Inflows of Resources                   | <u>5,394,898</u>                   | <u>62,940</u>                       | <u>5,457,838</u>     |
| <b>NET POSITION</b>                                   |                                    |                                     |                      |
| Net Investment in Capital Assets                      | 15,527,487                         | 21,759,049                          | 37,286,536           |
| Restricted for:                                       |                                    |                                     |                      |
| Drug  | 31,803                             | -                                   | 31,803               |
| Tourism   | 739,279                            | -                                   | 739,279              |
| Stormwater Utility                                    | 1,819,394                          | -                                   | 1,819,394            |
| Solid Waste   | 59,533                             | -                                   | 59,533               |
| Electronic Citation                                   | 16,085                             | -                                   | 16,085               |
| Unrestricted  | 4,862,609                          | 11,280,670                          | 16,143,279           |
| Total Net Position                                    | <u>\$ 23,056,190</u>               | <u>\$ 33,039,719</u>                | <u>\$ 56,095,909</u> |

See notes to the financial statements.

**CITY OF GOODLETTSVILLE, TENNESSEE**

**Statement of Activities**

**For the Year Ended June 30, 2016**

| <b>Functions/Programs:</b>                                      | <b>Program Revenues</b> |                             |   |   | <b>Net (Expense) Revenue and Changes in Net Position</b> |                                 |                       |
|---|-------------------------|-----------------------------|---|---|--|---------------------------------|-----------------------|
|   | <b>Expenses</b>         | <b>Charges for Services</b> | <b>Operating Grants and Contributions</b> | <b>Capital Grants and Contributions</b> | <b>Primary Government</b>                                |                                 |                       |
|   |                         |                             |   |   | <b>Governmental Activities</b>                           | <b>Business-type Activities</b> | <b>Total</b>          |
| <b>Primary government:</b>                                      |                         |                             |   |   |  |                                 |                       |
| Governmental activities:  |                         |                             |   |   |  |                                 |                       |
| General government  | \$ 2,367,320            | \$ 270,842                  | \$ 38,780                                 | \$ 970,273                              | \$ (1,087,425)   | \$ -                            | \$ (1,087,425)        |
| Public safety   | 7,217,111               | 460,072                     | -   | -                                       | (6,757,039)  | -                               | (6,757,039)           |
| Public works  | 1,618,968               | -                           | 468,728                                   | -                                       | (1,150,240)  | -                               | (1,150,240)           |
| Solid Waste   | 893,407                 | 997,912                     | -   | -                                       | 104,505  | -                               | 104,505               |
| Parks and recreation  | 1,765,258               | 316,550                     | -   | -                                       | (1,448,708)  | -                               | (1,448,708)           |
| Tourism   | 665,425                 | 29,713                      | 383                                       | -                                       | (635,329)  | -                               | (635,329)             |
| Stormwater Utility  | 263,846                 | 972,130                     | -   | -                                       | 708,284  | -                               | 708,284               |
| Electronic Citation   | -                       | 10,077                      | -   | -                                       | 10,077   | -                               | 10,077                |
| Interest on long-term debt                                      | 88,910                  | -                           | -   | -                                       | (88,910)   | -                               | (88,910)              |
| <b>Total Governmental Activities</b>                            | <b>14,880,245</b>       | <b>3,057,296</b>            | <b>507,891</b>                            | <b>970,273</b>                          | <b>(10,344,785)</b>                                      | <b>-</b>                        | <b>(10,344,785)</b>   |
| Business-type Activities:                                       |                         |                             |   |   |  |                                 |                       |
| Sewer   | 4,643,832               | 5,895,504                   | -   | -                                       | -  | 1,251,672                       | 1,251,672             |
| <b>Total Business-type Activities</b>                           | <b>4,643,832</b>        | <b>5,895,504</b>            | <b>-</b>                                  | <b>-</b>                                | <b>-</b>   | <b>1,251,672</b>                | <b>1,251,672</b>      |
| <b>Total Primary Government</b>                                 | <b>\$ 19,524,077</b>    | <b>\$ 8,952,800</b>         | <b>\$ 507,891</b>                         | <b>\$ 970,273</b>                       | <b>\$ (10,344,785)</b>                                   | <b>\$ 1,251,672</b>             | <b>\$ (9,093,113)</b> |
| <b>General Revenues:</b>  |                         |                             |   |   |  |                                 |                       |
| Property and Personalty Taxes                                   |                         |                             |   |   | \$ 4,407,136   | \$ -                            | \$ 4,407,136          |
| TVA and Other PILOT Taxes                                       |                         |                             |   |   | 236,541  | -                               | 236,541               |
| Income Taxes  |                         |                             |   |   | 240,438  | -                               | 240,438               |
| Sales Taxes   |                         |                             |   |   | 5,543,325  | -                               | 5,543,325             |
| Alcoholic Beverage Taxes  |                         |                             |   |   | 647,773  | -                               | 647,773               |
| Business Taxes  |                         |                             |   |   | 386,698  | -                               | 386,698               |
| Hospitality Taxes   |                         |                             |   |   | 625,861  | -                               | 625,861               |
| Cable Taxes   |                         |                             |   |   | 118,307  | -                               | 118,307               |
| Franchise Taxes   |                         |                             |   |   | 475,166  | -                               | 475,166               |
| Miscellaneous State Taxes                                       |                         |                             |   |   | 11,660   | -                               | 11,660                |
| Unrestricted Investment Earnings                                |                         |                             |   |   | 30,937   | 52,464                          | 83,401                |
| Insurance Proceeds  |                         |                             |   |   | 253,110  | -                               | 253,110               |
| Miscellaneous   |                         |                             |   |   | 82,349   | 28,000                          | 110,349               |
| <b>Transfers, Net</b>   |                         |                             |   |   | <b>135,525</b>   | <b>(135,525)</b>                | <b>-</b>              |
| <b>Total General Revenues, Extraordinary Item and Transfers</b> |                         |                             |   |   | <b>13,194,826</b>  | <b>(55,061)</b>                 | <b>13,139,765</b>     |
| <b>Change in Net Position</b>                                   |                         |                             |   |   | <b>2,850,041</b>   | <b>1,196,611</b>                | <b>4,046,652</b>      |
| <b>Net Position - July 1, 2015</b>                              |                         |                             |   |   | <b>20,206,149</b>  | <b>31,843,108</b>               | <b>52,049,257</b>     |
| <b>Net Position - June 30, 2016</b>                             |                         |                             |   |   | <b>\$ 23,056,190</b>                                     | <b>\$ 33,039,719</b>            | <b>\$ 56,095,909</b>  |

See notes to the financial statements.

**CITY OF GOODLETTSVILLE, TENNESSEE**

**Balance Sheet  
Governmental Funds  
June 30, 2016**

|   | <u>General<br/>Fund</u> | <u>Non-major<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|-------------------------|---|---|
| <b>Assets</b>   |                         |   |   |
| Cash in Bank  | \$ 7,121,808            | \$ 2,702,205                                | \$ 9,824,013                            |
| Receivables, Net  | 4,727,159               | 350,649                                     | 5,077,808                               |
| Intergovernmental Receivables   | 1,031,976               | -   | 1,031,976                               |
| Prepaid Items   | 192,063                 | 1,116                                       | 193,179                                 |
| <b>Total Assets</b>   | <u>\$ 13,073,006</u>    | <u>\$ 3,053,970</u>                         | <u>\$ 16,126,976</u>                    |
| <b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>       |                         |   |   |
| <b>Liabilities</b>  |                         |   |   |
| Accounts Payable  | \$ 231,841              | \$ 533,127                                  | \$ 764,968                              |
| Other Current Liabilities   | 69,266                  | 108   | 69,374                                  |
| Accrued Wages and Taxes   | 198,967                 | 4,525                                       | 203,492                                 |
| <b>Total Liabilities</b>  | <u>500,074</u>          | <u>537,760</u>                              | <u>1,037,834</u>                        |
| <b>Deferred Inflows of Resources - Deferred Property Tax</b>              | <u>4,362,420</u>        | <u>-</u>                                    | <u>4,362,420</u>                        |
| <b>Fund Balances</b>  |                         |   |   |
| <b>Nonsperidable:</b>   |                         |   |   |
| Prepaid Items   | 192,073                 | 1,116                                       | 193,189                                 |
| <b>Restricted For:</b>  |                         |   |   |
| Street Aid  | -                       | -   | -                                       |
| Drug  | -                       | 31,803                                      | 31,803                                  |
| Tourism   | -                       | 528,548                                     | 528,548                                 |
| Stormwater Utility  | -                       | 1,480,277                                   | 1,480,277                               |
| Solid Waste   | -                       | 56,577                                      | 56,577                                  |
| Electronic Citation   | -                       | 16,085                                      | 16,085                                  |
| <b>Committed To:</b>  |                         |   |   |
| Fleet Maintenance   | 1,606,580               | -   | 1,606,580                               |
| <b>Assigned To:</b>   |                         |   |   |
| OPEB  | 503,949                 | -   | 503,949                                 |
| Tourism   | -                       | 216,075                                     | 216,075                                 |
| Capital Projects  | -                       | 185,729                                     | 185,729                                 |
| Unassigned  | 5,907,910               | -   | 5,907,910                               |
| <b>Total Fund Balances</b>  | <u>8,210,512</u>        | <u>2,516,210</u>                            | <u>10,726,722</u>                       |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b> | <u>\$ 13,073,006</u>    | <u>\$ 3,053,970</u>                         | <u>\$ 16,126,976</u>                    |

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

|  |                      |
|--|----------------------|
| <b>Total Governmental Fund Balances</b>  | \$ 10,726,722        |
| Assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.                       | 323,363              |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.              | 19,596,577           |
| Deferred outflows of resources that are not report in the funds  | 2,336,920            |
| Some liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds. | (8,894,914)          |
| Deferred inflows of resources that are not reported in the funds   | (1,032,478)          |
| <b>Net Position of the Governmental Activities</b>   | <u>\$ 23,056,190</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, 2016**

|  | <u>General<br/>Fund</u> | <u>Non-major<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|---|---|
| <b>Revenues</b>  |                         |   |   |
| Local Taxes  | \$ 10,255,979           | \$ -  | \$ 10,255,979                           |
| Licenses and Permits   | 229,301                 | -   | 229,301                                 |
| Fines  | 405,552                 | -   | 405,552                                 |
| Drug and Gambling Revenue                                    | -                       | 22,788                                      | 22,788                                  |
| Intergovernmental Revenues                                   | 2,649,138               | -   | 2,649,138                               |
| Charges for Services   | 316,550                 | 2,005,785                                   | 2,322,335                               |
| Hotel/ Motel Taxes   | -                       | 625,861                                     | 625,861                                 |
| Interest   | -                       | 8,239                                       | 8,239                                   |
| Contributions and Grants                                     | -                       | 775,551                                     | 775,551                                 |
| Miscellaneous Revenues                                       | 94,261                  | 4,048                                       | 98,309                                  |
| <b>Total Revenues</b>  | <u>13,950,781</u>       | <u>3,442,272</u>                            | <u>17,393,053</u>                       |
| <b>Expenditures</b>  |                         |   |   |
| Current:   |                         |   |   |
| General Government   | 2,431,952               | -   | 2,431,952                               |
| Public Safety  | 6,754,191               | -   | 6,754,191                               |
| Public Works   | 851,842                 | -   | 851,842                                 |
| Street Lights - Public Works                                 | 129,216                 | -   | 129,216                                 |
| Street Maintenance - Public Works                            | 62,533                  | -   | 62,533                                  |
| Solid Waste  | -                       | 883,355                                     | 883,355                                 |
| Drug Fund  | -                       | 28,141                                      | 28,141                                  |
| Parks and Recreation   | 1,579,708               | -   | 1,579,708                               |
| Tourism  | -                       | 393,344                                     | 393,344                                 |
| Stormwater Utility   | -                       | 255,083                                     | 255,083                                 |
| Debt Service:  |                         |   |   |
| Principal  | 803,403                 | -   | 803,403                                 |
| Interest   | 101,667                 | -   | 101,667                                 |
| Capital Outlay   | 795,068                 | 873,518                                     | 1,668,586                               |
| Street Paving  | 462,943                 | -   | 462,943                                 |
| <b>Total Expenditures</b>                                    | <u>13,972,523</u>       | <u>2,433,441</u>                            | <u>16,405,964</u>                       |
| Excess (Deficiency) of Revenues Over<br>(Under) Expenditures | <u>(21,743)</u>         | <u>1,008,831</u>                            | <u>987,088</u>                          |
| <b>Other Financing Sources (Uses)</b>                        |                         |   |   |
| Transfers In (Out)   | (59,475)                | 195,000                                     | 135,525                                 |
| Sales of Capital Assets                                      | 75,922                  | 2,268                                       | 78,190                                  |
| Capital Leases   | 432,000                 | -   | 432,000                                 |
| Insurance Recoveries   | 253,110                 | -   | 253,110                                 |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>701,557</u>          | <u>197,268</u>                              | <u>898,825</u>                          |
| <b>Net Change in Fund Balances</b>                           | 679,814                 | 1,206,099                                   | 1,885,913                               |
| <b>Fund Balance - July 1, 2015</b>                           | 7,530,698               | 1,310,111                                   | 8,840,809                               |
| <b>Fund Balances - June 30, 2016</b>                         | <u>\$ 8,210,512</u>     | <u>\$ 2,516,210</u>                         | <u>\$ 10,726,722</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, 2016**

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   | \$ 1,885,913 |
| 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 outlay expenditures of \$2,090,882 exceeded depreciation expense of \$1,643,488 in the current period.  | 447,394      |
| Governmental funds report retirement contributions as expenditures. These expenditures are reported as deferred outflows of resources and either pension income or expense in the government-wide financial statements. This is the amount by which pension expenditures exceed pension expense in the current period.   | 517,025      |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.   | (107,518)    |
| 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. | 387,121      |
| 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.  | (279,894)    |
| Change in net position of governmental activities  | \$ 2,850,041 |

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, 2016**

|   | General Fund        |                     |                     | Positive<br>(Negative)<br>Variance with<br>Final |
|---|---------------------|---------------------|---------------------|--|
|   | Budgeted Amounts    |                     | Actual              |  |
|   | Original            | Final               |                     |  |
| <b>Revenues</b>                                 |                     |                     |                     |  |
| Local Taxes:                                    |                     |                     |                     |  |
| Property and Personalty Taxes                   | 4,254,000           | 4,254,000           | 4,435,077           | \$ 181,077                                       |
| Sales Taxes                                     | 3,990,000           | 3,990,000           | 4,262,318           | 272,318  |
| Alcoholic Beverage Taxes                        | 585,000             | 585,000             | 578,413             | (6,587)  |
| Business Taxes                                  | 350,000             | 350,000             | 386,698             | 36,698   |
| Cable Taxes                                     | 120,000             | 120,000             | 118,307             | (1,693)  |
| Franchise Taxes                                 | 250,000             | 250,000             | 475,166             | 225,166  |
| Licenses and Permits                            | 267,500             | 267,500             | 229,301             | (38,199)   |
| Fines   | 352,000             | 352,000             | 405,552             | 53,552   |
| Intergovernmental Revenues:                     |                     |                     |                     |  |
| Sales Taxes                                     | 1,150,000           | 1,150,000           | 1,281,007           | 131,007  |
| Gasoline and Motor Fuel Taxes                   | 413,000             | 413,000             | 299,138             | (113,862)  |
| Gas 1989 Taxes                                  | -                   | -                   | 48,039              | 48,039   |
| Gas 3 Cent Taxes                                | -                   | -                   | 89,160              | 89,160   |
| Petroleum Special Taxes                         | 32,000              | 32,000              | 32,391              | 391  |
| Income Taxes                                    | 137,000             | 137,000             | 252,098             | 115,098  |
| Alcoholic Beverage Taxes                        | 58,000              | 58,000              | 69,361              | 11,361   |
| TVA - In Lieu of Tax                            | 190,000             | 190,000             | 236,541             | 46,541   |
| Grants  | 434,500             | 434,500             | 341,403             | (93,097)   |
| Charges for Services                            | 216,000             | 216,000             | 316,550             | 100,550  |
| Miscellaneous Revenues                          | 56,500              | 56,500              | 94,261              | 37,761   |
| <b>Total Revenues</b>                           | <b>12,855,500</b>   | <b>12,855,500</b>   | <b>13,950,781</b>   | <b>1,095,281</b>                                 |
| <b>Expenditures</b>                             |                     |                     |                     |  |
| Current:  |                     |                     |                     |  |
| General Government:                             |                     |                     |                     |  |
| Salaries and Benefits                           | 1,609,958           | 1,609,958           | 1,459,239           | 150,719  |
| Repairs and Maintenance                         | 91,650              | 100,650             | 81,986              | 18,664   |
| Supplies  | 62,250              | 62,250              | 77,443              | (15,193)   |
| Retirees Benefits                               | 350,000             | 350,000             | 283,150             | 66,850   |
| Other Operating Expenses                        | 642,850             | 662,850             | 530,136             | 132,714  |
| Public Safety - Police:                         |                     |                     |                     |  |
| Salaries and Benefits                           | 4,049,534           | 4,049,534           | 4,005,630           | 43,904   |
| Repairs and Maintenance                         | 129,500             | 129,500             | 148,896             | (19,396)   |
| Supplies  | 151,100             | 151,100             | 123,330             | 27,770   |
| Other Operating Expenses                        | 405,100             | 405,100             | 333,432             | 71,668   |
| Public Safety - Fire:                           |                     |                     |                     |  |
| Salaries and Benefits                           | 1,802,092           | 1,802,092           | 1,630,560           | 171,532  |
| Repairs and Maintenance                         | 75,000              | 287,300             | 295,446             | (8,146)  |
| Supplies  | 52,000              | 52,000              | 46,919              | 5,081  |
| Other Operating Expenses                        | 159,000             | 159,000             | 169,978             | (10,978)   |
| Public Works:                                   |                     |                     |                     |  |
| Salaries and Benefits                           | 698,240             | 698,240             | 576,732             | 121,508  |
| Repairs and Maintenance                         | 195,000             | 195,000             | 157,760             | 37,240   |
| Supplies  | 30,000              | 30,000              | 36,187              | (6,187)  |
| Street Lighting                                 | 175,000             | 175,000             | 129,216             | 45,784   |
| Other Operating Expenses                        | 219,000             | 219,000             | 143,696             | 75,304   |
| Parks and Recreation:                           |                     |                     |                     |  |
| Salaries and Benefits                           | 1,112,319           | 1,112,319           | 983,836             | 128,483  |
| Repairs and Maintenance                         | 250,000             | 250,000             | 183,615             | 66,385   |
| Supplies  | 58,000              | 58,000              | 21,520              | 36,480   |
| Other Operating Expenses                        | 446,000             | 446,000             | 390,738             | 55,262   |
| Debt Service:                                   |                     |                     |                     |  |
| Principal                                       | 833,152             | 833,152             | 803,403             | 29,749   |
| Interest  | 208,659             | 208,659             | 101,667             | 106,992  |
| Capital Outlay                                  | 1,997,000           | 2,001,000           | 1,258,011           | 742,989  |
| <b>Total Expenditures</b>                       | <b>15,802,404</b>   | <b>16,047,704</b>   | <b>13,972,523</b>   | <b>2,075,181</b>                                 |
| Excess of Revenues Over<br>(Under) Expenditures | (2,946,904)         | (3,192,204)         | (21,743)            | 3,170,461  |
| <b>Other Financing Sources (Uses)</b>           |                     |                     |                     |  |
| Transfers In (Out)                              | 214,249             | 214,249             | (59,475)            | (273,724)  |
| Sales of Capital Assets                         | -                   | -                   | 75,922              | 75,922   |
| Capital Leases                                  | 429,000             | 429,000             | 432,000             | 3,000  |
| Insurance Recoveries                            | -                   | 237,500             | 253,110             | 15,610   |
| <b>Total Other Financing Sources (Uses)</b>     | <b>643,249</b>      | <b>880,749</b>      | <b>701,557</b>      | <b>(179,192)</b>                                 |
| <b>Net Change in Fund Balances</b>              | <b>(2,303,655)</b>  | <b>(2,311,455)</b>  | <b>679,814</b>      | <b>2,991,269</b>                                 |
| <b>Fund Balance - July 1, 2015</b>              | <b>7,530,698</b>    | <b>7,530,698</b>    | <b>7,530,698</b>    | <b>-</b>   |
| <b>Fund Balances - June 30, 2016</b>            | <b>\$ 5,227,043</b> | <b>\$ 5,219,243</b> | <b>\$ 8,210,512</b> | <b>\$ 2,991,269</b>                              |

See notes to the financial statements.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**June 30, 2016**

|   | <b>Enterprise Fund<br/>Sewer Fund</b> |
|---|---------------------------------------|
| <b>Assets</b>                                       |                                       |
| <b>Current Assets</b>                               |                                       |
| Cash  | \$ 10,954,469                         |
| Accounts Receivable, Less Allowance of \$75,531     | 584,301                               |
| Prepaid Items                                       | 8,118                                 |
| Total Current Assets                                | 11,546,888                            |
| <b>Capital Assets</b>                               |                                       |
| Capital Assets                                      | 44,029,752                            |
| Accumulated Depreciation                            | (14,508,134)                          |
| Total Capital Assets                                | 29,521,618                            |
| <b>Utility Deposit</b>                              | 100                                   |
| Total Assets  | 41,068,606                            |
| <b>Deferred Outflows of Resources</b>               |                                       |
| Deferred Pensions                                   | 152,053                               |
| Total Deferred Outflows of Resources                | 152,053                               |
| <b>Liabilities</b>                                  |                                       |
| <b>Current Liabilities</b>                          |                                       |
| Accounts Payable                                    | 78,478                                |
| Accrued Interest Payable                            | 4,704                                 |
| Accrued Wages, Payroll Taxes and Deductions Payable | 6,368                                 |
| Current Portion of Long-Term Liabilities            | 802,857                               |
| Total Current Liabilities                           | 892,407                               |
| <b>Long-Term Liabilities</b>                        |                                       |
| Compensated Absences Payable                        | 13,077                                |
| Net OPEB Obligation                                 | 168,192                               |
| Notes Payable                                       | 6,156,893                             |
| Revenue Bonds Payable                               | 802,819                               |
| Net Pension Liability                               | 84,612                                |
| Total Long-Term Liabilities                         | 7,225,593                             |
| Total Liabilities                                   | 8,118,000                             |
| <b>Deferred Inflows of Resources</b>                |                                       |
| Deferred Pensions                                   | 62,940                                |
| Total Deferred Inflows of Resources                 | 62,940                                |
| <b>Net Position</b>                                 |                                       |
| Net Investment in Capital Assets                    | 21,759,049                            |
| Unrestricted  | 11,280,670                            |
| Total Net Position                                  | \$ 33,039,719                         |

See notes to the financial statements.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2016**

|   | <b>Enterprise Fund</b> |
|---|------------------------|
|   | <b>Sewer Fund</b>      |
| <b>Operating Revenues</b>                 |                        |
| Charges for Services:                     |                        |
| Sewer Fees                                | \$ 5,627,634           |
| Sewer Flow Charges                        | 96,291                 |
| Permits/Connection Fees                   | 41,029                 |
| Total Operating Revenues                  | 5,764,954              |
| <b>Operating Expenses</b>                 |                        |
| Cost of Services                          | 2,409,188              |
| Administration                            | 870,677                |
| Depreciation and Amortization             | 1,011,176              |
| Insurance                                 | 16,214                 |
| Repairs and Maintenance                   | 126,194                |
| Total Operating Expenses                  | 4,433,449              |
| Operating Income                          | 1,331,505              |
| <b>Non-Operating Revenues (Expenses)</b>  |                        |
| Interest Revenue                          | 52,464                 |
| Interest Expense                          | (210,383)              |
| Rental Income                             | 28,000                 |
| Total Non-Operating Revenues (Expenses)   | (129,919)              |
| Income before Contributions and Transfers | 1,201,586              |
| <b>Tap Fees - Contributions</b>           | 130,550                |
| <b>Transfers</b>                          | (135,525)              |
| <b>Increase in Net Position</b>           | 1,196,611              |
| <b>Net Position - July 1, 2015</b>        | 31,843,108             |
| <b>Net Position - June 30, 2016</b>       | \$ 33,039,719          |

See notes to the financial statements.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2016**

|   | <b>Enterprise Fund</b> |
|---|------------------------|
|   | <b>Sewer Fund</b>      |
| <b>Cash Flows from Operating Activities:</b>  |                        |
| Cash Received from Customers  | \$ 5,900,365           |
| Cash Payments to Suppliers for Goods and Services                                       | (2,954,835)            |
| Cash Payments to Employees for Services   | (592,599)              |
| Net Cash Provided by Operating Activities   | 2,352,931              |
| <b>Cash Flows from Noncapital Financing Activities:</b>                                 |                        |
| Increase in Transfer to Other Funds   | (135,525)              |
| Net Cash Used by Noncapital Financing Activities  | (135,525)              |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                        |                        |
| Principal Paid on Bonds/Notes   | (809,446)              |
| Interest Paid on Long-Term Debt   | (219,791)              |
| Cash Received from Tap Fees   | 130,550                |
| Acquisition and Construction of Capital Assets  | (28,527)               |
| Net Cash Used by Capital and Related Financing Activities                               | (927,214)              |
| <b>Cash Flows from Investing Activities:</b>  |                        |
| Cash Received from Billboard Rentals  | 28,000                 |
| Interest Received   | 52,464                 |
| Net Cash Provided by Investing Activities   | 80,464                 |
| <b>Net Increase in Cash</b>   | 1,370,656              |
| <b>Cash at Beginning of Year</b>  | 9,583,813              |
| <b>Cash at End of Year</b>  | \$ 10,954,469          |
| <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b> |                        |
| Operating Income  | \$ 1,331,505           |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: |                        |
| Depreciation and Amortization   | 1,011,176              |
| (Increase) Decrease in:   |                        |
| Accounts Receivable   | 135,410                |
| Prepaid Items   | (3,341)                |
| Deferred Outflow - Pension  | (72,462)               |
| Increase (Decrease) in:   |                        |
| Accounts Payable  | (98,001)               |
| Accrued Wages, Payroll Taxes and Deductions Payable                                     | 2,813                  |
| Compensated Absences Payable  | (5,114)                |
| Net OPEB Obligation   | 13,590                 |
| Net Pension Liability   | 60,568                 |
| Deferred Inflow - Pension   | (23,214)               |
| Net Cash Provided by Operating Activities   | \$ 2,352,931           |

See notes to the financial statements.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Notes to Financial Statements**  
**June 30, 2016**

**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. As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. 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, 2016**

**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, Stormwater Utility Fund and Electronic Citation Fund. The Solid Waste, Tourism, Drug, Stormwater Utility Fund and Electronic Citation 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 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 assessed. 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 necessary costs to provide the services including 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.

**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:

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Notes to Financial Statements – Continued**  
**June 30, 2016**

**Note 1. Significant Accounting Policies – Continued**  
**D. Budgets and Budgetary Accounting – Continued**

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<br>Useful<br>Life (Years) |
|-----------------------|-------------------------------------|
| Buildings             | 40                                  |
| Improvements          | 7 - 40                              |
| Machinery & Equipment | 5 - 10                              |
| Infrastructure        | 15 - 20                             |

Outlays for capital assets and improvements are capitalized, as projects are constructed, in accordance with the City's capitalization policy. Interest and indirect costs incurred during the construction phase of capital assets of proprietary funds are reflected in the capitalized value of the asset constructed. Depreciation/amortization expense is allocated to functions/programs and included as a direct expense in the Statement of Activities. Capital assets that are under construction or development and have not been completed are put into Construction in Progress and are presented as a capital asset not being depreciated on the Statement of Net Position.

**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.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Notes to Financial Statements – Continued**  
**June 30, 2016**

**Note 1. Significant Accounting Policies – Continued**

**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.

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 inflows of 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:

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Notes to Financial Statements – Continued**  
**June 30, 2016**

**Note 1. Significant Accounting Policies – Continued**

**L. Fund Balance - Continued**

**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. principal of permanent funds).

**Restricted Fund Balance** – Funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

**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". The general fund is the only fund that reports a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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. Restrictions from enabling legislation include the State Street Aid fund, Drug fund, Tourism Fund, Stormwater Utility fund, Solid Waste fund and Electronic Citation fund totaling \$2,666,094.

**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.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Notes to Financial Statements – Continued**  
**June 30, 2016**

**Note 1. Significant Accounting Policies – Continued**

**N. Inventory and Prepaid Items**

Inventory for both governmental and proprietary funds, consisting principally of materials and supplies held for consumption, are valued at cost, approximating market value, using first-in, first-out (FIFO) method. The costs of governmental funds inventories are recorded as expenditures when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. The inventories and prepaid items recorded in the governmental funds do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reported as nonspendable.

**O. 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.

**P. 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.

**Q. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Goodlettsville's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Goodlettsville's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

**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, 2016, 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.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Notes to Financial Statements – Continued**  
**June 30, 2016**

**Note 3. Pension Plan**

**A. General Information about the Pension Plan**

*Plan Description*

Employees of Goodlettsville are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided*

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Employees Covered by Benefit Terms*

At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

|  |     |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefits | 74  |
| Inactive employees entitled to but not yet receiving benefits    | 145 |
| Active employees   | 123 |
|  | 342 |
|  | 342 |

*Contributions*

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. 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% of salary. Employees who are employed prior to January 1, 2013 will continue to be eligible for the noncontributory provision. Goodlettsville makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Goodlettsville were \$902,048 based on a rate of 14.98 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Goodlettsville's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Notes to Financial Statements – Continued**  
**June 30, 2016**

**Note 3. Pension Plan – Continued**  
**B. Net Pension Liability (Asset)**

Goodlettsville's net pension liability (asset) was measured as of June 30, 2015, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions*

The total pension liability as of June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 3.0 percent   |
| Salary Increases          | Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation averaging 4.25 percent |
| Investment Rate of Return | 7.5 percent, net of pension plan investment expenses, including inflation                               |
| Cost-of-Living Adjustment | 2.5 percent   |

Mortality rates were based on actual experience from the June 30, 2012 actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u>                    | <u>Long-Term<br/>Expected Real</u> | <u>Target Allocation</u> |
|---------------------------------------|------------------------------------|--------------------------|
| U.S. Equity                           | 6.46%                              | 33%                      |
| Developed Market International Equity | 6.26%                              | 17%                      |
| Emerging Market International Equity  | 6.40%                              | 5%                       |
| Private Equity and Strategic Lending  | 4.61%                              | 8%                       |
| U.S. Fixed Income                     | 0.98%                              | 29%                      |
| Real Estate                           | 4.73%                              | 7%                       |
| Short-term Securities                 | 0.00%                              | 1%                       |
|                                       |                                    | <u>100%</u>              |

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

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Notes to Financial Statements – Continued**  
**June 30, 2016**

**Note 3. Pension Plan – Continued**

**B. Net Pension Liability (Asset) – Continued**

*Discount Rate*

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Goodlettsville will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**C. Changes in Net Pension Liability (Asset)**

|   | <b>Increase (Decrease)</b>             |  |  |
|---|--|--|--|
|   | <b>Total Pension Liability<br/>(a)</b> | <b>Plan Fiduciary Net Position<br/>(b)</b> | <b>Net Pension Liability (Asset)<br/>(a) - (b)</b> |
| <b>Balance at 6/30/14</b>                                     | \$ 23,801,360                          | \$ 23,393,744                              | \$ 407,616   |
| <b>Changes for the Year:</b>                                  |  |  |  |
| Service Cost  | 404,575                                | -  | 404,575  |
| Interest  | 1,775,558                              | -  | 1,775,558  |
| Differences Between Expected and Actual Experience            | 435,324                                | -  | 435,324  |
| Contributions - Employer                                      | -                                      | 902,048                                    | (902,048)  |
| Contributions - Employees                                     | -                                      | 49,280                                     | (49,280)   |
| Net Investment Income   | -                                      | 718,665                                    | (718,665)  |
| Benefit Payments, Including Refunds of Employee Contributions | (1,063,650)                            | (1,063,650)                                | -  |
| Administrative Expense  | -                                      | (6,476)                                    | 6,476  |
| Other Changes   | -                                      | (746)                                      | 746  |
| <b>Net Changes</b>  | 1,551,807                              | 599,121                                    | 952,686  |
| <b>Balance at 6/30/15</b>                                     | \$ 25,353,167                          | \$ 23,992,865                              | \$ 1,360,302                                       |

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

The following presents the net pension liability (asset) of Goodlettsville calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

|  | <b>1% Decrease<br/>(6.5%)</b> | <b>Current<br/>Discount Rate<br/>(7.5%)</b> | <b>1% Increase<br/>(8.5%)</b> |
|--|-------------------------------|---|-------------------------------|
| Goodlettsville's Net Pension Liability (Asset) | \$ 4,891,372                  | \$ 1,360,302                                | \$ (1,560,480)                |

**D. Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Expense*

For the year ended June 30, 2016, Goodlettsville recognized pension expense of \$365,602.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Notes to Financial Statements – Continued**  
**June 30, 2016**

**Note 3. Pension Plan – Continued**

**D. Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued**

*Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended June 30, 2016, Goodlettsville reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences Between Expected and Actual Experience                               | \$ 744,377                                | \$ -   |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 825,106                                   | 1,095,418                                    |
| Contributions Subsequent to the Measurement Date of June 30, 2015                | 919,490                                   | (not applicable)                             |
| Total  | \$ 2,488,973                              | \$ 1,095,418                                 |

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2015," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year Ended June<br/>30,</b> | <b>Amount</b> |
|--------------------------------|---------------|
| 2017                           | \$ (22,425)   |
| 2018                           | (22,425)      |
| 2019                           | (22,425)      |
| 2020                           | 342,715       |
| 2021                           | 136,438       |
| Thereafter                     | 62,189        |

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

**E. Payable to the Pension Plan**

At June 30, 2016, *Goodlettsville* reported a payable of \$0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2016.

**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 Voya Retirement 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, 2016.

**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

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Notes to Financial Statements – Continued**  
**June 30, 2016**

**Note 5. Post-retirement Health Care Benefits – Continued**

**A. Program Description – Continued**

employee be eligible for benefits from the Tennessee Consolidated Retirement System (See Note 3). 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 contribution to the program consists of pay-as-you-go premiums in excess of the retiree contributions. 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. Plan members contributed approximately \$42,319 for fiscal 2016, approximately 14% of total premiums. The City contributions to the program for the fiscal year 2015 were \$308,198.

**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.

|  | <b>Governmental<br/>Activities</b> | <b>Business<br/>Activities</b> | <b>Total</b>        |
|--|------------------------------------|--------------------------------|---------------------|
| Annual required contribution (ARC)           | \$ 606,344                         | \$ 38,044                      | \$ 644,388          |
| Interest on net OPEB obligation              | 117,838                            | 7,394                          | 125,232             |
| Adjustments to annual required contributions | (108,364)                          | (6,799)                        | (115,163)           |
| Annual OPEB cost (expense)                   | <u>615,819</u>                     | <u>38,638</u>                  | <u>654,457</u>      |
| Contributions made                           | (283,150)                          | (25,049)                       | (308,198)           |
| Increase in net OPEB obligation              | 332,669                            | 13,590                         | 346,259             |
| Net OPEB obligation - beginning of the year  | 2,660,784                          | 154,602                        | 2,815,388           |
| Net OPEB obligation - end of the year        | <u>\$ 2,993,453</u>                | <u>\$ 168,192</u>              | <u>\$ 3,161,645</u> |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 were as follows:

| <b>YEAR<br/>ENDED<br/>JUNE 30,</b> | <b>ANNUAL<br/>OPEB<br/>COST</b> | <b>ANNUAL<br/>EMPLOYER<br/>CONTRIBUTION</b> | <b>PERCENTAGE<br/>OF ANNUAL<br/>OPEB COST<br/>CONTRIBUTED</b> | <b>NET ENDING<br/>OPEB<br/>OBLIGATION/<br/>(ASSET)</b> |
|------------------------------------|---------------------------------|---|---|--|
| 2016                               | \$ 654,457                      | \$ 308,198                                  | 47%   | \$ 3,161,645   |
| 2015                               | \$ 604,100                      | \$ 276,867                                  | 46%   | \$ 2,815,387   |
| 2014                               | \$ 604,100                      | \$ 258,300                                  | 43%   | \$ 2,488,154   |

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Notes to Financial Statements – Continued**  
**June 30, 2016**

**Note 5. Post-retirement Health Care Benefits – Continued**

**D. Funded Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$9,238,701, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$6,194,635, and the ratio of the unfunded actuarial liability to the covered payroll was 149.14%.

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.

**E. Actuarial Methods and Assumptions**

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, 2014, the projected 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 7.5% graded to 5% uniformly over 5 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, 2014 was 30 years.

**Note 6. Property Taxes Receivable**

Gross property taxes receivable of \$4,779,638 is summarized in the Revenue Capacity Information portion of the Statistical Section of this report on pages 60-66.

**Note 7. Capital Assets**

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2016:

|   | Balance<br>June 30, 2015 | Additions           | Disposals           | Transfers        | Balance<br>June 30, 2016 |
|---|--------------------------|---------------------|---------------------|------------------|--------------------------|
| <b>Governmental Activities</b>                    |                          |                     |                     |                  |                          |
| <b>Capital Assets not being Depreciated</b>       |                          |                     |                     |                  |                          |
| Land  | \$ 4,136,838             | \$ -                | \$ -                | \$ -             | \$ 4,136,838             |
| Construction in Progress                          | 262,463                  | 476,227             | -                   | -                | 738,690                  |
| <b>Total Capital Assets not being Depreciated</b> | <b>\$ 4,399,301</b>      | <b>\$ 476,227</b>   | <b>\$ -</b>         | <b>\$ -</b>      | <b>\$ 4,875,528</b>      |
| <b>Capital Assets being Depreciated</b>           |                          |                     |                     |                  |                          |
| Buildings   | \$ 7,761,630             | \$ -                | \$ -                | \$ -             | \$ 7,761,630             |
| Improvements                                      | 7,510,306                | 64,643              | 11,729              | -                | 7,563,220                |
| Machinery & Equipment                             | 9,720,124                | 770,557             | 1,201,187           | 22,710           | 9,312,204                |
| Infrastructure                                    | 7,921,687                | 801,148             | -                   | -                | 8,722,835                |
| <b>Total Capital Assets being Depreciated</b>     | <b>\$ 32,913,747</b>     | <b>\$ 1,636,348</b> | <b>\$ 1,212,916</b> | <b>\$ 22,710</b> | <b>\$ 33,359,889</b>     |

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Notes to Financial Statements – Continued**  
**June 30, 2016**

**Note 7. Capital Assets – Continued**

|   | Balance              |                       |                     |                    | Balance              |  |
|---|----------------------|-----------------------|---------------------|--------------------|----------------------|--|
|   | June 30, 2015        | Additions             | Disposals           | Transfers          | June 30, 2016        |  |
| <b>Business-type Activities</b>                   |                      |                       |                     |                    |                      |  |
| <b>Capital Assets not being Depreciated</b>       |                      |                       |                     |                    |                      |  |
| Land  | \$ 2,139,071         | \$ 15,449             | \$ -                | \$ -               | \$ 2,154,520         |  |
| Construction in Progress                          | 28,150               | -                     | -                   | -                  | 28,150               |  |
| <b>Total Capital Assets not being Depreciated</b> | <b>\$ 2,167,221</b>  | <b>\$ 15,449</b>      | <b>\$ -</b>         | <b>\$ -</b>        | <b>\$ 2,182,670</b>  |  |
| <b>Capital Assets being Depreciated</b>           |                      |                       |                     |                    |                      |  |
| Buildings   | \$ 4,332,627         | \$ -                  | \$ -                | \$ -               | \$ 4,332,627         |  |
| Improvements                                      | 5,213,308            | -                     | -                   | -                  | 5,213,308            |  |
| Machinery & Equipment                             | 1,944,437            | 13,455                | -                   | (22,710)           | 1,935,182            |  |
| Infrastructure                                    | 30,365,964           | -                     | -                   | -                  | 30,365,964           |  |
| <b>Total Capital Assets being Depreciated</b>     | <b>\$ 41,856,336</b> | <b>\$ 13,455</b>      | <b>\$ -</b>         | <b>\$ (22,710)</b> | <b>\$ 41,847,081</b> |  |
| <b>Governmental Activities</b>                    |                      |                       |                     |                    |                      |  |
| <b>Accumulated Depreciation</b>                   |                      |                       |                     |                    |                      |  |
| Buildings   | \$ 4,120,524         | \$ 182,978            | \$ -                | \$ -               | \$ 4,303,502         |  |
| Improvements                                      | 2,939,143            | 355,286               | 11,729              | -                  | 3,282,700            |  |
| Machinery & Equipment                             | 7,413,327            | 776,446               | 1,179,115           | 22,332             | 7,032,990            |  |
| Infrastructure                                    | 3,690,869            | 328,779               | -                   | -                  | 4,019,648            |  |
| <b>Total Accumulated Depreciation</b>             | <b>\$ 18,163,863</b> | <b>\$ 1,643,489</b>   | <b>\$ 1,190,844</b> | <b>\$ 22,332</b>   | <b>\$ 18,638,840</b> |  |
| <b>Business-type Activities</b>                   |                      |                       |                     |                    |                      |  |
| <b>Accumulated Depreciation</b>                   |                      |                       |                     |                    |                      |  |
| Buildings   | \$ 1,790,416         | \$ 108,339            | \$ -                | \$ -               | \$ 1,898,755         |  |
| Improvements                                      | 310,838              | 107,576               | -                   | -                  | 418,414              |  |
| Machinery & Equipment                             | 1,348,858            | 143,880               | -                   | (22,332)           | 1,470,406            |  |
| Infrastructure                                    | 10,047,539           | 673,019               | -                   | -                  | 10,720,558           |  |
| <b>Total Accumulated Depreciation</b>             | <b>\$ 13,497,651</b> | <b>\$ 1,032,814</b>   | <b>\$ -</b>         | <b>\$ (22,332)</b> | <b>\$ 14,508,133</b> |  |
| <b>Total Governmental Activities, Net</b>         | <b>\$ 19,149,184</b> | <b>\$ 469,086</b>     | <b>\$ 22,072</b>    | <b>\$ 378</b>      | <b>\$ 19,596,577</b> |  |
| <b>Total Business-type Activities, Net</b>        | <b>\$ 30,525,906</b> | <b>\$ (1,003,910)</b> | <b>\$ -</b>         | <b>\$ (378)</b>    | <b>\$ 29,521,618</b> |  |

**Depreciation Expense by Function**

|                    |                     |
|--------------------|---------------------|
| General Government | 147,087             |
| Public Safety      | 556,730             |
| State Street Aid   | 584,611             |
| Sanitation         | 17,168              |
| Parks & Recreation | 197,869             |
| Tourism            | 130,101             |
| Storm Water        | 9,922               |
| Sewer              | 1,032,815           |
|                    | <u>\$ 2,676,303</u> |

The City received insurance proceeds in the amount of \$253,110 for the impairment of various capital assets disposed during 2016.

**Note 8. Long-Term Debt**

Below is a condensed schedule of maturities for long-term debt and obligations at June 30, 2016. A detailed Schedule of Long-term Debt, Principal, and Interest Requirements is included on page 54 of this report.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Notes to Financial Statements – Continued**  
**June 30, 2016**

**Note 8. Long-Term Debt – Continued**

| Year Ended           | Principal Due        | Interest Due        |
|----------------------|----------------------|---------------------|
| <u>June 30,</u>      |                      |                     |
| 2017                 | 1,489,771            | 308,120             |
| 2018                 | 1,347,448            | 366,448             |
| 2019                 | 1,120,146            | 230,499             |
| 2020                 | 572,567              | 209,393             |
| 2021                 | 550,758              | 192,398             |
| 2022-2026            | 2,659,154            | 751,314             |
| 2027-2031            | 3,040,246            | 372,880             |
| 2032-2033            | 1,010,101            | 28,366              |
| Total Long-Term Debt | <u>\$ 11,790,191</u> | <u>\$ 2,459,418</u> |

Long-term debt and obligations payable at June 30, 2016 are comprised of the following:

**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 \$ 6,427,229

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. 1,201,870

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. 92,003

Total Sewer Fund Debt Payable 7,721,102  
Less: Current Portion (802,857)

Long-Term Debt Payable - Sewer Fund \$ 6,918,245

The following is a summary of changes to long-term debt in the Business-type activities during the year ended June 30, 2016:

|                                   | Balance<br>7/1/2015 | Additions         | Reductions        | Balance<br>6/30/2016 | Due Within<br>1 Year |
|-----------------------------------|---------------------|-------------------|-------------------|----------------------|----------------------|
| Compensated Absences              | \$ 18,191           | \$ 6,757          | \$ 11,871         | \$ 13,077            | \$ 11,871            |
| Net OPEB Obligation               | 154,602             | 38,639            | 25,049            | 168,192              | -                    |
| State Revolving Loan              | 6,757,101           | -                 | 329,872           | 6,427,229            | 312,751              |
| General Obligation Refunding Bond | 1,632,819           | -                 | 430,949           | 1,201,870            | 440,525              |
| Capital Leases                    | 140,616             | -                 | 48,613            | 92,003               | 49,581               |
| Debt Refunding Premium            | 63,113              | -                 | 21,646            | 41,467               | 21,639               |
| Net Pension Liability             | 24,044              | 60,568            | -                 | 84,612               | -                    |
| Totals                            | <u>\$ 8,790,486</u> | <u>\$ 105,964</u> | <u>\$ 868,000</u> | <u>\$ 8,028,450</u>  | <u>\$ 836,367</u>    |

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Notes to Financial Statements – Continued**  
**June 30, 2016**

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

Long-term debt and obligations payable at June 30, 2016 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     | \$ 2,615,000        |
| 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 | 53,131              |
| 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.                  | 461,644             |
| 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.                       | 126,549             |
| Capital Lease Payable to Municipal Leasing Consultants, LLC Bearing Interest at 6% Per Annum, Payable in Annual Installments of \$146,403 Principal and Interest Payments are Based on Total Debt of \$811,000                           | 531,307             |
| Capital Lease Payable to Municipal Leasing Consultants, LLC Bearing Interest at 3.09% Per Annum, Payable in Annual Installments of \$91,737 Principal and Interest Payments are Based on Total Debt of \$432,000                         | <u>281,458</u>      |
| Total Governmental Activities Long-Term Obligations  | 4,069,089           |
| Less: Current Portion  | <u>(686,914)</u>    |
| Total Long-Term Governmental Activities Obligations  | <u>\$ 3,382,175</u> |

The following is a summary of changes to long-term liabilities in the Governmental activities during the year ended June 30, 2016. The compensated absences liability, OPEB obligation and pension liability are attributable to the governmental activities will be liquidated primarily by the General Fund.

|                        | Balance<br>July 1, 2015 | Additions           | Reductions          | Balance<br>June 30, 2016 | Due within<br>1 Year |
|------------------------|-------------------------|---------------------|---------------------|--------------------------|----------------------|
| Compensated Absences   | \$ 579,100              | \$ 368,519          | \$ 421,293          | \$ 526,326               | \$ 421,293           |
| Net OPEB Obligation    | 2,660,784               | 615,819             | 283,150             | 2,993,453                | -                    |
| Capital Leases         | 1,640,329               | 432,000             | 671,371             | 1,400,958                | 537,439              |
| Bonds Payable          | 2,812,182               | -                   | 144,051             | 2,668,131                | 149,475              |
| Debt Refunding Premium | 2,960                   | -                   | 2,960               | -                        | -                    |
| Net Pension Liability  | 383,572                 | 892,118             | -                   | 1,275,690                | -                    |
| Totals                 | <u>\$ 8,078,927</u>     | <u>\$ 2,308,456</u> | <u>\$ 1,522,825</u> | <u>\$ 8,864,558</u>      | <u>\$ 1,108,207</u>  |

The City has not recorded a deferred outflow of resources related to refunding of bonds as it is not considered material to the financial statements.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Notes to Financial Statements – Continued**  
**June 30, 2016**

**Note 9. Capital and Operating Leases**

The City has ongoing capital lease agreements for the following capital assets as of June 30, 2016:

|                                       | <b>Capitalized<br/>Cost</b> |
|---------------------------------------|-----------------------------|
| Public Safety Vehicles                | \$ 873,077                  |
| General Government Vehicles/Equipment | 1,001,896                   |
| Parks and Recreation Equipment        | 151,925                     |
| Public Works Equipment                | 989,723                     |
| Sewer Equipment                       | 286,431                     |
| Total Assets in Machinery & Equipment | <u>\$ 3,303,052</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, 2016, are as follows:

| <b>Year Ended<br/>June 30,</b>                    | <b>Future Minimum<br/>Lease Pmts</b> |
|---|--------------------------------------|
| 2017  | 625,013                              |
| 2018  | 440,143                              |
| 2019  | 353,391                              |
| 2020  | 97,407                               |
| 2021  | 61,403                               |
| Total Minimum Lease Payments                      | <u>1,577,357</u>                     |
| Less: Amount Representing Interest                | <u>(84,396)</u>                      |
| Present Value of Future Minimum<br>Lease Payments | <u>\$ 1,492,961</u>                  |

The City leases various assets under operating lease agreements. Future minimum lease payments are not considered material. Total rent expense/expenditure for the year ended June 30, 2016 was approximately \$78,131.

**Note 10. Construction Commitments**

The City has the following construction projects in progress at June 30, 2016:

| <b>Construction<br/>Project</b> | <b>Total<br/>Estimated<br/>Cost</b> | <b>Total<br/>Expenses<br/>thru FYE 6/30/16</b> |
|---------------------------------|-------------------------------------|--|
| Governmental Activities:        |                                     |  |
| Greenway                        | n/a                                 | \$ 200,800                                     |
| Main Street Redevelopment       | n/a                                 | 449,222  |
| Conference Drive Enhancement    | n/a                                 | 48,669   |
| Hwy 31/41                       | n/a                                 | 40,000   |
| Total Governmental Activities   |                                     | <u>\$ 738,691</u>                              |
| Business Type Activities:       |                                     |  |
| Sewer Project                   | n/a                                 | <u>\$ 28,150</u>                               |

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Notes to Financial Statements – Continued**  
**June 30, 2016**

**Note 11. Interfund Receivables/Payables/Transfers**

Interfund Receivables and Payables are \$0 as of June 30, 2016.

The composition of interfund transfers for the year ended June 30, 2016, is as follows:

| Transfer From | Transfer To       |                          |                   |
|---------------|-------------------|--------------------------|-------------------|
|               | General Fund      | Capital<br>Projects Fund | Total             |
| General Fund  | \$ -              | \$ 195,000               | \$ 195,000        |
| Sewer Fund    | 135,525           | -                        | 135,525           |
| <b>Total</b>  | <b>\$ 135,525</b> | <b>\$ 195,000</b>        | <b>\$ 330,525</b> |

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 contracts and/or agreements with White House Utility District, Madison Suburban Utility District, Department of Water Services of Metropolitan Nashville and Waste Industries, Inc. to provide utility and solid waste services in Sumner and Davidson counties. These providers, with the exception of Waste Industries, Inc., are sole-source suppliers for utility services.

**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.

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**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Required Supplementary Information**  
**Schedule of Post-retirement Health Care Benefits Program Funding Progress**  
**(Dollar Amounts in Thousands)**  
**June 30, 2016**

| <b>Actuarial<br/>Valuation<br/>Date</b> | <b>Actuarial<br/>Value of<br/>Plan<br/>Assets<br/>(a)</b> | <b>Actuarial<br/>Accrued<br/>Liability<br/>(AAL)<br/>- Entry Age<br/>(b)</b> | <b>Unfunded<br/>AAL<br/>(UAAL)<br/>(b)-(a)</b> | <b>Funded<br/>Ratio<br/>(a/b)</b> | <b>Annual<br/>Covered<br/>Payroll<br/>(c)</b> | <b>UAAL as<br/>a % of<br/>Covered<br/>Payroll<br/>((b-a)/(c))</b> |
|---|---|--|--|-----------------------------------|---|---|
| July 1, 2014                            | -   | 9,239  | 9,239  | 0.00%                             | 6,195   | 149.14%   |
| July 1, 2012                            | -   | 7,731  | 7,731  | 0.00%                             | 5,466   | 141.44%   |
| January 1, 2011                         | -   | 6,230  | 6,230  | 0.00%                             | 5,243   | 118.83%   |

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 5 for additional information and a description of the program.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Required Supplementary Information**  
**Schedule of Changes in Goodlettsville's Net Pension Liability and**  
**Related Ratios Based on Participation in the**  
**Public Employee Pension Plan of TCRS**  
**Last Fiscal Year ending June 30,**

|   | <u>2014</u>          | <u>2015</u>          |
|---|----------------------|----------------------|
| <b>Total Pension Liability</b>  |                      |                      |
| Service Cost  | \$ 359,116           | \$ 404,575           |
| Interest  | 1,658,224            | 1,775,558            |
| Changes in Benefit Terms  | -                    | -                    |
| Differences Between Actual & Expected Experience                              | 519,740              | 435,324              |
| Change of Assumptions   | -                    | -                    |
| Benefit Payments, Including Refunds of Employee Contributions                 | (972,500)            | (1,063,650)          |
| <b>Net Change in Total Pension Liability</b>                                  | <u>1,564,580</u>     | <u>1,551,807</u>     |
| <b>Total Pension Liability - Beginning</b>                                    | <u>22,236,780</u>    | <u>23,801,360</u>    |
| <b>Total Pension Liability - Ending (a)</b>                                   | <u>\$ 23,801,360</u> | <u>\$ 25,353,167</u> |
| <br>  |                      |                      |
| <b>Plan Fiduciary Net Position</b>  |                      |                      |
| Contributions - Employer  | \$ 795,723           | \$ 902,048           |
| Contributions - Employee  | 20,214               | 49,280               |
| Net investment income   | 3,336,100            | 718,665              |
| Benefit Payments, Including Refunds of Employee Contributions                 | (972,500)            | (1,063,650)          |
| Administrative Expense  | (5,530)              | (6,476)              |
| Other   | -                    | (746)                |
| <b>Net Change in Plan Fiduciary Net Position</b>                              | <u>3,174,007</u>     | <u>599,121</u>       |
| <b>Plan Fiduciary Net Position - Beginning</b>                                | <u>20,219,737</u>    | <u>23,393,744</u>    |
| <b>Plan Fiduciary Net Position - Ending (b)</b>                               | <u>\$ 23,393,744</u> | <u>\$ 23,992,865</u> |
| <br>  |                      |                      |
| <b>Net Pension Liability - Ending (a) - (b)</b>                               | <u>\$ 407,616</u>    | <u>\$ 1,360,302</u>  |
| <br>  |                      |                      |
| <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b> | 98.29%               | 94.63%               |
| <br>  |                      |                      |
| <b>Covered-Employee Payroll</b>   | \$ 5,468,883         | \$ 6,021,684         |
| <br>  |                      |                      |
| <b>Net Pension Liability as a Percentage of Covered-Employee Payroll</b>      | 7.45%                | 22.59%               |

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

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Required Supplementary Information**  
**Schedule of Contributions**  
**Based on Participation in the Public Employee Pension Plan of TCRS**  
**Last Fiscal Year ending June 30,**

|  | <u>2014</u>    | <u>2015</u>    | <u>2016</u>    |
|--|----------------|----------------|----------------|
| Actuarially Determined Contribution                                  | \$ 795,723     | \$ 902,048     | \$ 919,489     |
| Contributions in Relation to the Actuarially Determined Contribution | <u>795,723</u> | <u>902,048</u> | <u>919,489</u> |
| Contribution Deficiency (Excess)                                     | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    |
| Covered-Employee Payroll   | \$ 5,468,883   | \$ 6,021,684   | \$ 6,394,948   |
| Contributions as a Percentage Covered-Employee Payroll               | 14.55%         | 14.98%         | 14.38%         |

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

**Notes to Schedule**

*Valuation Date:* Actuarially determined contribution rates for 2016 were calculated based on the July 1, 2013 actuarial valuation.

*Methods and assumptions used to determine contribution rates:*

|                               |  |
|-------------------------------|--|
| Actuarial cost method         | Frozen initial liability   |
| Amortization method           | Level dollar, closed (not to exceed 20 years)  |
| Remaining amortization period | 5 years  |
| Asset valuation               | 10-year smoothed within a 20 percent corridor to market value  |
| Inflation                     | 3.0 percent  |
| Salary increases              | Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent |
| Investment rate of return     | 7.5 percent, net of investment expense, including inflation  |
| Retirement age                | Pattern of retirement determined by experience study   |
| Mortality                     | Customized table based on actual experience including an adjustment for some anticipated improvement     |
| Cost of living adjustments    | 2.5 percent  |

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2016**

|  | Special Revenue          |                         |                          |                            |                          | Total                      | Capital Projects         | Total                        |
|--|--------------------------|-------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|------------------------------|
|  | Solid Waste Fund         | Drug Fund               | Tourism Fund             | Stormwater Utility Fund    | Electronic Citation Fund | Special Revenue Funds      | Capital Projects Fund    | Non-major Governmental Funds |
| <b>Assets</b>                              |                          |                         |                          |                            |                          |                            |                          |                              |
| Cash                                       | \$ 14,969                | \$ 32,342               | \$ 745,322               | \$ 1,706,406               | \$ 16,085                | \$ 2,515,124               | \$ 187,081               | \$ 2,702,205                 |
| Receivables, Net                           | 142,538                  | -                       | -                        | 159,466                    | -                        | 302,004                    | 48,645                   | 350,649                      |
| Prepaid Items                              | 1,012                    | -                       | -                        | 104                        | -                        | 1,116                      | -                        | 1,116                        |
| <b>Total Assets</b>                        | <b><u>\$ 158,519</u></b> | <b><u>\$ 32,342</u></b> | <b><u>\$ 745,322</u></b> | <b><u>\$ 1,865,976</u></b> | <b><u>\$ 16,085</u></b>  | <b><u>\$ 2,818,244</u></b> | <b><u>\$ 235,726</u></b> | <b><u>\$ 3,053,970</u></b>   |
| <b>Liabilities and Fund Equity</b>         |                          |                         |                          |                            |                          |                            |                          |                              |
| <b>Liabilities</b>                         |                          |                         |                          |                            |                          |                            |                          |                              |
| Accounts Payable                           | \$ 97,407                | \$ 539                  | \$ 699                   | \$ 384,485                 | \$ -                     | \$ 483,130                 | \$ 49,997                | \$ 533,127                   |
| Other Liabilities                          | -                        | -                       | -                        | 108                        | -                        | 108                        | -                        | 108                          |
| Accrued Wages and Taxes                    | 3,523                    | -                       | -                        | 1,002                      | -                        | 4,525                      | -                        | 4,525                        |
| <b>Total Liabilities</b>                   | <b><u>100,930</u></b>    | <b><u>539</u></b>       | <b><u>699</u></b>        | <b><u>385,595</u></b>      | <b><u>-</u></b>          | <b><u>487,763</u></b>      | <b><u>49,997</u></b>     | <b><u>537,760</u></b>        |
| <b>Fund Balances</b>                       |                          |                         |                          |                            |                          |                            |                          |                              |
| Nonspendable:                              |                          |                         |                          |                            |                          |                            |                          |                              |
| Prepaid Items                              | 1,012                    | -                       | -                        | 104                        | -                        | 1,116                      | -                        | 1,116                        |
| Restricted For:                            |                          |                         |                          |                            |                          |                            |                          |                              |
| Drug Fund                                  | -                        | 31,803                  | -                        | -                          | -                        | 31,803                     | -                        | 31,803                       |
| Tourism Fund                               | -                        | -                       | 528,548                  | -                          | -                        | 528,548                    | -                        | 528,548                      |
| Stormwater Utility Fund                    | -                        | -                       | -                        | 1,480,277                  | -                        | 1,480,277                  | -                        | 1,480,277                    |
| Solid Waste Fund                           | 56,577                   | -                       | -                        | -                          | -                        | 56,577                     | -                        | 56,577                       |
| Electronic Citation Fund                   | -                        | -                       | -                        | -                          | 16,085                   | 16,085                     | -                        | 16,085                       |
| Assigned To:                               |                          |                         |                          |                            |                          |                            |                          |                              |
| Tourism Fund                               | -                        | -                       | 216,075                  | -                          | -                        | 216,075                    | -                        | 216,075                      |
| Capital Projects                           | -                        | -                       | -                        | -                          | -                        | -                          | 185,729                  | 185,729                      |
| Unassigned                                 | -                        | -                       | -                        | -                          | -                        | -                          | -                        | -                            |
| <b>Total Fund Balances</b>                 | <b><u>57,589</u></b>     | <b><u>31,803</u></b>    | <b><u>744,623</u></b>    | <b><u>1,480,381</u></b>    | <b><u>16,085</u></b>     | <b><u>2,330,481</u></b>    | <b><u>185,729</u></b>    | <b><u>2,516,210</u></b>      |
| <b>Total Liabilities and Fund Balances</b> | <b><u>\$ 158,519</u></b> | <b><u>\$ 32,342</u></b> | <b><u>\$ 745,323</u></b> | <b><u>\$ 1,865,976</u></b> | <b><u>\$ 16,085</u></b>  | <b><u>\$ 2,818,243</u></b> | <b><u>\$ 235,726</u></b> | <b><u>\$ 3,053,970</u></b>   |

See independent auditors' report.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2016**

|   | Special Revenue        |                  |                   |                               |                                | Total<br>Special<br>Revenue<br>Funds | Capital Projects            | Total<br>Non-major<br>Governmental<br>Funds |
|---|------------------------|------------------|-------------------|-------------------------------|--------------------------------|--------------------------------------|-----------------------------|---|
|   | Solid<br>Waste<br>Fund | Drug<br>Fund     | Tourism<br>Fund   | Stormwater<br>Utility<br>Fund | Electronic<br>Citation<br>Fund |                                      | Capital<br>Projects<br>Fund |   |
| <b>Revenues</b>                                     |                        |                  |                   |                               |                                |                                      |                             |   |
| Drug Revenue  | \$ -                   | \$ 22,788        | \$ -              | \$ -                          | \$ -                           | \$ 22,788                            | \$ -                        | \$ 22,788                                   |
| Hotel/ Motel Taxes                                  | -                      | -                | 625,861           | -                             | -                              | 625,861                              | -                           | 625,861                                     |
| Charges for Services                                | 993,865                | -                | 29,713            | 972,130                       | 10,077                         | 2,005,785                            | -                           | 2,005,785                                   |
| Interest  | -                      | -                | 2,642             | 5,597                         | -                              | 8,239                                | -                           | 8,239                                       |
| Miscellaneous Revenue                               | 4,048                  | -                | -                 | -                             | -                              | 4,048                                | -                           | 4,048                                       |
| Contributions and Grants                            | -                      | -                | 383               | -                             | -                              | 383                                  | 775,168                     | 775,551                                     |
| <b>Total Revenues</b>                               | <b>997,913</b>         | <b>22,788</b>    | <b>658,599</b>    | <b>977,727</b>                | <b>10,077</b>                  | <b>2,667,104</b>                     | <b>775,168</b>              | <b>3,442,272</b>                            |
| <b>Expenditures</b>                                 |                        |                  |                   |                               |                                |                                      |                             |   |
| Current:  |                        |                  |                   |                               |                                |                                      |                             |   |
| Solid Waste Fund                                    | 883,355                | -                | -                 | -                             | -                              | 883,355                              | -                           | 883,355                                     |
| Drug Fund   | -                      | 28,141           | -                 | -                             | -                              | 28,141                               | -                           | 28,141                                      |
| Tourism Fund  | -                      | -                | 393,344           | -                             | -                              | 393,344                              | -                           | 393,344                                     |
| Stormwater Utility Fund                             | -                      | -                | -                 | 255,083                       | -                              | 255,083                              | -                           | 255,083                                     |
| Capital Outlay                                      | 59,059                 | -                | -                 | 338,232                       | -                              | 397,291                              | 476,227                     | 873,518                                     |
| <b>Total Expenditures</b>                           | <b>942,414</b>         | <b>28,141</b>    | <b>393,344</b>    | <b>593,315</b>                | <b>-</b>                       | <b>1,957,214</b>                     | <b>476,227</b>              | <b>2,433,441</b>                            |
| <b>Excess of Revenues Over (Under) Expenditures</b> | <b>55,499</b>          | <b>(5,353)</b>   | <b>265,255</b>    | <b>384,412</b>                | <b>10,077</b>                  | <b>709,890</b>                       | <b>298,941</b>              | <b>1,008,831</b>                            |
| <b>Other Financing Sources (Uses)</b>               |                        |                  |                   |                               |                                |                                      |                             |   |
| Proceeds from Sale of Capital Assets                | -                      | 2,268            | -                 | -                             | -                              | 2,268                                | -                           | 2,268                                       |
| Transfers In (Out)                                  | -                      | -                | -                 | -                             | -                              | -                                    | 195,000                     | 195,000                                     |
| <b>Total Other Financing Sources (Uses)</b>         | <b>-</b>               | <b>2,268</b>     | <b>-</b>          | <b>-</b>                      | <b>-</b>                       | <b>2,268</b>                         | <b>195,000</b>              | <b>197,268</b>                              |
| <b>Net Change in Fund Balances</b>                  | <b>55,499</b>          | <b>(3,085)</b>   | <b>265,255</b>    | <b>384,412</b>                | <b>10,077</b>                  | <b>712,158</b>                       | <b>493,941</b>              | <b>1,206,099</b>                            |
| <b>Fund Balance - July 1, 2015</b>                  | <b>2,090</b>           | <b>34,888</b>    | <b>479,368</b>    | <b>1,095,969</b>              | <b>6,008</b>                   | <b>1,618,323</b>                     | <b>(308,212)</b>            | <b>1,310,111</b>                            |
| <b>Fund Balance - June 30, 2016</b>                 | <b>\$ 57,589</b>       | <b>\$ 31,803</b> | <b>\$ 744,623</b> | <b>\$ 1,480,381</b>           | <b>\$ 16,085</b>               | <b>\$ 2,330,481</b>                  | <b>\$ 185,729</b>           | <b>\$ 2,516,210</b>                         |

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**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, 2016**

|   | <b>Solid Waste Fund</b>      |                           |                  |   | <b>Drug Fund</b>             |                           |                  |   |
|---|------------------------------|---------------------------|------------------|---|------------------------------|---------------------------|------------------|---|
|   | <b>Original<br/>Budgeted</b> | <b>Final<br/>Budgeted</b> | <b>Actual</b>    | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> | <b>Original<br/>Budgeted</b> | <b>Final<br/>Budgeted</b> | <b>Actual</b>    | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
| <b>Revenues</b>                                 |                              |                           |                  |   |                              |                           |                  |   |
| Drug and Gambling Revenue                       | \$ -                         | \$ -                      | \$ -             | \$ -  | \$ 15,000                    | \$ 15,000                 | \$ 22,788        | \$ 7,788  |
| Charges for Services                            | 948,000                      | 948,000                   | 993,865          | 45,865  | -                            | -                         | -                | -   |
| Miscellaneous Revenues                          | 10,000                       | 10,000                    | 4,048            | (5,952)   | -                            | -                         | -                | -   |
| <b>Total Revenues</b>                           | <b>958,000</b>               | <b>958,000</b>            | <b>997,913</b>   | <b>39,913</b>                                   | <b>15,000</b>                | <b>15,000</b>             | <b>22,788</b>    | <b>7,788</b>                                    |
| <b>Expenditures</b>                             |                              |                           |                  |   |                              |                           |                  |   |
| Current:  |                              |                           |                  |   |                              |                           |                  |   |
| Solid Waste                                     |                              |                           |                  |   |                              |                           |                  |   |
| Salaries and Benefits                           | 101,155                      | 101,155                   | 75,740           | 25,415  | -                            | -                         | -                | -   |
| Supplies  | 4,000                        | 4,000                     | 3,612            | 388   | -                            | -                         | -                | -   |
| Repairs and Maintenance                         | 3,000                        | 3,000                     | 1,943            | 1,057   | -                            | -                         | -                | -   |
| Solid Waste Contract                            | 710,000                      | 710,000                   | 724,240          | (14,240)  | -                            | -                         | -                | -   |
| Other Operating Expenses                        | 55,500                       | 55,500                    | 77,820           | (22,320)  | -                            | -                         | -                | -   |
| Capital Outlay                                  | 75,000                       | 75,000                    | 59,059           | 15,941  | -                            | -                         | -                | -   |
| Drug and Gambling                               |                              |                           |                  |   |                              |                           |                  |   |
| Supplies  | -                            | -                         | -                | -   | 2,700                        | 2,700                     | 28,141           | (25,441)  |
| Capital Outlay                                  | -                            | -                         | -                | -   | 30,000                       | 30,000                    | -                | 30,000  |
| <b>Total Expenditures</b>                       | <b>948,655</b>               | <b>948,655</b>            | <b>942,414</b>   | <b>6,241</b>                                    | <b>32,700</b>                | <b>32,700</b>             | <b>28,141</b>    | <b>4,559</b>                                    |
| Excess of Revenues Over<br>(Under) Expenditures | 9,345                        | 9,345                     | 55,499           | 46,154  | (17,700)                     | (17,700)                  | (5,353)          | 12,347  |
| <b>Other Financing Sources</b>                  |                              |                           |                  |   |                              |                           |                  |   |
| Proceeds from Sale of Capital Assets            | -                            | -                         | -                | -   | -                            | -                         | 2,268            | 2,268   |
| <b>Total Other Financing Sources</b>            | <b>-</b>                     | <b>-</b>                  | <b>-</b>         | <b>-</b>  | <b>-</b>                     | <b>-</b>                  | <b>2,268</b>     | <b>2,268</b>                                    |
| <b>Net Change in Fund Balance</b>               | <b>9,345</b>                 | <b>9,345</b>              | <b>55,499</b>    | <b>46,154</b>                                   | <b>(17,700)</b>              | <b>(17,700)</b>           | <b>(3,085)</b>   | <b>14,615</b>                                   |
| <b>Fund Balance - July 1, 2015</b>              | <b>2,090</b>                 | <b>2,090</b>              | <b>2,090</b>     | <b>-</b>  | <b>34,888</b>                | <b>34,888</b>             | <b>34,888</b>    | <b>-</b>  |
| <b>Fund Balance - June 30, 2016</b>             | <b>\$ 11,435</b>             | <b>\$ 11,435</b>          | <b>\$ 57,589</b> | <b>\$ 46,154</b>                                | <b>\$ 17,188</b>             | <b>\$ 17,188</b>          | <b>\$ 31,803</b> | <b>\$ 14,615</b>                                |

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, 2016**

|                                     | Tourism Fund      |                   |                   |                                  | Stormwater Utility Fund |                     |                     |                                  | Electronic Citation Fund |                 |                  |                                  |
|-------------------------------------|-------------------|-------------------|-------------------|----------------------------------|-------------------------|---------------------|---------------------|----------------------------------|--------------------------|-----------------|------------------|----------------------------------|
|                                     | Original Budgeted | Final Budgeted    | Actual            | Variance Favorable (Unfavorable) | Original Budgeted       | Final Budgeted      | Actual              | Variance Favorable (Unfavorable) | Original Budgeted        | Final Budgeted  | Actual           | Variance Favorable (Unfavorable) |
| <b>Revenues</b>                     |                   |                   |                   |                                  |                         |                     |                     |                                  |                          |                 |                  |                                  |
| Hotel/ Motel Tax                    | \$ 510,000        | \$ 510,000        | \$ 625,861        | \$ 115,861                       | \$ -                    | \$ -                | \$ -                | \$ -                             | \$ -                     | \$ -            | \$ -             | \$ -                             |
| Charges for Services                | 23,600            | 23,600            | 29,713            | 6,113                            | 604,000                 | 604,000             | 972,130             | 368,130                          | -                        | -               | 10,077           | 10,077                           |
| Interest                            | 1,000             | 1,000             | 2,642             | 1,642                            | -                       | -                   | 5,597               | 5,597                            | -                        | -               | -                | -                                |
| Contributions and Grants            | -                 | -                 | 383               | 383                              | -                       | -                   | -                   | -                                | -                        | -               | -                | -                                |
| <b>Total Revenues</b>               | <b>534,600</b>    | <b>534,600</b>    | <b>658,599</b>    | <b>123,999</b>                   | <b>604,000</b>          | <b>604,000</b>      | <b>977,727</b>      | <b>373,727</b>                   | <b>-</b>                 | <b>-</b>        | <b>10,077</b>    | <b>10,077</b>                    |
| <b>Expenditures</b>                 |                   |                   |                   |                                  |                         |                     |                     |                                  |                          |                 |                  |                                  |
| Current:                            |                   |                   |                   |                                  |                         |                     |                     |                                  |                          |                 |                  |                                  |
| Tourism                             |                   |                   |                   |                                  |                         |                     |                     |                                  |                          |                 |                  |                                  |
| Salaries and Benefits               | 348,250           | 348,250           | 221,493           | 124,757                          | -                       | -                   | -                   | -                                | -                        | -               | -                | -                                |
| Supplies                            | 33,500            | 33,500            | 19,110            | 14,390                           | -                       | -                   | -                   | -                                | -                        | -               | -                | -                                |
| Repairs and Maintenance             | 79,000            | 79,000            | 52,564            | 26,436                           | -                       | -                   | -                   | -                                | -                        | -               | -                | -                                |
| Other Operating Expenses            | 200,499           | 200,499           | 100,177           | 100,322                          | -                       | -                   | -                   | -                                | -                        | -               | -                | -                                |
| Capital Outlay                      | -                 | -                 | -                 | -                                | -                       | -                   | -                   | -                                | -                        | -               | -                | -                                |
| Stormwater Utility                  |                   |                   |                   |                                  |                         |                     |                     |                                  |                          |                 |                  |                                  |
| Salaries and Benefits               | -                 | -                 | -                 | -                                | 129,764                 | 129,764             | 57,858              | 71,906                           | -                        | -               | -                | -                                |
| Supplies                            | -                 | -                 | -                 | -                                | 10,000                  | 10,000              | 17,827              | (7,827)                          | -                        | -               | -                | -                                |
| Repairs and Maintenance             | -                 | -                 | -                 | -                                | 10,000                  | 10,000              | 2,236               | 7,764                            | -                        | -               | -                | -                                |
| Other Operating Expenses            | -                 | -                 | -                 | -                                | 112,500                 | 112,500             | 177,162             | (64,662)                         | -                        | -               | -                | -                                |
| Capital Outlay                      | -                 | -                 | -                 | -                                | 400,000                 | 400,000             | 338,232             | 61,768                           | -                        | -               | -                | -                                |
| <b>Total Expenditures</b>           | <b>659,249</b>    | <b>659,249</b>    | <b>393,344</b>    | <b>265,905</b>                   | <b>662,264</b>          | <b>662,264</b>      | <b>593,315</b>      | <b>68,949</b>                    | <b>-</b>                 | <b>-</b>        | <b>-</b>         | <b>-</b>                         |
| Net Change in Fund Balance          | (124,649)         | (124,649)         | 265,255           | 389,904                          | (58,264)                | (58,264)            | 384,412             | 442,676                          | -                        | -               | 10,077           | 10,077                           |
| Fund Balance - July 1, 2015         | 479,368           | 479,368           | 479,368           | -                                | 1,095,969               | 1,095,969           | 1,095,969           | -                                | 6,008                    | 6,008           | 6,008            | -                                |
| <b>Fund Balance - June 30, 2016</b> | <b>\$ 354,719</b> | <b>\$ 354,719</b> | <b>\$ 744,623</b> | <b>\$ 389,904</b>                | <b>\$ 1,037,705</b>     | <b>\$ 1,037,705</b> | <b>\$ 1,480,381</b> | <b>\$ 442,676</b>                | <b>\$ 6,008</b>          | <b>\$ 6,008</b> | <b>\$ 16,085</b> | <b>\$ 10,077</b>                 |

See independent auditors' report.

**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, 2016**

|  | <u>Prior<br/>Years</u> | <u>Current<br/>Year</u> | <u>Total to<br/>Date</u> | <u>Project<br/>Authorization</u> | <u>Project (Over)<br/>Under Budget</u> |
|--|------------------------|-------------------------|--------------------------|----------------------------------|--|
| <b>Revenues</b>                            |                        |                         |                          |                                  |  |
| FEMA Proceeds                              | \$ 524,811             | \$ 185,409              | \$ 710,220               | \$ -                             | \$ (710,220)                           |
| TDOT Greenway, Etc.                        | 108,534                | 9,264                   | 117,798                  | 3,000,000                        | 2,882,202                              |
| TDOT Traffic Synchronization/Signalization | 96,669                 | 295,459                 | 392,128                  | 1,885,000                        | 1,492,872                              |
| Main Street Redevelopment Grant            | -                      | 278,556                 | 278,556                  | 9,600,000                        | 9,321,444                              |
| Conference Drive Enhancement               | -                      | 6,480                   | 6,480                    | 500,000                          | 493,520                                |
| I65 at Hwy 31/41                           | -                      | -                       | -                        | 450,000                          | 450,000                                |
| Anticipated Bond Proceeds                  | -                      | -                       | -                        | 3,000,000                        | 3,000,000                              |
| Total Revenues                             | <u>730,014</u>         | <u>775,168</u>          | <u>1,505,181</u>         | <u>18,435,000</u>                | <u>13,479,819</u>                      |
| <b>Expenditures</b>                        |                        |                         |                          |                                  |  |
| <b>Capital Outlay:</b>                     |                        |                         |                          |                                  |  |
| FEMA Home Buyout                           | 598,797                | -                       | 598,797                  | -                                | (598,797)                              |
| TDOT Traffic Synchronization/Signalization | 505,667                | -                       | 505,667                  | 1,885,000                        | 1,379,333                              |
| TDOT Greenway/Bike                         | 200,700                | -                       | 200,700                  | 3,600,000                        | 3,399,300                              |
| Main Street Redevelopment                  | 31,905                 | 417,317                 | 449,222                  | 12,000,000                       | 11,550,778                             |
| Conference Drive Enhancement               | 29,758                 | 18,910                  | 48,668                   | 400,000                          | 351,332                                |
| I65 at Hwy 31/41                           | -                      | 40,000                  | 40,000                   | 900,000                          | 860,000                                |
| Total Expenditures                         | <u>1,366,827</u>       | <u>476,227</u>          | <u>1,843,054</u>         | <u>18,785,000</u>                | <u>16,941,946</u>                      |
| <b>Other Financing Sources (Uses)</b>      |                        |                         |                          |                                  |  |
| Operating Transfers In                     | 280,000                | 195,000                 | 475,000                  | -                                | (475,000)                              |
| Total Other Financing Sources (Uses)       | <u>280,000</u>         | <u>195,000</u>          | <u>475,000</u>           | <u>-</u>                         | <u>(475,000)</u>                       |
| <b>Net Change in Fund Balances</b>         |                        | 493,941                 |                          |                                  |  |
| <b>Fund Balance - July 1, 2015</b>         |                        |                         | <u>(308,212)</u>         |                                  |  |
| <b>Fund Balance - June 30, 2016</b>        |                        | <u>\$ 185,729</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, 2016**

| Federal Grantor / Pass-Through Grantor / Program Title           | CFDA<br>Number | Pass Through<br>Entity                 | Contract Number                                | Beginning<br>(Accrued)<br>Deferred | Cash<br>Receipts  | Expenditures      | Ending<br>(Accrued)<br>Deferred |
|--|----------------|--|--|------------------------------------|-------------------|-------------------|---------------------------------|
| <b>Federal Awards</b>  |                |  |  |                                    |                   |                   |                                 |
| <b>Federal Emergency Management Agency</b>                       |                |  |  |                                    |                   |                   |                                 |
| <u>Pass-through programs:</u>                                    |                |  |  |                                    |                   |                   |                                 |
| Hazard Mitigation  | 97.039         | Tennessee Emergency Management Agency  | DR-1909-0005                                   | 103,436                            | (103,436)         | -                 | -                               |
| Assistance to Firefighters                                       | 97.044         | Tennessee Emergency Management Agency  | EMW2014 FO 03759                               | -                                  | 38,207            | 244,593           | (206,386)                       |
| Disaster Grant   | 97.036         | Tennessee Emergency Management Agency  | PA-04-TN-1978-PW-0024(0)                       | (47,217)                           | 47,217            | -                 | -                               |
| Total Federal Emergency Management Agency                        |                |  |  | <u>56,219</u>                      | <u>(18,012)</u>   | <u>244,593</u>    | <u>(206,386)</u>                |
| <b>Department of Transportation</b>                              |                |  |  |                                    |                   |                   |                                 |
| <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)             | (285,387)                          | 295,460           | -                 | 10,073                          |
| Bicycle/Pedestrian Improvements and Greenway Project             | 20.205         | Tennessee Department of Transportation | CM-9321(1)                                     | (104,691)                          | 7,919             | -                 | (96,772)                        |
| Main Street Redevelopment Project                                | 20.205         | Tennessee Department of Transportation | PIN 120326 Contract 140052<br>STP-M-NH-11 (74) | -                                  | 237,736           | 417,317           | (179,581)                       |
| Conference Drive Enhancement                                     | 20.205         | Tennessee Department of Transportation | PIN120327 Contract 140053<br>STP-M-445(2)      | -                                  | -                 | 18,910            | (18,910)                        |
| Total Department of Transportation                               |                |  |  | <u>(390,078)</u>                   | <u>541,115</u>    | <u>436,227</u>    | <u>(285,190)</u>                |
| Total Federal Awards   |                |  |  | <u>(333,859)</u>                   | <u>523,103</u>    | <u>680,820</u>    | <u>(491,576)</u>                |
| <b>State Financial Assistance</b>                                |                |  |  |                                    |                   |                   |                                 |
| <b>Tennessee Emergency Management Agency</b>                     |                |  |  |                                    |                   |                   |                                 |
| Hazard Mitigation  | N/A            | N/A                                    | DR-1909-005                                    | 84,973                             | (84,973)          | -                 | -                               |
| Hazard Mitigation  | N/A            | N/A                                    | DR-1909-0027                                   | (15)                               | 15                | -                 | -                               |
| Disaster Grant   | N/A            | N/A                                    | PA-04-TN-1978-PW-0024(0)                       | (8,089)                            | 8,089             | -                 | -                               |
| Total Tennessee Emergency Management Agency                      |                |  |  | <u>76,869</u>                      | <u>(76,869)</u>   | -                 | -                               |
| <b>Tennessee Department of Environment and Conservation</b>      |                |  |  |                                    |                   |                   |                                 |
| Local Parks and Recreation Fund                                  | N/A            | N/A                                    | LPRF TDEC-35465                                | (77,620)                           | 36,817            | -                 | (40,803)                        |
| <b>Commission on Fire Fighting</b>                               |                |  |  |                                    |                   |                   |                                 |
| Commission on Fire Fighting                                      | N/A            | N/A                                    | N/A  | -                                  | 10,200            | 10,200            | -                               |
| <b>Tennessee Peace Officers Standards and Training</b>           |                |  |  |                                    |                   |                   |                                 |
| Peace Officer Standard and Training Commission                   | N/A            | N/A                                    | N/A  | -                                  | 23,400            | 23,400            | -                               |
| <b>Tennessee Department of Agriculture, Division of Forestry</b> |                |  |  |                                    |                   |                   |                                 |
| Agriculture Enhancement Program                                  | N/A            | N/A                                    | N/A  | -                                  | -                 | 2,272             | (2,272)                         |
| <b>Tennessee Department of Transportation</b>                    |                |  |  |                                    |                   |                   |                                 |
| Interchange Lighting   | N/A            | N/A                                    | 19180-3212-04                                  | -                                  | 10,809            | 3,940             | 6,869                           |
| Governor's Highway Safety Office - HI Visibility                 | N/A            | N/A                                    | PT-16-54                                       | -                                  | 5,180             | 5,180             | -                               |
| HWY 31/41 Project  | N/A            | N/A                                    | 123278.00                                      | -                                  | -                 | 40,000            | (40,000)                        |
| Total Tennessee Department of Transportation                     |                |  |  | <u>-</u>                           | <u>15,989</u>     | <u>49,120</u>     | <u>(33,131)</u>                 |
| Total State Financial Assistance                                 |                |  |  | <u>(751)</u>                       | <u>9,537</u>      | <u>84,992</u>     | <u>(76,206)</u>                 |
| Total Federal Awards and State Financial Assistance              |                |  |  | <u>\$ (334,610)</u>                | <u>\$ 532,640</u> | <u>\$ 765,812</u> | <u>\$ (567,782)</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, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 the Uniform Guidance and 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, 2016, there was an outstanding balance of \$6,427,229 on 09-224 State Revolving Loan Fund. There were payments of \$329,872 to the State Revolving Loan Fund during the current fiscal year.

See independent auditors' report.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Schedule of Reserve, Receipts and Disbursements**  
**for State Street Aid**  
**For the Year Ended June 30, 2016**

**State Street Aid**

|  |         |         |
|--|---------|---------|
| Beginning Reserve for State Street Aid | \$      | -       |
|  |         |         |
| Receipts                               |         |         |
| Gas Taxes                              | 468,728 |         |
| Total Receipts                         | 468,728 | 468,728 |
|  |         |         |
| Expenditures                           |         |         |
| Street Lights                          | 129,216 |         |
| Street Maintenance                     | 62,533  |         |
| Capital Improvements                   | 276,979 |         |
|  |         | 468,728 |
|  |         |         |
| Ending Reserve for State Street Aid    | \$      | -       |

See independent auditors' report.

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Schedule of Long-Term Debt, Principal, and Interest Requirements**  
**By Fiscal Year**  
**June 30, 2016**

| Fiscal Year Ended June 30, | Governmental Activities                        |                   |  |                  |  |                 |  |                 |  |                  |  |                  |           |          |
|----------------------------|--|-------------------|--|------------------|--|-----------------|--|-----------------|--|------------------|--|------------------|-----------|----------|
|                            | General Obligation Refunding Bond, Series 2012 |                   | 2013 Municipal Leasing Consultants Equipment Lease |                  | General Obligation Refunding Bond, Series 2011 |                 | 2014 Municipal Leasing Consultants Equipment Lease |                 | 2015 Municipal Leasing Consultants Equipment Lease |                  | 2016 Municipal Leasing Consultants Equipment Lease |                  |           |          |
|                            | Principal                                      | Interest          | Principal  | Interest         | Principal                                      | Interest        | Principal  | Interest        | Principal  | Interest         | Principal  | Interest         | Principal | Interest |
| 2017                       | 130,000  | 61,305            | 260,300  | 9,610            | 19,475   | 1,178           | 62,527   | 3,025           | 133,389  | 13,014           | 81,223   | 10,514           |           |          |
| 2018                       | 130,000  | 57,405            | 110,190  | 4,429            | 20,321   | 533             | 64,022   | 1,530           | 136,637  | 9,766            | 83,733   | 8,004            |           |          |
| 2019                       | 135,000  | 53,505            | 91,154   | 2,237            | 13,335   | -               | -  | -               | 139,965  | 6,438            | 86,320   | 5,417            |           |          |
| 2020                       | 140,000  | 50,805            | -  | -                | -  | -               | -  | -               | 61,446   | 3,029            | 30,182   | 2,750            |           |          |
| 2021                       | 140,000  | 48,005            | -  | -                | -  | -               | -  | -               | 59,870   | 1,533            | -  | -                |           |          |
| 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             | -  | -                | -  | -               | -  | -               | -  | -                | -  | -                |           |          |
| <b>Total</b>               | <b>\$ 2,615,000</b>                            | <b>\$ 597,261</b> | <b>\$ 461,644</b>                                  | <b>\$ 16,276</b> | <b>\$ 53,131</b>                               | <b>\$ 1,711</b> | <b>\$ 126,549</b>                                  | <b>\$ 4,555</b> | <b>\$ 531,307</b>                                  | <b>\$ 33,780</b> | <b>\$ 281,458</b>                                  | <b>\$ 26,685</b> |           |          |

| Fiscal Year Ended June 30, | Governmental Activities       |                   |                              |                     | Business-type Activities                       |                  |  |                 |                                |                     | Total                |                     |
|----------------------------|-------------------------------|-------------------|------------------------------|---------------------|--|------------------|--|-----------------|--------------------------------|---------------------|----------------------|---------------------|
|                            | Total Governmental Activities |                   | SRL 2010 \$12.5 Million Loan |                     | General Obligation Refunding Bond, Series 2011 |                  | 2013 Municipal Leasing Consultants Equipment Lease |                 | Total Business-type Activities |                     | Total                |                     |
|                            | Principal                     | Interest          | Principal                    | Interest            | Principal                                      | Interest         | Principal  | Interest        | Principal                      | Interest            | Principal            | Interest            |
| 2017                       | 686,914                       | 98,646            | 312,751                      | 180,997             | 440,525  | 26,647           | 49,581   | 1,830           | 802,857                        | 209,474             | 1,489,771            | 308,120             |
| 2018                       | 544,903                       | 81,667            | 321,878                      | 171,870             | 459,679  | 12,067           | 20,988   | 844             | 802,545                        | 184,781             | 1,347,448            | 266,448             |
| 2019                       | 465,774                       | 67,597            | 331,272                      | 162,476             | 301,666  | -                | 21,434   | 426             | 654,372                        | 162,902             | 1,120,146            | 230,499             |
| 2020                       | 231,628                       | 56,584            | 340,939                      | 152,809             | -  | -                | -  | -               | 340,939                        | 152,809             | 572,567              | 209,393             |
| 2021                       | 199,870                       | 49,538            | 350,888                      | 142,860             | -  | -                | -  | -               | 350,888                        | 142,860             | 550,758              | 192,398             |
| 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              | 58,275              |
| 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             | 163,609                      | 983                 | -  | -                | -  | -               | 163,609                        | 983                 | 348,609              | 6,071               |
| <b>Total</b>               | <b>\$ 4,069,089</b>           | <b>\$ 680,268</b> | <b>\$ 6,427,229</b>          | <b>\$ 1,637,336</b> | <b>\$ 1,201,870</b>                            | <b>\$ 38,714</b> | <b>\$ 92,003</b>                                   | <b>\$ 3,100</b> | <b>\$ 7,721,102</b>            | <b>\$ 1,679,150</b> | <b>\$ 11,790,191</b> | <b>\$ 2,359,418</b> |

See independent auditors' report.

**Statistical Section**

**CITY OF GOODLETTSVILLE, TENNESSEE**  
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**For the Fiscal Year Ended June 30, 2016**

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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)

|   | 2007              | 2008              | 2009              | 2010              | 2011              | 2012              | 2013              | 2014              | 2015              | 2016              |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Governmental Activities</b>                    |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Investment in capital assets, net of related debt | 12,471,317        | 12,003,926        | 12,726,830        | 12,294,327        | 11,896,924        | 11,678,308        | 11,437,421        | 14,221,387        | 14,693,713        | 15,527,487        |
| Restricted for:                                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| State Street Aid                                  | 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            | 34,888            | 31,803            |
| Tourism   | 343,259           | 510,371           | 707,413           | 832,935           | 802,736           | 963,510           | 874,573           | 323,333           | 491,410           | 739,279           |
| Solid Waste Fund                                  | -                 | -                 | -                 | -                 | -                 | -                 | -                 | 40,729            | 1,456             | 59,533            |
| Stormwater Utility                                | -                 | -                 | -                 | -                 | -                 | -                 | -                 | 146,913           | 1,097,880         | 1,819,394         |
| Electronic Citation Fund                          | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | 6,008             | 16,085            |
| Other Purposes                                    | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Unrestricted                                      | 2,443,297         | 1,885,139         | 1,484,644         | 1,878,211         | 1,526,506         | 3,033,833         | 5,404,946         | 4,376,371         | 3,880,794         | 4,862,609         |
| <b>Total Net Assets</b>                           | <b>15,629,927</b> | <b>14,725,011</b> | <b>15,040,930</b> | <b>15,029,492</b> | <b>14,880,248</b> | <b>16,276,562</b> | <b>17,967,045</b> | <b>19,138,104</b> | <b>20,206,149</b> | <b>23,056,190</b> |
| <b>Business Type Activities</b>                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Investment in capital assets, net of related debt | 17,149,036        | 17,599,243        | 17,813,801        | 17,808,778        | 18,953,282        | 18,953,282        | 22,302,641        | 22,085,086        | 21,932,257        | 21,759,049        |
| Restricted for:                                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| State Street Aid                                  | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Conference Drive                                  | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Drug Fund   | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Tourism   | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Solid Waste Fund                                  | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Stormwater Utility                                | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Electronic Citation                               | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Other Purposes                                    | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Unrestricted                                      | 4,553,595         | 4,343,604         | 4,145,918         | 4,390,079         | 3,422,731         | 4,951,012         | 7,695,108         | 8,646,906         | 9,910,851         | 11,280,670        |
| <b>Total Net Assets</b>                           | <b>21,702,631</b> | <b>21,942,847</b> | <b>21,959,719</b> | <b>22,198,857</b> | <b>22,376,013</b> | <b>23,904,294</b> | <b>29,997,749</b> | <b>30,731,992</b> | <b>31,843,108</b> | <b>33,039,719</b> |
| <b>Primary Government</b>                         |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Investment in capital assets, net of related debt | 29,620,353        | 29,603,169        | 30,540,631        | 30,103,105        | 30,850,206        | 30,631,590        | 33,740,062        | 36,306,473        | 36,625,970        | 37,286,536        |
| Restricted for:                                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| State Street Aid                                  | 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            | 34,888            | 31,803            |
| Tourism   | 343,259           | 510,371           | 707,413           | 832,935           | 802,736           | 963,510           | 874,573           | 323,333           | 491,410           | 739,279           |
| Solid Waste Fund                                  | -                 | -                 | -                 | -                 | -                 | -                 | -                 | 40,729            | 1,456             | 59,533            |
| Stormwater Utility                                | -                 | -                 | -                 | -                 | -                 | -                 | -                 | 146,913           | 1,097,880         | 1,819,394         |
| Electronic Citation                               | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | 6,008             | 16,085            |
| Other Purposes                                    | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Unrestricted                                      | 6,996,892         | 6,228,743         | 5,630,562         | 6,268,290         | 4,949,237         | 7,984,845         | 13,100,054        | 13,023,277        | 13,791,645        | 16,143,279        |
| <b>Total Net Assets</b>                           | <b>37,332,558</b> | <b>36,667,858</b> | <b>37,000,649</b> | <b>37,228,349</b> | <b>37,256,261</b> | <b>40,180,856</b> | <b>47,964,794</b> | <b>49,870,096</b> | <b>52,049,257</b> | <b>56,095,909</b> |

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

|   | 2007               | 2008                | 2009               | 2010               | 2011                | 2012               | 2013               | 2014                | 2015                | 2016                |
|---|--------------------|---------------------|--------------------|--------------------|---------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| <b>Expenses:</b>  |                    |                     |                    |                    |                     |                    |                    |                     |                     |                     |
| <b>Governmental Activities:</b>                             |                    |                     |                    |                    |                     |                    |                    |                     |                     |                     |
| General government  | 2,342,184          | 2,952,980           | 3,084,557          | 2,885,572          | 3,441,250           | 3,320,663          | 2,752,406          | 2,614,421           | 2,261,568           | 2,367,320           |
| Public Safety   | 5,145,295          | 5,363,001           | 5,113,792          | 5,339,890          | 5,502,153           | 5,663,684          | 5,706,302          | 8,497,320           | 6,398,791           | 7,217,111           |
| Public Works  | 1,104,566          | 1,214,839           | 1,216,964          | 1,142,901          | 1,245,971           | 1,053,706          | 1,272,691          | 1,527,198           | 1,665,390           | 1,618,968           |
| Solid Waste   | 776,246            | 754,109             | 755,411            | 751,294            | 845,076             | 863,007            | 702,779            | 894,450             | 917,317             | 893,407             |
| Parks and recreation  | 1,476,866          | 1,542,379           | 1,589,483          | 1,251,512          | 1,313,301           | 1,291,967          | 1,424,710          | 1,553,219           | 1,499,135           | 1,765,258           |
| Tourism   | 309,084            | 289,944             | 173,820            | 270,514            | 323,864             | 383,334            | 509,145            | 501,046             | 602,624             | 665,425             |
| Tornado Relief  | 128,001            | 3,646               | -                  | -                  | -                   | -                  | -                  | -                   | -                   | -                   |
| Stormwater Utility  | -                  | -                   | -                  | -                  | -                   | -                  | 97,702             | 150,981             | 99,357              | 263,846             |
| Electronic Citation   | -                  | -                   | -                  | -                  | -                   | -                  | -                  | -                   | -                   | -                   |
| Interest expense on long term debt                          | 52,857             | 69,465              | 56,429             | 60,363             | 40,026              | 32,329             | 42,212             | 112,537             | 117,292             | 88,910              |
| <b>Total governmental activities expenses</b>               | <b>11,334,899</b>  | <b>12,190,363</b>   | <b>11,990,458</b>  | <b>11,702,046</b>  | <b>12,711,641</b>   | <b>12,608,690</b>  | <b>12,507,947</b>  | <b>13,851,170</b>   | <b>13,559,464</b>   | <b>14,880,245</b>   |
| <b>Business-Type Activities</b>                             |                    |                     |                    |                    |                     |                    |                    |                     |                     |                     |
| Sewer   | 2,945,012          | 3,116,698           | 3,381,879          | 3,746,237          | 4,264,052           | 3,380,407          | 4,173,995          | 4,340,130           | 4,141,980           | 4,643,832           |
| <b>Total business-type activities expenses</b>              | <b>2,945,012</b>   | <b>3,116,698</b>    | <b>3,381,879</b>   | <b>3,746,237</b>   | <b>4,264,052</b>    | <b>3,380,407</b>   | <b>4,173,995</b>   | <b>4,340,130</b>    | <b>4,141,980</b>    | <b>4,643,832</b>    |
| <b>Total primary government expenses</b>                    | <b>14,279,911</b>  | <b>15,307,061</b>   | <b>15,372,335</b>  | <b>15,448,283</b>  | <b>16,975,693</b>   | <b>15,989,097</b>  | <b>16,681,942</b>  | <b>18,191,300</b>   | <b>17,701,444</b>   | <b>19,524,077</b>   |
| <b>Program Revenues</b>                                     |                    |                     |                    |                    |                     |                    |                    |                     |                     |                     |
| <b>Governmental Activities:</b>                             |                    |                     |                    |                    |                     |                    |                    |                     |                     |                     |
| Charges for Services:                                       |                    |                     |                    |                    |                     |                    |                    |                     |                     |                     |
| General government  | 412,791            | 419,824             | 243,585            | 221,549            | 236,453             | 137,127            | 197,237            | 135,681             | 310,502             | 270,842             |
| Public Safety   | 248,452            | 418,263             | 374,942            | 331,612            | 249,802             | 377,653            | 450,102            | 457,760             | 429,923             | 460,072             |
| Public Works  | 70,931             | 26,644              | 11,000             | 28,847             | 30,822              | 4,500              | 2,100              | 2,100               | 5,475               | -                   |
| Solid Waste   | 12,280             | 13,747              | 750,628            | 755,567            | 822,711             | 801,298            | 764,872            | 730,821             | 725,196             | 997,912             |
| Parks and recreation  | 217,378            | 255,952             | 251,078            | 250,796            | 249,439             | 271,804            | 251,980            | 326,325             | 268,432             | 316,550             |
| Tourism   | 46,833             | 39,415              | 19,813             | 26,643             | 26,112              | 24,315             | 26,572             | 24,592              | 26,652              | 29,713              |
| Stormwater Utility  | -                  | -                   | -                  | -                  | -                   | -                  | 195,936            | 199,206             | 919,895             | 972,130             |
| Electronic Citation   | -                  | -                   | -                  | -                  | -                   | -                  | -                  | -                   | -                   | 10,077              |
| Operating Grants and Contributions                          | 587,464            | 580,549             | 451,559            | 535,204            | 467,800             | 473,505            | 546,390            | 695,249             | 486,551             | 507,891             |
| Capital Grants and Contributions                            | -                  | -                   | 726,750            | 83,578             | 314,946             | 1,492,334          | 163,772            | 479,145             | 85,251              | 970,273             |
| <b>Total governmental activities program revenues</b>       | <b>1,596,129</b>   | <b>1,754,394</b>    | <b>2,829,355</b>   | <b>2,233,596</b>   | <b>2,398,065</b>    | <b>3,582,536</b>   | <b>2,598,761</b>   | <b>3,050,879</b>    | <b>3,257,877</b>    | <b>4,535,460</b>    |
| <b>Business-Type Activities</b>                             |                    |                     |                    |                    |                     |                    |                    |                     |                     |                     |
| Charges for Services:                                       |                    |                     |                    |                    |                     |                    |                    |                     |                     |                     |
| Sewer   | 3,244,761          | 3,213,085           | 3,309,267          | 3,931,217          | 4,493,710           | 4,972,421          | 5,111,824          | 5,170,098           | 5,384,763           | 5,895,504           |
| Capital Grants and Contributions                            | -                  | -                   | -                  | -                  | -                   | -                  | -                  | -                   | -                   | 37,818              |
| <b>Total business-type activities program revenues</b>      | <b>3,244,761</b>   | <b>3,213,085</b>    | <b>3,309,267</b>   | <b>3,931,217</b>   | <b>4,493,710</b>    | <b>4,972,421</b>   | <b>5,111,824</b>   | <b>5,170,098</b>    | <b>5,422,581</b>    | <b>5,895,504</b>    |
| <b>Total primary government program revenues</b>            | <b>4,840,890</b>   | <b>4,987,479</b>    | <b>6,138,622</b>   | <b>6,164,813</b>   | <b>6,891,795</b>    | <b>8,554,957</b>   | <b>7,710,585</b>   | <b>8,220,977</b>    | <b>8,680,458</b>    | <b>10,430,964</b>   |
| <b>Net (Expense)/Revenue</b>                                |                    |                     |                    |                    |                     |                    |                    |                     |                     |                     |
| <b>Governmental Activities</b>                              | <b>(9,738,770)</b> | <b>(10,435,969)</b> | <b>(9,161,101)</b> | <b>(9,468,450)</b> | <b>(10,313,556)</b> | <b>(9,026,154)</b> | <b>(9,909,186)</b> | <b>(10,800,291)</b> | <b>(10,301,587)</b> | <b>(10,344,785)</b> |
| <b>Business-Type Activities</b>                             | <b>299,749</b>     | <b>96,387</b>       | <b>(72,612)</b>    | <b>184,980</b>     | <b>229,658</b>      | <b>1,592,014</b>   | <b>937,829</b>     | <b>828,968</b>      | <b>1,280,601</b>    | <b>1,251,672</b>    |
| <b>Total primary government net expense</b>                 | <b>(9,439,021)</b> | <b>(10,339,582)</b> | <b>(9,233,713)</b> | <b>(9,283,470)</b> | <b>(10,083,898)</b> | <b>(7,434,140)</b> | <b>(8,971,357)</b> | <b>(9,970,323)</b>  | <b>(9,020,986)</b>  | <b>(9,093,113)</b>  |
| <b>General Revenues and Other Changes in Net Assets</b>     |                    |                     |                    |                    |                     |                    |                    |                     |                     |                     |
| <b>Governmental Activities:</b>                             |                    |                     |                    |                    |                     |                    |                    |                     |                     |                     |
| Property and Personalty Taxes                               | 2,858,107          | 2,887,839           | 2,941,434          | 3,085,580          | 3,117,133           | 3,137,842          | 4,317,671          | 4,346,568           | 4,489,569           | 4,407,136           |
| TVA and Other PILOT Taxes                                   | -                  | 88,596              | 55,504             | 162,379            | 291,630             | 248,490            | 282,786            | 223,155             | 233,630             | 236,541             |
| Income Taxes  | 87,277             | 148,558             | 181,943            | 208,520            | 98,458              | 112,017            | 154,168            | 178,717             | 213,942             | 240,438             |
| Sales Taxes   | 4,850,810          | 4,926,136           | 4,629,297          | 4,468,555          | 4,934,557           | 5,023,136          | 5,015,288          | 5,091,466           | 5,116,401           | 5,543,325           |
| Alcoholic Beverage Taxes                                    | 603,514            | 658,151             | 641,687            | 645,542            | 658,616             | 687,506            | 710,163            | 687,448             | 707,930             | 647,773             |
| Business Taxes  | 390,419            | 360,501             | 348,151            | 312,670            | 341,693             | 338,337            | 380,080            | 410,971             | 361,238             | 386,698             |
| Hospitality Taxes   | 393,689            | 384,460             | 329,861            | 342,195            | 443,718             | 523,124            | 546,879            | 568,057             | 666,942             | 625,861             |
| Franchise Taxes   | -                  | -                   | -                  | -                  | -                   | -                  | -                  | 252,384             | 373,024             | 593,473             |
| Miscellaneous State Taxes                                   | 136,039            | 144,599             | 155,243            | 4,710              | 4,014               | 5,813              | 8,183              | -                   | 7,114               | 11,660              |
| Unrestricted Investment Earnings                            | 156,780            | 110,367             | 26,318             | 8,444              | 9,127               | 8,651              | 15,013             | 17,398              | 20,652              | 30,937              |
| Insurance Recoveries and Gain on Disposal of Capital Assets | 245,789            | 31,888              | -                  | 110,221            | 98,308              | 195,157            | 2,680              | 13,901              | 60,046              | 253,110             |
| Miscellaneous   | 20,322             | 52,472              | 91,754             | 30,664             | 28,806              | 32,315             | 16,372             | 29,075              | 10,720              | 82,349              |
| Transfers, Net  | 80,784             | 80,784              | 77,829             | 77,529             | 105,359             | 110,083            | 150,596            | 152,216             | 156,112             | 135,525             |
| <b>Total governmental activities</b>                        | <b>9,823,530</b>   | <b>9,874,351</b>    | <b>9,477,021</b>   | <b>9,457,009</b>   | <b>10,131,419</b>   | <b>10,422,471</b>  | <b>11,599,669</b>  | <b>11,971,356</b>   | <b>12,417,318</b>   | <b>13,194,826</b>   |
| <b>Business-Type Activities</b>                             |                    |                     |                    |                    |                     |                    |                    |                     |                     |                     |
| Investment Earnings   | 271,593            | 174,078             | 54,396             | 22,915             | 23,384              | 18,350             | 25,996             | 28,491              | 30,669              | 52,464              |
| Insurance Recoveries and Gain on Disposal of Capital Assets | 717,564            | -                   | 66,691             | -                  | -                   | -                  | -                  | -                   | -                   | -                   |
| Miscellaneous   | 47,680             | 50,534              | 46,225             | 24,834             | 29,473              | 28,000             | 280,216            | 28,000              | 28,000              | 28,000              |
| Extraordinary Item  | -                  | -                   | -                  | -                  | -                   | -                  | 5,000,000          | -                   | -                   | -                   |
| Transfers, Net  | (80,784)           | (80,784)            | (77,829)           | (77,529)           | (105,359)           | (110,083)          | (150,596)          | (152,216)           | (156,112)           | (135,525)           |
| <b>Total business-type activities</b>                       | <b>956,053</b>     | <b>143,828</b>      | <b>89,483</b>      | <b>(29,780)</b>    | <b>(52,502)</b>     | <b>(63,733)</b>    | <b>5,155,626</b>   | <b>(95,725)</b>     | <b>(97,443)</b>     | <b>(55,061)</b>     |
| <b>Total primary government</b>                             | <b>10,779,583</b>  | <b>10,018,179</b>   | <b>9,566,504</b>   | <b>9,427,229</b>   | <b>10,078,917</b>   | <b>10,358,738</b>  | <b>16,755,295</b>  | <b>11,875,631</b>   | <b>12,319,875</b>   | <b>13,139,765</b>   |
| <b>Change in Net Assets</b>                                 |                    |                     |                    |                    |                     |                    |                    |                     |                     |                     |
| <b>Governmental Activities</b>                              | <b>84,760</b>      | <b>(561,618)</b>    | <b>315,920</b>     | <b>(11,441)</b>    | <b>(182,137)</b>    | <b>1,396,317</b>   | <b>1,690,483</b>   | <b>1,171,065</b>    | <b>2,115,731</b>    | <b>2,850,041</b>    |
| <b>Business-Type Activities</b>                             | <b>1,255,802</b>   | <b>240,215</b>      | <b>16,871</b>      | <b>155,200</b>     | <b>177,156</b>      | <b>1,528,281</b>   | <b>6,093,455</b>   | <b>734,243</b>      | <b>1,183,158</b>    | <b>1,198,611</b>    |
| <b>Total primary government</b>                             | <b>1,340,562</b>   | <b>(321,403)</b>    | <b>332,791</b>     | <b>143,759</b>     | <b>(4,981)</b>      | <b>2,924,598</b>   | <b>7,783,938</b>   | <b>1,905,308</b>    | <b>3,298,889</b>    | <b>4,048,652</b>    |

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

|  | 2016              | 2015             | 2014             | 2013             | 2012             | 2011             | 2010             | 2009             | 2008             | 2007             |
|--|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Governmental Funds:</b>                     |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| General Fund                                   |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Reserved                                       | -                 | -                | -                | -                | -                | -                | 1,441,289        | 1,450,846        | 1,462,424        | 1,310,645        |
| Unreserved and undesignated                    | -                 | -                | -                | -                | -                | -                | 2,536,110        | 1,863,214        | 1,613,316        | 2,107,259        |
| Nonspendable                                   | 192,073           | 166,777          | 181,176          | 154,732          | 187,562          | 107,846          | -                | -                | -                | -                |
| Restricted                                     | -                 | -                | -                | 250,105          | 600,911          | 654,082          | -                | -                | -                | -                |
| Committed                                      | 1,606,580         | 1,130,658        | 639,178          | 494,462          | 288,552          | 417,825          | -                | -                | -                | -                |
| Assigned                                       | 503,949           | 552,121          | 1,719,322        | 2,498,074        | 501,462          | 500,830          | -                | -                | -                | -                |
| Unassigned                                     | 5,907,910         | 5,681,142        | 4,525,133        | 4,625,329        | 1,986,638        | 2,032,259        | -                | -                | -                | -                |
| <b>Total General Fund</b>                      | <b>8,210,512</b>  | <b>7,530,698</b> | <b>7,064,809</b> | <b>8,022,702</b> | <b>3,565,125</b> | <b>3,712,842</b> | <b>3,977,399</b> | <b>3,314,060</b> | <b>3,075,740</b> | <b>3,417,904</b> |
| All Other Governmental Funds                   |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Reserved for Special Revenue Funds             | -                 | -                | -                | -                | -                | -                | 103,983          | 17,904           | (16,376)         | 19,426           |
| Reserved for Capital Projects Funds            | -                 | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| Unreserved reported in Special Revenue Funds   | -                 | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| Unreserved reported in Capital Projects Funds  | -                 | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| Nonspendable                                   | 1,116             |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Restricted reported in Special Revenue Funds   | 2,113,290         | 1,310,111        | 319,075          | 906,178          | 931,263          | 1,067,565        | -                | -                | -                | -                |
| Restricted reported in Capital Projects Fund   | -                 | -                | -                | 28,628           | (163,938)        | -                | -                | -                | -                | -                |
| Assigned reported in Special Revenue Funds     | 216,075           | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| Assigned reported in the Capital Projects Fund | 185,729           | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| <b>Total all other governmental funds</b>      | <b>2,516,210</b>  | <b>1,310,111</b> | <b>319,075</b>   | <b>934,806</b>   | <b>767,325</b>   | <b>1,067,565</b> | <b>103,983</b>   | <b>17,904</b>    | <b>(16,376)</b>  | <b>19,426</b>    |
| <b>Total</b>                                   | <b>10,726,722</b> | <b>8,840,809</b> | <b>7,383,884</b> | <b>8,957,508</b> | <b>4,332,450</b> | <b>4,780,407</b> | <b>4,081,382</b> | <b>3,331,964</b> | <b>3,059,364</b> | <b>3,437,330</b> |

\*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**

(prepared using the modified accrual basis of accounting)

|   | 2016              | 2015              | 2014               | 2013              | 2012               | 2011              | 2010              | 2009              | 2008               | 2007              |
|---|-------------------|-------------------|--------------------|-------------------|--------------------|-------------------|-------------------|-------------------|--------------------|-------------------|
| <b>Revenues:</b>                                    |                   |                   |                    |                   |                    |                   |                   |                   |                    |                   |
| Local Taxes   | 10,255,979        | 9,910,703         | 9,686,052          | 9,358,808         | 8,178,409          | 8,210,565         | 7,642,524         | 7,901,636         | 8,182,818          | 7,985,827         |
| Licenses and Permits                                | 229,301           | 295,837           | 124,170            | 196,576           | 104,264            | 238,258           | 158,204           | 210,480           | 417,264            | 448,773           |
| Fines   | 405,552           | 376,750           | 398,256            | 383,982           | 314,991            | 221,503           | 303,867           | 276,741           | 341,525            | 204,265           |
| Drug and Gambling Revenue                           | 22,788            | 24,191            | 28,482             | 17,185            | 29,038             | 27,312            | 23,127            | 56,070            | 32,936             | 22,810            |
| Intergovernmental Revenues                          | 2,649,138         | 2,263,258         | 2,296,400          | 2,022,271         | 1,972,315          | 2,024,861         | 1,999,777         | 2,539,936         | 1,858,423          | 1,944,912         |
| Charges for Services                                | 2,322,335         | 1,935,177         | 1,303,506          | 1,276,304         | 1,108,487          | 1,091,767         | 1,037,406         | 1,197,771         | 512,939            | 452,957           |
| Hotel/Motel Taxes                                   | 625,861           | 542,221           | 457,156            | 442,943           | 426,303            | 362,354           | 272,081           | -                 | -                  | -                 |
| Interest  | 8,239             | 2,483             | 2,647              | 2,554             | 3,771              | 1,080             | -                 | -                 | -                  | -                 |
| Contributions and Grants                            | 775,551           | 97,032            | 120,178            | 230,334           | 444,797            | -                 | -                 | -                 | 5,513              | 64,357            |
| Miscellaneous Revenues                              | 98,309            | 77,748            | 54,557             | 33,394            | 46,083             | 75,457            | 65,870            | 119,546           | 162,839            | 177,102           |
| <b>Total Revenues</b>                               | <b>17,393,053</b> | <b>15,525,400</b> | <b>14,471,404</b>  | <b>13,964,351</b> | <b>12,628,458</b>  | <b>12,253,157</b> | <b>11,502,856</b> | <b>12,302,180</b> | <b>11,514,257</b>  | <b>11,301,003</b> |
| <b>Expenditures:</b>                                |                   |                   |                    |                   |                    |                   |                   |                   |                    |                   |
| <b>Current:</b>                                     |                   |                   |                    |                   |                    |                   |                   |                   |                    |                   |
| General Government                                  | 2,431,952         | 2,318,405         | 2,245,637          | 2,571,592         | 2,750,629          | 2,525,674         | 2,324,676         | 2,368,115         | 2,707,055          | 2,028,209         |
| Public Safety                                       | 6,754,191         | 6,158,702         | 5,944,757          | 5,194,172         | 5,006,644          | 5,039,840         | 4,862,765         | 4,768,967         | 4,993,285          | 4,818,828         |
| Public Works  | 1,043,591         | 1,165,939         | 1,081,918          | 940,156           | 940,662            | 969,315           | 960,243           | 46,980            | 27,696             | 31,452            |
| Solid Waste   | 883,355           | 909,962           | 885,152            | 823,067           | 803,679            | 773,941           | 702,062           | 940,758           | 936,324            | 853,306           |
| Drug Fund   | 28,141            | 23,950            | 4,193              | 14,125            | 238,232            | 36,676            | 45,960            | 715,511           | 686,556            | 689,125           |
| Parks and Recreation                                | 1,579,708         | 1,362,222         | 1,426,434          | 1,250,466         | 1,227,117          | 1,248,625         | 1,218,791         | 1,367,782         | 1,317,488          | 1,249,166         |
| Storm Expenditures                                  | -                 | -                 | -                  | -                 | 34,415             | 131,648           | 57,937            | -                 | 34,663             | 128,001           |
| Tourism   | 393,344           | 492,872           | 466,126            | 422,642           | 330,259            | 286,989           | 243,412           | 203,219           | 298,798            | 309,084           |
| Stormwater Utility                                  | 255,083           | 82,020            | 150,981            | 97,702            | -                  | -                 | -                 | -                 | -                  | -                 |
| Debt Service-Principal                              | 803,403           | 683,453           | 604,672            | 435,381           | 391,465            | 616,030           | 477,341           | 404,484           | 450,845            | 524,281           |
| Debt Service-Interest                               | 101,667           | 107,348           | 120,731            | 31,839            | 32,951             | 55,135            | 60,784            | 61,195            | 59,439             | 6,210             |
| Capital Outlay                                      | 2,131,528         | 2,054,159         | 3,778,257          | 2,484,254         | 2,015,897          | 456,563           | 734,701           | 1,230,399         | 1,045,704          | 1,315,062         |
| <b>Total expenditures</b>                           | <b>16,405,964</b> | <b>15,359,032</b> | <b>16,708,858</b>  | <b>14,265,396</b> | <b>13,771,950</b>  | <b>12,140,436</b> | <b>11,688,672</b> | <b>12,107,410</b> | <b>12,557,853</b>  | <b>11,952,724</b> |
| <b>Excess of revenues over (under) expenditures</b> | <b>987,089</b>    | <b>166,368</b>    | <b>(2,237,454)</b> | <b>(301,045)</b>  | <b>(1,143,492)</b> | <b>112,721</b>    | <b>(185,816)</b>  | <b>194,770</b>    | <b>(1,043,596)</b> | <b>(651,721)</b>  |
| <b>Other Financing Sources &amp; Uses:</b>          |                   |                   |                    |                   |                    |                   |                   |                   |                    |                   |
| Bonds, notes, and leases                            | 432,000           | 811,000           | 454,688            | 4,476,411         | 287,766            | 152,205           | 271,818           | -                 | 552,957            | 630,500           |
| Transfers In  | 195,000           | 301,112           | 152,216            | 815,813           | 495,629            | 105,359           | 77,529            | 77,829            | 755,491            | 905,205           |
| Transfers Out                                       | (59,475)          | (145,000)         | -                  | (564,000)         | (321,000)          | -                 | -                 | -                 | (674,707)          | (824,421)         |
| Sale of capital assets                              | 78,190            | 94,307            | 43,025             | 195,199           | 37,982             | 24,988            | -                 | -                 | -                  | 44,680            |
| Insurance recoveries                                | 253,110           | 60,046            | 13,901             | 2,680             | 195,157            | 98,308            | 585,889           | -                 | 31,888             | 211,924           |
| <b>Total other financing sources (uses)</b>         | <b>898,825</b>    | <b>1,121,465</b>  | <b>663,830</b>     | <b>4,926,103</b>  | <b>695,534</b>     | <b>380,860</b>    | <b>935,236</b>    | <b>77,829</b>     | <b>665,629</b>     | <b>967,888</b>    |
| <b>Special Item</b>                                 | <b>-</b>          | <b>-</b>          | <b>-</b>           | <b>-</b>          | <b>-</b>           | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>           | <b>-</b>          |
| <b>Net Change in Fund Balance</b>                   | <b>1,885,914</b>  | <b>1,287,833</b>  | <b>(1,573,624)</b> | <b>4,625,058</b>  | <b>(447,958)</b>   | <b>493,581</b>    | <b>749,420</b>    | <b>272,599</b>    | <b>(377,967)</b>   | <b>316,167</b>    |
| <b>Debt Service as % of noncapital expenditures</b> | <b>6.34%</b>      | <b>5.94%</b>      | <b>5.61%</b>       | <b>3.97%</b>      | <b>3.61%</b>       | <b>5.74%</b>      | <b>4.91%</b>      | <b>4.28%</b>      | <b>4.43%</b>       | <b>4.99%</b>      |

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

| Tax<br>Year | Fiscal<br>Year | Commercial/ |             | Farm/Other<br>Property | Tangible/<br>Intangible<br>Personal<br>Property | Public<br>Utility<br>Property | Total<br>Assessed<br>Value | Total<br>Direct Tax<br>Rate * | Estimated<br>Actual Taxable<br>Value | Taxable<br>Assessed Value<br>As a Percentage<br>of Actual<br>Taxable Value |
|-------------|----------------|-------------|-------------|------------------------|---|-------------------------------|----------------------------|-------------------------------|--------------------------------------|--|
|             |                | Industrial  | Residential |                        |   |                               |                            |                               |                                      |  |
| 2015        | 2016           | 220,329,471 | 220,903,475 | 4,218,174              | 27,580,460                                      | 11,399,097                    | 484,430,677                | \$0.9018                      | 1,696,106,610                        | 28.56%   |
| 2014        | 2015           | 223,197,263 | 219,919,575 | 4,015,081              | 28,395,898                                      | 12,073,548                    | 487,601,365                | \$0.9018                      | 1,576,044,678                        | 30.94%   |
| 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%   |

\* 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<br>City | Davidson<br>City | Sumner<br>County    | Davidson<br>County | Sumner<br>City | Davidson<br>City |
| 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        |
| 2015        | 2014      | \$ 0.9018      | \$ 0.9018        | \$ 2.5000           | \$ 3.9240          | \$ 3.4018      | \$ 4.8258        |
| 2016        | 2015      | \$ 0.9018      | \$ 0.9018        | \$ 2.5000           | \$ 3.9240          | \$ 3.4018      | \$ 4.8258        |

Source-Tennessee Comptroller of the Treasury

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**

|                               |   | 2016                       |      |  |                               |  |                            |      | 2009                                     |  |  |
|-------------------------------|---|----------------------------|------|--|-------------------------------|--|----------------------------|------|--|--|--|
| Taxpayer                      |   | Total<br>Assessed<br>Value | Rank | Percent<br>of Total<br>Assessed<br>Value | Taxpayer                      |  | Total<br>Assessed<br>Value | Rank | Percent<br>of Total<br>Assessed<br>Value |  |  |
| Dollar General                | Corp and stores                           | 20,112,511                 | 1    | 4.15%                                    | Rivergate Mall                |  | 18,419,480                 | 1    | 3.92%                                    |  |  |
| IBP/Tyson                     |   | 12,960,362                 | 2    | 2.68%                                    | IBP/Tyson                     |  | 14,826,032                 | 2    | 3.16%                                    |  |  |
| Realty Assoc Iowa Corp        | Space Park, Old Stone Bridge              | 10,514,040                 | 3    | 2.17%                                    | Dollar General                |  | 13,345,560                 | 3    | 2.84%                                    |  |  |
| KC Investors                  | AWG                                       | 10,234,236                 | 4    | 2.11%                                    | Realty Associates Iowa Corp   |  | 11,095,120                 | 4    | 2.36%                                    |  |  |
| Rivergate Mall                | KDI                                       | 10,219,593                 | 5    | 2.11%                                    | KC Investors                  |  | 7,652,760                  | 5    | 1.63%                                    |  |  |
| Piccadilly Apartments         | Apartments                                | 7,927,266                  | 6    | 1.64%                                    | Piccadilly                    |  | 6,960,680                  | 6    | 1.48%                                    |  |  |
| United Fidelity Bank/Pedcor   | Retreat at Dry Creek/100 Robt. Cartwright | 7,810,406                  | 7    | 1.61%                                    | Lenoxgate                     |  | 5,339,320                  | 7    | 1.14%                                    |  |  |
| Preston Run                   | Apartments                                | 7,773,905                  | 8    | 1.60%                                    | Preston Run                   |  | 5,198,320                  | 8    | 1.11%                                    |  |  |
| Lenoxgate                     | Apartments                                | 5,559,712                  | 9    | 1.15%                                    | May Department Stores         |  | 3,736,000                  | 9    | 0.80%                                    |  |  |
| Armed Services Mutual Benefit | Conference Drive                          | 4,937,000                  | 10   | 1.02%                                    | Armed Services Mutual Benefit |  | 3,433,601                  | 10   | 0.73%                                    |  |  |
| <b>Totals</b>                 |   | <b>98,049,031</b>          |      | <b>20.24%</b>                            |                               |  | <b>90,006,873</b>          |      | <b>19.18%</b>                            |  |  |
| <b>Total Assessed Value</b>   |   | <b>\$484,430,677</b>       |      |  |                               |  | <b>469,287,288</b>         |      |  |  |  |

Source: City Tax Rolls

Note: Historical data for tax year 2006 (nine years ago), is unavailable.

Note: Fiscal Year 2016 reflects Tax Year 2015 and Fiscal Year 2009 reflects 2008 Tax Year

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

| <u>Fiscal Year</u> | <u>Levy Year</u> | <u>Total<br/>Tax Levy</u> | <u>Current<br/>Tax<br/>Collections</u> | <u>Percent<br/>Collected</u> | <u>Delinquent<br/>Tax<br/>Collections</u> | <u>Total<br/>Collections</u> | <u>Total<br/>Collected<br/>as Percent of<br/>Current Levy</u> | <u>Outstanding<br/>Delinquent<br/>Taxes</u> | <u>Outstanding<br/>Delinquent<br/>Taxes as<br/>Percent of<br/>Current Levy</u> |
|--------------------|------------------|---------------------------|--|------------------------------|---|------------------------------|---|---|--|
| 2007               | 2006             | 2,840,113                 | 2,751,356                              | 96.87%                       | 106,751                                   | 2,858,107                    | 100.63%   | 2,624                                       | 0.09%  |
| 2008               | 2007             | 2,887,879                 | 2,653,397                              | 91.88%                       | 72,216                                    | 2,725,613                    | 94.38%  | 3,354                                       | 0.12%  |
| 2009               | 2008             | 2,887,879                 | 2,827,316                              | 97.90%                       | 114,118                                   | 2,941,434                    | 101.85%   | 14,570                                      | 0.50%  |
| 2010               | 2009             | 3,085,580                 | 2,946,791                              | 95.50%                       | 71,386                                    | 3,018,177                    | 97.82%  | 26,982                                      | 0.87%  |
| 2011               | 2010             | 3,117,133                 | 2,960,454                              | 94.97%                       | 99,747                                    | 3,060,201                    | 98.17%  | 45,597                                      | 1.46%  |
| 2012               | 2011             | 3,126,381                 | 2,977,789                              | 95.25%                       | 159,552                                   | 3,137,341                    | 100.35%   | 148,593                                     | 4.75%  |
| 2013               | 2012             | 4,333,550                 | 4,167,047                              | 96.16%                       | 95,036                                    | 4,262,083                    | 98.35%  | 166,503                                     | 3.84%  |
| 2014               | 2013             | 4,346,390                 | 4,205,129                              | 96.75%                       | 141,439                                   | 4,346,568                    | 100.00%   | 141,261                                     | 3.25%  |
| 2015               | 2014             | 4,396,889                 | 4,220,729                              | 95.99%                       | 94,085                                    | 4,314,814                    | 98.13%  | 176,160                                     | 4.01%  |
| 2016               | 2015             | 4,356,673                 | 4,229,162                              | 97.07%                       | 121,064                                   | 4,350,226                    | 99.85%  | 127,511                                     | 2.93%  |

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

| Fiscal Year | Total Remittances From State * | City Direct Rate | County Rate** | Local Tax Rate | State Tax Rate | Total Tax Rate |
|-------------|--------------------------------|------------------|---------------|----------------|----------------|----------------|
| 2007        | 3,813,886                      | 1.125%           | 1.125%        | 2.25%          | 7.00%          | 9.25%          |
| 2008        | 3,874,468                      | 1.125%           | 1.125%        | 2.25%          | 7.00%          | 9.25%          |
| 2009        | 3,656,330                      | 1.125%           | 1.125%        | 2.25%          | 7.00%          | 9.25%          |
| 2010        | 3,528,506                      | 1.125%           | 1.125%        | 2.25%          | 7.00%          | 9.25%          |
| 2011        | 3,952,584                      | 1.125%           | 1.125%        | 2.25%          | 7.00%          | 9.25%          |
| 2012        | 3,953,658                      | 1.125%           | 1.125%        | 2.25%          | 7.00%          | 9.25%          |
| 2013        | 3,919,097                      | 1.125%           | 1.125%        | 2.25%          | 7.00%          | 9.25%          |
| 2014        | 3,956,919                      | 1.125%           | 1.125%        | 2.25%          | 7.00%          | 9.25%          |
| 2015        | 3,917,651                      | 1.125%           | 1.125%        | 2.25%          | 7.00%          | 9.25%          |
| 2016        | 4,262,318                      | 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 2007 and 2016**

| Sector                          | Fiscal Year 2007 |                |                    |                | Fiscal Year 2016 |                |                    |                |
|---------------------------------|------------------|----------------|--------------------|----------------|------------------|----------------|--------------------|----------------|
|                                 | Number of Filers | % of Total     | Tax Liability      | % of Total     | Number of Filers | % of Total     | Tax Liability      | % of Total     |
| 1 Retail Trade                  | 395              | 58.96%         | \$5,928,675        | 83.18%         | 260              | 51.59%         | \$5,681,586        | 78.11%         |
| 2 Services                      | 158              | 23.58%         | \$538,065          | 7.55%          | 144              | 28.57%         | \$714,073          | 9.82%          |
| 3 Manufacturing                 | 42               | 6.27%          | \$103,543          | 1.45%          | 25               | 4.96%          | \$127,098          | 1.75%          |
| 4 Wholesale Trade               | 43               | 6.42%          | \$319,793          | 4.49%          | 25               | 4.96%          | \$297,953          | 4.10%          |
| 5 Construction                  | 5                | 0.75%          | \$45,679           | 0.64%          | 6                | 1.19%          | \$73,154           | 1.01%          |
| 6 Finance Insurance Real Estate | unavailable      |                | unavailable        |                | unavailable      |                | unavailable        |                |
| 7 Transportation and Utilities  | 4                | 0.60%          | \$24,565           | 0.34%          | 7                | 1.39%          | \$48,177           | 0.66%          |
| 8 Agriculture                   | unavailable      |                | unavailable        |                | 7                | 1.39%          | \$10,612           | 0.15%          |
| 9 Other, Non Classified         | 18               | 2.69%          | \$108,762          | 1.53%          | 28               | 5.56%          | \$168,400          | 2.32%          |
| <b>Total</b>                    | <b>670</b>       | <b>100.00%</b> | <b>\$7,127,196</b> | <b>100.00%</b> | <b>504</b>       | <b>100.00%</b> | <b>\$7,274,231</b> | <b>100.00%</b> |

Source: Tennessee Department of Revenue, Research Section

**Notes:**

1. Figures subject to revision due to amended taxpayer returns.
2. Figures represent local sales tax collected by taxpayers during the period, not disbursements from the Department of Revenue. Thus, amounts presented above do not match amounts reflected within the financial report.
3. Changes in local telecommunications sourcing rules in 2003 reduced the number of taxpayers reporting in Transportation and Utilities.
4. Does not include Goodlettsville share of county clerk or out-of-state taxpayer amounts.
5. Totals include data for unavailable categories.

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

| Category                          | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1 Apparel Stores                  | \$18,202,400         | \$14,501,849         | \$13,937,126         | \$11,177,219         | \$13,091,318         | \$15,453,478         | \$15,163,327         | \$14,690,460         | \$9,240,693          | \$8,806,722          |
| 2 General Merchandise Stores      | \$73,426,296         | \$70,321,287         | \$61,059,296         | \$56,717,443         | \$57,495,030         | \$56,713,043         | \$52,234,437         | \$51,820,521         | \$33,251,276         | \$44,758,460         |
| 3 Food Stores                     | \$47,598,732         | \$56,340,607         | \$59,599,667         | \$58,652,022         | \$59,847,661         | \$63,667,049         | \$66,800,404         | \$69,476,181         | \$71,660,715         | \$74,109,506         |
| 4 Eating and Drinking Places      | \$42,284,576         | \$42,998,737         | \$42,269,392         | \$41,159,929         | \$42,109,529         | \$42,673,201         | \$43,794,512         | \$43,411,685         | \$41,023,403         | \$42,526,373         |
| 5 Furniture Stores                | \$20,164,197         | \$20,715,070         | \$20,779,124         | \$16,149,990         | \$16,371,262         | \$15,505,792         | \$16,169,382         | \$18,634,467         | \$20,060,576         | \$20,232,835         |
| 6 Building Materials              | \$15,991,172         | \$3,268,267          | \$2,227,767          | \$2,379,458          | \$1,401,986          | \$1,043,947          | \$958,844            | \$1,021,571          | \$1,491,112          | \$1,873,552          |
| 7 MV Dealers and Service Stations | \$15,714,833         | \$12,869,674         | \$11,958,492         | \$12,554,851         | \$14,263,250         | \$13,658,966         | \$14,107,079         | \$14,409,443         | \$15,424,631         | \$15,095,978         |
| 8 Other Retail                    | \$34,992,658         | \$33,475,928         | \$30,593,859         | \$25,638,895         | \$26,709,519         | \$31,428,412         | \$29,801,903         | \$32,079,415         | \$30,763,078         | \$32,748,315         |
| 9 All Other Outlets               | \$54,825,634         | \$53,226,202         | \$45,636,755         | \$39,655,013         | \$50,722,679         | \$58,612,437         | \$56,001,704         | \$54,768,538         | \$61,472,251         | \$67,893,955         |
| <b>Total</b>                      | <b>\$323,200,498</b> | <b>\$307,717,621</b> | <b>\$288,061,478</b> | <b>\$264,084,820</b> | <b>\$282,012,234</b> | <b>\$298,756,325</b> | <b>\$295,031,592</b> | <b>\$300,312,281</b> | <b>\$284,387,735</b> | <b>\$308,045,696</b> |

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 | Population ** | Governmental Activities  |                |               |                          |                             | Business-Type Activities |                       |                |               |                          |                             | Total Primary Government | Percent of Personal Income* | Debt Per Capita |
|-------------|---------------|--------------------------|----------------|---------------|--------------------------|-----------------------------|--------------------------|-----------------------|----------------|---------------|--------------------------|-----------------------------|--------------------------|-----------------------------|-----------------|
|             |               | General Obligation Bonds | Capital Leases | Capital Notes | Post Employment Benefits | Other Long-Term Obligations | General Obligation Bonds | State Loan-Wastewater | Capital Leases | Capital Notes | Post Employment Benefits | Other Long-Term Obligations |                          |                             |                 |
| 2007        | 14,761        | 1,225,500                | 126,898        | -             | -                        | 372,972                     | 510,000                  | 4,454,556             | -              | -             | -                        | 20,495                      | 6,710,421                | 1.62%                       | 455             |
| 2008        | 14,761        | 949,600                  | 305,879        | 200,000       | -                        | 393,477                     | 430,000                  | 4,153,084             | -              | 300,000       | -                        | 21,695                      | 6,753,735                | 1.63%                       | 458             |
| 2009        | 14,761        | 688,810                  | 178,710        | 183,336       | 531,344                  | 427,807                     | 340,000                  | 3,812,044             | -              | 275,000       | -                        | 25,544                      | 6,462,595                | 1.56%                       | 438             |
| 2010        | 15,921        | 422,930                  | 246,946        | 166,667       | 810,659                  | 477,266                     | 230,000                  | 4,625,014             | -              | 250,000       | -                        | 25,563                      | 7,255,045                | 1.62%                       | 456             |
| 2011        | 15,921        | 281,730                  | 256,333        | -             | 1,213,018                | 611,610                     | 3,400,000                | 7,722,973             | -              | -             | 45,614                   | 179,761                     | 13,711,039               | 3.07%                       | 861             |
| 2012        | 15,921        | 126,594                  | 307,780        | -             | 1,634,929                | 533,697                     | 2,863,536                | 11,178,796            | -              | -             | 80,828                   | 179,737                     | 16,905,877               | 3.80%                       | 1,062           |
| 2013        | 15,921        | 3,078,803                | 1,396,025      | -             | 2,024,442                | 571,814                     | 2,461,198                | 7,313,392             | 235,014        | -             | 117,911                  | 175,926                     | 17,374,525               | 3.91%                       | 1,091           |
| 2014        | 15,921        | 2,950,810                | 1,374,154      | -             | 2,347,528                | 668,960                     | 2,054,191                | 7,003,156             | 188,281        | -             | 140,626                  | 164,624                     | 16,892,330               | 3.80%                       | 1,061           |
| 2015        | 15,921        | 2,812,182                | 1,640,329      | -             | 2,660,784                | 965,633                     | 1,632,819                | 6,757,101             | 140,616        | -             | 154,602                  | 105,348                     | 16,869,414               | 3.80%                       | 1,060           |
| 2016        | 15,921        | 2,668,131                | 1,400,958      | -             | 2,993,453                | 1,802,016                   | 1,201,870                | 6,427,229             | 92,003         | -             | 168,192                  | 139,156                     | 16,893,008               | 3.80%                       | 1,061           |

Source: Population per the US Census Bureau

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

\*See page 71 for personal income information

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

| Tax Year | Fiscal Year | Population | Total Assessed Value | General Obligation Bonds | Ratio of General Obligation Debt to Assessed Value | Net General Obligation Debt Per Capita |
|----------|-------------|------------|----------------------|--------------------------|--|--|
| 2006     | 2007        | 14,761     | 419,802,689          | 1,225,500                | 0.29%  | 83                                     |
| 2007     | 2008        | 14,761     | 426,719,809          | 949,600                  | 0.22%  | 64                                     |
| 2008     | 2009        | 14,761     | 430,265,523          | 688,810                  | 0.16%  | 47                                     |
| 2009     | 2010        | 15,921     | 469,287,288          | 422,930                  | 0.09%  | 27                                     |
| 2010     | 2011        | 15,921     | 475,847,360          | 281,730                  | 0.06%  | 18                                     |
| 2011     | 2012        | 15,921     | 495,174,750          | 126,584                  | 0.03%  | 8                                      |
| 2012     | 2013        | 15,921     | 496,409,953          | 3,078,803                | 0.62%  | 193                                    |
| 2013     | 2014        | 15,921     | 497,951,329          | 2,950,810                | 0.59%  | 185                                    |
| 2014     | 2015        | 15,921     | 487,568,037          | 2,812,182                | 0.58%  | 177                                    |
| 2015     | 2016        | 15,921     | 487,227,976          | 2,668,131                | 0.55%  | 168                                    |

Source: Population data per the US Census Bureau

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

| Jurisdiction  | General<br>Obligation<br>Debt<br>Outstanding | Percentage<br>Applicable<br>to City * | Amount<br>Applicable<br>to City * |
|---|--|---------------------------------------|-----------------------------------|
| Sumner County   | \$ 171,995,000                               | 11.34%                                | \$ 19,506,694                     |
| Davidson County   | \$ 1,779,416,751                             | 2.35%                                 | <u>\$ 41,735,499</u>              |
| Subtotal, overlapping debt                                    |  |                                       | \$ 61,242,193                     |
| City of Goodlettsville direct debt of governmental activities |  |                                       | \$ 4,069,089                      |
| Total direct and overlapping debt                             |  |                                       | <u><u>\$ 65,311,282</u></u>       |

\* Based upon Assessed Value of Property in:

|                        |                  |
|------------------------|------------------|
| Sumner County          | \$4,271,336,500  |
| Davidson County        | \$20,653,977,599 |
| City of Goodlettsville | \$484,430,677    |

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

| Fiscal Year                    | 2016           | 2015           | 2014           | 2013           | 2012        | 2011        | 2010        | 2009        | 2008        | 2007        |
|--------------------------------|----------------|----------------|----------------|----------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Assessed Value                 | \$ 484,430,677 | \$ 487,568,037 | \$ 497,951,329 | \$ 496,409,953 | 495,174,750 | 475,847,360 | 469,287,288 | 430,265,523 | 426,719,809 | 419,802,689 |
| General<br>Obligation Debt     | \$ 4,069,089   | \$ 4,452,511   | \$ 4,324,964   | 4,474,828      | 434,365     | 538,063     | 836,542     | 1,050,852   | 1,455,479   | 1,352,399   |
| Debt as % of<br>Assessed Value | 0.84%          | 0.91%          | 0.87%          | 0.90%          | 0.09%       | 0.11%       | 0.18%       | 0.24%       | 0.34%       | 0.32%       |

Note- The City has no legal debt limit

**City of Goodlettsville**  
**Demographic and Economic 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** |
|------|------------|-----------------------|------------------------------|------------|---------------------------------------|------------------------------|
| 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                          |
| 2015 | 15,921     | 444,371,031           | 27,911                       | 39.90      | 13.62                                 | 6.9                          |
| 2016 | 15,921     | 459,113,877           | 28,837                       | 37.00      | 13.62                                 | 3.8                          |

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

\*\*Tennessee Department of Labor and Workforce Development

**City of Goodlettsville  
Demographic and Economic Information  
Principal Employers**

| Employer                       | Product/Service     | 2016      |      | 2008      |      |
|--------------------------------|---------------------|-----------|------|-----------|------|
|                                |                     | Employees | Rank | Employees | Rank |
| Tyson Foods, Inc               | Meat Packing        | 1,800     | 1    | 1,512     | 1    |
| Dollar General Corporation HDQ | Retail Distribution | 1,200     | 2    | 900       | 2    |
| Associated Wholesale Grocers   | Food Distribution   | 400       | 3    | 400       | 3    |
| USF Holland Motor Freight      | Distribution        | 400       | 4    | 300       | 4    |
| City of Goodlettsville         | Government          | 133       | 5    | 139       | 5    |
| Des-Case                       | Filters             | 90        | 6    | -         | -    |

Source: City Tax Rolls and Middle Tennessee Industrial Development Association

Notes: 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, |              |              |              |              |              |              |              |              |              |
|----------------------|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                      | 2016  | 2015         | 2014         | 2013         | 2012         | 2011         | 2010         | 2009         | 2008         | 2007         |
| General Government   | 12.0  | 14.0         | 11.0         | 12.0         | 13.0         | 13.0         | 11.0         | 12.0         | 12.0         | 10.0         |
| Community Services   | 6.0   | 5.0          | 6.0          | 6.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 6.0          |
| Police               | 63.6  | 60.4         | 56.0         | 57.0         | 56.0         | 57.0         | 53.0         | 54.0         | 54.0         | 51.0         |
| Fire                 | 23.0  | 23.8         | 19.0         | 19.0         | 19.0         | 19.0         | 18.0         | 18.0         | 18.0         | 18.0         |
| Hwys and Streets     | 8.3   | 12.2         | 15.0         | 14.0         | 14.0         | 14.0         | 11.0         | 11.0         | 12.0         | 12.0         |
| Parks and Recreation | 20.0  | 23.0         | 18.0         | 17.0         | 17.0         | 18.0         | 19.0         | 19.0         | 20.0         | 20.0         |
| Sanitation           | 1.0   | 1.7          | 0.0          | 0.0          | 0.0          | 5.0          | 7.0          | 7.0          | 7.0          | 7.0          |
| Sewer                | 8.3   | 6.6          | 6.0          | 6.0          | 6.0          | 6.0          | 9.0          | 9.0          | 9.0          | 8.0          |
| Stormwater           | 2.0   | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Total</b>         | <b>144.2</b>                                  | <b>146.6</b> | <b>131.0</b> | <b>131.0</b> | <b>132.0</b> | <b>139.0</b> | <b>135.0</b> | <b>137.0</b> | <b>139.0</b> | <b>132.0</b> |

**City of Goodlettsville  
Operating Information  
Operating Indicators by Function/Program**

|                           | Fiscal Year |        |        |        |        |
|---------------------------|-------------|--------|--------|--------|--------|
|                           | 2016        | 2015   | 2014   | 2013   | 2012   |
| <b>Police</b>             |             |        |        |        |        |
| Calls for Service         | 46,794      | 48,701 | 41,559 | 34,780 | 29,263 |
| Traffic Accidents         | 911         | 833    | 909    | 935    | 1,200  |
| <b>Fire</b>               |             |        |        |        |        |
| Calls for Service         | 3,156       | 2,837  | 2,730  | 2,713  | 2,651  |
| EMS/Rescue Incidents      | 2,203       | 1,990  | 1,772  | 1,837  | 1,836  |
| Structure fires           | 17          | 20     | 10     | 18     | 18     |
| Fire Inspections          | 29          | 24     | 57     | 73     | 73     |
| <b>Community Services</b> |             |        |        |        |        |
| Total Permits Issued      | 306         | 192    | 181    | 99     | 188    |
| Construction Plans        |             |        |        |        |        |
| Reviewed                  | 81          | 85     | 51     | 12     | 37     |
| Certificates of           |             |        |        |        |        |
| Occupancy Issued          | 98          | 42     | 46     | 73     | 33     |
| Building Inspections      | 657         | 353    | 310    | 271    | 318    |

Source: City Departmental Statistical Data

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

**City of Goodlettsville  
Operating Information  
Capital Assets Statistics by Function/Program, Last Ten Fiscal Years**

|                             | Fiscal Year |      |      |      |       |       |       |       |       |       |
|-----------------------------|-------------|------|------|------|-------|-------|-------|-------|-------|-------|
|                             | 2016        | 2015 | 2014 | 2013 | 2012  | 2011  | 2010  | 2009  | 2008  | 2007  |
| <b>Police</b>               |             |      |      |      |       |       |       |       |       |       |
| Stations                    | 2           | 2    | 2    | 2    | 1     | 1     | 1     | 1     | 1     | 1     |
| Vehicles                    | 45          | 45   | 50   | 53   | 52    | *     | *     | *     | *     | *     |
| <b>Fire</b>                 |             |      |      |      |       |       |       |       |       |       |
| Stations                    | 1           | 1    | 1    | 1    | 1     | 1     | 1     | 1     | 1     | 1     |
| Fire Trucks                 | 6           | 6    | 6    | 6    | 6     | 6     | 6     | 6     | 5     | 5     |
| Autos and trucks            | 3           | 3    | 3    | 3    | 3     | 3     | 3     | 3     | 3     | 3     |
| Inflatable boat with motor  | 1           | 1    | 1    | 1    | 1     | 0     | 0     | 0     | 0     | 0     |
| <b>Public Works</b>         |             |      |      |      |       |       |       |       |       |       |
| Streets (miles)             | 85          | 85   | 85   | 85   | 85    | 85    | 83    | 83    | 83    | 83    |
| Traffic Signals             | 21          | 22   | 22   | 21   | 21    | 21    | 20    | 20    | 19    | 19    |
| <b>Parks and Recreation</b> |             |      |      |      |       |       |       |       |       |       |
| Acreage                     | 210         | 210  | 210  | 210  | 205.4 | 205.4 | 205.4 | 205.4 | 205.4 | 185.9 |
| Playgrounds                 | 5           | 4    | 4    | 3    | 3     | 3     | 3     | 3     | 3     | 3     |
| Baseball/softball diamonds  | 12          | 12   | 12   | 12   | 12    | 12    | 12    | 12    | 12    | 12    |
| Soccer/football fields      | 15          | 15   | 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  
Operating Information  
Water and Sewer Rates**

The City of Goodlettsville's Sewer Fund had approximately 5,294 customers at June 30, 2016. Its rate structure was as follows:

| <b>Residential</b><br><i>(Minimum Charges per Month up to 200<br/>Cubic Feet Usage)</i> |           |
|---|-----------|
| Meter Size  | Rate (\$) |
| 5/8"  | 10.98     |
| 3/4"  | 31.15     |
| 1"  | 37.52     |
| 1 1/2"  | 55.16     |
| 2"  | 74.28     |
| 3"  | 98.01     |
| 4"  | 159.72    |
| 6"  | 250.80    |
| 8"  | 392.22    |
| 10"   | 392.22    |

| <b>Small Commercial and Industrial</b><br><i>(Minimum Charges per Month up to 200<br/>Cubic Feet Usage)</i> |           |
|---|-----------|
| Meter Size  | Rate (\$) |
| 5/8"  | 12.27     |
| 3/4"  | 34.89     |
| 1"  | 42.02     |
| 1 1/2"  | 61.78     |
| 2"  | 83.19     |
| 3"  | 109.77    |
| 4"  | 178.88    |
| 6"  | 280.91    |
| 8"  | 439.28    |
| 10"   | 439.28    |

Usage over 200  
Cubic Feet                      6.82 per 100 cu.ft.

Usage over 200  
Cubic Feet                      7.64 per 100 cu.ft.

| <b>Intermediate Commercial and Industrial</b><br><i>(Minimum Charges per Month up to 200<br/>Cubic Feet Usage)</i> |           |
|--|-----------|
| Meter Size   | Rate (\$) |
| 5/8"   | 40.17     |
| 3/4"   | 55.97     |
| 1"   | 62.41     |
| 1 1/2"   | 77.51     |
| 2"   | 94.68     |
| 3"   | 118.50    |
| 4"   | 187.57    |
| 6"   | 289.60    |
| 8"   | 450.81    |
| 10"  | 450.81    |

| <b>Large Commercial and Industrial</b><br><i>(Minimum Charges per Month up to 200<br/>Cubic Feet Usage)</i> |           |
|---|-----------|
| Meter Size  | Rate (\$) |
| 5/8"  | 1,550.46  |
| 3/4"  | 1,567.22  |
| 1"  | 1,572.67  |
| 1 1/2"  | 1,587.75  |
| 2"  | 1,604.93  |
| 3"  | 1,620.00  |
| 4"  | 1,689.17  |
| 6"  | 1,791.17  |
| 8"  | 1,961.07  |
| 10"   | 1,961.07  |

Usage over 200  
Cubic Feet                      6.23 per 100 cu.ft.

Usage over 200  
Cubic Feet                      4.70 per 100 cu.ft.

The City also had approximately 4,852 Solid waste customers at June 30, 2016 that are charged \$16/month per residential living unit.

**Internal Control and Compliance Section**

# Parker, Parker & Associates, PLC

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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 and the budgetary comparison for the General Fund of the City of Goodlettsville, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Goodlettsville, Tennessee's basic financial statements, and have issued our report thereon dated December 14, 2016.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the City of Goodlettsville, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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 14, 2016

**CITY OF GOODLETTSVILLE, TENNESSEE**  
**Schedule of Prior Year Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2016**

**Financial Statement Findings**

| <b>Finding Number</b> | <b>Finding Title</b> | <b>Status</b> |
|-----------------------|----------------------|---------------|
| 2015-001              | Budget Overage       | Corrected     |

**Federal Award Findings and Questioned Costs**

| <b>Finding Number</b> | <b>Finding Title</b> | <b>Status</b> |
|-----------------------|----------------------|---------------|
| n/a                   | n/a                  | n/a           |